RESPONSIBLE CARE®
OUR COMMITMENT TO SUSTAINABILITY

DEEPAK NITRITE

DNL/140/NSE/1510/2024
July 15, 2024

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: 53rd Annual Integrated Report and Notice of the 53rd Annual General Meeting ("AGM") for the Financial Year ("FY") 2023-24

This is further to our letter dated July 14, 2024, intimating that the 53rd Annual General Meeting (AGM) of the Company will be held on Tuesday, August 6, 2024 at 11:30 A.M. (IST) through Video Conferencing/ Other Audio Visual Means in accordance with applicable circulars issued by the Ministry of Corporate Affairs (MCA) and the Securities Exchange Board of India (SEBI).

Pursuant to the provisions of Regulation 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith a copy of the 53rd Annual Integrated Report of the Company for the FY 2023-24 alongwith Notice convening 53rd AGM of the Company, which forms part of the 53rd Annual Integrated Report.

The 53rd Annual Integrated Report of the Company along with Notice convening 53rd AGM and other relevant documents are also available on the website of the Company at www.godeepak.com.

In compliance with applicable Circulars issued by MCA and SEBI, the 53rd Annual Integrated Report for FY 2023-24 along with Notice of 53rd AGM are being sent only through electronic mode to those members whose email IDs are registered with the Company's RTA/ Depositories.

Kindly take the same on your record.

Thanking you,
For **DEEPAK NITRITE LIMITED**
ARVIND BAJPAI
Digitally signed by ARVIND BAJPAI
DN: c=IN, o=PERSONAL, pseudonym=a9c4384241054ba5b503abf05562424d, 2.5.4.20=5e346815dc7635233a634ce9bf78e43d07a9f5d1aea1037f1a9f3fc1ec6a1377c1a9f3, postalCode=390021, st=GUJARAT, serialNumber=db220c47bf1f37c5b59d5bbf957e1972f2798e5a4d8bc7f5b9688f5d3640df8da, cn=ARVIND BAJPAI
Date: 2024.07.15 20:28:16 +05'30'

ARVIND BAJPAI
Company Secretary

DEEPAK NITRITE LIMITED VADODARA

Encl.: as above

DEEPAK NITRITE LIMITED
CIN: L24110GJ1970PLC001735
Registered & Corporate Office:
2nd Floor, Fermenter House, Alembic City, Alembic Avenue Road, Vadodara – 390 003, Gujarat, India.
Tel: +91 265 276 5200/276 5500
Investor Relations Contact: investor@godeepak.com
www.godeepak.com

DEEPAK NITRITE

RESPONSIBLE CHEMISTRY



Making the Right Moves

53rd Annual Integrated Report 2023-24

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FINANCIAL STATEMENTS

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₹ 7,682 Crores
Revenues

₹ 4,797 Crores
Net worth

₹ 7.50 per share
Dividend

Fifty Third Annual General Meeting
Day & Date: Tuesday, August 06, 2024
Time: 11:30 A.M.
Through VC / OAVM

Corporate Information

BOARD OF DIRECTORS

Shri Deepak C. Mehta
Chairman & Managing Director

Shri Maulik Mehta
Executive Director & Chief Executive Officer

Shri Sanjay Upadhyay
Director (Finance) & Group CFO

Shri Girish Satarkar
Executive Director

Shri Ajay C. Mehta
Non-Executive Director

Shri Meghav Mehta
Non-Executive Director

Shri Sanjay Asher
Independent Director

Smt. Purvi Sheth
Independent Director

Shri Dileep Choksi
Independent Director

Shri Punit Lalbhai
Independent Director

Shri Vipul Shah
Independent Director

Shri Prakash Samudra
Independent Director

CHIEF FINANCIAL OFFICER & CHIEF RISK OFFICER

Shri Somsekhar Nanda

COMPANY SECRETARY & COMPLIANCE OFFICER

Shri Arvind Bajpai

AUDIT COMMITTEE

Shri Dileep Choksi, Chairman
Shri Sanjay Asher, Member
Shri Vipul Shah, Member

STAKEHOLDERS' RELATIONSHIP & INVESTORS GRIEVANCE COMMITTEE

Shri Ajay C. Mehta, Chairman
Shri Sanjay Asher, Member
Shri Sanjay Upadhyay, Member

NOMINATION & REMUNERATION COMMITTEE

Smt. Purvi Sheth, Chairperson
Shri Deepak C. Mehta, Member
Shri Sanjay Asher, Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Shri Deepak C. Mehta, Chairman
Shri Sanjay Upadhyay, Member
Smt. Purvi Sheth, Member
Shri Punit Lalbhai, Member

RISK MANAGEMENT COMMITTEE

Shri Deepak C. Mehta, Chairman
Shri Prakash Samudra, Member
Shri Sanjay Upadhyay, Member
Shri Maulik Mehta, Member
Shri Vipul Shah, Member

SUSTAINABILITY COMMITTEE

Shri Punit Lalbhai, Chairman
Shri Vipul Shah, Member
Shri Maulik Mehta, Member
Shri Girish Satarkar, Member

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Private Limited
"Geetakunj" 1, Bhakti Nagar Society,
Behind ABS Tower, Old Padra Road,
Vadodara – 390 015

BANKERS

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

STATUTORY AUDITORS

Deloitte Haskins & Sells LLP
Chartered Accountants

SECRETARIAL AUDITORS

KANJ & Co. LLP
Company Secretaries

COST AUDITORS

B.M. Sharma & Co.
Cost Accountants

INTERNAL AUDITORS

Sharp & Tannan Associates
Chartered Accountants

CORPORATE IDENTITY NUMBER

L24110GJ1970PLC001735

CORPORATE & REGISTERED OFFICE

2nd Floor, Fermenter House, Alembic City,
Alembic Avenue Road,
Vadodara – 390 003, Gujarat
Tel: +91-265-2765200/3960200
E-mail: investor@godeepak.com
Website: www.godeepak.com

PLANTS

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

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

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

Hyderabad Specialities Division
Plot Nos. 70-A & B, 90-F/70-A and 22,
Phase I, Industrial Development Area,
Jeedimetla, Tal. Quthbullapur Mandal,
Dist. Ranga Reddy, Hyderabad – 500 055,
Telangana

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

Deepak Phenolics Limited
Plot No. 12/B/1, GIDC, Dahej,
Dist. Bharuch – 391 130, Gujarat

Deepak Chem Tech Limited

Dahej Plant
D-II/6/1 and D-II/6/1/A, Dahej II Industrial Estate, Dahej, Rahiyad Village, Taluka Vagra, Bharuch - 392 130, Gujarat

Nandesari Plant
Part of 4/1 and 5/P, GIDC Chemical Complex, GIDC, Nandesari,
Vadodara - 391 340, Gujarat

Approach to Reporting

Our Integrated Report for FY 2023-24 provides relevant information to our shareholders and other stakeholders about the performance, governance, material risks and opportunities, strategy and future prospects of Deepak Nitrite Limited.

Reporting period and boundary

The report, published annually, provides material information relating to the Company's strategy and business model, operating context, material risks, stakeholder interests, performance, prospects and governance for the period between April 1, 2023 and March 31, 2024. The reporting boundary includes all offices and facilities.

Financial and non-financial reporting

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

Approach to materiality

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



Frameworks, guidelines and standards

This Report aligns with the principles and guidelines of the

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

Our capitals

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

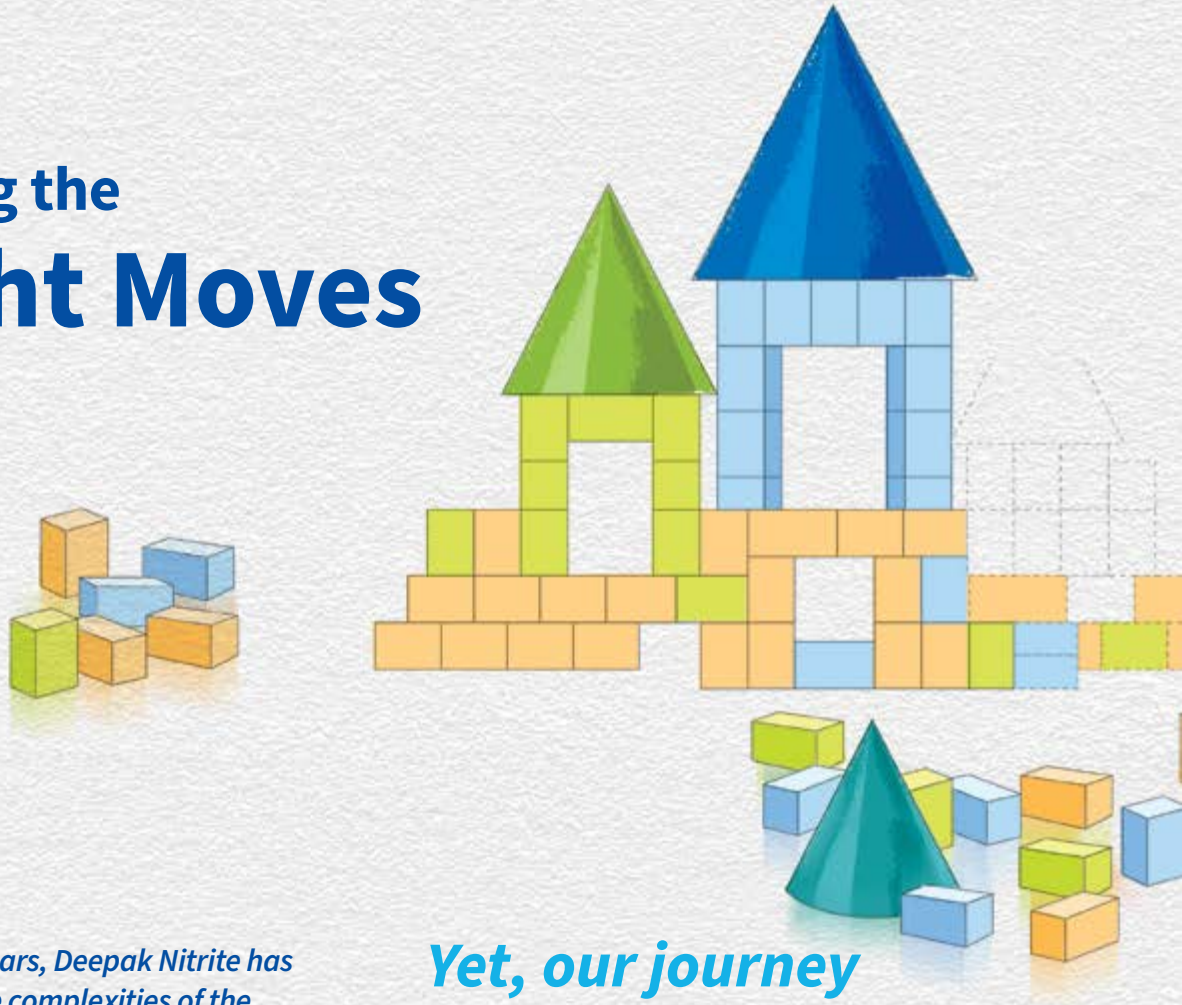
Sustainability/ESG indices participation

We are proud to have our efforts in sustainable development recognised by industry-leading rating and ranking agencies like EcoVadis Sustainability Assessment. Our Dahej Facility scored a 100% score in the 'Together for Sustainability' (TfS) assessment at its maiden attempt previous year and our Hyderabad facility has scored 95% in TfS assessment at its maiden attempt during the year. This reaffirms Deepak Group's greater commitment towards sustainability.

Forward-looking statements

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

Making the Right Moves



For over 50 years, Deepak Nitrite has navigated the complexities of the dynamic and ever-evolving chemical industry, emerging as a formidable player with an unwavering commitment to innovation, efficiency and sustainability. Our ability to make the right moves at the right times has been the cornerstone of our success.

Over the past years, we've demonstrated resilience and adaptability, ensuring a steady supply of products to our customers and improving our market share in many cases. We've prioritised our most valued relationships, leveraging our strong brand and market position. This has enabled us to achieve growth in sales volumes, even in a challenging environment. We've seized debottlenecking opportunities and implemented automated operations, leading to record production levels for some of our products and enhanced efficiencies.

Yet, our journey is far from over.

With our sights set on a stronger and prosperous future, we continue to scale and advance our strategic endeavours. We are laying building blocks for the future.

As India's economy continues to flourish, presenting ample headroom for the chemical industry, we are eager to contribute to the nation's emergence as a global chemical player. We are taking bold and ambitious steps to realise our vision and ensure sustainable growth.

Our ongoing projects are progressing well and are on track for commissioning as planned. Additionally, our focus on enhancing process improvement and operational excellence remains undeterred. Our goal is to sustain leadership in key products and processes, continuously innovating and expanding to generate higher value for all stakeholders.

DEEPAK GROUP AT A GLANCE

Pioneering Innovation and Excellence for Over Five Decades

Deepak Group led by its flagship, Deepak Nitrite Limited (DNL) stands as a leading manufacturer of Advanced Intermediates and Phenolic Chemicals in India. Renowned for our commitment to innovation and excellence, we have earned the reputation of one of the most dependable organisations with a diverse portfolio catering to numerous industries and applications.

Leveraging our expertise, technological prowess and operational excellence, we are well-placed to seize the abundant opportunities and consistently deliver value for our stakeholders. We are recognised globally as a 'Responsible Manufacturer,' and 'Supplier of Choice' by our esteemed customers.

We have established a strong global customer base across countries and continents. The driving force behind this success is our portfolio of high-quality products which includes Sodium Nitrite, Phenol, Acetone, IPA, Xylidines, Oximes, Toluidines, Cumedines and many more. These products are manufactured at eight state-of-the-art facilities at five strategic locations, ensuring precision and superior quality. Currently, we are catering to diverse industries such as pharma, dyes and pigments, agrochemicals, laminates, plywood, paints and beyond.

BUILDING A SUSTAINABLE FUTURE

We envision a sustainable progression and have devoted ourselves to consistent innovation while adhering to environmental norms for a promising future with holistic development. Our world-class manufacturing facilities comply with strict emission norms. We have made proactive investments toward energy conservation measures across our facilities. Together these measures make up the primary factors backing our growing present.



KEY HIGHLIGHTS

8
Modern Manufacturing Facilities at 5 strategic locations

34
Products

56+
Applications

Zero
Net debt

ICRA AA
Long-Term Rating

45+
Countries receive our products

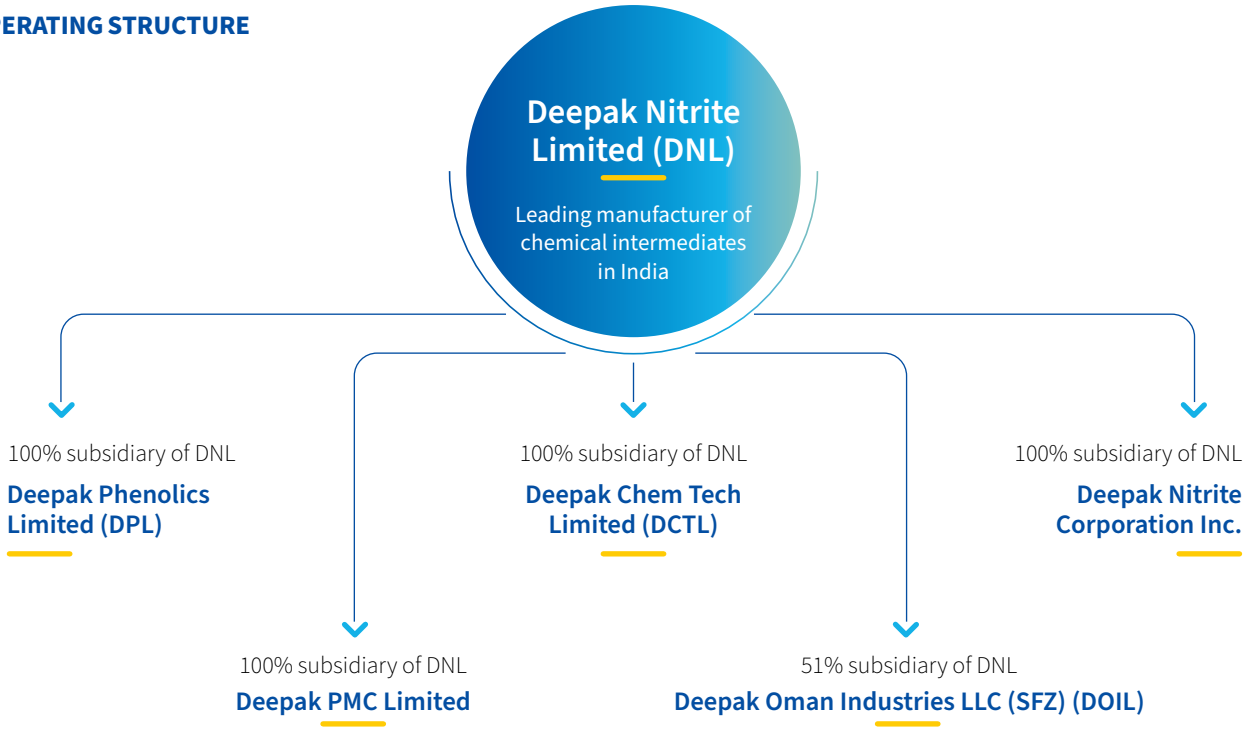
5,241
Total Workforce

1,500+
Customers

₹ 7,682 Crores
Revenue Generated

ICRA A1+
Short-Term Rating

OPERATING STRUCTURE



OUR CAPABILITIES

- Forward and backward integration, expanding our product range
- Sustainable and versatile business model
- Largest producer of Sodium Nitrite and Sodium Nitrate since 1972 in India
- Largest producer of Phenol and Acetone in India with 50%+ market share
- Among the top three global players for products like Xylidines and Oximes
- Strong financials with zero net debt status
- Robust creditworthiness supported by a sturdy rating from the credit rating agencies
- Strong leadership and competent management through effective decision-making
- Robust R&D capabilities
- Rich legacy of over five decades
- Technological advancement and operational excellence

MANUFACTURING FOOTPRINT

Enabled by World-class Manufacturing Infrastructure



OUR PRESENCE

Manufacturing Location

Nandesari, Gujarat (DNL, DCTL)

Dahej, Gujarat (DNL, DPL and DCTL)

Taloja, Maharashtra

Roha, Maharashtra

Hyderabad, Telangana

Headquarters

Vadodara

Deepak Nitrite Corporation Inc., USA

Upcoming Manufacturing Facility - Deepak Oman Industries LLC (SFZ)

Salala Free Zone, Oman

Deepak Group's Customers

Map not to scale. For Illustrative purpose only.

Our expansive geographical footprint encompasses eight robust manufacturing units at five strategic locations and two project sites currently under construction. This strategic distribution ensures widespread production capabilities, enabling us to efficiently serve diverse markets while reinforcing our commitment to sustained growth and development.



Creating Enduring Value across the Six Capitals



FINANCIAL CAPITAL

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

Management approach

Create value for stakeholders through sustainable growth.

Value created

₹ 4,797 Crores
Net worth

₹ 102 Crores
Dividend for FY 2023-24

Read more on Page 58

MANUFACTURED CAPITAL

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

Management approach

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

Value created

34
High Quality Products

12+ Mn
Manhours without lost time incident at Phenolics facility

300+ KT
Phenol Manufactured



Read more on Page 62



HUMAN CAPITAL

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

Management approach

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

Value created

64,777
Hours of training

₹ 351 Crores
Salaries and wages paid

ZERO
Labour unrest

Read more on Page 76

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



INTELLECTUAL CAPITAL

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

Management approach

Consider innovation as a strategic element of the Company.

Value created

4
New product launched

24
No. of Cumulative Patents Granted

30+
Software Systems in use for Digitalisation of Processes

Read more on Page 82

SOCIAL & RELATIONSHIP CAPITAL

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



Management approach

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

Value created

8,50,000+
Lives improved through our CSR initiatives

1,500+ Customers across
45+ countries

3,000+
Suppliers

Read more on Page 82



NATURAL CAPITAL

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

Management approach

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

Value created

4,36,526 KL
Water Reused and Recycled

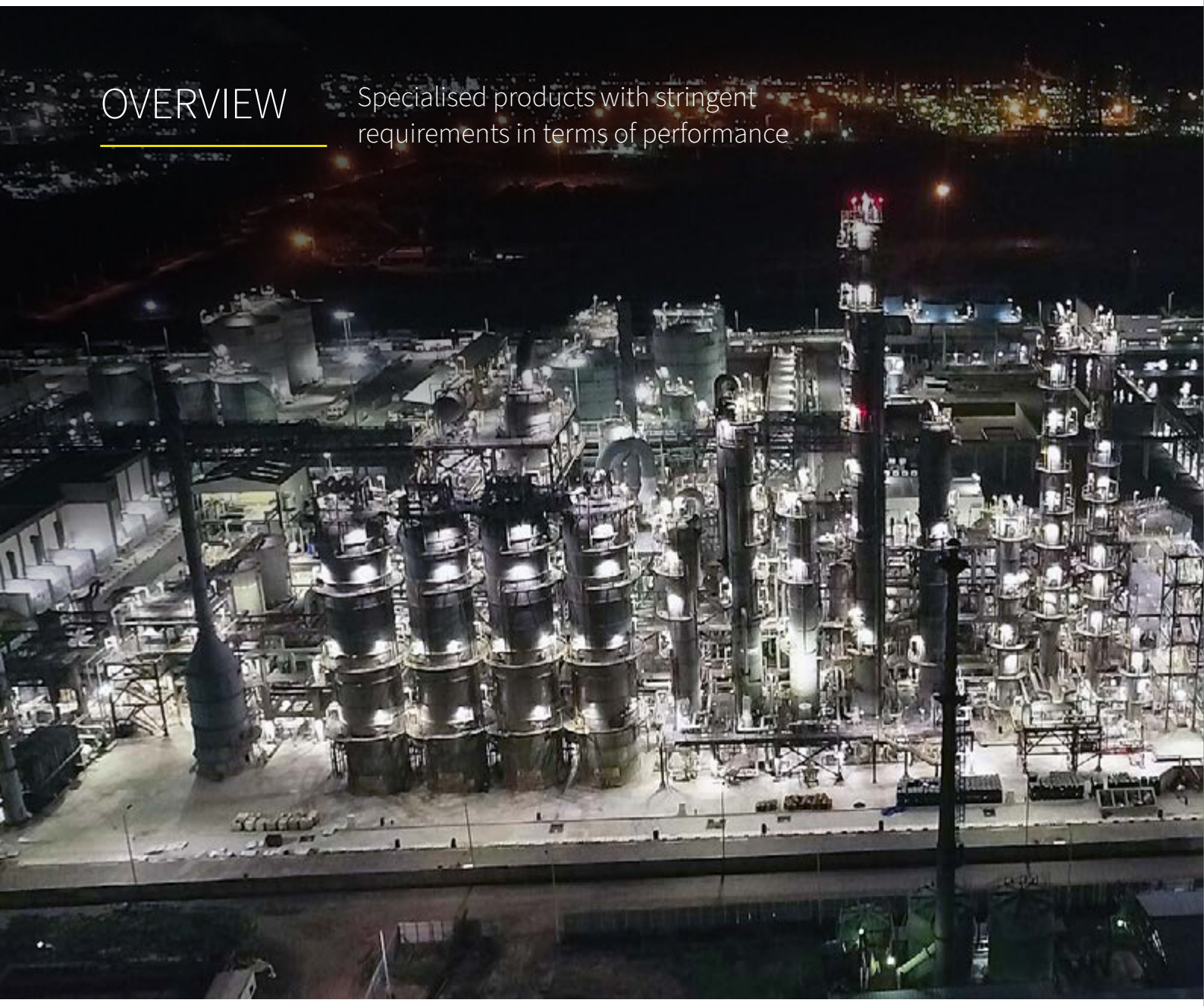
12.49%
Reduction in GHG Emission

95%
Score in TfS by Hyderabad Division

Read more on Page 94

BUSINESS SEGMENT OVERVIEW

Advanced Intermediates



OVERVIEW

Specialised products with stringent requirements in terms of performance

PRODUCTS

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



APPLICATION DIVERSITY

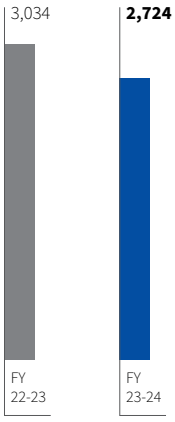
Colourants, Dyes, Rubber, Paper, Agrochemicals, Pharmaceuticals, Personal Care, Water Treatment, Glass Industries, Textiles, Industrial Explosives, Fuel Additives, etc.

PERFORMANCE

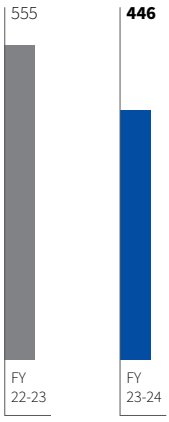
- Revenue of Advanced Intermediates segment was impacted due to subdued pricing trajectory owing to various geopolitical reasons
- Achieved higher volumes through a mix of product basket diversification and focus on end-user categories that witnessed improved demand amid a volatile global economic environment
- Improved market share for core portfolio through active customer engagements
- Initiatives around backward integration and brownfield capacity expansion will elevate the performance trajectory in line with expected improvement in demand
- Deepak Chem Tech Limited commissioned BTF plant Operations in March 2024 at Dahej, Gujarat

ADVANCED INTERMEDIATES

Revenue (₹ in Crores)



EBIT (₹ in Crores)



BUSINESS SEGMENT OVERVIEW

Phenolics



OVERVIEW

High volume import substitutes

PRODUCTS

Cumene, Phenol, Acetone, Isopropyl Alcohol, Alpha Methyl Styrene (AMS)



APPLICATION DIVERSITY

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

PERFORMANCE

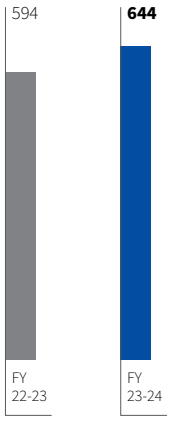
- Maintained stable margins on account of integrated manufacturing infrastructure with consistently high utilisation levels
- The Phenol plant clocked an average utilisation rate of over 150% during the year and achieved the highest ever quarterly sales for Phenol. The volume ramp-up post debottlenecking initiatives at the plant contributed to this achievement
- Achieved 13% higher volumes of productions and record 3,00,000+ tonnes of Phenol production during the year
- Successfully implemented Advance Process Controls (APC) resulting into increase in production and reduction in raw material and energy consumption as well as safe operations

PHENOLICS

Revenue (₹ in Crores)



EBIT (₹ in Crores)



Message from the Chairman & Managing Director

Dear Stakeholders,

We are delighted to present our 53rd Annual Report for the Financial Year 2023-24, showcasing Deepak Nitrite's consistent performance in a challenging operating environment, driven by our manufacturing prowess, integrated infrastructure, R&D expertise and nimble operations. Our focus remains on making strategic investments and building a resilient business model through strong integration.



> Over the next five years, we plan to establish a world-class integrated complex, to drive domestic growth, meet global demands and position Deepak Group as a leading player in the chemical industry.

Deepak C. Mehta
Chairman & Managing Director

FY 2023-24 was a pivotal period for Deepak Group, with key milestones achieved such as MoUs with the Government of Gujarat, binding Term Sheet with Petronet LNG and our entry into fluorination. To solidify our position as a leader in India's burgeoning market, we are strategically investing in both forward and backward integration projects. This means developing cutting-edge facilities, introducing new products and optimising our processes. Through this comprehensive approach, we will fuel our expansion and establish ourselves as a truly distinct player in the high potential Indian markets. Over the next five years, we plan to establish a world-class integrated complex, to drive domestic growth, meet global demands and position Deepak Group as a leading player in the chemical industry.

GLOBAL ECONOMIC LANDSCAPE AND INDIA'S RESILIENCE

Looking ahead to 2025, the global economic outlook is strengthening as uncertainties diminish, prompting major Western central banks to consider interest rate cuts. This move is poised to enhance capital flows to India, stimulating private investment and exports. Although inflation concerns may persist into the latter part of the next fiscal year, the Asia-Pacific region remains a stronghold, driving 60% of global growth. Factors such as robust domestic consumption in ASEAN nations, significant public investments in China and India and flourishing tourism in Pacific Island nations continue to bolster the region's resilience despite geo-political challenges.

INDIA'S ECONOMIC GROWTH TRAJECTORY

India has demonstrated adeptness in navigating recent economic disruptions, solidifying its position as one of the world's fastest-growing major economies. In FY 2023-24, GDP surged to 8.2%, exceeding the initial forecasts. The IMF has raised India's growth projections stand at 6.8% for FY 2024-25 and 6.5% for FY 2025-26, up from earlier estimates. With inflation hovering near the target of 4% and expected to decline further, consumer spending is anticipated to drive economic momentum. India's proactive economic reforms, substantial public investments and a robust consumption outlook underscore its promising growth trajectory in the coming years, supported by enhanced global engagements and demographic dividends.

CHEMICAL INDUSTRY OUTLOOK

The global chemical industry surged to USD 6.0 Trillion in 2023, despite several challenges. It is poised for robust demand driven by products supporting the energy transition and bolstered by Government policies. The sector's evolution towards sustainable solutions aligns with global environmental goals.

INDIA'S ASCENDANCE

India's chemical sector is pivotal to the economy, contributing approximately 7% to GDP and ranking as the sixth-largest producer globally. It is projected to reach USD 304 Billion by 2025 at a CAGR of 9.3%, benefiting from increasing domestic consumption and demand across diverse industries. Government initiatives like 'Aatmanirbhar Bharat' and 'Make in India' aim to reduce import dependence and bolster domestic manufacturing, further strengthening the sector's growth trajectory.

Despite challenges such as volatile raw material costs and infrastructure limitations, India's chemical industry is positioned for significant expansion through capacity enhancements, investments in R&D and export opportunities. Favourable Government policies, competitive labour costs and a strategic focus on sustainability and innovation, position India as a key player in the global chemical landscape. On the demand side, several factors are propelling growth like surge in domestic consumption, growing appetite for sustainable products and continuous advancements in technology.

NAVIGATING CHALLENGES IN FY 2023-24: EMBRACING MARKET SHIFTS FOR SUSTAINABLE GROWTH

Entering FY 2023-24, we encountered a complex business environment marked by challenges like Chinese dumping, destocking and geopolitical tensions, alongside economic slowdown in the EU zone and high interest rates globally. Despite these hurdles, we effectively managed our supply chain, ensuring seamless service for our clients.

Amidst evolving customer demands and adjustments by Chinese suppliers, we optimised our operations, achieving record production levels and enhancing efficiency across key product lines. Leveraging strong partnerships and brand equity, we stimulated growth through increased volumes and substantial cost savings in yield and energy.

Our consolidated efforts yielded robust results, translating to volume growth, enhanced plant efficiencies and successful commissioning of our fluorination plant at Dahej. Expansion initiatives, such as the Research and Technology Centre and strategic partnerships, further strengthened our business proposition.

Looking ahead, India's chemical sector offers immense growth potential. Our focus on operational excellence, byproduct valorisation and strategic investments positions us well to capitalise on emerging opportunities in India and global markets. With a vision for integrated operations and foray in high-value speciality products, we are poised to lead amidst industry challenges, driving ambitious growth strategies in the years ahead.



In the next few years, we will add new verticals in material science, particularly speciality polymers and their compounds. This expansion will enable us to serve new high-value segments in growth sectors such as automobiles, electronics, semiconductors, healthcare, etc."

EXECUTING PROJECTS TO IMPROVE RESILIENCE

Deepak Nitrite is pursuing strategies to integrate backward and start from basic building blocks on one side and to integrate forward to come close to selling performance products. This would not only enhance profit margins but would also make our product value chains more resilient. In particular, through our ongoing capex programmes, we are creating the following:

Leadership in Nitration: Our projects for backward integration to make our own Nitric Acid for all our nitration products, our own benzo-tri-fluoride for our specialities, will add sustainable resilience to these businesses. Additionally, this is also expected to reduce carbon emission by more than 75% in logistics movements of these inputs.

High Value Solvents: Similarly, forward integration to make Methyl Isobutyl Ketone (MIBK) and other solvents from our product, Acetone will further add value and increase our bouquet of Solvents for the pharmaceutical and agrochemical industries.

MAKING RIGHT MOVES : OUR FIVE-YEAR STRATEGIC VISION

Deepak Nitrite is charting a transformative path by establishing an integrated facility towards manufacturing building blocks, intermediates, speciality chemicals alongside high-performance polymers, advanced materials and effect chemicals. These strategic initiatives underscore our commitment to the India-first narrative by offering innovative and high quality products in a sustainable manner.

Our vision encompasses building global scale plants to serve the rapidly-growing domestic market while leveraging access to building blocks and adopting most optimal processes and technologies. We also aim to create a competitive speciality business for both domestic market and select export markets, by integrating knowledge-intensive capabilities with our robust research and development competencies. This dual focus allows us to harness large volumes and address the demand-supply gap for intermediates in India while striving to become strategic partner for global and domestic customers.

To progress on this growth path, Deepak Chem Tech has signed two MoUs with the Gujarat Government, totalling ~₹ 14,000 Crores investment outlay, including a previous commitment. During FY2024, we entered into a binding Term Sheet with Petronet LNG for supply of critical RMs over a long-term period from their proposed facility at Dahej, which will help us mitigate key risk for future operations.

A dedicated project execution team has been established and preparations for a special project subsidiary are underway. In the next few years, we will add new verticals in material science, particularly speciality polymers and their compounds. This expansion will enable us to serve new high-value segments in growth sectors such as automobiles, electronics, semiconductors, healthcare, etc.

New polymers that we plan to manufacture are:

Polycarbonate (PC) resin: This is one of the fastest-growing engineering polymers with end use in electric vehicles, electronics, semi-conductor, mobility, medical devices, defence equipment - to name a few.

India is 100% import-dependent for its PC requirements and we are targeting to become the first domestic player to reduce India's import dependence.

Methyl methacrylate (MMA) along with its Polymer Polymethyl methacrylate (PMMA): In addition to manufacturing of PMMA (which finds applications in industries such as electronic components, automotive, healthcare, furniture etc.), MMA also finds major application in acrylates-based paints & coatings. Here again, India is 100% import-dependent and we are committed to improve self-sufficiency by setting up country's first MMA/PMMA facility.

Both the above projects integrate well with our target of doubling our Phenol-Acetone capacity in the near future. As a part of this growth agenda, we are also planning to set up India's first Bisphenol-A (BPA) plant, which is key intermediate for producing PC as well as Epoxy Resins.

As we continue to progress on these growth projects, to take our vision forward, we are building new state-of-the-art research and development (R&D) facility at Savli, Vadodara, slated for completion within this financial year itself.

We have already commenced production of our fluorination asset in Dahej, enhancing our backward integration for crucial agrochemicals and opening up of various newer avenues of manufacturing opportunities. Various developments such as these will support the domestic market, highlighting the importance of meeting local needs while selectively expanding internationally.

Additionally, DNL has increased its stake in Deepak Oman Industries LLC (SFZ) (DOIL) to 51%, making it a subsidiary. This strategic investment aligns with our goal of strengthening our market position and expanding our operational capabilities.

Over the next five years, we anticipate a blend of opportunities; some will enhance our topline, while others will bolster our resilience by improving competitiveness and value addition. Deepak plans to cover the entire spectrum of petrochemicals, engineering polymers and speciality and performance products, often holding the first-mover advantage in the Indian market. Our targeted investments in downstream of phenol/acetone, as well as focus on operational excellence, integration and value addition to produce speciality chemicals are strategically positioning us to create sustainable competitive advantage.

FORGING A PROMISING FUTURE

Our ongoing forward and backward integration projects are central to our vision, strengthening our position across the product value chain. By setting up global-scale plants for India's flourishing market, we aim to meet the rising demand for intermediates while becoming a preferred partner for global clients seeking reliable supply of quality products in specialised chemistries.

India stands at an inflection point, presenting immense opportunities amid turbulent times in the chemical sector. Recognising this, we have meticulously crafted value chains to ensure sustained growth in revenue, profitability and resilience against international challenges. Our strategic investments over the next 4 to 5 years will expand our capabilities, including ventures into material science with a focus on speciality products and compounds.

Despite challenges, we are steadfast in growing our market share and enhancing our competitive edge. Our commitment to broadening our product offerings, fostering client relationships and driving innovation underscores our readiness to seize opportunities both domestically and globally.

We have approved an ESOP plan to reward and retain key talent, aligning their efforts with the Company's long-term success.

With a robust financial foundation and a clear vision for the future, Deepak Group is poised to lead the chemical industry by delivering superior value for all the stakeholders and pioneering advancements that define the next era of growth and excellence.

VOTE OF THANKS

I sincerely thank all our stakeholders, including shareholders and investors, for their unwavering support. The dedication and hard work of our employees have been vital in achieving our ambitious goals and realising our vision. The invaluable guidance of our esteemed Board members has been a source of wisdom, steering us through every challenge and opportunity. Thanks to the collective efforts of our entire team, Deepak Nitrite and Deepak Phenolics Limited have consistently delivered exceptional value on a global scale.

Looking to the future, we are optimistic about the numerous opportunities that lie ahead. Our commitment to growth is matched by our determination to stay agile, allowing us to adapt swiftly to the constantly changing landscape of our industry. This adaptability ensures that we can continue to innovate, excel and lead in our sector.

In conclusion, I extend my deepest appreciation to everyone who has been part of our Company's incredible journey. Your support has been instrumental in our success and we are honoured to have you on board. Moving forward, we are committed to pursuing sustainable growth and creating enduring value, guided by a shared vision of excellence and progress. Thank you for being an integral part of our narrative.

Best Regards,

DEEPAK C. MEHTA

Chairman & Managing Director

CEO's Communique

Dear Stakeholders,

Deepak Nitrite Limited ('DNL') delivered an encouraging performance in FY 2023-24, overcoming challenges amidst a febrile macro-economic environment. Aggressive price competition from China, demand uncertainty in agrochemicals from Europe and logistic challenges from the critical Red Sea shipping route presented short and medium term challenges. However, they were dealt with in a mature and nuanced manner, ensuring that our market share for intermediates and wallet share for speciality chemicals were determinants for success.



For our esteemed Shareholders, we have meticulously crafted a strategic roadmap, firmly anchored in our core principles and values. This roadmap serves as our guiding compass, ensuring responsible and sustainable growth, while striking a harmonious balance between resource deployment and robust returns on investment.

MAULIK MEHTA
Executive Director & CEO

Ongoing efforts to improve asset utilisation and efficiency improvements resulted in record production and cost saving. This, coupled with innovative improvements to key production processes and new product development in partnership with customer engagement reinforces our investment thesis. With a commitment to innovation and strategic investments, we are well-positioned for sustained success. This unwavering strategy ensures our resilience and profitability in an ever-evolving economic landscape.

CHARTING OUR PATH: A REFLECTION ON PURPOSE AND PROGRESS

Amidst the dynamic flux of the global economy, where external factors influence internal responses, our adept teams have not just navigated uncertainties but proactively reinforced our fundamental strengths, guided by the insightful perspectives of our valued stakeholders. Acknowledging the substantial investments – financial, temporal and in trust – made by each stakeholder, we are steadfast in showcasing their significance by providing compelling reasons to place trust in the ethos of 'Depend on Deepak'.

Our focus extends beyond the confines of profit margins; it encompasses the holistic well-being of our employees and the communities in which we operate. Rooted in this ethos are four fundamental pillars, referenced frequently across this annual report:

For our esteemed Shareholders, we have meticulously crafted a strategic roadmap, firmly anchored in our core principles and values. This roadmap serves as our guiding compass, ensuring responsible and sustainable growth, while striking a harmonious balance between resource deployment and robust returns on investment. Our focus remains unwaveringly fixed on cultivating sustainable, high-quality growth, always mindful of future potential and the enduring strategies that will drive our success.

In our interactions with Customers, responsiveness and the leveraging of our deep-seated process expertise are paramount priorities. We aspire to not only meet but exceed expectations, striving to become the preferred partner for our customers. Our commitment to supplying complex chemicals manufactured through safe and sustainable practices is unwavering and we are resolute in aligning our operations seamlessly with environmental, social and governance (ESG) principles.

Within the intricate tapestry of our organisation, our People serve as the lifeblood that propels us forward. Our Human Resources practices are deliberately designed to foster agile and adaptable leaders, equipped with the tools and principles to build teams characterised by action and integrity. We place a premium on proactive engagement and we champion a culture that values ethical decision-making over entrenched hierarchical structures.

Lastly, in our engagement with the broader Community, we aspire to be agents of positive change. Beyond merely existing within the communities we serve, we endeavour to make a tangible and lasting impact. Whether through philanthropic initiatives, environmental stewardship, or community outreach programmes, our goal is to contribute meaningfully to the betterment of society, ensuring that our presence leaves a lasting legacy of progress and prosperity.

As we reflect on our achievements and aspirations outlined in this annual report, we celebrate not only the milestones we have reached but also the enduring relationships we have cultivated and the transformative impact we continue to make. With resilience, purpose and an unwavering commitment to excellence, we stand poised to navigate the ever evolving landscape with confidence and determination.

STRATEGIC GAINS AND FINANCIAL RESILIENCE IN FY 2023-24

In its consolidated performance for the FY 2023-24, Deepak exhibited resilience, driven by proactive initiatives to debottleneck plants and drive process efficiencies enabling volumetric expansion which was accompanied by significant achievements in specific product categories. This resilience translated into consolidated annual revenues of ₹ 7,682 Crores, underscoring Deepak's prowess across diverse business realms. Customer-centricity played a pivotal role, as our empowered teams were able to maintain or increase wallet share on strategically important relationships despite multiple headwinds across the macro landscape.

Leading this resilient performance was the Phenolics segment, showcasing robust gains and sustained volume growth attributed to optimal plant utilisation and operational efficiencies. Additional efforts to debottleneck existing facilities further accelerated volume amplification, significantly contributing to our overall momentum. Despite challenging market conditions, our segment's resilient revenue performance provided further reinforcement, highlighting Deepak's adaptability amidst market fluctuations.

The FY 2023-24 saw a notable 13% year-on-year surge in production volumes, emphasising Deepak's ability to expand market presence despite a moderate

environment marked by reduced sales prices. The continued stellar performance of the Phenolics segment, driven by enhanced operational efficiency and debottlenecking initiatives, propelled sustained volume expansion.

On the profitability front, Deepak reported an EBITDA of ₹ 1,199 Crores in FY 2023-24, reflecting a 10% decline attributed to prevailing market dynamics which have compressed product realisations. Notably, this figure excludes an exceptional insurance claim of ₹ 80 Crores received during the year. Deepak's Profit After Tax (PAT) for FY 2023-24 stood at ₹ 811 Crores, inclusive of the insurance claim, underscoring Deepak's commitment to value creation despite challenges. Elevated plant utilisation and streamlined cost structures further bolstered momentum, particularly in select value-added product segments experiencing stable demand and favourable realisation trends.

Amidst challenging macroeconomic conditions, Deepak's teams delivered commendable results, symbolising their resilience and adaptability. Recognising this resilient performance, the Board has recommended a dividend of ₹ 7.50 per equity share for the FY 2023-24, representing 375% on a face value of ₹ 2 each, reaffirming confidence in Deepak's leadership position and unwavering dedication to shareholder prosperity.

NAVIGATING GROWTH: DEEPAK GROUP'S JOURNEY IN FY 2023-24

In FY 2023-24, Deepak Group witnessed numerous growth initiatives coming to fruition, marking significant milestones across various sectors. These developments underscore the Company's commitment to enhancing its operational capabilities, strengthening market position and fostering innovation. From commissioning new production assets to strategic acquisitions and collaborations, Deepak Group remains steadfast in its pursuit of sustainable growth and value creation.

- **Investment in Subsidiaries:** Deepak's subsidiary, Deepak Chem Tech Limited (DCTL), is actively reinforcing its workforce across project management, procurement and support domains. A substantial investment of around ₹ 540 Crores in DCTL underscores Deepak's commitment to its subsidiary's growth. Moreover, the Company has increased its equity shareholding in Deepak Oman Industries LLC (SFZ) (DOIL) to 51%, making it a subsidiary thereby aligning with the Company's strategy to strengthen market position and operational capabilities.
- **Fluorination Asset Commissioning:** Deepak successfully commissioned its fluorination asset in Dahej during FY 2023-24. This addition strengthens the Company's backward integration for essential agrochemicals, bolstering its supply chain resilience. Moreover, it enhances Deepak's technical competency, enabling participation in contract manufacturing opportunities. Emphasising local market needs, Deepak prioritises domestic supply before expanding internationally.
- **Strategic Partnerships and Agreements:** Deepak signed significant agreements with the Gujarat Government, totalling to ₹ 14,000 Crores, reinforcing its growth trajectory. These partnerships are instrumental in expanding operations and consolidating market presence. Furthermore, execution of binding Term Sheet with Petronet LNG during FY 2023-24 for supply of Raw Materials from their proposed facility at Dahej mitigates long term project risks and ensures steady supply.
- **Employee Incentives:** Shareholders approved an ESOP plan to reward high-performing employees and retain key talent, aligning their efforts with the Company's long-term success. This initiative underscores Deepak's commitment to fostering a motivated and engaged workforce.

> Deepak Nitrite stands firm in its dedication to a sustainable future, implementing an array of strategies to diminish carbon and water footprints while ingeniously repurposing by-products into valuable resources.

EMBRACING SUSTAINABILITY: DEEPAK NITRITE'S GREEN COMMITMENT

Deepak Nitrite stands firm in its dedication to a sustainable future, implementing an array of strategies to diminish carbon and water footprints while ingeniously repurposing by-products into valuable resources. These efforts have garnered prestigious recognition, including accolades such as "The Best Compliant



Over the past five decades, Deepak Nitrite has consistently delivered unwavering performance and ensured a dependable supply to our customers, regardless of external pressures.

Company for the Codes Under Responsible Care" by the Indian Chemical Council and the esteemed Divya Bhaskar Pride of Gujarat award for "The Most Responsible Company". As staunch proponents of Responsible Care, Together for Sustainability (TfS) and Nicer Globe, we uphold environmental, health and safety standards with unwavering commitment, championing responsible chemistry and innovative solutions.

Acknowledging the inherent risks associated with production processes, Deepak Nitrite has embraced a heightened role in implementing automation and plant safety standards to ensure a secure work environment and minimise errors. Our relentless pursuit of quality, environmental standards and efficient management of hazardous processes has earned the trust of esteemed global clientele.

Sustainability isn't just a commitment at Deepak Nitrite; it's ingrained in our business ethos and decision-making processes. We strive to mitigate our environmental impact by adopting sustainable practices throughout our operations, from reducing greenhouse gas emissions to promoting circular economy principles. Our continual investment in innovative technologies further bolsters resource efficiency, ensuring the delivery of safe and sustainable products to our customers.

Our commitment to community well-being is unwavering, evident in our social initiatives focussed on education, healthcare and empowerment of marginalised communities. Upholding integrity and ethical conduct is fundamental to our corporate governance framework, guiding fair and responsible practices across our operations. We nurture a diverse and inclusive work environment, fostering professional growth and equality among our employees.

Deepak Nitrite remains dedicated to continuous improvement in sustainability performance, setting ambitious goals and monitoring progress diligently. Sustainability isn't just a goal for us – it's a fundamental part of our vision for a better tomorrow.

BUILDING RESILIENCE: OUR STRATEGIC SHIFT AND VISIONARY OUTLOOK

Over the past five decades, Deepak Nitrite has consistently delivered unwavering performance and ensured a dependable supply to our customers, regardless of external pressures. In response to recent industry challenges, we've proactively implemented tactical initiatives. Firstly, leveraging our robust brand and market position, we prioritised key strategic relationships, driving growth in sales volumes. Secondly, rigorous asset optimisation efforts have led to record production for vital intermediates, enhancing our competitive edge amid abundant supply conditions. Additionally, our focus on process efficiency and cost optimisation has yielded savings, countering margin pressures.

Deepak Nitrite is strategically positioned to capitalise on the 'Make in India for the World' initiative. With projects valued at approximately ₹ 25 Billion across core product lines, we're committed to sustained growth and value enhancement. Leveraging our extensive manufacturing infrastructure and chemical expertise, we've emerged as a crucial partner for major domestic and global players. Our future initiatives include expanding capacity, backward integration and establishing new platforms to meet evolving market demands. Despite challenges such as destocking in China, we foresee a gradual easing, supported by India's favourable manufacturing environment.

Driven by our commitment to operational excellence and asset utilisation, we've set new production standards in critical intermediates. India's burgeoning economy offers global opportunities for the chemical industry and Deepak Nitrite aims to play a pivotal role in shaping this ecosystem. Targeted investments in downstream segments, operational efficiency and speciality chemicals are poised to unlock growth, value and sustainability, aligning seamlessly with our strategic vision for future success.

Lastly, I want to express my deep gratitude to all our investors and stakeholders for their continuous dedication and confidence. Your unwavering support is fundamental to our progress, inspiring us to pursue excellence consistently.

Best Regards,

MAULIK MEHTA

Executive Director & CEO

Message from Executive Director – Deepak Phenolics Limited

Over the past few years, Deepak Phenolics has significantly increased its operational efficiency. We remain committed to further expand our capabilities.

Meghav Mehta
Executive Director
Deepak Phenolics Limited



Dear Stakeholders,

I am delighted to share our accomplishments over the past year. Our undeterred focus on operational efficiency has enabled us to confront challenges and emerge stronger, as reflected in our resounding performance for the year.

The chemical industry in India has seen exponential growth over the past decade, with demand for various chemicals growing at an unprecedented pace. Favourable demographics, evolving aspirations, increasing consumption and rapid infrastructure development, are the key factors contributing to the growth. Shifts in supply chain dynamics are also observed due to the China+1 strategy and rising geopolitical risks. India is seen as a reliable supplier for global chemical companies owing to its strong growth prospects, expanding middle-class population and lower labour costs, providing enormous opportunities for building a thriving chemicals industry.

Over the past few years, Deepak Phenolics has significantly increased its operational efficiency. We remain committed to further expand our capabilities. Currently, we are strategically venturing into downstream, value-added derivatives of Phenol and Acetone at the Deepak Group level. This is aimed at strengthening leadership position while marching towards Nation's dream of being self-reliant (Aatmanirbhar).

ENSURING SUSTAINABLE PRACTICES

Sustainability is one of the core principles guiding our operations. We uphold a robust governance framework ensuring adherence to ethical practices, transparency and regulatory compliance. The receipt of prestigious Responsible Care® certification exemplifies our commitment to Sustainable practices. I take pride in stating that our operations adhere to key management systems, including ISO 9001 (quality systems), ISO 14001 (environmental management systems) and ISO 45001 (occupational health and safety risk management systems).

Our focus on environmental sustainability remains undeterred. We are gradually transitioning from coal-based energy, increasing our consumption of sustainable fuels like biofuels. Our efforts have significantly reduced our fossil fuel consumption and carbon footprint.

As we move forward, our focus remains on seizing evolving opportunities and maintaining agility, ensuring that we remain at the forefront of the Phenol industry. With continued capacity addition and portfolio expansion, we are well-positioned to drive sustainable growth and value creation for all.

After completing my term as the Executive Director of Deepak Phenolics Limited on May 1, 2024, I will be looking after the implementation of upcoming projects in fellow subsidiary, Deepak Chem Tech Limited, as its Executive Director & Chief Executive Officer.

I express my gratitude to all the employees, customers, suppliers and all other stakeholders for their continued support.

Best Regards,

Meghav Mehta

Executive Director

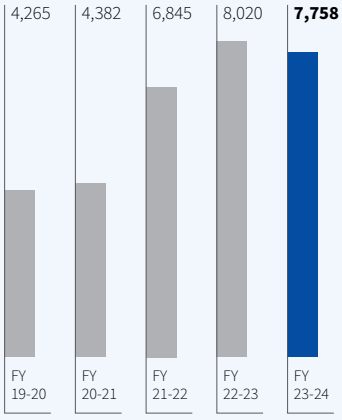
Deepak Phenolics Limited

KEY PERFORMANCE INDICATORS

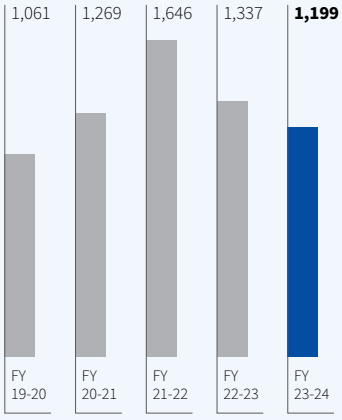
Delivering on All Fronts

Profit and Loss Indicators

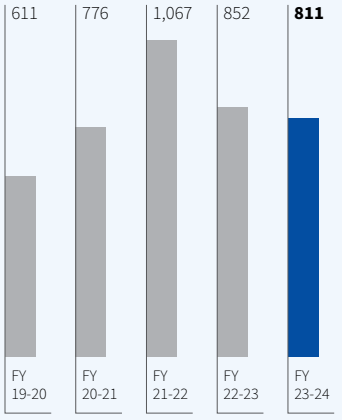
Total Income (₹ in Crores)



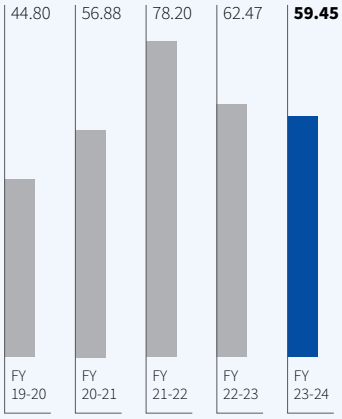
EBITDA (₹ in Crores)



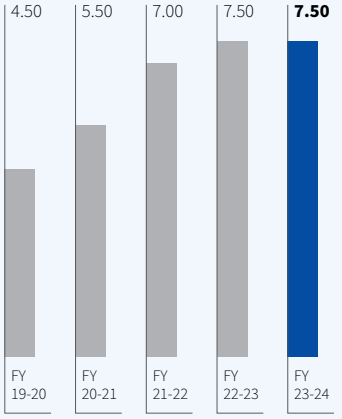
Profit After Tax (₹ in Crores)



Earnings Per Share (₹)

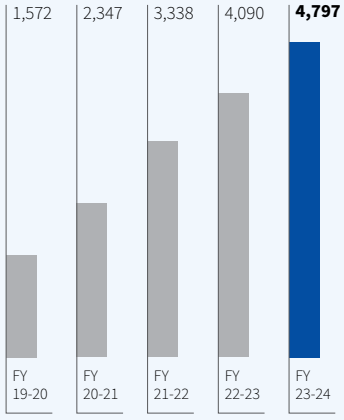


Dividend Per Share (₹)

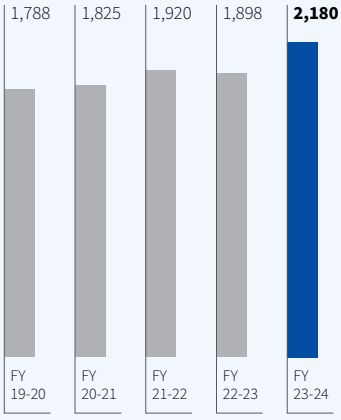


Balance Sheet Indicators

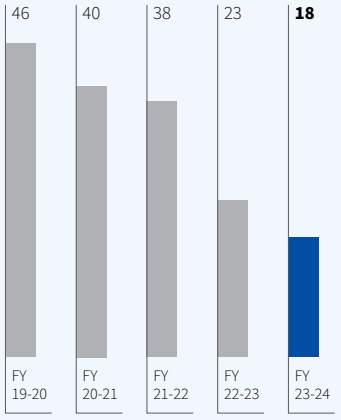
Net Worth (₹ in Crores)



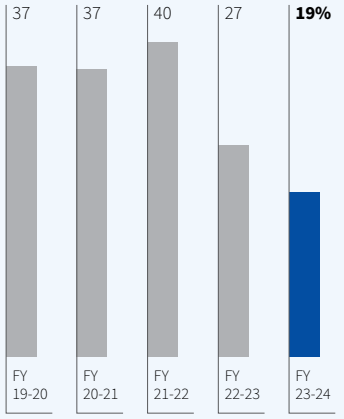
Net Fixed Assets (₹ in Crores)



Return on Equity (%)

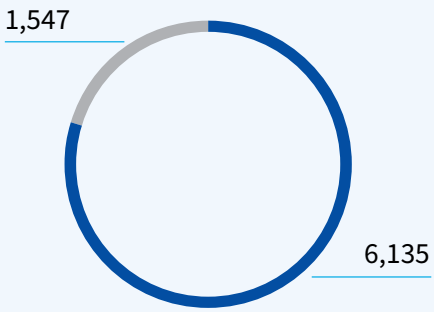


Return on Capital Employed (%)

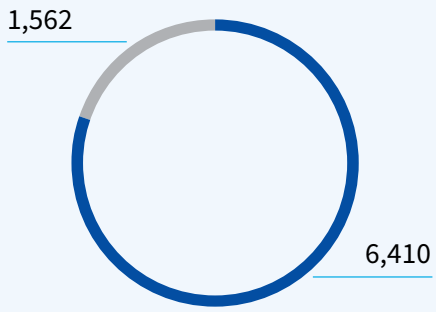


Consolidated Revenue Geography-Wise

FY 2023-24 (₹ in Crores)



FY 2022-23 (₹ in Crores)



Domestic Revenue Export Revenue

INVESTMENT CASE

Strengths and Enablers that Bolster our Competitive Edge

With a diversified product portfolio, integrated and cost-effective operations and resilient supply chain, we are primed to capitalise on burgeoning opportunities and catalyse growth. Our strong financial position, dedicated research and development capabilities and unwavering commitment to sustainability further bolster our position in the marketplace.



KEY STRENGTHS

- Integrated operations
- Smart manufacturing
- Cost and operational efficiency
- Zero debt with strong financials and return ratios
- Strong R&D and innovation capabilities
- Resilient supply chain

Investment Case 1

INTEGRATED OPERATIONS

Our integrated operations encompass both forward and backward integration, ensuring a comprehensive ecosystem. This approach drives efficiency, agility and resilience across our operations, enabling us to expand capacities and meet growing customer demands.

- We are expanding our product portfolio by adding fluorination products, Nitric Acid, speciality agrochem and MIBK-MIBC through forward integration and incorporating new chemistry platforms such as photochlorination and fluorination through backward integration
- Our backward integration includes comprehensive safety measures for secure transportation, storage and handling of our products
- Our integrated systems support our distributed partners by offering real-time order management capabilities and providing relevant marketing materials
- We utilise comprehensive Laboratory Information Management System (LIMS) to optimise our laboratory workflows, enhance data integrity and compliance and drive operational excellence

KPIs

- Forward and backward integration

Investment Case 2

SMART MANUFACTURING

We are steadily transitioning from traditional manufacturing to a deeply interconnected, data-driven and agile ecosystem. This evolution is fuelled by the rapid expansion of digital technology, evolving customer expectations and the imperative for improved efficiency and resilience. We embrace visibility and integration as fundamental pillars of our smart manufacturing approach.

We are one of very few in the country to implement Advance Process Controls (APC) in chemical manufacturing facility of our size. APC is a process control and optimisation technology that runs the plant at optimum by optimising processes on a minute-by-minute basis. This is done by manipulating variables such as feed flow, temperature settings, pressure settings and reflux flows, which are otherwise done by manual interventions. Our dedication to utilising advanced technologies for continuous improvement is evident in our integration and implementation of APC.

This system, based on artificial intelligence, uses mathematical models and historical data to predict process behaviour and adjust control parameters in real time, ensuring stability and preventing disruptions. Real-time monitoring of critical variables allows APC to optimise performance and make timely decisions.



We also undertook debottlenecking (DBN) exercise to improve throughput. These initiatives have resulted in achieving the highest-ever 300+ KT of Phenol production in FY 2023-24. This achievement underscores our commitment to maximising efficiency and setting a high standard for operational excellence.

Another significant move towards digitalisation has been the successful migration to SAP-S4 HANA at DPL, which further strengthens our resource planning and decision-making that streamline operations and advance our agility to forge ahead.

KPIs

- Interconnected, data-intensive and agile manufacturing
- Culture of innovation and digitalisation
- Integration of CRM with ERP system
- Smooth transition to SAP-S4 HANA

Investment Case 3

COST AND OPERATIONAL EFFICIENCY

Technology is crucial in enhancing operational efficiency, reducing costs and improving overall productivity through process optimisation and automation. By utilising digital tools and software solutions, we analyse, optimise and streamline our processes, enhance efficiency and innovation through strategic supply chain management and continuous improvement, ensuring competitive production costs without compromising quality.

- We constantly refine and optimise manufacturing processes to minimise waste, reduce energy consumption and enhance productivity
- We are streamlining the supply chain by sourcing raw materials strategically, negotiating favourable contracts and minimising inventory and logistical costs through high end software applications, given ongoing socio-economic challenges
- We implement energy-efficient practices and are in the process of investing in renewable energy sources to reduce energy costs and environmental impact
- We have implemented an advanced system that automates the loading of tankers with minimum human intervention while strictly adhering to safety regulations. Seamlessly integrated with our ERP system, it ensures an automated process from billing to load management. By eliminating manual errors and minimising waste, it maximises throughput, leading to improved operational efficiency and significant cost savings

KPIs

- Improved operational efficiencies
- Strong customer relationships

Investment Case 4

ZERO DEBT WITH STRONG FINANCIALS AND RETURN RATIOS

Our prudent financial management empowers us to navigate business downturns, ensuring long-term growth and sustainability for our shareholders. Supported by our strong credit rating, which attests to our financial strength and our zero debt position, we're well-positioned to enhance investments and deliver superior returns.

- We review all our investments based on our stringent capital allocation framework to maximise shareholder returns
- Our net block of assets, valued at ₹ 2,180 Crores, underscores our robust foundation

KPIs

- **Zero** Debt
- **18%** ROE
- **19%** ROCE
- Strong credit ratings from ICRA



Investment Case 5

STRONG R&D AND INNOVATION CAPABILITIES

With a dedicated focus on innovation, we are continuously pushing boundaries, driving advancements in our products and processes. This commitment to R&D not only fosters a culture of creativity and excellence but also enables us to stay ahead of the curve in meeting evolving market demands.

- Our R&D team is actively developing new products to establish additional speciality chemical facilities
- We are constructing a new state-of-the-art R&D centre at Savli, Vadodara, slated for completion by March 2025
- To enhance the efficiency of lab scale development, we utilise the Design of Experiments (DOE) methodology, supported by specialised software for screening and optimisation

KPIs

- **100+** R&D professionals employed
- **23** PhDs employed
- **₹ 9.13 Crores** invested in R&D and innovation during the year

Investment Case 6

RESILIENT SUPPLY CHAIN

Leveraging advanced technologies, robust processes and strategic partnerships, we have built a supply chain that is agile, adaptable and responsive to dynamic market conditions.

- By integrating smart sensors, we capture and transmit real-time data, facilitating seamless information flow. This enhances visibility and promotes integration across the supply chain, optimising operations and enabling responsive decision-making
- We have streamlined our complex supply chain and logistics flow by implementing advanced software applications, designed to address service procurement, resource planning, allocation, despatch, in-transit monitoring, delivery confirmation and vendor payments

KPIs

- **6.89** Inventory Turnover Ratio
- **Seamless** data integration

OUR VALUES: DRIVERS OF GROWTH

Innovativeness
Driving growth through groundbreaking ideas and innovation, we go beyond merely generating product concepts. Our focus extends to superior processes and elevating employee engagement. This holistic approach maximises growth and fosters a culture of continuous improvement.

Agility
In a constantly evolving landscape, adaptability is key. By swiftly responding to change and delivering results, our organisation becomes equipped to navigate the evolving challenges of the progressing world.

Responsiveness
We go beyond mere responsiveness; we provide solutions and embrace accountability. This commitment extends to our employees, customers and all other stakeholders.

Performance-driven
Leveraging profound category insights to identify opportunities and provide effective solutions. This, combined with rewarding high performers across diverse verticals, sets compelling examples for leadership.

Ownership
Every individual is both a leader and a team member, sharing equal responsibility for the company's growth. In our organisation, the vision serves as not only the company's objective but also as a personal goal for each individual.

OPERATING CONTEXT

Well-positioned to Capitalise on Burgeoning Opportunities

Over the past decade, India's chemical industry has experienced significant growth due to strong macro-economic fundamentals and rising demand, creating favourable opportunities. India's manufacturing competitiveness stands strong against other major global chemical players as countries focus on diversifying supply chains. This places India as a potential hub for chemical manufacturing in the future.

The chemical industry accounts for 7% of India's Gross Domestic Product (GDP) and is crucial for the nation's economic expansion. The sector is poised for exponential growth, anticipated to rise from USD 220 Billion to USD 304 Billion by 2025.

7%
Chemical industry's contribution to India's GDP



KEY GROWTH DRIVERS

THRUST ON INCREASING EXPORTS

Historically reliant on imports, India's chemical sector has significantly advanced over the past decade. Through backward integration and the 'Make in India' initiative, the country aims to reduce import dependency. With an emphasis on research and development, India is driving innovation. The country holds 2.5% of global chemical sales and exports to over 175 countries, positioning itself to increase its market share and competitiveness.

SUPPLY CHAIN DIVERSIFICATION

The global shift in supply chains, exemplified by the "China Plus One" trend and potential "Europe Plus One" strategy, bodes well for the Indian chemical sector. With ongoing geopolitical tensions, companies are increasingly turning to India for its strong value proposition, including scale, technology, raw materials, skilled labour and supportive government policies.

INCREASING INNOVATION AND DIGITALISATION

The chemical industry is undergoing digital transformation, improving supply chain management, customer engagement, manufacturing processes and R&D, driven by modern and cutting-edge technologies. Trends such as advanced analytics, cloud computing, big data, AI, IoT, digital twins, blockchain, AR, VR and data-driven product development are gaining prominence.



EVOLVING CONSUMER PREFERENCES

Consumer preferences are shifting towards environmentally sustainable products and services. The growing demand for health and hygiene is prompting a shift towards greener and safer offerings. Sustainability is now a crucial aspect of the chemical industry, with many companies adopting green chemistry in line with decarbonisation efforts.

FAVOURABLE POLICY REFORMS

The Indian government has implemented various initiatives to bolster the chemical industry, including chemical development schemes, plastic parks and Chemicals and Petrochemicals Investment Regions (PCPIRs). Additionally, ₹ 18,100 Crores have been allocated under the production linked incentive (PLI) scheme to enhance domestic manufacturing and exports.

Elevating our Growth Trajectory with Bigger and Bolder Strides

Deepak Group has embarked on a significant growth journey, marked by ongoing strategic capacity expansions and substantial investments. With a steadfast focus on enhancing efficiencies, expanding product portfolios and integrating products, we are poised for robust growth and retaining market leadership.



Deepak Chem Tech Limited signs ₹ 9,000 Crores MoU with Government of Gujarat (GoG) to manufacture Polycarbonate Resins & Compounds, MMA/PMMA & Aniline at its Dahej plant.

ADVANCING INDIA'S SELF-RELIANCE IN CHEMICALS INDUSTRY

Deepak Chem Tech Limited (DCTL), a wholly-owned subsidiary of DNL, has taken a significant step towards bolstering India's self-reliance in chemicals by signing a Memorandum of Understanding (MoU) with the Government of Gujarat with an intention to invest ₹ 9,000 Crores in setting up manufacturing facilities in Dahej, Gujarat, with production commencements slated up to 2027. This initiative, underscores Deepak Group's commitment to the Make in India initiative and capitalising on the massive opportunities posed by the Industry.

DCTL plans to manufacture Polycarbonate Resins & Compounds, Methyl Methacrylate (MMA), Poly Methyl Methacrylate (PMMA) Resins & Compounds and Aniline at its new facilities in Dahej, Gujarat. These projects are expected to create significant employment opportunities and reduce India's imports of these products. These products cater to some of the fastest growing industries like – Electrical components, 5G and other electronic devices, aviation, defence, electronic displays, paints, coatings, rubber chemicals, pharmaceutical, agrochemicals, electronic chemicals and polymers to name a few.

This mammoth investment is in addition to the previous MoU signed with Government of Gujarat to invest ₹ 5,000 Crores for manufacturing speciality chemicals, Phenol, Acetone and Bisphenol, reinforcing Deepak Group's commitment for manufacturing these products and supporting India's self reliance. Out of the above, ₹ 2,200 Crores has already been committed.

To meet the growing speciality chemicals demand and enhance our market share, we have initiated several projects. We have planned brownfield projects for key products to address this demand effectively. Additionally, a significant greenfield expansion in polycarbonate compounding will allow us to venture into the polycarbonate business. This expansion will offer valuable market insights, covering both niche and major players and will cater to specialised demands in new-age applications such as 5G boxes, EV batteries, medical devices and more. By establishing polycarbonate compounding, we can locally and captively consume polycarbonate, which is a significant milestone for the Company.

We are also focussing on backward integration, incorporating new chemistry platforms like photochlorination and fluorination. This initiative aims to reduce supply chain risks in the agrochemicals sector and expand our product range using these advanced chemistries, thereby strengthening our backward integration capabilities.

We have completed debottlenecking of the Phenol facility which has further improved our Phenol production. Our MIBK and MIBC plants are on track and anticipated to be commissioned as per the planned schedule. These plants will help us forward integrate Acetone to produce MIBK and MIBC, allowing us to create downstream value-added products through the captive use of Acetone.

We have increased our stake in Deepak Oman Industries LLC (SFZ) (DOIL) to 51%, making DOIL a subsidiary of DNL. This strategic investment will fortify our market position and expand our operational capabilities. It enables us to benefit from low-cost inputs of raw materials and energy, thereby serving global markets more effectively.

DCTL is strengthening its workforce with skilled personnel across various domains including project management, procurement and support functions. We have so far contributed around ₹ 700 Crores in DCTL to finance the ongoing capital projects undertaken by Deepak Group.

In FY 2023-24, several pivotal initiatives have fructified across Deepak Group. These investments will drive substantial growth across our business in coming years.

KEY PROJECT UPDATES

Fluorination Plant in Dahej, Gujarat

DCTL has commissioned in March 2024 fluorination plant in Dahej, Gujarat. This development marks a significant milestone in strengthening our backward integration for crucial agrochemical intermediates. The addition of fluorination chemistry will enhance our supply chain resilience and unfold various contract manufacturing opportunities. Our primary focus remains on meeting the domestic market requirements before expanding to international markets.

Nitric Acid Unit Project

Significant advancements have been made in the Nitric Acid Unit project with all long lead equipment received and erected. Manufacturing operations are expected to commence later this year, marking a crucial milestone in our expansion efforts.

Other Projects

Our photochlorination and solvent projects along with our hydrogenation and nitration plants are progressing well. These projects are taking shape, with detailed planning and execution underway. The commissioning of these projects will occur in a phased manner, starting from H2 of FY 2024-25.

Research & Development (R&D) Centre at Savli, Vadodara

We are excited to announce the progress on establishment of a world-class Research & Development (R&D) Centre in Savli, Vadodara, slated for completion by March 2025. This cutting-edge facility will feature advanced laboratories and pilot plants to foster innovation in chemical research, focussing on sustainable and environmentally friendly processes. By bringing together top-tier scientists and industry experts, this facility will serve as a hub for innovation, furthering the development of new products and technologies that support our growth strategy and contribute to the advancement of the chemical industry in India.

Our strategic foray into advanced solvents, alongside various upstream and downstream products and new chemistry platforms, marks a significant move to diversify our product portfolio, expand our customer base and enhance value addition across our offerings. Our sizeable investments will strengthen our business proposition and reinforce our leadership in selected chemistries. By leveraging our chemistry expertise and robust manufacturing capabilities, we will continue to be the preferred partner for leading Indian and global companies.

BUSINESS MODEL

A Resilient Business Model for Value-creation

INPUT

Financial capital
- Equity: ₹ **27.28** Crores
- Reserves: ₹ **4,769** Crores
- Capital employed: ₹ **5,311** Crores
- Debt: ₹ **217** Crores

Manufactured capital
- Property, plant and equipment: ₹ **2,180** Crores
- Manufacturing Facilities: **8**
- Manufacturing Locations: **5**
- Assets under construction: ₹ **774** Crores
- Capital expenditure: ₹ **443** Crores

Intellectual capital
- Digitalisation/technology/process improvement initiatives
- R&D professionals employed: **100**
- Sustained investments in R&D

Human capital
- Employees on payroll: **2,547**
- Contractual employees: **2,694**
- Women employees: **158**
- Total manhours of training: **64,777**
- Continuous investment in training and development and health and safety initiatives
- Introduction of ESOP Scheme

Social and relationship capital
- Customers: **1,500+**
- Suppliers: **3,000+**
- CSR expenditure: ₹ **27.87** Crores

Natural capital
- Water consumption: **33,77,492** KL
- Energy consumption from non-renewable sources : **3,59,18,87,957** MJ
- Energy consumption from renewable sources: **6,49,078** MJ
- Investment in environment conservation activities: ₹ **22.61** Crores

PROCESSES

PILLARS OF VALUE CREATION

- Strong governance practices
- Effective risk management

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

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

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

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

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

Deep culture of innovation

Skilled people

Environmentally sustainable operations

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

Supply chain management - The products are sent to B2B customers across diverse sectors through water and surface transport.

For customers
We bring value to customers by providing high-quality and sustainable products

For communities
We contribute towards the overall development of communities through our impactful CSR activities and at the same time, ensure reduced environmental footprint across our operations

OUTCOMES

Financial capital
- Revenue: ₹ **7,682** Crores
- EBITDA: ₹ **1,199** Crores
- Profit After Tax: ₹ **811** Crores
- EPS: ₹ **59.45**
- Return on Capital Employed (RoCE): **19**%
- Dividend: ₹ **7.50** per share (375%)
- Cash and cash equivalents: ₹ **466** Crores
- Net Worth: ₹ **4,797** Crores
- Market capitalisation: ₹ **28,938** Crores

Manufactured capital
- **34** High Quality Products
- **3,00,000** Tonnes of Phenol production
- **12**+ Mn Hours without lost time incidence

Intellectual capital
- New products launched: **4**
- Cumulative patent applications filed: **68**
- Cumulative patents granted: **24**

Human capital
- Lost Time Injury Frequency Rate (LTIFR): **0.20**
- ₹ **1.47** Crores Revenue per employee
- Employee Engagement score: **68**
- Highly motivated employees

Social and relationship capital
- Impacted **8,50,000+** lives through CSR activities
- Long-term customer relationships
- Strong relationships with supply chain partners

Natural capital
- Carbon Emission Reduction: **12.49%**
- Energy Savings: **1,80,299** kWh
- Water Recycled: **4,36,526** KL
- Waste recycled for coprocessing & recycle: **1,09,494** MT

STAKEHOLDER ENGAGEMENT

Engaging with Stakeholders to Deliver Value

Our continuous engagement with the stakeholders is guided by the principles of transparency, openness and accountability. We value their perspectives and have established a comprehensive engagement mechanism to facilitate communication and seek their inputs, enabling informed decision-making. This approach cultivates trust, manages risks, enhances our reputation and enables effective discharge of environmental and social obligations.

Our stakeholder engagement policy guides the process of meaningful engagement with our stakeholder groups and prioritises transparent communication with them. We have identified our key stakeholder groups as those who are directly or indirectly impacted by our business activities as well as those who have influence on our business.



WHY WE ENGAGE WITH OUR STAKEHOLDERS?

- To demonstrate corporate citizenship and invoke trust in the eyes of our stakeholders while cultivating lasting relationships with them
- To understand their concerns, perspectives and shape our future strategies accordingly
- To enhance our brand equity through strengthened stakeholder relationships
- To seek customer's feedback for driving process improvements, enhancing quality and optimising product performance
- To gain valuable knowledge and insights from outside perspective through some of our marquee customers, large investors, suppliers and regulators
- To identify and mitigate risks, capitalise on growth opportunities and stay abreast on industry & regulatory developments and emerging trends across geographies
- To understand our employees' concerns and needs and align the talent pool as well as their skills and expertise with our future growth roadmap
- To ascertain the impact of our operations and sustainability initiatives on the environment and societies and collaborate with communities to find solutions driving positive impact

CUSTOMERS

Mode of Engagement

- Face-to-face meetings
- Virtual meetings
- Phone calls
- Email communication
- Exhibitions
- Conferences

Stakeholder Expectations / Desired Outcomes

- Enhanced value proposition by improving product quality and affordability
- Ensure reliable and consistent supply
- Respond promptly to customer needs and technical enquiries
- Implement grievance mechanism that is both effective and robust

DNL's response

- Meeting contractual obligations by ensuring timely delivery of high-quality products
- Maintaining consistency in product quality
- Continuous communication and collaboration to address evolving needs
- Tailoring product development to fulfil specific requirements
- Expanding operations / footprints to accommodate increasing market demand

Value Created

- Long-term relationships with customers

INVESTORS

Mode of Engagement

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

Stakeholder Expectations / Desired Outcomes

- Disclosure regarding Company's financial performance in a timely and transparent manner
- Forecast future growth by maintaining consistency in Company's operating and financial performance
- Ensure financial discipline in accordance with global best practices
- Maintain high governance standards and protect minority interests
- Create value and long-term wealth creation with robust fundamentals and consistent dividend payments

DNL's response

- Disclosing accurate and transparent information with all stakeholders in a timely manner
- Attaining steady and sustainable performance via focussed strategy for value creation
- Upholding the highest standards of Corporate Governance
- Consistent dividend payments
- Enhancing value creation by early identification of opportunities, establishing a solid foundation for consistent growth and weathering external risks and uncertainties
- Transparent disclosures through Integrated Report and ESG (BRSR) reporting

Value Created

- Net Profit ₹ 811 Crores
- Increase in market Capitalisation ₹ 3,810 Crores
- ROE 18%
- EPS ₹ 59.45
- Dividend of ₹ 7.50 per equity share
- Strong financials with zero debt balance sheet

EMPLOYEES

Mode of Engagement

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

Stakeholder Expectations / Desired Outcomes

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

DNL's response

- Strongly prioritising Learning & Development
- Offering growth opportunities by setting higher internal mobility targets
- Ensuring timely payment of salaries
- Advocating for better Work-life balance
- Dedicated focus on Health and Safety protocols
- Performance awards and recognition
- Social gatherings for employees and their families to foster a sense of community
- Celebration of festivals to promote cultural inclusivity and a positive work environment
- Birthday celebrations to recognise and appreciate employees on their special day

Value Created

- 64,777 manhours of training provided
- Highly motivated employees

SUPPLIERS

Mode of Engagement

- Supplier meetings
- Phone calls
- Email communications
- Virtual meetings
- Conferences
- Trade Exhibitions

Stakeholder Expectations / Desired Outcomes

- Mutually beneficial, long-term relationships
- Transparency in the selection process
- Negotiations on pricing
- Confirming quantities and prices in a timely manner, agreeing on delivery schedules and ensuring timely payments

DNL's response

- Providing timely order confirmation and clear delivery schedules based on demand and anticipated market prices
- Implementing reverse auction methods to enhance transparency across various SKUs
- Maintaining timely payment schedules
- Maintaining transparency in selection process and pricing

Value Created

- Strong Supplier base created
- Seamless Supply Chain operations



COMMUNITIES

Mode of Engagement

- Engaging in regular dialogues with community through meetings, visits and interactions
- Executing CSR initiatives to encourage community involvement
- Utilising demographic surveys to obtain valuable insights and feedback from the community

Stakeholder Expectations / Desired Outcomes

- Exhibiting sensitivity and responsiveness to pressing community needs
- Promoting initiatives aimed at equitable and inclusive development
- Ensuring compliance with health, safety and environmental performance standards
- Generating employment opportunities for local community members
- Engaging in community development activities
- Implementing corporate social responsibility (CSR) initiatives to address community needs

DNL's response

- Structuring and implementing community development programmes based on CSR need assessments
- Undertaking CSR projects that prioritise healthcare, education, skill building, livelihood and women empowerment
- Conducting periodic reviews and impact analysis to assess the effectiveness of the initiatives

Value Created

- ₹ 27.87 Crores in CSR spend in FY 2023-24
- 8,50,000+ CSR beneficiaries
- 5 States covered under CSR Projects



GOVERNMENT AND REGULATORY BODIES

Mode of Engagement

- Meetings with local, state and national government officials and ministries
- Participating in seminars, issuing media releases and attending conferences
- Active membership in industry associations
- Assuming leadership positions to share domain knowledge and promote collaboration across the industry

Stakeholder Expectations / Desired Outcomes

- Regulatory compliance
- Social development and employment generation

DNL's response

- Strong governance through Board of Directors possessing expertise in relevant fields
- Ensuring timely and accurate legal compliance
- Identifying opportunities to influence development of new policies, regulations and legislations impacting our industry and the Company
- Participating in consultations and public hearings organised by government, industry bodies, legal bodies, where possible
- Offering well-informed, evidence-based constructive feedback to promote industry growth
- Keeping informed about pertinent legislations, policies and regulatory changes that may impact DNL, ensuring stringent compliance

MATERIALITY

Addressing the Most Material Issues

Materiality assessment helps us pinpoint and prioritise significant ESG issues that deeply impact our business strategies, decisions and long-term success, allowing us to deliver lasting value to stakeholders. Recognising these critical issues is fundamental to our ESG journey, to effectively chart our growth trajectories, devise business strategies and manage risks.

ASSESSING OUR MATERIAL MATTERS

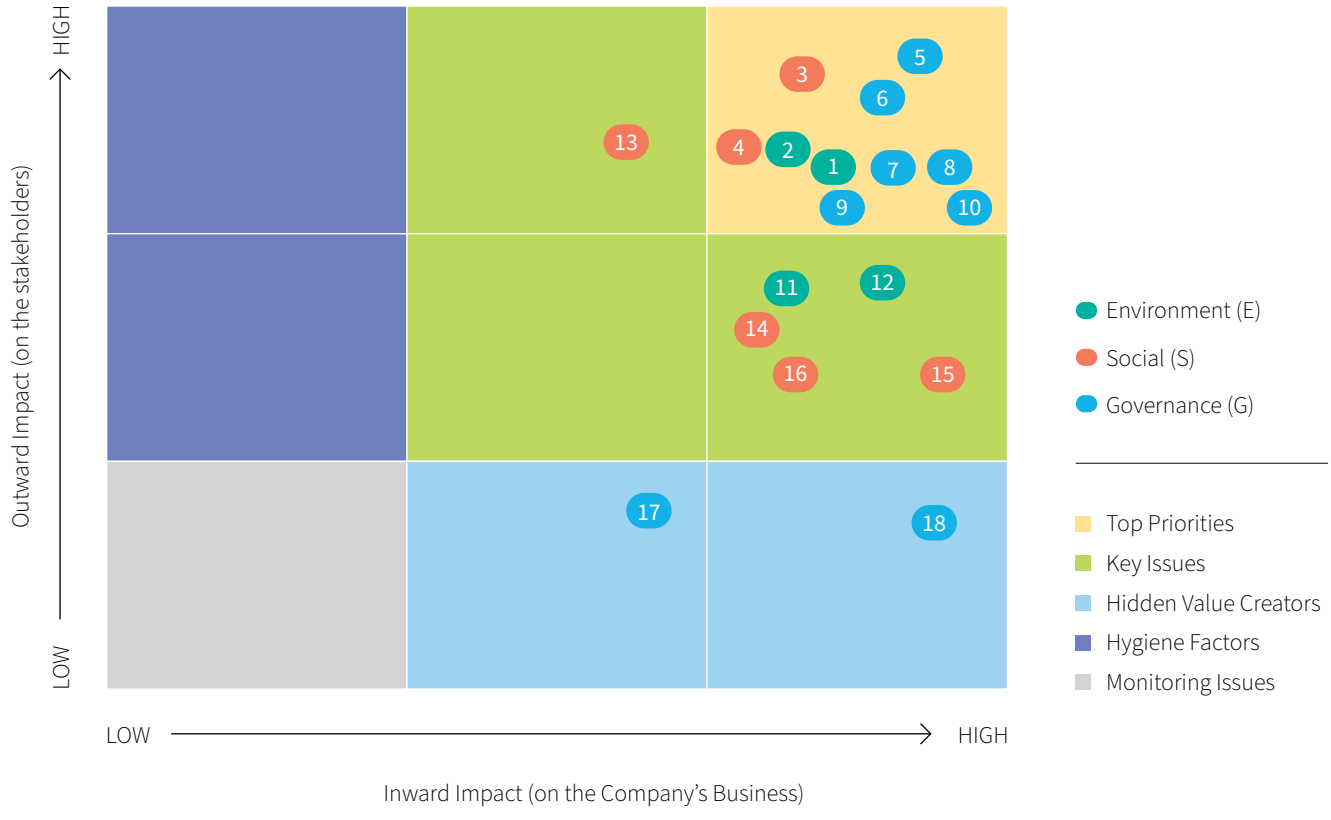
During FY 2023-24, the Company partnered with renowned independent firm to conduct fresh materiality assessment. The aim of the exercise was to gain deeper insights into the matters most material to the business and the stakeholders. This ensures alignment of our strategies with the stakeholders' priorities and industry standards.

Approach to materiality assessment

- Leveraged global frameworks including GRI 2021 standards and SASB sector standards
- Material topics relevant to the global and domestic industry peers reviewed
- Existing materiality of the Company reviewed

The material topics gathered were moderated and finalised in consultation with the senior management.

MATERIALITY MATRIX



Our Materiality Matrix depicts the impact of our material issues on both our business (inward impact) and the stakeholders (outward impact), ranging from low to high. These issues are categorised into five categories based on their relevance to both us and our stakeholders.

Category of Material Topics	Significance
Top Priority Issues	**Critical to the Company as well as to its Stakeholders**
Key Issues	**Medium to high priority issues for the Company as well as its Stakeholders**
Hidden Value Creators	**Important for the Company's business but low priority for stakeholders**
Hygiene Factors	**High priority for the Company's stakeholders but low priority for the business of the Company**
Monitoring Issues	**Low importance to both the Company as well as its stakeholders**



MANAGING OUR MATERIAL MATTERS

Upon conclusion of the Materiality Assessment, the Company identified 19 topics that may directly or indirectly impact our ability to generate value towards people, environment, society, business and all relevant stakeholders. We have well defined policies and practices to manage the material issues to ensure regulatory compliance, build enduring relationships with our stakeholders and create long-term business sustainability, in an evolving business landscape.

Environment **Social** **Governance**

1 Water Use and Effluent Management

Significance and Impact

- Water being a critical resource, its availability will have a high impact on the Company's operations
- Company's water consumption for its manufacturing will also have a high external impact
- Effluent management highly impacts the surrounding environment as well as the company's business, given the scale of the Company's operations

Management/Mitigation Approach

As a responsible corporate, we are dedicated to ensuring our operations do not harm the quality or availability of water resources, thereby safeguarding both the ecosystem and the broader community. Through various initiatives, we aim to reduce our carbon and water footprint.

2 Climate Change & Emissions

Significance and Impact

- Climate change and emissions norms and regulation will have a high impact on the Company's business
- The Company's operations will have a high outward impact on the community

Management/Mitigation Approach

We have embraced environmental consciousness through our dedication to sustainable manufacturing practices. This commitment is reflected in our efforts to reduce utility consumption, extract value from waste and adopt clean technologies. We are continually striving to improve our energy efficiency. Additionally, we ensure that the effluents, emissions and waste generated at our manufacturing facilities remain within the permissible limits set by the respective Pollution Control Boards.

3 Occupational Health & Safety

Significance and Impact

- Health and safety have a high impact on both the company and the external environment, given the scale of the Company's operations

Management/Mitigation Approach

We place significant importance on maintaining occupational health, safety and the well-being of our employees. To ensure this, we implement strict safety protocols at all our locations, conduct regular safety audits and provide our employees with the necessary personal protective equipment. Additionally, we actively foster a culture of safety awareness through various campaigns and training programmes.

4 Community Involvement

Significance and Impact

- DNL's community involvement and upliftment initiatives have a high impact
- These endeavours enhance the company's reputation in the public eye, leading to a significant inward impact

Management/Mitigation Approach

Our dedicated CSR wings, Deepak Foundation and Deepak Medical Foundation, have positively influenced the lives of millions of people through a variety of programmes.

5 Growth & Profitability

Significance and Impact

- Growth and profitability are critical for the Company's sustainability

Management/Mitigation Approach

We ensure prudent allocation of financial resources and adherence to good governance principles, setting the foundation for sustainable long-term success. Alongside making disciplined investments within a clear framework, we adopt a rigorous approach to cost management to optimise our financial performance. Our strategic initiatives across the value chain and ability to respond to market changes bolster our resilience and performance in a dynamic business landscape.

6 Corporate Governance

Significance and Impact

- Corporate Governance is a high priority matter for the Company as well as the stake holders

Management/Mitigation Approach

Our governance practices emphasise transparency in financial reporting, sustainability efforts, ethical decision-making and effective risk management. We promote a culture of accountability and integrity. We enforce a robust code of conduct and ethical standards to guide employee behaviour at all levels. Our comprehensive risk management framework identifies, assesses and mitigates risks related to operations, safety, environmental impact and compliance.

7 Business Ethics & Compliance

Significance and Impact

- Ethics and compliance have a high impact on a company's operations
- It is also a high priority topic for stakeholders

Management/Mitigation Approach

At Deepak Group, we promote a culture of ethics, accountability and integrity. We have a robust code of conduct in place and ethical standards to guide employee behaviour at all levels. We ensure strict adherence to all applicable laws, regulations and industry standards to mitigate legal and reputational risks. Regular evaluations of our governance practices help us identify areas for improvement, implement necessary changes and build trust with all stakeholders in line with global ESG standards.

8 Business Continuity

Significance and Impact

- This matter has both high inward and outward impact, considering the scale of the Company's operations

Management/Mitigation Approach

We ensure uninterrupted operations and business continuity which enhances our resilience against disruptions, minimise revenue loss, operational downtime and reputational damage. This proactive approach helps maintain customer trust, preserves market position and reduces recovery costs, ultimately safeguarding profitability and sustaining long-term financial health.

9 Product Stewardship

Significance and Impact

- Product stewardship is vital for integrating environmentally responsible practices across the life cycle of chemical products, aligning with sustainable chemistry goals
- It has a high inward and outward impact

Management/Mitigation Approach

We have established a protocol to assess the Environmental, Social and Governance (ESG) impacts of our products during their development stages, ensuring these considerations form part of our decision-making processes. We have calculated the carbon footprint for most of our products and plan to conduct Life Cycle Assessments (LCA) for several existing products in future.

10 Sustainable Supply Chain

Significance and Impact

- Having a sustainable supply chain is critical for Company's operations and business continuity
- Considering the size of Company's operations, the Company can influence the ESG priorities for their suppliers
- It will have a high impact on stakeholders as well

Management/Mitigation Approach

We maintain a robust logistics and distribution network using secure transportation with GPS tracking to monitor raw materials and finished goods in real-time. Our organised warehousing ensures prompt customer deliveries. Leveraging our manufacturing expertise, integrated facilities and agile operations, we consistently deliver reliable and steady performance.

11 Waste Management

Significance and Impact

- Failure to comply with required waste management standard practices will have high negative impact on the Company's operations
- Outward impact of Company's waste management practices is medium

Management/Mitigation Approach

The production of agrochemicals result in hazardous waste, making it essential to focus on prioritising recycling and reusing waste whenever possible. Our responsible practices and proactive approach ensures optimal resource and waste generation and recycling in line with regulatory requirements.

12 Energy Management

Significance and Impact

- Efficient energy management can lower manufacturing emissions and reduce costs
- This matter has a moderate impact on external stakeholders

Management/Mitigation Approach

Recognising the importance of energy efficiency in all business activities, we actively monitor our performance using systems installed across multiple locations to track daily energy consumption. Our energy conservation strategy aligns with our commitment to achieving our sustainability goals and targets.

13 Employee Engagement

Significance and Impact

- Investing in employee training/upskilling and employee engagement activities, fostering their involvement levels has a high inward impact
- This also helps elevate the company's brand and reputation externally

Management/Mitigation Approach

We conduct regular activities for overall employee development and engagement, enabling our teams to perform their responsibilities with effectiveness and efficiency, contributing to a capable workforce that drives internal growth. This not only enhances product quality but also boosts revenue for the Company.

14 Human Rights

Significance and Impact

- The Company's policies and procedures champion UN Human Rights principles, fostering a positive impact on the outside community

Management/Mitigation Approach

We have established a comprehensive Human Rights due diligence framework to systematically evaluate our operations. This involves conducting human rights vulnerability assessments at our operational sites to identify and mitigate risks, along with ongoing monitoring and performance reporting. Our commitment to upholding human rights spans all aspects of our business operations. We extend this commitment to our business partners by ensuring their alignment with our policies and contractual agreements.

15 Customer Relationships

Significance and Impact

- Maintaining customer relationships is critical to the Company's operations and hence has a high inward impact

Management/Mitigation Approach

We offer innovative and cost-effective products to retain and attract customers. Our customer-centric approach and active engagement with customers have been key in fostering customer loyalty, one of our greatest strengths in driving profitable growth.



16 Diversity, Equity & Inclusion

Significance and Impact

- This topic has high impact on the company and medium impact on the external environment

Management/Mitigation Approach

At Deepak, we are dedicated to creating value by continuously expanding our workforce and fostering agility. Our team is composed of individuals from diverse educational, cultural and demographic backgrounds. We are committed to upholding principles of inclusion and diversity in our employment practices.

17 Product Innovation

Significance and Impact

- The Company operates in an industry with high potential for innovation, enabling the competitive edge and agility in business
- While the impact on the Company's operations is high, the impact on external environment is low

Management/Mitigation Approach

We constantly monitor global trends and collaborate with our customers to gain a deep understanding of their product preferences. This enables us to enhance our range of cutting-edge chemistry solutions. Our unwavering commitment to research and development allows us to expand our portfolio and refine existing products. We are steadfast in our investment in innovation, recognising its critical importance for ensuring our continued success.

18 Digitalisation, IT security & Data Privacy

Significance and Impact

- Digitalisation helps boost Company's efficiency as well as reduce carbon footprint
- This topic has a medium inward impact

Management/Mitigation Approach

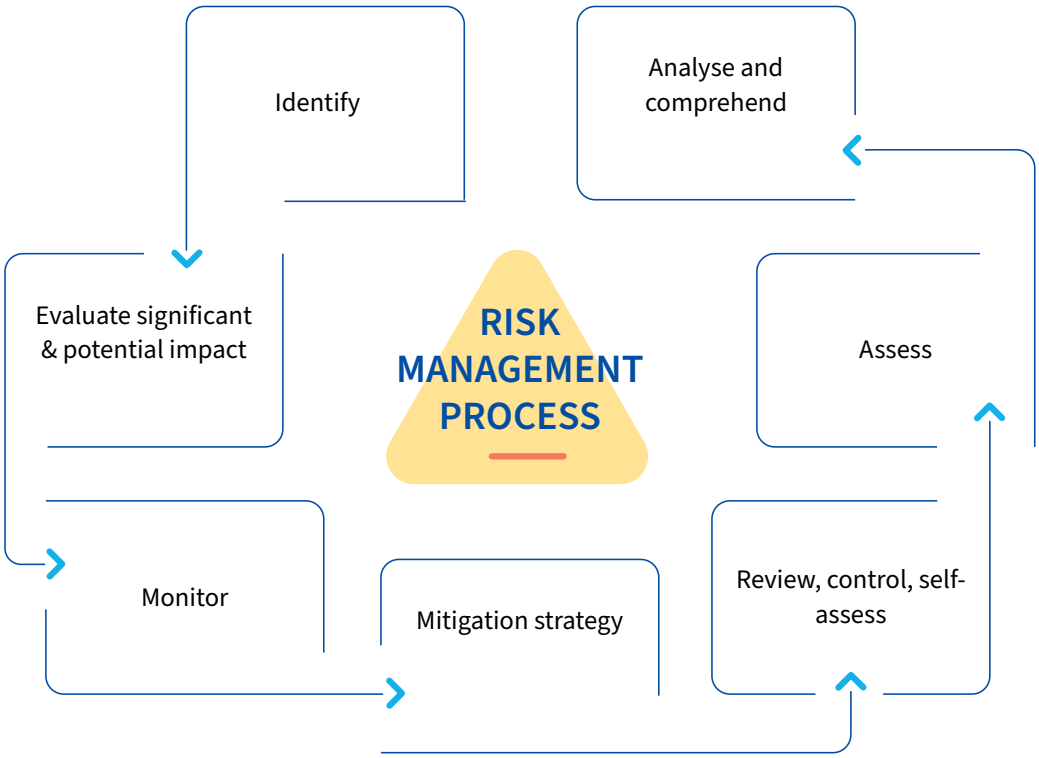
We have adopted digitisation and streamlined processes through automation, increasing operational efficiency and productivity. Data analysis and optimisation in areas like supply chain management and inventory control have enabled us to make informed strategic decisions, leading to better business outcomes. Additionally, our digitisation initiatives support sustainability efforts by optimising resource usage and reducing environmental impact.



RISK MANAGEMENT

Managing Risks Prudently for Optimal Outcomes

Amidst evolving markets, regulatory shifts and unforeseen challenges, proactive risk management becomes increasingly crucial for organisations. It not only safeguards the Company's operations but also creates lasting value for stakeholders and helps capitalise on emerging opportunities.



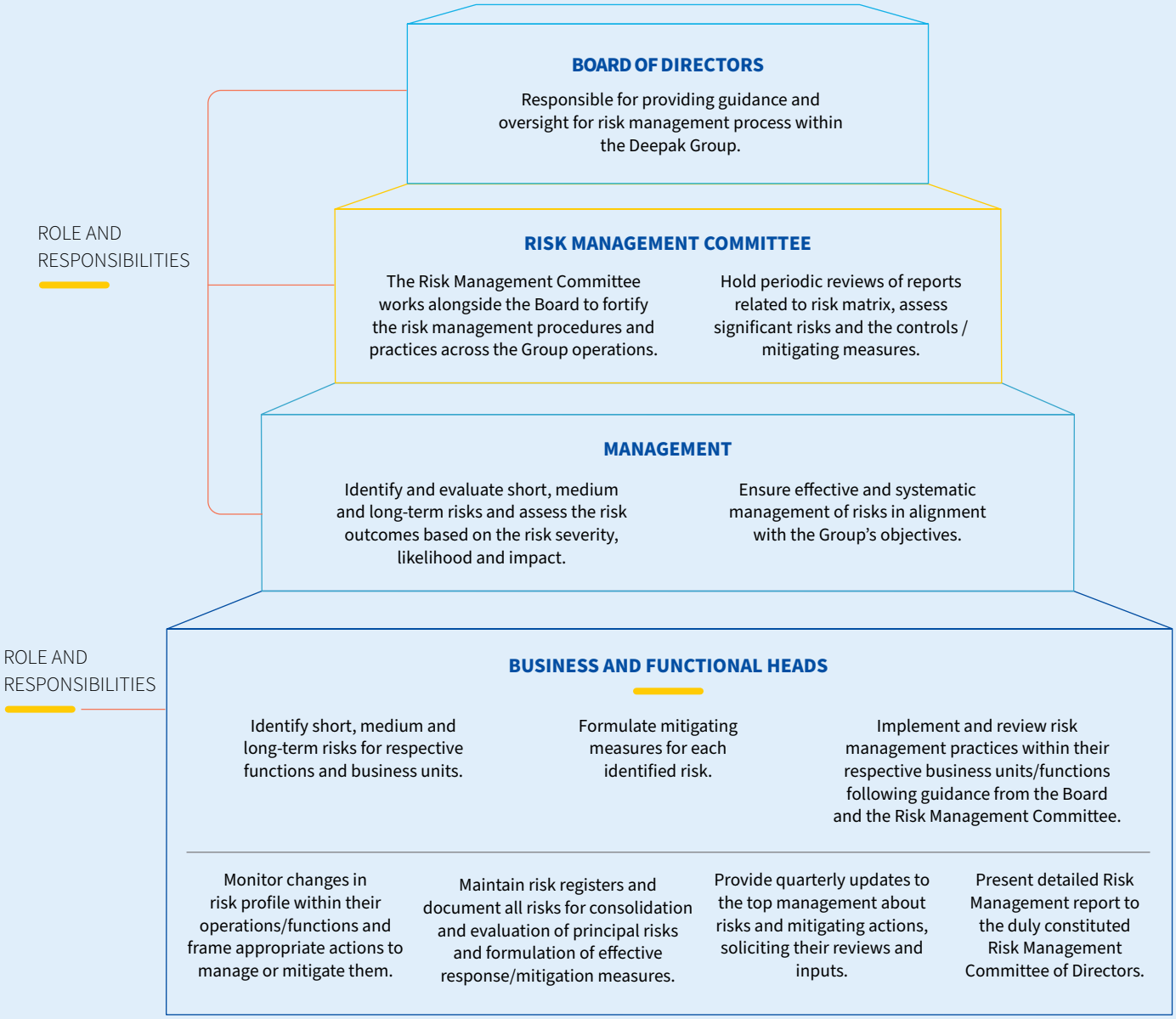
ENTERPRISE RISK MANAGEMENT FRAMEWORK

We have established a robust Enterprise Risk Management Framework (ERM) governed by the Board-approved Risk Management Policy. Our Enterprise Risk Management Framework (ERM) aligns with the ISO 31000 and COSO standards, encompassing all facets of effective risk management at all levels, including the shop-floor level. The framework enables proactive and systematic approach to risk management, enabling us to safeguard our business by preventing incidents, driving optimal business outcomes and ensuring sustainable success.

ERM empowers management to:

- Gain an in-depth comprehension of the risk landscape and assess potential exposure
- Manage overall risk exposure effectively and devise risk mitigation strategies
- Consistently monitor the effectiveness of risk management practices
- Fortify risk controls and implement necessary improvements, as identified
- Furnish periodic risk management reports to the Board of Directors

APPROACH TO RISK MANAGEMENT



OBJECTIVES OF RISK MANAGEMENT

- Ensures Business continuity and Sustainability
- Achieve organisation's strategic objectives
- Enhance decision-making, planning and prioritisation processes
- Seize opportunities while proactively managing risks in a dynamic external environment
- Establish controls to mitigate or prevent risk occurrence
- Prioritise risk and reward considerations for implementation in critical areas
- Ensure adherence to corporate governance standards

The Company on a continuous basis, identifies and evaluates short-term, medium-term and long-term risks, prepares and implements mitigation plans therefor and keep monitoring them for ensuring sustainability of operations.

RISK MANAGEMENT

Managing key risks

Strategic and Global Risks

R1 Global Energy transition impacting businesses

Capitals Impacted

Mitigation Response

- Consistent monitoring of both current and future situations
- Engaging in raw material linked pass-through contracts with the customers, regularly exchanging raw material situation with key customers building consensus for price escalation
- Leverage bulk volumes to secure price & availability
- Develop alternate/multiple vendors to expand vendor base and secure consistent material availability

R2 Global Geopolitics and Monetary Risk

Capitals Impacted

Mitigation Response

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

Business – Operations Risks

R3 Supply Chain Disruption/ Business Interruption Risks

Capitals Impacted

Mitigation Response

- Enhancing safety stocks and facilitating movement of materials through pipelines
- Procurement from diverse geographic locations to mitigate shipping delays
- Ensuring secure shipments to meet established supply timelines
- Maintain ample inventory levels to cater to customers, in the event of any supply disruptions
- Re-negotiating contracted terms for logistic rates

R4 Supplier Dependency

Capitals Impacted

Mitigation Response

- Diversify sourcing pattern across all materials
- Engage in on-spot sourcing whenever competitive offers are received from local and import suppliers
- Develop and expand vendor base for product procurement

R5 Emerging competition to our existing business

Capitals Impacted

Mitigation Response

- Multi-year contractual engagement for major business
- Positioning as a preferred supplier of choice, addressing key customers' concerns
- Strengthened supply planning, with acceptable lead times and risk mitigation buffers
- Concentrate on acquiring new customers in international markets and expand distributors network in respective regions
- Maintain market volumes by expanding customer base
- Forge long-term tie-ups with domestic customers to protect market share and amplify export sales to diverse geographies

R6 Succession Planning / Critical Position Planning

Capitals Impacted

Mitigation Response

- Define Competency Framework for employees
- Employee evaluation on the competency framework
- Individual Development Plan to build role specific capabilities
- Enhance skills and competencies through Learning & Development opportunities
- Develop second line of talent for key / critical positions

R7 Information Security and Confidentiality

Capitals Impacted

Mitigation Response

- Enforcing rigorous confidentiality obligations
- Sharing of information strictly on a need-to-know basis
- Employ new IT tools to manage documents flow
- Conduct regular training programmes to promote awareness
- Undertake periodic audits / studies by external experts and implement their recommendations

R8 IT System Failure Risk

Capitals Impacted

Mitigation Response

- Continually upgrading the systems for optimal performance
- Multi-level password protection for enhanced data integrity
- Ensuring data security through access control/restrictions
- Conduct regular training programmes
- Deploying softwares on multiple servers to avoid disruptions due to single failure
- Establish Disaster Recovery Site and online backups for recovery

RISK MANAGEMENT

R9 Technology Obsolescence

Capitals Impacted

Mitigation Response

- Continuous assessment of technological obsolescence and making necessary investments
- Develop connects with technology leaders in the areas relevant to company's operations to access newer and emerging processes and their applications in the manufacturing finished goods
- Upgrading Machinery and Equipment to leverage technological developments
- Implementation of robust idea for Plant / Technology selection process, ensuring thorough evaluation of current and emerging technologies to select the most appropriate and sustainable process/technology

R10 Contractual Risk

Capitals Impacted

Mitigation Response

- Contractual risk evaluation and restriction of company's liabilities under it, by a dedicated team of seasoned professionals
- Undertake extensive study of the impact of all contractual clauses to ensure adherence
- Close coordination between different departments of Company to ensure fulfilling the contractual obligations

Financial Risks

R11 Forex Market Volatility

Capitals Impacted

Mitigation Response

- Fortnightly monitoring of net open positions and real-time tracking of exchange rates/markets to seize the opportunity
- Employ a blend of dynamic hedging strategies including Forwards, Options, Range Forwards

Compliance Risks

R12 Plant Safety Compliances

Capitals Impacted

Mitigation Response

- Compliance with workplace safety protocols
- Conformance with Process Safety elements
- Integrated Management systems and safety audits to ensure compliances with required rules & regulations
- Impart safety training all employees on SOPs and safety systems
- Identify near miss, unsafe conditions and unsafe actions, while taking appropriate measures in response
- Conduct incident investigation and implement preventive actions
- Conduct safety reviews at the top management level

R13 Environment Norms Compliances

Capitals Impacted

Mitigation Response

- Daily monitoring and maintaining of the environmental parameters
- Third party environmental monitoring
- Disposal of hazardous wastes & spent acid in accordance with PCB norms
- Amendments to Consent To Establish (CTE) and Consent To Operate (CTO), wherever required

Reputational Risks

R14 Reputational Risk

Capitals Impacted

Mitigation Response

- Implementation and communication of Company's policies and guidelines
- Engage in regular dialogue and transparent communication with stakeholders
- Facilitate interaction between respective Site Heads/HR Heads and the local community members
- Monitor media coverage, including both print and social media
- Foster employee awareness about their roles in upholding Company's reputation



STRATEGY

Investing in Strategic Priorities

Our strategic priorities serve as a blueprint for the progressive journey ahead, focussing on meeting customer demands, accelerating growth and surpassing competition. We have identified five strategic priorities after a meticulous assessment of DNL's growth objectives, material topics and market factors.

STRATEGIC PRIORITY: EXPAND CAPACITIES 1

Capital Enhanced



Material matters addressed

- Growth & Profitability
- Sustainable Supply Chain
- Customer relationship

Key risks

- Emerging competition to our existing business

Progress during FY 2023-24

- Commissioned a state-of-the-art fluorination plant in Dahej, Gujarat
- Nitric Acid plant is under implementation and commissioning is expected in FY 2024-25
- Greenfield project for Acetone derivatives MIBK and MIBC is underway and expected to be commissioned in FY 2024-25
- Projects including Hydrogenation and NT Expansion are advancing well and will be commissioned in phases starting Q2 FY 2024-25
- Elevated capacity utilisation on a sustained basis
- Acetophenone (ACP) Recovery Project
- Setting up a state-of-the-art Research & Development (R&D) Centre at Savli, Vadodara, with completion expected in March 2025.

KPIs

- Optimum capacity utilisation
- Cost optimisation
- Operational efficiency

STRATEGIC PRIORITY : ENHANCE MARGINS 2

Capital Enhanced



Material matters addressed

- Growth & Profitability

Key risks

- Global geopolitics and monetary risk

Progress during FY 2023-24

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

KPIs

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

STRATEGIC PRIORITY: OPERATIONAL EXCELLENCE AND SAFETY 3

Capital Enhanced



Material matters addressed

- Occupational Health and Safety
- Digitalisation

Key risks

- Technology Obsolescence
- Plant Safety Compliances

Progress during FY 2023-24

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

KPIs

- Optimum plant utilisation
- Improve SHE aspects

STRATEGIC PRIORITY: WIDEN PRODUCT PORTFOLIO 4

Capital Enhanced



Material matters addressed

- Product Innovation
- Adopted Integrated approach to growth. We are foraying into New Products, chemistries and end applications. Our investment strategy for ₹ 14,000 Crores of Projects involve Speciality products, Phenol, BPA, Poly Carbonate rasins and compounds, MMA

Key risks

- Global geopolitics and monetary risk
- Technology obsolescence

Progress during FY 2023-24

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

KPIs

- New products launched during the year

STRATEGIC PRIORITY: SUSTAINABLE GROWTH 5

Capital Enhanced

Material matters addressed

- Occupational Health & Safety
- Climate Change
- Water Use & Effluent Management
- Community Involvement
- Waste Management
- Energy Management
- Customer Relationships
- New Investment fortifying growth

Key risks

- Plant Safety Compliances
- Environment Norms Compliances
- Reputational Risks

Progress during FY 2023-24

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

KPIs

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







FINANCIAL CAPITAL

Pursuing growth with prudent financial management

At Deepak Nitrite, our goal is to provide optimal returns to our stakeholders through robust financial management. We continuously improve our financial position to enhance our preparedness for future opportunities, ensuring long-term growth and sustainability.

Material issues addressed
Growth and profitability

Key risks considered
Business risk
Funding risk

UN SDGs impacted

MANAGING OUR FINANCIAL CAPITAL

We have a prudent financial management strategy that assesses the need for funds to support sustainable business operations and growth opportunities. We aim to maintain a strong balance sheet through proactive funds and liquidity management. Our focus is on delivering lasting value to our stakeholders, even in the face of economic challenges and market disruptions.

We regularly invest in our manufacturing and intellectual capital to provide quality products to our customers. Additionally, we invest in human and social capital to ensure the well-being of our employees and communities and in natural capital to promote environmentally responsible practices. These investments are carefully balanced and calibrated to achieve our financial objectives.

We ensure adequate liquidity, maintain optimal cost of funds and uphold healthy gearing ratios. We conduct periodic reviews of all our investments based on a stringent capital allocation framework to enhance shareholder returns.

PERFORMANCE IN FY 2023-24

- Successfully navigated through macroeconomic challenges and maintained a steady supply of products for our clients
- Reported resilient performance, supported by volume growth and improved plant efficiency
- Optimised assets and boosted efficiencies, achieving record production levels for key products
- Leveraged strong brand and strategic relationships to drive growth through increased volumes and significant cost savings in yield enhancement and energy
- Achieved record volumes in select products
- Commenced manufacturing at the new fluorination plant in Dahej
- Received ₹ 127 Crores as final settlement of the insurance claim for a fire incidence occured at Nandesari plant of the Company in June 2022 recognising ₹ 79.80 Crores as income in FY 2023-24
- The Board of Directors has recommended a Final Dividend of ₹ 7.50 (375%) per equity share of ₹ 2.00 each for FY 2023-24
- On a consolidated basis, Deepak Nitrite remains debt-free with a net worth of ₹ 4,797 Crores, thereby strengthening its balance sheet for future expansion

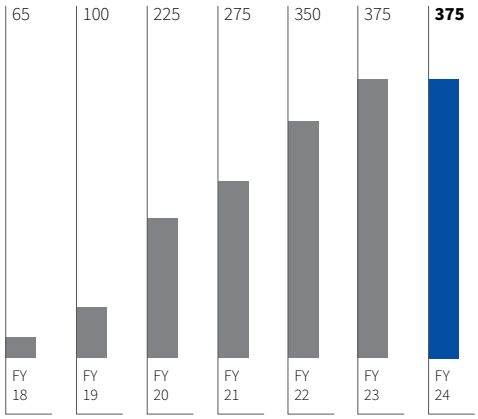
₹ 28,938 Crores
Market capitalisation as of March 31, 2024

Value creation
Consistently rewarded shareholders

Market Cap. (in ₹ Crores)

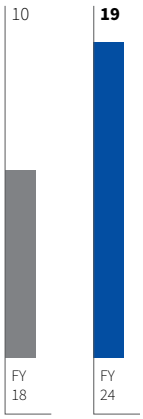
3,394	28,938
March 31, 2018	March 31, 2024

DIVIDEND (%)

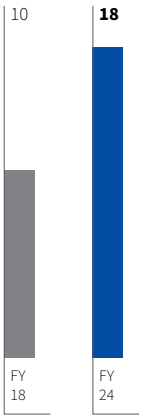


Excellence in execution
Sustained Increase in return ratios, with zero debt levels

ROCE (%)



ROE (%)



Communique from Director (Finance) & Group CFO

Dear Stakeholders,

Your Company has delivered a commendable performance during FY 2023-24, countering the adverse industry backdrop by seamlessly managing operations. Despite global hurdles like logistical constraints and geopolitical tensions, we not only maintained market share but also expanded it for some products through strategic cost management and astute procurement strategies.

"With incremental investments enhancing our capacity and sustained demand from diverse end-user industries, we have witnessed favourable trends in both revenue and profitability."

Sanjay Upadhyay
Director (Finance) & Group
Chief Financial Officer



ADAPTIVE & RESILENT BUSINESS MODEL

Our Company has exemplified agility in driving growth while upholding stringent quality and safety standards, leveraging our deep expertise in chemicals across the value chain. Our progress is rooted in a holistic revenue accretion strategy, encompassing product diversification, client outreach and geographical expansion. Despite grappling with macroeconomic hurdles, our business model has displayed resilience, bolstering our confidence and market position. With incremental investments enhancing our capacity and sustained demand from diverse end-user industries, we have witnessed favourable trends in both revenue and profitability.

Amidst short-term fluctuations, our unwavering focus is on medium and long-term objectives of fortifying our business model. Consequently, significant strides have been taken to strengthen our balance sheet, ensure a seamless supply chain of critical inputs, byproduct valorisation and propel growth-centric capital expenditures. Despite volatile raw material costs and logistical challenges, our Company showcased resilient performance in FY 2023-24, driving overall volume growth. The operational efficiencies achieved translated into an impressive 19% return on capital employed, sustaining the performance levels across business segments.

Looking forward, we anticipate sustained growth across all strategic business units, driven by expanded capacity and enduring demand. Our sustainable business model, catering to over 30 end-user markets, acts as a buffer against market fluctuations. Throughout these endeavours, the safety of our personnel, materials and operations remains paramount across all our facilities.

As you all are aware, Deepak, as an organisation, has been having sound ESG practices and it has intensified its various initiatives towards sustainability and working towards carbon neutrality. We are publishing a separate Sustainability Report in which we have tried to capture all our aegis in the drive towards sustainability while we augur ourselves to be in the top league of global chemical manufacturing companies.

STEADFAST GROWTH MOMENTUM

Successfully navigating through the complexities, Deepak Nitrite Limited (DNL) ensured a consistent product supply for the clients while enhancing market share and demonstrating adaptability in a challenging business landscape. The team at Deepak understands the demanding business environment and is prepared to adapt and innovate to overcome the variables of this macro backdrop. Leveraging global competitiveness and strong customer relationships, DNL met customer demands while maintaining high levels of operational efficiency.

In FY 2023-24, DNL ended the year on a positive note with notable consolidated revenue and EBITDA figures. Margins remained stable at 16%, while PBT and PAT were close to ₹ 1,100 Crores and ₹ 800 Crores respectively. DNL's profitability reflected its operational performance influenced by subdued realisation and utilities, with anticipated improvements in the coming quarters.

In Advanced Intermediates segment, volumes surged by 16%, accompanied by enhanced market share, particularly notable in Sodium Nitrite, Fuel additives and specific Agro Intermediates. Venturing into new markets and acquiring new customers further propelled growth. Segment-wise, revenue in the Advanced Intermediates segment stood at ₹ 2,724 Crores, with a healthy EBIT of ₹ 446 Crores. While, Phenolics segment also performed well, with revenues over ₹ 5,000 Crores and showing healthy EBIT of ₹ 644 Crores. Under the current global situation that world economies and industries are passing through, this performance is seen particularly an impressive one.



The team at Deepak understands the demanding business environment and is prepared to adapt and innovate to overcome the variables of this macro backdrop.

> On the balance sheet front, DNL significantly enhanced its financial position, maintaining a net zero-debt position with a solid consolidated net worth, thereby strengthening the balance sheet for future expansion."

Domestic business generated substantial revenue, with a consistent domestic to export ratio of 80:20. Net operating cash flow was robust, driven by better working capital and operational gains. Investments were made in various new projects, while financing activities included dividend disbursement and interest payments.

On the balance sheet front, DNL significantly enhanced its financial position, maintaining a net zero-debt position with a solid consolidated net worth, thereby strengthening the balance sheet for future expansion. Strategic cash flow deployment into growth projects has been happening and also in few brownfield expansion. These will further enhance DNL's capacities, even as it continues to reduce debt and maintain dividends.

INSIGHTS TO OUR CAPITAL INVESTMENTS

While, DNL has been implementing various projects, which are in nature of both backward and forward integration which comprise of fluorination based products, nitric acid (both diluted and concentrated nitric acid), MIBK – MIBC, speciality agrochem project, further projects were announced by the signing of two Memorandums of Understanding (MoUs) with the Government of Gujarat, committing a substantial investment of ₹14,000 Crores over the next 4 to 5 years. Amongst the projects under implementation / commissioning, Fluorination project has already commissioned in March 2024, while implementation of other projects are progressing well and expected to be commissioned in time.

Our operational efficiency received a significant boost with the successful implementation of SAP across our subsidiary, resulting in streamlined processes and enhanced collaboration.

Our commitment to innovation and growth is highlighted by the establishment of an advanced Research & Development Centre in Savli, Vadodara, scheduled for completion by the end of FY 2024-25.

With a dedicated project execution team on ground, we are well-positioned to explore new opportunities, particularly in material science, including special polymers and their compounds. These strategic initiatives, along with our clear focus on operational efficiency and prudent investments, position us for sustained growth and profitability, bolstering our resilience in the ever evolving landscape of the Indian economy.

EXEMPLARY CREDIT STANDING

DNL has built a solid reputation and maintains a dominant presence in numerous product categories. The Company's financial health continues to strengthen, showcasing the disciplined growth strategy it adheres to. This robust performance has led rating reaffirmation of long-term rating at ICRA AA and the short-term rating at ICRA A1+, with a positive outlook for the long-term rating, rated by ICRA.

Deepak Phenolics Limited has had its long-term rating reaffirmed at ICRA AA and its short-term rating at ICRA A1+ for bank facilities, with a positive outlook on the long-term rating.

DNL has built a solid reputation and maintains a dominant presence in numerous product categories. The Company's financial health continues to strengthen, showcasing the disciplined growth strategy it adheres to.

Moreover, ICRA has awarded a long-term rating of ICRA A and a short-term rating of ICRA A2+ for bank facilities of Deepak Chem Tech Limited, a wholly-owned subsidiary of the Company, maintaining a stable outlook on the long-term rating in the very first year.

These ratings affirm our solid creditworthiness amidst challenging conditions such as rising inflation, tightening liquidity and a difficult environment for raising capital.

DRIVING SHAREHOLDER VALUE

DNL remains committed in its promise to provide value to shareholders. Acknowledging our promising performance, the Board recommended a dividend of ₹ 7.50 per equity share, which is 375% on a face value of ₹ 2 each for the FY 2023-24. The Company has maintained a healthy payout while balancing its requirements for business growth and capital expenditure. Looking forward, the Company believes, its strategic investments will drive growth, enable accretive earnings in the years ahead.

PAVING THE PATH: A ROADMAP TO GROWTH

DNL has implemented strategic measures to enhance operational efficiency, spanning process optimisation, yield improvements and reduction in power and waste consumption costs. Our adoption of dynamic product pricing has bolstered margin performance, reflecting our proactive stance in safeguarding profitability amidst market challenges.

Moving forward, DNL is confident in receiving unwavering support from shareholders and Government entities. Our dedication remains intact in delivering outstanding customer satisfaction and ensuring consistent, profitable growth. Investment remains pivotal for future readiness, underpinned by our governance principles of integrity and transparency, focussing on long-term value creation through robust financial reporting and governance practices.

Driven by a combination of internal initiatives and external influences, the Company's future outlook is promising. We are committed to leveraging this momentum to create value for all stakeholders. On behalf of the Board of Directors and the management team, I express sincere appreciation to our shareholders for their trust in the Company. We remain cautiously optimistic about the Company's ability to deliver lasting value to both internal and external stakeholders.

Best Regards,

SANJAY UPADHYAY
Director (Finance) & Group Chief Financial Officer

01

MANUFACTURED CAPITAL



Expanding capacities to foster holistic growth

We are continually enhancing our capacities and competencies to embrace emerging opportunities with a strong focus on driving process efficiency and operational excellence.

Material issues addressed

Growth & Profitability
Sustainable Supply Chain
Customer Relationships
Product Innovation

Key risks considered

Supply Chain Disruption/ Business Interruption Risks
Emerging competition to our existing business

Strategic linkages

Expand Capacities
Enhance Margins
Widen Product Portfolio

SDGs impacted

OUR MANUFACTURING CAPABILITIES

8

Manufacturing facilities

₹ 14,000 Crores

Planned capex by FY 2027-28

Demonstrating quality excellence

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

ENHANCING MANUFACTURING CAPABILITIES

With our strong manufacturing infrastructure and expertise in chemistry, we have become a trusted partner for major Indian and international corporations. Looking ahead, we see significant opportunities that will require us to expand our capacities and enhance our competencies.

We are making notable progress in scaling up our manufacturing capabilities. A key part of this effort is debottlenecking, which allows us to boost production. In FY 2023-24, we achieved our highest-ever Phenol production of over 300 KT, underscoring our commitment to maximising efficiency and setting a high standard for operational excellence.

We are delighted to share that we are one of the very few in the country to implement Advanced Process Controls (APC) in a chemical manufacturing facility of our size. APC is a process control and optimisation technology that optimises processes on a minute-by-minute basis by manipulating variables such as feed flow, temperature settings, pressure settings and reflux flows, which are otherwise managed through manual interventions. APC has made positive impacts in multiple ways, including increased production, reduced energy usage, improved production yields, enhanced product quality and reduced emissions. Other important positive outcomes are safe and reliable operations, improved catalyst life and extended useful lives of assets.

As a results, we now lead the industry with a remarkable capacity utilisation rate of 150%+ at our Phenol plant setting high standards for operational excellence.

We have successfully commissioned the installation of a SAC unit, which has significantly enhanced sustainability at the Nandesari plant. Our Fluorination plant commissioned in March 2024.

Looking ahead, our Acid, MIBK and MIBC plants are scheduled to be commissioned by FY 2024-25. These plants, which produce derivatives of Acetone, will allow us to utilise Acetone to manufacture MIBK and MIBC, thereby moving into downstream value-added products.

With multiple brownfield and greenfield projects set to be commissioned in the coming years, we are well-positioned for improved performance and growth. Notably, we have also approved an investment to establish a facility in Oman. This facility will manufacture key chemicals and benefit from the low-cost inputs of raw materials and energy, allowing us to serve global markets more effectively.

Another significant move towards digitalisation has been our successful migration to SAP-S4 HANA, which further strengthens our resource planning and decision-making, streamlines operations and advances our agility to forge ahead.

KEY OPERATIONAL HIGHLIGHTS

- Increased Capacity utilisation
- Project execution is as per schedule for NT expansion
- SAC plant has been successfully commissioned, lowering the disposal cost for spent acid generated from NT
- Achieved highest ever production of Cumidines in the Company's history
- 100% utilisation of Nitro Toluidine manufacturing plant
- Launched new product under the paper segment for the coating application in Europe
- Diversified the product range by introducing new product formulations for laundry and detergent applications
- Minimised breakdown hours, leading to improvement in overall production
- Implemented LIMS – Laboratory Information Management System
- Installed RO Plant under the project for Zero Liquid Discharge (ZLD)
- Installed 40Kwp solar roof top system for renewable energy
- A multifuel boiler was installed and commissioned which operates on bio-briquettes as an alternative to coal, thereby reducing the carbon emissions, saving costs, enhancing sustainability
- Zero Liquid Discharge (ZLD) System installed paving way for sustainable operations through water conservation and recycling
- Recycling of wastewater from RO has been initiated using steam condensate

ENHANCING OPERATIONAL EXCELLENCE

Auto Filling system: Automating loading of tankers

At Deepak, leveraging technology is essential for enhancing operational efficiency, reducing costs and boosting overall productivity through process optimisation and automation. By harnessing digital tools and software solutions, we can analyse, optimise and streamline our processes to stay competitive and deliver superior quality.

One of our standout implementations is an advanced solution that automates the loading of tankers with minimal human intervention while strictly adhering to safety regulations. Seamlessly integrated with our ERP system, this system ensures a fully automated process from billing to load management.

Auto Filling is integral to our optimisation strategy, enhancing material filling operations by eliminating manual errors, reducing waste and maximising throughput, thereby achieving improved operational efficiency and substantial cost savings.

For precision and accuracy, the software integrates intelligent sensors and measurement devices for material filling, ensuring consistent fill levels and eliminating variations.

Safety remains a top priority and the software strictly follows industry regulations while implementing comprehensive safety protocols. By reducing manual handling and preventing material spillage, the Auto Filling software fosters a safer work environment for employees and ensures compliance with stringent safety standards.

"Incorporating advanced technology like Auto Filling highlights our commitment to operational excellence, demonstrating the critical role that innovation and efficiency play in achieving sustainable growth and maintaining industry leadership."

Laboratory Automation

At Deepak, our Laboratory Information Management System (LIMS) is crucial in optimising laboratory workflows, enhancing data integrity, ensuring compliance and driving operational excellence. This transformative solution revolutionises laboratory operations, data management and collaboration, empowering us to achieve greater efficiency and productivity. With the integration of LIMS, we optimise processes, reduce manual errors and ensure the delivery of high-quality products to our customers.

Supply Chain and Logistics Automation

We employ a transformative solution to tackle the complexities of managing our supply chain and logistics, intricate networks and for optimising operations and meeting customer demands. The advanced logistics planning and optimisation engine, powered by Cloud Computing, AI, ML and IoT, connect all stakeholders on a single platform with a multi-dimensional workflow. This integration enables the seamless execution and optimisation of logistics flows, including service procurement, resource planning, allocation, despatch, in-transit monitoring, delivery confirmation and vendor payments.

Tightly integrated with our ERP systems, the software generates alerts for exceptional incidents, allowing us to respond swiftly. At Deepak Group, we leverage advanced supply chain and logistics software to streamline operations, boost efficiency and deliver exceptional products to our customers.

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

Production Allocation and Hydrocarbon Accounting

At Deepak, we recognise the importance of Production Allocation and Hydrocarbon Accounting in optimising resource management, ensuring accuracy and complying with industry regulations.

By utilising advanced software solutions, we streamline processes, boost operational efficiency and enable precise reporting and informed decision-making.

Our Production Allocation and Reporting (PAR) system seamlessly integrates with our ERP, collecting data through sensors, flow meters and production systems. This integration allows our software to calculate production volumes accurately and allocate them to the appropriate assets, leases, or partners. This data-driven approach optimises resource management, supports informed decision-making and ensures efficient asset utilisation.

Deepak Group utilises Production Allocation and Hydrocarbon Accounting software to boost operational efficiency and optimisation. This technology supports data-driven decisions, process optimisation and loss minimisation. Our software systems provide visibility into key performance indicators such as production rates, downtime and hydrocarbon inventories, allowing us to monitor and evaluate operations, identify areas for improvement and implement strategies to enhance efficiency and productivity.



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

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

Advanced Process Control (APC)

Deepak Group is implementing Advanced Process Control (APC) to manage process nonlinearities, dynamics and constraints. Utilising mathematical models and historical data, APC predicts process behaviour and adjusts control parameters in real-time, ensuring stability and preventing disruptions. Real-time monitoring of critical variables enables APC to optimise performance and make timely decisions.

Our commitment to leveraging advanced technologies for continuous improvement is reflected in the integration and implementation of APC, which enhances our operational stability and efficiency.

Embracing Analytics for Organisational Success

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

In smart manufacturing, analytics is essential for capturing, integrating and analysing data from various sources, including sensors, machines and production systems. To enhance this process, we have implemented IP21, which efficiently captures and analyses our production data. This enables us to leverage analytics for continuous improvement and optimisation of our manufacturing processes.

Additionally, IP21 stores historical operational data, allowing us to perform retrospective analysis and generate comprehensive reports. This capability lets us compare performance over time, identify trends and conduct root cause analysis for any operational issues that arise.

Predictive Analytics

Vibration monitoring system is crucial to Deepak Group's operations, offering regular health checks for single-line equipment and other critical rotary machinery. We employ condition-based predictive analysis and performing vibration analysis, Oil Analysis, Thermography, Motor current signature analysis, corrosion monitoring and thickness surveys. With early detection and timely maintenance interventions enabled by such predictive analytics, Deepak Group ensures the optimal health and performance of its equipment, minimises downtime and maximises operational efficiency.



INTELLECTUAL CAPITAL

Responsible innovation for a sustainable future

Our strong intellectual capital enhances our business outcomes significantly and propels us to the forefront of innovation while maintaining our competitive advantage and driving sustainable growth. We continue to strengthen our R&D capabilities and advancing digitisation to optimise processes, drive innovation and deliver superior value to the customers.

Material issues addressed

Digitalisation

Product Innovation

Key risks considered

Technology Obsolescence

Information Security and Confidentiality

Strategic linkages

Operational Excellence

Enhance Margins

SDGs impacted

Harnessing cutting-edge technology holds immense potential in enabling us to recover and adapt resiliently from the challenges. The digital transformation encompasses cloud solutions for data security, AI-driven predictive analysis to anticipate market changes, or advanced automation to sustain operational resilience under challenging conditions. Technology makes us efficient by optimising our operations, reducing inefficiencies and freeing up resources, making more room for innovations and capability enhancements.

DIGITAL INITIATIVES DRIVING PROCESS EFFICIENCIES AND INNOVATION CAPABILITIES

- Smart manufacturing
- Digitisation of systems
- SAP implementation
- CRM implementation
- Supply chain automation
- Data analytics
- Cybersecurity measures



SMART MANUFACTURING

We have deployed smart manufacturing Advanced Process Control (APC) technology in our plants, enhancing our efficiency, productivity and quality. APC leverages advanced algorithms to optimise manufacturing processes in real-time, reducing variability and improving product quality.



DIGITISATION/AUTOMATION

We have transitioned most of our manual or paper-based processes, utilising digital tools such as automation software, cloud-based storage and digital workflows to streamline processes and boost efficiency. Implementation of Robotic Process Automation (RPA) tools has further automated our processes This digital transition enables collaboration and information access for us.



SAP, CRM IMPLEMENTATION AND SUPPLY CHAIN AUTOMATION

Adoption of SAP RISE with HANA, hosted on the cloud, has amplified our operational efficiency and business performance. This facilitates real-time insights into business operations, enhancing supply chain management, while bringing the costs down. We have implemented CRM that helps us in seamless management of customer interactions, paving way more personalised experiences, increased customer engagement and improved customer satisfaction.



ADVANCE ANALYTICS

We are creating a data lake for advanced analytics, to fully unleash the power of data analytics. This will enable data-driven decision making, improve customer experiences and explore new revenue opportunities through the analysis of extensive data sets and extraction of insights. We intend to use ETL to extract data from diverse sources and plan to conduct predictive and prescriptive analytics.



CYBER SECURITY

Understanding the necessity of maintaining data confidentiality, integrity, availability of business data and its protection against cyber threats, we have embraced sound cybersecurity measures, including upgrading to next-gen firewalls and revamping the entire network to make it more secure and resilient.



EMBARKING ON THE DIGITAL TWIN JOURNEY

Embracing Digital Twin Platform for all our business processes positions us competitively. The journey of digitally transforming Enterprise Data Management, Advanced Process Control, Asset Performance Management, Asset Information Management, Predictive Maintenance, Intelligent 3D Models development and integration of all functions with RPA (Robotic Process Automation), Analytics, Artificial Intelligence & Machine Learning Models, etc. is a key enable for seizing on new growth opportunities. Digital Twin platform helps optimise our business processes, establishing cross-functional clarity to leverage best practices, improve controls and achieving superior performance. This opens the doors for enhanced visibility and transparency, utilising Digital Twin platform, as a valuable source of data insights.

ACTIVITIES PROVIDING A SENSE OF PROGRESS IN THE DIGITAL DIRECTION

- BVA: Business Value Assessments & Return of Investment Exercise are done to chart the way forward
- Different databases such as Equipment Database and MRO Database are identified and enhanced to improve outcomes
- Structures such as Asset Structure, Business Structure and Organisational Structures are identified at the Group level and configured to enhance agility across all processes
- The Maintenance & Reliability business process, along with cross-functional requirements, are identified and tested with the goal of implementing APM and other modules
- We have identified vendors specialising in APM, Analytics, Artificial Intelligence, Machine Learning, Intelligent 3D Models development and integrations. These initiatives will be pursued in a timely manner to realise our vision, ensuring optimal cost-effectiveness and benefits through thorough insightful planning
- Condition Base Maintenance such as Vibration Analysis, Risk Base Inspections, Root Cause Analysis and CAPA monitoring, are being implemented. The next phase of improvement is targeted to be implemented through continuous monitoring
- Given the current level of operations and diverse range of plants and sites within the Group, we are adopting a phased implementation approach. The aim is to ensure a smooth and seamless transformation while addressing all change management aspects, including the specific business requirements of each site



CASE STUDY

Advanced Process Control (APC)

A leap towards intelligent plant operations

We have successfully implemented Advanced Process Control (APC) at our **Cumene and Phenol Plants** located at Dahej, Gujarat - India. We have also implemented & demonstrated the successful operation of an APC controller for a very complex and challenging to optimise - "cleavage reactor" section of the phenol plant, which very few peers have implemented in the world.

APC is an **intelligent** and active software layer above the regulatory control layer that treats an entire process unit as a single, multivariable system and corrects for predicted future errors using an empirical model. APC controllers include an integrated optimiser that pushes the processing unit toward its most profitable state by solving for the maximum value of all economic variables in each iteration.

APC has four significant features:

Multivariable – which helps coordinate and decouple the effects of interactions among multiple process variables

Model-predictive – APC uses dynamic models to predict process behaviour in the future and this information is then used to proactively control the process and correct future errors.

Constraint Aware – Monitoring and maintaining process variables within limits

Optimised – Integrating optimisation capabilities to drive applications toward specific design objectives.

Key benefits achieved after APC implementation at Phenol & Cumene Plant at DPL:

Increase in production by **2.0 – 3.5%**

Reduction in chemicals, energy consumption & material loss by **1.0 – 10%**

Significant reduction in standard deviations by **2.0 – 70%**

Sustained quality at different plant loads
Reduction in operator intervention by **> 50%**

>625 tonnes of CO2 reduction – Enhanced green index

Autonomous operation of plants with minimal operator intervention, **enhanced safety of the plants** Utilisation of quality data to prepare **an accurate inferential model** instead of utilisation of an online GC analysers

Research and Development

KEY R&D FOCUS AREAS

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

R&D HIGHLIGHTS

₹ 9.13 Crores
R&D Investment

100
R&D professionals

23
Ph.Ds employed

68
Cumulative patent applications filed

4
New products launched

24
Cumulative patents granted



FOCUSSING ON PROCESS SAFETY

- A specialised process safety team at DRDC, evaluates chemical processes to ensure safe operations
- Conducts in-house analyses using ARC, DCS and RC methods, including gas evolution analysis
- The team collaborates with third-party laboratories to generate safety data, particularly for powder safety assessments

More than five workshops focussed on general safety awareness and process safety were organised during the year, with participation from various functional teams across the Deepak Group. These workshops introduced the key features of process safety relevant to the Deepak Group's expertise. During the workshops, detailed explanations were provided on various aspects of process safety and process scale-up. This training aims to help our teams develop processes with a strong emphasis on scalability and safety, starting from the lab.

DRDC – POWERING INNOVATION

Our state-of-the-art Deepak Research and Development Centre (DRDC), located in Nandesari, Gujarat serves as a centralised hub for our innovation capabilities. Recognised by the Department of Scientific & Industrial Research, Government of India, DRDC specialises in innovating sophisticated technologies. It features state-of-the-art process engineering lab, a kilo lab and a process intensification lab, essential for scaling-up products development. Utilising the Design of Experiments (DOE) methodology and a specialised software for screening and optimisation, we expedite our development process and enhance the efficiency of lab scale development.

We have invested in flow reactor, flow meters, etc. under Process Engineering Research & Innovation (PERI), to support new technology platforms and continuous process development. To enhance synthetic chemistry, we have also invested in acquiring analytical tools such as Gas Chromatography (GC), Gas Chromatography/Mass Spectrometry (GCMS), High Performance Liquid Chromatography (HPLC), Liquid Chromatography/Mass Spectrometry (LCMS), Ultra Performance Liquid Chromatography (UPLC) and Ion Chromatography (IC). We have undertaken the expansion of our analytical lab to house these instruments, reinforcing our innovation capabilities. We have Pilot Plants to scale up technologies.

NEW R&D FACILITY AT SAVLI, VADODARA

The Company is also building a state-of-the-art R&D Centre at Savli, Vadodara, which is scheduled for completion by March 2025. This cutting-edge facility will house advanced laboratories and pilot plants dedicated to fostering innovation in chemical research, with a strong emphasis on sustainable and environmentally friendly processes. By uniting top-tier scientists and industry experts, this R&D Centre will become a hub for innovation, driving the development of new products and technologies that align with our growth strategy and advance the chemical industry in India.

Bridging innovation and production with state-of-the-art pilot plants

Our cutting-edge pilot facilities, strategically located in Roha, Maharashtra and Nandesari, Gujarat, are pivotal for transition of our R&D activities into the commercial production of intermediates for various industrial applications such as agrochemicals, dyes and pharmaceuticals. These pilot facilities feature state-of-the-art infrastructure, stainless steel and glass-lined reactors and distillation columns for both gas and liquid raw materials. Moreover, they are fully equipped with cutting-edge instruments, a Distributed Control System (DCS) and essential utilities such as chilled brine, low-pressure steam, cooling water, temper water and more. These set-ups enable us to seamlessly deliver high-quality products.

Technology Innovation

We are extensively involved in developing new technology platforms to enhance our product capabilities.

At present, our focus lies on advancing fluorination and photochlorination chemistry, as well as high-pressure oxidation reactions for acid formation and gas-solid reactions for pharmaceutical applications. To achieve the same, the R&D members have undergone specific training both externally and through on-the-job training provided by in-house experts. This approach aims to increase the number of well-trained individuals in specialised areas. For instance, the scale-up of in-house developed catalysts is conducted at third-party facilities, where the R&D team gains an understanding of the unique aspects of this scale-up process, which differs from typical chemical scale-up activities. To advance this, we've set up a pilot facility tailored for vapor phase processes. Additionally, we've introduced laboratory-scale CSTR setups to enhance yield and quality while lowering operational costs. These setups facilitate conversion from batch mode reactions to continuous mode, achieving batch efficiency and cost-effectiveness in our operations.

In addition to our cutting-edge research and pilot facilities, we have advanced literature search tools such as SciFinder and engineering tools like Mixit and ASPEN. These resources enable our team to stay abreast with the latest developments in the scientific fields.

DEVELOPMENT OF IDEA TO PLANT PROCESS (ITP)

The concept of ITP



The Technical Organisation plays a vital role in ensuring the efficient progression of ideas for developing sustainable processes and transitioning them into the manufacturing plant. The Idea To Plant process (ITP) involves a comprehensive evaluation undertaken by the dedicated technical team. The evaluation encompasses thorough review of the entire process, from idea generation, through technical development and up to the eventual production plant. The activities are meticulously mapped and the relevant documents are formalised to ensure smooth flow of information and tasks. The ITP project defines the technical processes, determine the necessary infrastructure and establish a document system to support the entire process. Additionally, extensive safety reports covering both chemicals and processes are included, ensuring a clear understanding of potential hazards and requisite safety protocols.





STREAMLINING ITP TRIALS THROUGH DIGITALISATION

- Implemented a secure web-based suite of tools for enhanced data management
- The suite enables efficient handling of data from initial ideas to commercial trials
- Stores data in a structured format facilitating organised information and easy search
- Prevents knowledge loss and facilitates seamless information flow within the organisation

ADVANTAGES OF ITP TRIALS THROUGH DIGITALISATION

- Auto curate dashboards to connect Board rooms to Laboratory
- Digitised documentation of lab records in an online format
  - Formats designed to extract data/ information
  - Reports and presentations created by system through aggregation
- Ensures data integrity, security and traceability
- Significant reduction in the time spent by scientists in preparing management reports
- Open and transparent information about availability of R&D team
- Fortnightly reports, subsequently reducing the time in technical reviews
- Eliminates orphan data points and ensures complete audit trail and traceability



Cybersecurity in the Digital Transformation Age

In today's digital-first environment, the importance of cybersecurity cannot be overstated. Deepak Group is at the forefront of integrating robust cybersecurity practices to protect data integrity, ensure operational stability and mitigate emerging risks. As we navigate through rapid technological advancements, the priority remains clear: strengthen cybersecurity frameworks to keep pace with digital transformation.

CYBERSECURITY AS A RISK MITIGATION STRATEGY

Cybersecurity Infrastructure

- Robust firewall systems
- Intrusion detection and prevention systems
- Strong authentication mechanisms
- Encryption technologies

Employee Cybersecurity Awareness

- Regular training sessions
- Awareness campaigns - Best practices, data protection, potential threats

Incident Response

- Incident response team
- Communication channels
- Documented processes for containment, investigation and recovery

Business Continuity Planning

- Regular backups
- Redundancy measures
- Disaster recovery strategies

Compliance and Regulatory Standards

- Data protection regulations
- Privacy laws
- Cybersecurity frameworks
- Frequency of compliance audits and assessments



STRATEGIC CYBERSECURITY ENHANCEMENTS

Our approach involves a dynamic blend of advanced technology investments and comprehensive strategy implementations. These measures are crucial for ensuring operational resilience and maintaining trust within our digital ecosystems.
The infrastructure at Deepak Group is fortified with state-of-the-art firewall systems, intrusion detection, prevention systems and stringent access controls. We employ cutting-edge authentication and encryption technologies to secure sensitive data and reduce the likelihood of breaches.

CULTIVATING A SECURITY-MINDED WORKFORCE

Employee education is a cornerstone of our cybersecurity strategy. Through ongoing training and awareness initiatives, we equip our employees with knowledge of best practices and emerging threats. This proactive educational environment helps cultivate a security-first culture, empowering our staff to act as the primary defence against cyber threats, including sophisticated phishing and social engineering attacks.

INCIDENT RESPONSE AND CONTINUITY PLANNING

Preparedness is key to managing cyber incidents. The Deepak Group has established a comprehensive incident response protocol, featuring a dedicated team, streamlined communication strategies and a systematic approach to containment, investigation and recovery. Our commitment to business continuity is underscored by regular system backups, redundancy plans and robust disaster recovery frameworks. Our Security Operation Center (SOC) plays a pivotal role, continuously monitoring and responding to threats, ensuring that our defences are both proactive and reactive.

COMMITMENT TO COMPLIANCE AND STANDARDS

Adherence to compliance and regulatory standards is a fundamental aspect of our cybersecurity agenda. Deepak Group consistently aligns its operations with the latest data protection regulations, privacy laws and cybersecurity frameworks. Regular audits and assessments help us stay compliant and refine our strategies to meet evolving legal and ethical obligations.

INSTALLATION OF CENTRAL CCTV CONTROL ROOM AT CORPORATE OFFICE

Introduction

Deepak Group has established a state-of-the-art centralised CCTV control room for monitoring of all the sites at the corporate office.

This initiative will ensure:

- Live monitoring of all Deepak Group Sites by respective SBU Heads/Corporate HODs (only at Central Control Room)
- Investigation of an incident at Corporate Level
- AI Alerts for Fire & Smoke and Perimeter Intrusion

Benefit of New Concept

- Enhanced Security Operations leading to productivity with 24X7 Monitoring
- Increased efficiency level
- Increased reliability
- Reduction of human error
- Decrease in sabotage / pilferage attempts
- Smooth and uninterrupted monitoring
- Deterrent to mischievous elements in plants
- More secured environment for all plants
- Building reputation
- Real-Time Response against deviations
- Incident investigation & live monitoring
- Sites can be shown to VVIP and visitors from Corporate office, if required
- Alerts on Fire, Smoke & Perimeter Intrusion Detection can be received at Corporate Central CCTV Control Room
- Frequent Monitoring by SBU Heads & Corporate HODs
- Assists in defining central policies for Deepak Group

TURNSTILE SYSTEMS

Security is a rising concern in the world today i.e., hackers accessing valuable information to intruders threatening the safety of people and property. With an aim of controlling access to premises by contract workers, visitors, etc. turnstile systems were installed & implemented across all sites. Turnstiles provide superior access control by both detecting and deterring unauthorised entries & exits. In addition, contractors billing is done directly through the records generated from turnstile system.

HUMAN CAPITAL



Building a future-ready workforce

We consider employees to be our greatest asset in the journey of pursuing our organisational objectives and success. Our people-first approach focusses on nurturing a diverse, inclusive workplace and ensuring the overall wellbeing of our people. We invest in their learning and development, preparing them to adapt to the evolving business demands and competition.

Material issues addressed

Occupational Health & Safety

Human Rights

Employee Engagement

Diversity, Equity & Inclusion

Key risks considered

Succession Planning / Critical Position Planning

Plant Safety Compliances

Reputational Risk

Strategic linkages

Operational Excellence and Safety

Sustainable Growth

SDGs impacted

FOCUS AREAS FOR HUMAN CAPITAL

- Talent management
- Diversity and inclusion
- Health and safety
- Employee engagement
- Higher Productivity
- Skill Development

Human Capital KPIs

- **2,547** permanent employees and workers
- **2,694** Contractual Employees
- **5,241** Total workforce
- **158** Women employees
- **64,777** Training Man Hours
- **0.20** LTIFR
- **Zero** Incidents of labour unrest
- ₹ **1.47** Crores Revenue per employee

Strategically optimising our human capital

- Overhauled the organisation's Goal Setting process, while cascading the goals at functional and individual level. Established interdependencies at functional level to bolster governance for attainment of the goals
- Implemented customised learning interventions and new training initiatives
- Training and developing employees to meet evolving demands of governance and sustainable compliances

Talent Management

- Design and deployment of Competency framework
- Assessment centre for identification of potential talent
- Internal mobility as part of capability building and succession planning initiatives



DIVERSITY EQUITY AND INCLUSION (DEI)

We are an Equal Opportunity Employer (EOE) and embrace workforce diversity while attracting and retaining our people. We are committed to nurturing a diverse and an inclusive workplace fostering innovation and community involvement.

We have identified five pillars of diversity and inclusion, around which our top management drives DEI efforts for the Deepak Group.

1. Brand Image and Communication

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

2. Culture Building/Awareness

- Monthly meeting were done with the Leadership team and the SBU heads to have high level corporate leadership involvements and formal commitments
- Townhalls on DEI done across all locations of DNL with the direct communication between the CEO and the Board Members and all the DNL employees
- Employee Resource Groups formed and FGDs done to make inclusive goals towards DEI

3. Ecosystem

- Rolled out DEI Policy for Deepak Group
- DEI Council which is a three-tier committee finalisation lead by our Top leaders and Directors
- Hire to retire career progression plans

4. Administration and Infrastructure

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

DEI Cross-Functional Team

Deepak Group has constituted a Cross-Functional Diversity, Equity and Inclusion (DEI) team, comprising representatives from various functions. The team conducted an internal analysis and put concerted efforts to assess the current DEI state within the organisation. They subsequently apprised the management on the DEI analysis along with the recommendations for the future course.

DEI INITIATIVES IN FY 2023-24

- Women's Day celebration in 2024 themed "Inspire inclusion", emphasised on diversity and empowerment across all aspects of society
- Restructured the Internal Committee (IC)
- Initiated the standardisation of the Group policies' to incorporate inclusivity and equity
- Introduction of Paternity Leave
- Introduced DEI Policy at Group level demonstrating the leadership commitment towards DEI and zero tolerance for discrimination
- Active promotion of women's participation in exhibitions and awards and conclaves
- Organised focussed group discussions and Grace and Grit sessions, fostering sharing of experiences and learnings from each other
- Encouraged participation from diverse teams inclusive of both female and male employees in engagement initiatives such as Master Chef competition





Employee Engagement

We are committed to nurturing a workplace where the sense of belongingness can thrive within our employees. We conduct several engagement initiatives to keep our employees motivated and engaged.

EMPLOYEE ENGAGEMENT INITIATIVES IN FY 2023-24

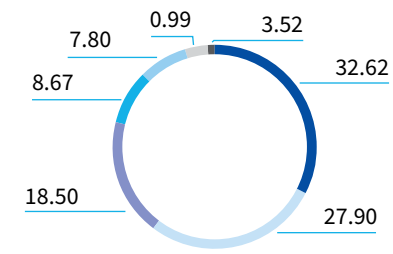
- Interface with leadership through "Coffee with CEO"
- Implemented a higher Education policy to provide assistance for higher studies
- An employee engagement action plan, based on the Employee Engagement Survey (EES) findings, is under implementation to enhance the engagement practices in future
- Taking concerted steps to improve the EES score and monitor the employee engagement practices on a regular basis
- Strengthening the Performance Management System (PMS) enhance objectivity and transparency
- Creating awareness among employees to volunteer in CSR initiatives
- Promoting job rotation and upskilling of employees through Internal Job Postings (IJPs) and providing training/ assignments on varied topics

REWARDS AND RECOGNITIONS

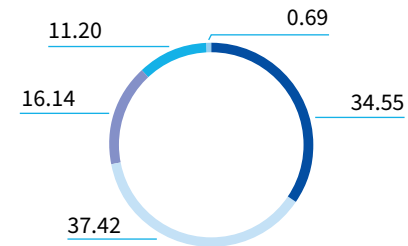


DIVERSITY OF WORKFORCE

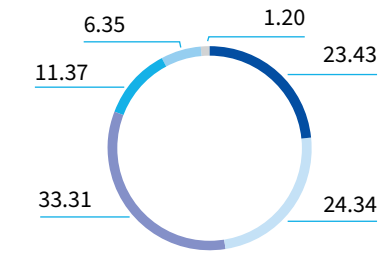
By Qualification (%)



By Age (%)



By years of Experience (%)



LEARNING AND DEVELOPMENT

We provide a spectrum of learning and development opportunities to our employees to not only equip them with right skills to address the evolving business demands but also to accelerate their careers. The investment in the training and development of our employees sharpens our innovative capabilities, helping us outpace the competition.

LEARNING AND DEVELOPMENT INITIATIVES IN FY 2023-24

- We partnered with various universities to develop customised learning interventions
- We curated and launched new learning interventions aimed at capability building, such as TATVA-Chemistry certification program for chemical engineers and a multidisciplinary non-residential program for Campus trainee batch of 2023 at GSFC University

64,777
hours of Training

Driving continuous improvement

- IMS audits to monitor and evaluate the system performance
- Responsible Care (RC), Together for Sustainability (TfS), EcoVadis and customer audits
- HAZOP leadership training for our leaders
- EHS legal compliance leadership training for our leaders

SEVEN CODE OF RESPONSIBLE CARE PRACTICES

- Process Safety Code
- Employee Health & safety
- Pollution prevention
- Distribution Safety
- Product stewardship
- Community awareness & emergency response
- Security Code

CASE STUDY

DEVELOPING YOUNG TALENT FOR CAREER IMPACT

The Deepak Group consistently attracts young talent from the universities and professional institute campuses, every year. The intake of Campus Trainees at the Company is steadily increasing, with a focus on grooming them for impactful roles that foster career development.

- The Campus Trainees of batch 2023 received comprehensive training and practical exposure, undergoing performance evaluation through regular assessments
- Two Campus Trainees joined DNL teams at the National Safety Convention (NSC), which won two gold medals in a national-level competition, bringing pride to DNL

Health and Safety

We have established a robust Health and Safety policy that guides and integrates our health and safety framework across all operations ensuring the wellbeing of our employees and stakeholders. Our HSE management systems, aligned with ISO 45000 and ISO 14001 standards, have been integrated across all locations and follow the Plan-Do-Check-Act cycle for continual improvement. We have set measurable OSH objectives and stringent safety protocols and procedures across all locations, assessed through regular audits and inspections to ensure compliance with safety standards and identify improvement areas. We have implemented HIRA (Hazard identification and Risk Assessment) system, as part of Integrated Management System (IMS), with clearly defined responsibilities, accountabilities and authority of persons who identify, evaluate or control OSH hazards and risks. HIRA framework enables proactive identification of work-related hazards, helping us eliminate or control potential risks before they escalate into safety incidents. At Deepak, OH & S is considered as line-management responsibility, with periodic reviews from the Top leadership on the performance of the OHS management system. We foster cooperation and communication among the employees, workers and their representatives, for effective implementation of organisation's OHS management system.

12+ Mn

Hours without loss time incidence at DPL



HIGHLIGHTS IN FY 2023-24

Won **5 Gold and 2 Silver trophies** at National Safety Convention for the projects carried in Health Safety and Environment domain

HEALTH & SAFETY INITIATIVES IN FY 2023-24

Training and Education for our employees to equip them with awareness and skills required for safe dissemination of their duties. This includes training on hazard recognition, emergency response and the proper use of personal protective equipment.

Promoting safety culture throughout the organisation by maintaining channels for open communication for reporting safety concerns, recognising and rewarding safe behaviours and encouraging employee participation in safety initiatives.

Technology Integration for safe operations including implementation of advanced monitoring systems, automation of safety processes and the use of data analytics to identify trends and patterns related to safety performance.

Allocating capital expenditure to improve our firefighting capabilities to ensure employee safety. This includes procurement of state-of-the-art fire tenders, fire jeeps and upgrading the fire hydrant system.

Pursuing continuous improvement of health and safety performance by setting safety targets, conducting regular reviews to assess progress and implementing corrective actions as necessary.

Various Health Promotion Programmes are organised.

SOCIAL AND RELATIONSHIP CAPITAL



Empowering our Stakeholders

We remain conscious of demonstrating corporate citizenship by empowering communities through education, healthcare, skill building and livelihood opportunities aimed at their overall socio-economic upliftment. We believe our success is intricately woven with the prosperity of our communities and remain resolute in operating with a purpose.

Material issues addressed
Community Involvement
Sustainable Supply Chain
Customer Relationships

Key risks considered
Reputational Risk
Emerging competition to our existing business
Supplier Dependency

Strategic linkages
Sustainable Growth
Enhance Margins

SDGs impacted



CSR Vision and Strategic Alignment

CSR VISION

To remain a responsible corporate entity mindful of its social responsibilities to all stakeholders including consumers, shareholders, employees, local community and society at large.

As a responsible corporate citizen, we ensure that our communities are not left behind in the path to development. With our CSR footprint spanning many states in India, we strive for equitable development for underserved communities. We have established a comprehensive CSR policy that guides our CSR efforts to empower primarily the communities around our plant and offices, along with the urban, rural and tribal communities, based on the outcome of needs assessment. At DNL, we channelise our CSR efforts through the Deepak Group's CSR arm, the Deepak Foundation, that fulfils our CSR agenda aimed at empowering those at lowest rungs of the socio-economic pyramid.

CSR OBJECTIVES

- Enhance the quality of life of the communities surrounding the plant and offices
- Integrate social goals and address the stakeholders' aspirations for sustainable development and inclusive growth
- Create a positive impact by sustainable development of the society and environmental-friendly practices
- Demonstrate corporate responsibility by creating a safe, harmonious and ecologically balanced environment for broader communities
- Maintain a commitment to quality, health and safety in all aspects related to the business and people
- Fulfil 4 out of the 5 P's outlined in the Sustainable Development Goals (SDGs): Planet, People, Prosperity and Peace

CSR HIGHLIGHTS IN FY 2023-24

₹ 27.87 Crores
CSR Spend

8,50,000+
CSR beneficiaries

05
States

700+
Villages covered

CSR FOCUS AREAS

- Education
- Healthcare
- Skill Building and Livelihoods
- R&D



Deepak Medical Centre – Construction and Renovation of Hospital Building of Medical Care Centre Trust

Medical Care Centre Trust ('Trust'), also known as Kashiba Children Hospital has been devoted towards serving the underprivileged people of Vadodara, Central Gujarat and neighbouring states of Madhya Pradesh, Rajasthan and Maharashtra. For the past four decades, it has provided medical care to more than 2.5 Million children, either free or at very subsidised rates. The hospital offers several medical facilities including Paediatric Cancer Department, Paediatric Intensive Care Unit, Neonatal Intensive Care Unit, Apang Shishu Kendra (Specially-abled children centre), Shri Jalaram Blood Centre – Regional Blood transfusion centre, Cleft lip and palate restoration centre under the 'Smile Train' Project.



The Trust approached Deepak Group for support for construction of new Hospital building and repair & renovation of their existing hospital buildings. Deepak Group, through Deepak Phenolics Limited and Deepak Nitrite Limited, has been supporting the Trust in constructing their new hospital building and carrying out repairs and renovations of existing hospital buildings. The construction of new hospital building is nearing completion and is set to be operational in this calendar year. Honouring Deepak Group's contributions, trustees of the Trust have named their campus as 'Deepak Medical Centre'. The centre will be equipped with advanced medical facilities and serve as an integrated medical facility for patients from Gujarat, Maharashtra, Madhya Pradesh and other neighbouring states.

Integrated Efforts Towards Elimination of Tuberculosis by 2025

The Government of India has been working relentlessly towards elimination of TB since 1962. Under its National Tuberculosis Elimination Programme, the government holds a vision of eradicating Tuberculosis by 2025. Since February 2023, Deepak Phenolics Limited, through Deepak Foundation, initiated a program for Integrated efforts towards TB elimination by 2025, to play a catalytic role in fulfilling government's TB eradication mission.

Nidaan Van

It is estimated that around 8.6% of India's total population resides in tribal areas, which do not have much access to available care services for TB and other diagnostics at nearby health centres. With an objective of improving access to diagnostic care services for patients in tribal locations, major thrust of the initiative is to provide last-mile TB diagnosis facility at doorstep. Thus, the concept of Nidaan Van was devised.

Nidaan Van has been very useful in providing quality diagnostic services underprivileged and hard to reach areas where diagnostic facilities/providers are non-existent, non-functional or inaccessible.

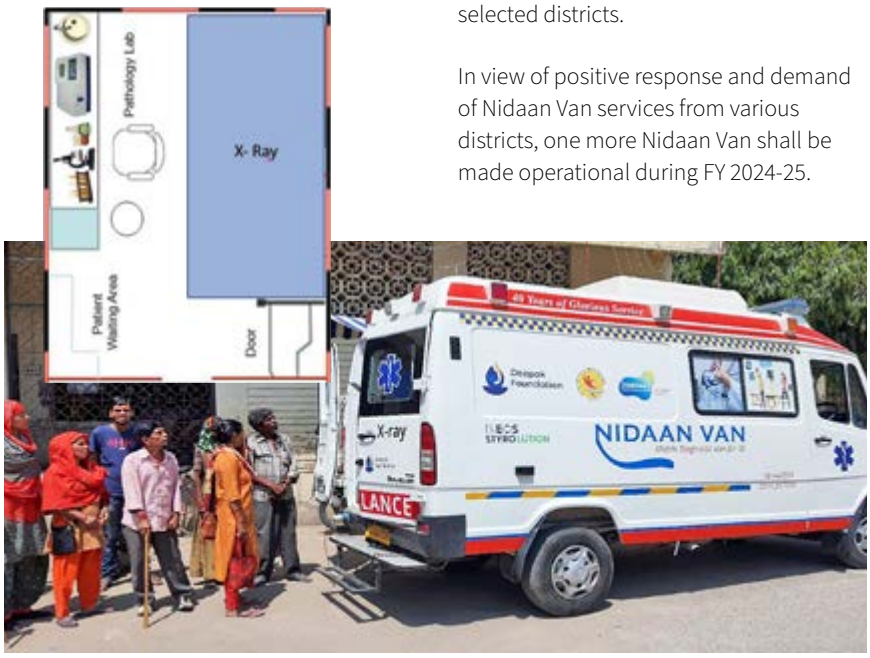
Besides improving accessibility of diagnostic services for underserved tribal and rural communities, the Nidaan Van has also acted as early diagnosis of disease and timely referral of the patients which has resulted in reduced the morbidity & mortality.

The Nidaan Vans offer free diagnostic services including TB Screening through Artificial Intelligence-based Chest X-Ray, Nucleic Acid Amplification Testing (NAAT), Hyperglycaemia screening, HIV Screening, Haemoglobin testing and Eye testing. The diagnosis is followed by referral for the treatment for the identified patients, at nearest Health Care Facilities.

Currently Two Nidaan Vans are operational in five states – Gujarat, Haryana, Madhya Pradesh (MP), Rajasthan and Maharashtra. In Gujarat, the Nidaan Van was initiated in the districts of Vadodara, Bharuch and Chhota Udepur and later as per demands from different districts, it has been truly mobile for almost any part of the State of Gujarat. In Maharashtra, it is serving districts of Palghar and Roha. In MP, the services of Nidaan Van are available in 22 selected districts.

In view of positive response and demand of Nidaan Van services from various districts, one more Nidaan Van shall be made operational during FY 2024-25.

Layout of Nidaan Van



Outcomes of Nidaan Van Services:

- 02 Nidaan Vans covered 219 villages across 5 states and 13 districts
- 23,411 beneficiaries impacted
- 11,500+ beneficiaries underwent x-ray screening, with 95 test positive for TB and 388 identified as TB Presumptive (AI)
- 250+ Nucleic Acid Amplification Tests (NAAT) conducted, revealing 7 cases infected with Mycobacterium tuberculi (MTB)
- Around 18,000 eye investigations carried out, with 12,627 diagnosed for refractive errors and 617 suffering from ocular conditions
- 5,600+ Hb screenings conducted
- 12,600+ DMS testing done with 2,430 individuals identified as Hyperglycaemic
- 8,700+ HIV testing done with 16 individuals identified as reactive

INTEGRATED CHILD DEVELOPMENT SCHEME (ICDS) FOR PRE-SCHOOL EDUCATION

ICDS, a centrally sponsored scheme and a leading government programme of India, aims to promote early childhood care and education, to enhance the nutritional and health outcomes in children < 6 years and to reduce the mortality, morbidity, malnutrition and school dropout rates.

The Department of Women and Children, Government Gujarat, tasked the Deepak Foundation to supervise and overhaul the Anganwadi Centres (AWCs) under two Primary Health Centres (PHC) of Sankarda and Angadh in Vadodara Rural Block, Gujarat. DNL supports the foundation in carrying out these tasks in the rural blocks.



Aim of Deepak Foundation under ICDS Project:

- To align with the targets set by National Nutrition Mission - Poshan Abhiyan and school readiness index, for improving nutritional status of children < 5 years of age. A host of value-added services include innovative Early Childhood Care and Education (ECCE) inputs, medical check-ups, screening for nutritional status of children, identification of early developmental delays, providing medical treatment to malnourished children, uniform distribution, refurbishment work and infrastructure development in 8-10 Anganwadi centres annually.
- Under the guidance of the National Education Policy-2020, elevate the Anganwadi Centres through high quality infrastructure, interactive learning walls, child friendly and educative spaces that promote good hygiene and health and encourages children and their parents to avail the Anganwadi services.

Project highlights

- **67** Anganwadi Centres covered and 9 Centres refurbished
- **67** Anganwadi workers capacitated
- **97%** Students enrolment (1,959 students)
- **1,320** quality ECCE Sessions
- **96%** beneficiaries i.e., 1,891 children in age group 3 to 5 years, benefitted through school uniform distribution
- **8,000** average beneficiaries per month received supplementary nutrition at Anganwadi Centre
- **93%** beneficiaries, i.e., 3,721 children below 5 years of age received annual health screening
- **150** Severely Acute Malnourished/Moderate Acute Malnourished children received regular paediatrician check-up through DMF

NANDESARI HOSPITAL BY DEEPAK MEDICAL FOUNDATION

Established in 1982, Deepak Medical Foundation (DMF), Nandesari, offers a comprehensive 28-bed multispeciality hospital with various OPDs, IPDs, diagnostic services, pharmacy centres, 24x7 Emergency services, ICU services, Operation Theatres, Ambulance services, etc. supported by specialist doctors and well-trained medical staff. These services are provided to the communities in and around the industrial belt of Nandesari, Vadodara, Gujarat, at very subsidised rates, making healthcare affordable and accessible to them.



Project Highlights in FY 2023-24

- **8,900+** patients received OPD services
- **921** patients treated through IPD services
- **140+** deliveries conducted
- **10,417** patient prescriptions facilitated through pharmacy services with 868 prescriptions on an average per month
- **12,139** patient diagnosis conducted with 1,011 diagnoses on an average per month

PROJECT VIVEK VIDYA

Project Vivek Vidya is a "conceptualised Mobile Education Service" that supports the children from marginalised communities grappling with low educational outcomes due to inadequate access to quality reading and learning materials. The programme develops their cognitive and non-cognitive skills through strategic educational interventions and blended learning approach, bringing down the school dropout rates. The project propagates the objectives of the National Education Policy-2020 by enhancing holistic learning competencies of children in the age group 6-15yrs, through storytelling, fostering verbal proficiency & listening skills, vocational skill building, parents counselling, etc.

At present, the project is being implemented at 4 locations including peri-urban area of Nandesari and rural area of Savli in Vadodara district, Gujarat, Roha tribal area of Raigad district, Maharashtra and sub-urban industrial area of Jeedimetla on the outskirts of Hyderabad, Telangana.

The project also involves training & empowering the local community women to become Vidya Sathis, who assist as education facilitators in the project to educate children within their villages/ communities.

This year, the project started the Music-vocal and instrument coaching classes for the children of classes 5th to 8th, familiarising them with musical instruments, nurturing their latent interests, nudging them into the field of music and preparing them to showcase their talent through public performance.

Project Highlights in FY 2023-24

- **8,257** Children enrolled under Project Vidya
- **350+** Vidya Saathis trained till date with 120+ Vidya Saathis trained in FY 2023-24
- **7,547** Children issued books
- **7,454** Children attended story-telling sessions
- **7,458** Children attended Remedial Input Sessions
- **7,476** Children completed workbook practice
- **200** Children enrolled in Music coaching
- **2,072** Children skilled through vocational training
- **6,600** Parent's Counselling Sessions conducted

SAMAJ SURAKSHA SANKUL

Samaj Suraksha Sankul is a residential cum support childcare institution, formed with public-private partnership between Department of Social Justice and Empowerment, Government of Gujarat and Deepak Foundation. The Sankul provides comprehensive support to the children with disability and special needs as well as the destitute children in and around Vadodara and equips them with education, adequate healthcare, rehabilitation, extracurricular and independent living skills, thereby enabling them to lead empowered lives.

Developmental services offered at Sankul

Healthcare	Health Checkups Medical Intervention	Counselling for mental wellbeing Physiotherapy
Education	Quality education in school Remedial coaching	Digital empowerment of visually impaired Early intervention centre
Extracurricular	Music Sports	Computer education Arts & Craft
Independent living	Financial management Skills training for employability	Mobility for visually / physically challenged
Family strengthening	Counselling Linkage with government schemes	Reuniting child with family

Project Highlights in FY 2023-24

- **99%** utilisation of Sankul accommodating 358 beneficiaries including visually impaired and physically challenged children, aftercare and children home for boys, old age home and navi pahel
- **324** beneficiaries through various govt. schemes such as Unique Disability ID (UDID) card, Bus/ Railway pass, Sadhan Sahay, Disability Certificate
- **20** After-care Youth (>18 years) beneficiaries receiving mentoring support in education, kitchen activities, counselling, full time & part time jobs
- **₹ 13,000** and **₹ 6,166** Average salary earned by after-care youth in full time and part time jobs respectively

NANDESARI SCHOOL PROJECT FOR SECONDARY EDUCATION

We are supporting the Deepak Foundation in Nandesari Education Project, which has been initiated to provide effective remedial classes for the secondary school students in Mathematics, Science and English. The project aims to provide conceptual understanding of the subjects through innovative education techniques, which will also remove the fear of these subject from the students' minds.

The other objectives of the project are bringing back dropouts into the mainstream, tracking of students and their learning status, facilitating formal and non-formal education modes, counselling to parents, career counselling sessions by expert educators and motivational speakers, facilitating sports education, vocational trainings and youth awareness programmes.

Project Highlights

- **511** Students enrolled across 3 schools
- **1,175** Remedial Input Sessions
- **51** Student enrolments in sports
- **261** Sports sessions
- **136** Students from 10th class participated in career counselling session
- **136** Students trained for vocational skills
- **300** Assignment distribution to 10th class students

PROJECT SANGAATH

Deepak Group supporting project Sangaath at Vadodara and Chhota Udepur district of Gujarat and Palghar, Pune and Raigad district in Maharashtra. The project facilitates the convergence under various social welfare schemes of the government to enhance their utilisation. We supported the eligible beneficiaries in the application process and successful submission in respective government departments.

Project Highlights

- **190+** villages covered covering 43,280 households
- **1,08,000** Project beneficiaries
- **₹ 3,217** Crores facilitated as convergence amount
- **7,500** schemes applications were facilitated that providing agricultural tool kits and livestock to improve the livelihoods of the beneficiaries
- **78,696** applications of PRDs were submitted, 69,945 (89%) were approved
- **80,019** scheme applications were submitted, 72,018 (90%) were approved

Impact Story

EMPOWERING TRIBAL WOMEN THROUGH THE CLEAN ENERGY-BASED COOKING SOLUTION

Traditional cooking methods used by tribal women in Mokhada had huge reliance on wood as the cooking fuel. This not only poses serious health risks due to smoke inhalation but also degrades the environment through deforestation. Deepak Foundation's Sangaath Mokhada team is empowering these tribal households by providing innovative clean energy-based cooking solutions and free LPG connections, concurrently as Pradhan Mantri Ujjwala Yojana (PMUY) extends this support to families living in rural areas.

Implementation

Under the PMUY, eligible households receive:

- A free LPG connection with three free gas cylinder refills
- A subsidy of ₹ 400 for subsequent refills

Project Highlights

- **180** applications processed in FY 2023-24
- **7** villages benefitted
- **86** women's application were sanctioned
- **₹ 5.16 Lakhs** worth of convergence amount facilitated the LPG gas connections

Skill Building and Livelihood

Deepak Nitrite supports several skill building and livelihood initiatives implemented by the Deepak Foundation, to create economically empowered communities. During FY 2023-24, we touched lives of 8,131 community beneficiaries through Gram Jal Sanchay, Surabhi, Income Generation Activity and Skill building activities.



Project Surabhi (Integrated Animal Healthcare Centre)

- Support daily farmers by providing high-quality feed and fodder at subsidised rates
- Boost per capita milk availability through efficient dairy management practices
- Offer timely and responsive services customised to suit the needs of dairy farmers
- Provide prompt artificial insemination services with both conventional and sexed-semen straws
- Proactive vaccination measures reducing vulnerability in milch animals and calves
- Mitigate financial losses from reduced milk yield or animal mortality through prompt veterinary first aid services
- Provide doorstep breeding facilities, shortening inter-calving periods
- Address infertility issues through organised camps and treatments
- Educate and empower dairy farmers on cutting-edge animal management practices

Impact

- **5,123** beneficiaries
- **46%** increase in beneficiaries' profits due to reduced animal care costs and increased milk yield
- **684** AIs performed out of which 117 AI done with sex sorted Semen
- **87%** success rate of "Selective Semen" Artificial Insemination process

PROJECT GRAM JAL SANCHAY

- Promote efficient water use and irrigation techniques such as micro irrigation in agriculture with 100 farmers, through scientific practices
- Undertake construction of water harvesting structures and small farm ponds (Jalkund) in identified villages, to enhance water storage and availability for agriculture and domestic purposes
- Promote effective community engagement for better water governance and elevate awareness regarding efficient use of water
- Increase the area under cultivation and promote cultivation of fruit saplings near Jalkunds, providing a sustainable source of income for the farmers

Project Highlights

- **180** Farmers benefitted
- **90** Farmers provided technology intervention for drip irrigation
- **45** acres of barren transformed through plantation
- **20-30%** increase in farmer's annual income resulting from drip and cost savings on labour and energy bills for irrigation
- **90 Lakhs litres** of water storage capacity created for year-round use

OUR MARQUEE CUSTOMERS



Customer Relationships

Our relationship with our customers is based on trust, transparency and mutual respect. We prioritise customer satisfaction. Our core focus is to understand the customer needs, develop high quality products and maintain transparency with them. We are also striving to transform our processes digitally to drive process efficiencies and innovation, positioning us as a preferred partner of choice. We are consistently focussing on surpassing customer demands and expectations and forging enduring relationships with them.



Key Highlights

- **1,500+** Customers
- Majority repeat customers
- Long-term customers relationship
- **45+** Countries served
- **34** High Value Products
- **56+** Applications

DELIVERING QUALITY AND CUSTOMER DELIGHT

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

CUSTOMER GRIEVANCE MECHANISM

We have instituted a robust grievance redressal mechanism that enables our customers to raise their concerns, make themselves heard and seek effective resolution within the stipulated time. We ensure that the customer feedback is incorporated to make our products and services better.



Suppliers

Forging strong ties with our suppliers is extremely vital for us to ensure a steady supply of raw materials to ensure uninterrupted business operations. We are committed to engaging with them to foster sustainable supply chain operations.

Supply chain highlights in FY 2023-24

- **3,000+** suppliers
- **38** vendors assessed on ESG parameters

KEY PRIORITIES

- Local sourcing of materials/services to keep a check on the environmental footprint
- To increase share of sustainable sourcing in total procurement

APPROACH TO SUPPLY CHAIN MANAGEMENT

Deepak Group's Sustainable Procurement Policy guides the SCM operations by placing supply chain integrity at the core while emphasising on environmental & social aspects right from the sourcing of raw materials/services to product disposal/ deliveries.

The Company aims to be recognised as a "Global Strategic Partner of Choice" by fostering collaboration with an extensive global network of suppliers. We prioritise compliance with legal and regulatory standards, ethical conduct, diverse supplier engagement and environmental sustainability, to carry sustainable supply chain operations.

SUPPLIER CODE OF CONDUCT

We have established Supplier Code of Conduct, clearly outlining the principles of conduct for sustainability parameters that our suppliers are strictly expected to adhere with.

MANAGING SUPPLY CHAIN RISKS

We have laid down a systematic process for identification, assessment and management of the supplier-related risks. Our risks assessment framework factors financial stability, geographic location, statutory compliance, product quality, sustainability and supply chain resilience. Our approach to proactive assessment of risks and its mitigation involves mapping of demand-supply situation, assessment of market repute of the suppliers and interacting with them regularly. We

ESG ASPECTS OUTLINED IN SUPPLIER CODE OF CONDUCT





evaluate the impact of assessed risks periodically and develop new vendors to expand our supplier base and rule out dependencies on monopolistic suppliers, as a part of our risk mitigation strategy. Our Supply Chain Management team regularly conducts risk assessment.

INTEGRATING ESG INTO SUPPLY CHAIN

Our supply chain operations are bound by our Sustainable Procurement Policy and practices that promote ESG compliance across the supply chain. The suppliers are evaluated based on their performance on various ESG parameters such as environment, health & safety policies, compliance on labour laws, disciplinary practices and other social and governance aspects. We have a comprehensive vendor assessment questionnaire encompassing major aspects of business, ethical conduct and ESG.



NATURAL CAPITAL



Envisioning a climate-resilient future

Environmental conservation is a key aspect of our sustainability framework. We prioritise responsible business operations, ensuring judicious consumption of the natural resources and effective management of our environmental footprint. We are actively implementing rigorous upgrades, controls and processes in our manufacturing units to operate efficiently and sustainably.

Material issues addressed

Climate Change & Emissions
Water Use & Effluent Management
Waste Management
Energy Management
Biodiversity
Product Stewardship

Key risks considered

Environment Norms Compliances

Strategic linkages

Sustainable growth

SDGs impacted

OUR APPROACH TO SUSTAINABLE DEVELOPMENT

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

KEY INITIATIVES TAKEN IN FY 2023-24

Emission Management

Deepak Nitrite is strategically focussing on enhancing the plant's energy efficiencies by upgrading them with energy-efficient equipment and technology. These measures are effectively bringing down our energy consumption and emissions elevating plant's efficiency. We are consistently increasing the proportion of renewable energy in our energy portfolio and our R&D team is striving to optimise the product yield. We are actively involved in tree plantation initiatives to offset the carbon generated by our operations. During the year, we installed a 20 TPH multi-fuel boiler utilising bagasse, husk, agro-waste and coal, aimed at reducing scope 1 GHG emission.

14,16,637

MT CO_2e Scope 1, 2 & 3 emissions

12.49%

reduction in specific GHG emission

1,80,299 kWh

Energy savings through renewable sources

3X

increase in electricity consumption from renewable sources as compared to FY 2022-23

Read about our GHG emissions for FY 2023-24 under BRSR on page 199

WATER MANAGEMENT

We have embraced the principles of reduce, reuse and recycle to define our approach to water management and water conservation.

Our Water-related ambitions

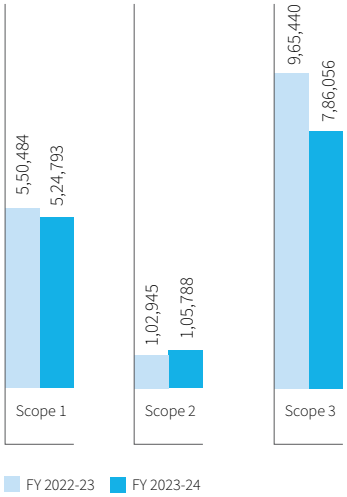
- Make our operations water-efficient
- Reduce our freshwater consumption
- Achieve water positivity
- Achieve zero-liquid discharge (ZLD) for our facilities

Our Hyderabad Unit operates as a Zero Liquid Discharge (ZLD) unit encompassing the following advantages:

- Effluents with high TDS are initially subjected to primary treatment and are processed through a multi-effect evaporator system. The concentrate effluent is subsequently directed to a fluidised bed recovery system to extract sodium sulphate salt, while the treated water is reused in the process
- Sewage is treated in the Sewage Treatment Plant, followed by processing in the Reverse Osmosis plant

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

GHG Emission





During the year, we have taken the following initiatives to promote water recovery for further reuse:

- At Nandesari Unit, a Mechanical Vapour Re-compressor has been installed to recover pure water from Nitro Toluene effluent stream
- At all locations, Reverse Osmosis system has been installed to recover water from Multi Effect Evaporator condensate

1,09,494 MT
Waste sent for co-processing & recycling during the year

89%
Waste reused and recycled

Read about our Waste Management for FY 2023-24 under BRSR on page 200



4,36,526 Kl
Water recycled

Zero Liquid Discharge (ZLD)
certified Hyderabad unit

Read about our Water management performance for FY 2023-24 under BRSR on page 197

WASTE MANAGEMENT

We strive to optimise resource utilisation and waste minimisation. The waste produced during our manufacturing processes is disposed of responsibly, in accordance with the regulatory requirements outlined under Hazardous and Other Waste (Management and Transboundary Movement) Rules, 2016. We strictly adhere to the air emission standards laid down by Pollution Control Board and do not use any Ozone-depleting substances (ODS) in our operations. 100% of the plastic waste undergoes recycling through the CPCB-registered plastic waste processor (PWP), while the post-consumer waste is addressed through Extended Producer Responsibility (EPR) management. In accordance with the plastic management rules, we are offsetting 100% of our packaging materials associated with domestic consumers in India through an external agency. The external agency facilitates collection and recycling of plastic waste in a responsible manner. The Spent sulphuric acid and Mother liquor generated from production of Nitro Toluene during Nitration Process are directed towards the manufacturing of Mix Cresol, where they are utilised as a wood preservative. 100% Fly ash is delivered to the brick and tiles manufacturer in accordance with fly ash notification.

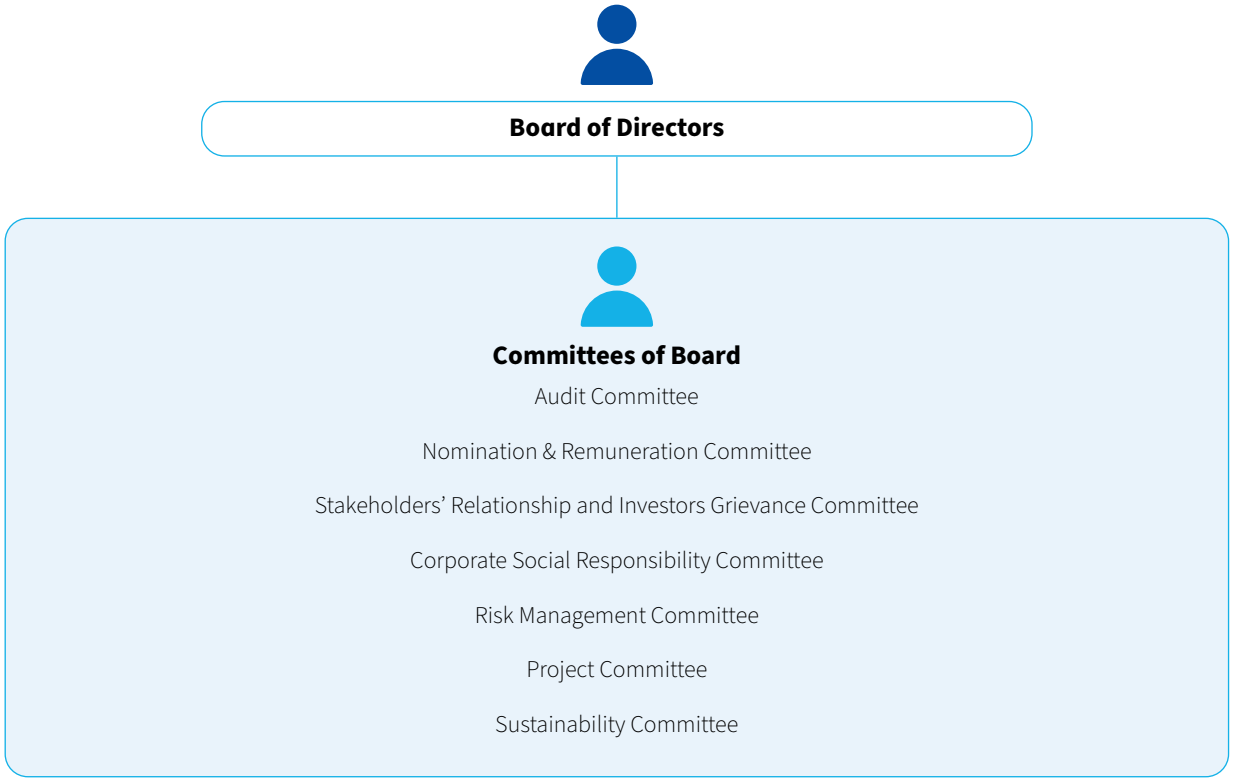


GOVERNANCE

Adhering to high governance standards

We promote responsible business operations based on the principles of ethics, integrity, transparency and accountability. We are committed to upholding the highest standards of corporate governance and robust risk management practices to maintain the trust of our stakeholders and foster sustainable business excellence.

CORPORATE GOVERNANCE FRAMEWORK



ROLE OF THE BOARD

The Board of Directors is the highest governance authority at Deepak Nitrite Limited and is responsible to guide and oversee Company's operations, ensuring its compliance with business ethics, values and Company's culture. With extensive experience and diverse perspectives, our Board of Directors possess a deep understanding of the business landscape, related challenges and opportunities for the Company. The Board provides strategic counsel to Company's management, guiding responsible operations for long-term sustainability and enhanced value creation for stakeholders.

BOARD COMPOSITION AND DIVERSITY

Our Board comprises 12 Directors, with an optimum mix of Executive and Non-Executive Directors, including one woman Director. Our Board has highly skilled professionals as directors, who enrich the organisation with their diverse expertise, perspectives and extensive corporate experience. Their collective knowledge spans various fields including Business, Finance, Law, IT, HR, Chemicals and Project Management.

DIVERSITY OF EXPERIENCE

66.67%
Directors > 30 years of experience

33.33%
Directors <30 years of experience

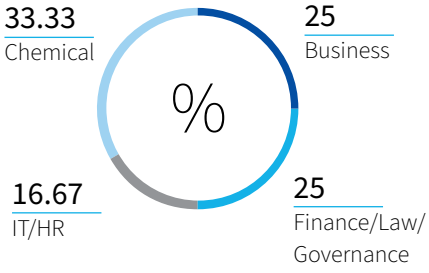
AGE DIVERSITY

33.33%
Directors between 36 – 55 years

50.00%
Directors between 56 – 70 years

16.67%
Directors >70 years

DIVERSITY OF EXPERTISE



58 Years
Average age of Directors

30+ Years
Average experience of Directors

97%
Average attendance in Board meetings

BOARD COMMITTEES

The Company has duly constituted statutory Committees of Directors, that assists the Board in overseeing and guiding the Company's business operations in alignment with the Board's vision and directions. Each Committee operates under specific terms of reference which sets out its role and responsibilities, composition and scope of authority, ensuring effective governance.

Ethics, Integrity and Transparency

Strong governance is the foundation of conducting business operations with ethics, integrity and transparency. We are committed to maintaining honesty, trust, fairness and accountability towards our stakeholders. Our Board acknowledges and upholds the highest standards of ethics and values, committed to fostering ethical practices Company-wide. Our Corporate Governance comprises robust policies and protocols integrating ethical business conduct and integrity across the business operations.

POLICIES ON CORPORATE GOVERNANCE

Code of Conduct

ZERO instances of breach of code in FY 2023-24

In accordance with the Listing Regulations, we have established and adopted a Code of Conduct ('the Code') for the members of the Board and the Senior Management. The Code strengthens the embodiment of DNL's culture and values, serving as a bedrock for our operational framework. It delineates the general principles of ethical business conduct and compliance of laws for guidance to our Directors and Senior Management.

In FY 2023-24, our Directors, Committees and Management have reaffirmed their responsibility for integrating good governance practices into our business in consistence with the provisions of the Code.



WHISTLEBLOWER POLICY

Our Whistle Blower Policy provides a formal vigil mechanism for the Directors and employees to report any actual or suspected unethical behaviour, misconduct, wrongdoing or breach of the Company's Code of Conduct or ethics policy. The mechanism ensures that employees using the mechanism are protected against any form of victimisation and also allows for direct access to the Chairman of the Audit Committee in specific cases.

Sustainability & ESG Framework

SUSTAINABILITY VISION

- Zero harm
- Zero waste
- Zero discharge

Deepak Nitrite Limited's sustainable development plan is aligned with the 17 UN Sustainable Development Goals (SDGs). Committed to the principles of United Nations Global Compact (UNGC), we strive to enhance our contribution towards global 2030 Sustainable Development Goals. Our R&D, technical services, operations are dedicated to achieving safe and sustainable manufacturing. We have set short-term and long-term measurable goals in key sustainability areas and continuously benchmark our systems against peers to identify and adopt best practices.

SUSTAINABILITY GOVERNANCE

Our Board offers leadership to the group and strategic guidance to the management, ensuring the alignment of the business operations with the sustainability framework, for long-term success and sustainable stakeholder value. As part of decision-making processes, the Board carefully weighs the long-term repercussions of its decisions, considers the interests of diverse stakeholders including employees, assesses the environmental impact of the Group's operations and emphasises ethical business conduct. A robust risk management framework, strong internal controls and effective governance processes, equips the Board to make informed decisions.



PRIORITY AREAS TO IMPROVE BUSINESS SUSTAINABILITY

Health and Safety

Responsible Sourcing and Supply Chain sustainability

Energy and Climate change management

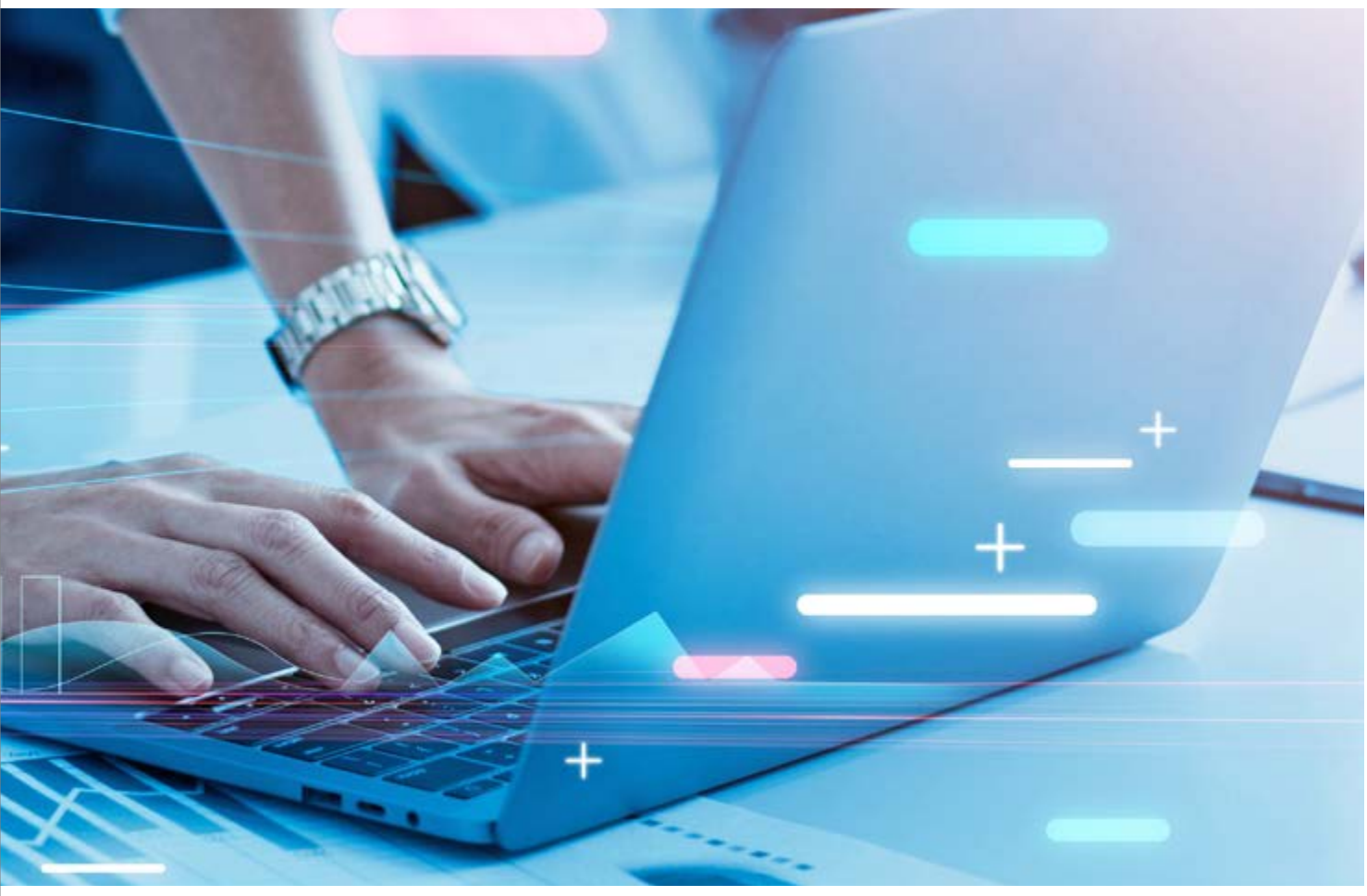
Water and Waste management

Compliance with regulatory requirements

Cyber security

ZERO instances of breach of cybersecurity in FY 2023-24

- Mechanism to ensure compliance with regulatory standards
- Trainings to employees and other relevant stakeholders



BOARD OF DIRECTORS

Led by Exemplary Management



Shri Deepak C. Mehta
Chairman & Managing Director

Shri Deepak C. Mehta is a dedicated proponent of fostering India's industrial advancement, aiming to facilitate the growth of businesses and communities concurrently, fostering enduring value and relationships. Half a century ago, equipped with a Science degree from the University of Mumbai, he commenced his professional journey as a second-generation entrepreneur alongside his father, late Shri Chimanlal K. Mehta, delving into the exploration of uncharted domains within chemical intermediates in India. Over time, their efforts have transformed the Deepak Group into a prominent manufacturer of chemical intermediates, boasting cutting-edge facilities that offer a diverse range of more than 34 premium products, catering to over 1,500 customers across 45+ countries worldwide.

Shri Mehta's active advocacy on industrial matters in national arenas underscores his commitment to championing best practices and policies that enhance the chemical and petrochemical sector, fostering innovation, collaboration, expansion and manufacturing excellence in India for a global audience. Having held the position of President at the Indian Chemicals Council (ICC) and contributed to the 'Task Force on Chemicals Industry' established by the Government of India to bolster the competitiveness of the nation's chemical industry, he plays a pivotal role in representing and advancing the burgeoning Indian Chemical Sector. Presently, he serves as the Chairman of the National Chemicals Committee-FICCI.

His actions align closely with his beliefs as he actively supports the Corporate Social Responsibility (CSR) initiatives undertaken by the Deepak Foundation. These initiatives focus on enhancing education, healthcare, skill development and women's empowerment in rural communities spanning four states in India, positively impacting over 8,00,000 beneficiaries.



Shri Maulik Mehta
Executive Director & CEO

Shri Maulik Mehta is a Bachelor of Business Administration from the University of Liverpool, UK.

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

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

Shri Mehta has a dynamic and innovation-driven work acumen, evident in his 16-years hands-on, outcome-driven work ethic across key areas such as business development, patent and product development, human resources, brand equity, external relations, as well as formulating a future-ready Group strategy.

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



Shri Ajay C. Mehta
Non-Executive Director

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

He has over 36 years of experience with chemical, petrochemical, fertiliser, manufacturing and investment companies. He has been actively associated with the Company since 1984 and was the Managing Director of the Company from December 1989 till December 2017. With extensive experience, a comprehensive approach and industry foresight, Shri Mehta has paved the way for innovation and excellence at Deepak Nitrite Limited. He is presently the Non-Executive Director of the Company and the Managing Director of Deepak Novochem Technologies Limited.

He is a member of the Executive Committee of Mahratta Chamber of Commerce, Industries and Agriculture various other developmental institutions and social organisations.



Shri Meghav Mehta
Non-Executive Director

Shri Meghav Mehta is a Mechanical Engineer from the Rochester Institute of Technology (New York, USA) with a specialisation in Material Science Technology and Alternative Energy.

Shri Meghav Mehta has been the Executive Director of Deepak Phenolics Limited ('DPL'), a wholly-owned subsidiary of the Company, from May 2, 2019 till May 1, 2024. He is an astute strategist and was instrumental in commissioning the Phenol plant including successful implementation of various projects for manufacturing downstream products of Phenol and Acetone. At DPL, he has played a very crucial role including in creating the organisational structure, formulating of policies, setting up internal controls, overseeing the operations and setting up of robust IT infrastructure.

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

Presently, he is the Executive Director & Chief Executive Officer of Deepak Chem Tech Limited, another wholly-owned subsidiary and would be looking after execution of all major projects being implemented and to be implemented over the years.



Shri Sanjay Upadhyay
Director (Finance) & Group CFO

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

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

Shri Sanjay Upadhyay joined the Company in 1994. During the span of his career, he has held important positions in the Company. He was inducted on the Board as Director (Finance) from April 2017 and was designated as Director (Finance) & Group Chief Financial Officer of the Company from August 2023.

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

Shri Sanjay Upadhyay is on the Board of several companies within the Deepak Group and is also part of various Committees of Directors across Deepak Group.



Shri Girish Satarkar
Executive Director

Shri Girish Satarkar, has done B.Sc. (Tech) and M.Sc. (Tech) in Textile Chemistry from The Institute of Chemical Technology, ICT (formerly UDCT) University of Mumbai. He has also done Masters of Marketing Management (MMM) from Welingkar Institute of Management, University of Mumbai.

He has wide & rich experience of over 35 years in the Chemical Industry out which 16 years in the leadership position. He is proficient in business affairs with hands-on experience of managing operations and having a good understanding about risk management and corporate governance. A widely travelled person with exposure to international & domestic marketing and has been involved in market & product development activities since many years. He is a Strategist with an eye for identifying new business opportunities.

Shri Satarkar is associated with the Company since 2015 and joined as President - FWA . In 2017 he was moved to Basic Intermediates business as President-BI & in Aug 2023 was elevated to the Board of Directors as Executive Director. He continues to look after business of Basic Intermediate (BI) and has also been entrusted with the additional responsibility of the Occupier after his elevation to the Board of Directors.

Prior to joining the Company, Shri Satarkar was associated with Diamines & Chemicals Limited, a BSE listed company, as the Executive Director & CEO.

He is a neuroscience-based leadership coach from Neuroleadership Institute, USA.

He has been bestowed the UAA-ICT Distinguished Alumnus Award 2024 (Professional Category) by the Committee of Institute of Chemical Technology.



Shri Sanjay Asher
Independent Director

Shri Sanjay Asher is presently a Senior Partner with Crawford Bayley & Co. He has been a practising Advocate since 1991 and was admitted as a Solicitor in 1993. He is also a qualified Chartered Accountant. He has over 30 years of experience in the field of law and corporate matters.

Shri Asher specialises in the field of corporate law and commercial law, cross-border mergers and acquisitions, joint ventures, mergers and acquisitions and capitals markets. He has authored several articles in national and international publications and also a book on Companies Act, 2013. He has been in the past, member on Primary Market Advisory Committee of SEBI and Department of Disinvestment, Government of India.

Shri Asher holds a Bachelor's Degree in Commerce and in Law from the University of Bombay. He is also a qualified Chartered Accountant.



Smt. Purvi Sheth
Independent Director

Smt. Purvi Sheth holds a Bachelor of Arts in Economics and Political Science from St. Xavier's College, Mumbai University. She furthered her education with a CPD in Business Strategy and Leadership Management from Wharton School, USA and is certified as a Board Director by the IICA & Directors Club, Hunt Partners. Additionally, she is a Certified POSH Practitioner from NDIM and the youngest Certified Leadership Grid Trainer by Blake & Mouton as well as a GE Certified Recruiter.

She is CEO of Shilputsi Consultants, India's first and premier Strategic HR consulting firm. Smt. Sheth is a distinguished leader in human resources and strategic leadership and has spent over 25 years building and maintaining high-level executive relationships, demonstrating outstanding analytical, strategic and problem-solving skills. She is known for her expertise in resolving diverse HR issues while maintaining cultural sensitivity and adding globally sustainable and best practices to organisations. As a second-generation entrepreneur and accomplished leader, she continues to drive business growth and leadership excellence, making significant contributions to the HR and strategic leadership landscape. Her leadership has been recognised with the Abhyudaya Award for HR Strategist of the Year in 2022. She is a frequent speaker at industry forums and a guest columnist for numerous publications.

Smt. Sheth serves on several listed and unlisted boards and chairs Nomination & Remuneration Committees and other Committees for many of them.



Shri Dileep Choksi
Independent Director

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

Shri Choksi has been a practicing professional for around 45 years. Prior to setting up C. C. Chokshi & Co., he was the joint Managing Partner, National Leader - Tax and Financial Advisory Services of Deloitte, India until 2008.

His areas of specialisation include accounting, tax and corporate advisory services for domestic and international clients, finalising collaborations and joint ventures, corporate restructuring, turnaround and change management strategies and analysing tax impact of various instruments.

He is also a member of the Society of Trust & Estate Practitioners Limited (STEP). He has also been on the Boards of the Taxation Committee of the Indian Merchant Chambers and the Bombay Chamber of Commerce & Industry.

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



Shri Vipul Shah
Independent Director

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

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

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

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



Shri Prakash Samudra
Independent Director

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

Shri Samudra has a rich experience in acquisition and project implementation including Planning, Procurement and Construction of several EPC-LSTK /EPCM projects in the field of Petrochemicals, Caustic Soda/Chlorine, Polymers, Fertilisers, Oil Refinery, Organic and Inorganic Chemicals, Cryogenic Tank Systems in India and Middle East region. Shri Samudra has been the Chairman of various leading industry associations such as the Indian Institute of Chemical Engineers (IIChE, Mumbai Regional Center) for 2 years from 2005-07 and the Process Plant & Machinery Association of India (PPMAI) for 2 years from 2003-05.

He superannuated from thyssenkrupp Uhde India in June 2021 as the Managing Director & CEO. He is active presently in the Industry as a Consultant.



Shri Punit Lalbhai
Independent Director

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

Shri Lalbhai is the Vice Chairman of Arvind Limited. He is responsible for the Group's Textile, Engineering, Technical Textile and Environmental businesses.

He has driven the Arvind's entry and growth in technical textiles and advanced materials, which has become its fastest growing segment. He has also been involved with the growth of Anup Engineering – a capital goods manufacturing company – and that of Arvind Envisol – an upcoming waste-water treatment company. He also serves as the Chairman of the CII Committee on Technical Textiles and is a governing council of ATIRA.

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

Shri Lalbhai is active in the Ahmedabad Education Society and is on the boards of both Ahmedabad University and CEPT University.

AWARDS AND ACCOLADES

Celebrating Excellence: Notable Achievements in 2023



FICCI CHEMICAL & PETROCHEMICAL 2023 AWARD

Deepak Environmental Cell wins Leader of Water Management Award in July 2023. Shri Deepak C. Mehta, CMD, received the award at FICCI C&P Awards 2023 in New Delhi



2023 HURUN EDELGIVE PHILANTHROPY AWARD

Shri Deepak C. Mehta, Trustee, Deepak Foundation, felicitated with Hurun Edelgive Philanthropy Award 2023 for excellence in Corporate Philanthropy. The award was received by Shri Maulik Mehta and Shri Meghav Mehta



DISTINGUISHED ALUMNUS AWARD BY ICT

The Committee of Institute of Chemical Technology bestowed the UAA-ICT Distinguished Alumnus Award 2024 (Professional Category) to Shri Girish Satarkar Executive Director of DNL



THE BEST CFO BY JURY OF ASSOCHAM

Shri Somsekhar Nanda, CFO of DNL, won The Best CFO award by Jury of ASSOCHAM, for pathbreaking policy actions in Resilience and Sustainability



ICC-RESPONSIBLE CARE CERTIFICATE FOR DNL

DNL Team was awarded with Responsible Care Certificate for being successfully audited as a Company exhibiting Responsible Care attributes



NATIONAL CONVENTION ON QUALITY CONCEPTS

DNL - Dahej team won Excellence Trophy for their Kaizen case-presentation, at National Convention on Quality Concepts in Nagpur



ICC-EPSILON CARBON AWARD

DPL Team was awarded with ICC- EPSILON CARBON Emergency Response Code Award, for being the Best Compliant Company under 'Responsible Care' Category



SteamTech 2023

Boiler and Utility Team of DNL won the Best Boiler User-FY 2022-23 award at SteamTech 2023 Conference at Ahmedabad in July 2023



ICQCC 2023

DNL-TCD and DPL-Dahej Teams won Gold trophy at International Convention on Quality Concepts (ICQCC) 2023 in Beijing, China



NATIONAL ESG SUMMIT AWARDS

Deepak Group won three awards for Health & Safety Excellence, Waste Reduction and Green Innovation in large enterprise category at National ESG Summit and is awarded with trophy & certificates of excellence for driving continuous ESG positive change.



QUPID CONFERENCE & AWARDS

The HR – Learning & Development Team from DPL - Dahej was bestowed with QuPID - Manufacturing Awards; receiving trophy and certificate for demonstrating excellence in People (Learning & Development)



ICQCC THAILAND AWARDS

Teams from DNL - Taloja and DPL participated in Quality ICQCC Conference at Thailand, winning Gold award for their presentation on Quality practices



GUJARAT STATE SHRI SHRAM AWARD

Shri Kirankumar Baraya, working at DNL, received Shri Shram Award from the Gujarat State Minister of Industry, recognising continual improvement in Production and Productivity



GOLDEN LION AWARD BY QUALITY CIRCLE FORUM OF INDIA

A team representing DPL participated in Quality Circle Forum of India and won Gold award for their presentation on Futuristic HR concepts (AI, Analytics & HRMS)



PARYAVARAN EXCELLENCE TROPHY FOR RECYCLING HAZARDOUS WASTE IN FY 2022-23

DNL was awarded a Certificate of Excellence and trophy by Paryavaran Today NGO in Ahmedabad for recycling / reusing 86% of total waste generated in FY 2022-23





LEAGUE OF AMERICAN COMMUNICATIONS PROFESSIONALS (LACP)

Our 52nd Annual Integrated Report achieved remarkable global recognition, securing seven prestigious awards from the League of American Communications Professionals (LACP). Our report not only won the Platinum Award but also ranked 25th among the top 100 Annual Reports worldwide. Additional accolades included the Technical Achievement Award for our innovative approach to report communication showcasing our leadership across multiple facets of corporate reporting.

Management Discussion and Analysis Report

GLOBAL ECONOMIC SCENARIO

In FY 2023-24, there were a slew of global challenges such as emergence of the Israel-Palestine conflict, continuation of the Russia-Ukraine War which disrupted shipping routes and impacted global trade exacerbating volatility in commodity prices and worsening the already rising living costs. Despite these challenges, the global economy grew by 3.2% during Calendar Year 2023. This growth was supported by factors like higher job creation, resurgence in sectors like hospitality, effective monetary policies brought in by central banks and continued impact of stimulus measures in certain countries.

In Calendar Year 2024, global economic growth is expected to be around 3.2%. Advanced economies are forecasted to grow modestly at 1.7%, while emerging markets are expected to show momentum at 4.2%. The US economy is anticipated to grow at a stable pace of 2.7%, with Europe seeing growth of around 0.8%. Despite these positive projections, challenges such as weakening employment growth, higher prices, tight credit conditions and fiscal adjustments are anticipated.

There remains optimism around stronger consumer spending due to resilient labour markets and easing inflation. Businesses are expected to focus on productivity growth, invest in advanced technologies and enhancing research capabilities. Disinflationary pressures are expected to persist, with central banks likely to pivot towards easing monetary policies. Geopolitical tensions and fiscal consolidation remain risks to the economic outlook, with global trade flows expected to recover modestly.

Looking ahead, global growth is anticipated to remain steady but below historical levels due to factors like high borrowing costs and geopolitical tensions. While advanced economies are expected to reach inflation targets sooner, emerging markets and developing economies may encounter more challenges. In advanced economies, growth is trending upward, largely driven by revised expectations in the United States, while the euro area faces a minor setback for 2025. Expected US growth is projected to accelerate in 2024 before stabilising in 2025 due to fiscal tightening and softer labour market conditions, with the 2024 revision attributed to stronger-than-expected momentum from late 2023. Conversely, the Euro Zone is poised for a growth rebound, fuelled by increased household consumption as energy price shocks diminish and falling inflation bolsters real income. Additionally, Emerging and developing Asia's growth is projected to ease, balanced by increasing growth in the Middle East, Central Asia and sub-Saharan Africa. Low-income developing nations are expected to see gradual growth improvements as immediate growth barriers diminish. In China, growth is predicted to decelerate due to the fading effects of post-pandemic stimulus and persistent property sector weaknesses. Conversely, India is anticipated to sustain robust growth, propelled by strong domestic demand and an expanding working-age populace.



In several major economies, the downward revision to projected inflation, combined with a modest upgrade to economic activity, suggests a softer-than-expected economic slowdown.

Asia

A gradual improvement in local spending is expected across Southeast Asia in 2024. Low unemployment will continue to drive private spending, supported by reduced inflation, which will boost purchasing power. In addition to resilient household spending, this region is expected to benefit from a steady revival in tourism from earlier years as well as continued public investment in infrastructure and utilities.

Export growth in ASEAN countries has been slow due to weak demand from other global economies. However, there's a slight improvement as developed markets recover. Electronic exports are leading this recovery, but non-electronic exports, particularly linked to commodities, are sluggish. Likewise, exports of consumer goods may slow down.

Inflation is decreasing across the region, mainly due to improved supply and lower food and energy prices. Disinflationary trends are expected to continue in 2024, but there are potential risks from any reduction in agricultural output and geopolitical issues affecting supply chains or energy prices.

Steady reduction in inflation may open the door for the various Central banks in the region to commence easing of monetary policy.

Particular	Actual	Projections	
	2023	2024	2025
World Output	3.2	3.2	3.2
Advanced Economies	1.6	1.7	1.8
United States	2.5	2.1	1.9
Eurozone	0.4	0.8	1.5
Japan	1.9	0.9	1.0
United Kingdom	0.1	0.5	1.5
Other Advanced Economies	1.8	2.0	2.4
Emerging Market and Developing Economies	4.3	4.2	4.2
China	5.2	4.6	4.1
India	7.8	6.8	6.5

(IMF REPORT – APRIL 2024)



INDIAN ECONOMIC SCENARIO

India's economy performed impressively in FY 2023-24, exceeding expectations. The final figures show a GDP growth of 8.2%, driven by strong performance in the manufacturing and services sectors. This marks a significant improvement from the previous year's growth. While agricultural output faced challenges due to uneven distribution of monsoon; the stable domestic demand accompanied by continued infrastructure investments by the Government have fuelled the positive momentum. This growth cements India's position as the world's fastest-growing major economy.

India's economic transition to a modern economy is evident through increased global integration and a rise in exports. Favourable demographic changes, such as lower infant mortality rates and improved literacy rates, further strengthens India's position. With better income distribution, increased employment rates and competitive social amenities, India's per capita GDP is poised for growth in the coming years.

In the fiscal year 2024-25, there has been an 11.1% increase in capital expenditure allocation,. The real investment rate remains high, reflecting the Government's commitment to asset creation. The retail price inflation in India eased to 5.09% as of February 2024, staying within the Reserve Bank of India's tolerance band.

Agricultural output growth in 2022-23 benefited from increased Rabi coverage and improved irrigation reservoirs. Higher minimum support prices and progress in rice procurement boosted rural incomes, leading to increased sales of vehicles and tractors. Strong economic activity is reflected in GST collection and e-way bill generation.

Service sector activity remains robust, with healthy PMI levels and growth in rail freight and port traffic. Capital spending by the Government has been significant, amounting to ₹ 5.9 Trillion during the initial nine months.

The Interim Budget for FY 2024-25 emphasises empowering marginalised groups, supporting farmers, fostering youth development and empowering women. The banking and financial sector remains stable, with resilient foreign direct investment and foreign exchange reserves.

India's services exports have shown strong growth, primarily led by the software and business services sector. Looking ahead, India's economic outlook remains favourable, with projected GDP growth of 7% for FY 2024-25. While challenges like geopolitical tensions and supply chain disruptions persist, efforts to enhance export competitiveness and maintain stable inflation rates bode well for India's economic future. The collective efforts invested in recent years have laid a strong foundation for India's growth as a middle-income economy.

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https://www.crisil.com/content/dam/crisil/our-analysis/reports/Research/documents/2024/03/growth-marathon.pdf

https://www.ibef.org/download/1709206062_Monthly_Economic_Review_January_2024_.pdf



> The landscape of the chemical industry in CY2024 is rapidly evolving, with a notable emphasis on the development of sustainable and eco-friendly solutions in alignment with global environmental initiatives.

INDUSTRY OUTLOOK AND TRENDS

The global chemical industry witnessed moderate growth in CY2023 reaching a value of USD 6.0 Trillion. This came in despite weak pricing trends in several products. Although the overall demand for chemicals remained relatively stable in CY2023, there is anticipation of increased demand for chemicals and materials essential for supporting the energy transition in 2024 and beyond. This uptick is expected due to the implementation of new Government policies and incentives, which are projected to have a significant impact on the economy.

The landscape of the chemical industry in CY2024 is rapidly evolving, with a notable emphasis on the development of sustainable and eco-friendly solutions in alignment with global environmental initiatives. Additionally, the recovery from the economic downturn induced by the COVID-19 pandemic has spurred demand across various sectors, including automotive, construction and electronics.

In CY2023, the Asia-Pacific (APAC) region emerged as the largest chemical market, experiencing a robust growth rate of 4.0% compared to CY2022. Conversely, Europe witnessed modest 1% growth despite a decline in regional production, offset by increased imports from interregional countries such as China and India. Despite challenges, China's chemical production demonstrated resilience, primarily driven by domestic demand, with predictions indicating further growth of 6.9% in CY2023 and 5.2% in CY2024.

The Chemical Industry Outlook for CY2024 underscores the emergence of Industry 5.0, which emphasises human-centricity, sustainability and advanced technology integration. Industry 5.0 represents an evolution from Industry 4.0, emphasising the synergy between humans and machines for sustainable growth. This approach prioritises economic progress in the chemical industry while addressing workers' well-being and climate change concerns.

This shift in the chemical value chain urges manufacturers to reassess technology implementation and prioritise planet-centric initiatives. In 2024, the focus lies on evaluating progress toward sustainable growth, identifying opportunities for cost reduction, enhancing product quality and strategically aligning with sustainability goals and net-zero carbon emission targets.

Emerging Mega-Trends that will impact the Global Chemical Industry

- **Green Energy:** Renewable energy sources are expected to play a significant role in the global power supply landscape, constituting over one-third of the world's power supply by 2024. This shift is supported by various positive developments, including China's projected decline in CO2 emissions driven by substantial installations of low-carbon energy sources such as wind and solar. Factors such as declining production costs, growing concerns about climate change, evolving energy policies and increasing investor pressure on Environmental, Social and Governance (ESG) policies are driving growth in the renewables sector.

- **3D Printing:** The 3D printing industry experienced modest growth in industrial additive solutions in CY2023. The current year is expected to witness robust growth in 3D printing, fuelled by the demand for mass customisation enabled by technological advancements. The integration of 5G technology with 3D printing processes will streamline workflows, while the availability of lower-cost desktop solutions will expedite adoption. Introduction of new products and services by global leaders will further stimulate market growth.

- **Use of Lightweight Materials in Next-Generation Vehicles:** The automotive industry anticipates significant growth in the adoption of lightweight materials, including advanced composites, high-strength steel and aluminium alloys, in next-generation vehicles. The market for automotive lightweight materials is projected to reach USD 101.5 Billion by 2027, with a compound annual growth rate (CAGR) of 6.5% from 2022 to 2027. Advancements in the mobility sector, including the development of autonomous vehicles, are expected to drive demand for lightweight materials. Vehicle Original Equipment Manufacturers (OEMs) such as BMW and Mercedes-Benz are poised to offer Level 3 autonomous driving capabilities in specific regions, further boosting the demand for lightweight materials. Additionally, autonomous mobility is expanding to the skies, with initiatives such as electric air taxi services planned for the 2024 Olympics in Paris. Companies like Volocopter aim to transition to fully autonomous air mobility, with aircraft designed to operate as autonomous air taxis in the future.

Source: https://www.linkedin.com/pulse/global-chemical-industry-outlook-2024-kamlesh-desai-15cnf/

> The Government aims to boost domestic production of chemicals, transforming India into a manufacturing hub by reducing imports. India's appeal as a manufacturing destination has grown due to competitive labour costs, cost-efficient manufacturing units and recent changes in corporate tax rates.

DOMESTIC CHEMICAL INDUSTRY

The Indian chemicals industry is a vital pillar of the nation's economy, contributing around 7% to the GDP and positioning India as the sixth-largest chemical producer globally and the third-largest in Asia. With its current contribution of approximately 2.6% to the international chemical industry, the Indian chemical sector is primed for further expansion, projected to achieve a size of USD 304 Billion by 2025, with a CAGR of 9.3%.

Aligned with the vision of the Central Government to elevate India's status to world's third-largest economy, the chemical manufacturing sector is set to play a pivotal role in the coming years. India's chemical manufacturing endeavours are projected to triple their global market share by 2040, as per some recent reports.

This anticipated surge in sector growth is supported by various factors, notably an expected 20% increase in domestic consumption and a rise in demand within domestic markets from USD 850 Billion to USD 1,000 Billion by 2040.

Furthermore, the chemical and petrochemical industry in India holds a crucial position within the broader landscape of the nation's manufacturing sector and economic advancement. It serves as a lynchpin in fulfilling fundamental societal needs and enhancing the quality of life for citizens, exerting significant direct and indirect impacts across diverse industrial segments including agriculture, food and beverages, textile, rubber, petroleum refining, among others. Consequently, the performance of the chemical industry is intricately linked with the Manufacturing Sector's Index for Industrial Production (IIP).

Source:

- https://www.investindia.gov.in/sector/chemicals#:~:text=The%20market%20size%20of%20Chemicals,in%20the%20year%202020%2D21.
- https://www.businesstoday.in/industry/pharma/story/indian-chemical-companies-eye-recovery-by-h2-fy24-even-as-global-market-faces-challenges-408794-2023-12-09
- https://www.india-briefing.com/news/indias-chemical-industry-expected-to-reach-us304-billion-by-2025-29206.html/

STRATEGIC EMPHASIS: MINIMISING DEPENDENCY ON IMPORTED CHEMICALS

The Indian speciality chemicals sector has been projected to achieve 6-7% revenue growth in fiscal 2024, primarily driven by robust domestic demand, which constitutes about 60% of total revenue. Despite macroeconomic challenges in the US and Europe tempering export performance, domestic volume growth will propel overall revenue. However, realisations are anticipated to remain flat this fiscal, moderating the overall revenue increase. India has also emerged as a significant contributor in global dyes production, with a market share of approximately 16% of the world's dyestuff exports. The domestic chemical industry covers around 80,000 commercial products, employs over two Million people and makes up 3.4% of the global chemical industry.

The Indian chemical industry has been focussing on capacity expansion due to increasing demand from end-user industries such as pharmaceuticals, food, construction, electronics, dyes and pigments, among others. The demand for a wide range of cosmetic chemicals, health care goods and hygiene products that contain speciality chemicals has also picked up. As a result, capital spending by companies within the sector is expected to continue its upward trend.

However, the industry faces challenges such as inadequate infrastructure, high costs of raw materials, expensive capital and the need for facility modernization. The Indian speciality chemical industry depends on imported raw materials, such as crude oil and natural gas, which are subject to price fluctuations and supply disruptions. The rising prices of these raw materials have squeezed the margins of the Indian speciality chemical companies, while the supply disruptions have affected their production and delivery schedules.

To address these challenges, the Indian Government has introduced initiatives like Aatmanirbhar Bharat and Make in India. The Government aims to boost domestic production of chemicals, transforming India into a manufacturing hub by reducing imports. India's appeal as a manufacturing destination has grown due to competitive labour costs, cost-efficient manufacturing units and recent changes in corporate tax rates.

In conclusion, the Indian chemical industry has been growing significantly, with a focus on capacity expansion and export opportunities. However, the industry faces challenges such as high raw material prices, supply disruptions and inadequate infrastructure. The Indian Government has introduced initiatives to address these challenges and promote domestic production of chemicals.

Source:

- https://www.india-briefing.com/news/indias-chemical-industry-expected-to-reach-us304-billion-by-2025-29206.html/
- https://eastasiaforum.org/2023/12/06/the-false-promise-of-import-substitution-industrialisation-in-india-2/
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STRUCTURAL GROWTH DRIVERS FOR INDIA

1. **Supply Chain Dynamics Shift -** Recent geopolitical events, such as the Russia-Ukraine conflict and trade restrictions on China, have prompted major multinational corporations to diversify their sourcing strategies. Consequently, the Indian chemicals industry, with its compelling value proposition, is positioned to emerge as a key global hub for chemical manufacturing.

2. **Escalating Domestic Demand -** India currently holds a significant share, over 20%, in global chemical consumption. Experts anticipate a surge in the domestic demand, reaching USD 1,000 Billion by 2040.

3. **Embracing Innovation and Sustainability -** Chemical firms are prioritising value addition while carefully balancing economic, social and environmental impacts. Their innovation endeavours are directed towards promoting sustainability and green chemistry through continuous advancements in products, technologies and processes.

4. **Shifting Customer Preferences -** There is a discernible shift in consumer preferences towards environmentally sustainable and socially responsible products and services. This trend is driving demand for greener and safer alternatives, as customers increasingly prioritise health, hygiene and safety.

5. **Leveraging Data Analytics -** Chemical manufacturing firms are increasingly leveraging data analytics to enhance operational efficiency and profitability. By harnessing insights from big data, they are refining plant operations, managing energy consumption and optimising supply chains. Furthermore, they are employing AI algorithms to predict potential equipment failures, thereby minimising downtime.



6. **Rising Per Capita Consumption -** India's per capita consumption of chemical products, currently at approximately one-tenth of the global average, is expected to double by 2025. The per capita consumption of various chemical products and segments in India continues to be lower compared to that of developed economies. This gap presents significant potential for demand growth and investment opportunities.

7. **Supportive Government Policies -** Government reforms and initiatives, such as 'Make In India' and 'Atmanirbhar Bharat', are aimed at strengthening the chemical manufacturing sector. The objective is to elevate the industry's contribution to approximately 25% of the manufacturing sector's GDP by 2025. In line with these efforts, the Union Budget 2023-24 allocated ₹ 173.45 Crores (USD 20.93 Million) to the Department of Chemicals and Petrochemicals.

Source:

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- https://economictimes.indiatimes.com/industry/indl-goods/svs/petrochem/investment-opportunity-of-30-billion-in-petrochemical-sector-over-next-decade-hardeep-singh-puri/articleshow/100362562.cms?from=mdr
- https://www.ibef.org/download/1707218033_Chemicals-December-2023.pdf

INDUSTRY OUTLOOK

The chemical sector in India is poised to seize emerging opportunities, significantly advancing the nation's vision to cater to evolving demands and cement its position as a frontrunner in the global chemical market. Anchored by the Petroleum Chemicals and Petrochemical Investment Region (PCPIR) policy, India aims to attract a substantial investment of USD 284 Billion (₹ 20 Lakh Crores) by 2035. Strategically crafted in a cluster-centric approach, this policy is set to propel the chemical sector into a new realm of growth and expansion.

According to insights from the Department of Chemicals & Petrochemicals, the PCPIR policy envisages the creation of 33.83 Million new jobs. Over the next two decades, a significant portion, approximately 80%, of exports is anticipated to stem from agrochemicals, dyes & pigments and food additive chemicals. A total of 16 speciality chemical segments are poised for positive performance, driven by factors such as cost-effectiveness and market demand.

The optimistic trajectory of the chemical industry in India indicates a surplus of growth opportunities and positions the country for global prominence. Favourable growth rates and other key metrics align in India's favour, propelling it towards becoming the premier chemical manufacturing hub over the next two decades.



> Despite macroeconomic fluctuations, DNL delivered healthy performance, particularly evident in solid revenue growth for key products like Phenolics, resulting in Consolidated Revenues of ₹ 7,682 Crores for FY 2023-24.

The flourishing local demand for chemicals coupled with expanded export avenues present compelling opportunities for chemical and petrochemical companies to emerge as stalwarts in this transformative journey. The pivotal roles of India's leading petroleum and chemical entities, alongside the central Government, loom large in steering the country towards unprecedented growth in this pivotal sector.

Source:

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- https://www.maersk.com/insights/resilience/2023/11/15/chemical-industry-trends

PERFORMANCE OF YOUR COMPANY

Deepak Nitrite Limited ('DNL' or 'the Company') has showcased exceptional adaptability in seizing opportunities throughout the year. Despite encountering challenges at the onset of FY 2023-24 amidst global economic strains and sluggish consumption growth, our performance remained steady. The chemical sector faced hurdles due to global inventory destocking, yet our commitment to fortifying market presence and diversifying product offerings remained unwavering. As FY 2023-24 progressed, the challenges intensified with inventory adjustments, geopolitical uncertainties, commodity price fluctuations and volatile foreign exchange rates among others. Coupled with the oversupply situation in certain sectors and subdued market prices, these factors present a formidable array of obstacles. However, our focus on operational efficiency, asset optimisation, product mix enhancement, byproduct valorisation, high integration levels and stringent business controls has empowered us to navigate these challenges more effectively than before. Consequently, amid this challenging backdrop, we have achieved commendable results by engaging with customers, maintaining or expanding market share and upholding leadership positions across key product categories.

During FY 2023-24, the Company set new production and sales records for several flagship products, driven by favourable demand trends. Despite macroeconomic fluctuations, DNL delivered healthy performance, particularly evident in solid revenue growth for key products like Phenolics, resulting in consolidated revenues of ₹ 7,682 Crores for FY 2023-24.

Integration of Strategic Business Units into the 'Advanced Intermediates' segment has not only streamlined evaluation of profitability but also optimised resource allocation based on segment value. Proactive market assessments and strong supply management have enabled DNL to either maintain or enhance its market share across product lines, solidifying its reputation as a reliable partner and increasing wallet share across most products.

Globally, operational challenges persist due to uneven economic growth, sustained inflation and interest rate fluctuations, impacting consumption trends and demand softness in certain regions and segments. Key product realisations remain subdued, exacerbated by Chinese dumping and geopolitical tensions like the Russia-Ukraine War and the Red Sea Crisis, extending cash conversion cycles. The chemical industry faces significant hurdles with demand slowdowns in certain countries, inventory destocking and higher capital costs from rising interest rates, affecting demand. The Indian chemical sector is affected by global destocking, China's market opening and Eurozone slowdown, resulting in subdued realisations and customer off-take. However, we were able to expand geographically and enhance market share. To maintain profitability and market share, the Company implements strategies like exploring new customer opportunities and optimising procurement.

DNL, as a leading chemical intermediates company, boasts a diverse product portfolio catering to various industries such as dyes, agrochemicals, pharmaceuticals and plastics. Its manufacturing facilities are strategically located in Gujarat, Maharashtra and Telangana, with R&D facility in Gujarat, which facilitates global supply across Europe, North & South America, Asia and Africa. Exporting to over 45 nations, DNL is recognised for its cost leadership and aims to expand its presence in high-value intermediates through strategic growth initiatives.

In FY 2023-24, DNL faced challenges from global economic pressures and slower consumption growth, impacting financial performance. Despite these challenges, DNL managed to increase volumes and market share, particularly in sectors such as construction and homecare, offsetting subdued demand in areas like agrochemicals and textiles. The Company's diversified product portfolio and flexible manufacturing capabilities were helpful in volume growth.

Total Revenue for the year stood at ₹ 2,724 Crores, maintaining momentum from the previous fiscal year. Domestic business Revenue amounted to ₹ 1,446 Crores, showcasing resilience in the



local market. Meanwhile, Export Revenue was robust at ₹ 1,278 Crores, underscoring DNL's global footprint. The Company improved its export share from 43% in FY 2022-23 to 47% in FY 2023-24, reflecting enhanced international sales performance.

Overcoming operating challenges, DNL reported an EBITDA of ₹ 492 Crores with stable margins at 18%. Profit Before Tax (PBT) was ₹ 483 Crores and Profit After Tax (PAT) amounted to ₹ 358 Crores. Depreciation and Finance Costs were managed efficiently, with DNL achieving debt-free status by March 31, 2024 and investing surplus funds in liquid mutual funds for enhanced liquidity and stability.

In FY 2023-24, on a consolidated basis, the Company achieved encouraging Revenue performance exceeding ₹ 7,600 Crores. Through efficient plant operations, strategic raw material sourcing and effective logistical management, the Company maintained high product volumes amidst the challenging operating environment. Strong performance was driven by robust gains in the Phenolics division and steady demand recovery, resulting in volume increases and improved realisations. Initiatives to enhance operating efficiency and debottlenecking of Phenolics plant led to record production levels, while the Advanced Intermediates segment reported volume growth and increased wallet share. However, subdued demand recovery in segments like agrochemicals affected realisation trends. Despite this, end-use applications such as pharma, construction, infrastructure and homecare showed healthy growth prospects .

The Company reported an EBITDA close to ₹ 1,200 Crores, with a stable EBITDA margin reaching 15%. This healthy growth was attributed to volume gains in Phenol, high-capacity utilisation, operational efficiencies and successful debottlenecking through implementation of various advanced technologies.

Debottlenecking efforts at select facilities and a sharp focus on increasing market share further enhanced the results. PBT and PAT crossed ₹ 1,100 Crores and ₹ 800 Crores, respectively. The Company actively pursued opportunities across all product categories, emphasising ethics and transparent business practices to reinforce the 'Depend on Deepak' initiative.

Domestic Revenue was ₹ 6,135 Crores, while Export Revenue stood at ₹ 1,547 Crores, maintaining a consolidated Domestic to Export ratio of 80:20. This was driven by stable demand in key markets despite transient destocking challenges. DNL prioritises products and regions with steady or growing demand, focussing on sectors like pharma, construction, paper and homecare, which show signs of demand recovery. The Company optimised plant utilisation, enhancing profitability in both Domestic and Export markets. Strategically investing in expansion projects, DNL aims to broaden its expertise and market reach, diversifying its product portfolio to capitalise on competitive advantages. Ongoing projects include brownfield expansions and capex for input supply assurance through Photohalogenation and complex Halex Fluorination processes. These initiatives, along with anticipated cyclical price recoveries, are poised to bolster profitability in the upcoming year .

Deepak Phenolics Limited ('DPL'), a wholly-owned subsidiary, achieved significant milestones with Revenue surpassing ₹ 5,000 Crores in the fiscal year 2023-24. Despite challenges posed by contracted Phenol spreads, DPL maintained steady Revenues and EBITDA performance by increasing Phenolics volumes and optimising operations. Advanced Process Controls and favourable conditions facilitated notable production increases in Phenol, Acetone and IPA, driving sales and value. Despite margin pressures from normalised prices and raw material costs, ongoing initiatives such as debottlenecking of the Phenol facility and the Nitric Acid project aim to expand production capacity and enhance

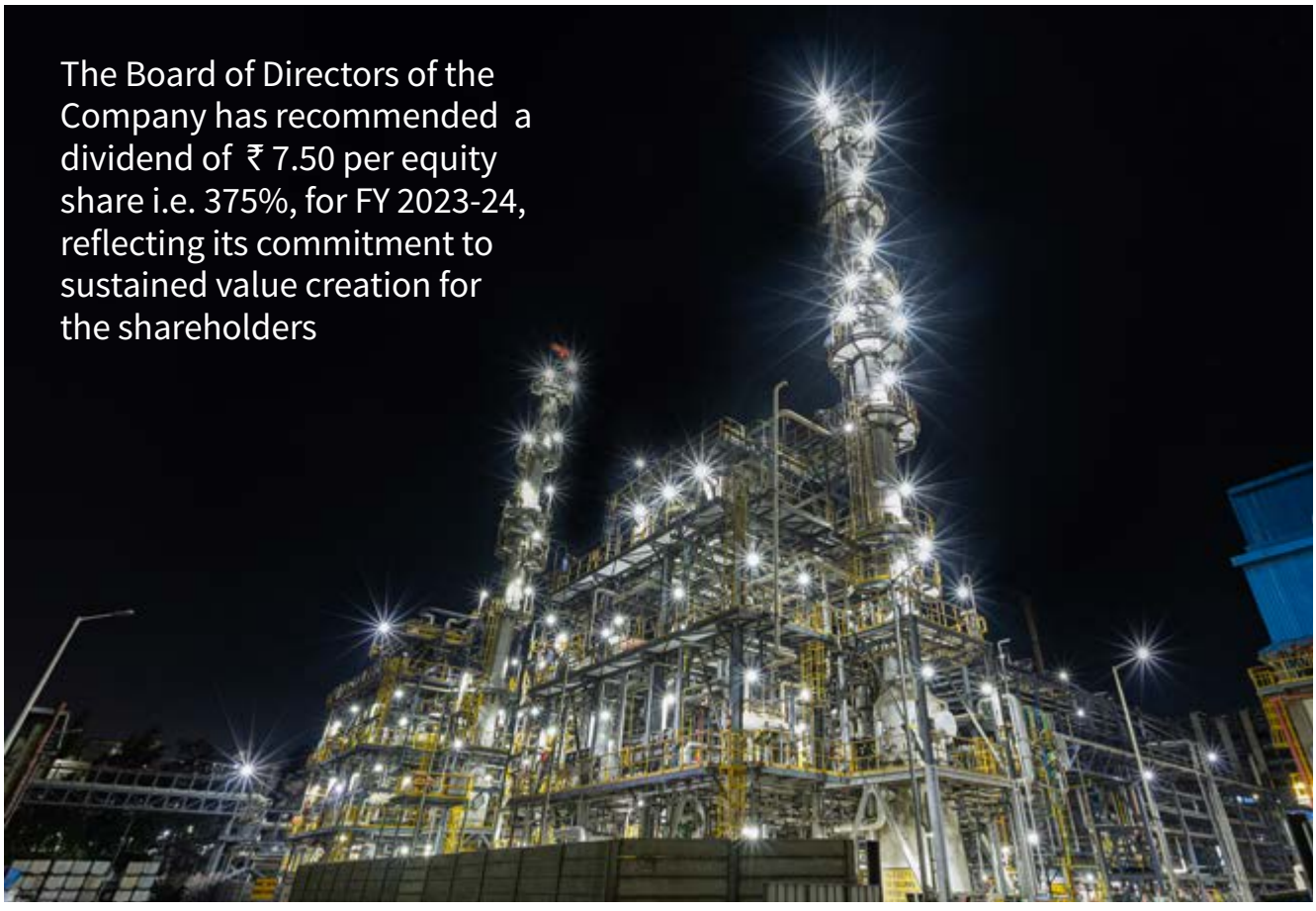
downstream capabilities. With a robust financial position, including being debt-free and healthy liquid investments, DPL is positioned for substantial growth and enhanced value creation in downstream chemical intermediates and advanced platforms.

We recognise the vast potential within the speciality chemicals sector worldwide. To maximise opportunities and build resilience against global uncertainties, we're crafting comprehensive value chains aimed at sustained growth in Revenues and Profitability. These strategies are underpinned by ambitious 3 to 4 years investment plans to develop diverse capabilities.

Our proactive approach this year commenced with initiatives geared towards establishing secure, long-term supply arrangements. The Fluorination project stands out as a pivotal step in DNL's journey towards complete backward integration in the speciality chemical value chain, facilitating production of essential agrochemical intermediates and nearing completion on our Nitric Acid integration. These initiatives position DNL as a leading backward-integrated chemical manufacturer in India, enhancing its foothold in Fluorination chemistry. Additionally, through strategic partnerships with the Government of Gujarat, our subsidiary Deepak Chem Tech Limited is poised to invest ₹ 140 Billion over the next 3 to 4 years in manufacturing advanced chemicals for the materials segment. We're also expanding our R&D capabilities and constructing a cutting-edge facility near Vadodara to drive innovation in speciality products, supporting our growth in fine chemicals and beyond.

Overall, the demand outlook remains resilient, with most industries gradually returning to normal production levels. As we step into FY 2024-25, DNL boasts a de-risked business model catering to various end user application, a robust balance sheet and a pipeline of projects ready for commissioning, promising an attractive growth trajectory. Positioned for expansion across various facets with strong value chain integration, our noteworthy investment plans reflect our eagerness to seize opportunities both domestically and globally. Continuously diversifying our product offerings, expanding our customer base and augmenting overall value propositions, we are poised to elevate our business plan. Backed by a solid financial foundation, strong customer relationships and well-considered growth investments, we are well-equipped to capitalise on growing demand and contribute to India's drive towards import substitution.

Our strategic positioning aligns with India's growth potential and our long-term vision to create one of the most integrated chemicals and petrochemical complexes globally. Through prudent investment and sustainable growth practices, we aim to maximise value for all stakeholders while serving the nation's needs.



1. Advanced Intermediates (AI)

DNL has showcased resilient volume growth amidst a dynamic market landscape. While certain applications linked to agrochemicals experienced subdued demand, others such as pharma, construction, infrastructure and homecare remained robust. The mixed sentiment in end-user industries, coupled with steadfast petrochemical-linked raw material prices, prompted us to focus on optimising wallet share. Although some input prices decreased, petrochemical-linked ones remained at good levels due to refinery operating rates and war premiums on crude.

Amidst rising input costs, the Company adjusted product pricing proactively showcasing an adaptive approach. Despite customer inventory destocking witnessed largely in agrochem business, margins in this segment remained resilient, showcasing our operational strength.

Internationally and domestically, the Company has actively pursued opportunities, emphasising its commitment to meeting delivery obligations amidst external headwinds. DNL's competitive position and secure supply of key inputs position well to sustain its performance momentum. Within this segment, DNL has broadened its international clientele and foresees sustained performance momentum propelled by favourable demand patterns and the relocation of global supply chains to India.

User Industries under the segment:

- Colourants, Rubber Chemicals, Explosives, Dyes, Pigments, Food Colours, Pharmaceuticals, Refineries, Agrochemicals, Glass, Personal Care, Paper, Detergents and Textiles

In FY 2023-24, our Revenue crossed ₹ 2,700 Crores. Despite industry challenges, our resilient performance was underpinned by a diverse product portfolio and robust customer engagement. EBIT reached ₹ 446 Crores, reflecting a stable margin of 16%, demonstrating agility amidst external challenges.

Moreover, DNL experienced a positive uptick in sales volume and is actively cultivating new relationships with key customers to ensure consistent offtake. Our market share has been maintained or increased, especially in new geographies, signaling our readiness towards profitable growth. With captive power supply and a secure raw material pipeline, our operations are de-risked. As we prepare to commission multiple projects, both brownfield and greenfield, our performance trajectory is poised for further elevation, enriching our journey of value creation.

With respect to fire incident occurred during June 2022 in warehouse areas at the Company's Nandesari plant, there was damage to certain properties, plant, equipment and inventory as well as loss of profit due to business interruption, for which the Company had filed the insurance claim with insurance companies. Upon pursuing the insurance claim rigorously, the Company has received ₹ 127 Crores towards final settlement of insurance claim from insurance companies.

2. Phenolics

DNL's wholly-owned subsidiary, Deepak Phenolics Limited (DPL), initiated commercial operations at its Phenol & Acetone plant in Dahej, Gujarat, in November 2018. DPL's strategic vision is to gradually transition towards producing value-added downstream products, necessitating the internal consumption of its existing product portfolio of Phenol and Acetone. In April 2020, DPL commenced the production of Isopropyl Alcohol (IPA), a derivative product of Acetone, with an initial capacity of 30,000 MTPA. Subsequently, the brownfield expansion of IPA was completed in December 2021, effectively doubling the capacity to ~60,000 MTPA.

User Industries under the segment:

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

DPL recorded a milestone Revenue of over ₹ 5,000 Crores in FY 2023-24 while EBIT witnessed a healthy increase of 8% to ₹ 644 Crores, resulting in a stable EBIT margin of 13%. Despite the contraction of Phenol spreads due to disproportionate imports, DPL managed to maintain Revenue and EBITDA figures. This was primarily attributed to higher volumes in Phenolics, combined with gains from operating leverage and process optimisation. During the year, DPL implemented several initiatives to enhance productivity and operational efficiency. It undertook debottlenecking by adding selective equipment, enabling expansion of production capacity. DPL segment remains on track to enhance downstream product offerings, through its fellow subsidiary, Deepak Chem Tech Limited, leading to higher stronger value chain and integration.

DPL has also embarked on a unique, waste-to-wealth initiative to recover high-value Acetophenone from a low-value by-product stream. This project is expected to be operational by Q1 of the next financial year.

DPL's commitment to continuous improvement and process efficiency is further reflected in its digitisation, adoption of technology in process of operations and automation efforts including its transition to SAP-S4 HANA. In addition to these accomplishments, DPL commenced the use of biofuels to reduce dependence on coal, showcasing its commitment to sustainability and helping towards nation's carbon neutrality program.

3. Investment in Deepak Chem Tech Limited

Deepak Chem Tech Limited ('DCTL'), wholly subsidiary of Deepak Nitrite Limited, is implementing various capital projects for the parent, fellow subsidiary and new products. DCTL aims to produce intermediate chemicals for various applications, building on the competencies and product portfolio of the Group.

During FY 2023-24, the Group has contributed around ₹ 700 Crores in DCTL towards part funding its various capex programmes, out of which, around ₹ 500 Crores is in the form of Equity and

₹ 40 Crores is in the form of Non-Cumulative Optionally Convertible Redeemable Preference Shares.

DCTL commenced manufacturing operations of its state-of-the-art Fluorination plant on March 21, 2024 at Dahej, near Bharuch in Gujarat. The said plant has started manufacturing Benzo trifluoride (BTF) which shall, not only increase reliability for captive consumption, but it also opens whole line of intermediates based upon Fluorine chemistry.

Further, it is about to commission Nitric Acid projects, both diluted and concentrated Nitric Acid; this is expected to cater to requirements of Nitric Acid, in existing and future products around Nitration Chemistry. The MIBK/MIBC project is nearing completion and is expected to be operational in the second half of the current financial year.

DCTL is poised to capitalise on the thriving opportunities in the Indian chemical industry in line with the Aatmanirbhar Bharat initiative. It plans to double the Group's Phenol production capacity and venture into downstream, value-added products of Phenol and Acetone to take advantage of the burgeoning market demand. This move will ensure complete control over the supply chain and reduce reliance on imports, enabling us to effectively meet the increasing customer demands and catalyse growth.

Towards this, DCTL has inked two Memorandum of Understanding (MOU) totalling nearly ₹ 14,000 Crores with the Government of Gujarat with an intention to invest in setting up projects at Dahej, in the state of Gujarat. This includes an MoU worth ₹ 5,000 Crores signed on May 23, 2023 for setting up facility to produce speciality chemicals, Phenol, Acetone and Bisphenol within the state. The additional MoU worth ₹ 9,000 Crores inked on January 31, 2024 is to establish projects for manufacturing of three new products, Polycarbonate Resins, Methyl Methacrylate (MMA)/ Poly Methyl Methacrylate (PMMA) Resins and compounds, as well as Aniline. All announced investments are expected to be completed by FY 2027-28, reinforcing the Group's commitment to import substitution through value-addition.

Going forward, DCTL is poised for substantial growth capital commitment, driving greater captive consumption into additional upstream and downstream chemical intermediates which would include building blocks, speciality chemicals on the base of building blocks, performance, advanced materials and effect chemicals products, thereby increasing overall value addition. Hence, expectedly, DCTL shall become the growth engine of the Group.

Other Subsidiary Companies

On December 2, 2023, the Registrar of Companies gave the green light for Deepak Nitrite Limited to establish Deepak PMC Limited ('DPMCL') as a wholly-owned subsidiary. With an authorised and paid-up equity share capital of ₹ 5 Crores, DPMCL will specialise in project engineering, procurement, construction, commissioning, management and consultancy services. This new venture diverges from DNL's primary focus on chemical manufacturing, aligning with the Company's ongoing strategy to expand through various projects and brownfield initiatives.

During FY 2023-24, DNL further invested in Deepak Oman Industries LLC (SFZ) ('DOIL'), incorporated in Oman, raising its stake in DOIL from 31.72% to 51%, thereby making DOIL its subsidiary. Additionally, DNL will also be providing a Corporate Guarantee for securing the Term Loan of approximately USD 49 Million to be obtained by DOIL from the Export-Import Bank of India and interest and other charges thereon. DOIL is intending to set up a greenfield project to manufacture Sodium Nitrite, Sodium Nitrate, in Salalah Free Zone, Sultanate of Oman which would benefit from low input costs of raw materials and energy.



The Board of Directors of the Company, at its meeting held on May 20, 2024 also approved acquisition of 100% paid-up Equity Share Capital of OXOC Chemicals Limited ('Oxoc'). Oxoc is engaged in the business of manufacturing Polycarbonate Compounds and has started manufacturing activities in March 2024. With this acquisition, Oxoc will become a wholly-owned subsidiary and the Company shall have access to its manufacturing operations which would expedite foray of the Group into Polycarbonate Compounds business.

NAVIGATING FORWARD – CAPITAL EXPENDITURE STRATEGIES AHEAD

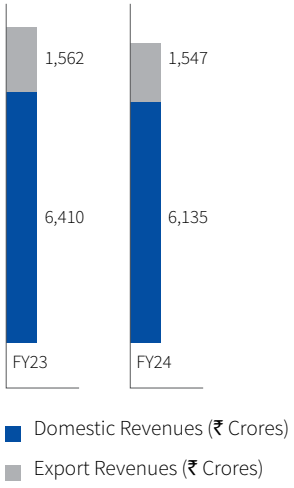
DNL is primed for multifaceted expansion with a robust integration within the value chain. Our current investment plan, totalling around ₹ 2,200 Crores, showcases our fervour to seize opportunities both domestically and globally. The Company's investment initiatives encompass capacity expansion, assured raw material availability, enhanced efficiency through backward integration, portfolio diversification and integration of new chemistries into operations.

- A landmark term sheet with Petronet LNG secures a consistent supply of key raw materials, ensuring stability in our growth trajectory
  - DPL will procure 250 KTPA of Propylene and 11 KTPA of Hydrogen via pipeline from Petronet LNG from their proposed Propane dehydrogenation facility being set up at Dahej, guaranteeing access to crucial feedstock in future for uninterrupted production processes
  - This arrangement offers reliability, cost-effectiveness, safety and environmental benefits
- Progress continues on the Polycarbonate compounding project, with seeding cum manufacturing activity initiated during the year
- Significant strides have been made in the construction of the PhotoHalogenation project
- The Nitric Acid project has achieved rapid progress and manufacturing is expected to commence later this year
- The Phenolics segment aims to enhance downstream offerings, particularly with projects like MIBC and MIBK, to maximise Acetone utilisation and improve margins. The forthcoming commissioning of the derivatives plant in the second half of the current financial year will facilitate downstream value-added products

These initiatives will drive strong Revenue growth, expand market presence, improve margins, diversify product offerings and strengthen relationships with customers and suppliers. With a solid financial foundation, strong client ties and thoughtful growth strategies, we are poised to enhance our business proposition. Our expansion efforts will enhance competitiveness, fuel market share expansion and generate value for stakeholders. Positioned strategically for comprehensive growth, DNL will bolster integration within existing and new value chains, seizing emerging opportunities domestically and internationally. We will continue to diversify our project portfolio, expand our customer base and enrich overall value propositions, while maintaining our strong financial position and robust client relationships.

GEOGRAPHICAL PERFORMANCE

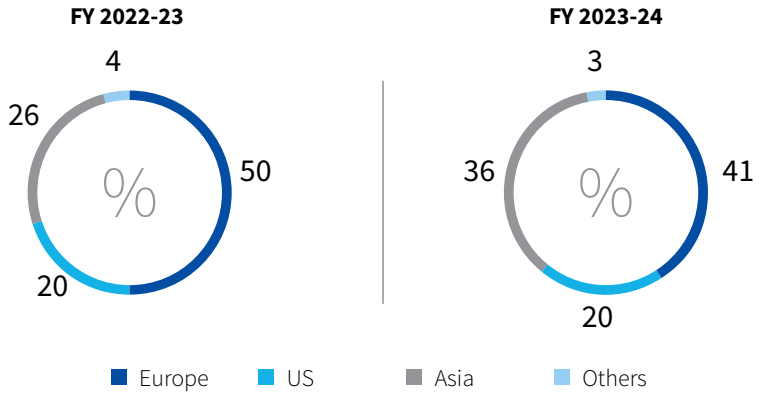
In terms of our geographic split, in our Standalone operations, we improved the share of Exports from 43% in FY 2022-23 to 47% in FY 2023-24. With the ratio of Domestic to Export Revenues at 53:47 in FY 2023-24. While on a Consolidated basis, the Domestic Revenues for the year stood at ₹ 6,135 Crores while Export Revenues came in at ₹ 1,547 Crores. The proportion of Domestic and Export Revenue of 80:20 remains unchanged on consolidated basis. The steady Domestic Revenues performance during the year reflects the recovery in demand across pivotal end-user industries.



DNL effectively met the growing demand and retained a significant market share for its products. The Company's stature as a preferred supplier for key domestic clients was sustained, owing to its competitive edge. This was further augmented by efficient production practices and a favourable product mix, culminating into positive volume growth for specific products.

Export Revenue performance during the period was led by intensified customer engagements in key geographies and the global supply chain shift. DNL's adeptness in optimising plant utilisation levels and efficient manufacturing processes has helped sustained this growth trajectory. Asia's share increased while Europe's share declined owing to financial challenge being faced by Euro zone caused by energy prices and availability.

The robust growth momentum in both Domestic and Export Revenues underscores DNL's commitment to cost leadership, production efficiency and product mix improvement. Positioned strategically, the Company is poised to continue its growth trajectory by capitalising on opportunities in key end-user sectors, optimising plant utilisation and fostering deeper customer engagement in pivotal geographic regions.



For DPL, Revenues for FY 2023-24 stood at ₹ 5,003 Crores and Domestic and Exports Revenue mix stood at 95:05.

RISK MANAGEMENT

As a pioneer in the global chemical industry, the Company comes across a diverse array of risks. To address these challenges, the Company has set up a comprehensive Risk Management Policy designed to foster operational resilience and capitalise on a portfolio of high-quality products tailored to various end-user sectors. Risk Management constitutes a pivotal aspect of operations, with the Company consistently prioritising initiatives centred around integrated leadership and succession planning strategies to enhance performance trajectories.

The Company has a well-defined Risk Management Framework and robust Internal Control systems that support risk mitigation efforts across its diverse business segments. The execution of Risk Management Policies entails a robust foundation of independent oversight, Internal Audit reporting and corporate management engagement. Transparent and objective measures have been adopted to assess and address underlying business risks effectively. The Internal Audit function conducts risk-focussed audits across all product categories to identify and rectify areas of concern. The Company's seasoned team adeptly navigates challenges pertaining to raw material pricing, commodity risks and currency fluctuations, with management implementing prudent measures to minimise their adverse impact on operational activities.

Risk Committee of the Board focusses on major business challenges and Company's preparedness to overcome the same.

Overall, the Company has established effective Risk Management and prevention frameworks, enabling it to navigate the complexities associated with operating in the global chemical sector. Leveraging its superior product offerings and implementing targeted risk mitigation strategies, the Company remains steadfast in enhancing its operational capabilities and institutional performance.

SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS (STANDALONE)

Key Financial Ratios	FY 2023-24	FY 2022-23	Change (%)	Reason
Debtors Turnover Ratio	4.50	5.29	-15%	Increase in export sales resulted in increase in overall receivables.
Inventory Turnover Ratio	4.17	4.86	-14%	Sourcing imported Raw Material (having longer lead time) as compared to local procurement has led to increased inventory turnover ratio.
Current Ratio	4.99	4.61	8%	
Debt Equity Ratio	0.00	0.00	-	The Company is debt free
Return on Net Worth (%)	14.67	17.88	-321 bps	Due to lower Profitability and Higher Reserve
Operating Profit Margin (%) (EBIT)#	16.87	19.50	-263 bps	Due to lower profitability.
Net Profit Margin (%) (PBT)#	16.80	19.45	-265 bps	

#Excluding exceptional item

INTERNAL CONTROL FRAMEWORK

The Company has established a robust Corporate Governance framework to oversee its operations, with its management team strictly adhering to financial and accounting policies, processes and systems. The Company's Risk Management Framework and Planning & Review Processes serve as a sturdy foundation for maintaining Internal Financial Controls over its Financial Statements. Planning initiatives are grounded in essential accounting policies meticulously selected by management, endorsed by the Audit Committee and the Board and subject to regular review and updates.

Key management actively evaluates these processes, standard operating procedures (SOPs) and controls, which are further audited by an Internal Audit Team. The findings and recommendations of the Internal Audit and assurance team undergo scrutiny by the Audit Committee and are subsequently implemented as necessary. The Company maintains effective Internal Financial Controls for its Financial Statements, which are continuously evaluated throughout the year, with a focus on critical aspects of Internal Controls.

Following a comprehensive assessment by key management, no reportable material deficiencies or significant deficiencies in implementing Internal Financial Controls have been identified. The Company employs regular audit and review techniques to continually reinforce these programmes.

HUMAN RESOURCE DEVELOPMENT

As of March 31, 2024, the Company has a total of 1,720 permanent employees including permanent workers. The Company's Human Resource Development approach is grounded in core principles of relevance, continuity and fairness. Various techniques are employed across segments to bolster talent management, skill development and operational efficiency. These initiatives have yielded a notable enhancement in talent retention and commitment.

The HR function remains steadfast in aligning its strategic interventions and procedures with a long-term vision aimed at creating and amplifying value for the Indian chemical industry and its stakeholders. This commitment stands as a pivotal factor in elevating business performance. Upholding "best-in-class" talent is deemed crucial in talent management. Performance management practices intricately link individual and team performance to the Company's overarching strategic objectives.

Towards attracting and retaining the best talent, the Company had proposed ESOP Scheme which has obtained approval of the shareholders. Depending on strict adherence to KRAs, the Nomination and Remuneration Committee is going to approve Stock Options for key talent. This is expected to help the Company to have the best talent while it undertakes mega projects.



DNL's Research and Development endeavours are dedicated to pioneering new chemical compounds and extracting value from by-products. Continuously evaluating current products and processes, DNL strives to optimise efficiency and drive cost savings.

SWOT ANALYSIS

Strengths

1. **Sustainability is central to DNL's Vision:** DNL upholds a commitment to business sustainability, recognised by customers as a top priority. As it progresses towards greater scale and diversification, its product will touch endless customers and end users. As a responsible corporate citizen, DNL's leadership position in various chemical products and value chain will ensure sustainable utilisation of natural resources with adherence to environmental, social and governance principles.

2. **Diverse Product Portfolio:** DNL has a diverse range of products categorised into two main segments: Advanced Intermediates and Phenolics. Catering to various industries such as dyes & pigments, agrochemical, pharmaceutical, plastics, textiles, paper, home & personal care and petro derivatives, this extensive portfolio mitigates risks associated with product obsolescence. Leveraging production expertise and knowledge of complex chemistries, DNL continually enhances its product portfolio to meet the evolving needs of its diverse customer base.

3. **Streamlined Supply Chain Operations:** DNL exhibits agility in fulfilling delivery obligations, maintaining consistent performance. The Company adeptly executes operational plans, ensuring timely and reliable deliveries to customers. Leveraging chemical manufacturing expertise, DNL efficiently manages large-scale logistics and supply chains. Harnessing technology, the Company's nationwide supply chain team fosters strong partnerships with suppliers and customers, enhancing service quality and market competitiveness.

4. **Global Reach and Strong Partnerships:** DNL boasts an extensive distribution network spanning over 45 countries across six continents, encompassing vital markets such as the United States, Europe, China and India. This strategic presence enables DNL to seamlessly access new markets and expand its market share. Deep-rooted customer relationships and a steadfast commitment to customer-centric practices further solidify DNL's standing as a preferred supplier for key clients worldwide. These strengths empower DNL to capitalise on burgeoning demand for chemicals on both domestic and international fronts.

5. **Innovation and Technological Advancements:** DNL's Research and Development endeavours are dedicated to pioneering new chemical compounds and extracting value from by-products. Continuously evaluating current products and processes, DNL strives to optimise efficiency and drive cost savings. With a focus on sustainable chemistry, DNL aims to seize innovation opportunities while upholding operational excellence. Its robust execution capabilities and proven track record are instrumental in transitioning into a research and innovation-driven enterprise.

6. **Cost Efficiency:** DNL secures a strong cost leadership position across various product lines, commanding a substantial market share. This success is the result of relentless efforts to attain economies of scale and ongoing process innovations, which not only provide value to customers but also ensure operational cost-effectiveness.

7. **Leadership Excellence:** DNL's leadership team consists of seasoned industry professionals renowned for their deep expertise and acute market insights. They uphold the Code of Responsible Care and ethical standards as guiding principles. With a long-standing track record of driving the Company's success, the management team remains dedicated to high-margin products, emphasising Research and Development initiatives and nurturing enduring customer partnerships.

Weaknesses

1. **Addressing Energy Needs:** As chemical processes grow in complexity, consistent access to energy sources becomes critical. DNL inaugurated a 29 MW captive power plant in Dahej in May 2022 to meet this requirement. While relying mainly on traditional fuels like coal and furnace oil for power generation, DNL continues to explore measures to enhance its ecological footprint, particularly in improving energy efficiency in line with ESG goals.

   Navigating Input Cost Volatility: In an environment marked by rising input costs and supply limitations businesses face significant challenges. This volatility is influenced by various factors such as demand-supply dynamics, economic and political conditions, shipping expenses, labour costs, natural disasters, pandemics and competitive pressures. Despite employing various



methodologies and assumptions, uncertainties persist in predicting these variables accurately. To mitigate the impact of such fluctuations, DNL has established ongoing assessment of these scenarios and has implemented benchmark bases pricing strategy for majority of its products.

Opportunities

1. **Supportive Government Policies:** India's 'Make in India' campaign, 'Atmanirbhar Bharat' initiative and various Production-Linked Incentive (PLI) schemes are geared towards strengthening domestic manufacturing. These endeavours streamline regulatory procedures and offer ample prospects for foreign partnerships. DNL is strategically positioned to leverage these policies to advance its growth agenda.

2. **Promising Export Prospects:** With global chemical leaders aiming to decentralise their supply chains from China, well-established Indian chemical intermediate firms have an opportunity to showcase their prowess internationally. The optimistic demand forecast has spurred Indian chemical exporters to scale up their facilities and operations.

3. **Substantial Opportunity for Import Replacement:** DNL has a legacy of targeting products that are heavily imported in the domestic market, starting from its pioneering product, 'Sodium Nitrite,' to its recent expansion into Deepak Phenolics. Import substitution remains integral to DNL's strategic approach, with successful replacements of crucial items like Phenol and Acetone resulting in considerable savings in foreign exchange and attaining self-reliance. The Company maintains its focus on introducing value-added downstream products to supplant imports, leveraging the favourable demand environment. Our product portfolio of Phenol derivatives offers significant opportunities of going downstream where today market depends on imports.

Threats

1. **External Challenges:** DNL's substantial reliance on the Indian market, accounting for over half of its total Revenue, exposes the Company to fluctuations in demand-supply dynamics across various sectors. Despite serving a diverse range of industries, mitigating dependency risks on any single customer or sector, a downturn in domestic demand could markedly affect the Company's earnings visibility.

2. **Geopolitical Developments:** Global geopolitical occurrences, such as the Russia-Ukraine War, have the potential to disturb established trade relations, triggering heightened tariff rates, sanctions and supply chain interruptions. These disruptions may lead to elevated prices and constrained availability of specific products and commodities. Although DNL vigilantly monitors these events, it remains susceptible to adverse consequences stemming from geopolitical tensions.

3. **Product and Process Viability Risk:** The ongoing evolution of technologies and methodologies poses a risk of product obsolescence, with newer and more efficient alternatives emerging over time. This shifting landscape may reduce demand for existing products or require the replacement of current processes. Nevertheless, DNL's strong foothold in numerous product categories offers some protection against these risks. Additionally, the Company proactively assesses and improves its processes to adapt to technological advancements.

4. **Shortage of Skilled Manpower:** The intricate nature of chemical processes demands a workforce with specialised expertise, presenting difficulties in recruiting suitable talent. Moreover, there may be a scarcity of technically proficient individuals in India. To tackle this challenge, DNL implements diverse initiatives, including comprehensive training programmes for professional growth, educating employees on industry nuances and advocating for adherence to international best practices to foster and broaden the current talent pool.

> Despite global challenges like inflation, destocking and the Eurozone slowdown, the Company has remained agile, ensuring steady revenue growth by fulfilling delivery commitments and expanding its market share across all sectors.

MANAGEMENT OUTLOOK

DNL is strategically positioned to leverage the 'Make in India for the World' initiative, enabling capacity expansion for both baseline growth and migration of production from high-cost regions. Leveraging its robust manufacturing infrastructure and extensive expertise in chemistry, DNL plays a pivotal role as a trusted collaborator for major domestic and global clients. The Company is focussed on enhancing value chain resilience and is prepared to embark on multiple projects in the coming years. These initiatives include backward integration for strategic feedstock, development of value-added downstream derivatives, establishment of innovative platforms like Photochlorination and Fluorination and investment in compounding assets to meet the needs of multinational companies investing in Indian capacities. In a nutshell, similarly DNL standalone business offers growth opportunities, both backward and forward, based on its platform created. DNL is committed to reducing its carbon footprint through the implementation of initiatives such as multi-fuel boilers, waste recycling and valorisation of by-products, effective operational processes.

Further, our approach to thriving in a challenging business environment encompasses the following key strategies:

- **Business Resilience:** Demonstrating the ability to optimise assets and navigate through difficult market conditions effectively.
- **Product Mix Optimisation:** Actively managing our portfolio to meet customer requirements while maximising margins.
- **Deep Customer Relationships:** Maintaining a market leadership position across key products by fostering strong relationships with our customers.
- **Robust Business Controls:** Implementing stringent inventory and working capital optimisation measures, including prudent raw material procurement and the adoption of SAP in DPL, with plans to extend to other entities.
- **Focus on Sustainability:** Working towards sustainability by developing renewable energy solutions to reduce our carbon footprint. Diversification of fuel sources, such as boilers based on briquettes and other materials, contributes to this effort.
- **Operational Excellence:** Continuously improving processes to achieve world-leading efficiency in atomisation and maximising the value of by-products through valorisation.

To achieve these growth objectives, the Company has enhanced operational efficiencies through process optimisation, yielding cost reductions in power and water consumption. With a robust project pipeline, investments totalling ₹ 2,200 Crores are slated for commissioning by FY 2024-25, bolstering capacity and backward integration efforts.

Additionally, brownfield projects, including a new unit for a key agrochemical intermediate, are underway. Plans encompass expansion of select products, strengthening forward and backward integration and introducing new chemistry platforms like Photochlorination and Fluorination. Leveraging efficient chemistries, DNL aims to serve diverse end-user industries.

Looking ahead, the Company plans to expand product categories strategically, remaining agile to seize opportunities from evolving industry trends. Diversifying product offerings with new solvents will enhance market reach and increase the share of high-margin products, thereby enhancing the overall business proposition. Steady strengthening of the Balance Sheet ensures adequate funding for incremental growth capital expenditures.

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

FINANCIAL HIGHLIGHTS FOR THE LAST TEN YEARS

Sr. No.	Particulars	UOM*	Ind-AS														Indian GAAP	
			Consolidated						Standalone									
			2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
1	Total Income	₹ in Cr	7758	8020	6845	4382	4265	2715	2848	3135	2582	1823	2237	1795	1491	1324	1337	1329
	YoY Growth	%	(3.26)	17.16	56.22	2.73	57.08	60.80	-9.16	21.43	41.63	-18.52	24.67	20.38	12.56	-0.96	0.61	4.55
2	EBITDA	₹ in Cr	1199@	1337	1646	1269	1061	429	567@	688	716	550	804	308	214	152@@	168	140
	Profit / (Loss) Before Taxation	₹ in Cr	1022@	1146	1434	1042	806	268	478@	610	642	479	706	212	122	74@@	91	68
	Percentage to Total Income	%	13.17	14.29	20.96	23.78	18.91	9.87	16.80	19.45	24.87	26.28	31.56	11.84	8.19	5.58	6.83	5.10
4	Profit / (Loss) After Taxation	₹ in Cr	811	852	1067	776	611	174	433	469	486	355	544	138	83	52#	65	53
	Percentage to Total Income	%	10.45	10.62	15.58	17.71	14.33	6.40	15.22	14.97	18.83	19.47	24.32	7.69	5.60	3.92	4.87	4.02
5	Equity	₹ in Cr	27	27	27	27	27	27	27	27	27	27	27	27	27	26	23	21
6	Net worth	₹ in Cr	4797	4090	3338	2347	1572	1072	2955	2625	2256	1845	1491	1058	944	732	476	347
7	Debt	₹ in Cr	217	54	301	578	1099	1187	0	0	14	-	208	328	462	574	495	545
8	Dividend on Equity Capital	₹ in Cr	102##	102	95	75	61**	27	102##	102	95	75	61**	27	18	16	14	10
	Percentage	%	375##	375	350	275	225**	100	375##	375	350	275	225**	100	65	60	60	50
9	EPS	₹	59.45	62.46	78.20	56.88	44.80	12.73	31.78	34.41	35.65	26.01	39.89	10.12	6.34	4.43	6.07	5.11
10	Book Value*#	₹	352	300	245	172	115	79	217	192	165	135	109	78	72	62	44	34
11	Net Debt/ Equity Ratio	x	0.00	0.00	0.00	0.15	0.68	1.08	0.00	0.00	0.00	0.00	0.14	0.30	0.43	0.64	0.89	1.56

* UOM: Units of Measurement

** Interim Dividend

@ Excludes exceptional income derived from insurance claims received against fire.

@@ Excludes exceptional income derived from sale of land.

Proposed dividend is accounted as and when declared by the Company

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

Notice

NOTICE is hereby given that the Fifty Third Annual General Meeting of Members of **DEEPAK NITRITE LIMITED** will be held on **Tuesday**, the **6th** day of **August, 2024**, at **11:30 A.M.** through Video Conferencing/Other Audio Visual Means to transact the following businesses:

ORDINARY BUSINESS:

1) To receive, consider, approve and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2024, together with the Reports of the Board of Directors and the Auditors thereon.

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

"RESOLVED THAT the Audited Standalone Financial Statements of the Company including Balance Sheet, Statement of Profit and Loss, Cash Flow Statement and Statement of Changes in Equity for the Financial Year ended March 31, 2024 along with the Directors' Report and the Auditor's Report thereon, be and are hereby received, considered, approved and adopted.**"**

2) To receive, consider, approve and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2024, together with Report of the Auditors thereon.

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

"RESOLVED THAT the Audited Consolidated Financial Statements of the Company including Balance Sheet, Statement of Profit and Loss, Cash Flow Statement and Statement of Changes in Equity for the Financial Year ended March 31, 2024 along with the Auditor's Report thereon be and are hereby received, considered, approved and adopted.**"**

3) To declare dividend of ₹ 7.50 (Rupees Seven and Paisa Fifty only), being 375%, per equity share of face value of ₹ 2.00 (Rupees Two only) each for the Financial Year ended March 31, 2024.

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

"RESOLVED THAT the dividend of ₹ 7.50 (Rupees Seven and Paisa Fifty only) being 375% per equity share of face value of ₹ 2.00 (Rupees Two only) each amounting to ₹ 102,29,47,807.50 (Rupees One Hundred Two Crores Twenty Nine Lakhs Forty Seven Thousand Eight Hundred Seven and Paisa Fifty only), for the Financial Year ended March 31, 2024, as recommended by the Board of Directors, be and is hereby approved.**"**

4) To appoint a Director in place of Shri Ajay C. Mehta (DIN: 00028405), who retires by rotation at this Annual General Meeting, in terms of Section 152(6) of the Companies Act, 2013 and being eligible, has offered himself for re-appointment.

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

"RESOLVED THAT Shri Ajay C. Mehta (DIN: 00028405), who retires by rotation at this Annual General Meeting, in terms of Section 152(6) of the Companies Act, 2013 and being eligible, has offered himself for re-appointment, be and is hereby re-appointed as Director of the Company, liable to retire by rotation.**"**

5) To appoint a Director in place of Shri Meghav Mehta (DIN: 05229853), who retires by rotation at this Annual General Meeting, in terms of Section 152(6) of the Companies Act, 2013 and being eligible, has offered himself for re-appointment.

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

"RESOLVED THAT Shri Meghav Mehta (DIN: 05229853), who retires by rotation at this Annual General Meeting, in terms of Section 152(6) of the Companies Act, 2013 and being eligible, has offered himself for re-appointment, be and is hereby re-appointed as Director of the Company, liable to retire by rotation.**"**

SPECIAL BUSINESS:

6) Ratification of remuneration of the Cost Auditors for the Financial Year 2024-25.

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

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of ₹ 8,50,000 (Rupees Eight Lakhs Fifty Thousand only) plus applicable tax, travelling and other out of pocket expenses payable to B. M. Sharma & Co., Cost Accountants (Firm Registration No. 00219), the Cost Auditors, appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company, for the Financial Year ending March 31, 2024, be and is hereby ratified.

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

By Order of the Board of Directors

Arvind Bajpai
Company Secretary
Membership No.: FCS-6713

Date: May 20, 2024
Place: Vadodara

Registered Office:
2nd Floor, Fermenter House,
Alembic City, Alembic Avenue Road,
Vadodara – 390 003, Gujarat
Tel: +91-265-2765200
Fax: +91-265-2765344
Email: investor@godeepak.com
Website: www.godeepak.com
CIN: L24110GJ1970PLC001735

GENERAL NOTES:

1. Pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 21/2021 dated December 14, 2021, Circular No. 02/2022 dated May 05, 2022 and General Circular No. 10/2022, dated December 28, 2022, General Circular No. 09/2023 dated September 25, 2023 and all other relevant circulars issued from time to time by the Ministry of Corporate Affairs ("MCA") (hereinafter collectively referred to as "the MCA Circulars"). MCA has permitted to hold Annual General Meeting through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of Members at a common venue. Hence, in compliance with MCA Circulars, the 53rd Annual General Meeting of the Company ("AGM") is being held through VC/OAVM.

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

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

4. In compliance with the MCA Circulars, Notice of the AGM along with the Annual Report for the Financial Year 2023-24 is being sent only through email to those Members whose email IDs are registered with the Company/Depositories. Members may note that the Notice of the AGM and Annual Report for the Financial Year 2023-24 will also be available on the Company's website www.godeepak.com and the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively and on the website of NSDL (agency providing the remote e-Voting facility) at www.evoting.nsdl.com.

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

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

Type of Holder	Process to be followed	
Physical	For availing the following investor services, send a written request in the prescribed forms to the RTA of the Company, Link Intime India Private Limited either by email to vadodara@linkintime.co.in or by post to "Geetakunj" 1, Bhakti Nagar Society, Behind ABS Tower, Old Padra Road, Vadodara – 390 015, Tel: 0265- 3566768.	
	Form for availing investor services to register PAN, email address, bank details and other KYC details or changes / update thereof for securities held in physical mode	Form ISR-1
	Update of signature of securities holder	Form ISR-2
	For nomination as provided in the Rules 19 (1) of Companies (Share Capital and Debenture) Rules, 2014	Form SH-13
	Declaration to opt out of Nomination by Holders of Physical Securities	Form ISR-3
	Cancellation of nomination by the holder(s) (along with ISR-3) / Change of Nominee	Form SH-14
	Form for requesting issue of Duplicate Certificate and other service requests for shares / debentures / bonds, etc., held in physical form	Form ISR-4
	The forms for updating the above details are available at: https://www.godeepak.com/investor-related-forms/	
Demat	Members holding shares in dematerialised mode are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service ("NECS"), Electronic Clearing Service ("ECS"), mandates, nominations, power of attorney, change of address/name, e-mail address, contact numbers etc. to their Depository Participant ("DP") only and not to the Company's Registrar & Share Transfer Agent. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and its Registrar & Share Transfer Agent to provide efficient and better services to the Members.	

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

7. Members who wish to seek any information with regard to the Financial Statements or any matter to be placed at AGM are requested to write to the Company latest by **July 30, 2024**, through email on investor@godeepak.com so as to enable the Company to keep the information ready at the AGM.

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

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

10. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item Nos. 6 of the Notice, is annexed thereto. Further, the relevant details with respect to Item Nos. 4 and 5 pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment /re-appointment at this AGM are also annexed to the Notice.

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

12. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the Members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM, i.e. August 6, 2024. Members seeking to inspect such documents can send an email to investor@godeepak.com.

13. The Register of Members and the Share Transfer Books of the Company will be closed from **Tuesday, July 30, 2024** to **Tuesday, August 6, 2024** (both days inclusive) for the purpose of determining the eligibility of the Members entitled to Dividend, subject to the approval of the Members at the AGM.

14. Members may note that the Board of Directors of the Company, at its meeting held on May, 20, 2024, has recommended a final dividend of ₹ 7.50 (Rupees Seven and Paisa Fifty only) per equity share for the Financial Year 2023-24. The dividend as recommended by the Board of Directors, if approved at the AGM, will be paid on or after Monday, August 12, 2024 in respect of shares held in the Company in physical form, to those Members whose names appear in the Company's Register of Members and in respect of shares held in demat form, to those "Deemed Members" whose names appear in the Statement of Beneficial Ownership furnished by the NSDL and CDSL at the close of business hours on Monday, July 29, 2024.

15. The dividend, once approved by the Members at the ensuing AGM, will be paid electronically through various online transfer modes to those Members who have updated their bank account details. Members holding shares in physical form and who have not updated their bank account details, may submit Form ISR-1 duly signed stating their bank details viz., Name of the Bank and Branch, their A/c type and Core Banking A/c No. with 9 digit MICR and 11 digit IFSC code along with the original copy of cancelled cheque to Link Intime India Private Limited. Requests for payment of dividend through various online transfer modes should be lodged with Link Intime India Private Limited on or before the book closure end date i.e. Tuesday, August 6, 2024. To avoid delay in receiving dividend, Members are requested to update their KYC with their depositories (where shares are held in dematerialised mode) and with the Company's RTA (where shares are held in physical mode) to receive dividend directly into their bank account on the payout date.

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

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

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

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

However, no tax shall be deducted on the dividends payable to a resident individual if the total dividend to be received by them during fiscal 2024 does not exceed ₹ 5,000 and also in cases where Members provide Form 15G / Form 15H (Form 15H is applicable to individuals aged sixty (60) years or more) subject to conditions specified in the IT Act. PAN is mandatory for Members providing Form 15G / 15H or any other document as mentioned above. The Company may at its sole discretion reject the form if it does not fulfil the requirement of the law.

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

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

- Self-attested copy of the PAN card allotted by the Indian Income Tax Authorities duly attested by the Member or in case PAN is not available, details as prescribed under Rule 37BC of Income Tax, Rules, 1962.
- Self-attested copy of Tax Residency Certificate for fiscal 2024 obtained from the revenue authorities of the country of tax residence, duly attested by Member.
- Copy of Form-10F filled electronically on the income tax portal for Financial Year 2024-25, if all the details required in this Form are not mentioned in the Tax Residency Certificate.
- Self-declaration by the Member that (i) does not have a permanent establishment in India under the applicable Tax Treaty, (ii) is the beneficial owner of the dividends, (iii) complies with any other condition prescribed in the relevant Tax Treaty and provisions under the 'MLI' will not have a place of effective management in India.
- FPI shareholders shall, in addition to above documents, also provide SEBI Registration Certificate as FII / FPI .
- Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by the Member.

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

Accordingly, the aforementioned documents are required to be uploaded on the shareholder portal at https://www.linkintime.co.in/formseg/Submission-of-form-15g-15h.html on or before **July 30, 2024**.

No communication would be entertained from Members after **July 30, 2024** regarding tax withholding matters.

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

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

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

17. In terms of the provisions of Section 124 and other applicable provisions of the Act, the amount of dividend not encashed or claimed within seven (7) years from the date of its transfer to the unpaid dividend account, will be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Accordingly, the unclaimed dividend in respect of Financial Year 2016-17 is due for transfer to IEPF Fund in August, 2024. Members who have not yet encashed their dividend warrant(s) pertaining to the dividend for the Financial Year 2016-17 onwards,

are requested to lodge their claims for the same with the Company or Registrar and Share Transfer Agent of the Company.

Attention of Members is invited to the provisions of Section 124(6) of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 amended from time to time, which inter alia requires the Company to transfer the equity shares on which the dividend has remained unpaid or unclaimed for a continuous period of seven (7) years, to a special demat account of Investor Education and Protection Fund Authority ("IEPF Authority").

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

18. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended) and the MCA Circulars dated April 08, 2020, April 13, 2020, May 05, 2020, December 28, 2022 and September 25, 2023, the Company is providing the facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited ("NSDL") for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a Member using remote e-Voting system is provided by NSDL.

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

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

21. Members holding shares either in physical or dematerialised form, as on **Tuesday, July 30, 2024** ("Cut-off Date"), may cast their votes electronically. The e-Voting period commences on **Saturday, August 3, 2024** (9:00 A.M. IST) and ends on **Monday, August 5, 2024** (5:00 P.M. IST). The e-Voting module will be disabled by NSDL thereafter. A Member will not be allowed to vote again on any Resolution on which vote has already been cast.

22. The voting rights of Members shall be proportionate to their share of the paid-up equity share capital of the Company as on the Cut-off Date, i.e. as on **July 30, 2024**.

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

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

25. Any person holding shares in physical form and non-individual shareholders who acquire shares of the Company and become Member of the Company after the Notice is sent and holding shares as of the Cut-off Date, i.e. **July 30, 2024**, may obtain the login ID and password by sending a request at evoting@nsdl.com. However, if he / she is already registered with NSDL for remote e-Voting, then he / she can use his / her existing user ID and password for casting the vote. In case of individual shareholders holding securities in demat mode, who acquire shares of the Company and become Member of the Company after the Notice is sent and holding shares as of the Cut-off Date, may follow steps mentioned in the Notice under 'Instructions for e-Voting'.

26. All Stakeholders are requested to note that the Registered and Corporate Office of the Company has been shifted to 2nd Floor, Fermenter House, Alembic City, Alembic Avenue Road, Vadodara 390 003 with effect from November 10, 2023. All future correspondences should be made to the above mentioned new address only.

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

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

STEP 1: ACCESS TO NSDL E-VOTING SYSTEM

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing **IDeAS** user can visit the e-Services website of NSDL viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under '**IDeAS**' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "**Access to e-Voting**" under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "**Register Online for IDeAS Portal**" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience. 
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.

Type of shareholders	Login Method
	3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com Click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing demat account number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat account. After successful authentication, user will be provided links for the respective e-Voting Service Providers i.e. NSDL where the e-voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option. You will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

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

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a Mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

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

4. Your User ID details are given below :

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

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

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

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

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

   a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

STEP 2: CAST YOUR VOTE ELECTRONICALLY AND JOIN GENERAL MEETING ON NSDL E-VOTING SYSTEM.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the Resolution, you will not be allowed to modify your vote.

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present at the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system at the AGM.

3. Members who have voted through remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-Voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Members may note that the 53rd Annual General Meeting of the Company will be convened through VC/OAVM in compliance with the applicable provisions of the Companies Act, 2013, read with the MCA Circulars. The facility to attend the AGM through VC/OAVM will be provided by the Company through NSDL. Members may access the same at https://www.evoting.nsdl.com.

2. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system.

3. After successful login, you can see link of "VC/OAVM link" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of the Company will be displayed.

4. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice to avoid last minute rush.

5. Members can join the AGM in the VC/OAVM mode 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.

6. The Company reserves the right to limit the number of Members asking questions depending on the availability of time at the AGM.

7. Members can participate in the AGM through their desktops/ smartphones/ laptops etc. However, for better experience and smooth participation, it is advisable to join the Meeting through desktops/laptops with high-speed internet connectivity.

8. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore, recommended to use Stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

9. Members will be required to allow camera and the use Internet with a good speed to avoid any disturbance during the AGM.

10. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/Folio Number, PAN, mobile number at investor@godeepak.com latest by July 30, 2024. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

GENERAL GUIDELINES FOR SHAREHOLDERS

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser by e-mail to dinesh.joshi@kanjcs.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution/Power of Attorney/ Authority Letter etc. by clicking on "Upload Board Resolution/Authority Letter" displayed under "e-Voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 022 - 4886 7000 or send a request to Ms. Pallavi Mhatre, Senior Manager, NSDL at evoting@nsdl.com.

Process for those shareholders whose email IDs are not registered with the Depositories for obtaining user ID and password and registration of e-mail IDs for e-Voting for the Resolutions set out in this Notice:

Shareholders may send a request to evoting@nsdl.com for obtaining user ID and password for e-Voting

1. In case shares are held in physical mode, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card).

2. In case shares are held in demat mode, please provide DPIDCLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card).

3. If you are an individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at Step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

4. In terms of SEBI Circular dated December 9, 2020 on e-Voting facility provided by listed companies, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

Other Instructions

- The Scrutiniser shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-Voting and submit, not later than 48 hours of conclusion of the AGM, a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing.

- The result declared along with the Scrutiniser's Report shall be placed on the Company's website at www.godeepak.com and on the website of NSDL, https://www.evoting.nsdl.com. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the equity shares of the Company are listed.

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

Item No. 6

The Board of Directors of the Company, upon recommendation of the Audit Committee, has approved the appointment of B. M. Sharma & Co., Cost Accountants (Firm Registration No. 00219) as the Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2025. Also, upon recommendation of the Audit Committee, the remuneration of the Cost Auditors was fixed by the Board of Directors at ₹ 8,50,000 (Rupees Eight Lakhs Fifty Thousand only) plus applicable taxes, travelling and other out of pocket expenses for performing the audit as mentioned above.

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

Accordingly, approval of Members is being sought for the Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending March 31, 2025.

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. 6 of the Notice.

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

By Order of the Board of Directors

Arvind Bajpai
Company Secretary
Membership No.: FCS-6713

Date: May 20, 2024
Place: Vadodara

Registered Office:
2nd Floor, Fermenter House,
Alembic City, Alembic Avenue Road,
Vadodara – 390 003, Gujarat
Tel: +91-265-2765200
Fax: +91-265-2765344
Email: investor@godeepak.com
Website: www.godeepak.com
CIN: L24110GJ1970PLC001735

Annexure – I To The Notice

Additional information for the Directors seeking appointment / re-appointment at the AGM as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Name of Director	**Shri Ajay C. Mehta**
DIN	00028405
Date of Birth	July 28, 1959
Age	65 Years
Brief resume covering expertise in specific functional areas and experience	Shri Ajay C. Mehta has a Bachelor's degree in Science from the University of Mumbai and a Master's degree in Chemical Engineering from the University of Texas. He has over 36 years of experience with chemical, petrochemical, fertiliser, manufacturing and investment companies. He has been actively associated with the Company since 1984 and was the Managing Director of the Company from December 1989 till December 2017. With extensive experience, a comprehensive approach and industry foresight, Shri Mehta has paved the way for innovation and excellence at Deepak Nitrite Limited. He is presently a Non-Executive Director of the Company and the Managing Director of Deepak Novochem Technologies Limited. He is a member of the Executive Committee of Mahratta Chamber of Commerce, Industries and Agriculture and various other developmental institutions and social organisations.
Qualifications	Science Graduate with Honours and Master of Science (Chemical Engineering) from the University of Texas, USA.
Directorships held in companies	**Listed Companies** Deepak Nitrite Limited **Unlisted Companies** Deepak Novochem Technologies Limited Blueshell Investment Private Limited Sofotel Infra Private Limited Prolific Credits and Capital Private Limited Lakaki Works Private Limited Deepak Assets Reconstruction Private Limited Crossover Advisors Private Limited Satej International Resources Private Limited (Previously known as Synergy Li Power Resources (India) Private Limited Shalimar Distributors and Investments Private Limited Form3d Solutions Private Limited Blackhill Investments Private Limited Deepak Research and Development Foundation Binarius Infra Private Limited
Membership / Chairmanship of committees of public companies	**Deepak Nitrite Limited** Stakeholders' Relationship & Investors Grievances Committee - Chairman Project Committee – Member
Shareholdings in the Company, including Shareholding as a Beneficial Owner	Nil

Name of Director	**Shri Ajay C. Mehta**	
Disclosure of relationships between Directors inter-se	Shri Ajay C. Mehta is brother of Shri Deepak C. Mehta, Chairman & Managing Director and uncle of Shri Maulik Mehta, Executive Director & CEO and Shri Meghav Mehta, Non-Executive Director of the Company.	
Remuneration received from the Company in the Financial Year 2023-24	Sitting Fees Commission **Total**	: ₹ 3.40 Lakhs : ₹ 15.00 Lakhs (for the Financial Year 2022-23 paid in the Financial Year 2023-24) : **₹ 18.40 Lakhs**
Terms and conditions of appointment / re-appointment along with details of remuneration sought to be paid	He shall be liable to retire by rotation. He shall be entitled for the sitting fees and reimbursement of expenses for attending meetings of Board or Committee thereof and payment of Commission on Net Profits as approved by the Shareholders.	
Date of first appointment on the Board	December 1, 1989	
The number of Meetings of the Board attended during the Financial Year 2023-24 / during the tenure of their appointment	**No. of Board Meetings held** 6	**No. of Board Meetings attended** 6

Name of Director	**Shri Meghav Mehta**
DIN	05229853
Date of Birth	September 24, 1986
Age	37 Years
Brief resume covering expertise in specific functional areas and experience	Shri Meghav Mehta is a Mechanical Engineer from the Rochester Institute of Technology (New York, USA) with a specialization in Material Science Technology and Alternative Energy. Shri Meghav Mehta has been the Executive Director of Deepak Phenolics Limited ('DPL'), a wholly owned subsidiary of the Company, from May 2, 2019 till May 1, 2024. He is an astute strategist and was instrumental in commissioning the Phenol plant including successful implementation of various projects for manufacturing downstream products of Phenol and Acetone. At DPL, he has played a very crucial role including in creating the organisational structure, formulating of policies, setting up internal controls, overseeing the operations and setting up of robust IT infrastructure. He is also at the helm of affairs of digitalisation in the Group. This encompasses all spheres of activities like – procurement, marketing, operations, logistics, quality, hydrocarbon accounting etc. He is a great advocate of Artificial Intelligence and Machine Learning and constantly working towards engaging these concepts into and any sphere of activities of the Group. Presently, he is the Executive Director & Chief Executive Officer of Deepak Chem Tech Limited, another wholly owned subsidiary and would be looking after execution of all major projects being implemented and to be implemented over the years.
Qualifications	Mechanical Engineer from the Rochester Institute of Technology (New York, USA) with a specialization in Material Science Technology and Alternative Energy.
Directorships held in companies	**Listed Companies** Deepak Nitrite Limited **Unlisted Companies** Deepak Phenolics Limited Deepak Chem Tech Limited Deepak PMC Limited OXOC Chemicals Limited Voidcoin Software Private Limited Hyspec Chemicals Private Limited (Formally known as Hyspec Chemicals Limited)
Membership / Chairmanship of committees of public companies	**Deepak Phenolics Limited** Project Committee - Member Risk Management Committee - Member **Deepak Chem Tech Limited** Project Committee – Member
Shareholdings in the Company	47,290 Equity Shares
Disclosure of relationships between Directors inter-se	Shri Meghav Mehta is son of Shri Deepak C. Mehta, Chairman & Managing Director, brother of Shri Maulik Mehta, Executive Director & CEO and nephew of Shri Ajay C. Mehta, Non-Executive Director of the Company.
Remuneration received from the Company in the Financial Year 2023-24	Sitting Fees : ₹ 2.40 Lakhs Commission : ₹ 10.00 Lakhs (for the Financial Year 2022-23 paid in the Financial Year 2023-24) **Total : ₹ 12.40 Lakhs**
Terms and conditions of appointment / re-appointment along with details of remuneration sought to be paid	He shall be liable to retire by rotation. He shall be entitled for the sitting fees and reimbursement of expenses for attending meetings of Board or Committee thereof and payment of Commission on Net Profit as approved by the Shareholders.
Date of first appointment on the Board	May 4, 2022
The number of Meetings of the Board attended during the Financial Year 2023-24 / during the tenure of their appointment	**No. of Board Meetings held**: 6 **No. of Board Meetings attended**: 6

INFORMATION AT A GLANCE:

Particulars	Details
Time and date of AGM	11:30 a.m. IST, Tuesday, August 6, 2024
Mode	Video Conferencing and Other Audio Visual Means
Webcasts and transcripts	https://www.godeepak.com/financial-result/
Book Closure period	July 30, 2024 to August 6, 2024 (both days inclusive)
Final Dividend Payment date	Within 30 days from the date of declaration of Dividend
Information on final dividend 2023-24	₹ 7.50/- (Rupees Seven and Paisa Fifty only)
Cut-off date for e-voting	Tuesday, July 30, 2024
E-voting start time and date	9:00 a.m. Saturday, August 3, 2024
E-voting end time and date	5:00 p.m. Monday, August 5, 2024
Name, address and contact details of e-voting service provider	**Contact Name** Ms. Pallavi Mhatre Senior Manager **National Securities Depository Limited** 4th Floor, A wing, Trade world, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400013, India **Email Id:** evoting@nsdl.com **Contact Number** 022-48867000
Name, address and contact details of Registrar and Transfer Agent	Shri Alpesh Gandhi Asst. Vice President **Link Intime India Private Limited** "Geetakunj" 1, Bhakti Nagar Society,Behind ABS Tower, Old Padra Road, Vadodara – 390 015 Tel: 0265 - 3566768

By Order of the Board of Directors

Arvind Bajpai
Company Secretary
Membership No.: FCS-6713

Date: May 20, 2024
Place: Vadodara

Registered Office:
2nd Floor, Fermenter House,
Alembic City, Alembic Avenue Road,
Vadodara – 390 003, Gujarat
Tel: +91-265-2765200
Fax: +91-265-2765344
Email: investor@godeepak.com
Website: www.godeepak.com
CIN: L24110GJ1970PLC001735

Directors' Report

Dear Shareholders

Your Directors have pleasure in presenting the Fifty Third (53rd) Annual Report and the Third (3rd) Integrated Report of Deepak Nitrite Limited ('DNL' or 'your Company' or 'the Company') along with the Audited Financial Statements for the Financial Year ('FY') ended March 31, 2024. The Directors' Report has been prepared on a standalone basis and the consolidated performance of the Company and its subsidiaries has been referred to wherever required.

FINANCIAL RESULTS

Your Company's financial performance for the year ended March 31, 2024 is summarized below:

(₹ in Crores)

Particulars	Standalone Results		Consolidated Results	
	2023-24	2022-23	2023-24	2022-23
Total Revenue (Gross)	**2,848.05**	**3,135.13**	**7,757.93**	**8,019.64**
Operating Profit Before Depreciation, Finance Cost, Exceptional Item and Tax (EBITDA)	**567.34**	**687.57**	**1,199.41**	**1,336.96**
Less: Depreciation and Amortization expenses	86.79	76.16	165.66	166.30
Less: Finance Costs	2.09	1.57	11.83	24.78
Profit Before Exceptional Item & Tax	**478.46**	**609.84**	**1,021.92**	**1,145.88**
Exceptional Items	**79.80**	**-**	**79.80**	**-**
Profit Before Tax	**558.26**	**609.84**	**1,101.72**	**1,145.88**
Less: Tax expenses	124.83	140.45	290.83	293.88
Net Profit for the Year	**433.43**	**469.39**	**810.89**	**852.00**
Other Comprehensive Income	(1.66)	(4.85)	(1.95)	(5.00)
Total Comprehensive income for the Year	**431.77**	**464.54**	**808.94**	**847.00**
Surplus brought forward from previous year	2,063.41	1,694.52	3,528.32	2,776.96
Balance available for Appropriation	**2,495.06**	**2,158.89**	**4,337.14**	**3,623.79**

During FY 2023-24, the global chemical industry encountered multiple challenges such as uneven economic growth, sustained inflationary pressures and the response from Central Banks around the world which resulted in prevalence of higher interest rates. This was accompanied by geo-political challenges including continuation of Russia-Ukraine conflict and the re-emergence of geo-political skirmishes in the Middle East which have contributed to higher cost of doing business.

Overall global consumption has been hit, more particularly in Europe, thereby impacting demand for the chemical industry. Further, given the macro-economic backdrop, businesses have moved into cost optimisation mode including a return to leaner inventory levels. Combined with the destocking by Chinese players, this has led to softness in product realisations across the board.

Despite these challenges, DNL demonstrated resilience, maintaining performance levels through sustained demand from end-user industries. By increasing sales volumes and retaining market share, the Company navigated the transitional external environment. DNL strategically implemented backward and forward integration projects to bolster long-term growth momentum, with plans for periodic commissioning over the coming quarters. Adopting various strategies including exploring new customer opportunities and optimizing procurement, DNL aimed to safeguard market share and profitability as much as possible, amidst challenging market dynamics.

In this context, DNL reported sustained operating performance, achieving volume gains for key products and maintaining or expanding market and wallet share. Your Company's efforts to expand its product portfolio and prioritize strategic relationships have contributed to reliable supplies and improved efficiencies, enabling production optimization and output enhancement. Despite pockets of volatile demand in certain segments, DNL's diverse product portfolio has provided resilience, with its Phenol plant operating at high capacity utilization despite scheduled maintenance of 15 days during the first quarter of FY 2023-24. Looking ahead, the Company focuses on delivering continued growth supported by upstream integration, capacity expansion and secured input supplies, ensuring a clear pathway to increase output in order to meet the anticipated increase in demand.

PERFORMANCE REVIEW

Standalone

Financial Year 2023-24 presented several challenges owing to various global macroeconomic pressures and a slower-than-expected rise in consumption, resulting in adverse impact on financial performance. The chemical industry encountered difficulties due to prolonged inventory destocking as a result of lower demand, coupled with aggressive actions by Chinese players bordering on dumping of products in key markets , logistical challenges fuelled by disturbances in the Red Sea. Despite ongoing global challenges like inflation, compression of inventory by customers and a slowdown in the Eurozone, your Company displayed remarkable agility in its operations. Your Company focused on optimising its assets and driving further production efficiencies. Your Company leveraged its brand equity and market position to prioritize reliable supplies to key strategic relationships. The improved production volumes were placed with customers enabling the Company to report volume led growth. As a result, your Company maintained steady revenue by meeting delivery obligations and was successful in maintaining or expanding its market share across all business segments.

DNL reported increased volumes and heightened wallet share year-on-year, although realization trends reflected subdued demand recovery in sectors like agrochemicals, textiles and dyes & pigments. DNL's broad product portfolio and versatile plant capability has allowed to focus on driving volume-led growth in certain pockets, which have enabled it to counter balance subdued demand sentiment in other parts of the portfolio. Sectors like construction, infrastructure and homecare demonstrated encouraging growth prospects. DNL displayed a resilient business performance with growth across several product categories. Additionally, the Company successfully piloted a new agro intermediate product, laying the foundation for further expansion and deeper strategic partnerships in the coming years.

In FY 2023-24, your Company's Total Revenue, including Other Income, came in at ₹ 2,848 Crores. Despite challenges, DNL strategically allocated resources to cater to high-demand applications until agrochemical demand normalizes, leveraging multi-purpose plants for flexibility. During the year, the commissioning of multiple opex initiatives led to gain in production capacity and throughput for several key intermediates.

EBITDA for FY 2023-24 stood at ₹ 567 Crores, down by 17% from the previous year to ₹ 1,476 Crores. Profit Before Tax decreased by 22% to ₹ 478 Crores, with Profit After Tax at ₹ 433 Crores.

Depreciation and Finance Costs amounted to ₹ 87 Crores and ₹ 2 Crores, respectively, with DNL continue having debt-free status as of March 31, 2024 and surplus funds invested in liquid mutual funds for liquidity and stability.

Domestic Revenue decreased by 16% to ₹ 1,447 Crores, impacted by softer demand in key industries, while Export Revenue stood at ₹ 1,278 Crores, driven by targeted initiatives in favourable markets. Your Company continues to prioritize wallet share and debottlenecking initiatives to enhance volumes amidst mixed industry sentiment.

With respect to fire incident occurred during June 2022 in warehouse areas at the Company's Nandesari plant, there was damage to certain properties, plant, equipment and inventory as well as loss of profit due to business interruption, for which the Company had filed the insurance claim with insurance companies. Upon pursuing the insurance claim rigorously, the Company has received ₹ 127 Crores towards final settlement of insurance claim from insurance companies. Accordingly, an amount of ₹ 79.80 Crores has been recognised under Exceptional Items in the Statement of Profit and Loss for the year ended March 31, 2024

In a key development, Deepak Phenolics Limited, a wholly owned subsidiary, inked a term sheet with Petronet LNG, for long term supply of Propylene and Hydrogen, from their proposed Propane dehydrogenation facility being set up at Dahej, marking a pivotal step in securing its growth trajectory. This arrangement significantly derisks Deepak Group's multi-year growth plan by guaranteeing a stable supply of critical raw materials via pipeline. Notably, the utilization of pipelines for supply not only enhances safety and cost-effectiveness but also minimizes environmental impact, contrasting favourably with traditional road and rail transport methods. DPL is poised to receive 250 KTPA of Propylene and 11 KTPA of Hydrogen, ensuring uninterrupted production processes at a competitive cost. The long-term nature of this arrangement not only assures Deepak Group of reliable feedstock access but also underscores its commitment to sustainable practices.

Looking ahead, DNL aims to become one of the most integrated chemical complexes globally, leveraging both large-volume production and high-value speciality products. With a focus on innovation and market responsiveness, the Company aims to bridge the demand-supply gap and become a preferred partner for global customers, positioning itself for sustained growth and resilience in the face of market fluctuations.

Deepak Phenolics Limited

Deepak Phenolics Limited ('DPL') is a wholly owned material subsidiary of your Company. During FY 2023-24, DPL recorded Revenues of ₹ 5,003 Crores compared to ₹ 4,970 Crores in FY 2022-23. The Profit After Tax increased by 6% to ₹ 474 Crores in FY 2023-24 as compared to ₹ 445 Crores in FY 2022-23. Despite the contraction of Phenol spreads due to disproportionate imports, DPL managed to maintain Revenue and EBITDA figures. This was primarily attributed to higher volumes in Phenolics, combined with gains from operating leverage and process optimization.

In FY 2023-24, DPL demonstrated remarkable resilience with impressive sales volumes in the Phenolics segment, despite grappling with the challenge of weak spread. Leveraging its integrated manufacturing setup and high utilization rates, DPL maintained its margins. The Phenolics volume surged by 12%, providing a substantial uplift to the overall performance. DPL set new production records for Phenol, Acetone, Cumene and IPA, driven by significant efficiency enhancements. Nevertheless, DPL's Phenolics segment remains on track to enhance downstream product offerings, through its fellow subsidiary, Deepak Chem Tech Limited, leading to higher stronger value chain and integration.

DPL also remains debt-free on a net basis, with total liquid investments of ₹ 302 Crores, having successfully implemented SAP.

Deepak Chem Tech Limited

Deepak Chem Tech Limited ('DCTL'), another wholly owned material subsidiary, implementing several projects aimed at producing intermediate chemicals for diverse applications, leveraging the Group's existing competencies and product portfolio. During FY 2023-24, the Group has contributed around ₹ 700 Crores in DCTL towards part funding its various capex programs, out of which, around ₹ 500 Crores is in the form of Equity and ₹ 40 Crores is in the form of Non-Cumulative Optionally Convertible Redeemable Preference Shares.

To start with, DCTL commenced manufacturing operations of its state-of-the-art Fluorination plant on March 21, 2024 at Dahej, near Bharuch in Gujarat. The said plant has started manufacturing Benzo trifluoride (BTF) which shall, not only increase reliability for captive consumption, but it also opens whole line of intermediates based upon Fluorine chemistry.

Further, DCTL is about to commission Nitric Acid projects, both diluted and concentrated. This is expected to cater to requirements of nitric acid, in existing and future products around nitration chemistry. The MIBK/MIBC projects is nearing completion and is expected to be operational in the second half of the current Financial Year.

DCTL is actively pursuing projects across two sites in Gujarat, focusing on Advanced Intermediates (AI) and Phenolics business segments, to start with. Further, a significant milestone was achieved when DCTL signed two Memorandum of Understanding ('MOU') totalling nearly ₹ 14,000 Crores with the Government of Gujarat with an intention to invest in setting up projects at Dahej, in the state of Gujarat. This includes MOU worth ₹ 5,000 Crores signed on May 23, 2023 for setting up facility to produce speciality chemicals, Phenol, Acetone and Bisphenol within the state. The additional MOU worth ₹ 9,000 Crores inked on January 31, 2024 is to establish projects for manufacturing of three (3) new products, Polycarbonate Resins, Methyl Methacrylate (MMA)/ Poly Methyl Methacrylate (PMMA) Resins and compounds, as well as Aniline. All announced investments are expected to be completed by FY 2027-28, reinforcing the Group's commitment to import substitution through value-addition.

DCTL places significant emphasis on project timelines, costs, health, safety, environment and compliances. Aligned with the Group's philosophy, DCTL prioritizes sustainable processes and easy scalability to facilitate future expansions at lower costs, thereby enhancing efficiency, implementing green practices and reducing carbon footprints.

Towards this, Shri Meghav Mehta has taken the charge of DCTL as the Executive Director & Chief Executive Officer with effect from May 2, 2024 and the Board of DCTL is being further strengthened by recommending to the shareholders of DCTL, the appointment of Shri Sanjay Asher and Smt Purvi Sheth as Independent Directors with effect from May 21, 2024.

Going forward, DCTL is poised for substantial growth capital commitment, driving greater captive consumption into additional upstream and downstream chemical intermediates which would include building blocks, speciality chemicals on the base of building blocks, performance, advanced materials and effect chemicals products, thereby increasing overall value addition. Hence, expectedly, DCTL shall become the growth engine of the Group.

Consolidated

During FY 2023-24, your Company encountered formidable challenges stemming from inventory destocking by China, geopolitical uncertainties, commodity price volatility and fluctuating foreign exchange rates. Despite this complex environment, which include, inter alia, unablated logistical challenges amidst skirmishes arose in Red Sea, the Company's steadfast commitment to operational excellence, asset optimization and stringent business controls enabled it to navigate these hurdles effectively. By engaging closely with customers, DNL managed to either preserve or expand its market share while maintaining leadership across key product segments, positioning itself favourably to leverage growing demand and India's import substitution initiative.

The Consolidated total Revenue for FY 2023-24 stood at ₹ 7,758 Crores, down 3% from the previous year's ₹ 8,020 Crores. Though Revenue was marginally low owing to lower realisations, volumes grew significantly in both business segments by about 13%. Despite industry-wide challenges related to inventory destocking and sluggishness in certain markets, DNL proactively pursued development opportunities, adding new customers and markets to its portfolio while maintaining or increasing wallet share. Higher volumes across key business segments, particularly in Phenolics, facilitated sustainable Revenue volume growth, with consistently high utilization levels throughout the year.

In terms of profitability, Profit Before Tax (excluding exceptional items of ₹ 79.80 Crores) for FY 2023-24 totalled ₹ 1,022 Crores, against ₹ 1,146 Crores in FY 2022-23, while Profit After Tax was

₹ 811 Crores, against ₹ 852 Crores in FY 2022-23. Despite the ongoing economic recovery and macroeconomic challenges, DNL managed to enhance its operational efficiency, increased market share and wallet share. Geographically, Domestic Revenue stood at ₹ 6,135 Crores, while Revenue from Exports also grew to ₹ 1,547 Crores, demonstrating the Company's resilience and strong global engagement.

On the financial front, DNL maintains a zero-debt position with a Consolidated Net Worth of ₹ 4,797 Crores as of March 31, 2024, alongside significant liquid investments. The Company has undertaken digitalization initiatives, including SAP implementation, to enhance operational efficiencies, streamline processes and reduce costs.

Meanwhile, DNL made significant strides, inaugurating and commissioning its Fluorination plant at Dahej. . With anticipated investments of approximately ₹ 2 billion, DNL aims to enhance supply chain robustness through backward and forward integration.

Additionally, a robust project pipeline, coupled with planned investments of around ₹ 2,200 Crores expected to be commissioned in FY 2024-25, reinforces the Group's commitment to capacity expansion and growth. The construction of a state-of-the-art Research & Development Centre at Savli, Vadodara reflects the Company's dedication to innovation and global competitiveness, positioning it well for future opportunities and sustained growth.

DECLARATION AND PAYMENT OF DIVIDEND

The Board of Directors of your Company is pleased to recommend a Dividend of ₹ 7.50 (Rupees Seven and Paise Fifty only) per Equity Share for the year ended March 31, 2024 maintaining the same rate as was in the previous year. The total Dividend as above on 13,63,93,041 Equity Shares of face value of ₹ 2.00 (Rupees Two only) each, if approved by the Members at the ensuing Annual General Meeting, would involve a total outgo amount of ₹ 102.29 Crores, resulting in a Dividend Payout of 23.60% of the Standalone Profit After Tax of the Company. The Company's Register of Members and Share Transfer Books will be closed from Tuesday, July 30 , 2024 to Tuesday, August 6, 2024 (both days inclusive) for the purpose of payment of Dividend for the year ended March 31, 2024 and 53rd Annual General Meeting of the Company. It is important to note that, as per the Finance Act of 2020, payment of Dividend is now subject to taxation and the Company is required to deduct tax at source from the Dividend paid to Members, as per the rates prescribed in the Income Tax Act of 1961.

DIVIDEND DISTRIBUTION POLICY

The Dividend Distribution Policy as formulated and adopted by the Board in terms of Regulation 43A of the SEBI (Listing Obligations and Disclosures Requirements), Regulations, 2015 ('Listing Regulations') is available on the Company's website and can be assessed at the link https://www.godeepak.com/wp-content/uploads/2023/11/DNL_Dividend-Distribution-Policy.pdf.

UNCLAIMED DIVIDENDS

Details of outstanding and unclaimed dividends previously declared and paid by the Company are given under the Corporate Governance Report.

SHARE CAPITAL

The issued, subscribed and paid-up Equity Share Capital of the Company as on March 31, 2024, is ₹ 27.28 Crores, comprising of 13,63,93,041 Equity Shares of face value of ₹ 2.00 (Rupees Two only) each.

During FY 2023-24, the Company has not issued any Equity Shares accordingly, there is no change in the Equity Share Capital of the Company during FY 2023-24.

TRANSFER TO RESERVES

The Board of Directors has decided to retain entire amount of Profit during FY 2023-24 appearing in the Statement of Profit and Loss and no amount is proposed to be transferred to Reserves.

FINANCE

Your Company maintains a strategic focus on achieving a balanced capital structure across its consolidated operations, emphasizing efficient working capital management while adhering to stringent criteria and maintaining a prudent level of debt. Through the implementation of enhanced working capital management practices, your Company remains to be zero debt Company for the fiscal year in review. This accomplishment speaks of the Company's commitment to financial prudence and operational excellence.

DNL has capitalized on its strong credit rating to access advantageous terms in its financial activities, leading to reduced expenses even in the absence of debt. With a dedicated team of specialists overseeing Foreign Exchange exposure, your Company effectively mitigates associated risks, ensuring stability in its financial performance. Thanks to proactive management strategies, the Company has efficiently managed its cash flow position, maintaining a standalone Net Debt: Equity ratio of nil as of March 31, 2024, consistent with the previous year's performance.

Overall, your Company remains positioned as a formidable player in the industry, driven by a commitment to delivering high-quality products supported by a robust product mix. ICRA Limited's recent reaffirmation of your Company's strong credit ratings, including [ICRA] AA for long-term and [ICRA] A1+ for short-term ratings, underscores the confidence in your Company's financial health.

Moreover, the positive outlook provided for both DNL and its wholly owned subsidiary, Deepak Phenolics Limited, reflects optimism regarding future prospects. Similarly, Deepak Chem Tech Limited was also awarded with a rating of [ICRA] A for long-term, showcasing strength of projects in the very first year.

DIRECTORS

As on March 31, 2024, the Company has twelve (12) Directors with an optimum combination of Executive and Non-Executive Directors including one (1) women Director. The Board comprises of eight (8) Non-Executive Directors, out of which six (6) are Independent Directors.

In accordance with the provisions of Section 152 of the Companies Act, 2013 ('the Act'), Shri Meghav Mehta (DIN: 05229853) and Shri Ajay C. Mehta (DIN: 00028405) will be retiring by rotation at the ensuing 53rd Annual General Meeting ('AGM') of the Company and being eligible, offered themselves for re-appointment.

Brief resume, nature of expertise, disclosure of relationship between Directors inter-se, details of directorships and committee membership held in other companies of the Directors proposed to be appointed / re-appointed, along with their shareholding in the Company, as stipulated under Secretarial Standard 2 and Regulation 36 of the Listing Regulations, is appended as an Annexure to the Notice of the ensuing Annual General Meeting.

The Members of the Company at their 52nd Annual General Meeting held on August 4, 2023, approved the following:

a) Appointment of Shri Girish Satarkar (DIN: 00340116) as a Director liable to retire by rotation in place of Shri S. K. Anand (DIN:00001792), who retired by rotation and also the appointment of Shri Girish Satarkar (DIN: 00340116) as Whole-time Director designated as Executive Director of the Company for a period of three (3) years with effect from August 4, 2023.

b) Re-appointment of Shri Deepak C. Mehta (DIN: 00028377) as the Chairman & Managing Director of the Company for further period of five (5) years with effect from December 14, 2023 and continue as the Chairman & Managing Director beyond the age of seventy (70) years.

c) Re-appointment of Shri Dileep Choksi (DIN: 00016322) as an Independent Director of the Company for a second term of three (3) consecutive years with effect from August 7, 2023.

INDEPENDENT DIRECTORS

Shri Sanjay Asher, Smt. Purvi Sheth, Shri Dileep Choksi, Shri Punit Lalbhai, Shri Vipul Shah and Shri Prakash Samudra are Independent Directors on the Board of your Company.

All the Independent Directors of the Company have submitted their declarations to the Company under Section 149(7) of the Act that they meet the criteria of independence as provided under Section 149(6) of the Act read with Regulation 16(1) (b) of the Listing Regulations. There has been no change in the circumstances affecting their status as Independent Directors of the Company. During the year under review, the Company did not have any pecuniary relationship or transactions with any of its Independent Director, other than payment of sitting fees and re-imbursement of expenses for attending meetings of Board and Committee thereof and also Commission on Net Profits of the Company as approved by the Members of the Company, in accordance with the provisions of Act and Listing Regulations.

As per requirements of the Act, a separate meeting of Independent Directors, without presence of members of management of the Company, was held on March 12, 2024 to evaluate the performance of the Chairperson, Non-Independent Directors and the Board as a whole and also to assess the quality, quantity and timeliness of flow of information between the management of the Company and the Board. All Independent Directors were present at the said meeting.

The Board is of the opinion that Directors of your Company including Independent Directors possess requisite qualifications, integrity, expertise and experience in their respective fields.

BOARD EVALUATION

The annual evaluation process of individual Directors, the Board and Committees was conducted in accordance with the provision of the Act and the Listing Regulations.

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

The process of performance evaluation is in line with the provisions of the Act and the Listing Regulations and the Board has carried out an annual evaluation of its own performance, its Committees and individual Directors, based on the criteria as provided in the Performance Evaluation Policy. The performance of the Independent Directors was evaluated by the entire Board without the presence of Independent Director being evaluated, at their meeting held on May 20, 2024. Based on such evaluation, the Board is of the view that all Independent Directors are having thorough knowledge, expertise and experience in their respective areas. They also have very good understanding of the Company's business and the general economic environment it operates. They devote quality time and full attention to understand key issues relating to business of the Company and advising on the same. Their valuable contribution has certainly improved the governance standards within the Company.

The criteria for evaluation of performance of Independent Directors are:

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

The performance of the respective Committees was also evaluated by the Board after seeking inputs from the Committee members. Based on such evaluation, the Board is of the view that various Committee of Directors are well constituted by way of having optimum number of Independent Directors with precise Terms of Reference / Charter. The respective Committees actively discussed various matters and effective suggestions were made concerning business, operations and governance of the Company. Your Directors have expressed their satisfaction to the evaluation process. Based on the declarations received from the Independent Directors, the Board of Directors of your Company confirms the integrity, expertise and experience (including the proficiency) of the Independent Directors of the Company appointed during the year.

KEY MANAGERIAL PERSONNEL

As required under Section 2(51) and Section 203 of the Act read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, following persons are the Key Managerial Personnel of your Company:

1. Shri Deepak C. Mehta, Chairman & Managing Director
2. Shri Maulik Mehta, Executive Director & Chief Executive Officer
3. Shri Sanjay Upadhyay, Director (Finance) & Group CFO
4. Shri Girish Satarkar, Executive Director
5. Shri Somsekhar Nanda, Chief Financial Officer
6. Shri Arvind Bajpai, Company Secretary

There were no changes in Key Managerial Personal during the year ended March 31, 2024 except that Shri Girish Satarkar was appointed as the Whole-time Director designated as the Executive Director w.e.f. August 4, 2023.

NUMBER OF MEETINGS OF THE BOARD AND COMMITTEES OF THE BOARD

During FY 2023-24, six (6) meetings of the Board of Directors were held. The details of the meetings of the Board of Directors and attended by Directors are given in the Corporate Governance Report forming part of this Report.

The intervening gap between the meetings was not more than 120 days, as prescribed under the Act and the Listing Regulations.

Details of composition, terms of reference and number of meetings held in FY 2023-24 for various Committees of the Board are given in the Corporate Governance Report, which forms part of this Report. Further, during FY 2023-24, all recommendations made by various Committees have been accepted by the Board.

AUDIT COMMITTEE

A duly constituted Audit Committee is in place having three (3) members, all being Independent Directors. Shri Dileep Choksi is the Chairman of the Audit Committee. The other members of the Audit Committee are Shri Sanjay Asher and Shri Vipul Shah. The Committee's purpose is to oversee the accounting and financial reporting process of the Company, the audits of the Company's Financial Statements, the appointment, independence and performance of the Statutory Auditors and the Internal Auditors.

The terms of reference of the Audit Committee details of meetings held during the year and attendance of members of the Audit Committee are provided in the Corporate Governance Report, which is a part of this Report.

STATUTORY AUDITORS

Pursuant to the provisions of the Act and the Rules made thereunder, Deloitte Haskins & Sells LLP, Chartered Accountants, (Firm Registration No.: 117366W/ W-100018) were re-appointed as Statutory Auditors of your Company at the 51st Annual General Meeting of the Company held on August 3, 2022, to hold office as the Statutory Auditors for a second term of five (5) consecutive years from the conclusion of the 51st Annual General Meeting upto the conclusion of 56th Annual General Meeting of the Company. During the year, the Statutory Auditors have confirmed that they satisfy the independence criteria required under the Act.

STATUTORY AUDITOR'S REPORT

The observations made in the Auditors' Report of Deloitte Haskins & Sells LLP, Chartered Accountants, for the year ended March 31, 2024, read together with relevant notes thereon, are self-explanatory and hence do not call for any comments. There is no qualification, reservation or adverse remark by the Statutory Auditors in their Report.

SECRETARIAL AUDITORS

The Secretarial Audit for the year ended March 31, 2024 was carried out by the Secretarial Auditors, KANJ & Co. LLP, Company Secretaries, Pune. Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of your Company has re-appointed KANJ & Co. LLP, Company Secretaries, Pune to carry out Secretarial Audit of your Company for FY 2024-25.

SECRETARIAL AUDITOR'S REPORT

The Secretarial Audit Report of KANJ & Co. LLP, Company Secretaries, Pune, for the year ended March 31, 2024 in Form MR-3 is annexed as Annexure - A, which forms part of this Report. The Secretarial Audit Report for FY 2023-24, does not contain any qualification, reservation or adverse remark by the Secretarial Auditor.

SECRETARIAL AUDIT REPORT OF MATERIAL UNLISTED SUBSIDIARY

As per Regulation 24(1) of Listing Regulations, the Company is required to annex the Secretarial Audit Report of its material unlisted subsidiary/ies to its Annual Report. The Secretarial Audit

of Deepak Phenolics Limited ('DPL'), a material unlisted subsidiary, was undertaken by Samdani Shah & Kabra, Company Secretaries, Vadodara for the year ended March 31, 2024. The said Secretarial Audit Report confirms that DPL has complied with the provisions of the Act, Rules, Regulations and Guidelines and that there were no deviations or non-compliances. The Secretarial Audit Report of DPL is annexed to this Report as Annexure-B as per the requirement of the Listing Regulations.

Deepak Chem Tech Limited, is a wholly owned subsidiary of the Company, which became a 'material unlisted subsidiary' during FY 2023-24 and for which Secretarial Audit shall be applicable from FY 2024-25. Accordingly, the Secretarial Audit Report of Deepak Chem Tech Limited is not required to the annexed to this Report.

COST AUDITORS

As per Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the Company is required to prepare, maintain as well as have the audit of its cost records conducted by a Cost Accountant and accordingly, it has made and maintained such cost accounts and records. The Board, on the recommendation of the Audit Committee, has appointed B. M. Sharma & Co., Cost Accountants (Firm Registration No. 00219) as the Cost Auditors of the Company for FY 2024-25 at a remuneration of ₹ 8,50,000 (Rupees Eight Lakhs Fifty Thousand only) plus applicable taxes and out of pocket expenses. As required under provisions of the Act, the remuneration of Cost Auditors as approved by the Board of Directors is subject to ratification by the Members at the ensuing Annual General Meeting. An Ordinary Resolution for the ratification of remuneration of Cost Auditors for FY 2024-25 is provided in the Notice convening 53rd Annual General Meeting for approval by the Members. Your Directors recommend the same for approval by the Members.

The Cost Auditors have confirmed that they are free from disqualification specified under Section 148(5) read with Section 141(3) of the Act and that the appointment meets the requirements of the Act. They have further confirmed their independent status and an arm's length relationship with the Company.

The Cost Audit Report for FY 2023-24 will be filed within the prescribed period of 180 days from the close of the Financial Year.

INTERNAL AUDITORS

Upon recommendation of the Audit Committee, the Board of Directors of the Company has re-appointed Sharp & Tannan Associates, Chartered Accountants, as Internal Auditors of your Company to conduct the Internal Audit for FY 2024-25. The Internal Auditors reports their findings and status thereof to the Audit Committee on a quarterly basis.

REPORTING OF FRAUD BY AUDITORS

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under Section 143(12) of the Act and the Rules made thereunder, details of which needs to be mentioned in this Report.

RISK MANAGEMENT

The Board of Directors of the Company has formed a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The Risk Management Committee has designated the Chief Financial Officer of the Company as the Chief Risk Officer who is responsible for identifying, measuring, monitoring, mitigating and reporting on risk exposures to the Risk Management Committee. The details about the Risk Management Committee have been provided in the Corporate Governance Report which forms part of this Annual Report.

The objective of Risk Management process in the Company is to enable value creation in an uncertain environment, promote good governance, address stakeholder expectations proactively and improve organisational resilience and sustainable growth. In compliance with the requirement of Regulation 21 of the Listing Regulations, your Company is having a duly constituted Risk Management Committee. The Risk Management Committee of the Company has been entrusted by the Board with the responsibility of reviewing the risk management process in the Company and to ensure that key strategic and business risks are identified and addressed by the management. The Committee evaluates the performance of the Company against perceived risks, develops methods to classify potential and evolving risk that may adversely impact overall risk exposure of the Company and determines the strategic plan and framework of Risk Management.

The Committee is responsible for monitoring and reviewing the Risk Management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

Your Company also adopted a comprehensive Enterprise Risk Management ('ERM') framework and Policy that is implemented across the organization. The ERM framework and Policy is developed by incorporating the best practices based on COSO and ISO 31000 and then tailored to suit your Company's unique business requirements. The ERM framework encompasses all the Company's risks, such as strategic, operational and legal & compliance risks. Any of these categories can have internal or external dimensions. Hence, appropriate risk indicators are used to identify these risks proactively. Your Company take cognizance of risks faced by its key stakeholders and their cumulative impact while framing its risk responses.

Your Company understand importance of Enterprise Risk Management (ERM) and its function enables the achievement of the Company's strategic objectives by identifying, analyzing, assessing, mitigating, monitoring and governing any risk or potential threat to these objectives. The Company is having a

disciplined process for continuously assessing risks, in the internal and external environment along with minimising the impact of risks. The Company incorporates the risk mitigation steps in all its strategy and operating plans. While this is the key driver, your Company's values, culture and commitment to stakeholders, employees, customers, investors, regulatory bodies, partners and the community around it – are the foundation for your Company's ERM framework.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has an Internal Controls system in accordance with Section 134(5)(e) of the Act, commensurate with the size, scale and complexity of its operations. The Audit Committee comprising of professionally qualified Directors, interacts with the Statutory Auditors, Internal Auditors and the management to review the adequacy of Internal Controls system on a regular basis.

These controls ensure transactions are authorized, recorded and reported correctly and assets are safeguarded and protected against loss from unauthorized use or disposition. In addition, there are Operational Controls and Fraud Risk Controls, covering the entire spectrum of Internal Financial Controls. An extensive program of internal audits and management reviews supplement the process of Internal Financial Controls framework. Documented policies, guidelines and procedures are in place for effective management of Internal Financial Controls.

The Internal Financial Controls framework ensures that financial and other records are reliable for preparing financial and other statements. In addition, the Company has identified and documented the key risks and controls for each process that has a relationship to the financial operations and reporting. At regular intervals, internal teams test the identified key controls. The Internal Auditors also perform an independent check of effectiveness of key controls in identified areas of Internal Financial Controls reporting. The Statutory Auditor's Report include a Report on the Internal Financial Controls over Financial Reporting.

To maintain objectivity and independence, Internal Auditors reports to the Chairperson of Audit Committee of the Board. The Audit Committee defines the scope and authority of the Internal Auditors. Internal Auditors monitors and evaluates the efficacy and adequacy of Internal Controls systems in the Company, its compliance with the operating systems, accounting procedures and policies at all locations of the Company and its subsidiaries.

Based on the report of the Internal Auditors, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and necessary corrective actions are presented to the Audit Committee on a regular basis.

VIGIL MECHANISM

Pursuant to provisions of Section 177(9) of the Act, read with Regulation 22(1) of the Listing Regulations, your Company has adopted a Whistle Blower Policy, to provide a formal vigil mechanism to the Directors and employees to report their concerns about unethical behaviour, including actual or suspected leak of unpublished price sensitive information, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy.

The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in certain cases. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

The Whistle Blower Policy is available on the Company's website at https://www.godeepak.com/wp-content/uploads/2023/11/DNL_Whistle-Blower-Policy.pdf.

DEPOSITS FROM PUBLIC

During the year under review, the Company has not accepted any deposits from public and as such no amount on account of principal or interest on deposits from public was outstanding as on March 31, 2024.

INVESTOR EDUCATION AND PROTECTION FUND

The details on transfer of unclaimed/unpaid dividends/shares to Investor Education and Protection Fund are provided in the Corporate Governance Report under para 'Transfer of unclaimed / unpaid dividends / shares to the Investor Education and Protection Fund.

RELATED PARTY TRANSACTIONS

The Company has a well-defined process of identification of Related Parties including transactions with Related Parties, its approval and review process. The Policy on Related Party Transactions as formulated by the Audit Committee and approved by the Board is placed on the Company's website and can be assessed at www.godeepak.com.

As required under Regulation 23 of the Listing Regulations, the Audit Committee has also defined the material modifications to the Related Party Transactions and has been included in the said Policy.

All Related Party transactions entered by the Company with Related Parties during FY 2023-24 (including any material modifications thereof), were on an arm's length basis and most of such transactions were in the ordinary course of business and were carried out with prior approval of the Audit Committee. Prior approval of the Audit Committee was obtained periodically for the transactions which were planned and/or repetitive in nature and omnibus approvals were also taken as per the policy laid down for unforeseen transactions. All Related Party Transactions that were approved by the Audit Committee were periodically reviewed by the Audit Committee.

All Related Party Transactions are also subjected to independent review by the Internal Auditors of the Company to ensure compliance with the requirement of Related Party Transactions under the Act and Listing Regulations.

There was no material significant Related Party Transactions during FY 2023-24 and hence no information is required to be provided as prescribed under Section 134(3) (h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC-2. The details of the transactions with Related Parties during FY 2023-24 are provided in the accompanying Financial Statements.

As required under the provisions of Listing Regulations, the Company submits details of all Related Party Transactions in the prescribed format to the Stock Exchanges on a half-yearly basis.

SUBSIDIARY / ASSOCIATE COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

As required under Rule 8(1) of the Companies (Accounts) Rules, 2014, the Board's Report has been prepared on a Standalone basis. Pursuant to requirement of Section 136 of the Act, which has exempted companies from attaching the financial statements of the subsidiary companies along with the Annual Report of the company, your Company will make available the Annual Financial Statements of subsidiary companies and the related detailed information to any Member of the Company on receipt of a written request from them at the Registered Office of the Company. The Annual Financial Statements of subsidiary companies will also be kept open for inspection at the Registered Office of the Company on any working day during business hours. These are also available on the website of your Company at www.godeepak.com. The Consolidated Financial Statements of the Company and its subsidiaries, prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS'), forms part of the Annual Report and are reflected in the Consolidated Financial Statements of the Company.

The Board of Directors of the Company, at its meeting held on May 20, 2024 approved acquisition of 100% paid up Equity Share Capital of OXOC Chemicals Limited ('Oxoc'). Oxoc is engaged in the business of manufacturing Polycarbonate Compounds and has started manufacturing activities in March, 2024. With this acquisition, Oxoc will become a wholly owned subsidiary and the Company shall have access to its manufacturing operations which would expedite foray of the Group into Polycarbonate Compounds business.

During FY 2023-24, Deepak PMC Limited was incorporated on December 2, 2023 as a wholly owned subsidiary of your Company. Further, during FY 2023-24, Deepak Oman Industries LLC (SFZ) became subsidiary of your Company by investing into 51% of total share capital of Deepak Oman Industries LLC (SFZ). There was no company which has ceased to be subsidiary or associate of your Company during the year ended March 31, 2024.

Accordingly, the Consolidated Financial Statements include the operations of following subsidiaries:

- Deepak Phenolics Limited
- Deepak Chem Tech Limited
- Deepak Nitrite Corporation Inc.
- Deepak PMC Limited
- Deepak Oman Industries LLC (SFZ)

Your Company has adopted a Policy for determining Material Subsidiaries in terms of Regulation 16(1)(c) of the Listing Regulations duly approved by the Board of Directors and can be accessed on the Company's website at www.godeepak.com.

PERFORMANCE OF SUBSIDIARIES

(a) Deepak Phenolics Limited

Deepak Phenolics Limited ('DPL'), is a wholly owned material subsidiary of your Company. DPL is engaged in the business of manufacture of Phenol, Acetone and Iso Propyl Alcohol at its state-of-the-art facility at Dahej in the state of Gujarat. The detailed performance of DPL is provided under the section Performance Review of this Report.

(b) Deepak Chem Tech Limited

Deepak Chem Tech Limited ('DCTL'), a wholly owned material subsidiary of your Company is implementing projects for manufacturing various intermediate chemical products. The detailed performance of DCTL is provided under the section Performance Review of this Report.

(c) Deepak PMC Limited

Pursuant to the approval granted by the Board on October 4, 2023 for incorporation of a new wholly owned subsidiary of the Company, Deepak PMC Limited ('DPMCL') was incorporated on December 2, 2023 as a wholly owned subsidiary of your Company. An initial investment of ₹ 5 Crores was made by way of subscription of Equity Shares of DPMCL during FY 2023-24. This subsidiary has been incorporated and will be engaged in the business of inter alia providing Project Engineering, Procurement, Construction, Commissioning, Management and Consultancy Services.

(d) Deepak Nitrite Corporation Inc. (USA)

Deepak Nitrite Corporation Inc. ('DNC') is a wholly owned subsidiary based in the United States. This Company was established to support your Company's marketing needs in North and South America. During FY 2023-24, DNC generated Total Revenue of USD 19,690 and achieved a Net Income of USD 400.

(e) Deepak Oman Industries LLC (SFZ)

Deepak Oman Industries LLC (SFZ) ('DOIL'), incorporated in Oman, became subsidiary of your Company during FY 2023-24. The Board of Directors of your Company at their meeting held on January 8, 2024 approved acquiring further 495,824 equity shares of DOIL through acquisition as well as by way of subscription of new shares, worth around USD 1.29 million, raising your Company's stake from 31.72% to 51%, making DOIL a subsidiary. Additionally, the Board of Directors of your Company also approved providing a Corporate Guarantee for securing the Term Loan of approximately USD 49 million to be obtained by DOIL from the Export-Import Bank of India and interest and other charges thereon.

Presently, DOIL has not started commercial business operations and is setting up a greenfield project to manufacture Sodium Nitrite, Sodium Nitrate, in Salalah Free Zone, Sultanate of Oman which benefits from low cost inputs of raw materials and energy and plans to serve global customers. During FY 2023-24, DOIL generated Total Income of Omani Riyal 5,271 and achieved a Net Profit of Omani Riyal 3,874.

The Audited Consolidated Financial Statements of the Company for the year ended March 31, 2024 together with the Auditor's Report, constitute part of this Annual Report in compliance with the provisions of the Act, Regulation 33 of the Listing Regulations and relevant Accounting Standards. Additionally, Form No. AOC - I, detailing the salient features of the Company's subsidiaries companies, is attached to the Financial Statements.

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

The particulars of loans given, investments made, guarantees given and securities provided in accordance with the provisions of Section 186 of the Act are provided in the Standalone Financial Statements.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments affecting the financial position of your Company since the close of the Financial Year i.e. since March 31, 2024 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.

LEGAL COMPLIANCE MANAGEMENT TOOL

The Company has in place an online legal compliance management tool, which has been devised to ensure and monitor compliance with all applicable laws that impact the Company's business. System-based alerts are generated until the user successfully submits the compliances, with provision for escalation to the higher-ups in the hierarchy. The compliance owners certify the compliance status which is reviewed by compliance approvers and a consolidated dashboard is presented to the respective functional heads and the Compliance Officer. A certificate by Key Managerial Personnel of your Company regarding compliance of all applicable laws and regulations is placed before the Board of Directors of your Company on a quarterly basis.

DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of Internal Financial Controls established and maintained by the Company, work performed by the Internal, Statutory, Secretarial and Cost Auditors and external agencies including audit of Internal Financial Controls over Financial Reporting by the Statutory Auditors and reviews performed by the management and relevant Board Committees, including Audit Committee, the Board is of the opinion that your Company's Internal Financial Controls were adequate and effective during FY 2023-24. Accordingly, pursuant to Section 134(5) of Act, the Board of Directors, to the best of their knowledge and ability confirm that:

(a) In the preparation of the Annual Accounts for the Financial Year ended March 31, 2024, the applicable accounting standards have been followed and there are no material departures;

(b) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year ended March 31, 2024 and of the profit of the Company for the year ended on that date;

(c) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) They have prepared the Annual Accounts on a going concern basis;

(e) They have laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and are operating effectively; and

(f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE GOVERNANCE

Your Company follows the best governance practices to boost long-term shareholder value and is committed to maintain the highest standards of Corporate Governance. Your Company adheres to the Corporate Governance requirement set out by Securities and Exchange Board of India and considers the same as its inherent

responsibility to disclose timely and accurate information to its stakeholders regarding its operations and performance, as well as the leadership and governance of your Company.

A Certificate by the Chief Executive Officer and the Chief Financial Officer of the Company in terms of Listing Regulations, inter alia confirming the correctness of the Financial Statements are placed before the Audit Committee and Board of Directors of the Company on quarterly basis.

A separate Corporate Governance Report is provided together with a Certificate from the Secretarial Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under the Listing Regulations, which forms part of the Annual Report.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

In accordance with Regulation 34(2)(f) of the Listing Regulations, the Business Responsibility and Sustainability Report ('BRSR') forms part of this Integrated Annual Report. The report describes initiatives undertaken by the Company from an environmental, social and governance perspective. Further, Securities and Exchange Board of India vide its Circular No. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated July 12, 2023, updated the format of BRSR to incorporate BRSR core, a subset of BRSR, indicating specific Key Performance Indicators (KPIs) under nine ESG attributes which are subject to mandatory reasonable assurance by an independent assurance provider, by top 150 listed entities by market capitalization for FY 2023-24 and by top 250 listed entities by market capitalization for FY 2024-25. For the year ended March 31, 2024, your Company stands at 232 and 230 by market capitalization in BSE Limited and National Stock Exchange Limited, respectively. Although for FY 2023-24, reasonable assurance of BRSR core is not mandatory for the Company, on a voluntary basis, the Company has appointed TÜV SÜD South Asia Private Limited as the assurance provider. The BRSR is attached to the Board's Report as Annexure - C.

INTEGRATED REPORTING

The Integrated Report of the Company is prepared in accordance with the International Integrated Reporting (IR) framework published by the Value Reporting Foundation (VRF) which reflects the integrated thinking of the Company and its approach to its value creation. This Integrated Report aims to provide a holistic view of the Company's strategy, governance and performance and how they work together to create value over the short, medium and long term for its stakeholders. The narrative section of the Integrated Report is guided by the Integrated Reporting (IR) framework outlined by the International Integrated Reporting Council (IIRC). The Integrated Report is a part of this Annual Report, which provides a clear, concise and comprehensive vision of the Company's business model.

MANAGEMENT DISCUSSION AND ANALYSIS

In terms of Regulation 34(2)(e) of Listing Regulations, read with other applicable provisions, the detailed review of the operations, performance and future outlook of the Company and its business is given in the Management Discussion and Analysis Report which forms part of this Annual Report and is incorporated herein by reference and forms an integral part of this Report.

CORPORATE SOCIAL RESPONSIBILITY

Your Company is having duly constituted Corporate Social Responsibility ('CSR') Committee comprised of four (4) members out of which, two (2) are Independent Directors.

The details about CSR Committee, its Terms of Reference, meetings held and attendance of members are provided in the Corporate Governance Report. There have been no instances during the year when recommendations of the CSR Committee were not accepted by the Board.

Your Company has also in place a CSR policy duly approved by the Board of Directors that provides guidelines for conducting its CSR activities and can be accessed at Company's website at https://www.godeepak.com/wp-content/uploads/2023/11/DNL_Corporate-Social-Responsibility-Policy.pdf.

During FY 2023-24, your Company has spent ₹ 12.45 Crores on CSR activities, against the requirement of ₹ 11.69 Crores, being 2% of average of the net profits for the preceding three (3) years as per requirement under Section 135(5) of the Act. Accordingly, the Company has spent excess amount of ₹ 0.76 Crores during FY 2023-24 on the CSR activities undertaken in accordance with the CSR Policy of the Company. This excess amount can be set off against CSR obligation of succeeding three (3) Financial Years i.e. FY 2024-25, 2025-26 and 2026-27. Further, an amount of ₹ 0.70 Crores, remained unspent against CSR obligations for FY 2022-23, was transferred to a separate bank account in compliance with requirements of Section 135(6) of the Act. The said unspent amount of ₹ 0.70 Crores, has also been spent on the respective ongoing CSR projects during FY 2023-24. Thus, the aggregate amount spent on CSR activities during FY 2023-24 is ₹ 13.15 Crores.

Your Company has been undertaking CSR initiatives through Deepak Foundation, which is the Group's CSR arm, focusing on social interventions in areas like education, health and livelihood. Through the years, the Company has worked closely with the communities surrounding their facilities and even beyond to improve their livelihood and society.

The Company, through its CSR activities has a positive impact on society, particularly in the areas of skill development, environment, sustainability, education, healthcare and women's empowerment etc. Your Company has initiated several flagship projects for the services to reach the remote areas and cater to the people in need. These initiatives have aided in uplifting the quality of life of communities and has resulted in better living conditions.

Initiatives such as Mobile Health Units have ensured provision of healthcare services at people's doorstep. Additionally, the Palliative Care Services have helped the people coming from all over the country for dignified treatment while fighting cancer.

The Laboratory and Diagnostic Services at Dahej region have helped the villagers in getting diagnosis on time. The Adolescent Anaemia Identification program has helped hundreds of children in improving their diet for a healthier future.

The Mobile Library project provides the students an opportunity to venture in the world of literature other than their curriculum which help in improving their cognitive abilities. It also cultivates the habit of reading and generates better results. The Integrated Child Development Services (ICDS) program focuses on cognitive development of young children by providing them pre-primary education and strengthening the Anganwadi centres. Science, Technology, English and Mathematics (STEM) classes have enabled the students at primary schools to get hands on experience in science and maths subjects and has improved school results. The Remedial Classes helped the children who need special attention while studying in strengthening their base and has helped them in improving their grades and confidence. Along with mainstream educational practices, the Smart Class setup has helped the children in learning digitally and has opened several avenues for students to widen their horizon for modern educational techniques.

Further, Samaj Suraksha Sankul has provided safe environment to all kinds of children to thrive in and bring the best out in them by providing the platform to learn. Samaj Suraksha Sankul has been serving the needs of visually impaired children, orphan, destitute children and senior citizens towards living a healthy, happy, empowered, dignified and self-reliant life along with strong social and inter-generational bonding.

Your Company's CSR also focuses on environment and sustainability by delving into initiatives like Animal Health Care Centre and supporting Jal Sanchay Yojana (Farm Pond Construction) and use of Sexed Semen Technology to benefit dairy farmers. The focus on cattle health has benefitted the communities in yielding maximum benefits and has also educated them in maintaining the cattle health. This has immensely influenced the income of the beneficiaries' households and has improved their standard of living.

Your Company also provide contribution to technology business incubators through Atal Innovation Centre (AIC) Indian Institute of Science Education and Research IISER Pune SEED Foundation ('AIC-SEED'). AIC-SEED is supported by the Atal Innovation Mission, NITI Aayog, Govt. of India. AIC-SEED's objective is to stimulate and encourage the growth of deep science-based startup companies by providing an enabling eco-system in an academic and knowledge driven research environment.

Project Sangaath has impacted the lives of thousands of underprivileged community members by providing them the benefits of various schemes. The main objective of the project is to empower villagers by facilitating them to access their documents that would further facilitate their linkage with various government schemes. Through Sangaath, the eligible beneficiaries were facilitated by a cadre of trained facilitators in applying for Pre-Requisite Documents (PRDs), updating PRDs and applying forgovernment schemes.

DNL also supported SVADES (Society for Village Development in Petrochemicals Area) which is a collective endeavour that binds the industry and rural community together towards effective socioeconomic development in the rural areas of surrounding industries. DNL partnered with SVADES for construction of community hall in Radhiyapura village at Nandesari.

As a part of CSR activities DNL also contributed towards construction of new building and renovation of existing buildings of Kashiben Gordhandas Patel Children Hospital situated at Vadodara, Gujarat, conceived by Medical Care Centre Trust, as a service for the children with focus on the poor and the deprived section of the society. The Children's Hospital is a tertiary care paediatric hospital serving the underprivileged people of Vadodara, Central Gujarat and neighbouring states of Madhya Pradesh, Rajasthan, Maharashtra. For the past four decades, it has provided medical care to more than 2.5 million children, either free or at very subsidised rates. The Hospital offers several medical facilities including Paediatric Cancer Department, Paediatric Intensive Care Unit, Neonatal Intensive Care Unit, Apang Shishu Kendra (specially-abled children centre), Shri Jalaram Blood Centre - regional blood transfusion centre, Cleft Lip and Palate Restoration Centre under 'Smile Train Project'.

NOMINATION AND REMUNERATION POLICY

Your Company has adopted a Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and other employees pursuant to the requirement of Section 178 of the Act and the Listing Regulations. The Nomination and Remuneration Policy of your Company is annexed as Annexure - E and is also available on the Company's website on www.godeepak.com.

PARTICULARS OF EMPLOYEES

Disclosures with respect to the remuneration of Directors and employees as required under Section 197(12) of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('Rules') are annexed to this Report as Annexure - F.

The statement containing particulars of employee remuneration as required under provisions of Section 197(12) of the Act and Rule 5(2) and 5(3) of the Rules forms part of this Report. However, in accordance with the provisions of the second proviso to Section 136(1) of the Act, the Annual Report is being sent to the Members of the Company excluding the aforesaid information. The aforesaid information is available for inspection by the Members upto the date

of the ensuing Annual General Meeting on all working days, except Saturdays and Sundays, during working hours at the Registered Office of the Company. Any Member interested in obtaining such information may write to the Company Secretary.

ANNUAL RETURN

Pursuant to Section 134(3)(a) of the Act, the Annual Return of the Company prepared as per Section 92(3) of the Act in Form MGT - 7 for FY 2023-24, is available on the Company's website and can be accessed on the website of the Company at www.godeepak.com.

In terms of Rules 11 and 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return shall be filed with the Ministry of Corporate Affairs, within the prescribed timelines.

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

The particulars relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo as required to be disclosed pursuant to the provisions of Section 134 of the Act read with the Companies (Accounts) Rules, 2014 are provided in Annexure - G forming part 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

There are no significant material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operations in future.

SECRETARIAL STANDARDS

During FY 2023-24, your Company is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India, with respect to meetings of Board and its Committees and General Meetings, respectively. The Directors have devised proper systems and processes for complying with the requirements of applicable Secretarial Standards issued by The Institute of Company Secretaries of India, as amended and such systems were adequate and operating effectively.

RESEARCH & DEVELOPMENT

Your Company's innovation infrastructure consists of centralised Research and Development ('R&D') facility, Deepak Research and Development Centre ('DRDC') at Nandesari, Gujarat. DRDC has been approved by the Department of Scientific & Industrial Research, Government of India since 1977 and is ISO certified. It has a dedicated team of 100+ professionals, working on various molecules and chemicals which are under patenting process. Your Company has cumulatively filed around 68 patent applications and 24 patents have already been granted. Your Company's R&D facility is crucial to its success with its ability to develop advanced intermediates which requires complex chemistry and engineering.

The R&D facility is equipped with the modern instruments and equipment for developing cutting edge technology. The Company's R&D team comprises of highly qualified and experienced team members, who bring in the best practises in the industry.

The R&D remain focussed on:

- New product development
- New technology platform development
- Improvement of productivity as well as yield in existing products
- Reduction in water, waste, energy etc. and using green technology, wherever possible.

DRDC also houses a state-of-the-art Process Engineering Lab, Kilo lab and Process Intensification Lab. Mentioned setups help in generating scale-up related data for all the products, which are developed in DRDC. The speed of lab scale development is increased with the application of Design of Experiments methodology, using a specialised software for screening as well as optimisation.

To aid in new technology platforms and continuous process development, your Company has invested in flow reactor, flow meters etc. under Process Engineering Research & Innovation (PERI).

Analytical Team plays a crucial role in supporting synthetic chemistry at every stage of the product/ process development. The team is strengthened by inducting skilled man-power and analytical tools such as Gas Chromatography (GC), Gas Chromatography/Mass Spectrometry (GCMS), High Performance Liquid Chromatography (HPLC), Liquid Chromatography/Mass Spectrometry (LCMS), Ultra Performance Liquid Chromatography (UPLC) and Ion Chromatography (IC), UV, IR etc. Analytical lab also takes help from third party analytical labs for generating data (like PSD, S-analysis, NMR etc.) for which DRDC currently does not have the facilities.

Process Safety Activities

DRDC has a dedicated process safety team, which analyses the chemical processes for their safe operations based on in-house Accelerated Reaction Calorimeter (ARC), Differential Scanning Calorimeter (DSC), Reaction Calorimeter with gas evolution analysis (RC). Also, the team takes help from third party labs for other safety data generation e.g. powder safety data.

Technology

Your Company's R&D team is working on various new technology platform developments such as Fluorination and Photo Chlorination chemistries, high pressure Oxidation Reactions (both chemical and catalytic) and Gas Solid Reactions etc. A pilot facility for Vapor Phase Process has also been installed.

Lab scale Continuous Stirred Tank Reactor (CSTR) set-ups are used for converting batch mode reactions into continuous mode to achieve better yield, quality, better throughput, reduction in the cost of operations, along with increasing the safety norms of the process.

State-of-the-art pilot plants

Your Company is having two state-of-the-art pilot facilities, one each at Roha, Maharashtra and Nandesari, Gujarat. The pilot plants act as link between R&D and commercial production of various intermediates used in Agrochemicals, Dyes, Pharmaceuticals etc., thereby allowing your Company to deliver quality products seamlessly. The pilot facility boasts of stainless steel and glass lined reactors along with distillation columns, handling systems for gas and liquid raw materials. The pilot facilities are fully-equipped with advanced instruments, Distributed Control system (DCS) and utilities like brine, low pressure steam, cooling water, – etc.

Development of idea to plant process (ITP)

The Technical Organisation is responsible for generating ideas, developing sustainable processes and moving them to commercial production. With this in mind, the team conducts critical review of the process from idea generation to technical development to production (ITP process). The activities are mapped and relevant documents are formalised. The ITP project is targeted to finalize the technical process, the infrastructure required and supporting documents. This also include in-depth safety analysis reports for the chemicals and the processes.

The overall ITP process flow includes:

- Idea collection and assessment of right-to-win.
- Responsible team identification
- Responsibility matrix assignment
- R&D process to finalize the route of synthesis and/or processes
- Process optimization
- Technology transfer including Basic Engineering Package (BEP) and all relevant documents (LDR, TTR1 and TD).
- A highly secure web-based suite of tools has been deployed to manage all data of ITP. The system stores data in a structured format making it searchable. It also prevents knowledge loss while controlling information flow.

Benefits of ideas to plant trials

- Documentation of the Lab Records are all digitized and in the on-line mode.
  - Specific formats designed to extract data/information.
  - Reports and presentations are created by the system through aggregation.
  - Ensures data integrity, data security and data traceability.
  - Helps in significant reduction of time spent by scientists in making reports for reviews.
- Making fortnightly reports which reduce the time of technical reviews.
- Complete audit trail and traceability.

Training of technical team

Workshops on process safety and scale up, DoE, ASPEN, Flow Chemistry etc. were organised. The participants came from cross functional teams across Deepak Group. These workshops introduced the salient feature of the process scale-up and process safety enhancing the competency of participants.

NEW R&D CENTRE AT SAVLI, VADODARA

Your Company is also building a new state-of-the-art Research & Development Centre in Savli, Vadodara. The new R&D centre is expected to be operational by March 2025.

SAFETY, HEALTH & ENVIRONMENT

Your Company ensures Safety, Health and Environment (SHE) in relation to all its manufacturing processes, products and services. It consistently takes various measures to develop and adopt safer process technologies, unit operations and sustainable systems from conceptualization stage.

Investments are being made in various areas considering benefits of all stakeholders such as Process Automation to enhance safety and minimize human error, extensive training on process and behavior-based safety, implementation of safe and environment friendly production processes, upgrades to effluent treatment facilities, Reverse Osmosis plants, Multiple Effect Evaporators etc., to reduce effluent discharge. Waste Heat recovery systems are being commissioned to promote the reduction, recovery and reuse of effluents and other utilities.

A systematic and well-documented scale-up procedure is in place for the development of products, starting from Research & Development to Pilot to Commercial scale. This includes risk assessment and process safety studies at each stage to ensure inherently safe processes. DNL have inhouse facilities at our R&D to carry out various thermal studies like RC, DSC, ARC for pre thermal hazard screening.

Your Company has established policies and systems to adhere internationally recognized guidelines, such as the principles of the United Nations Global Compact, the International Labour Organization (ILO) conventions and the Responsible Care Initiative.

Measures are taken to ensure social compliance regarding human rights, labour and social standards, anti-discrimination, conflict of interest and anti-corruption. Health and safety remain a significant focus for your Company, aiming to achieve an accident-free workplace. Your Company firmly believes that all injuries, occupational illnesses, as well as safety and environmental incidents, can be prevented. This mindset encourages all employees to strive for personal safety excellence and the safety of others, including employees, contractors, customers and the surrounding communities.

Your Company follows a systematic incident reporting system, where all incidents, including near misses, are logged into the safety Management Information System (MIS). The corrective and preventive actions are tracked through internally developed software based on these reports. Each incident is investigated by a cross functional team to determine its root causes and necessary precautions are taken to prevent their recurrence. Before implementation, all technological changes and projects undergo various safety study such as Facility Siting, HAZOP Assessment and Quantitative Risk Assessment. Additionally, all changes in plant settings are approved through the Management of Change procedure and undergo pre-startup safety reviews. Your Company continuously strengthen workplace safety and Process Safety Management through employee engagement initiatives.

The Group has embarked on the safety and sustainability journey with a vision of "Zero Incident". Towards safety transformation and with the aim of driving safety upgradation with respect to systems, processes and continuous culture improvement across all the sites, safety diagnostic assessment was carried out through an external agency and their findings enabled the leadership to take decisions on the transformation roadmap. Safety assessment report included observations highlighting strengths and opportunities on the defined areas of focus and prioritized recommendation.

All manufacturing units, including the Corporate Office, are certified with the latest standards of ISO 9001, ISO 14001 and ISO 45001 and holder of Responsible Care Logo. The scheduled safety awareness programs are carried out across plants to achieve continuous improvement in terms of process safety, workplace safety and behavioural transformation. Formalized procedure exists which promotes rewards & recognition based on the safety performance of the individual and of each site. Employee engagement has been 100% in participation in various safety initiatives and activities.

At DNL, we have a robust OHS governance system headed by the Corporate Safety and dedicated teams responsible for OHS across all our sites and offices. Our HSE Policy guides the safety practices at DNL and is communicated to all our employees, contractors, customers, community, business associates and interested parties

Logistic Safety Management System

Together with its peers, your Company has established Nicer Globe, an independent platform that enables real-time monitoring of the movement of hazardous materials throughout India. This platform helps monitor any deviations in speed, route, or driving time restrictions, thereby minimizing transport-related incidents. Transportation of raw materials and products are ensured within its supply chain framework, utilizing GPS for real-time monitoring to ensure the safety of its customers, carriers, suppliers, distributors and contractors.

Environment

Your Company's commitment to environmental protection goes beyond fulfilling legal requirements. Your Company has implemented the chemical industry's Responsible Care system and has established fundamental principles fully aligned with the UN Sustainable Development Goals. Various initiatives have been undertaken to conserve resources, reduce energy consumption, promote recycling and reuse and minimize pollution. Constant efforts are being made to reduce the environmental footprint and find innovative solutions that benefit the environment.

KEY INITIATIVES DURING FY 2023-24

Emission Management

Your Company is strategically enhancing its energy efficiency by equipping its plants with modern, energy-efficient equipment and technology. These initiatives help minimize emissions and energy consumption while boosting plant efficiency. The R&D team at DNL continuously works to improve product yield. Additionally, the Company is engaged in carbon offsetting efforts, such as tree planting and installing advanced equipment, as part of its commitment to achieving carbon neutrality.

Water Management

Your Company adopts a holistic approach to water management, focusing on conservation principles of reduce, reuse and recycle to achieve water positivity. The goal is to make operations more water-efficient, reduce reliance on freshwater and aim for zero-liquid discharge at its facilities. A Zero Liquid Discharge (ZLD) system is implemented at the Hyderabad unit and in Roha and Dahej units. Approximately 60% of treated water is recovered through Reverse Osmosis systems.

Waste Management

Efficient natural resource use and minimizing environmental impact are crucial to your Company. The Company responsibly disposes of manufacturing waste in compliance with regulatory requirements under the Hazardous and Other Waste (Management and Transboundary Movement) Rules, 2016. Your Company adheres to air emission standards set by the Pollution Control Board and avoids using ozone-depleting substances (ODS). All plastic waste is recycled through processors registered with Central Pollution Control Board and post-consumer waste is managed via Extended Producer Responsibility (EPR). Fly ash is fully handed over to brick and tile manufacturers. DNL's commitment to sustainability is recognized by EcoVadis, with its Dahej plant achieving a perfect score of 100 out of 100 in the Together for Sustainability (TfS) audit, reflecting its dedication to sustainable development.

HUMAN RESOURCES

During FY 2023-24, your Company has been actively engaged in various activities to ensure the smooth functioning of the Company's Human Resource Management system. This has an objective of ensuring a strong, skillful & trained workforce availability for the Company all the time. Every year the Company hires fresh Graduate Engineer Trainees from Tier 1, Tier 2, Tier 3 institutes. Your Company continues its endeavour of investing in Human Talent and Talent Management process through its various interventions and programmes to improve and enhance competencies, capabilities, skills and potentials of its workforce. Every year your Company train 100+ employees in emerging and advance technologies in chemical and engineering industry. During FY 2023-24, recognising the significance of identifying high-potential employees to ensure a robust talent pipeline, the Company carried out competency assessment through a renowned agency to identify training needs of high potential performing teams for career development. The Company's Human Resources initiatives and engagement activities have enabled the Company not only to sail through the challenging times, witnessed recently, but has helped the Company in attracting, developing, nurturing & retaining right talent and keeping them motivated. Employee touch points and communication was kept live through Virtual Town Halls wherein Executive Director & CEO, Director (Finance) & Group CFO address all the employees thereby establishing a strong sense of bonding between the Company's management and employees. The Company has come up with dedicated Diversity Equity and Inclusion Policy to encourage inclusive work environment where members from diverse backgrounds can grow together and thrive.

In FY 2023-24 industrial relations across the Company in multiple demographics remained harmonious and issues were discussed and resolved by bilateral dialogues and zero man-days were lost.

EMPLOYEE STOCK OPTION PLAN (ESOP)

The Board of Directors of your Company at their meeting held on February 13, 2024 approved Deepak Nitrite Limited Employee Stock Option Scheme 2024 ("Scheme 2024").

The Scheme 2024 was approved by the Shareholders of the Company through Postal Ballot on April, 19, 2024 by way of Special Resolution. The Shareholders of the Company also, by way of Special Resolution, approved extending the Scheme 2024 to the eligible employees of your Company's subsidiaries.

As required under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the Nomination and Remuneration Committee has been designated as the Compensation Committee for the purpose of administration and superintendence of the Scheme 2024.

INSURANCE

All the insurable interests of your Company including inventories, buildings, plant and machinery are adequately insured against risk of fire and other risks. The Company has in place Directors, Officers, Liability Insurance (D&O) for all its Directors (including Independent Directors) and members of the Senior Management Team for such quantum and risks as determined by the Board in line with the requirement of Regulation 25(10) of the Listing Regulations. With respect to fire incident occurred during June 2022 in warehouse areas at the Company's Nandesari plant, there was damage to certain properties, plant, equipment and inventory as well as loss of profit due to business interruption, for which the Company had filed the insurance claim with insurance companies. Upon pursuing the insurance claim rigorously, the Company has received ₹ 127 Crores towards final settlement of insurance claim from insurance companies.

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

The Company has adopted zero tolerance for sexual harassment at the workplace and has formulated a policy on prevention, prohibition and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. To build awareness in this regard, your Company has been conducting various programs on a continuous basis.

The Company has complied with provisions relating to the constitution of Internal Committee (IC) under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company have setup ICs for its various locations to redress complaints on sexual harassment. The Internal Committee is empowered to look into all complaints of sexual harassment and facilitate free and fair enquiry process with clear timelines.

No complaints were pending at the beginning of the year and no complaints were received during FY 2023-24 from any employee and accordingly, no complaint was pending as on March 31, 2024, for redressal.

GREEN INITIATIVES

Climate change has become an established reality, intricately linked with human activities and industrial operations. Addressing this pressing issue is a paramount priority for the Company and DNL has set ambitious targets to reduce greenhouse gas (GHG) emissions while fostering resilience in its business operations, value chain and local communities.

DNL is actively pursuing strategies to diminish GHG emissions, including sourcing power from renewable energy, deploying

cutting-edge equipment to enhance energy efficiency and leveraging AI-driven solutions to achieve sustainable reductions in energy consumption across its operations.

Furthermore, the Company has implemented various environmental protection measures, such as the installation of an online continuous monitoring system (OCEMS) for air emission monitoring and control. Additionally, DNL has successfully converted canteen waste into biofertilizer, utilized for green belt development and initiated trials to use ETP sludge and agro waste as fuel in boilers to reduce coal consumption and manage waste effectively.

In a significant initiative, DNL has partnered with the Forest Department to conduct a large-scale tree plantation drive in Village Shelavali, Taluka: Shahapur Dist.: Thane, State: Maharashtra. Over 55,000 trees of local species have been planted across 50 hectares of land, yielding positive environmental outcomes such as carbon offsetting, biodiversity conservation, improved air quality, soil erosion prevention and water management. Moreover, this initiative provides employment opportunities to local residents and contributes to afforestation efforts.

In adherence to Section 20 of the Act and as part of our ongoing commitment to environmental sustainability, the Company is distributing electronic copies of the Notice of the 53rd Annual General Meeting, along with the Annual Report for FY 2023-24, to all Members registered with the Company/Depository Participant(s). This initiative reflects our dedication to the 'Go Green' initiative and our continuous efforts to minimize our ecological footprint.

AWARDS AND RECOGNITION

In a bid to keep ensuring its relentless quest for growth and excellence, the Company continues to be committed towards maintaining the highest standards of corporate governance and sustainable practices. As a recognition for our unconventional innovations and focussed drive to achieve best-in-class operations, the Company has been winning a multitude of accolades at various forums while acquiring plaudits as the recipient of numerous prestigious awards for demonstrating its business ethos. These embellishments to Deepak's cognizant candidature deliver a testament to the progress made by the Company and honor its diligent efforts towards delivering value for the welfare of all stakeholders and the society as a whole. The details of the key recognitions secured by the Company have been highlighted in a separate section in the Annual Report.

INDUSTRIAL RELATIONS

During the year under review, industrial relations remained harmonious at all our offices and establishments.

GENERAL DISCLOSURES

The Board of Directors state that no disclosure or reporting is required in respect of the following matters as there is no transaction on these items during the year under review:

i. Issue of equity shares with differential rights as to dividend, voting or otherwise.

ii. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.

iii. The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.

iv. There is no Corporate Insolvency Resolution Process initiated under the Insolvency and Bankruptcy Code, 2016.

REGISTERED OFFICE

During the year under review, the Registered Office of your Company has been shifted within the city limits of Vadodara in the state of Gujarat from Aaditya-I, Chhani Road, Vadodara-390024 to 2nd Floor, Fermenter House, Alembic City, Alembic Avenue Road, Vadodara – 390 003 w.e.f. November 10, 2023.

ACKNOWLEDGEMENT

The Board of Directors place on record their deep appreciation to all employees for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to remain an industry leader.

The Board of Directors also take this opportunity to thank all Shareholders, Business Partners, Government and Regulatory Authorities and Stock Exchanges, for their continued support.

For and on behalf of the Board

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

Place: Vadodara
Date: May 20, 2024

Annexure-A

FORM NO. MR 3

SECRETARIAL AUDIT REPORT

For the Financial Year ended March 31, 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Deepak Nitrite Limited,
2nd Floor, Fermenter House, Alembic City,
Alembic Avenue Road,
Vadodara, Gujarat 390003

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and adherence to good corporate governance practices by **Deepak Nitrite Limited** (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2024, 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, 2024, according to the provisions of:

i. The Companies Act, 2013 ('the Act') and Rules made thereunder;

ii. The Securities Contract (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

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

iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The 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; No event occurred during the period under review which attracted provisions of these Regulations hence, not applicable;

d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; No event occurred during the period under review which attracted provisions of these Regulations hence, not applicable.

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; No event occurred during the period under review which attracted provisions of these Regulations hence, not applicable.

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; No event occurred during the period under review which attracted provisions of these Regulations hence, not applicable; and

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; No event occurred during the period under review which attracted provisions of these Regulations hence, not applicable.

vi. Other laws as applicable specifically to the Company:

a) The Environment (Protection) Act, 1986,

b) The Water (Prevention & Control of Pollution) Act, 1974,

c) The Air (Prevention & Control of Pollution) Act, 1981,

d) Public Liability Insurance Act, 1991,

e) Explosives Act, 1884,

f) Hazardous Wastes (Management, Handling and Trans-Boundary Movement) Rules, 2008,

g) Petroleum Act, 1934 and Rules made thereunder.

We have also examined compliance with applicable clause of the following:

I. Secretarial Standards issued by The Institute of Company Secretaries of India;

II. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the review period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. The Company has complied with the Secretarial Standard in general.

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 changes in the composition of the Board of Directors during the period under review and all changes were carried out in accordance with the applicable provisions of the Companies Act, 2013.

Adequate notice is given to all Directors to schedule the Board Meetings. Agenda and detailed notes on Agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the Agenda items before the meeting and for meaningful participation at the meeting.

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

We further report that there 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 have any event having a major bearing on its affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards except the following, for which necessary approvals were obtained:

a) Appointment of Shri Girish Raghunath Satarkar as a Whole-Time Director designated as Executive Director of the Company for a term of three (3) years with effect from August 4, 2023 (approved by Members of the Company in the Annual General Meeting held on August 4, 2023).

b) Re-Appointment of Shri Dileep Choksi as Independent Director for second term of 3 (Three) consecutive years with effect from August 7, 2023, as well as to continue to hold the position of Independent Non-Executive Director of the Company, beyond the age of 75 (Seventy Five) years (approved by Members of the Company by way of Special Resolution in the Annual General Meeting of the Company held on August 4, 2023).

c) Re-appointment of Shri Deepak C. Mehta as the Chairman & Managing Director of the Company for further period of 5 (Five) years with effect from December 14, 2023 and to continue holding office of the Managing Director beyond the age of 70 (Seventy) years (approved by Members of the Company by way of Special Resolution in the Annual General Meeting of the Company held on August 4, 2023).

d) Declaration of Dividend of ₹ 7.50 (Rupees Seven and Paisa Fifty only), being 375%, per equity share of face value of ₹ 2.00 (Rupees Two only) each for the Financial Year ended March 31, 2023 (approved by Members of the Company by way of Ordinary Resolution in the Annual General Meeting of the Company held on August 4, 2023).

e) Investment by the Company on August 11, 2023 upto 31.72% equity of Deepak Oman Industries LLC (SFZ) a company incorporated in Sultanate of Oman, to set up chemical manufacturing plant in Sultanate of Oman by way of acquisition of 7,70,000 shares equivalent to USD 20,00,000 which was approved in the Board Meeting held on November 9, 2022 and necessary Form FC has been filed with the Reserve Bank of India (RBI) on August 8, 2023 i.e. before remittance of funds as per the requirements under Foreign Exchange Management (Overseas Investment) Directions, 2022 and necessary disclosure to BSE & NSE has been made on August 11, 2023.

f) Incorporation of a wholly owned subsidiary of the Company was approved in the Meeting of Board of Directors held on October 4, 2023 and necessary disclosure of the same has been given to BSE and NSE on the same day i.e. October 4, 2023.

g) Shifting of Registered Office of the Company from Aaditya-I, Chhani Road, Vadodara -390024, Gujarat, India to 2nd Floor, Fermenter House, Alembic City, Alembic Avenue Road, Vadodara - 390003, Gujarat, India i.e. within the local limits of Vadodara (approved in the meeting of Board of Directors of the Company held on November 7, 2023), with effect from November 10, 2023 and necessary disclosure of the same has been made to BSE and NSE on the same day.i.e. November 7, 2023.

h) Deepak PMC Limited ("DPMCL"), has been incorporated on December 2, 2023 as a wholly owned subsidiary of the Company. The Authorised and Paid-up Equity Share Capital of DPMCL shall be ₹ 5 Crores and necessary disclosure of the same has been made to BSE and NSE on December 3, 2023.

i) Approval by Board of Directors of Deepak Phenolics Limited (material subsidiary of the Company) for entering into binding Term Sheet with Petronet LNG for off-take of 250 KTPA of Propylene and 11 KTPA of Hydrogen. The disclosure of the same has been given by the Company to BSE and NSE on same day i.e. December 19, 2023.

j) Further investment in Deepak Oman Industries LLC (SFZ) by way of acquisition of 4,95,824 shares equivalent to USD 12,87,853 out of which (a) 4,40,924 Shares equivalent to USD 11,45,256 acquired from Deepak Gulf LLC; and (b) the remaining 54,900 shares equivalent to USD 1,42,597 acquired through fresh issue, at par. Such investment was approved in the Board Meeting held on January 8, 2024. Necessary intimation has been given to BSE and NSE on same day and necessary Form FC-1 has been filed with the Reserve Bank of India.

k) Execution of Memorandum of Understanding with Government of Gujarat by Deepak Chem Tech Limited, a wholly owned subsidiary of the Company - (a) on May 23, 2023 about its intention of investing around ₹ 5,000 Crores and (b) on January 31, 2024 about its intention of investing around ₹ 9,000 Crores and the intimations in respect of the same were given to BSE and NSE in accordance with Regulation 30 of the Listing Regulations, on May 24, 2023 and January 31, 2024, respectively.

l) The "Deepak Nitrite Limited Employee Stock Option Scheme 2024" was approved by the Board of Directors at their meeting held on February 13, 2024. Subsequently, it was approved by the Members of the Company by way of Special Resolution passed through Postal Ballot on April 19, 2024.

m) Commencement of manufacturing operations by Deepak Chem Tech Limited, Wholly Owned Subsidiary of the Company of Fluorination Plant on March 21, 2024 and necessary intimation & disclosures has been made to BSE and NSE within time limit.

n) Payment of penalty imposed by Gujarat Industrial Development Corporation for non-utilization of the plots, while approving application for amalgamation two newly acquired industrial plots vide its order dated December 28, 2023 and received by the Company on December 29, 2023. The Company has made necessary disclosures to BSE and NSE on December 29, 2023.

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

Dinesh Joshi
Designated Partner
Membership No.: F3752
CP No.: 2246
UDIN: F003752F000407641
Peer Review Certificate No.: 1331/2021

Date: May 20, 2024
Place: Pune

To,
The Members,
Deepak Nitrite Limited,
2nd Floor, Fermenter House, Alembic City,
Alembic Avenue Road, Gorwa, Vadodara, Gujarat 390003

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.

3. We have not verified the correctness and appropriateness of the 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 a test basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Dinesh Joshi
Designated Partner
Membership No.: F3752
CP No.: 2246
UDIN: F003752F000407641
Peer Review Certificate No.: 1331/2021

Date: May 20, 2024
Place: Pune

Annexure-B

SECRETARIAL AUDIT REPORT

for the Financial Year ended March 31, 2024
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9
of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

The Members,
Deepak Phenolics Limited
4th Floor, Fermenter House, Alembic City,
Alembic Avenue Road,
Vadodara - 390003,
Gujarat, India.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Deepak Phenolics Limited** ("Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2024 ("review period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board-Processes and Compliance-Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company for the review period, according to the provisions of:

i. The Companies Act, 2013 ("Act") and the Rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 and the Rules made thereunder;

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

iv. Securities and Exchange Board of India ("SEBI") (Depositories and Participants) Regulations, 1996 / 2018, to the extent applicable;

v. SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client, to the extent applicable;

vi. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

vii. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 are not applicable to the Company being an Unlisted Public Company.

We have also examined compliance with all the applicable and approved Secretarial Standards issued by The Institute of Company Secretaries of India. Being an Unlisted Public Company, clauses / regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are not applicable to the Company.

During the review period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. The Company has complied with the Secretarial Standards in general.

We further report that;

A. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. During the period under review there was no change in the composition of the Board of Directors;

B. Adequate notice is given to all the Directors to schedule the Board Meetings. Agenda and detailed notes on Agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarification on the Agenda items before the meeting and for meaningful participation at the meeting;

C. As per the Minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded;

D. There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with all the applicable Laws, Rules, Regulations and Guidelines;

E. During the review period there were no specific instances / actions in pursuance of the above referred Laws, Rules, Regulations, Guidelines, etc., having a major bearing on the Company's affairs.

S. Samdani
Partner

Samdani Shah & Kabra
Company Secretaries
FCS No. 3677; CP No. 2863
PR# 1079/2021
ICSI UDIN: F003677F000342721

Date: May 10, 2024
Place: Vadodara

This Report is to be read with our letter of even date which is annexed as Appendix A and forms an integral part of this Report.

Appendix A

The Members,
Deepak Phenolics Limited
4th Floor, Fermenter House, Alembic City,
Alembic Avenue Road,
Vadodara - 390003,
Gujarat, India.

Our Secretarial Audit Report of even date is to be read along with this letter, that:

i. Maintenance of Secretarial records and compliance of the provisions of corporate and other applicable Laws, Rules, Regulations, Standards are the responsibility of the management of the Company. Our examination was limited to the verification and audit of procedures and records on test basis. Our responsibility is to express an opinion on these Secretarial records and compliances based on such verification and audit.

ii. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

iii. Wherever required, we have obtained the management representation about the compliance of Laws, Rules and Regulations and happening of events etc.

iv. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

S. Samdani
Partner

Samdani Shah & Kabra
Company Secretaries
FCS No. 3677; CP No. 2863
PR# 1079/2021
ICSI UDIN: F003677F000342721

Date: May 10, 2024
Place: Vadodara

Annexure-C

Business Responsibility & Sustainability Report

At Deepak Nitrite Limited ('DNL'), sustainability is deeply embedded in our core business, operation strategies and decision-making processes. In line with our commitment to responsible business practices, we are dedicated to realizing our Environmental, Social and Governance (ESG) objectives. We focus on conducting our business in a manner that protects the environment, contributes positively to society and generates long-term value for all stakeholders.

Every year we enhance our ESG strategies and collaborate with our stakeholders to achieve mutually beneficial ESG objectives. Our environmental initiatives are centred on reducing our environmental impact through strategic measures such as increasing the share of renewable energy in our total energy mix and lower carbon emissions. We have implemented advanced technologies such as Mechanical Vapor Recompression (MVR) for water recycling and recovering raw materials from effluent streams to promote resource efficiency. Additionally, we have taken proactive measures to reduce our GHG emissions by substituting conventional fuels with alternative sources in our boilers. These initiatives align with circular economy principles and promote sustainable waste management practices, ensuring that our operations are environmentally sound.

Our dedication extends to cultivate a safe, inclusive and enriching work environment for our employees and communities alike. Upholding stringent ethical standards and prioritizing the development of high-quality products, our efforts transcend mere compliance. Beyond mandatory trainings, we implement comprehensive human rights education and skill enhancement programs, recognizing that effective human capital management is pivotal to our ongoing success. Our policies are focused on enhancing community well-being and ensuring a supportive workplace environment. Our employees being our most valuable asset, we work towards their welfare through robust programs covering health, wellness, work-life balance and rigorous safety measures. Continuous learning and development are central to our HR policies, with a range of training programs designed to enhance technical skills, leadership capabilities and personal growth. Committed to creating an equitable workplace, we promote diversity, inclusion and equal opportunities, striving to eliminate all forms of discrimination.

Our community development efforts aim to generate value by focusing on education, healthcare and skills development to empower marginalized communities. Our approach involves closely engaging with stakeholders to comprehend their needs and ambitions and promote resilience among marginalized communities. Through these efforts, we strive to create a lasting positive impact that supports inclusive growth for all members of society.

The foundation of DNL's governance framework is built on the principles of integrity, transparency and accountability. We adhere to the highest standards of corporate governance, ensuring that our operations are conducted ethically and transparently. Our robust code of conduct outlines ethical behaviour expectations for all employees, with regular training on ethical practices and mechanisms in place for reporting and addressing any unethical behaviour. Transparency is central to our sustainability efforts at DNL. As a practice, we publicly report on our ESG initiatives, including sustainable sourcing. Additionally, we actively collaborate with industry peers, government and non-governmental organisations. These partnerships drive sustainable solutions, knowledge sharing and the adoption of best practices, amplifying our impact and advancing global sustainability goals. By working together strategically, we aim to create lasting positive change in both environmental stewardship and societal well-being.

DNL is dedicated to continuously enhancing our sustainability performance through adopting a comprehensive approach to sustainability. By integrating ESG principles into our environmental, social and governance strategies, we ensure that our efforts not only drive economic growth but also create positive and lasting impacts on the environment and society, setting new standards for excellence in sustainability.

For Deepak Nitrite Limited

Maulik Mehta
Executive Director & CEO

Date: May 20, 2024
Place: Vadodara

SECTION A: GENERAL DISCLOSURES

I. Details of the Listed Entity

1	**Corporate Identity Number (CIN) of the Listed Entity**	L24110GJ1970PLC001735
2	**Name of the Listed Entity**	Deepak Nitrite Limited
3	**Year of incorporation**	1970
4	**Registered Office address**	2nd Floor, Fermenter House, Alembic City, Alembic Avenue Road, Vadodara - 390003
5	**Corporate Office address**	2nd Floor, Fermenter House, Alembic City, Alembic Avenue Road, Vadodara - 390003
6	**E-mail**	investor@godeepak.com
7	**Telephone**	+91 2652765200
8	**Website**	www.godeepak.com
9	**Financial Year for which reporting is being done**	2023-24
10	**Name of the Stock Exchange(s) where shares are listed**	BSE Limited and National Stock Exchange of India Limited
11	**Paid-up Capital**	₹ 27,27,86,082
12	**Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report**	Shri Arvind Bajpai, Company Secretary Email: investor@godeepak.com Telephone: +91 2652765200
13	**Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)**	This report is prepared on standalone basis
14	**Name of assurance provider**	TÜV SÜD South Asia Private Limited
15	**Type of assurance obtained**	Reasonable Assurance for BRSR Core and Limited Assurance for BRSR Report

II. Products/Services

16. Details of business activities (accounting for 90% of the Turnover):

S. No	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing of Chemicals	Manufacturing, Trading of Chemicals.	100

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No	Product/Service	NIC Code	% of total Turnover contributed
1	Nitro Toluidine	24119	17.47
2	Sodium Nitrite	24117	17.25
3	Optical Brightening Agents	24298	12.54
4	MAHCL	24119	9.13
5	TFMAP	24119	7.68
6	4 NOX	24119	7.33
7	EHN	24119	7.28
8	Sodium Nitrate	24119	4.67
9	Para Cumidines	24117	4.01
10	DASDA	24297	3.53

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

S. No	Location	Number of plants	Number of offices	Total
1	National	5	3	8
2	International	0	0	0

19. Markets served by the entity:

a. Number of locations

S. No	Locations	Number
1	National (No. of states)	24
2	International (No. of countries)	39

b. What is the contribution of exports as a percentage of the total turnover of the entity?

47%

c. A brief on types of customers

1. Manufactures of Chemicals
2. Manufactures of Products where chemicals produced by the Company are used as inputs

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No	Particulars	Total (A)	Male		Female	
			No.(B)	%(B/A)	No.(C)	%(C/A)
				Employees		
1	Permanent (D)	1503	1457	96.94	46	3.06
2	Other than Permanent (E)	46	43	93.48	3	6.52
3	**Total employees (D + E)**	**1549**	**1500**	**96.84**	**49**	**3.16**
				Workers		
4	Permanent (F)	217	217	100	0	0
5	Other than Permanent (G)	2304	2253	97.79	51	2.21
6	**Total workers (F + G)**	**2521**	**2470**	**97.98**	**51**	**2.02**

b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No.(B)	%(B/A)	No.(C)	%(C/A)
				Differently-abled Employees		
1	Permanent (D)	1	1	100	0	0
2	Other than Permanent (E)	0	0	0	0	0
3	**Total differently abled employees (D + E)**	**1**	**1**	**100**	**0**	**0**
				Differently-abled Workers		
4	Permanent (F)	1	1	100	0	0
5	Other than Permanent (G)	7	7	100	0	0
6	**Total differently abled workers (F + G)**	**8**	**8**	**100**	**0**	**0**

21. Participation/Inclusion/Representation of women:

Particulars	Total (A)	No. and percentage of Females	
		No.(B)	%(B/A)
Board of Directors	12	1	8.33
Key Management Personnel	2	0	0

22. Turnover rate for permanent employees and workers:

(Disclose trends for the past 3 years)

	FY 2023-24 (Turnover rate in current FY)			FY 2022-23 (Turnover rate in previous FY)			FY 2021-22 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	13.60	31.11	14.32	14.23	19.05	14.37	13.55	8.82	13.43
Permanent Workers	3.16	0	3.16	2.63	0	2.63	5.06	0	5.06

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. Names of holding / subsidiary / associate companies / joint ventures:

S. No	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ subsidiary/ associate/ joint venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Deepak Phenolics Limited	Subsidiary	100	Yes
2	Deepak Chem Tech Limited	Subsidiary	100	Yes
3	Deepak Nitrite Corporation Inc.	Subsidiary	100	Yes
4	Deepak PMC Limited	Subsidiary	100	Yes
5	Deepak Oman Industries LLC (SFZ)	Subsidiary	51	Yes

VI. CSR Details

24. i. Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)

Yes

ii. Turnover

₹ 2,724.35 Crores

iii. Net worth

₹ 2,954.54 Crores

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/ No) (If Yes, then provide web-link for grievance redress policy)	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	No	0	0		0	0	
Investors (other than shareholders)	No	0	0		0	0	
Shareholders	Yes https://www.godeepak.com/wp-content/uploads/2023/11/Investors-Grievance-redressal-policy-1.pdf	4	0		18	0	
Employees and workers	Yes https://www.godeepak.com/wp-content/uploads/2023/11/DNL_Whistle-Blower-Policy.pdf	0	0		0	0	
Customers	Yes Customer Complaints are received by the relevant Sales team and thereafter, the same are entered into dedicated software for the same and processed as per the Standard Operating Procedure https://www.godeepak.com/wpcontent/uploads/2021/05/Policy-on-Stakeholder-Engagement-1-9-2020.pdf	60	0	Complaints received were related to delivery, packing, handling etc. All the complaints received during the year have been resolved.	28	0	Complaints received were related to delivery, packing, handling etc. All the complaints received during the year have been resolved.
Value Chain Partners	No	0	0		0	0	

26. Overview of the entity's material responsible business conduct issues:

S. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Water Use & Effluent Management	Opportunity	Access to clean and safe water is a fundamental human right and is aligned with the United Nations' Sustainable Development Goal 6, which aims to be achieved by 2030. As a responsible corporate citizen, we are committed to ensuring that our operations do not negatively impact the quality or supply of water resources, thereby protecting the ecosystem and society at multiple levels.	NA	Positive - Effective water use and effluent management can drive significant positive financial outcomes for businesses. By optimizing water usage and managing effluent responsibly, companies can reduce operational costs, enhance resource efficiency and mitigate regulatory risks.
2	Climate Change & Emissions	Risk	Climate change & Emissions stands as one of the most critical challenges confronting our planet today. Given the energy and water-intensive nature of chemical production, our failure to reduce our environmental footprint can have significant repercussions on our standing within the industry and our relationships with customers, investors and society as a whole.	We have embraced environmental consciousness through our commitment to sustainable manufacturing practices. This commitment is evident in our focus on reducing utility consumption, extracting value from waste and adopting clean technologies. We are continuously striving to enhance our energy efficiency. Additionally, we ensure that the effluents, emissions and waste generated at our manufacturing facilities remain within the permissible limits set by the respective Pollution Control Boards.	Negative - Climate change & Emissions related issues, if not addressed, would result in negative financial implications in long run. Climate related risks including physical as well as transition risk are directly associated with disruptions to our business operations as well as those of our value chain partners. Financial implications of mitigation efforts are well within our considerations while planning our business strategy
3	Occupational Health & Safety	Risk	Given the inherent nature of our operations, our employees face a range of operational and safety hazards. It is crucial to address any process safety gaps and prevent occupational health and safety (OHS) incidents that could potentially harm our employees. Neglecting employee well-being and safety not only jeopardises their physical welfare but also poses risks to achieving production targets and can have adverse effects on our assets, environment and overall business reputation.	We prioritise continuous safeguarding of occupational health, safety and employee well-being. Stringent safety measures are implemented at all our sites, including regular safety audits and the provision of appropriate personal protective equipment to our employees. We actively promote safety awareness through campaigns and training initiatives.	Negative - Employee health and safety issues, if not addressed, would result in negative financial implications.

S. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4	Community Involvement	Opportunity	Engaging with the community in its development not only uplifts the community's standard of living but also cultivates future workers and consumers for businesses associated with the end products. This proactive involvement also enhances the Company's reputation by fostering goodwill as a benefactor within the community.	NA	Positive - The benefits to the community provided by CSR activities develop goodwill and boost the Company's brand, which has long-term financial benefits.
5	Growth & Profitability	Opportunity	The Company's capacity to deliver substantial value to all stakeholders hinges on its robust financial foundation. In light of escalating input and energy costs and enduring volatility in foreign exchange rates, maintaining a secure financial position is imperative. This stability not only fortifies its market position but also strengthens relationships with clients, investors and the broader public.	The Company strategically allocates financial resources in adherence to governance standards and best business practices to ensure sustainable profitability. It prioritizes disciplined investments within a robust framework and employs structured cost management to optimize financial outcomes. By consistently exploring opportunities along the value chain and maintaining agility in response to evolving market dynamics, the Company sustains its performance and enhances its competitive edge.	Positive - A planned and methodical approach to investments and cost management will be determining factor to the success of the Company in the short run as well as in the long run.

S. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6	Corporate Governance	Risk	Amid the dynamic landscape of the chemical industry, which is characterised by escalating macro-economic volatility, robust governance practices play a pivotal role in upholding ethical and transparent business operations. Meeting regulatory compliance requirements and effectively managing risks are paramount in ensuring responsible conduct and long-term sustainability.	Our governance practices have been established by our competent and esteemed Board of Directors, comprising members with relevant industry expertise, independent thinking and extensive global exposure. Aided by practice transparency in financial reporting, sustainability efforts and other relevant disclosures and ethical decision-making processes, bolstered by effective risk management, serve as the foundation of our governance framework. We have instilled a culture of accountability and integrity across the Company, recognising its vital role in promoting good governance practices. We implement and enforce a robust code of conduct and ethical standards to guide the behaviour and actions of employees at all levels. Our Board and management prioritise health, safety and environmental considerations by implementing robust safety protocols, promoting sustainable practices and minimising environmental impact. We have a comprehensive risk management framework to identify, assess and mitigate risks associated with operations, safety, environmental impact and compliance to solidify our governance approach. We ensure strict adherence to all applicable laws, regulations and industry standards to maintain compliance and mitigate legal and reputational risks. We have established Board Committees, such as Audit, Risk Management, Nomination and Remuneration, CSR, Sustainability Committees and more to provide focussed oversight in critical areas. We regularly evaluate our governance practices, identify areas for improvement and implement necessary changes to enhance effectiveness and relevance and build trust with all stakeholders in line with global standards of ESG.	Negative - Corporate Governance is increasingly the parameter for evaluation by external stakeholders and are likely to amplify competitive advantage relating to business sustainability. In case of their failure, it would have severe financial implications.

S. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7	Business Ethics & Compliance	Opportunity	Success in business depends on creating and sustaining a culture of ethics and integrity. It supports daily decision-making by providing employees and partners with a useful reference.	NA	Positive - Prioritizing business ethics and compliance can lead to significant financial benefits for organizations. By adhering to ethical standards and regulatory requirements, companies mitigate legal risks and avoid costly fines and penalties. A strong ethical culture also fosters trust and credibility with stakeholders, enhancing customer loyalty, investor confidence and employee morale.
8	Business Continuity	Opportunity	Risk management and ethics are interconnected. A company faces lower risks to its business when it adheres to ethical standards. Aligning business ethics with risk management is crucial for ensuring continuity and resilience during disruptive incidents.	NA	Positive - Business continuity ensures resilience against disruptions, minimizing revenue loss, operational downtime and reputational damage. This proactive approach helps maintain customer trust, preserves market position and reduces recovery costs, ultimately safeguarding profitability and sustaining long-term financial health.
9	Product Stewardship	Risk and Opportunity	Risk: Reputational damage, negative impact on market share, Opportunity: Reduction in environmental impact and increased stakeholder trust and in revenue	DNL has established a protocol to assess the ESG (Environmental, Social and Governance) impacts of products during their development stages. These impacts are carefully considered in our decision-making processes. We have calculated the carbon footprint for most of our products and planning to conduct Life Cycle Assessments (LCA) for few of our existing products in the fiscal year 2023-24.	Positive - Increased circularity will result in decreased cost of materials, increased productivity and greater profitability. Such operational practices also cater to the customers preferences; aligned to responsibly sourced /manufactured products.
10	Sustainable Supply Chain	Risk	Having a sustainable supply chain is critical for Company's operations and business continuity Considering the size of Company's operations, the Company can influence the ESG priorities for their suppliers It will have a high impact on stakeholders as well.	We maintain a robust logistics and distribution network using secure transportation with GPS tracking to monitor raw materials and finished goods in real-time. Our organised warehousing ensures prompt customer deliveries. Leveraging our manufacturing expertise, integrated facilities and agile operations, we consistently deliver reliable and steady performance.	Negative - Any disruption in Supply Chain would adversely affect the business continuity and hence would jeopardise sustainability of business.

S. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
11	Waste Management	Opportunity	The production and use of agrochemicals generate hazardous waste, necessitating a focus on reducing waste generation, as well as recycling and reusing waste wherever possible.	NA	Positive - Implementing effective waste management strategies can lead to substantial financial benefits for businesses. By reducing waste generation, companies can lower disposal costs and improve resource efficiency.
12	Energy Management	Opportunity	Recognizing the importance of energy efficiency in all business activities, we actively monitor our performance using systems installed across multiple locations to track daily energy consumption. Our energy conservation strategy aligns with our commitment in achieving established sustainability goals and targets.	NA	Positive - Effective energy management practices can yield substantial financial benefits for businesses. By optimizing energy use, operational costs associated with utilities, such as electricity and fuel can be reduced.
13	Employee Engagement	Opportunity	Skilled and proficient employees execute their responsibilities with effectiveness and efficiency, contributing to a capable workforce that drives internal growth. This enhances product quality and ultimately, boosts revenue for the Company.	NA	Positive- Efforts in ensuring the skill development of the workforce will lead to a more efficient workforce and improved productivity of the Company.
14	Human Rights	Risk and Opportunity	Human rights significantly influence business operations both internally and externally, spanning from raw material procurement to distribution and disposal. They also play a crucial role in shaping the company's reputation throughout the entire value chain. Risk: Potential regulatory non-compliance and reputational damage. Opportunity: Upholding employees' and workers' rights through collective action.	We have implemented a robust Human Rights due diligence framework to systematically assess our operations. This includes conducting human rights vulnerability assessments at our operational sites to identify and mitigate risks, as well as monitoring and reporting our performance. We are committed to upholding human rights across all aspects of our business operations. Our commitment to respecting human rights extends to our business partners through alignment with our policies and contractual agreements. In the fiscal year 2023-24, no incidents of human rights violations were reported, demonstrating our dedication to maintaining ethical standards throughout our operations.	Positive- Implications of non-compliance to social adherence norms related to human rights will have reputation impact for any company. The mitigation of such risks requires investment in human rights vulnerability assessment and actions. Proactive and regular compliance by the workforce is imperative to ensure business continuity in the long run.

S. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
15	Customer Relationships	Opportunity	In a rapidly evolving and highly competitive operating environment, the growth of our business is intricately tied to our customer base. Strengthening our relationships with customers is, therefore, a crucial aspect that can profoundly influence our value-creation capabilities.	We are dedicated to providing innovative and cost-effective products to retain and attract customers. We place significant emphasis on actively engaging with them and comprehending their needs to enhance the overall customer experience. This customer-centric approach has proven instrumental in fostering customer loyalty, which stands as one of our most prominent strengths in driving profitable growth.	Positive - A structured and transparent relationship with customers has the potential to expand business in both the short and long run, resulting in a sustainable business model.
16	Diversity, Equity & Inclusion	Opportunity	At DNL, our focus is on creating value through the continuous expansion of our workforce and fostering agility. Our team comprises individuals from diverse educational, cultural and demographic backgrounds. We are committed to upholding principles of inclusion and diversity in our employment practices, ensuring they remain inclusive of all ages and genders.	NA	Positive - Investing in Diversity, Equity and Inclusion (DEI) initiatives can lead to significant financial benefits for organizations. By fostering a diverse workforce that includes individuals from various backgrounds, genders, ages and cultures, companies can enhance innovation and creativity. This diversity of thought often leads to better problem-solving and decision-making processes, which can drive operational efficiency and productivity.
17	Product Innovation	Opportunity	As our products are utilized across diverse manufacturing sectors, the demand for advanced compatibility with upgraded technologies is crucial. Emphasizing product innovation through enhanced technologies and processes will position us for a broader market in the future.	NA	Positive - Better products and the introduction of new products into the market will generate more revenue through greater business with existing customers and the addition of new clients.
18	Digitalization, IT Security & Data Privacy	Opportunity	As demonstrated during recent global disruptions, adopting digital modes of operation is crucial. These methods can greatly influence customer relationships, product launches, workforce productivity and operational efficiency.	NA	Positive – The integration of digital technologies within operations has been demonstrated across industries to alleviate operational efficiency and robustness of business output. It also allows the Company to realize strategy automation and business intelligence in the wake of competitive agility.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Policy and Management Processes

1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)

P1	P2	P3	P4	P5	P6	P7	P8	P9
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

b. Has the policy been approved by the Board? (Yes/No)

P1	P2	P3	P4	P5	P6	P7	P8	P9
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

c. Web Link of the Policies, if available

P1	https://www.godeepak.com/wp-content/uploads/2024/01/DNL_Sustainaility_policy.pdf
P2	https://www.godeepak.com/wp-content/uploads/2024/01/DNL_Sustainaility_policy.pdf
P3	https://www.godeepak.com/wp-content/uploads/2024/01/DNL_Sustainaility_policy.pdf
P4	https://www.godeepak.com/wp-content/uploads/2024/01/DNL_Sustainaility_policy.pdf
P5	https://www.godeepak.com/wp-content/uploads/2024/01/DNL_Sustainaility_policy.pdf
P6	https://www.godeepak.com/wp-content/uploads/2024/01/DNL_Sustainaility_policy.pdf
P7	https://www.godeepak.com/wp-content/uploads/2024/01/DNL_Sustainaility_policy.pdf
P8	https://www.godeepak.com/wp-content/uploads/2024/01/DNL_Sustainaility_policy.pdf
P9	https://www.godeepak.com/wp-content/uploads/2024/01/DNL_Sustainaility_policy.pdf

2. Whether the entity has translated the policy into procedures. (Yes / No)

P1	P2	P3	P4	P5	P6	P7	P8	P9
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

3. Do the enlisted policies extend to your value chain partners? (Yes/No)

P1	P2	P3	P4	P5	P6	P7	P8	P9
No	No	No	No	No	No	No	No	No

4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.

P1	
P2	
P3	
P4	
P5	ISO 45001 Certification
P6	ISO 14001, Responsible Care logo
P7	
P8	ISO 9001
P9	

5. Specific commitments, goals and targets set by the entity with defined timelines, if any.

P1	The Company has not set any specific goals with timeline. However, it is endeavor of the Company to ensure implementation of Principles of NGRBC. The Company will carefully assess its strategic position and develop specific goals targets and commitments with time lines in due course.
P2	The Company has not set any specific goals with timeline. However, it is endeavor of the Company to ensure implementation of Principles of NGRBC. The Company will carefully assess its Strategic position and develop specific goals targets and Commitments with time lines in due course.
P3	The Company has not set any specific goals with timeline. However, it is endeavor of the Company to ensure implementation of Principles of NGRBC. The Company will carefully assess its Strategic position and develop specific goals targets and Commitments with time lines in due course.
P4	The Company has not set any specific goals with timeline. However, it is endeavor of the Company to ensure implementation of Principles of NGRBC. The Company will carefully assess its Strategic position and develop specific goals targets and Commitments with time lines in due course.
P5	The Company has not set any specific goals with timeline. However, it is endeavor of the Company to ensure implementation of Principles of NGRBC. The Company will carefully assess its Strategic position and develop specific goals targets and Commitments with time lines in due course.
P6	The Company has not set any specific goals with timeline. However, it is endeavor of the Company to ensure implementation of Principles of NGRBC. The Company will carefully assess its Strategic position and develop specific goals targets and Commitments with time lines in due course.
P7	The Company has not set any specific goals with timeline. However, it is endeavor of the Company to ensure implementation of Principles of NGRBC. The Company will carefully assess its Strategic position and develop specific goals targets and Commitments with time lines in due course.
P8	The Company has not set any specific goals with timeline. However, it is endeavor of the Company to ensure implementation of Principles of NGRBC. The Company will carefully assess its Strategic position and develop specific goals targets and Commitments with time lines in due course.
P9	The Company has not set any specific goals with timeline. However, it is endeavor of the Company to ensure implementation of Principles of NGRBC. The Company will carefully assess its Strategic position and develop specific goals targets and Commitments with time lines in due course.

6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.

P1	The performance against the goals and targets will be assessed in the subsequent Financial Years.
P2	The performance against the goals and targets will be assessed in the subsequent Financial Years.
P3	The performance against the goals and targets will be assessed in the subsequent Financial Years.
P4	The performance against the goals and targets will be assessed in the subsequent Financial Years.
P5	The performance against the goals and targets will be assessed in the subsequent Financial Years.
P6	The performance against the goals and targets will be assessed in the subsequent Financial Years.
P7	The performance against the goals and targets will be assessed in the subsequent Financial Years.
P8	The performance against the goals and targets will be assessed in the subsequent Financial Years.
P9	The performance against the goals and targets will be assessed in the subsequent Financial Years.

Governance, Leadership & Oversight

7. Statement by Director responsible for the Business Responsibility Report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

Please refer to Statement of Shri Maulik Mehta at the beginning of this Report.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).

During FY 2023-24, Shri Maulik Mehta, Executive Director & CEO of the Company was responsible for implementation and oversight of the Business Responsibility policy (ies). However, the Board of Directors on February 13, 2024 have constituted the Sustainability Committee inter alia to review and implement the Business Responsibility policy (ies).

9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.

Yes. The Company has constituted a Sustainability Committee of Directors for decision making on Substantially related issues.

10. Details of Review of NGRBCs by the Company

	Principles	Performance against above policies and follow up action	Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances
Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee	P1	Yes	Yes
	P2	Yes	Yes
	P3	Yes	Yes
	P4	Yes	Yes
	P5	Yes	Yes
	P6	Yes	Yes
	P7	Yes	Yes
	P8	Yes	Yes
	P9	Yes	Yes
Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)	P1	Annually	Annually
	P2	Annually	Annually
	P3	Annually	Annually
	P4	Annually	Annually
	P5	Annually	Annually
	P6	Annually	Annually
	P7	Annually	Annually
	P8	Annually	Annually
	P9	Annually	Annually

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

P1	No
P2	No
P3	No
P4	No
P5	No
P6	No
P7	No
P8	No
P9	No

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Not applicable

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1

Businesses should conduct and govern themselves with integrity and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the Financial Year:

S. No	Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
1	Board of Directors	4	Business Sustainability	100
2	Key Managerial Personnel	4	Business Sustainability	100
3	Employees other than BoD and KMPs	48	Business Sustainability	63
4	Workers	6	Business Sustainability	72

2. Details of fines / penalties / punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the Financial Year, in the following format

(Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/fine	Principle 4	Gujarat Industrial Development Corporation	₹ 2,62,842	Gujarat Industrial Development Corporation, while approving the application of the Company for amalgamation of two newly acquired industrial plots admeasuring 2508 sq. mtr. each, situated at Nandesari Industrial Estate, vide provisional amalgamation order dated 28th December, 2023 received by the Company on 29th December, 2023, imposed a Non-Utilization penalty of ₹ 2,62,842 (inclusive of 18% GST). The Company has made payment of the said penalty.	No

Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
	-	-	-	-	-

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed:

Not applicable as no appeal has been filed.

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes. The Code of Conduct of the Company, which is applicable to all the employees, covers the Anti-Corruption and Anti-Bribery Policy of the Company. The weblink of the same is as under:

https://www.godeepak.com/wp-content/themes/twentysixteen/companyfiles/corporate_governance_report/Code%20of%20Conduct_Senior%20Management.pdf

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Particulars	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. Details of complaints with regard to conflict of interest:

Particulars	FY 2023-24 (Current Financial Year)		FY 2022-23 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	Not Applicable	0	Not Applicable
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	Not Applicable	0	Not Applicable

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Since there were no such matters, no corrective actions are required to be taken.

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

Particulars	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Number of days of accounts payables	61	63

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics		FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Concentration of Purchases	a.	Purchases from trading houses as % of total purchases	19.81%	14.52%
	b.	Number of trading houses where purchases are made from	21	20
	c.	Purchases from top 10 trading houses as % of total purchases from trading houses	93.40%	90.90%
Concentration of Sales	a.	Sales to dealers / distributors as % of total sales	0	8.00%
	b.	Number of dealers / distributors to whom sales are made	23	25
	c.	Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	87.00%	86.00%
Share of RPTs in	a.	Purchases (Purchases with related parties / Total Purchases)	7.83%	9.80%
	b.	Sales (Sales to related parties / Total Sales)	1.13%	0.74%
	c.	Loans & advances (Loans & advances given to related parties / Total loans & advances)	99.53%	0
	d.	Investments (Investments in related parties / Total Investments made)	90.00%	65.00%

Leadership Indicators

1. **Awareness programmes conducted for value chain partners on any of the principles during the Financial Year:**

S. No.	Total number of awareness programmes held	Topics/ principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
-	-	-	-

2. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.**

Yes. As per the Code of Conduct applicable to the Board of Directors, Directors must avoid any conflicts of interests with the Company. Directors will not enter into, without the prior approval of the disinterested members of the Board, any transaction or relationship with the Company in which they have a financial or personal interest, either directly or indirectly, such as through any relative (as defined under Section 2(77) of the Companies Act, 2013 or any statutory modification or re-enactment thereof), or an organisation with which the Director is affiliated, or any transaction or situation which otherwise involves a conflict of interest.

The link to the Code of Conduct for Directors is https://www.godeepak.com/wp-content/themes/twentysixteen/companyfiles/corporate_governance_report/Code_of_Conduct_for_Director.pdf.

PRINCIPLE 2

Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively**

Particulars	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)	Details of improvements in environmental and social impacts
R&D	6%	6%	Efficiency improvement, emission reduction, energy conservation, improved effluent treatment.
Capex	5%	5%	Reduction in usage of non-renewable energy, increased water recovery recycling capacity, improved organic reduction efficiency.

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Yes

b. **If yes, what percentage of inputs were sourced sustainably?**

20% of the inputs were sourced sustainably.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for:**

a. **Plastics (including packaging)**

All plastic waste generated was given to Extended Producer's Responsibility ('EPR') registered plastic waste processor.

b. **E-waste**

All e-waste generated was given to recycler registered with Pollution Control Board.

c. **Hazardous waste**

All hazardous waste generated was disposed to PCB-registered, TSDF, CHWIF, Co-processing facility, Pre-processing facility & Recyclers facility.

d. **Other waste**

Not applicable

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same**

   Yes. The waste collection is in line with the EPR plan submitted to Pollution Control Boards.

Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format.**

   LCA was not conducted for any products.

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

   There are no significant social or environmental concerns and/or risks arising from production or disposal of products.

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

   No recycled materials have been used in the production.

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled and safely disposed, as per the following format:**

	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	0	1501	0	0	202.27	0
E-waste	0	0	0	0	0	0
Hazardous waste	0	0	0	0	0	0
Other waste	0	0	0	0	0	0

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

   Not applicable

PRINCIPLE 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	%(B/A)	Number (C)	%(C/A)	Number (D)	%(D/A)	Number (E)	%(E/A)	Number (F)	%(F/A)
Permanent employees											
Male	1457	1457	100	1457	100	0	0	1457	100	0	0
Female	46	46	100	46	100	46	100	0	0	0	0
Total	**1503**	**1503**	**100**	**1503**	**100**	**46**	**100**	**1457**	**100**	**0**	**0**
Other than Permanent employees											
Male	43	43	100	43	100	0	0	0	0	0	0
Female	3	3	100	3	100	3	100	0	0	0	0
Total	**46**	**46**	**100**	**46**	**100**	**3**	**100**	**0**	**0**	**0**	**0**

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	%(B/A)	Number (C)	%(C/A)	Number (D)	%(D/A)	Number (E)	%(E/A)	Number (F)	%(F/A)
Permanent workers											
Male	217	217	100	217	100	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	**217**	**217**	**100**	**217**	**100**	**0**	**0**	**0**	**0**	**0**	**0**
Other than Permanent workers											
Male	2253	2253	100	2253	100		0	0	0	0	0
Female	51	51	100	51	100	51	100	0	0	0	0
Total	**2304**	**2304**	**100**	**2304**	**100**	**51**	**100**	**0**	**0**	**0**	**0**

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Cost incurred on wellbeing measures as a % of Total Revenue of the Company	0.20	0.08

2. **Details of retirement benefits, for current Financial Year and previous Financial Year.**

S. No	Benefits	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
		No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
1	PF	100	100	Yes	100	100	Yes
2	Gratuity	100	100	Yes	100	100	Yes
3	ESI	100	100	Yes	100	100	Yes

3. **Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Our premises have facilities of ramps, lifts, bars and handles, dedicated washroom for the differently-abled employee.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Yes, it is displayed on employee portal.

https://www.godeepak.com/wp-content/uploads/2021/05/Diversity-Equal-Opportunity-and-Freedom-of-Association-1-9-2020-.pdf

5. **Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100	100	0	0
Female	50	100	0	0
Total	**50**	**100**	**0**	**0**

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No	Details
Permanent Workers	Yes	Each recognised union have their Grievances Committee covering all permanent workers. These committees approach the management for grievances and grievances are resolved judiciously.
Other than Permanent Workers	Yes	Periodic Meetings of representatives of Human Resources Department are held with other than permanent Workers to resolve their grievances, if any.
Permanent Employees	Yes	Grievance Committees are in place to redress the grievances.
Other than Permanent Employees	Yes	Periodic Meetings of representatives of Human Resources Department are held with other than permanent employees to resolve their grievances, if any.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total employees / workers in respective category(A)	No. of employees / workers in respective category, who are part of association(s) or Union(B)	% (B / A)	Total employees / workers in respective category(C)	No. of employees / workers in respective category, who are part of association(s) or Union(D)	% (D / C)
Total Permanent Employees	**1503**	**0**	**0**	**1469**	**0**	**0**
Male	1457	0	0	1425	0	0
Female	46	0	0	44	0	0
Total Permanent Workers	**217**	**217**	**100**	**225**	**225**	**100**
Male	217	217	100	225	225	100
Female	0	0	0	0	0	0

8. Details of training given to employees and workers:

Category	FY 2023-24 (Current Financial Year)					FY 2022-23 (Previous Financial Year)				
	Total (A)	On Health and Safety measures		On Skill upgradation		Total (D)	On Health and Safety measures		On Skill upgradation	
		No.(B)	% B/A	No.(C)	% C/A		No.(E)	% E/D	No.(F)	% F/D
Permanent Employees										
Male	1457	1457	100	320	21.96	1425	989	69.40	752	52.77
Female	46	46	100	6	13.04	44	18	40.91	23	52.27
Total	**1503**	1503	100	326	21.69	**1469**	**1007**	**68.55**	**775**	**52.76**
Permanent Workers										
Male	217	217	100	27	12	225	225	100	27	12
Female	0	0	0	0	0	0	0	0	0	0
Total	**217**	217	100	0	0	**225**	**225**	**100**	**27**	**12**

9. Details of performance and career development reviews of employees and worker:

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total (A)	No.(B)	% B/A	Total (C)	No.(D)	% D/C
Permanent Employees						
Male	1457	1425	97.80	1425	1425	100
Female	46	44	95.65	44	44	100
Total	**1503**	**1469**	**97.74**	**1469**	**1469**	**100**
Permanent Workers						
Male	217	0	0	225	225	100
Female	0	0	0	0	0	0
Total	**217**	**0**	**0**	**225**	**225**	**100**

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes

All locations of DNL has implemented HSE management system in line with ISO 45000 and ISO 14001. Plan-Do-Check-Act cycle is followed for the continual improvement.

Key features of HSE systems:

1) OH & S is considered as line-management responsibility.
2) Well defined and communicated responsibility, accountability and authority of persons who identify, evaluate or control OSH hazards and risks.
3) Promote cooperation and communication among members of the organization, including workers and their representatives, to implement the elements of the organization's OHS management system.
4) Well established HSEQ policy and measurable objectives.
5) Identification and elimination or control of work-related hazards and risks and promote health at work.
6) Health promotion programmes are being organised
7) Periodic review by Top leadership on the performance of the OHS management system
8) DNL is Responsible logo holder Company. All sites are audited and performance is evaluated through team of auditors.
9) Following seven codes of Responsible care are in practice:
   I) Process Safety Code
   II) Employee Health & Safety
   III) Pollution prevention
   IV) Distribution Safety
   V) Product Stewardship
   VI) Community awareness & emergency response
   VII) Security Code
10) DNL has received Ecovadis Bronze Medal in its latest assessment done in year 2023, results published in April 2024.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Hazard Identification and Risk Assessment ('HIRA') and Hazard and Operability Study ('HAZOP').

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Yes/ No)

Yes

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million person-hours worked)	Employees	0.282	0.6104
	Workers	0.26	0
Total recordable work-related injuries	Employees	2	10
	Workers	9	7
No. of fatalities	Employees	0	0
	Workers	0	0
High-consequence work-related injury or ill health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy work place;

1. DNL is a Responsible Care logo holding Company. Some of the measures for safe working environment is listed below:
   1) Regular training on EHS related matters are provided to all employees, workers as well as to new joinees.
   2) Maintain an organized and orderly facility.
   3) Communicate hazards to everyone in the facility.
   4) DCS controlled processes.
   5) Using engineering controls.
   6) Treatment of waste in ETP.
   7) All statutory requirements are fulfilled.
   8) We provide PPE for everyone entering our plants.

13. Number of Complaints on the following made by employees and workers:

Benefits	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	-	0	0	-
Health & Safety	0	0	-	0	0	-

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100
Working Conditions	100

Assesments are carried out by the following parties:
1) Responsible Care Audit
2) Third Party Audits
3) IMS Audit
4) Internal Audit

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions:

There were no such significant incidents during the current Financial Year.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of

a. Employees (Y/N)

Yes

b. Workers (Y/N)

Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Standard terms of the Contracts with Value Chain partners contain clauses requiring value chain partners to comply with such legal requirements for collective/deduction of statutory dues and depositing the same with appropriate authorities. Further, the payment to such value chain partners are released upon verification of such deposition.

3. **Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Employees	0	0	0	0
Workers	0	0	0	0

No such incidence of employees suffering high consequence work-related injury or ill health.

4. **Does the entity provide transition assistance programs to facilitate continued employability and the management of career ending resulting from retirement or termination of employment? (Yes/ No)**

No

5. **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	100
Working Conditions	100

6. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

We have implemented rigorous correctives measures, including enhanced safety training, regular audits and stricter compliances checks to address identified risks and improve Health and Safety practices across our Value Chain Partners.

PRINCIPLE 4

Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity:**

The Company believes that the stakeholders who are affected the most by the business as well as those who affect the Company the most, are key stakeholders for the Company. The key stakeholders are identified as Customers, Investors, Community, Employees and Suppliers.

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:**

S. No	Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
1	Customers	No	Email Communication, Face-to face meeting, Phone calls, Virtual meetings, Exhibitions, conferences	Daily	Routine discussion like price variation, timely supply of products etc.
2	Investors	No	Annual General Meeting Investor/ analyst meetings/ conferences Annual Report Quarterly earnings concalls Media releases Company website Dedicated investor email address Individual communication channels Through Registrar and Share Transfer Agent (RTA) Social Media	Quarterly	Financial performance, Operational performance,Growth plans, challenges faced by the Company, Material information, Notices of General meeting, Board meetings.

S. No	Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
3	Community	Yes	Engaging in regular dialogues with community through meetings, visits and interactions Executing CSR initiatives to encourage community involvement Utilising demographic surveys to obtain valuable insights and feedback from the community	Monthly	Community shares their experiences, views and expectations from the Company.
4	Employees	No	Senior leadership communication sessions Performance review and appraisal meetings Union meetings for open dialogue and collaboration Wellness initiatives promoting employee well-being Employee engagement surveys to gather feedback and insights Townhall meetings for transparent communication and updates Sports events to encourage team building and physical well-being	Daily	Feedback on policies, suggestions, queries on HR policies, trainings on sustainability, health and safety, career development.
5	Suppliers	No	Advertisement, Email, Face-to-face Meetings, Newspaper, Pamphlets, Phone Calls, SMS, Website, Virtual Meetings	Daily	Quantity and quality of products and services, payment terms, deliverables.

Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   The process for consultation between stakeholders and the Board on economic, environmental and social topics involves both direct and delegated mechanisms. In direct consultation, stakeholders engage with the Board through structured meetings, surveys and public forums, where their inputs are systematically recorded and compiled into comprehensive reports. These reports are subsequently presented to the Board during scheduled sessions to inform decision-making. When consultation is delegated, designated representatives such as Committees or managers gather stakeholder's feedback using various methods like meetings and surveys. The collected feedback is synthesized into detailed summary reports, which are communicated to the Board through regular briefings or written submissions. This ensures that the Board is kept informed of stakeholder perspectives and can make decisions based on a broad range of inputs.

2. **Whether stakeholder consultation is used to support the identification and management of environmental and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

   Yes, the stakeholder consultation is used to support the identification and management of environmental and social topics.

   Input from stakeholders plays a crucial role in shaping policies and activities related to these areas. For instance, in response to community concerns about environmental impacts, formal and informal feedback from stakeholders are instrumental in enhancing the Company's waste management practices, leading to the adoption of a new recycling program. Similarly, stakeholders consultation revealed the need for improved social policies, resulting in the development of a comprehensive community engagement strategy. This strategy included regular meetings and partnerships with local organizations to address social issues more effectively. These consultations ensure that stakeholders perspective are integrated into the Company's policies and activities, fostering sustainable and community-aligned decision-making.

3. Provide details of instances of engagement with and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

Based on the stakeholders consultation and baseline surveys, the CSR activities of the Company are inter alia aimed to address the concerns of vulnerable/ marginalized stakeholder groups.

Additionally, to better address the needs of marginalized groups such as indigenous communities, the organization conducted focused listening sessions to understand their unique challenges related to social and cultural preservation. This engagement led to the implementation of culturally sensitive environmental management practices and the creation of educational programs aimed at preserving local requirements. Another instance includes partnering with non-profit organizations to provide health support services to underserved populations, thereby addressing their immediate needs and fostering long-term resilience. These actions demonstrate the Company's commitment to actively engaging with and responding to the concerns of vulnerable groups, ensuring that their voices are heard and integrated into the decision-making process.

PRINCIPLE 5

Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity:

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
			Employees			
Permanent	1503	186	12.34	1469	1469	100
Other than permanent	46	24	52.17	91	91	100
Total Employees	**1549**	**210**	**13.56**	**1560**	**1560**	**100**
			Workers			
Permanent	217	0	0	225	225	100
Other than permanent	2304	0	0	2327	2327	100
Total Workers	**2521**	**0**	**0**	**2552**	**2552**	**100**

2. Details of minimum wages paid to employees and workers:

Category	FY 2023-24 (Current Financial Year)					FY 2022-23 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No.(B)	% B/A	No.(C)	% C/A		No.(E)	% E/D	No.(F)	% F/D
					Employees					
Permanent	**1503**	**0**	**0**	**1503**	**100**	**1469**	**0**	**0**	**1469**	**100**
Male	1457	0	0	1457	100	1425	0	0	1425	100
Female	46	0	0	46	100	44	0	0	44	100
Other than permanent	**46**	**0**	**0**	**46**	**100**	**91**	**0**	**0**	**91**	**100**
Male	43	0	0	43	100	91	0	0	91	100
Female	3	0	0	3	100	0	0	0	0	0
					Workers					
Permanent	**217**	**0**	**0**	**217**	**100**	**225**	**0**	**0**	**225**	**100**
Male	217	0	0	217	100	225	0	0	225	100
Female	0	0	0	0	0	0	0	0	0	0
Other than permanent	**2304**	**2304**	**100**	**0**	**0**	**2327**	**0**	**0**	**2327**	**100**
Male	2253	2253	100	0	0	2327	0	0	2327	100
Female	51	51	100	0	0	0	0	0	0	0

3. a. Details of remuneration/salary/wages:

(₹ in Crores)

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)[1]	7	0.20	1	0.30
Key Managerial Personnel[2]	6	3.04	0	0
Employees other than BoD and Key Managerial Personnel	1451	0.06	46	0.06
Workers	217	0.06	0	0

Notes:

1. Consisting of Non-Executive Directors and Independent Directors.
2. Key Managerial Personnel include Chairman & Managing Director, Whole-time Directors, Chief Financial Officer and Company Secretary.

b. Gross wages paid to females as % of total wages paid by the entity:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Gross wages paid to females as % of total wages	3.21	2.72

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, Sustainability Committee has been constituted to review all Sustainability related matters of the Company including human rights impacts or issues.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Mechanism is in place for redressal of grievances related to human rights issues.

6. Number of Complaints on the following made by employees and workers:

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	0	0	0	0
Discrimination at workplace	0	0	0	0	0	0
Child Labour	0	0	0	0	0	0
Forced Labour/ Involuntary Labour	0	0	0	0	0	0
Wages	0	0	0	0	0	0
Other human rights related issues	0	0	0	0	0	0

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0	0
Complaints on POSH upheld	0	0

8. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

The Company has a Policy on Ethics, Human Rights and Labour, which provides anonymity to the complainant and also prevents victimisation of the complainant.

9. **Do human rights requirements form part of your business agreements and contracts? (Yes/No):**

Yes

10. **Assessments for the year**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	100
Forced Labour/Involuntary Labour	100
Sexual Harassment	100
Discrimination at Workplace	100
Wages	100

11. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.**

There were no significant risks/concerns arising from the assessment. However, regular training and awareness sessions are being conducted to promote human rights.

Leadership Indicators

1. **Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

Nil as there were no human rights grievances or complaints.

2. **Details of the scope and coverage of any human rights due-diligence conducted.**

While the Company is engaging new vendor or contractor it ensures that those parties are aware about human rights protection and written confirmation post due-diligence audit are taken.

3. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Yes.

4. **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	Nil
Discrimination at Workplace	Nil
Child Labour	Nil
Forced Labour/Involuntary Labour	Nil
Wages	Nil

5. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

Not applicable.

PRINCIPLE 6

Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2023-24 (Current Financial Year)		FY 2022-23 (Previous Financial Year)	
	Value	Unit	Value	Unit
From renewable sources				
Total electricity consumption (A)	23.74	GJ	9.14	GJ
Total fuel consumption (B)	0	GJ	0	GJ
Energy consumption through other sources (C)	0	GJ	0	GJ
Total energy consumed from renewable sources (A+B+C)	23.74	GJ	9.14	GJ
From non-renewable sources				
Total electricity consumption (D)	3,52,823.79	GJ	3,29,981.40	GJ
Total fuel consumption (E)	17,54,346.79	GJ	16,12,701.44	GJ
Energy consumption through other sources (F)		GJ		GJ
Total energy consumed from non-renewable sources (D+E+F))	21,07,170.59	GJ	19,42,682.84	GJ
Total energy consumed (A+B+C+D+E+F)	21,07,194.32	GJ	19,42,691.98	GJ
Energy intensity per rupee of turnover	0.00007735	GJ/rupee	0.00004705	GJ/rupee
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity* (PPP)	0.00645662	GJ/rupee	0.00388019	GJ/rupee
Energy intensity in terms of physical output	8.8035	GJ/MT of production	6.8337	GJ/MT of production
Energy intensity (optional) the relevant metric may be selected by the entity	-	-	-	-

*The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by World Bank for India which is 22.88.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, TÜV SÜD South Asia Private Limited

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No

3. Provide details of the following disclosures related to water:

Parameter	FY 2023-24 (Current Financial Year)		FY 2022-23 (Previous Financial Year)	
	Value	Unit	Value	Unit
Water withdrawal by source (in kilolitres)				
(i) Surface water	0	Kilolitres	0	Kilolitres
(ii) Groundwater	0	Kilolitres	0	Kilolitres
(iii) Third party water	13,51,968	Kilolitres	14,01,633	Kilolitres
(iv) Seawater / desalinated water	0	Kilolitres	0	Kilolitres
Others	0	Kilolitres	0	Kilolitres
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	13,51,968	Kilolitres	14,01,633	Kilolitres
Total volume of water consumption (in kilolitres)	13,51,968	Kilolitres	14,01,633	Kilolitres
Water intensity per rupee of turnover	0.00004963	Kilolitres/ rupee	0.00004620	Kiloliters/ rupee
Water intensity per rupee of turnover adjusted for Purchasing Power Parity* (PPP)	0.00414254	Kilolitres/ rupee	0.00381025	Kilolitres/ rupee
Water intensity in terms of physical output	5.6483	Kiloliter/MT of production	6.7105	Kiloliter/MT of production
Water intensity (optional) the relevant metric may be selected by the entity	-	-	-	-

*The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by World Bank for India which is 22.88.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Assessment has been carried out by TÜV SÜD South Asia Private Limited.

4. Provide the following details related to water discharged:

		FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
		Value	Value
Water discharge by destination and level of treatment (in kilolitres)			
(i)	To surface water	0	0
	- No treatment	0	0
	- With treatment	0	0
	- Primary treatment	0	0
	- Secondary treatment	0	0
	- Tertiary treatment	0	0
(ii)	To Groundwater	0	0
	- No treatment	0	0
	- With treatment	0	0
	- Primary treatment	0	0
	- Secondary treatment	0	0
	- Tertiary treatment	0	0
(iii)	To Seawater	0	0
	- No treatment	0	0
	- With treatment	0	0
	- Primary treatment	0	0
	- Secondary treatment	0	0
	- Tertiary treatment	0	0
(iv)	Sent to third-parties	5,97,223	6,92,413
	- No treatment	0	0
	- With treatment	5,97,223	6,92,413
	- Primary treatment	0	0
	- Secondary treatment	0	0
	- Tertiary treatment	5,97,223	6,92,413
(v)	Others	0	0
	- No treatment	0	0
	- With treatment	0	0
	- Primary treatment	0	0
	- Secondary treatment	0	0
	- Tertiary treatment	0	0
Total water discharged (in kilolitres)		**5,97,223**	**6,92,413**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

Yes. Assessment has been carried out by TÜV SÜD South Asia Private Limited.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation:

Yes, the Company has implemented Zero Liquid Discharge system (ZLD) at its Hyderabad Unit-II. Details of ZLD as follows;

1. Effluents with high TDS are first given primary treatment and then processed through a multi-effect evaporator system, from which the concentrate effluent is sent to a fluidized bed recovery system to recoverd sodium sulfate salt and treated water is being reused in the process.
2. Sewage treated in Sewage Treatment Plant followed by RO plant. RO permeate for reuse & RO reject for evaporation.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	FY 2023-24 (Current Financial Year)		FY 2022-23 (Previous Financial Year)	
	Value	Please specify unit	Value	Please specify unit
NOx	33.88	ppm	11.69	ppm
SOx	20.56	ppm	54.58	ppm
Particulate matter (PM)	37.00	mg/Nm3	38.00	mg/Nm3
Persistent organic pollutants (POP)	0	NA	0	NA
Volatile organic compounds (VOC)	0	NA	0	NA
Hazardous air pollutants (HAP)	0	NA	0	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Assessment has been carried out by TÜV SÜD South Asia Private Limited.

Any contextual information necessary to understand how the data has been compiled, such as any standards, methodologies, assumptions and/or calculation tools used.

The agency approved by National Accreditation Board for testing and Calibration Laboratories (NABL)/ Ministry of Environment and Forests (MoEF) carried out monitoring of each source of air emission and those results are reproduced.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity:

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 1 Emissions	Metric tonnes of CO2 equivalent	1,17,226.38	1,38,304.00
Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available			
CO2	Metric tonnes of CO2 equivalent	1,17,221.94	1,38,192.92
CH4	Metric tonnes of CO2 equivalent	2.69	6.80
N20	Metric tonnes of CO2 equivalent	1.76	104.27
HFCs	Metric tonnes of CO2 equivalent	0	0
PFCs	Metric tonnes of CO2 equivalent	0	0
SF6	Metric tonnes of CO2 equivalent	0	0
NF3	Metric tonnes of CO2 equivalent	0	0
Total Scope 2 Emissions	Metric tonnes of CO2 equivalent	93,029.37	84,305.00
Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available			
CO2	Metric tonnes of CO2 equivalent	93,028.89	84,305.00
CH4	Metric tonnes of CO2 equivalent	0.43	0
N20	Metric tonnes of CO2 equivalent	0.04	0
HFCs	Metric tonnes of CO2 equivalent	0	0
PFCs	Metric tonnes of CO2 equivalent	0	0
SF6	Metric tonnes of CO2 equivalent	0	0
NF3	Metric tonnes of CO2 equivalent	0	0
Total Scope 1 and Scope 2 emission intensity per rupee of turnover	Metric tonnes of CO2 equivalent/rupee of turnover	0.00000772	0.00000734
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity* (PPP)	Metric tonnes of CO2 equivalent/rupee of turnover	0.00064424	0.00060515
Total Scope 1 and Scope 2 emission intensity in terms of physical output-	Metric tonnes of CO2 equivalent/MT of production	0.8784	1.0657
Total Scope 1 and Scope 2 emission intensity (optional)-		-	-

*The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by World Bank for India which is 22.88.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Assessment has been carried out by TUV SUV South Asia Private Limited.

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details

The Company is making various efforts towards reduction of Green House Gases (GHG) by investing in newer technologies and equipment, which help improving efficiency and thus reducing input at the same time lower energy consumption. In addition, the Company is also making efforts in increasing use of renewable energy by installation of rooftop solar power plants. The recycling of waste water and waste generated is also aimed at reducing GHG emissions.

9 Provide details related to waste management by the entity:

Parameter	Unit	FY 2023-24	FY 2022-23
Total Waste generated			
Plastic waste (A)	MT	1,536.825	202.270
E-waste (B)	MT	4.190	0.110
Bio-medical Waste (C)	MT	0.022	0.020
Construction and demolition waste (D)	MT	472.400*	-
Battery Waste (E)	MT	1.170	0.220
Radioactive Waste (F)	MT	-	-
Other Hazardous waste. Please specify, if any. (G)	MT	1,07,856.240	74,710.300
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	MT	13,226.300*	-
Total (A + B + C + D + E + F + G + H)	MT	1,23,097.147	74,912.920
Waste intensity per rupee of turnover	MT/₹	0.00000452	0.00000247
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity# (PPP)	MT/₹	0.00037718	0.00020365
Waste intensity in terms of physical output	MT/MT of production	0.5142	0.3586
Waste intensity (optional) – the relevant metric may be selected by the entity	-		
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations			
Category of waste			
(i) Recycled	MT	1,07,473.32	64,190.94
(ii) Re-Used	MT	0	0
(iii) Other recovery operations	MT	2,014.61*	0
Total	MT	**1,09,487.93**	**64,190.94**
For each category of waste generated, total waste disposed by nature of disposal method			
Category of waste			
(i) Incineration	MT	4.42	4.80
(ii) Land filling	MT	13,604.82	10,717.16
(iii) Other disposal operations	MT	0	0
Total		**13,609.24**	**10,721.96**

*The Company started monitoring three new categories of wastes viz. (a) Construction and demolition waste, (b) other Non-Hazardous Waste and (c) other recovery operation from FY 2023-24.

#The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by World Bank for India which is 22.88.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Assessment has been carried out by TUV SUV South Asia Private Limited.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes

The Company ensures responsible waste management practices whereby waste is being segregated, stored, labelled, transported and sold to recyclers/co-processing to cement industries/disposed to third party treatment facility in line with legal compliance under Hazardous and Other Waste (Management and Transboundary Movement) Rules, 2016. Moreover, 89% of the total waste generated in FY 2023-24 has been sent for reuse/recycle/pre-processing/co-processing purpose i.e. 109487.93 MT of waste sent to recycler for producing the value-added product out of waste and co-processing waste sent to third party Cement plant as alternative fuel resources material.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

The Company does not have any operations or offices in or around ecologically sensitive areas.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current Financial Year:

S. No	Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
1	Expansion of pesticide specific intermediates and synthetic organic chemicals manufacturing facility at plot no. 1 to 8, 26 to 34, MIDC Roha, District Raigad, Maharashtra by M/s Deepak Nitrite Limited - Amendment in Environmental Clearance (EC) dated 17/03/2020	EIA Notification 2006 and as amended thereof	October 12, 2023	Yes	Yes	https://parivesh.nic.in/newupgrade/#/trackYourProposal/proposal-details?proposalId=IA%2FMH%2FIND3%2F435535%2F2023&proposal=6522985
2	Amendment in Existing Environment Clearance for Synthetic Organic Chemicals Manufacturing at Deepak Nitrite Limited Plot No. 4/12, Chemical Complex, Nandesari, District Vadodara Gujarat	EIA Notification 2006 and as amended thereof	March 12, 2024	Yes	Yes	https://parivesh.nic.in/newupgrade/#/trackYourProposal/proposal-details?proposalId=IA%2FGJ%2FIND3%2F432569%2F2023&proposal=5947825

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N):

Yes.

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

The Company does not operate in any Water Stress Area.

2. Provide details of total Scope 3 emissions & its intensity:

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 3 Emissions	Metric tonnes of CO_2 equivalent	3,29,554.92	4,76,792.00
Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available			
CO_2	Metric tonnes of CO_2 equivalent	3,27,832.77	4,76,789.01
CH_4	Metric tonnes of CO_2 equivalent	24.74	0.05
N_2O	Metric tonnes of CO_2 equivalent	1,697.40	2.94
HFCs	Metric tonnes of CO_2 equivalent	0	0
PFCs	Metric tonnes of CO_2 equivalent	0	0
SF_6	Metric tonnes of CO_2 equivalent	0	0
NF_3	Metric tonnes of CO_2 equivalent	0	0
Total Scope 3 emissions per rupee of turnover	Metric tonnes of CO_2 equivalent/rupee of turnover	0.00001210	0.00001572
Total Scope 3 emission intensity (optional)–		-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

Yes, for FY 2022-23 GHG Inventory assessed by Intertek and for FY 2023-24 GHG Inventory assessment is under process by TÜV SÜD South Asia Private Limited.

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along with prevention and remediation activities:

Not applicable

4. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives:**

S. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along with summary)	Outcome of the initiative
1	Water Recovery from Specific Effluent Stream	Established low temperature evaporation technology based on mechanical vapour compression system. Around 95% high quality condensed water is recovered from the generated effluent without use of heat generation and rejection units, with lower water recovery cost. Further, recovered water has been reused in operations for washing purpose.	Conservation of natural resources
2	Reverse Osmosis system is installed at Hyderabad Unit II	To recover water from Multi Effect Evaporator condensate 500 KLD Capacity R.O is Installed and recovered water is reuse in the process	Conservation of natural resources
3	Reverse Osmosis system is installed at Taloja Unit	For the water recovery and reuse in the process again 40 KLD capacity R.O is installed.	Conservation of natural resources
4	Installation of Multifuel Boiler at Hyderabad Unit II	Installed multi fuel bagasse, husk, agro-waste, coal based 20 TPH boiler at Hyderabad Unit II to reduce scope 1 GHG emission.	Reduction in GHG emissions.
5	Recovery of Raw material from Specific Effluent Stream at Roha Unit	Special Designed Stripper is installed for the recovery of raw material and reduced raw Material norms as well as stripper bottom water is used as a substitute of raw water in the process.	Conservation of natural resources

5. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

Yes. The Company has a comprehensive On-Site and Off-Site Emergency Action Plan. On-Site Emergency Action Plan is designed to ensure the resilience of our operations and the safety of our employees, customers and stakeholders in the event of disruptions. Emergency preparedness plan focusses on Risk Assessment and Impact Analysis and Crisis Management. The roles and responsibilities are clearly defined. These plans are reviewed on half yearly basis to ensure emergency preparedness.

6. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

No significant impact.

7. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

Nil

PRINCIPLE 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations:

5

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to:

S. No	Name of the trade and industry chambers associations	Reach of trade and industry chambers/ associations (State/National)
1	The Federation of Indian Chambers of Commerce and Industry	National
2	Indian Chemical Council	National
3	Confederation of Indian Industry	National
4	Federation of Gujarat Industries	State
5	Gujarat Employees Organisation	State

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities:**

   There were no issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities, hence no corrective actions were required.

Leadership Indicators

1. **Details of public policy positions advocated by the entity:**

   Not applicable

PRINCIPLE 8

Businesses should promote inclusive growth and equitable development

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current Financial Year:**

   There was no requirement for Social Impact Assessment (SIA) during FY 2023-24.

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:**

   There are no projects underway for which Rehabilitation and Resettlement (R & R) are required.

3. **Describe the mechanisms to receive and redress grievances of the community:**

   The Company's Environmental, Health and Safety Department as well as Corporate Affairs function remain in constant touch with the community and other associated organisation.

   The Company has been working for the betterment of community since over 40 years with Deepak Foundation, which was set up in 1982 by late Shri C. K. Mehta, Founder of the Company. Deepak Foundation is in constant touch with the community in and around thesurrounding area of the Company's operations to address issues, if any relating to social development.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	15%	11%
Directly from within India	20%	19%

5. **Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost**

Location	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Rural	0.18	0.87
Semi-urban	2.32	6.46
Urban	0	0
Metropolitan	3.97	8.22

Leadership Indicators

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

   Not applicable because no requirement for Social Impact assessment during the FY 2023-24.

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

   Not applicable since CSR Projects are not in aspirational districts identified by Government Authority.

3. a. **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)**

   Not applicable

   b. **From which marginalized /vulnerable groups do you procure?**

   Not applicable.

   c. **What percentage of total procurement (by value) does it constitute?**

   Not applicable

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current Financial Year), based on traditional knowledge**

   Not applicable

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

   Not applicable

6. **Details of beneficiaries of CSR Projects:**

S. No	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Help Desk	67,979	3.00
2	Mobile Health Unit	1,21,376	47.80
3	Running of Laboratory & Diagnostic Service	10,035	9.90
4	Running of Palliative Care Facilities	339	36.00
5	Nutrition & Wellness Programme for ICDS Benefits	17,757	47.60
6	Addressing Adolescent Anemia (School based)	1,000	49.70
7	Medical Buggy	1,93,286	0.00
8	Mobile Library	8,075	52.40
9	ICDS Program	1,960	51.50
10	Remedial Education in English & Maths at Nandesari School	511	47.00
11	STEM	1,160	51.00
12	Home Health Aide Course	462	92.50
13	Entrepreneurial Activities SHG	2,325	100.00
14	Surabhi	1,819	1.20
15	Samaj Suraksha Sankul-Vocational Training	74	17.60
16	Integrated Animal Health Care Centre Nandesari	3,304	31.30
17	Gram Jal Sanchay- Farm Pond	221	7.20
18	Smart Village Development	5,470	0.00
19	Demographic Surveillance Study (DSS)	1,41,288	48.70
20	Sangaath	88,565	2.50

PRINCIPLE 9

Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback:**

   Customer complaints are received by the appropriate sales team and then communicated, entered into a dedicated web-based system for Consumer Complaint Management. These complaints are registered, investigated and communicated as per Standard Operating Procedure (SOP), Site specific SOP are in place with outlining detailed workflow and resolution processes. This process is rigorously followed across the Company for customer satisfaction.

2. Turnover of products and services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

3. Number of consumer complaints in respect of the following:

Category	FY 2023-24 (Current Financial Year)		Remarks	FY 2022-23 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0		0	0	
Advertising	0	0		0	0	
Cyber-security	0	0		0	0	
Delivery of essential services	0	0		0	0	
Restrictive Trade Practices	0	0		0	0	
Unfair Trade Practices	0	0		0	0	
Other	60	0	The received complaints pertained to delivery, packing, handling, etc. All complaints received throughout the year have been successfully resolved.	28	0	Complaints received were related to delivery, packing, handling etc. All the complaints received during the year have been resolved.

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	0	NA
Forced recalls	0	NA

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy:

Yes. The Company has a robust framework for cyber security and for protection of Data. The IT infrastructure of the Company is secured with robust firewall systems, intrusion detection and prevention systems and access controls. The systems of the Company are protected with strong authentication mechanisms and encryption technologies to safeguard sensitive information and minimise the risk of data breaches.

6. Provide details of any corrective actions taken or underway on issues relating to advertising and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services:

Not applicable since no such issues.

7. Provide the following information relating to data breaches:

a. Number of instances of data breaches

0

b. Percentage of data breaches involving personally identifiable information of customers

Not applicable since no data breaches.

c. Impact, if any, of the data breaches

Not applicable since no data breaches.

Leadership Indicators

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available):**

S.No.	Channel	Web-link
1	Website	https://www.godeepak.com/catalog/
2	Brochure	https://www.godeepak.com/wp-content/up- loads/2021/05/Product-Brochure.pdf

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services:**

Being an Intermediate chemicals manufacturer Company, the products of the Company are as per requirements of the customers and the customers are well aware about the safe usage of the products of the Company. However, the Company regularly updates the customers as well as supply chain partners about the safe and responsible usage of the products through various means.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services:**

Though the Company is not providing any essential services, it maintains a healthy communication with the customers and keep them regularly informed about any planned stoppage of plant operations which may cause any delay in supply of products.

Apart from the above, the Company also keeps all the stakeholders informed about disruption in operations, if any, caused due to any reason through regular channel of communication with each of the stakeholders.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

Yes, the Company displays product information on products over and above what is required by local laws.

In addition to mandatory labelling, the Company provides enhanced information such as product name, contents, hazardous symbols and address of the manufacturing location for each product. This additional information aims to promote transparency and informed decision-making among consumers.

Independent Reasonable Assurance Statement to Deepak Nitrite Limited on their Annual Business Responsibility and Sustainability Report for the Financial Year 2023-24

INTRODUCTION AND ENGAGEMENT

Deepak Nitrite Limited ('the Company' or 'DNL') assigned **TÜV SÜD South Asia Pvt. Ltd.** ('TÜV SÜD') to conduct the independent assurance on the Sustainability performances and parameters disclosed in their Annual Business Responsibility and Sustainability Report ('BRSR' or 'Report') which is part of their annual report as per SEBI circular (SEBI/HO/CFD/CMD-2/P/CIR/2021/562) dated 10th May 2021) for the financial year ended March 31, 2024; comprising the BRSR against the assurance criteria to a reasonable level of assurance and at materiality of professional judgement of the verifier using International Standard on Assurance Engagements (ISAE) 3000 (Revised), Guidance Note on BRSR format as contained in Annexure-II to above referred SEBI Circular ('SEBI's Guidance Note on BRSR') and ISO 14064-3:2019 for greenhouse gas emissions.

REPORTING PERIOD: APRIL 1, 2023 TO MARCH 31, 2024

DNL's Responsibility for BRSR

DNL is responsible for the preparation of the BRSR and for maintaining effective internal control over the data and information disclosed This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation of the BRSR that is free from material misstatement, whether due to fraud or error.

DNL is responsible for ensuring that its business operations and activities shall remain in line with the applicable statutory and regulatory requirements.

Ultimately, the BRSR and disclosures have been approved by and remain the responsibility of DNL.

TÜV SÜD, in performing assurance work, is responsible for carrying out an assurance engagement on the BRSR in accordance with our engagement with DNL. The assurance statement, however, represents TÜV SÜD's independent opinion and is intended to inform all stakeholders, including DNL.

Assurance Criteria

- This assurance engagement was conducted against the ISAE 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information issued by the International Auditing & Assurance Standards Board and;
- "WRI/WBCSD GHG Protocol (Greenhouse Gas Protocol)" as well as ISO 14064-3:2019 for GHG Emissions.

The validation and verification were carried out by a multidisciplinary team including assurance practitioners, engineers and environmental experts of TÜV SÜD in the month of July 2024 **for 5 manufacturing units and 1 corporate office. TÜV SÜD has identified and selected the following 3 three locations as samples for verification:**

I. **DNL's Manufacturing facility at Dahej, Bharuch, Gujarat.**

II. **DNL's Manufacturing facility at Nandesari, Vadodara, Gujarat**

III. **DNL's Registered & corporate office at Vadodara, Gujarat**

Level of Assurance & Materiality:

- **Reasonable:** The opinion expressed in this Assurance Statement has been formed based on a reasonable level of assurance and at the materiality of 5% or less.

Scope, Boundary and Limitation of Assurance

Our assurance engagement covered the operations and activities of the Company for the following requirements:

- Verifying conformance with the Company's reporting methodologies.
- Evaluating the accuracy and reliability of data for the selected indicators.

The Assurance engagement was conducted in line with the requirements of the ISAE 3000 (Revised) and in accordance with the SEBI's Guidance Note on BRSR.

The scope and methodology of the verification includes following:

- Review of the Report that was prepared in accordance with the SEBI's Guidance Note on BRSR.
- Verification of the content as well as context and application of the Report content and principles and the quality of information presented in the Report over the reporting period.
- Interacted and Interviewed with the departmental heads and concerned personnel, external stakeholders at selected manufacturing Units and Corporate teams at Vadodara to understand the process for collecting, collating and reporting as per Assurance Engagements (ISAE) 3000 (Revised) and Guidance Note on BRSR.
- Review of the sustainability initiatives, practices, on ground establishment, implementation, maintenance and performance described in the Report.
- Assessment of the BRSR Reporting mechanism and consistency with the reporting criteria.

- Assessment of appropriateness of various assumptions, estimations and thresholds used by DNL for data analysis.
- Reviewing & confirming that the calculation criteria have been appropriately applied in line with the procedures outlined in the criteria and review procedures to support the logicality of the data & information incorporated.
- Assessment of the applicability and appropriateness of the data collection, quantification and data management incorporated in the BRSR Report.
- Verification of the fact that no material distortion has been done at any stage.
- Confirmation of the fulfilment of the Assurance Engagements (ISAE) 3000 (Revised) and Guidance Note on BRSR in accordance with the Core criteria as declared by the management of DNL.

The Assurance is in accordance with the ISAE 3000 (Revised) covers its current BRSR Report for 5 locations which are currently operational in different states of India.

Our Assurance engagement covers the aspects of sustainability performance disclosures demonstrated and presented by DNL in the BRSR (as per Annexure 1 of the SEBI circular No. SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated May 10, 2021) as mentioned below:

Under GHG Calculation Data, TÜV SÜD will assure the following:

BRSR-Core Disclosures

1. GHG Footprint: Total scope 1 and scope 2.
2. Water Footprint: Total Water consumption, water consumption Intensity.
3. Energy Footprint: Total energy consumed, Percentage of energy consumed from renewable sources and energy intensity.
4. Embracing circularity -details related to waste management by the entity: Waste generated, disposal/recycled, recovered, re-used.
5. Enhancing Employee Wellbeing and Safety: Spending on measures towards the wellbeing of employees and workers – cost incurred as a % of the total revenue of the Company and details of safety-related incidents for employees and workers (LTIFR)
6. Enabling Gender Diversity in Business.
7. Enabling Inclusive Development.
8. Fairness in Engaging with Customers and Suppliers.
9. Open-ness of business.

Our Independence, Ethical Requirements and Quality Control

Our team comprising multidisciplinary professional, have complied with independence policies of TÜV SÜD, which address the requirements of the ISAE 3000 (Revised) in the role as independent Verifier. TÜV SÜD states its independence and impartiality and confirms that there is “no conflict of interest” with regard to this assurance engagement. In the reporting year, TÜV SÜD did not work with DNL on any engagement that could compromise the independence or impartiality of our findings, conclusions and recommendations. TÜV SÜD was not involved in the preparation of any content or data included in the Report, except for this assurance statement.

TÜV SÜD maintains complete impartiality towards any individuals interviewed during the assurance engagement. We have complied with the relevant applicable requirements of the International Standard on Quality Control (“ISQC”) 1, Quality.

Our Responsibility

Our responsibility, as agreed with the management of DNL, is to conduct a Reasonable Assurance on the annual BRSR set out in the subject matter paragraph, as disclosed in the report, as per the principles of the ISAE 3000 (Revised) and in accordance with the SEBI’s Guidance Note on BRSR and based on the procedures we have performed and the evidence we have obtained.

The procedures we performed were based on our professional judgment and included inquiries, observation of process followed, inspection of documents, analytical procedures, evaluating appropriateness of quantification methods, agreeing, or reconciling with underlying data, etc.

The data is verified on a sample basis, the responsibility for the authenticity of data lies with the reporting organization. Reporting Organization is responsible for archiving the related data for a reasonable time period.

Limitations and Exclusions

TÜV SÜD have relied on the information, documents, records, data and explanations provided to us by DNL for the purpose of our review.

The Assurance scope excludes the following:

- Our engagement did not include an assessment of the adequacy or the effectiveness of DNL’s management on Sustainability related issues and not even DNL’s strategy for the sustainability. During the assurance process, **TÜV SÜD** did not visit any external stakeholder’s premises, however few external stakeholders were interviewed as a part of the BRSR verification engagement.
- Review of the economic performance indicators included in the Report which, we have been informed by the Company, are derived from the Company’s audited financial records only.

- The Company's statements that describe expression of opinion, belief, inference, aspiration, expectation, aim of future intention.
- Any disclosures beyond those specified in the Scope section above.
- Data and information falling outside the defined reporting period.

Conclusion

Based on the scope of this assurance engagement, the key indicators and leadership indicators, sustainability performance indicators reported in this BRSR we conclude that this BRSR provides a fair and factful representation of the material topics, related strategies and meets the overall content and quality requirements.

TÜV SÜD has evaluated the requirement in context of requirements of the ISAE 3000 (Revised) and in accordance with the SEBI's Guidance Note on BRSR. Based on the methodology/ procedures we have adopted and performed, no deviations have observed that causes us to believe that the information subject to the Reasonable Assurance engagement was not prepared in line with the requirement. We found that the information and data provided in all the sections and principles are consistent and adequate with regards to the reporting criteria of the BRSR.

Statement of Independence, Impartiality and Competence

TÜV SÜD South Asia Pvt. Ltd is an independent professional services company that specializes in Health, Safety, Social and Environmental management services including assurance with over 150 years history in providing these services.

No member of the assurance team has a business relationship with DNL, its Directors or Managers beyond that of verification and assurance of sustainability data and reporting. We have conducted this assurance independently and we believe there to have been no conflict of interest.

TÜV SÜD has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities.

Based on the scope of our review, our conclusions are outlined below:

Governance, leadership and supervision: The top management commitment, business model to promote inclusive growth, action and strategies, focus on services, risk management, protection and restoration of environment and priorities are represented adequately.

Stakeholder Inclusiveness: We have not identified any discrepancies in this aspect. Internal and external Stakeholder identification and engagement is carried out by DNL on a periodic basis to bring out key stakeholder concerns as material aspects of significant stakeholders.

Materiality: The materiality assessment process has been carried out, based on the requirements of the Assurance Engagements (ISAE) 3000 (Revised) and Guidance Note on BRSR considering aspects that are internal and external to DNL's context of the organization. The Report fairly brings out the aspects and topics and its respective boundaries of the diverse operations of DNL in our view, the Report meets the requirements.

Responsiveness: We believe that the responses to the material aspects are fairly defined and captured in the Report, in our view, the Report meets the requirements.

Completeness: The Report has fairly disclosed the General and Specific Standard Disclosures including the Disclosure on Management Approach, monitoring systems and sustainability performance indicators as prescribed in the Standards in accordance with the Core requirement, hence in our view the Report meets the requirements.

Reliability: Most of the data and information was verified by assurance team at DNL's manufacturing locations as well as corporate office and found appropriate. Minor inaccuracies in the data identified during the verification process were found to be attributable to transcription and interpretation errors and these errors have been corrected immediately. Therefore, in accordance with the ISAE 3000 (Revised) assurance engagement, TÜV SÜD concludes that the sustainability data, parameters, information and indicators presented in the Report are reliable and acceptable. In our view, the Report meets the requirements.

Impact: We observed and assessed that DNL has well-defined procedures to routinely monitor and measure their sustainability impact and they have skilled subject matter experts who are driving the sustainability effectively and efficiently. During verification we did not come across any such instances or issues where we found anything which has impact on the ecosystem and well as the neighboring infrastructure. In our view, the Report meets the requirements.

Consistency and comparability: The information in the Report is presented in a consistent and comprehensive method. Thus, the principle of consistency and comparability is satisfactory.

Our report does not extend to any disclosures or assertions relating to future performance plans and/or strategies disclosed in the reports.

Attestation,

Dr. Ashish Rawat, Technical Reviewer
Head-Environment & Sustainability Services
TÜV SÜD South Asia Pvt. Ltd.
374, Udyog Vihar Phase II, Sector -20, Gurugram,
Haryana-122016, India

Date: July 13, 2024

Annexure-D

REPORT ON CORPORATE SOCIAL RESPONSIBILITY

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2023-24

1. Brief outline on CSR Policy of the Company:

The Company's CSR policy is to remain a responsible corporate entity mindful of its social responsibilities to all stakeholders including consumers, shareholders, employees, local community and society at large.

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1)	Shri Deepak C. Mehta	Chairman – ED	2	2
2)	Shri Sanjay Upadhyay	Member - ED	2	2
3)	Smt. Purvi Sheth	Member – ID	2	2
4)	Shri Punit Lalbhai	Member – ID	2	2

Abbreviations: ED: Executive Director; ID: Independent Director

3. (a) Provide web-link of Composition of CSR Committee, CSR Policy of the Company and CSR projects approved by the Board Disclosed on the website of the Company at the following link:

https://www.godeepak.com/corporate-governance/#compositeof-commitees

https://www.godeepak.com/wp-content/uploads/2023/11/DNL_Corporate-Social-Responsibility-Policy.pdf

https://www.godeepak.com/social-responsibility-activities/

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR projects carried out in pursuance of Sub-Rule (3) of Rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable:

NA

5. (a) Average net profit of the company as per Section 135(5) : ₹ 584.30 Crores

(b) Two percent of average net profit of the company as per Section 135(5) : ₹ 11.69 Crores

(c) Surplus arising out of the CSR projects or programs or activities of the previous Financial Years : Nil

(d) Amount required to be set off for the Financial Year, if any : Nil

(e) Total CSR obligation for the Financial Year (5b+5c-5d) : ₹ 11.69 Crores

6. (a) Amount spent on CSR projects (both ongoing and other than ongoing projects) : ₹ 12.42 Crores

(b) Amount spent in Administrative Overheads : ₹ 0.3 Crores

(c) Amount spent on Impact Assessment, if applicable : Nil

(d) Total amount spent for the Financial Year (6a+6b+6c) : ₹ 12.45 Crores

(e) CSR amount spend or unspent for the Financial Year

Total Amount Spent for the Financial Year (₹ in Crores)	Amount (₹ in Crores)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 12.45	Nil	--	Nil	Nil	Nil

(f) Excess amount for set off, if any:

Sr. No.	Particular	Amount (₹ in Crores)
(i)	Two percent of average net profit of the company as per section 135(5)	₹ 11.69
(ii)	Total amount spent for the Financial Year	₹ 12.45
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	₹ 0.76
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years , if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	₹ 0.76

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

(₹ in Crores)

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
Sr. No.	Preceding Financial Years(s)	Amount transferred to Unspent CSR Account under Section 135(6)	Balance Amount in Unspent CSR Account under Section 135(6)	Amount Spent in the Financial Year	Amount transferred to Fund as specified under Schedule VII as per second proviso to Section 135(5) if any		Amount remaining to be spent in succeeding Financial Years	Deficiancy, if any
					Amount	Date of Transfer		
1.	2022-23	₹ 0.70	--	₹ 0.70	--	--	Nil	Nil
2.	2021-22	Nil	Nil	Nil	Nil	Nil	Nil	Nil
3.	2020-21	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	TOTAL	₹ 0.70	Nil	₹ 0.70	Nil	Nil	Nil	Nil

8. * Whether any capital assets have been created or acquired through CSR spent in the Financial Year:

✓ Yes o No

If yes, enter the number of capital assets created/acquired

Furnish the details relating to such asset(s) so created or acquired through CSR spent in the Financial Year:

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or Asset(s)	Date of Creation (in ₹)	Amount of CSR spent (in ₹)	Details of entity/Authority/beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
A	**Mobile Health Unit** Bunglow No-700, South Side on Dahej Road, Hinglot, Bharuch-392012	392012			CSR Registration No: CSR00000353 **Deepak Foundation** **Address:** Nijanand Ashram premises, Adjoining L&T Knowledge City, On NH-8, Vadodara – 390019, Gujarat, India		
1	Computer & Printer		08-11-2023	9,700/-			
B	**Mobile Health Unit** Saraswati Bunglow (Tamhankar), Chatrapati Sivaji Nagar, Near Sanjay Gandhi Hospital, Roha	402109					
2	CCTV Camera		30-09-2023	5,000/-			
3	Medical Equipment		15-05-2023	661/-			
4	Medical Equipment		22-11-2023	7,684/-			
5	Medical Equipment		31-01-2024	941/-			
6	Medical Equipment		28-03-2024	31,270/-			
C	**Mobile Health Unit** House No-50, Gadhboriad, Near-by Post office, Naswadi Road, Dugdha	391152					
7	Computer & Printer		29-03-2024	34,800/-			
8	Medical Equipment		29-02-2024	29,500/-			
D	**Mobile Health Unit** Flat No-201, 2nd Floor, Wing3, Mateshwari Desire, Near Kakaji Ni Wadi, Banquet Hall, Akurli, Panvel	410206					
9	CCTV Camera		08-08-2023	45,000/-			
10	Furniture & Fixture		18-07-2023	6,500/-			
11	Medical Equipment		22-11-2023	10,596/-			

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or Asset(s)	Date of Creation (in ₹)	Amount of CSR spent (in ₹)	Details of entity/Authority/beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
E	**Laboratory & Diagnostic Service** Bunglow No-700, South Side on Dahej Road, Hinglot, Bharuch	392012					
12	Medical Equipment		21-09-2023	42,000/-			
13	Medical Equipment		21-11-2023	50,740/-			
14	Medical Equipment		16-03-2024	66,000/-			
15	Computer & Printer		05-07-2023	6,000/-			
16	Stabilizer		27-10-2023	76,110/-			
F	**Addressing Adolescent Anemia** Beside Jay Ambe Hostel, Behind Gujarat Homeopathic Medical College, Savli	391770					
17	Furniture & Fixture		20-11-2023	1,550/-			
18	Furniture & Fixture		14-03-2024	19,682/-			
19	Medical Equipment		30-06-2023	59,000/-			
20	Computer & Printer		30-05-2023	36,500/-			
21	Tablets		30-05-2023	34,199/-			
22	Tablets		21-03-2024	17,700/-			
G	**Medical Buggy** Within Nijanand Ashram, Adjoining L&T Knowledge City, On NH-8 Ta & Dist. Vadodara	390019					
23	Computer & Printer		28-03-2024	34,800/-	CSR Registration No: CSR00000353		
24	Furniture & Fixtures		29-03-2024	19,300/-	**Deepak Foundation**		
25	Office Equipment		29-03-2024	4,956/-	**Address:** Nijanand Ashram premises, Adjoining L&T Knowledge City, On NH-8, Vadodara – 390019, Gujarat, India		
H	**Mobile Library** Saraswati Bunglow (Tamhankar), Chatrapati Sivaji Nagar, Near Sanjay Gandhi Hospital, Roha	402109					
26	CCTV Camera		30-09-2024	5,000/-			
27	Computer & Printer		28-03-2024	44,800/-			
28	Office Equipment		11-08-2023	26,000/-			
I	**ICDS Program** Deepak Medical Foundation, Near GIDC Office, Nandesari, Vadodara	391340					
29	Computer & Printer		31-01-2024	21,200/-			
J	**Remedial Education in English & Math** Deepak Medical Foundation, Near GIDC Office, Nandesari, Vadodara	391340					
30	CCTV Camera		13-03-2024	21,877/-			
K	**Mobile Library** Deepak Medical Foundation, Near GIDC Office, Nandesari, Vadodara	391340					
31	Computer, Printer, Tablet		12-12-2023	15,700/-			
32	Computer, Printer, Tablet		06-03-2024	35,400/-			
33	Office Equipment		07-08-2023	10,000/-			
L	**Mobile Library** 19-5, Opp Rodamestri Nagar Bus Stop, Gajularamaram Road, Quthbullapur, Jeedimetla, Pin-500055, Hyderabad	500055					
34	Computer & Printer		29-03-2024	35,000/-			
35	Equipment		31-12-2023	16,600/-			

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or Asset(s)	Date of Creation (in ₹)	Amount of CSR spent (in ₹)	Details of entity/Authority/beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
M	**Mobile Library** Beside Jay Ambe Hostel, Behind Gujarat Homeopathic Medical College, Savli	391770					
36	Computer & Printer		23-05-2023	1,53,894/-			
37	Computer & Printer		25-09-2023	14,450/-			
38	Computer & Printer		25-10-2023	3,100/-			
39	Computer & Printer		15-02-2024	17,700/-			
40	Computer & Printer		27-03-2024	29,100/-			
41	Equipment		21-06-2023	27,000/-			
42	Furniture & Fixture		16-02-2024	14,160/-			
N	**STEM Nandesari** Deepak Medical Foundation, Near GIDC Office, Nandesari, Vadodara	391340					
43	CCTV Camera		13-03-2024	23,895/-			
44	Laptop, Computer, Printer		30-11-2023	33,500/-			
45	Laptop, Computer, Printer		13-02-2024	35,400/-			
46	Vehicle		31-05-2023	5,94,793/-			
O	**STEM Roha** Saraswati Bunglow (Tamhankar), Chatrapati Sivaji Nagar, Near Sanjay Gandhi Hospital, Roha	402109					
47	CCTV Camera		30-09-2023	5,000/-			
48	Equipment		31-08-2023	8,500/-			
49	Tablet		29-02-2024	35,636/-			
50	Vehicle		31-08-2023	7,13,718/-			
P	**Home Health Aide Course** 19-5, Opp Rodamestri Nagar Bus Stop, Gajularamaram Road, Quthbullapur, Jeedimetla, Hyderabad	500055			CSR Registration No: CSR00000353	**Deepak Foundation**	**Address:** Nijanand Ashram premises, Adjoining L&T Knowledge City, On NH-8, Vadodara – 390019, Gujarat, India
51	Computer		29-03-2024	35,000/-			
52	Lab Equipment		04-05-2023	52,000/-			
Q	**Home Health Aide Course** Within Nijanand Ashram, Near Laxmi Studio, Adjoining L&T Knowledge City, On NH-8 Ta & Dist. Vadodara	390019					
53	Furniture & Fixture		20-03-2024	24,500/-			
54	Furniture & Fixture		29-03-2024	1,52,000/-			
55	Lab Equipment		30-06-2023	19,773/-			
R	**Entrepreneurial Activities through SHG** Deepak Medical Foundation, Near GIDC Office, Nandesari, Vadodara	391340					
56	Furniture & Fixture		31-01-2024	17,735/-			
57	Projector		31-03-2024	24,350/-			
S	**Surabhi** Deepak Medical Foundation, Near GIDC Office, Nandesari, Vadodara	391340					
58	Equipment		15-09-2023	15,850/-			
59	Furniture & Fixture		09-01-2024	5,000/-			
T	**Kamdhenu** Saraswati Bunglow (Tamhankar), Chatrapati Sivaji Nagar, Near Sanjay Gandhi Hospital, Roha	402109					
60	CCTV Camera		30-09-2023	30,000/-			
61	CCTV Camera		06-03-2024	30,600/-			
62	Equipment		31-08-2023	16,875/-			
63	Equipment		15-09-2023	13,180/-			
64	Equipment		31-10-2023	34,000/-			

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or Asset(s)	Date of Creation (in ₹)	Amount of CSR spent (in ₹)	Details of entity/Authority/beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
65	Furniture & Fixture		31-08-2023	8,750/-			
66	Furniture & Fixture		15-09-2023	8,000/-			
67	Furniture & Fixture		18-10-2023	15,500/-			
68	Furniture & Fixture		31-10-2023	57,750/-			
69	Computer, Laptop, Printer		31-10-2023	33,500/-			
U	**Smart Village Development** Beside jay Ambe Hostel, Behind Gujarat Homeopathic Medical College, Savli	391770					
70	CCTV Camera		15-02-2024	38,000/-			
71	CCTV Camera		11-03-2024	6,300/-			
V	**Gram Jal Sanchay** Saraswati Bunglow (Tamhankar), Chatrapati Sivaji Nagar, Near Sanjay Gandhi Hospital, Roha	402109					
72	Camera		27-10-2023	42,200/-			
73	Camera		29-02-2024	1,995/-			
74	Computer & Printer		29-03-2024	30,100/-			
75	Furniture & Fixture		31-10-2023	16,500/-			
76	Furniture & Fixture		18-03-2024	7,900/-			
W	**Demographic Surveillance Study (DSS)** Within Nijanand Ashram, Near Laxmi Studio, Adjoining L&T Knowledge City, On NH-8 Ta & Dist Vadodara	390019			CSR Registration No: CSR00000353	**Deepak Foundation**	**Address:** Nijanand Ashram premises, Adjoining L&T Knowledge City, On NH-8, Vadodara – 390019, Gujarat, India
77	Computer, Laptop		31-03-2024	44,250/-			
78	Tablet		31-03-2024	4,65,000/-			
X	**Sangaath** Deepak Medical Foundation, Near GIDC Office, Nandesari, Vadodara	391340					
79	Computer & Printer		08-09-2023	51,550/-			
Y	**Sangaath** Saraswati Bunglow (Tamhankar), Chatrapati Sivaji Nagar, Near Sanjay Gandhi Hospital, Roha	402109					
80	Printer		31-07-2023	35,400/-			
81	CCTV Camera		08-08-2023	5,000/-			
82	Equipment		16-01-2024	2,350/-			
83	Furniture		12-07-2023	18,200/-			
84	Furniture		31-07-2023	200/-			
85	Lamination Machine		31-07-2023	15,340/-			
86	Tablet		31-07-2023	16,520/-			
Z	**Sangaath** At Reva Ginning and Pressing Factory, Kawant Boriyad Road, in Front of Hardik Hospital, Naswadi	391150					
87	Computer, Laptop		12-05-2023	66,750/-			
88	Computer, Laptop		29-12-2023	33,700/-			
89	Printer		12-05-2023	16,700/-			
90	Printer		23-05-2023	16,700/-			
	TOTAL			**41,16,630/-**			

(All the fields should be captured as appearing in the revenue record, flat no. house no. Municipal Office/Municipal Corporation/Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

For and on behalf of the Board

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

Place: Vadodara
Date: May 20, 2024

Annexure-E

NOMINATION AND REMUNERATION POLICY

[Adopted by the Board of Directors on May 2, 2014;
Last reviewed and amended by the Board of Directors on May 20, 2024)

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 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 by 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 (including Section 178 thereof), Rules framed there under and the Listing Regulations including, inter-alia, principles pertaining to determining qualifications, positives attributes, integrity and independence.

2.6. In this context, the following Policy has been formulated by the Nomination and Remuneration Committee and recommended to the Board of Directors for adoption.

3. EFFECTIVE DATE

This Policy shall be effective from the date of its adoption by the Board.

4. DEFINITIONS

4.1. In this Policy the following terms shall have the meaning assigned to them:

(i) "**Act**" means The Companies Act, 2013 and Rules made thereunder.

(ii) "**Board of Directors**" or "**Board**" means the Board of Directors of the Company.

(iii) "**Committee**" means Nomination and Remuneration Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Act and the Listing Regulations.

(iv) "**Company**" means "Deepak Nitrite Limited."

(v) "**Director**" shall mean a member of the Board of Directors of the Company appointed from time to time in accordance with the Articles of Association of the Company and provisions of the Act.

(vi) "**Employees' Stock Option**" means the option given to the Directors, other than Independent Directors, officers or employees of a Company or of its holding company or subsidiary company or associate 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 and includes perquisites as defined under the Income Tax Act, 1961.

(xv) "**Senior Management**" means the officers and personnel who are members of its core management team, excluding the Board of Directors and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer.

4.2. Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Companies Act, 2013 and/or Listing Regulations as may be amended from time to time shall have the meaning respectively assigned to them therein.

5. APPLICABILITY

This Policy is applicable to:

(i) Directors (Managing Director, Executive Director, Independent Director and Non-Independent Director)

(ii) Key Managerial Personnel

(iii) Senior Management employees

(iv) Other Employees

6. NOMINATION AND REMUNERATION COMMITTEE

6.1. Role of the Committee:

(a) Identifying persons who are qualified to become Director and who may be appointed in Senior Management cadre in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.

(b) Formulating the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board, a policy, relating to the remuneration for the Directors, Key Managerial Personnel and employees.

(c) For every appointment of an Independent Director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment

as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

(i) use the services of an external agencies, if required;

(ii) consider candidates from a wide range of backgrounds, having due regard to diversity; and

(iii) consider the time commitments of the candidates.

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

(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) 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.

(i) recommend to the Board, all remuneration, in whatever form, payable to Senior Management.

(j) any other role as may be specified by the Board.

6.2. Composition of the Committee

(a) The Committee shall comprise of at least three (3) Directors, all of whom shall be non-executive Directors and at least two-thirds shall be Independent Directors.

(b) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Act and/or the Listing Regulations.

(c) Composition of the Committee shall be disclosed in the Annual Report.

(d) Term of the Committee shall continue unless terminated by the Board of Directors.

6.3. Chairman of the Committee

(a) Chairman of the Committee shall be an Independent Director.

(b) Chairman of the Company (whether Executive or Non-Executive) may be appointed as a member of the Committee but shall not Chair the Committee.

(c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.

(d) Chairman of the Committee shall be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

6.4. Frequency of the Meetings of the Committee

The meeting of the Committee shall be held at such intervals as may be required.

6.5. Committee Member's Interest

(a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

(b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

6.6. Quorum

The quorum necessary for transacting business at a meeting of the Committee shall be two (2) members or one-third of the members of the Committee, whichever is greater, including at least one independent Director in attendance.

6.7. Voting at the Meeting

(a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of members present. Any such decision shall for all purposes be deemed a decision of the Committee.

(b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

7. APPOINTMENT AND REMOVAL OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT EMPLOYEES

7.1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as a Director, Key Managerial Personnel and Senior Management employee.

7.2. A person should possess adequate qualifications, expertise and experience for the position he/ she is considered for

appointment as a Director, Key Managerial Personal or Senior Management employee.

7.3. The Company shall not appoint or continue the employment of any person as Managing Director / Executive Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for such appointment.

7.4. The appointment as recommended by the Committee to the Board shall be subject to the approval of the Board.

7.5. Criteria for appointment of Independent Director

7.5.1. The proposed appointee shall comply with the criteria specified in the relevant provisions of the Act and/or the Listing Regulations. He or she shall not, directly or indirectly, represent the interest of any specific vendor or customer or stakeholder and shall have business reputation and strong ethical standards and possess leadership skills and business experience including board procedures.

7.5.2. The Independent Director shall fulfill the qualification and requirements specified under the Act and Listing Regulations.

7.5.3. He or she shall also declare his or her independent status prior to appointment to the Board and maintain the same during his or her tenure as an Independent Director. Being a Director of the Company, he or she shall adhere to the Code of Conduct stipulated for the Directors.

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 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 Directors.

7.6.4. He or she shall fulfill the conditions as specified under Part I of Schedule V of the Act. However, in case the conditions specified under Part I of Schedule V of the Act is not fulfilled, such appointments shall be subject to the approval of the Central Government.

7.7. Criteria for appointment of KMPs

7.7.1. Pursuant to the requirement of Section 203 of the Act, the Company is required to appoint a Managing Director / Manager / Chief Executive Officer and in their absence an Executive Director as Whole Time KMP.

7.7.2. The Company is also required to 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 of five years each, 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, Key Managerial Personnel and Senior Management employees shall retire as per the applicable provisions of the Act and/or the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management employees in the same position / remuneration or otherwise even after attaining the retirement age, in the interest and for the benefit of the Company, in accordance with the provisions of the Act and approval of members, wherever required.

8. REMUNERATION

8.1. Remuneration to Managing Director

8.1.1. The remuneration comprising of salary, allowance, perquisites and other benefits payable to Managing Director will be determined by the Committee and recommended to the Board for approval.

8.1.2. In addition to the remuneration as stated in 8.1.1. above, Managing Director shall also be paid a Commission, calculated with reference to the Net Profits of the Company in a particular Financial Year, as may be determined by the Board of Directors, subject to the overall ceiling stipulated in Section 197 and other relevant provisions of the Act.

8.1.3. The Managing Director shall be entitled to the following perquisites / allowances

(i) Housing – Rent free furnished residential accommodation. In case no accommodation is provided by the Company, Managing Director shall be paid house rent allowance as may be decided by the Board of Directors.

(ii) Re-imbursement of gas, electricity, water charges and furnishings.

(iii) Re-imbursement of medical expenses incurred for self and members of his family, as per rules of the Company.

(iv) Leave travel concession for self and members of his family, as per rules of the Company.

(v) Fees of clubs subject to maximum of two clubs.

(vi) Medical insurance, as per rules of the Company.

(vii) Personal Accident Insurance, as per rules of the Company.

(viii) Provision of car and telephone at residence.

(ix) Company's contribution to provident fund, superannuation fund or annuity fund, gratuity and encashment of leave, as per rules of the Company.

(x) Retirement and other benefits, as per rules of the Company.

8.1.4. The remuneration and commission to be paid to the Managing Director shall be as per the statutory provisions of the Act and the rules made thereunder for the time being in force and shall be subject to the approval of the shareholders of the Company and Central Government, wherever required.

8.1.5. The remuneration / commission payable to Managing Director shall be reviewed by the Board after close of each Financial Year and based on the Profits made by the Company in that Financial Year, Managing Director shall be paid such enhanced remuneration as the Board may decide subject to the ceiling limits specified in Section 197 and other applicable provisions of the Act read with Schedule V of the Act.

8.1.6. The Managing Director shall not be entitled to sitting fees for attending the meetings of the Board or any Committee thereof.

8.2. Remuneration to Executive Director

8.2.1. Fixed Pay

(a) Executive Director shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the provisions of the Act and rules made thereunder for the time being in force.

(b) The Fixed Pay of Executive Director shall comprise of salary, perquisites, allowances and other benefits. The perquisites, allowances and other benefits to the Executive Director may include 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) Hardship Allowance as may be decided by the Company.

(vii) Retirement and other benefits, as per 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. The amount of Variable pay shall be paid annually after the end of each Financial Year. The amount of Variable Pay shall be paid annually after the end of each Financial Year. The Variable Pay shall be 25% of the fixed pay, subject

to terms of appointment of respective Executive Director. 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 and may vary from 0% to 100% of the variable pay as per policy of the Company. Such Variable Pay for a particular Financial Year shall be recommended by the Nomination and Remuneration Committee to the Board of Directors.

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.

8.2.3. 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.

8.2.4. 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.

8.4. Remuneration to Independent Director and Directors other than Managing Director/ Executive Director:

8.4.1. Sitting Fees

The Independent Director / Directors other than Managing Director and Executive Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof.

Provided that the amount of such fees shall not exceed the maximum amount as provided in the Act, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

The Sitting Fee paid to Independent Directors, shall not be less than the Sitting Fees payable to other Directors.

The sitting Fees payable to Independent Director/ Directors other than Managing Director and Whole-time Director shall be decided by the Board of Directors from time to time and shall be reviewed every 3 (Three) years.

8.4.2. Commission on the Net Profits

Apart from receiving the Sitting Fees, Independent Director(s) / Non-Independent Director(s) may be paid Commission on the Net Profits of the Company for a particular Financial Year within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the Net Profits of the Company computed as per the applicable provisions of the Act. The amount of Commission payable to each Independent Director / Non-Independent Director for a particular Financial Year shall be decided by the Chairman of the Company and shall be approved by the Board.

Independent Director/ Director other than Managing Director and Executive Director shall also be entitled to re-reimbursement of all legitimate expenses incurred by him for attending the meetings of Board or Committee thereof.

8.4.3. Stock Options

Independent Director shall not be entitled to any stock option of the Company or Subsidiary Companies.

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 Key Managerial Personnel and Senior Management employees:

8.6.1. The remuneration to Key Managerial Personnel and Senior Management employees shall comprise of Fixed Pay and Variable Pay and governed by the Company's HR Policy.

8.6.2. Remuneration of a Key Managerial Personnel and Senior Management at the time of their appointment will be recommended by the Managing Director / Executive Director to the Committee. The Committee shall review such remuneration and recommend the same to the Board for approval. Any subsequent modification to the remuneration of Key Managerial Personnel shall also be recommended by the Managing Director/Executive Director to the Committee for its review and recommending to the Board for approval.

8.6.3. Fixed Pay

The Fixed Pay of Key Managerial Personnel 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 as per Company's HR Policy.

8.6.4. Variable Pay

The remuneration of Key Managerial Personnel and Senior Management employees will also comprise performance linked variable pay. The amount of variable pay will be 16% of their fixed pay or such other amount as may be approved by the Board upon recommendation of the Committee. 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 and may vary from 0% to 100% of the variable pay as per policy of the Company. Such Variable Pay for a particular Financial Year shall be recommended by the Nomination and Remuneration Committee to the Board of Directors.

8.6.5. Loyalty Bonus

In addition to the above, KMP and Senior Management employees shall also be entitled to Loyalty Bonus as per policy of the Company.

8.7. The remuneration to other employees of the Company shall be governed by the Company's HR Policy.

8.8. Stock Options

8.8.1. With the objective to incentivize and retain key talent within the Group as well as to motivate the Employees to contribute towards growth and profitability, the Board of Directors of the Company, approved 'Deepak Nitrite Limited Employee Stock Option Scheme-2024' ("ESOP Scheme-2024").

The Shareholders of the Company, vide a Special Resolution passed on April 19, 2024, approved the ESOP Scheme-2024. Further, in terms of requirements of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the Shareholders of the Company have also by way of a separate Special Resolution, approved extending the ESOP Scheme-2024 to the employees of Subsidiary Companies of the Company.

Accordingly, Stock Options may be offered to Executive Director(s), Key Managerial Personnel, Senior Management employees and other employees of the Company in terms of the DNL-ESOP Scheme-2024 ("eligible employees").

8.8.2. The Committee, while considering the revision in remuneration of eligible employees for the period(s) subsequent to granting of Stock Options to them, shall consider their total remuneration, which shall also include monetary value of benefit arising from vested Stock Options, in compliance with applicable provisions of law.

8.9 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 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 placed on the website of the Company and the salient features of the Policy along with other details as required under the provisions of law, 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 the Committee can amend this Policy, as and when deemed fit.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the competent authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

Annexure-F

DISCLOSURE UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013:

PART (A) – DISCLOSURE AS REQUIRED UNDER RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:

1. Ratio of remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year ended March 31, 2024 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, 2024:

Name of the Director/ KMP	% Increase in Remuneration in the F.Y. 2023-24#	Ratio to Median Remuneration
Shri Deepak C. Mehta Chairman & Managing Director	7.73	108.19
Shri Sanjay Upadhyay Director (Finance) & Group CFO	8.11	76.58
Shri Maulik Mehta Executive Director & CEO	11.87	60.92
Shri Girish Satarkar[1] Executive Director	NA*	NA*
Shri Ajay C. Mehta Non-Executive Director	0.00	2.16
Shri Meghav Mehta Non-Executive Director	50.00	2.16
Shri Sanjay Asher Independent Director	20.00	4.31
Smt. Purvi Sheth Independent Director	20.00	4.31
Shri Dileep Choksi Independent Director	0.00	2.87
Shri Punit Lalbhai Independent Director	NA*	2.16
Shri Vipul Shah Independent Director	NA*	2.16
Shri Prakash Samudra Independent Director	NA*	4.32
Shri Somsekhar Nanda Chief Financial Officer	NA*	NA
Shri Arvind Bajpai Company Secretary	19.57	NA

Excluding sitting fees.

[1]. Shri Girish Satarkar has been appointed as Executive Director w.e.f. August 4, 2023.

* Since the remuneration is only for the part of the year (current/previous), the percentage increase in remuneration is not comparable hence % increase in Remuneration in FY 2023-24 and ratio to the median remuneration not stated.

Notes:

1. In the Financial Year 2023-24, there was an increase of 8.65% in the median remuneration of employees.
2. There were 1,720 permanent employees (including permanent workers) on the rolls of the Company as on March 31, 2024.
3. Average Percentile increase already made in the salaries of employees other than Managerial Personnel in the last Financial Year was 9% and average percentile increase in remuneration of Managerial Personnel was 9.24 %.

   Shri Deepak C. Mehta, Chairman & Managing Director of the Company is also Chairman & Managing Director of Deepak Phenolics Limited ("DPL") a Wholly Owned Subsidiary of the Company.

   As per the term of his appointment, he is entitled to profit related commission from DPL. For the Financial Year 2023-24, the Commission to Shri Deepak C. Mehta from DPL is ₹ 20 Crores.

   Average increase in remuneration of both, managerial and non-managerial personnel were determined based on the overall performance of the Company.

   Key result areas of the managerial personnel are broadly to achieve Company's growth and performance target, achieving the same against various adverse externalities globally, devising sustenance strategy to combat global forces like competition, exchange rate etc, which, in turn, enhance shareholders' value. Remuneration of the managerial personnel is based on the Nomination and Remuneration Policy as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors.

   As against above, remuneration for non-managerial personnel is based on an internal evaluation of assigned target area which are broken into subsets of key result areas of the managerial personnel.
4. It is affirmed that the remuneration is as per the Nomination & Remuneration Policy of the Company.

For and on behalf of the Board

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

Place : Vadodara
Date : May 20, 2024

Annexure-G

INFORMATION REQUIRED UNDER SECTION 134(3)(M) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014 PERTAINING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

(A) Conservation of Energy:

(i) Steps taken or impact on conservation of energy:

- Installed multi fuel bagasse, husk, agro-waste, coal based 20 TPH boiler to reduce steam cost.
- Installed smart power optimiser which has reduced energy consumption by 9 %.
- Installed variable frequency drive to optimised power consumption.
- Replaced old inefficient motors with high efficiency IE3 type motors.
- Installed air leak detector system to reduce power consumption.
- Replaced old blowers with high efficiency blowers.

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

- Use of PRT (pressure reducing turbine) to generate power in place of PRV (pressure reducing valve).
- Use of alternate source such as Solar power.
- Use of Hybrid power (wind power + solar power) proposal under consideration.

(iii) Spend on energy capex in FY 2023-24:

- Total ₹ 29.73 Crores capex are approved related to energy conservation.

(B) Technology Absorption:

(i) Efforts made towards technology absorption:

- Technology developed for import substituted products.
- In-house development of "platform technology" where similar chemistry can be successfully intensified at world best level.

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

- Innovative processes developed for import substituted products in the in-house Research & Development facility through Process Engineering Research & Innovation (PERI) Lab.
- Continuous chemical processes developed to reduce raw materials consumption norms and by-products formation, also evaluated alternative routes to make cheaper and cleaner technologies.
- Batch Process yield improvement been successfully demonstrated and running commercially for better sustainability in the market and cost reduction to build profit.

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

(iv) Information regarding in-house technology developed, during the last 3 years: 5 nos & Applied for patent: 3 Nos.

(v) Expenditure incurred on Research and Development:

(₹ in Crores)

Particulars	2023-24	2022-23
a) Capital	9.13	4.07
b) Recurring	20.33	16.65
Total	**29.46**	**20.72**
Total R&D expenditure as a percentage to total turnover	1.08%	0.68%

(C) Foreign Exchange Earnings and Outgo:

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

(₹ in Crores)

Particulars	2023-24	2022-23
Total Foreign Exchange Earned	1277.51	1312.81
Total Foreign Exchange Outgo	378.54	426.59

For and on behalf of the Board

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

Place : Vadodara
Date : May 20, 2024

Corporate Governance Report

for the year ended March 31, 2024

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate governance refers to the set of principles, values and processes that guide the management and board of a company. It is essential for the long-term success of any business, as it ensures accountability, transparency and ethical decision-making. The foundation of a successful enterprise is built on excellent corporate governance practices and strong leadership is vital to this end.

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

The Company firmly believes that for a company to succeed on a sustained basis to meet the various challenges posed on account of changing business environment and stakeholder's expectation, it must maintain global standards of corporate conduct and 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.

Corporate Reporting

The Company's Corporate Governance practices are meticulously aligned with international standards and reflect global best practices, ensuring that it adheres to the highest levels of ethical conduct and accountability. As a committed corporate citizen, the Company not only encourage but also recognize employee participation in and volunteering for environmental and social initiatives. These activities are integral to the organisational sustainability and are a testament to the proactive engagement in enhancing a responsible corporate culture.

Over the past five years, the Company has enriched its corporate reporting by including additional disclosures and relevant information, aiding stakeholders in making well-informed decisions. The Company's report adheres to the Integrated Reporting framework's guiding principles and presents both financial and non-financial data in a manner that is concise and comparable and aims to improve the transparency and aids better risk management while supporting more informed decision-making across its operations. Such strategic transparency optimises the internal processes and aims to enhance the trust and confidence of the Company's investors, customers and community partners.

During the Financial Year 2023-24, the 52nd Annual Integrated Report of the Company received extensive recognition, securing a total of seven prestigious awards at the League of American Communications Professionals (LACP) Vision Awards and Spotlight Awards. This illustrious recognition included the coveted Platinum Award for excellence in reporting within the industry. Additionally, the Company's report was ranked 25th among the top 100 Annual Reports globally. These accolades reflect the Company's commitment to excellence in transparency, accountability and corporate reporting, underscoring its leadership in adopting best practices in integrated reporting.

2. BOARD OF DIRECTORS

(i) Composition and size of Board of Directors

The Board composition is presently governed by the provisions of the Companies Act, 2013 ("Act") and applicable provisions of Listing Regulations as amended from time to time. The Board of the Company has an optimum combination of Executive and Non-Executive Directors.

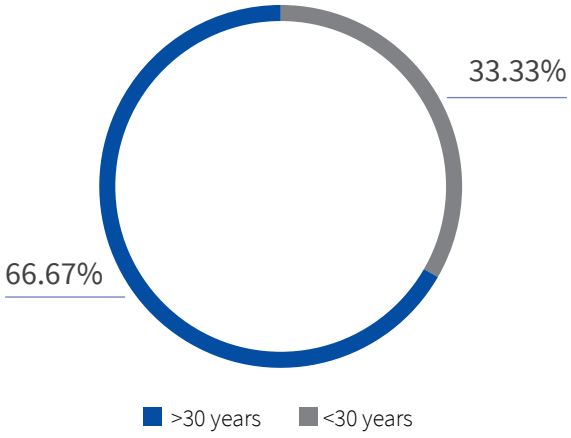
As on March 31, 2024, the Board consists of twelve (12) Directors out of which, four (4) are Executive Directors including Managing Director and Chief Executive Officer and eight (8) are Non-Executive Directors. Out of eight (8) Non-Executive Directors, six (6) are Independent Directors including one (1) woman Independent Director. Details of appointments/re-appointments of Directors during the Financial Year 2023-24 are provided in the Board's Report.

The Chairman of the Company is the Executive Director and Promoter of the Company. The requirement of at least one–half of the Board shall consist of Independent Directors is complied with during the Financial Year ended March 31, 2024 as the Company has six (6) Independent Directors. All of the Independent Directors have extensive business experience and are considered by the Board to be independent in character and judgment of the management of the Company and free from any business or other relationship, which could materially interfere with the exercise of their independent judgment.

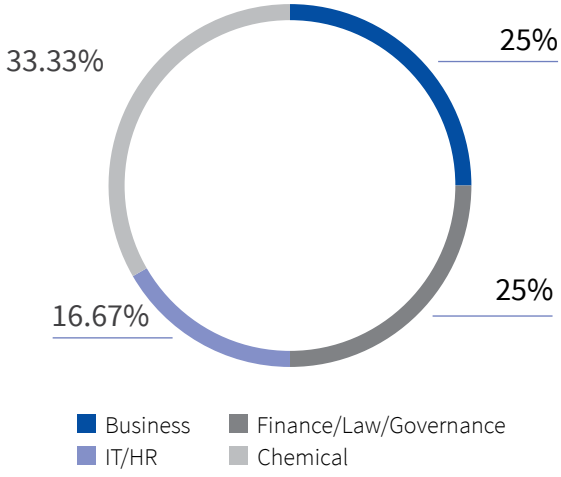
DIVERSIFIED & EXPERIENCE BOARD

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

Diversity Based on Experience



Diversity Based on Expertise



The Company's Board comprises highly experienced and competent individuals of notable integrity. They possess strong financial acumen, strategic astuteness, leadership qualities and are committed to the Company by devoting sufficient time in discussing business and other matters of the Company to meetings and preparation for meetings.

The Board is also responsible for:

a. long-term business plan & strategy and monitoring its implementation.

b. enhancing shareholder value and overseeing the interests of all stakeholders through effective management.

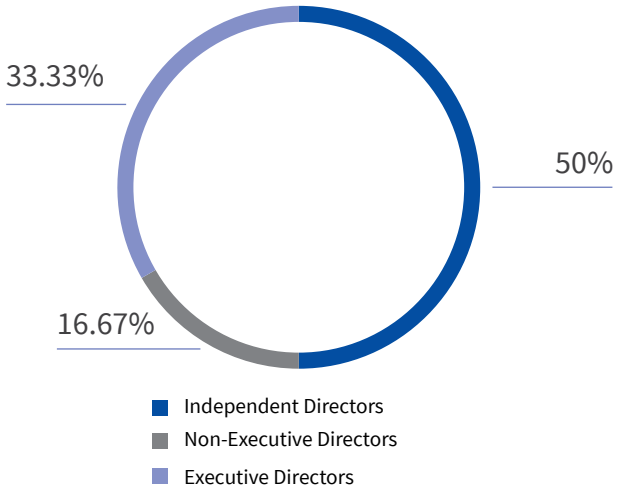
c. monitoring the effectiveness of the Company's Corporate Governance practices.

d. exercising effective control on the functioning of the Company to ensure fulfilment of stakeholder expectation and long-term value creation.

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

The Board reviews its composition, competency and diversity from time to time to ensure that it remains aligned with the statutory requirements under law as well as with the global practices.

Composition of Board of Directors as on March 31, 2024			
Category	**Name of Directors**	**No. of Directors**	**% of total number of Directors**
Promoter and Executive Directors	Shri Deepak C. Mehta Chairman & Managing Director Shri Maulik Mehta Executive Director & CEO	04	33.33%
Executive Directors	Shri Sanjay Upadhyay Director (Finance) & Group CFO Shri Girish Satarkar Executive Director		
Non-Executive & Non-Independent Directors	Shri Meghav Mehta Shri Ajay C. Mehta	02	16.67%
Independent Directors	Shri Sanjay Asher Smt. Purvi Sheth Shri Dileep Choksi Shri Punit Lalbhai Shri Vipul Shah Shri Prakash Samudra	06	50.00%
Total No. of Directors		**12**	**100%**



During the year ended March 31, 2024, following are the changes in the Board of the Company:

- Shri Sandesh Kumar Anand (DIN:00001792) ceased to be a Director of the Company from August 4, 2023, upon his retirement.
- Shri Girish Satarkar (DIN:00340116) appointed as Whole-time Director of the Company for a period of three (3) years with effect from August 4, 2023.
- Re-appointment of Shri Dileep Choksi (DIN:00016322) as an Independent Director of the Company for a second term of three (3) consecutive years with effect from August 7, 2023.
- Re-appointment of Shri Deepak C. Mehta (DIN:00028377) as the Chairman & Managing Director of the Company for further period of five (5) years with effect from December 14, 2023.

None of the Directors on the Board of the Company is a Director in more than seven (7) listed entities. None of the Non–Executive Directors is an Independent Director in more than seven (7) listed entities as required under the Listing Regulations. Further, the Managing Director and the Executive Director of the Company do not serve as an Independent Directors in any listed company. None of the Directors hold Directorships in more than ten (10) public limited companies and in aggregate twenty (20) Indian companies. None of the Directors on the Board is a member of more than ten (10) Committees and Chairman of five (5) Committees (committees being Audit Committee and Stakeholders' Relationship Committee) across all public limited companies in India, in which he/she is a Director. Necessary disclosures regarding Committee positions have been made by all the Directors.

Further, none of our Independent Directors serve as Non-Independent Director of any company on the board of which any of our Non-Independent Director is an Independent Director i.e. None of the Independent Directors have any inter-se relationship and each one of them is independent to each other.

(ii) Board Meetings

The Board meets at regular intervals to discuss and decide on Company's business policy and strategy including their implementation and also reviews risk, audit, control, compliance and other related matters apart from other Board businesses. Quarterly updates on relevant statutory changes encompassing important laws are regularly circulated to the Directors. The Board/Committee meetings are pre-scheduled and a tentative annual calendar of the Board and Committee 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 need, the Board's approval is taken by passing resolutions through circulation, as permitted by law, which are noted and confirmed in the subsequent Board meeting.

During the Financial Year 2023-24, six (6) Board meetings were held on May 11, 2023, August 3 2023, October 4, 2023, November 7, 2023, January 8, 2024 and February 13, 2024. The gap between any two meetings was not more than 120 days, ensuring compliance with the requirement of Regulation 17 of the Listing Regulations and the Act. The agenda papers and the explanatory notes were circulated to the Board well in advance. In order to support green initiative, the Company has availed a web-based application for transmitting agenda for the Board/ Committee meetings and the supporting documents. The necessary quorum was present for all the meetings.

Details of attendance of Directors at the Board meetings during the Financial Year 2023-24 and at the previous Annual General Meeting (52nd AGM) are as under:

S. No.	Name of the Director	Date of Board Meetings & Attendance						Attendance at 52nd AGM
		May 11 2023	August 3, 2023	October 4, 2023	November 7, 2023	January 8, 2024	February 13, 2024	
1.	Shri Deepak C. Mehta	✓	✓	✓	✓	✓	✓	✓
2.	Shri Maulik Mehta	✓	✓	✓	✓	✓	✓	✓
3.	Shri Sanjay Upadhyay	✓	✓	✓	✓	✓	✓	✓
4.	Shri Girish Satarkar#	NA	NA	✓	✓	✓	✓	✓
5.	Shri Ajay C. Mehta	✓	✓	✓	✓	✓	✓	✓
6.	Shri Meghav Mehta	✓	✓	✓	✓	✓	✓	✓
7.	Shri Sandesh Kumar Anand@	✓	✓	NA	NA	NA	NA	✓
8.	Shri Sanjay Asher	✓	✓	✓	✓	✓	✓	✓
9.	Smt. Purvi Sheth	✓	✓	✓	✓	✓	✓	✓
10.	Shri Dileep Choksi	x	✓	✓	✓	✓	✓	✓
11.	Shri Punit Lalbhai	✓	✓	x	✓	✓	✓	✓
12.	Shri Vipul Shah	✓	✓	✓	✓	✓	✓	✓
13.	Shri Prakash Samudra	✓	✓	✓	✓	✓	✓	✓

✓ - Present, NA – Not applicable, x - Absent

\# Shri Girish Satarkar appointed as the Whole-time Director designated as Executive Director of the Company with effect from August 4, 2023.

@ Shri Sandesh Kumar Anand, Non-Executive Director ceased to be Director with effect from August 4, 2023, upon his retirement.

The necessary disclosure regarding Directorship and Committee positions have been made by the Directors who are on the Board of the Company as on March 31, 2024 and the same is provided herein below:

S. No.	Name of the Director	Director Identification Number (DIN)	No. of Shares held in the Company	No. of Directorships held (including listed entities)[a]	No. of Committee positions held as Chairman in other Public Companies[b]	No. of Committee positions held as Member in other Public Companies[b]
1.	Shri Deepak C. Mehta	00028377	2,25,35,241	5	0	1
2.	Shri Maulik Mehta	05227290	1,31,300	5	-	-
3.	Shri Sanjay Upadhyay	01776546	1,238	6	1	3
4.	Shri Girish Satarkar	00340116	12	1	-	-
5.	Shri Ajay C. Mehta	00028405	-	2	1	1
6.	Shri Meghav Mehta	05229853	47,290	5	-	-
7.	Shri Sanjay Asher	00008221	-	9	4	10
8.	Smt. Purvi Sheth	06449636	-	5	-	1
9.	Shri Dileep Choksi	00016322	-	8	3	8
10.	Shri Punit Lalbhai	05125502	-	6	1	1
11.	Shri Vipul Shah	00174680	-	2	-	1
12.	Shri Prakash Samudra	00062355	-	2	-	-

Note:

a. Excludes directorships in Private Limited Companies, Section 8 Companies, Foreign Companies, Membership of Managing Committee of various chambers/bodies and alternate directorships and includes directorship in Deepak Nitrite Limited.

b. In accordance with the provisions of the Listing Regulations, Memberships / Chairmanships of only Audit Committee and Stakeholders' Relationship Committee in all public limited companies (including Deepak Nitrite Limited) have been considered.

Name(s) of the listed entities where the Directors of the Company are directors and the category of directorship as required under the Listing Regulations as on March 31, 2024:

Name of Director	Name of Listed Entity	Category of Directorship
1. Shri Deepak C. Mehta	Deepak Nitrite Limited	Chairman & Managing Director
2. Shri Maulik Mehta	Deepak Nitrite Limited	Executive Director & CEO
3. Shri Sanjay Upadhyay	Deepak Nitrite Limited	Director (Finance) & Group CFO
4. Shri Girish Satarkar	Deepak Nitrite Limited	Executive Director
5. Shri Ajay C. Mehta	Deepak Nitrite Limited	Non-Executive Director
6. Shri Meghav Mehta	Deepak Nitrite Limited	Non-Executive Director
7. Shri Sanjay Asher	Deepak Nitrite Limited	Independent Director
	Sun Pharmaceuticals Industries Limited	Independent Director
	Epigral Limited	Independent Director
	Sudarshan Chemical Industries Limited	Independent Director
	Hawkins Cookers Limited	Independent Director
	Sonata Software Limited	Independent Director
	Ashok Leyland Limited	Independent Director
8. Smt. Purvi Sheth	Deepak Nitrite Limited	Independent Director
	Ambuja Cements Limited	Independent Director
	Kirloskar Oil Engines Limited	Independent Director
	Kirloskar Industries Limited	Independent Director
9. Shri Dileep Choksi	Deepak Nitrite Limited	Independent Director
	Arvind Limited	Independent Director
	AIA Engineering Limited	Independent Director
	Swaraj Engines Limited	Independent Director
	ICICI Prudential Life Insurance Company Limited	Independent Director
10. Shri Punit Lalbhai	Deepak Nitrite Limited	Independent Director
	Arvind Limited	Executive Director
	The Anup Engineering Limited	Non-Executive Director
	Arvind Fashions Limited	Non-Executive Director
11. Shri Vipul Shah	Deepak Nitrite Limited	Independent Director
	The Supreme Industries Limited	Independent Director
12. Shri Prakash Samudra	Deepak Nitrite Limited	Independent Director

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

(iii) Board Procedure

For seamless scheduling of meetings, the calendar of meetings of the Board and its Committees is agreed upon and circulated upon at the beginning of the year.

The Board plays a critical role in the strategy development of the Company. To enable the Board to discharge its responsibilities effectively and take informed decisions, the Managing Director & CEO apprises the Board on the overall performance of the Company every quarter including the performance of subsidiary companies.

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

- Annual operating plans and budgets and any update thereof
- Capital budgets and any updates thereof
- Quarterly results of the Company and operating divisions and business segments
- Minutes of the meetings of the Audit Committee and other Committees of the Board
- Information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Financial Officer and Company Secretary
- Materially important show cause, demand, prosecution notices and penalty notices
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company

- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order, which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company
- Significant development in Human Resources/ Industrial Relations
- Sale of material nature of investments, subsidiaries, assets, which is not in the normal course of business
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material
- Non-compliance of any regulatory, statutory nature or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer, etc.

The Board periodically reviews compliance reports of all laws applicable to the Company, prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances, if any. The Board also reviews performance of its unlisted subsidiary companies at regular intervals and pursuant to requirement of the Listing Regulations, the minutes of the Board meetings of the Company's unlisted subsidiary companies are also placed before the Board. The management of the unlisted subsidiary companies periodically bring to the notice of the Board of the Company significant transactions and arrangements entered into by the unlisted subsidiary companies.

The Company Secretary tracks and monitors the Board and its Committees proceedings to ensure that the terms of reference/charters are adhered to, decisions are properly recorded in the minutes and actions on the decisions are tracked. The terms of reference/charters are amended and updated from time to time in order to keep the functions and role of the Board and its Committees at par with the changing statutes. Meeting effectiveness is ensured through circulation of detailed agenda alongwith other materials / presentation in advance as per statutory timelines and tracking of action taken reports at every meeting. Additionally, based on the agenda items, meetings are attended by members of the senior leadership as invitees which bring in the requisite accountability and also provide developmental inputs.

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

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

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

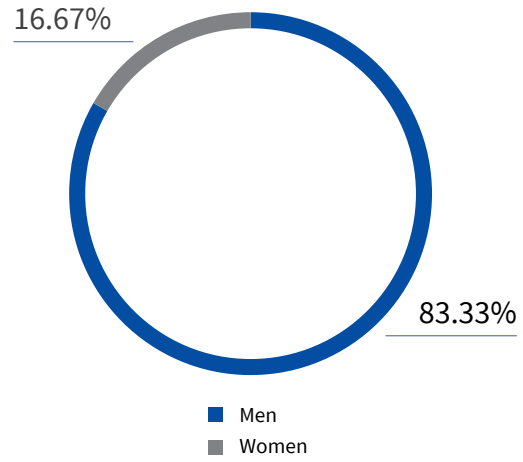
(iv) Disclosure of relationships between Directors inter-se

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

(v) Independent Directors

Independent Directors play a pivotal role by overseeing the Company's internal controls, financial reporting and risk management. They provide valuable insights and recommendations that help the Company achieve its goals for ensuring effective Corporate Governance for the success and sustainability of the organisation. Their increased presence in the boardroom has been hailed as a harbinger for striking a right balance between individual, economic and social interests.

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 an appropriate decision.



Independent Directors of the Company are Non-Executive Directors as defined under Regulation 16(1)(b) of Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of Listing Regulations, Independent Directors have confirmed that they are not aware of any circumstance or situation that exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Act and that they are independent of the management.

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

The Independent Directors, immediately upon appointment are issued a formal letters of appointment and the terms and conditions of their appointment are disclosed on the Company's website at www.godeepak.com.

(vi) Separate Meeting of Independent Directors

As per Schedule IV of the Act and Regulation 25(3) of the Listing Regulations, a separate meeting of Independent Directors was convened on March 12, 2024 without the presence of Non-Independent Directors and management representatives. The said meeting was chaired by Smt. Purvi Sheth, Independent Director and Chairperson of the Nomination and Remuneration Committee and Member of Corporate Social Responsibility Committee.

At such meeting, the Independent Directors, inter alia, discussed and evaluated performance of Non-Independent Directors and the Board of Directors as a whole. Independent Directors also evaluated the performance of the Chairman of the Company, taking into account, views of Executive and Non-executive Directors and accessed the quality, quantity and timelines of flow of information between the management and the Board that is necessary for the Board to perform its duties effectively and reasonably.

The Chairman of the Board is updated by the Chairperson of the meeting of Independent Directors about the outcome of the meeting and actions, if any, required to be taken by the Company.

(vii) Familiarization program for Independent Directors

Pursuant to Regulations 25(7) of the Listing Regulations, the Company has a familiarization program for its Independent Directors to familiarize the Independent Directors to enable them to understand the Company, its operations, business, industry and environment in which it functions and the regulatory requirement applicable to it.

At the time of appointment of a Director (including Independent Director), a formal letter of appointment is provided to him/her, which inter alia explains the role, function, duties and responsibilities expected by him/her as a Director of the Company.

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

Further, on an ongoing basis as a part of agenda of Board and Committee meetings, presentation are regularly made on various matters inter alia covering the Company's business and operations, industry and regulatory updates etc.

The web-link giving details of familiarization program imparted to Independent Directors is https://www.godeepak.com/wp-content/uploads/2024/03/DNL_Familiarization-Programmes-2023-24-Final.pdf.

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

The Board, with the help of Nomination and Remuneration Committee evaluates composition of the Board of Directors to ensure that the Board has the appropriate mix of skills, expertise, experience, professional competencies, independence and knowledge to ensure their continued effectiveness.

To operate effectively, the Board has identified key skills, expertise and competencies that are relevant to the Company's business and operations. The following skills, expertise and competencies have been recognized by the Board as fundamental to the Company's efficient operation.

Sr No	Nature of Skills / Expertise / Competencies	Shri Deepak C. Mehta	Shri Maulik Mehta	Shri Sanjay Upadhyay	Shri Girish Satarkar	Shri Ajay C. Mehta	Shri Meghav Mehta	Shri Sanjay Asher	Shri Dileep Choksi	Smt. Purvi Sheth	Shri Punit Lalbhai	Shri Vipul Shah	Shri Prakash Samudra
	Qualification	Bachelor of Science from University of Bombay	Bachelor of Business Administration from University of Liverpool, UK. Master in Industrial and Organisational Psychology from Columbia University, USA. Owner & President Management Program from Harvard Business School.	Associate Member of the Institute of Cost Accountants of India and Fellow Member of the Institute of Company Secretaries of India. Advanced Management Programme from Wharton, USA.	B.SC (Tech) and M.SC Tech) in Textile Chemistry from The Institute of Chemical Technology, ICT (formerly UDCT) University of Mumbai and Masters of Marketing Management (MMM) from Welingkar Institute of Management, University of Mumbai.	Science Graduate with Honours from University of Mumbai and Master of Science (Chemical Engineering) from the University of Texas, USA	Mechanical Engineer from the Rochester Institute of Technology (New York, USA) with a specialization in Material Science Technology and Alternative Energy	Bachelor's Degree in Commerce and in Law from the University of Bombay, qualified Chartered Accountant and a Solicitor	Bachelor of Law Fellow, Member of The Institute of Chartered Accountants of India, Member of The Institute of Cost Accountants of India.	Bahelor's Degree in Arts, Economics & Political Science from St. Xavier's College, Mumbai University and obtained a CPD Business Strategy & Leadership Management from Wharton Business School, USA	Bachelors' degree from University of California, Davis in conservation biology; a masters in Environmental Science from Yale University, USA and an MBA from INSEAD, France.	Bachelor of Science degree in chemical engineering and a Master of Science degree in polymer science from the University of Texas, Austin, United States.	chemical engineering at the Indian Institute of Technology (IIT), Bombay
1.	**Industry Knowledge:**												
	Knowledge on Company's Businesses (Chemical Intermediates)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Policies and Culture(Including the Mission, Vision and Values of the Company)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Major risks / threats and potential opportunities and knowledge of the industry in which the Company operates	✓	✓	✓	✓	✓	✓	✓	v	✓	✓	✓	✓

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

It is evident from the above mentioned details that the Board of the Company is highly structured to ensure a high degree of diversity by age, education/ qualifications, professional background, sector expertise, special skills etc.

(ix) Performance Evaluation

In terms of requirement of the Act and the Listing Regulations and upon recommendation of the Nomination and Remuneration Committee, the Board has adopted a Performance Evaluation Policy specifying the criteria for effective evaluation of Board, its Committees and individual Directors. The performance evaluation criteria for Independent Directors is also provided in the Performance Evaluation Policy as adopted by the Board and the same has been disclosed in the Directors' Report.

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

The performance of the Independent Directors was evaluated by the entire Board without the presence of Independent Director being evaluated at their meeting held on May 20, 2024. Based on such evaluation, the Board is of the view that all Independent Directors are having thorough knowledge, expertise and experience in their respective areas. They also have very good understanding of the Company's business and the general economic environment it operates. They devote quality time and full attention to understand key issues relating to business of the Company and advising on the same. Their valuable contribution has certainly improved the governance standards within the Company.

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

3. COMMITTEES OF BOARD OF DIRECTORS

As required under the applicable laws, the Board delegated certain functions to its various Committees that are established for that purpose. These Committees conduct detailed reviews of the items under their purview before presenting them to the Board for consideration. The Committees appointed by the Board are dedicated to specific matters and have the delegated authority to make informed decisions within their respective scopes. The Committees operate under the direct supervision of the Board. Generally, Committee meetings are held before the Board meeting and the Chairperson of each Committee reports to the Board about the deliberations and decisions taken by the Committees.

They also provide specific recommendations to the Board on matters within their purview. All decisions and recommendations made by the Committees are presented to the Board for either approval or information. During the Financial Year ended March 31, 2024, all recommendations made by the Committees were accepted by the Board.

As on March 31, 2024, the Company is having Seven (7) Committees of the Board viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship & Investors Grievance Committee, Corporate Social Responsibility Committee, Risk Management Committee, Project Committee, Sustainability Committee of Directors of the Company. Besides the above, there are several other Committees constituted by the Board for specific / day-to-day matters.

Composition of Committees as on March 31, 2024

All the Committees have optimum composition pursuant to requirements of the Act and Listing Regulations. Below is the Composition of the Committees as on March 31, 2024:

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

C - Chairperson, M - Member

(A) Audit Committee

The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting process of the Company, the audits of the Company's financial statements, the appointment, independence and performance of the statutory auditors and the internal auditors. All the items listed in Section 177 of the Act and Regulation 18(3) read with Part C of Schedule II to the Listing Regulations are covered in the terms of reference of the Audit Committee.

As of March 31, 2024, the Committee consisted of three (3) members, all of whom are Independent Directors. The members of the Audit Committee have relevant experience in financial matters as well as have accounting or related financial management expertise and are considered financially literate as defined in Regulation 18(1)(c) of the Listing Regulations.

(i) Composition of Audit Committee

The Audit Committee comprises of the following members as on March 31, 2024:

Name of Member	Designation	Category
Shri Dileep Choksi	Chairman	Independent Director
Shri Sanjay Asher	Member	Independent Director
Shri Vipul Shah*	Member	Independent Director

* Shri Vipul Shah was inducted as a Member of the Audit Committee with effect from August 4, 2023, in place of Shri Sandesh Kumar Anand who ceased to be a Member of the Audit Committee, upon his retirement.

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

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

Shri Dileep Choksi, Chairman of the Audit Committee, was present at the previous Annual General Meeting of the Company held on August 4, 2023.

The Company Secretary acts as a Secretary to the Audit Committee.

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

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

1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the Financial Statement is correct, sufficient and credible;

2) Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;

3) Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;

4) Reviewing, with the management, the Annual Financial Statements and Auditor's report thereon before submission to the Board for approval, with particular reference to:
   - Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of Clause (c) of Sub-section (3) of Section 134 of the Act;
   - Changes, if any, in accounting policies and practices and reasons for the same;
   - Major accounting entries involving estimates based on the exercise of judgment by management;
   - Significant adjustments made in the Financial Statements arising out of Audit findings;
   - Compliance with Listing and other Legal requirements relating to Financial Statements;
   - Disclosure of any Related Party Transactions; and
   - Modified opinion(s) in the draft Audit Report.
5) Reviewing, with the management, the quarterly Financial Statements before submission to the Board for approval;
6) Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
7) Reviewing and monitoring the Auditor's independence and performance and effectiveness of Audit process;
8) Approval or any subsequent modification of transactions of the Company with Related Parties;
9) Scrutiny of inter-corporate loans and investments;
10) Review of Valuation of undertakings or assets of the Company, wherever it is necessary;
11) Evaluation of Internal Financial Controls and Risk Management Systems;
12) Reviewing, with the Management, performance of statutory and Internal Auditors, adequacy of the Internal Control Systems;
13) Reviewing the adequacy of Internal Audit Function, if any, including the structure of the Internal Audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of Internal Audit;
14) Discussion with Internal Auditors of any significant findings and follow up there on;
15) Reviewing the findings of any Internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of Internal Control systems of a material nature and reporting the matter to the Board;
16) Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17) To look into the reasons for substantial defaults in the payment to the Depositors, Debenture holders, Shareholders (in case of non-payment of declared Dividends) and Creditors;
18) To review the functioning of the Whistle Blower Mechanism;
19) Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
20) Review of Management Discussion and Analysis of financial condition and result of operations and Statement of Significant Related Party Transactions
21) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
22) Reviewing the utilization of loans and/or advances from / investment by the Company in its subsidiary exceeding ₹ 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/ investments;
23) To review quarterly reports on matters relating to Prohibition of Insider Trading Regulations, 2015; and
24) Such other terms as may be prescribed under the Act or the Listing Regulations.

(iii) Meetings and Attendance thereat

Five (5) meetings of the Audit Committee were held during the Financial Year 2023-24 on May 11, 2023, August 3, 2023, November 7, 2023, January 8, 2024 and February 13, 2024. The gap between any two meetings was not more than 120 days, ensuring compliance with the requirement of Regulation 18 of the Listing Regulations and the Act. Requisite quorum was present for all the meetings.

The attendance of respective members at the Audit Committee meetings held during Financial Year 2023-24 are as under:

Name of Member	No. of Audit Committee Meetings held during tenure of the Director	No. of Audit Committee Meetings attended
Shri Dileep Choksi	5	5
Shri Sandesh Kumar Anand[1]	2	2
Shri Sanjay Asher	5	5
Shri Vipul Shah[2]	3	2

[1] Shri Sandesh Kumar Anand ceased to be a Member of the Audit Committee with effect from August 4, 2023.

[2] Shri Vipul Shah was inducted as a Member of the Audit Committee with effect from August 4, 2023.

(B) Nomination and Remuneration Committee

In accordance with the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations, the Nomination and Remuneration Committee of the Board is duly constituted.

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

The Nomination and Remuneration Committee also act as Compensation Committee as required under SEBI (Share based Employee Benefits and Sweat Equity), Regulations, 2021.

(i) Composition of Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises of the following members as on March 31, 2024:

Name of Member	Designation	Category
Smt. Purvi Sheth	Chairperson	Independent Director
Shri Sanjay Asher	Member	Independent Director
Shri Deepak C. Mehta*	Member	Chairman & Managing Director

* Shri Deepak C. Mehta was inducted as a Member of the Nomination and Remuneration Committee with effect from August 4, 2023, in place of Shri Sandesh Kumar Anand who ceased to be a Member of the Nomination and Remuneration Committee, upon his retirement.

The Company Secretary acts as a Secretary to the Nomination and Remuneration Committee.

Smt. Purvi Sheth, Chairperson of the Nomination and Remuneration Committee, was present at the previous Annual General Meeting of the Company held on August 4, 2023.

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

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

1) Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, Key Managerial Personnel ('KMP') and functional heads i.e. employee one level below Chief Executive Officer/Managing Director/Wholetime Director;

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

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

4) Identifying persons who are qualified to become Directors and who may be appointed as Key Managerial Personnel or functional head i.e. employees one level below Chief Executive Officer/Managing Director/ Whole-time Director, in accordance with the criteria laid down and recommend to the Board their appointment and removal;

5) Whether to extend or continue the term of appointment of Independent Directors, on the basis of the report of performance evaluation of Independent Directors;

6) To recommend to the Board, all remuneration, in whatever form, payable to Key Managerial Personnel and functional head i.e. employees one level below Chief Executive Officer/Managing Director/Whole-time Director; and

7) Such other terms as may be required under the Act or the Listing Regulations

The Nomination and Remuneration Committee recommends remuneration package of Managing Director / Executive Directors to the Board by reference to individual performance, experience and market conditions with a view to provide a remuneration package which is appropriate for the responsibilities

involved. In reviewing the overall remuneration of the Directors, Key Managerial Personnel and one level below Chief Executive Officer/Managing Director/Whole-time Director, the Nomination and Remuneration Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent. It also ensures that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and that the remuneration involves a balance between fixed and variable pay reflecting short term and long term objectives of the Company.

(iii) Meetings and Attendance thereat

Four (4) meetings of the Nomination and Remuneration Committee were held during the Financial Year 2023-24 on April 29, 2023, August 3, 2023, November 6, 2023 and February 9, 2024. The necessary quorum was present for all the meetings of Nomination and Remuneration Committee.

The attendance at the Nomination and Remuneration Committee meetings held during Financial Year 2023-24 are as under:

Name of Member	No. of Nomination and Remuneration Committee Meetings held during tenure of the Director	No. of Nomination and Remuneration Committee Meetings attended
Shri Sandesh Kumar Anand[1]	2	2
Smt. Purvi Sheth	4	4
Shri Sanjay Asher	4	4
Shri Deepak C. Mehta[2]	2	2

[1] Shri Sandesh Kumar Anand ceased to be Member of the Nomination and Committee with effect from August 4, 2023.

[2] Shri Deepak C. Mehta was inducted as a Member of the Nomination and Remuneration with effect from August 4, 2023.

(iv) Performance evaluation criteria for Independent Directors

The Nomination and Remuneration Policy duly approved by the Nomination and Remuneration Committee specifies the criteria for performance evaluation of Independent Directors which has been disclosed in the Directors' Report.

(v) Nomination and Remuneration Policy

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

a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors to run the Company successfully;

b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

c) Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

(vi) Deepak Nitrite Limited Employee Stock Option Scheme 2024

The Board of Directors of the Company at their meeting held on February 13, 2024 approved Deepak Nitrite Limited Employee Stock Option Scheme 2024 ("Scheme 2024"), subject to approval of the shareholders of the Company.

The Scheme 2024 was approved by the Shareholders of the Company through Postal Ballot on April, 19, 2024 by way of Special Resolution. The Shareholders of the Company also, by way of Special Resolution, approved extending the Scheme 2024 to the eligible employees of the Subsidiaries of the Company.

As required under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the Nomination and Remuneration Committee has been designated as the Compensation Committee for the purpose of administration and superintendence of Scheme 2024.

(vii) Diversity, Equity and Inclusion Policy

The Company recognizes the importance of diversity, equity and inclusion. The Company operate in a diverse society and understand that its customers as well as talent pool have diverse characteristics and different experiences, needs and aspirations. The Company is committed to providing equal and inclusive workplace free from any unfair treatment or unlawful discrimination.

Towards this, the Company has adopted Diversity, Equity and Inclusion Policy. The purpose of the Policy is to set out the Company's commitment to providing

workplace free from discrimination for employees. The Policy also sets out the Company's expectations, where each employee has a responsibility to adhere to and uphold the policy.

The Company strive to provide diverse and inclusive workforce where each individual feels valued and empowered. Individuals with different backgrounds, skills, attitudes and experiences bring fresh ideas and perspectives. As a diverse organization, the Company seeks to encourage and harness these differences and make its products innovative, relevant and accessible.

(C) Stakeholders' Relationship & Investors Grievance Committee:

In accordance with the provisions of Section 178(6) of the Act and Regulation 20(4) of the Listing Regulations, Stakeholders' Relationship & Investors Grievance Committee of the Board is duly constituted.

The Stakeholders' Relationship & Investors Grievance Committee cohesively supports the Company and its Board in maintaining strong and long-lasting relationship with its stakeholders at large. The Stakeholders' Relationship & Investors Grievance Committee majorly ensures and oversees the prompt resolution of the grievances of security holders; the implementation of ways to enhance shareholder experience; assessment of performance of Registrar and Transfer Agent; monitoring of shareholding movements etc.

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

The Stakeholders' Relationship & Investors Grievance Committee comprises of the following members as on March 31, 2024:

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

The Board of Directors at their meeting held on May 20, 2024, re-constituted Stakeholders' Relationship & Investors Grievance Committee by inducting Shri Punit Lalbhai in place of Shri Sanjay Asher w.e.f. May 21, 2024.

Shri Arvind Bajpai, Company Secretary of the Company, is the Compliance Officer. The Company Secretary acts as a Secretary to the Stakeholders' Relationship & Investors Grievance Committee.

Shri Ajay C. Mehta, Chairman of the Stakeholders' Relationship & Investors Grievance Committee was present at the previous Annual General Meeting of the Company held on August 4, 2023.

(ii) Terms of Reference

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

1) Resolving the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates etc.;

2) Review of measures taken for effective exercise of voting rights by shareholders;

3) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;

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

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

(iii) Meetings and Attendance thereat

Four (4) meetings of the Stakeholders' Relationship & Investors Grievance Committee were held during the Financial Year 2023-24 on May 11, 2023, August 7, 2023, November 6, 2023, February 9, 2024 and the necessary quorum was present at the meeting.

The attendance at the Stakeholders' Relationship & Investors Grievance Committee meeting held during Financial Year 2023-24 is as under:

Name of Member	No. of Stakeholders' Relationship & Investors Grievance Committee Meetings held during tenure of the Director	No. of Stakeholders' Relationship & Investors Grievance Committee Meetings attended
Shri Ajay C. Mehta	4	4
Shri Sanjay Upadhyay	4	4
Shri Sanjay Asher	4	4

(iv) Investors Grievance

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

The Company and Link Intime India Private Limited (Registrar & 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 investor complaints received and redressed during Financial Year 2023-24 are as follows:

Number of pending complaints at the beginning of the Financial Year	00
Number of complaints received during the Financial Year	04
Number of complaints resolved during the Financial Year	04
Number of complaints pending at the end of the Financial Year	00
Number of complaints not solved to the satisfaction of shareholders	00

An update on the status of investor complaints received by the Company is reported to the Board and is also filed with the Stock Exchanges on quarterly basis.

(v) Investor's Grievance Redressal Policy

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

In continuation of the Company's endeavour to strengthen its Investor Relations and Corporate Governance practices, the Company has adopted an Investors' Grievance Redressal Policy.

The members may access the said Policy on the website of the Company at https://www.godeepak.com/wp-content/uploads/2023/11/Investors-Grievance-redressal-policy-1.pdf.

(D) Corporate Social Responsibility Committee

In accordance with provisions of Section 135 of the Act, the Corporate Social Responsibility Committee of the Board is duly constituted.

(i) Composition of Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee comprises of the following members as on March 31, 2024:

Name of Member	Designation	Category
Shri Deepak C. Mehta	Chairman	Chairman & Managing Director
Shri Sanjay Upadhyay	Member	Director (Finance) & Group CFO
Shri Punit Lalbhai	Member	Independent Director
Smt. Purvi Sheth	Member	Independent Director

The Company Secretary acts as a Secretary to the Corporate Social Responsibility Committee.

(ii) Terms of Reference

The Terms of Reference of the Corporate Social Responsibility Committee are as under:

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

2) To recommend the amount of expenditure to be incurred by the Company on the activities listed in CSR Policy;

3) To monitor the CSR Policy of the Company from time to time; and

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

(iii) Meetings and Attendance thereat

Two (2) meetings of the Corporate Social Responsibility Committee were held during the Financial Year 2023-24 on April 24, 2023 and January 8, 2024. The necessary quorum was present for all the meetings of Corporate Social Responsibility Committee.

The attendance at the Corporate Social Responsibility Committee meetings held during Financial Year 2023-24 are as under:

Name of Member	No. of CSR Committee Meetings held during tenure of the Director	No. of CSR Committee Meetings attended
Shri Deepak C. Mehta	2	2
Shri Sanjay Upadhyay	2	2
Shri Punit Lalbhai	2	2
Smt. Purvi Sheth	2	2

Shri Deepak C. Mehta, Chairman of the Corporate Social Responsibility Committee, was present at the previous Annual General Meeting of the Company held on August 4, 2023.

(iv) Report on CSR activities

As required under the Act and Rules made thereunder, Report on the CSR activities undertaken by the Company during the year ended March 31, 2024 is annexed to the Directors' Report.

(E) Project Committee

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

(i) Composition of Project Committee

The Project Committee comprises of the following members as on March 31, 2024:

Name of Member	Designation	Category
Shri Prakash Samudra[1]	Chairman	Independent Director
Shri Vipul Shah	Member	Independent Director
Shri Ajay Mehta[2]	Member	Non-Executive Director
Shri Punit Lalbhai[3]	Member	Independent Director

[1] Shri Prakash Samudra was designated as the Chairman of the Project Committee with effect from August 4, 2023 in place of Shri Sandesh Kumar Anand who ceased to be the Chairman of the Project Committee, upon his retirement.

[2] Shri Ajay C. Mehta inducted as a member of Project Committee w.e.f August 4, 2023.

[3] Shri Punit Lalbhai inducted as a member of Project Committee w.e.f August 4, 2023.

(ii) Terms of Reference

The Project Committee is constituted inter alia to evaluate the proposed new projects / expansion plans of the Company and review the progress of ongoing projects of the Company involving capital expenditure exceeding ₹ 50 Crores.

(iii) Meetings and Attendance thereat

One (1) meeting of the Project Committee was held during the Financial Year 2023-24 on August 2, 2023 and the necessary quorum was present at the meeting.

The attendance at the Project Committee meeting held during Financial Year 2023-24 is as under:

Name of Member	No. of Project Committee Meetings held during Tenure of the Director	No. of Project Committee Meetings attended
Shri Sandesh Kumar Anand[1]	1	1
Shri Sanjay Asher[1]	1	1
Shri Prakash Samudra	1	1
Shri Vipul Shah	1	1
Shri Ajay C. Mehta[2]	0	0
Shri Punit Lalbhai[2]	0	0

[1] Shri Sandesh Kumar Anand ceased to be the Chairman with effect from August 4, 2023, upon his retirement and Shri Sanjay Asher ceased to be member of the Committee w.e.f. August 4, 2023.

[2] Shri Ajay C. Mehta and Shri Punit Lalbhai were inducted as Members of the Project Committee with effect from August 4, 2023.

(F) Risk Management Committee:

In compliance with the provisions of Regulation 21 of the Listing Regulations, the Board of Directors has constituted the Risk Management Committee.

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

(i) Composition of Risk Management Committee

The Risk Management Committee comprises of the following members as on March 31, 2024:

Name of Member	Designation	Category
Shri Deepak C. Mehta	Chairman	Chairman & Managing Director
Shri Sanjay Upadhyay	Member	Director (Finance) & Group CFO
Shri Maulik Mehta	Member	Executive Director & CEO
Shri Vipul Shah	Member	Independent Director
Shri Prakash Samudra[1]	Member	Independent Director

[1] Shri Prakash Samudra was inducted as a Member of Risk Management Committee with effect from August 4, 2023 in place of Shri Sandesh Kumar Anand who ceased to be a Member of the Risk Management Committee, upon his retirement..

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

(ii) Terms of Reference

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

1) To formulate a detailed Risk Management Policy which shall include:

   (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;

   (b) Measures for risk mitigation including systems and processes for internal control of identified risks;

   (c) Business continuity plan;

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

3) To monitor and oversee implementation of the Risk Management Policy, including evaluating the adequacy of Risk Management systems;

4) To periodically review the Risk Management Policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

5) To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;

6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee; and

7) The Risk Management Committee shall coordinate its activities with other Committees, in instances where there is any overlap with activities of such Committees, as per the framework laid down by the Board of Directors.

(iii) Meetings and Attendance thereat

Two (2) meetings of the Risk Management Committee were held during the Financial Year 2023-24 on September 8, 2023 and October 19, 2023.

The attendance at the Risk Management Committee meeting held during Financial Year 2023-24 is as under:

Name of Member	No. of Risk Management Committee Meetings held during tenure of Director	No. of Risk Management Committee Meetings attended
Shri Deepak C. Mehta	2	2
Shri Sanjay Upadhyay	2	2
Shri Maulik Mehta	2	2
Shri Vipul Shah	2	1
Shri Prakash Samudra[1]	1	1

[1] Shri Prakash Samudra was inducted as a Member of Risk Management Committee with effect from August 4, 2023 in place of Shri Sandesh Kumar Anand who ceased to be a Member of the Risk Management Committee, upon his retirement.

(G) Sustainability Committee:

The Company has been taking various steps towards conservation of energy and resources, utilization of renewable energy in operations, welfare of internal and external stakeholders including CSR activities.

All these efforts contribute in making the business more sustainable in the long run. In order to provide focused attention and strengthen such efforts, the Board of Directors at their meeting held on February 13, 2024 constituted a 'Sustainability Committee' of Directors of the Company.

(i) Composition of Sustainability Committee

The Sustainability Committee comprises of the following members as on March 31, 2024:

Name of Member	Designation	Category
Shri Punit Lalbhai	Chairman	Independent Director
Shri Vipul Shah	Member	Independent Director
Shri Maulik Mehta	Member	Executive Director & CEO
Shri Girish Satarkar	Member	Executive Director

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

(ii) Terms of Reference

Terms of Reference for the Sustainability Committee of Directors are as under:

a. To develop and recommend to the Board, a Sustainability Roadmap for the Company and identify priorities of the Company for the same;

b. To review policies of the Company and recommend to the Board, amendments to such policies, if necessary, for their alignment with Sustainability Roadmap of the Company;

c. To monitor implementation of various Sustainability efforts of the Company on the identified priorities;

d. To review the Company's disclosures relating to Sustainability on behalf of the Board;

e. To monitor developments and emerging best practice in approaches to Sustainability and provide insights against the Company's strategy;

f. To provide support, input and guidance to the management on Sustainability matters;

g. To avail consultation / support / help from any subject matter expert as deemed appropriate, from time to time; and

h. Such other matters as may be delegated by the Board, from time to time.

(iii) Meetings and Attendance thereat

Since the Sustainability Committee was constituted on February 13, 2024, no meeting was conducted during Financial Year 2023-24.

4. INFORMATION OF KEY MANAGERIAL PERSONNEL

As required under Section 2(51) and Section 203 of the Act read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, following persons are the Key Managerial Personnel of your Company:

Sr No.	Name	Designation
1	Shri Deepak C. Mehta	Chairman & Managing Director
2	Shri Maulik Mehta	Executive Director & Chief Executive Officer
3	Shri Sanjay Upadhyay	Director (Finance) & Group CFO
4	Shri Girish Satarkar	Executive Director
5	Shri Somsekhar Nanda	Chief Financial Officer
6	Shri Arvind Bajpai	Company Secretary

During the Financial Year 2023-24, Shri Girish Satarkar has been appointed as Whole-time Director designated as Executive Director of the Company w.e.f. August 4, 2023.

5. INFORMATION OF SENIOR MANAGEMENT

Details of Senior Management Personnel as on March 31, 2024 as defined under Regulation 16(1)(d) of SEBI (LODR) Regulations are as follows:

Sr No.	Name	Designation
1	Shri Milan Nikte	President – Performance Products
2	Shri Subash Dhar	President – Plant Technical Service
3	Shri Malay Kumar	President – Projects
4	Shri K. C. Bahuguna	Chief Information Officer
5	Shri Sanjay Jalla	VP – Supply Chain Management
6	Shri Anant Pande	Chief Manufacturing Officer

During the Financial Year 2023-24, Smt. Shabnam J Gaitonde resigned from the position of Vice President – HR & Admin of the Company with effect from close of business hours on December 19, 2023, due to her personal reasons.

Upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company vide its Circular Resolution passed on March 30, 2024 approved the appointment of Shri Anil Khatri as Business Head - Specialities (Effect Chemicals) of the Company with effect from April 1, 2024.

6. REMUNERATION OF DIRECTORS

(A) Chairman & Managing Director / Executive Directors

The remuneration of the Chairman & Managing Director comprises of salary, allowances, perquisites and other benefits. In addition, the Chairman & Managing Director is also paid a Commission, calculated with reference to the Net Profits of the Company in a particular Financial Year, as may be determined by the Board of Directors on the recommendations of the Nomination and Remuneration Committee, subject to the overall ceiling stipulated in Section 197 and other relevant provisions of the Companies Act, 2013.

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

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

The details of remuneration of the Chairman & Managing Director and Executive Directors for the Financial Year 2023-24 are as under:

(₹ in Crores)

Name of the Director	Salary & Allowances	Perquisites	Retirement Benefits	Commission / Variable Pay	Total
Shri Deepak C. Mehta*	4.93	1.71	0.89	-	7.53
Shri Maulik Mehta	2.41	0.79	0.43	0.61	4.24
Shri Sanjay Upadhyay	2.90	0.89	0.69	0.85	5.33
Shri Girish Satarkar	0.85	0.26	0.20	0.14	1.45
Total	**11.09**	**3.65**	**2.21**	**1.60**	**18.55**

* As per the terms of appointment of Shri Deepak C. Mehta, in addition to the fixed remuneration by way of salary, perquisites and other benefits, he is also entitled to the Commission on the Net Profits of the Company calculated in accordance with Section 198 of the Companies Act, 2013. However, since the Board of Directors of Deepak Phenolics Limited, a wholly owned subsidiary, at their meeting held on May 15, 2024 approved the payment of Commission of ₹ 20 Crores to Shri Deepak C. Mehta for the Financial Year 2023-24, he has not opted any Commission from the Company.

The term of appointment of the Chairman & Managing Director and that of Executive Directors are as under:

S. No.	Name of the Director	Designation	Term of Appointment	
			From	To
1.	Shri Deepak C. Mehta	Chairman & Managing Director	December 14, 2023	December 13, 2028
2.	Shri Maulik Mehta	Executive Director & Chief Executive Officer	May 9, 2021	May 8, 2026
3.	Shri Sanjay Upadhyay	Director (Finance) & Group CFO	April 28, 2022	July 31, 2026
4.	Shri Girish Satarkar	Executive Director	August 4, 2023	August 3, 2026

There is no provision for payment of severance fees.

During the Financial Year 2023-24, Deepak Nitrite Limited Employees Stock Option Scheme approved by the Board of Directors on February 13, 2024. Subsequently Scheme approved by the Shareholders through Postal Ballot on April 19, 2024. No shares awarded to employees under the Scheme.

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

The Independent Directors and Non-Independent Non-Executive Directors do not draw any remuneration from the Company other than the sitting fee, reimbursement of expenses for attending meetings of the Board of Directors or Committee thereof and such Commission as may be determined by the Board from time to time within the overall approval given by the shareholders and pursuant to the relevant provisions of the Companies Act, 2013.

The amount of Commission to Independent Directors and Non-Independent Non-Executive Directors is determined on the basis of: (a) attendance and time spent for the meetings of Board and Committees thereof; (b) attendance at the General Meeting(s) of the Company during the particular year; (c) role and responsibility as Chairman and/or Member of respective Committee; (d) individual contribution at the meetings and contribution made by the Directors on various matters of the Company.

No remuneration by way of Commission was paid to any single Non-Executive Director in excess of fifty percent (50%) of the total annual remuneration by way of Commission payable to all Non-Executive Directors.

The details of remuneration paid / payable to Independent Directors and Non-Independent Non-Executive Directors for the Financial Year 2023-24 are as under:

(Amount in ₹)

S. No.	Name	Sitting Fees	Commission	Total
1.	Shri Sandesh Kumar Anand*	2,40,000	10,00,000	12,40,000
2.	Shri Ajay C. Mehta	3,40,000	15,00,000	18,40,000
3.	Shri Meghav Mehta	2,40,000	15,00,000	17,40,000
4.	Shri Sanjay Asher	7,00,000	30,00,000	37,00,000
5.	Smt. Purvi Sheth	4,00,000	30,00,000	34,00,000
6.	Shri Dileep Choksi	4,60,000	20,00,000	24,60,000
7.	Shri Punit Lalbhai	2,40,000	15,00,000	17,40,000
8.	Shri Vipul Shah	4,20,000	20,00,000	24,20,000
9.	Shri Prakash Samudra	3,40,000	30,00,000	33,40,000
Total		**33,80,000**	**1,85,00,000**	**2,18,80,000**

* Shri Sandesh Kumar Anand ceased to be Non-Executive Director of the Company with effect from August 4, 2023, upon his retirement.

The details of Equity Shares of the Company held by Independent Directors and Non-Independent Non-Executive Directors as on March 31, 2024 are as under:

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

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

7. GENERAL BODY MEETINGS

(i) Annual General Meetings

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

Financial Year	Date	Time	Venue / Mode
2022-23	August 4, 2023	11:30 A.M.	Through Video Conference / Other Audio Visual Means ('VC'/ 'OAVM') at Vadodara
2021-22	August 3, 2022	11:30 A.M.	Through Video Conference / Other Audio Visual Means ('VC'/ 'OAVM') at Vadodara
2020-21	July 30, 2021	11:30 A.M.	Through Video Conference / Other Audio Visual Means ('VC'/ 'OAVM') at Vadodara

(ii) Special Resolutions

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

Meeting	Date of AGM	Information regarding Special Resolutions passed
52nd AGM	August 4, 2023	1) Re-appointment of Shri Deepak C. Mehta (DIN: 00028377) as the Chairman & Managing Director of the Company for further period five (5) years w.e.f. December 14, 2023, payment of Remuneration to him and continue as the Chairman & Managing Director of the Company beyond the age of Seventy (70) years. 2) Re-appointment of Shri Dileep Choksi (DIN: 00016322) as an Independent Director of the Company for a second term of three (3) consecutive years w.e.f. August 7, 2023. 3) Payment of remuneration to Executive Directors who are Promoters or members of Promoter Group.
51st AGM	August 3, 2022	No Special Resolution proposed.
50th AGM	July 30, 2021	Continuation of directorship of Dr. Richard H. Rupp (DIN: 02205790) as an Independent Director of the Company beyond the age of Seventy Five (75) years in terms of Regulation 17(1A) of SEBI (LODR) Regulations, 2015.

(iii) Extraordinary General Meeting

No Extraordinary General Meeting (EGM) was held during the last three Financial Years i.e. 2023-24, 2022-23 and 2021-22.

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

During the Financial Year 2023-24, the Postal Ballot exercise was undertaken in the month of March-April 2024 seeking approval of shareholders by way of Special Resolutions for adoption of Deepak Nitrite Limited Employee Stock Option Scheme 2024 and also extending the said Scheme to the eligible employees of the Group Companies (including subsidiaries) of the Company. Both the Special Resolutions were duly passed and the result of the Postal Ballot was announced on April 20, 2024. The Results were made available on the website of the Company at www.godeepak.com and were also communicated to BSE Limited, National Stock Exchange of India Limited and National Securities Depository Limited.

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

Sr. No.	Resolution	Ordinary/ Special	No. of Votes Cast	No. and % of Votes in Favour	No. and % of Votes Against
1	Adoption of Deepak Nitrite Limited Employee Stock Option Scheme 2024 for grant of Options to the Eligible Employees of Deepak Nitrite Limited.	Special	10,05,13,093	7,98,15,704 (79.41%)	2,06,97,389 (20.59%)
2	Adoption of Deepak Nitrite Limited Employee Stock Option Scheme 2024 for grant of Options to the Eligible Employees of Group Company/ies (including Subsidiaries and Associate companies) of Deepak Nitrite Limited.	Special	10,05,12,599	7,98,07,454 (79.40%)	2,07,05,145 (20.60%)

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 and the Listing Regulations.

8. MEANS OF COMMUNICATION

a) Financial Results

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

Statutory Notices are published in The Business Standard (English); The Indian Express and The Financial Express (English and Gujarati). The Company also issues press releases from time to time. Financial Results, Statutory Notices, Press Releases and Presentations made to the institutional investors/analysts, if any, after the declaration of the Quarterly, Half Yearly and Annual Financial Results are submitted to the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") as well as uploaded on the Company's website. The Management Discussion and Analysis Report is a part of the Integrated Annual Report.

The Company's results are displayed on the Company's website at www.godeepak.com. The website also displays official news releases and other statutory and business information.

b) Annual Reports

Pursuant to MCA Circulars and SEBI Circulars, the Annual Report for Financial Year 2023-24 containing the Notice of 53rd AGM is being sent through e-mails to all those Members whose e-mail IDs are registered with the Company / RTA / Depository Participants.

c) Conference Call with Investors

Conference calls with Investors on Financial Results are held every quarter. Concall Transcript, Audio Recording of Concall are uploaded on the website of the Company within the prescribed time limit under Listing Regulations and are available on the website of the Company at www.godeepak.com.

d) Stock Exchange Intimations

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

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

The Company sends an annual reminder to shareholders who have not claimed their dividends. Reminder letters are also sent to those shareholders whose unclaimed dividends/shares are liable to be transferred to the Investors Education and Protection Fund account. Pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021, a common and simplified norms for processing investor's service request was introduced wherein all members holding securities of the Company in physical mode were mandatorily required to furnish the PAN and Nomination (for all eligible folios) to the Company's RTA by March 31, 2023 which was further extended to September 30, 2023 vide SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023.

Further, SEBI vide Master Circular SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024 has mandated that the security holders holding securities in physical form, whose folio(s) do not have PAN or Choice of Nomination or Contact Details or Bank Account Details or Specimen Signature updated, shall be eligible for any dividend payment in respect of such folios, only through electronic mode with effect from 1st April 2024, only upon furnishing all the mentioned details.

Shareholders are requested to furnish the above details to enhance the ease of doing business in the securities market. A letter was also sent to the shareholders detailing the above requirements. The forms can be downloaded from the website of the Company at www.godeepak.com and also from the website of the RTA at www.linkintime.co.in.

f) Chairman Communique

At every AGM, the Chairman addresses the shareholders on the Company's operations and performance with his speech. Further, the Chairman's statement addressing the shareholders is also published in the Annual Report of the Company.

g) Website

The Company has a dedicated section 'Investor Relation' on its website at www.godeepak.com which encompasses all the information for the Investors like Financial Results, Policies and Codes, Stock Exchange filings, Press Releases, Annual Reports, etc.

9. GENERAL SHAREHOLDER'S INFORMATION

The details of 53rd Annual General Meeting and other General Shareholder's information are as under:

(i) Annual General Meeting

Day & Date	Tuesday, August 6, 2024
Time	11:30 A.M. (IST)
Venue	Through Video Conference / Other Audio Visual Means ('VC'/ 'OAVM')
Financial Year	April 1, 2023 to March 31, 2024
Record Date / Book Closure	July 30, 2024 to August 6, 2024 (both days inclusive)
Dividend payment date	The dividend shall be paid within statutory time limit of 30 days from the date of Annual General Meeting i.e. on or before September 5, 2024.

(ii) Financial Calendar

Results for the Quarter ending	Tentative Time of Reporting
June 30, 2024	On or before August 14, 2024
September 30, 2024	On or before November 14, 2024
December 31, 2024	On or before February 14, 2025
Audited Annual Accounts for the year ending March 31, 2025	On or before May 30, 2025

(iii) Listing on Stock Exchanges

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

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

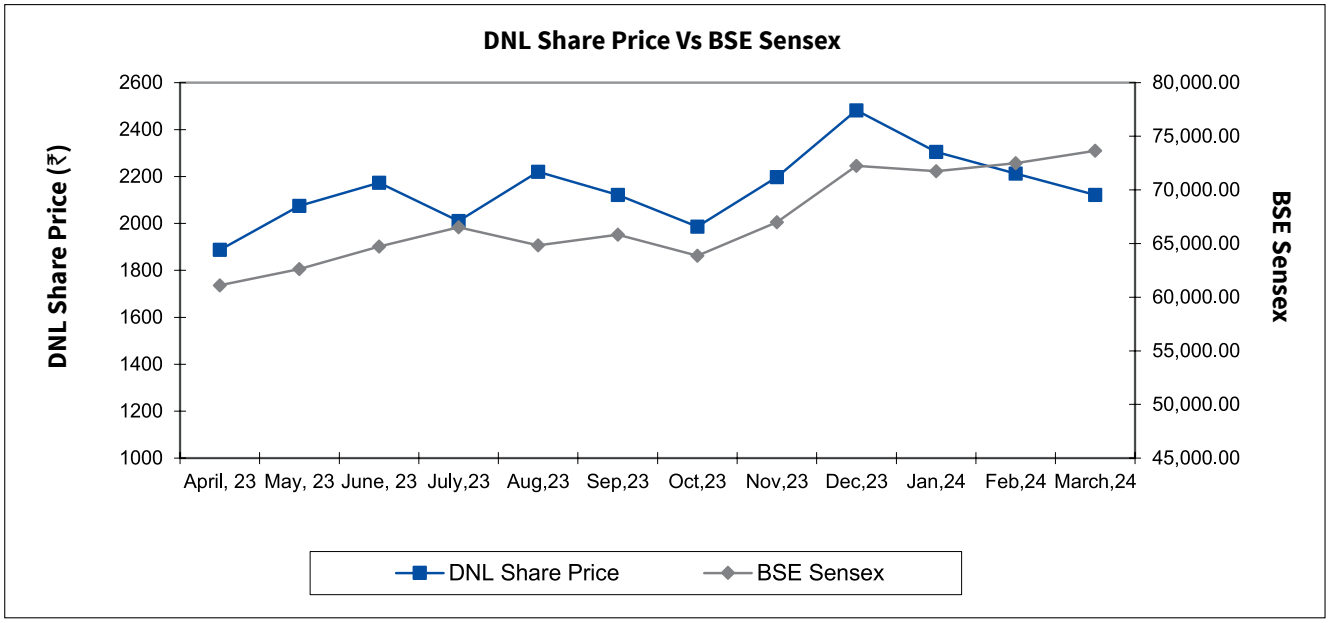
The Securities of the Company have not been suspended from trading during the Financial Year 2023-24 and the requisite Listing fees for Financial Year 2024-25 has been paid to both the Stock Exchanges.

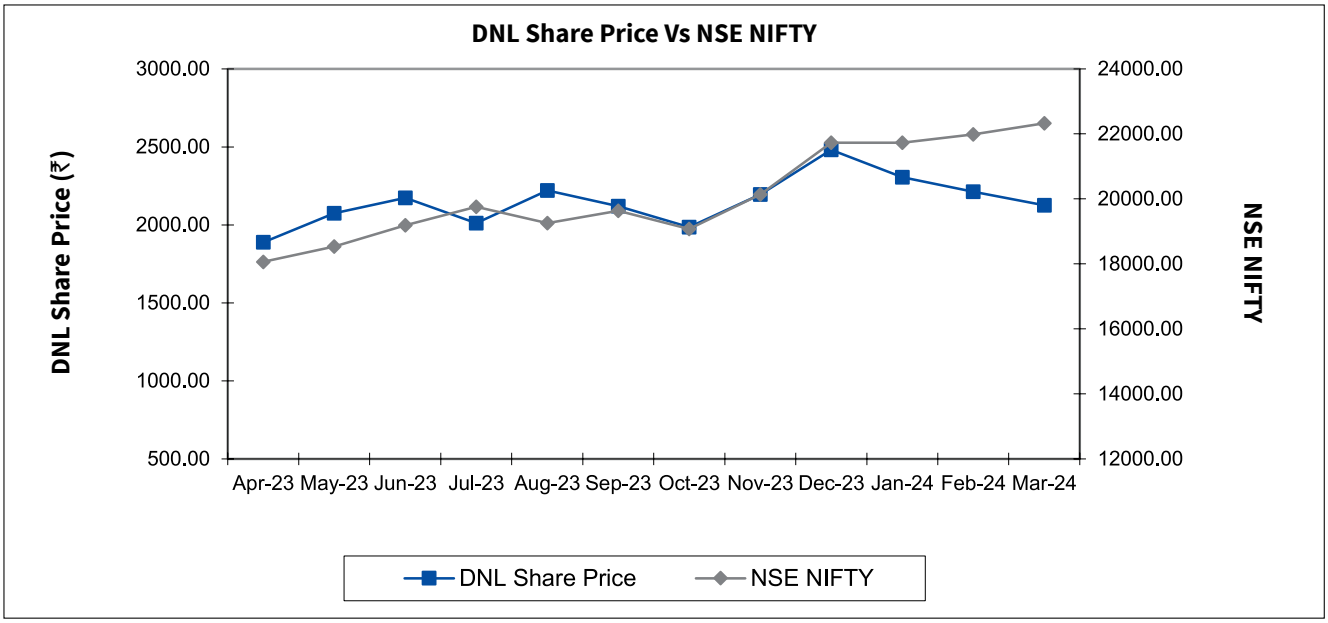
(iv) Market Price Data of Equity Shares

Monthly High & Low market price of Equity Shares of the Company during Financial Year 2023-24 at BSE and NSE are as under:

Month	NSE		BSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2023	1899.00	1783.65	1897.00	1785.00
May, 2023	2160.00	1863.65	2159.05	1864.30
June, 2023	2282.10	2002.10	2281.40	2002.15
July, 2023	2202.70	1900.20	2202.00	1900.90
August, 2023	2232.35	1938.25	2232.85	1942.00
September, 2023	2372.70	2082.20	2372.95	2082.30
October, 2023	2167.85	1921.85	2166.65	1924.75
November, 2023	2239.80	1955.05	2239.20	1955.95
December, 2023	2502.00	2179.40	2501.00	2181.05
January, 2024	2521.15	2208.00	2520.00	2210.00
February, 2024	2378.00	2163.00	2377.85	2163.00
March, 2024	2250.00	2035.10	2250.00	2036.05

Source: Respective Websites of BSE and NSE.



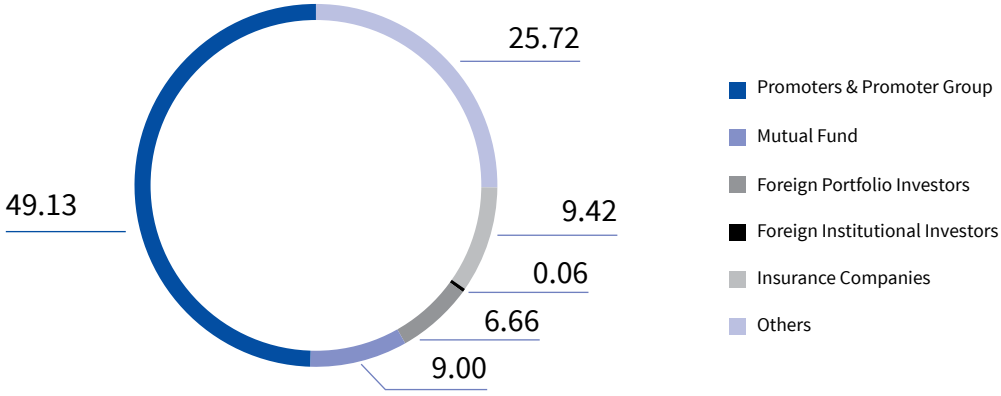


(v) Distribution of Shareholding as on March 31 , 2024

Range	No. of Holders	%	No. of Shares	%
1 – 500	5,08,366	98.68	1,34,91,049	9.89
501 – 1000	3,015	0.59	22,95,983	1.68
1001 – 5000	2,897	0.56	64,59,761	4.74
5001 – 10000	460	0.09	32,29,593	2.37
10001 & above	431	0.08	11,09,16,655	81.32
TOTAL	**5,51,169**	**100.00**	**13,63,93,041**	**100.00**

(vi) Category- wise Shareholding Pattern as on March 31, 2024

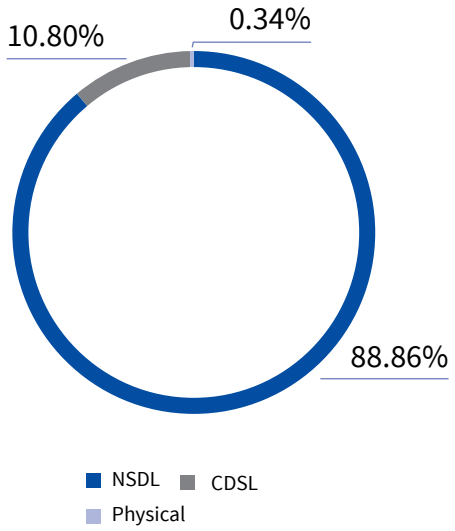
Category of Shareholders	No. of Shares	% to Equity Capital
Promoters & Promoter Group	6,70,12,488	49.13
Mutual Fund	1,22,79,931	9.00
Foreign Portfolio Investors	90,87,139	6.66
Foreign Institutional Investors	84,970	0.06
Insurance Companies	1,28,46,079	9.42
Others	3,50,82,434	25.72
TOTAL	**13,63,93,041**	**100.00**



The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the recent past and hence, as on March 31, 2024, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

(vii) Dematerialisation of Equity Shares

The Company's shares are compulsorily traded in dematerialized form on NSE and BSE. Equity shares of the Company representing 99.66 percent of the Company's equity share capital i.e. 13,59,34,510 equity shares were held in dematerialized form as on March 31, 2024. Total paid-up equity capital of the Company as on March 31, 2024, is 13,63,93,041 equity shares of ₹ 2.00 each.



(viii) Share Transfer System

In terms of Regulation 40(1) of the Listing Regulations, as amended from time to time, transfer, transmission and transposition of securities shall be effected only in dematerialized form. Pursuant to SEBI Circular dated January 25, 2022, the listed companies shall issue the securities in dematerialized form only, for processing any service requests from shareholders viz., issue of duplicate share certificates, endorsement, transmission, transposition, etc. After processing the service request, a letter of confirmation will be issued to the shareholders and shall be valid for a period of 120 days, within which the shareholder shall make a request to the Depository Participant for dematerializing those shares. If the shareholders fail to submit the dematerialisation request within 120 days, then the Company shall credit those shares in the Suspense Escrow Demat account held by the Company. Shareholders can claim these shares transferred to Suspense Escrow Demat account on submission of necessary documentation.

Additionally, the company / RTA shall issue a reminder after the end of 45 days and 90 days from the date of issuance of Letter of Confirmation, informing the shareholders to submit the demat request as above, in case no such request has been received by the RTA / Issuer Company. Members holding shares in physical form are requested to dematerialize their holdings at the earliest.

Nomination facility for shareholding

SEBI vide its Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024 has made it mandatory for all shareholders holding shares in physical form to furnish

nomination details to the Company / RTA. Shareholders can register their nomination details in Form SH-13 or they can choose to give declaration to opt out of Nomination by filing Form ISR-3.

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

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

SEBI vide its Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024, has made it mandatory for all holders holding shares in physical form to furnish the following documents / details to the RTA: a) Permanent Account Number b) Contact details, postal address with PIN, mobile number, E-mail address c) Bank account details (bank name and branch, bank account number, IFS code) d) Specimen signature. For furnishing the above mentioned details, Shareholder shall send the hard copy of Form ISR-1 and/or ISR-2, available on the website of the Company as well as on the website of Registrar and Share Transfer Agent.

Further, SEBI has mandated that the security holders holding securities in physical form, whose folio(s) do not have PAN or Choice of Nomination or Contact Details or Mobile Number or Bank Account Details or Specimen Signature updated, shall be eligible for any dividend payment in respect of such folios, only through electronic mode with effect from April 1, 2024, only upon furnishing all the mentioned details.

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

Shareholders are informed that in case of any dispute against the Company and/or its RTA on delay or default in processing your requests, as per SEBI Circular dated May 7, 2024, an arbitration can be filed with the Stock Exchanges for resolution.

Reconciliation of Share Capital Audit

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

(ix) Registrar and Share Transfer Agent

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

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

Investor Relation Centre:
"Geetakunj"
1, Bhakti Nagar Society,
Behind ABS Tower,
Old Padra Road,
Vadodara – 390015
Tel : 0265 – 3566768
E-mail : vadodara@linkintime.co.in

(x) Address for Correspondence and Investor Assistance

Deepak Nitrite Limited
2nd Floor, Fermenter House, Alembic City,
Alembic Avenue Road, Vadodara -390003
Contact Person: Shri Arvind Bajpai

Telephone Numbers:(0265) 2765200, 2765500
Fax No. : (0265) 2765344
E-mail : investor@godeepak.com
Website : www.godeepak.com

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

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

Pursuant to Sections 124 and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividend, if not claimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to IEPF. Further, all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more shall also be transferred to IEPF Authority. The said

requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares. In the interest of the shareholders, the Company sends periodical reminders to the shareholders to claim their dividends in order to avoid transfer of dividends/shares to IEPF Authority. Notices in this regard are also published in the newspapers and the details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Company's website at www.godeepak.com.

The details of unclaimed dividends and shares transferred to IEPF during Financial Year 2023-24 are as follows:

Pertaining to Financial Year	Amount of Unclaimed Dividend transferred	Number of Shares transferred
2015-16	₹ 12,20,988	₹ 17,410

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

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

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

The following table give information relating to various outstanding dividends and the dates by which they can be claimed by the shareholders from the Company's RTA:

Financial Year	Dividend Declaration Date	Last date for claiming unpaid dividend
2016-2017	June 26, 2017	June 25, 2024
2017-2018	August 3, 2018	August 2, 2025
2018-2019	June 28, 2019	June 27, 2026
2019-2020	August 7, 2020	August 6, 2027
2020-2021	July 30, 2021	July 29, 2028
2021-2022	August 3, 2022	August 2, 2029
2022-2023	August 4, 2023	August 3, 2030

(xii) Green Initiatives

In compliance with the provisions of Section 20 of the Companies Act, 2013 and as a continuing endeavour towards the 'Go Green' initiative, the Company proposes to send all correspondence/communications through email to those shareholders who have registered their email ID with their Depository Participant's/Company's RTA.

(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. 1-8, 26-34, MIDC Dhatav, Roha Dist. Raigad -- 402 116
4.	Hyderabad Specialities Division : Plot Nos. 90-F/70-A and B, Phase II, Industrial Development Area, Jedimetla, Tal. Qutbyullapur Mandal, Dist. Ranga Reddy, Hyderabad 500 055
5.	Dahej Division: 12/B/2, GIDC, Dahej, Dist. Bharuch, Gujarat – 392 130

(xiv) List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial Year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilisation of funds, whether in India or abroad:

Not Applicable

The Company did not issue any debt instrument or any fixed deposit programme or any scheme or proposal involving mobilisation of funds, in India or abroad. However, the details credit ratings obtained for banking facilities are provided in the Directors' Report.

10. OTHER DISCLOSURES:

(i) Related Party Transactions

During the Financial Year 2023-24, all Related Party transactions entered by the Company with Related Parties during FY 2023-24 (including any material modifications thereof), were on an arm's length basis and most of such transactions were in the ordinary course of business and were carried out with prior approval of the Audit Committee. Prior approval of the Audit Committee was obtained periodically for the transactions which were planned and/or repetitive in nature and omnibus approvals were also taken as per the policy laid down for unforeseen transactions. All Related Party Transactions that were approved by the Audit Committee were periodically reviewed by the Audit Committee.

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

The policy on materiality of Related Party transactions and on dealing with Related Party Transactions and the same is uploaded on the website of the Company at the following link

https://www.godeepak.com/wp-content/themes/twentysixteen/companyfiles/corporate_governance_report/PolicyMaterialityofRelatedPartyTransactions.pdf

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

The Company has not given any loans or advances to any firm/company in which its Directors are interested except to its wholly owned subsidiary in accordance with the provisions of the Companies Act, 2013 details of which have been disclosed in the Financial Statements.

(iii) Details of non-compliance

There was no instance of non-compliance by the Company nor any penalty or stricture imposed on the Company by any Stock Exchange(s), SEBI or any other statutory authority on any matter relating to capital markets during the last three years.

(iv) Whistle Blower Policy and Vigil Mechanism

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior including actual or suspected leak of unpublished price sensitive information. The Company has established a vigil mechanism for Directors and employees to report concern about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy and also actual or suspected leak of unpublished price sensitive information.

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

https://www.godeepak.com/wp-content/themes/twentysixteen/companyfiles/corporate_governance_report/Whistle_Blower_Policy.pdf

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

The Company has complied with all the mandatory requirements of the Listing Regulations for the Financial Year 2023-24.

(vi) Policy for Material Subsidiaries

In accordance with the provisions of the Listing Regulations, the Company has a duly formulated policy for Material Subsidiaries in order to determine the Material Subsidiaries and to provide governance framework for such subsidiaries. The said policy has been placed on the website of the Company and weblink to the same is as under: https://www.godeepak.com/wp-content/themes/twentysixteen/companyfiles/corporate_governance_report/Policy_for_Material%20_Subsidiaries.pdf.

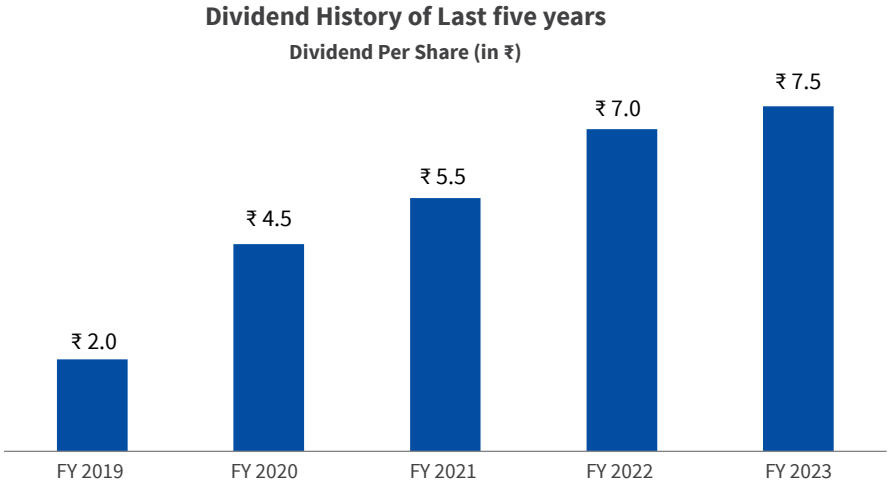
The Company is having following material subsidiaries:

- Deepak Phenolics Limited

-Deepak Chem Tech Limited

(vii) Dividend Distribution Policy

The Company has adopted a Dividend Distribution Policy, which aims to ensure fairness, sustainability and consistency in distributing profits to the shareholders. The Dividend Distribution Policy is attached as Annexure – I to the Corporate Governance Report and is also available on the website of the Company at https://www.godeepak.com/wp-content/themes/twentysixteen/companyfiles/corporate_governance_report/DNL_Dividend%20Distribution%20Policy.pdf.



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

The details of Directors seeking appointment or reappointment at the 53rd Annual General Meeting of the Company are provided in Annexure - I to the Notice convening the 53rd Annual General Meeting of the Company and forms part of the Annual Report.

(ix) Demat Suspense Account – Unclaimed Share Certificates

In terms of the provisions of the Listing Regulations, the Company 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.

In accordance with the requirement of Regulation 34(3) and Part F of Schedule V to the Listing Regulations, details of equity shares in the Demat Suspense Account are as follows:

Particulars	Number of Shareholders	Number of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the Financial Year 2023-24	19	45,320
Number of shareholders who approached the Company for transfer of shares from Suspense Account during the Financial Year 2023-24	02	1,510
Number of shareholders to whom shares were transferred from suspense account during the Financial Year 2023-24	02	1,510
Number of shareholders whose shares were transferred from Suspense Account to the demat account of IEPF Authority during the Financial Year 2023-24	00	00
Aggregate number of shareholders and the outstanding shares in the Suspense Account lying as on March 31, 2024	17	43,810

The voting rights on the shares outstanding in the Demat Suspense Account as on March 31, 2024, shall remain frozen till the rightful owner of such shares claims the shares.

(x) Certificate from Company Secretary in Practice

The following certificates from Shri Dinesh Joshi, Practicing Company Secretary, Designated Partner of 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.

(xi) Total Fees to Statutory Auditors

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

(₹ in Crores)

Payment to Statutory Auditors	FY 2023-24
Statutory Audit Fees	0.68
Limited Review	0.36
Tax Audit Fees	0.06
Taxation Services	0.04
Other Certification	0.05
Total	**1.19**

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

Name of Material Subsidiary Company	Details of Incorporation		Details of Statutory Auditors
Deepak Phenolics Limited	India	29.03.2011	Deloitte Haskins & Sells LLP appointed on June 25, 2021
Deepak Chem Tech Limited	India	09.10.2020	Deloitte Haskins & Sells LLP appointed on September 30, 2021

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

No. of Complaints pending at the beginning of Financial Year 2023-24	0
Number of complaints filed during the Financial Year 2023-24	0
Number of complaints disposed off during the Financial Year 2023-24	0
Number of complaints pending as on end of the Financial Year 2023-24	0

(xiv) Recommendations of the Committees

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

(xv) Disclosure regarding adoption of discretionary requirements as specified in Part E of Schedule II of Listing Regulations

(a) Modified Opinion(s) in Audit Report

During the year, there was no audit qualification on Company's Financial Statements. The Statutory Auditors have issued the Audit Report of the year ended March 31, 2024 with unmodified opinion.

(b) Reporting of Internal Auditor

The Internal Auditors report to the Audit Committee. Internal Auditors of the Company make quarterly presentations to the Audit Committee on their reports.

(c)

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

10. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

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

All the Directors, Employees of the Company and their immediate relatives and other connected persons who could have access to the Unpublished Price Sensitive Information of the Company, are governed under this Insider Trading Code and same is also uploaded on the Company's website at www.godeepak.com.

Shri Arvind Bajpai, Company Secretary of the Company is the 'Compliance Officer' for the purpose of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

11. CODE OF CONDUCT

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

All the Board Members and Senior Management Personnel have affirmed compliance with the applicable Code of Conduct for the Financial Year 2023-24.

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

DECLARATION
As per requirement of the Listing Regulations, this is to confirm that all members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the Financial Year 2023-24.
Maulik Mehta
Vadodara — Executive Director & CEO
May 20, 2024

12. CEO / CFO CERTIFICATION

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

CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS

To,
The Members,
DEEPAK NITRITE LIMITED,
2nd Floor, Fermenter House,
Alembic City, Alembic Avenue Road,
Vadodara - 390003

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, 2024 as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

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

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

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

Dinesh Joshi
Designated Partner
Membership No.: F3752
CP No. 2246
UDIN: F003752F000407641
Peer Review Certificate No: 1331/2021

Date : May 20, 2024
Place: Pune

To,
The Members,
DEEPAK NITRITE LIMITED
2nd Floor, Fermenter House,
Alembic City, Alembic Avenue Road,
Vadodara - 390003

This is to certify that on verification of declarations made by the Directors and records maintained by DEEPAK NITRITE LIMITED ("the Company"), none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies, by the Securities Exchange Board of India / 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 Requirements) Regulations, 2015.

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

Dinesh Joshi
Designated Partner
Membership No.: F3752
CP No. 2246
UDIN: F003752F000407641
Peer Review Certificate No: 1331/2021

Date : May 20, 2024
Place: Pune

Annexure-I

DIVIDEND DISTRIBUTION POLICY

[Approved by the Board of Directors on May 4, 2018]

1. INTRODUCTION

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

Vide these Regulations, SEBI 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 provisioning for depreciation in accordance with the Act and/or Regulations; or

(c) Out of (a) and (b) both.

5.2 Before declaration of Dividend, the Company may transfer a portion of its profits to reserves of the Company as may be considered appropriate by the Board at its discretion.

6. PARAMETERS FOR DECLARATION OF DIVIDEND

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

A. Financial Parameters / Internal Factors

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

B. External Factors

- Economic environment
- Capital markets
- Global conditions
- Industry outlook and growth rate
- Economic and regulatory framework
- Governmental policies

6.2 While recommending or declaring Dividend, the Board will consider adequacy of profit calculated in accordance with the applicable provisions of the Act and Indian Accounting Standards. The Board of Directors may, in exceptional circumstances, consider utilising retained earnings for declaration of Dividend subject to 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 time 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.

Independent Auditor's Report

To The Members of Deepak Nitrite Limited

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying standalone financial statements of Deepak Nitrite Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024 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 ended on that date and notes to the financial statements, including a summary of material 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, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. we have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Revenue recognition** Revenue recognition is significant audit risk across all units within the Company. Risk exists that – Revenue is recognized without transfer of control over goods and is not in accordance with Ind AS-115 "Revenue from Contracts with Customers".	Our audit consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: • We evaluated the design and performed walk through of internal controls relating to revenue recognition. • We selected sample of sales transactions and tested the operating effectiveness of the internal controls relating to revenue recognition. • We carried out a combination of procedures involving enquiry and observation, reperformance and/or inspection. • We have tested samples of sale transactions to their respective customer contracts, underlying invoices and related documents. • We have performed cut-off procedures for revenue transactions at year-end in order to conclude on whether they were recognised in accordance with Ind-AS 115.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements 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 and Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit, we report, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 34 to the standalone financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

iv. (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 48(v)(a) to the financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the note 48(vi)(a) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

As stated in note 49 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

vi. Based on our examination, which included test checks, the Company has used an accounting software(s) for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software(s). Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

(Kartikeya Raval)
(Partner)
(Membership No. 106189)
(UDIN: 24106189BKFGVD8559)

Place: Vadodara
Date: May 20, 2024

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls with reference to standalone financial statements of Deepak Nitrite Limited ("the Company") as at March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

(Kartikeya Raval)
(Partner)
(Membership No. 106189)
(UDIN: 24106189BKFGVD8559)

Place: Vadodara
Date: May 20, 2024

Annexure "B" to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Deepak Nitrite Limited of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work-in-progress and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of verification of property, plant and equipment, capital work-in- progress and right-of-use assets so to cover all the items once every two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, all Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) Based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of all the immovable properties of land and acquired buildings (other than properties where the Company is the lessee and the lease agreements/supplementary agreements/ deed of assignments are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged as security for loans, guarantees, etc., are held in the name of the Company based on the confirmations directly received by us from lenders / custodians.

(d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventories except for goods-in-transit and stocks held with third parties were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. For stocks held with third parties at the year-end, written confirmations have been obtained and in respect of goods in transit, the goods have been received subsequent to the year end or confirmations have been obtained from the parties. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising stock statements, book debt statements, credit monitoring arrangement reports, statements on ageing analysis of the debtors/other receivables and other stipulated financial information filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed. The Company is yet to submit the return/ statement for the quarter ended March 31, 2024 with the banks or financial institutions.

(iii) The Company has not provided any advances in the nature of loans or stood guarantee, or provided security to any other entity during the year. The Company has made investments in and granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, in respect of which:

(a) The Company has provided loans during the year and details of which are given below:

(₹ in crore)

Particulars	Loans
Aggregate amount granted/provided during the year:	
- Subsidiaries	328
- Others	1.63
Balance outstanding as at balance sheet date in respect of above cases:	
- Subsidiaries	169.98
- Others	1.90

(b) The investments made and the terms and conditions of the grant of all the above-mentioned loans, during the year are, prima facie, not prejudicial to the Company's interest.

(c) In respect of loans granted, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.

(d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.

(iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2014, as amended, would apply. Accordingly, clause (v) of paragraph 3 of the Order is not applicable to the Company.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount involved (₹in crores)	Amount unpaid (₹ in crores)
Central Sales Act	Sales Tax	Sales Tax commissioner (Appeal)	FY 2010 to FY 2014	0.53	-
Employees' Provident Fund & Miscellaneous Provisions Act, 1952	Provident Fund	Gujarat High Court	FY 1993 to FY 1996	0.10	0.10

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. The Company did not have any joint ventures during the year.

(f) The Company has not raised any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.

(x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto December 2023 and the draft of the internal audit reports where issued after the balance sheet date covering the period January 2024 to March 2024 for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

(d) The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

(Kartikeya Raval)
(Partner)
(Membership No. 106189)
(UDIN: 24106189BKFGVD8559)

Place: Vadodara
Date: May 20, 2024

Standalone Balance Sheet

as at March 31, 2024

Corporate Identification Number: L24110GJ1970PLC001735

₹ in Crores

		Notes	As at March 31, 2024	As at March 31, 2023
I.	**ASSETS**			
	Non-Current Assets			
	(a) Property, Plant and Equipment	2	832.63	726.10
	(b) Capital Work-in-Progress	2	125.61	77.03
	(c) Intangible Assets	3	2.66	2.23
	(d) Financial Assets			
	Investments	4	854.91	687.96
	Loans	5	1.54	0.70
	Other Financial Assets	6	3.72	5.69
	(e) Non-Current Tax Assets (Net)	7	0.88	2.63
	(f) Other Non-Current Assets	8	8.71	20.32
	Total Non-Current Assets		**1,830.66**	**1,522.66**
	Current Assets			
	(a) Inventories	9	380.57	447.63
	(b) Financial Assets			
	Investments	10	90.08	368.87
	Trade Receivables	11	614.26	597.02
	Cash and Cash Equivalents	12	172.91	16.15
	Bank balances other than Cash and Cash Equivalents above	13	1.87	1.79
	Loans	5	170.78	0.43
	Other Financial Assets	14	59.49	39.19
	(c) Other Current Assets	15	50.39	55.86
	Total Current Assets		**1,540.35**	**1,526.94**
	TOTAL ASSETS		**3,371.01**	**3,049.60**
II.	**EQUITY AND LIABILITIES**			
	Equity			
	(a) Equity Share Capital	16	27.28	27.28
	(b) Other Equity	17	2,927.26	2,597.78
	Total Equity		**2,954.54**	**2,625.06**
	Liabilities			
	Non-Current Liabilities			
	(a) Financial Liabilities			
	Lease Liabilities	41	30.02	10.43
	(b) Provisions	18	29.02	26.37
	(c) Deferred Tax Liabilities (Net)	19	48.93	56.32
	Total Non-Current Liabilities		**107.97**	**93.12**
	Current Liabilities			
	(a) Financial Liabilities			
	Lease Liabilities	41	2.01	0.25
	Trade Payables			
	Total outstanding dues of			
	a) Micro Enterprises and Small Enterprises	20	24.85	14.26
	b) creditors other than Micro Enterprises and Small Enterprises	20	226.38	273.88
	Other Financial Liabilities	21	17.70	17.50
	(b) Other Current Liabilities	22	13.53	11.72
	(c) Provisions	18	16.64	13.81
	(d) Current Tax Liabilities (Net)	23	7.39	-
	Total Current Liabilities		**308.50**	**331.42**
	Total Liabilities		**416.47**	**424.54**
	TOTAL EQUITY AND LIABILITIES		**3,371.01**	**3,049.60**
	Material Accounting Policies	1		

The accompanying notes form an integral part of the Standalone Financial Statements.

As per our report of even date

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

Kartikeya Raval
Partner

Vadodara: May 20, 2024

For and on behalf of the Board

DEEPAK C. MEHTA
Chairman & Managing Director
DIN: 00028377

MAULIK MEHTA
Executive Director & CEO
DIN: 05227290

SANJAY UPADHYAY
Director (Finance) & Group CFO
DIN: 01776546

DILEEP CHOKSI
Director
DIN: 00016322

SOMSEKHAR NANDA
Chief Financial Officer
ICAI Membership .no - 49831

ARVIND BAJPAI
Company Secretary
Membership No.: F6713

Vadodara: May 20, 2024

Standalone Statement of Profit and Loss

for the Year ended March 31, 2024

Corporate Identification Number: L24110GJ1970PLC001735

₹ in Crores

		Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
I.	**Revenue from Operations**	24	2,724.35	3,033.55
II.	**Other Income**	25	123.70	101.58
III.	**Total Income (I+II)**		**2,848.05**	**3,135.13**
IV.	**Expenses:**			
	(a) Cost of Materials Consumed	26	1,476.13	1,725.16
	(b) Changes in Inventories of Finished Goods and Work-in-Progress	27	26.41	(55.48)
	(c) Employee Benefits Expense	28	250.36	229.59
	(d) Power & Fuel Expenses	29	222.77	242.60
	(e) Finance Costs	30	2.09	1.57
	(f) Depreciation and Amortisation Expense	31	86.79	76.16
	(g) Other Expenses	32	305.04	305.69
	Total Expenses (IV)		**2,369.59**	**2,525.29**
V.	**Profit Before Exceptional Items and Tax (III-IV)**		**478.46**	**609.84**
VI.	**Exceptional Items**	47	**79.80**	**-**
VII.	**Profit before tax (V+VI)**		**558.26**	**609.84**
VIII.	**Tax Expense:**			
	(a) Current Tax		129.89	133.72
	(b) Deferred Tax		(5.06)	6.73
IX.	**Profit for the Year (VII-VIII)**		**433.43**	**469.39**
X.	**Other Comprehensive Income:**			
	Items that will not be Reclassified to Profit and Loss:			
	(a) Remeasurement of Defined Benefit Obligations (Net)		(2.40)	(6.73)
	(b) Tax Effect on remeasurement of Defined Benefit obligations (net)		0.62	1.71
	(c) Fair Value Gains on Investments		0.16	0.22
	(d) Tax effect of Fair Value Gains on Investments		(0.04)	(0.05)
	Total Other Comprehensive Income for the Year (X)		**(1.66)**	**(4.85)**
XI.	**Total Comprehensive Income for the year (IX+X)**		**431.77**	**464.54**
	Earnings Per Equity Share			
	(a) Basic (Nominal Value per Share ₹ 2)	42	31.78	34.41
	(b) Diluted (Nominal Value per Share ₹ 2)	42	31.78	34.41

The accompanying notes form an integral part of the Standalone Financial Statements.

As per our report of even date

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

Kartikeya Raval
Partner

Vadodara: May 20, 2024

For and on behalf of the Board

DEEPAK C. MEHTA
Chairman & Managing Director
DIN: 00028377

MAULIK MEHTA
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SOMSEKHAR NANDA
Chief Financial Officer
ICAI Membership .no - 49831

ARVIND BAJPAI
Company Secretary
Membership No.: F6713

Vadodara: May 20, 2024

Standalone Cash Flow Statement

for the Year ended March 31, 2024

Corporate Identification Number: L24110GJ1970PLC001735

₹ in Crores

		For the year ended March 31, 2024	For the year ended March 31, 2023
(A)	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit Before Tax after exceptional item	**558.26**	**609.84**
	Adjustments for :		
1.	Depreciation and Amortisation Expense	86.79	76.16
2.	Loss/(Gain) on Sale of Property, Plant and Equipment	0.06	1.05
3.	Gain on disposal/modification of RTU assets	(1.55)	-
4.	Provision/(Reversal) for Doubtful Debts	(8.58)	2.53
5.	Provision/(Reversal) for Inventory Obsolescence	(0.07)	(4.33)
6.	Gain on Redemption of Current Investment including gain on fair valuation	(23.36)	(21.85)
7.	Finance Costs	2.09	1.57
8.	Interest Income	(8.63)	(0.55)
9.	Dividend Income	(75.60)	(61.60)
10.	Bad Debts (net of recovery)	1.69	-
11.	Unrealised Foreign Exchange Loss/(Gain) (net)	1.67	1.11
	Operating Profit Before Change in Operating Assets and Liabilities	**532.77**	**603.93**
	Movements in Working Capital :		
1.	(Increase)/Decrease in Inventories	67.13	(104.77)
2.	(Increase)/Decrease in Trade Receivables	(10.52)	(49.73)
3.	(Increase)/Decrease in Other Assets	(14.63)	(37.44)
4.	Increase/(Decrease) in Trade Payables	(37.03)	29.56
5.	Increase/(Decrease) in Other Liabilities	3.22	7.19
	Cash Generated from Operations	**540.94**	**448.74**
	Less: Income Tax paid (net of refund)	122.51	138.73
	Net Cash Inflow from Operating Activities (A)	**418.43**	**310.01**
(B)	**CASH FLOW FROM INVESTING ACTIVITIES**		
1.	Purchase of Property, Plant and Equipment, including Capital Work-in-Progress, Capital Advances & Payable for Capital Expenditure	(208.12)	(124.56)
2.	Purchase of Intangible assets	(1.32)	(1.15)
3.	Proceeds from Sale of Property, Plant and Equipment	3.20	0.86
4.	Investment in Subsidiaries	(166.74)	(215.50)
5.	Loan given to Subsidiaries	(328.00)	-
6.	Repayment of Loan by Subsidiaries	158.02	
7.	Net Proceeds/(Purchase) from Redemption of Current Investments	302.10	89.75
8.	Interest received	9.10	0.53
9.	Dividend received	75.60	61.60
	Net Cash Outflow from Investing Activities (B)	**(156.16)**	**(188.47)**

Standalone Cash Flow Statement (Contd.)

₹ in Crores

		For the year ended March 31, 2024	For the year ended March 31, 2023
(C)	**CASH FLOW FROM FINANCING ACTIVITIES**		
1.	Net (Proceeds)/Borrowings from Current Borrowings	-	(13.99)
2.	Interest paid	(0.84)	(0.32)
3.	Dividend paid on Equity Shares	(102.29)	(95.48)
4.	Margin Money Deposit (Net)	(0.01)	(0.01)
5.	Principal repayment of Lease Liability	(1.11)	(1.78)
6.	Interest paid on lease	(1.25)	(1.25)
	Net Cash Outflow from Financing Activities (C)	**(105.50)**	**(112.83)**
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	**156.76**	**8.71**
	Cash and Cash Equivalents at the Beginning of the Financial Year	16.15	7.44
	Cash and Cash Equivalents at the end of the Financial Year	**172.91**	**16.15**
	Reconciliation of Cash and Cash Equivalents		
	Balances with Banks:		
	In Current Accounts	0.00	0.01
	In Cash Credit Accounts	19.83	16.10
	Deposits with banks with maturity less than 3 months	153.00	-
	Cash on Hand	0.08	0.04
	Total Cash and Cash Equivalents as per note 12.	**172.91**	**16.15**

Notes:

1. The Standalone Cash Flow Statement has been prepared under the 'Indirect Method' set out in Ind AS 7 'Cash Flow Statement'.
2. Disclosure with regards to changes in liabilities arising from Financing activities as set out in Ind AS 7 'Cash Flow Statement' is presented under note 38.7.

The accompanying notes form an integral part of the Standalone Financial Statements.

As per our report of even date

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

Kartikeya Raval
Partner

Vadodara: May 20, 2024

For and on behalf of the Board

DEEPAK C. MEHTA
Chairman & Managing Director
DIN: 00028377

MAULIK MEHTA
Executive Director & CEO
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SOMSEKHAR NANDA
Chief Financial Officer
ICAI Membership .no - 49831

ARVIND BAJPAI
Company Secretary
Membership No.: F6713

Vadodara: May 20, 2024

Standalone Statement of Changes in Equity

for the Year ended March 31, 2024

Corporate Identification Number: L24110GJ1970PLC001735

(A) EQUITY SHARE CAPITAL (REFER NOTE 16)

₹ in Crores

	Amount
As at April 01, 2022	**27.28**
Changes in Equity Share Capital during the year	-
As at March 31, 2023	**27.28**
Changes in Equity Share Capital during the year	-
As at March 31, 2024	**27.28**

(B) OTHER EQUITY (REFER NOTE 17)

₹ in Crores

	Reserves and Surplus					Other Comprehensive Income	Total
	Retained Earnings	Capital Reserve	General Reserve	Capital Redemption Reserve	Securities Premium	Equity instruments through other comprehensive income	
Balance as at April 01, 2022	**1,694.52**	**0.71**	**98.90**	**0.15**	**434.17**	**0.27**	**2,228.72**
Profit for the year	469.39	-	-	-	-	-	469.39
Other Comprehensive income (net of taxes)	(5.02)	-	-	-	-	0.17	(4.85)
Dividend	(95.48)	-	-	-	-	-	(95.48)
Balance as at March 31, 2023	**2,063.41**	**0.71**	**98.90**	**0.15**	**434.17**	**0.44**	**2,597.78**
Profit for the year	433.43	-	-	-	-	-	433.43
Other Comprehensive income (net of taxes)	(1.78)	-	-	-	-	0.12	(1.66)
Dividend	(102.29)	-	-	-	-	-	(102.29)
Balance as at March 31, 2024	**2,392.77**	**0.71**	**98.90**	**0.15**	**434.17**	**0.56**	**2,927.26**

The accompanying notes form an integral part of the Standalone Financial Statements.

As per our report of even date

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

Kartikeya Raval
Partner

Vadodara: May 20, 2024

For and on behalf of the Board

DEEPAK C. MEHTA
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Chief Financial Officer
ICAI Membership .no - 49831

ARVIND BAJPAI
Company Secretary
Membership No.: F6713

Vadodara: May 20, 2024

Notes

forming part of the Standalone Financial Statements as at and for the year ended March 31, 2024

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 2nd Floor, Fermenter House, Alembic City, Alembic Avenue Road, Vadodara – 390 003, Gujarat, India and its manufacturing facilities are located in the states of Gujarat, Maharashtra and Telangana.

The Company manufactures Advanced Intermediates.

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended March 31, 2023, except for amendments to the existing Indian Accounting Standards (Ind AS). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. The Company applies, for the accounting periods beginning on or after April 1, 2023, that do not have material impact on the financial statements of the Company.

Ind AS 1 - Presentation of Financial Statements:

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the Standalone Financial Statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors:

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2023. The Company has evaluated the amendment and there is no material impact on its Standalone Financial Statements.

Ind AS 12 - Income taxes:

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2023. The Company has evaluated the amendment and there is no material impact on its Standalone Financial Statements.

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

1. Material Accounting Policies

This Note provides a list of the material Accounting Policies adopted by the Company in the preparation of these Standalone Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

(i) Compliance with Ind AS

The Standalone Financial Statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The Standalone Financial Statements have been prepared on a historical cost basis except for the following assets and liabilities which have been measured at fair value or revalued amount:

(a) Certain financial assets and financial liabilities measured at fair value

(b) Derivative Financial instruments

(c) Defined benefit plan – plan assets measured at fair value

Notes

forming part of the Standalone Financial Statements as at and for the year ended March 31, 2024

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if the market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value measurement and/or disclosure purposes in the standalone financial statements is determined on such a basis except for leasing transactions that are within the scope of Ind AS 116 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

(ii) Functional and Presentation Currency

Items included in the Standalone Financial Statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('functional currency'). The Standalone Financial Statements of the Company are presented in Indian currency (₹), which is also the functional and presentation currency of the Company.

(iii) Use of estimates

Preparation of the Standalone Financial Statements requires use of accounting estimates which, by definition, will be equal to the actual results. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Useful lives and residual value of property, plant and equipment: The Company reviews the useful life and residual value of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods. (Refer Note 2)

Allowance for expected credit losses: The expected credit allowance is based on the ageing of the days receivables which are past due and the rates derived based on past history of defaults in the provision matrix. (Refer Note 38.5)

Fair value of investments: The Company has invested in the equity instruments of various companies. However, the percentage of shareholding of the Company in such investee companies is very low and hence, it has not been provided with future projections including projected statement of profit and loss by those investee companies. Hence, the valuation exercise carried out by the Company with the help of an independent valuer has estimated fair value at each reporting period based on available historical annual reports and other information in the public domain. (Refer Note 38.1)

Notes

forming part of the Standalone Financial Statements as at and for the year ended March 31, 2024

Income taxes : Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. (Refer Note 35)

(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, trade discounts and rebates – if the following conditions are met:

- The control of the goods have been transferred to the buyer.
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits associated with the transaction will flow to the Company.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from Services is recognised in the accounting period in which the services are rendered.

Notes

forming part of the Standalone Financial Statements as at and for the year ended March 31, 2024

Interest Income:

Interest income from Financial Assets is recognised when it is probable that the economic benefits will flow to the company and the amount of income is measured reliably. Interest income is accrued on time basis, by reference to the principle outstanding and using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Eligible export incentives are recognised in the year in which the conditions precedent is met and there is no significant uncertainty about the collectability.

Revenue in respect of other income is recognised to the extent that the Company is reasonably certain of its ultimate realisation.

(d) Leasing

As a Lessee

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The ROU are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the incremental borrowing rates.

As a Lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

(e) Foreign Currency Transactions

In preparing the standalone financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in Standalone Statement of Profit and Loss in the period in which they arise.

Notes

forming part of the Standalone Financial Statements as at and for the year ended March 31, 2024

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Standalone Statement of Profit and Loss, within finance costs.

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and option contracts.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Standalone Statement of Profit and Loss immediately.

(f) Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are recognised in the Standalone Statement of Profit and Loss in the period in which they are incurred.

(g) Government Grants

(i) Grants from the Government are not recognised until there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

(ii) Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited in the Standalone Statement of Profit and Loss in proportion to fulfilment of associated export obligations and presented within other income.

(iii) Government grants relating to income are recognised in the Standalone Statement of Profit and Loss on a Systematic basis over the period necessary to match them with the costs that they are intended to compensate or when the performance obligations are met.

(h) Employee Benefits

(i) Retirement Benefit Costs and Termination Benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit plans in respect of an approved gratuity plan, the cost of providing benefits is determined using projected unit credit method, with actuarial valuations being carried out at the end of each reporting period.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income is reflected in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to Standalone Statement of Profit and Loss.

Past service cost is recognised in Standalone Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and curtailments and settlements);
- net interest expense or income; and
- remeasurement

Notes

forming part of the Standalone Financial Statements as at and for the year ended March 31, 2024

The first two components of defined benefit costs are recognised in the Standalone Statement of Profit and Loss in the line item 'Employee benefits expense'. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

(ii) Short-Term and Other Long-Term Employee Benefits

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the Present value of the estimated future cash outflows expected to be made in respect of services provided by employees up to the reporting date.

(iii) Compensated Absence and Earned Leaves

The Company's current policy permits eligible employees to accumulate compensated absences up to a prescribed limit and receive cash in lieu thereof in accordance with the terms of the policy. The Company measures the expected cost of accumulating compensated absences as the additional amount that the Company expects to pay as a result of unused entitlement that has accumulated as at the reporting date. The expected cost of these benefits is calculated using the projected unit credit method by qualified actuary every year. Actuarial gains and losses arising from experience adjustment and changes in actuarial assumptions are recognised in the Standalone Statement of Profit and Loss in the period in which they arise.

(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 Standalone Statement of Profit and Loss, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity. In this case, the tax is also recognised in Other Comprehensive Income or directly in equity, respectively.

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profits.

However, deferred tax liabilities are not recognised if they arise from the initial recognition of Goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit /(tax loss).

Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the Balance Sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Notes

forming part of the Standalone Financial Statements as at and for the year ended March 31, 2024

(j) Property, Plant and Equipment

Property, plant and equipment held for use in the production or supply of goods or services are stated at cost less accumulated depreciation and accumulated impairment losses if any.

Subsequent costs are included in the carrying amount of asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the Standalone Statement of Profit and Loss during the period in which they are incurred.

Spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment if they are held for use in the production or supply of goods or services and are expected to be used during more than one period.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as 'Capital Work-in-Progress'.

Depreciation Methods, Estimated Useful Lives and Residual Value:

Depreciation on all tangible assets is provided at the rates and in the manner prescribed by Schedule II to the Companies Act, 2013 and certain components of plant & equipment such as Reactors, Centrifuge, Cooling towers, Air Compressor etc. which are depreciated over its useful life as technically assessed by Independent/ Internal Technical Personnel after taking into consideration past experience of the company, chemical process & chemical industry norms.

Asset Category	Estimated Useful Life
Building	30 years
Plant & Equipment	3 to 40 years
Furniture & Fixture	10 years
Vehicle	8 years
Office Equipment	5 years
Road	5 years

Freehold land is stated at historical cost and is not depreciated.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Standalone Statement of Profit and Loss.

In respect of depreciable assets for which Impairment Loss is recognised, depreciation/amortisation is charged on the revised carrying amount over the remaining useful life of the assets computed on the basis of the life prescribed in schedule II to the Companies Act, 2013.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

Assets held for disposal are classified as Current Assets at lower of its carrying amount and fair value less costs to sell, difference being recognised in the Standalone Statement of Profit and Loss.

(k) Intangible Assets

Intangible assets are stated at their original cost of acquisition, less accumulated amortisation and impairment losses, if any. An Intangible Asset is recognised, where it is probable that the future economic benefits attributable to the Asset will flow to the enterprise and where its cost can be reliably measured.

Notes

forming part of the Standalone Financial Statements as at and for the year ended March 31, 2024

The cost of intangible assets is amortised over the estimated useful life, in any case, not exceeding ten years, on a straight-line basis. A detail of estimated useful life is given below:

Asset Category	Estimated Useful Life
Computer Software and related implementation costs	6 years
Rights to use facilities	5 years
Technical Know How	10 years

(l) Impairment of Tangible and Intangible Assets

The carrying amount of cash generating units/assets is reviewed at the Balance Sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount is estimated as the fair value less cost of disposal or value in use, whichever is higher. While assessing value in use, the estimated future cash flows are discounted to the present value by using pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset. Impairment loss, if any, is recognised whenever carrying amount exceeds the recoverable amount. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

(m) Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, demand deposits with bank and other short-term deposits (3 months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

(n) Inventories

Raw materials and components, stores and spares are valued at cost determined on period-moving weighted average basis and are net of Cenvat, VAT & GST. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to the present location and condition. Due allowances are made for slow moving and obsolete inventories based on estimates made by the Company. Items such as spare parts, stand-by equipment and servicing equipment which is not plant and equipment gets classified as inventory.

Finished Goods and Work-in-progress are valued at cost of purchase of raw materials and conversion thereof, including the cost incurred in the normal course of business in bringing the inventories up to the present condition or at the net realisable value, whichever is lower. The inventories of joint products are valued by allocating the costs to the joint products by 'Relative Sales Value' method. By-products are valued at net realisable value.

(o) Financial Instruments

Financial Assets and Financial Liabilities are recognised when the company becomes a party to the contractual provisions of the instruments.

Financial Assets and Financial Liabilities are initially measured at Fair Value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Standalone Statement of Profit and Loss.

Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Notes

forming part of the Standalone Financial Statements as at and for the year ended March 31, 2024

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 Standalone Statement of Profit and Loss and is included in the 'Other Income' line item.

(iii) Investments in Equity Instruments

On initial recognition, the company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'.

The cumulative gain or loss is not reclassified to Profit or Loss on disposal of the investments.

Investments in subsidiary companies are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiary companies the difference between net disposal proceeds and the carrying amounts are recognised in the Standalone Statement of Profit and Loss.

Dividends on these investments in equity instruments are recognised in Standalone Statement of Profit and Loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent recovery of a part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in Standalone Statement of Profit and Loss are included in the 'Other income' line item.

Notes

forming part of the Standalone Financial Statements as at and for the year ended March 31, 2024

(iv) Financial Assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in Standalone Statement of Profit and Loss. The net gain or loss recognised in Standalone Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset and is included in the Other income or Other Expenses line item. Dividend on financial assets at FVTPL is recognised when the company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

(v) Impairment of Financial Assets

The Company recognises a loss allowance for Expected Credit Losses (ECL) on investments in debt instruments that are measured at amortised cost or at FVTOCI, trade receivables and contract assets, financial guarantee contracts and certain other financial assets measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

(vi) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in Standalone Statement of Profit and Loss if such gain or loss would have otherwise been recognised in Standalone Statement of Profit and Loss on disposal of that financial asset.

Notes

forming part of the Standalone Financial Statements as at and for the year ended March 31, 2024

On derecognition of a financial asset other than in its entirety, the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in Standalone Statement of Profit and Loss if such gain or loss would have otherwise been recognised in Standalone Statement of Profit and Loss on disposal of that financial asset.

A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part it continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

(vii) Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in Standalone Statement of Profit and Loss.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange difference on amortised cost are recognised in Standalone Statement of Profit and Loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

(p) Financial Liabilities and equity instruments

(i) Classification as Debt and Equity

Debt and Equity instruments issued by the company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(ii) Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Standalone Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

(iii) Financial Liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

a) Financial Liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or it is designated as at FVTPL.

Notes

forming part of the Standalone Financial Statements as at and for the year ended March 31, 2024

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 Standalone Statement of Profit and Loss. The net gain or loss recognised in Standalone Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the 'Other income' or 'Other Expenses' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in Standalone Statement of Profit and Loss, in which case these effects of changes in credit risk are recognised in Standalone Statement of Profit and Loss. The remaining amount of change in the fair value of liability is always recognised in Standalone Statement of Profit and Loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to Standalone Statement of Profit and Loss.

b) Financial Liabilities subsequently measured at Amortised Cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amount of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of cost of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

c) Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income' or 'Other expenses'.

Notes

forming part of the Standalone Financial Statements as at and for the year ended March 31, 2024

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses.

d) Derecognition of financial liabilities

The Company derecognises financial liabilities when and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability and the consideration paid and payable is recognised in Standalone Statement of Profit and Loss.

(q) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(r) Provisions, Contingent Assets and Contingent Liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These are reviewed at each year end and reflect the best current estimate. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of best estimate of the Management of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets are not recognised but disclosed in the standalone financial statements when an inflow of economic benefits is probable.

(s) Research and Development Expenditure

Research and Development expenditure is charged to revenue under the natural heads of account in the year in which it is incurred. Research and Development expenditure on property, plant and equipment is treated in the same way as expenditure on other property, plant and equipment.

(t) Earnings Per Share

Basic Earnings per share (EPS) is calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of Equity shares outstanding during the period. Diluted Earnings per Equity Share are computed by dividing net income by the weighted average number of Equity Shares adjusted for the effects of all dilutive potential Equity Shares. Earnings considered in ascertaining the EPS is the net profit for the period after attributable tax thereto for the period.

(u) Segment Reporting - Basis of Information

In accordance with Ind AS 108 -Operating Segments, the Company has disclosed the segment information at consolidated level and accordingly no separate disclosure on segment information is given at standalone financial results level.

Notes

forming part of the Standalone Financial Statements as at and for the year ended March 31, 2024

2. PROPERTY, PLANT AND EQUIPMENT

₹ in Crores

	Freehold Land	Leasehold Land	Building	Plant and Equipment	Furniture and Fixture	Vehicle	Office Equipment	Road	Total	Capital Work-in-Progress
Gross Carrying Amount as at April 01, 2022	**24.10**	**36.13**	**129.90**	**767.79**	**8.42**	**11.86**	**4.19**	**3.57**	**985.96**	**83.33**
Additions during the year 2022-23	-	-	22.04	108.32	0.90	3.13	0.49	0.22	135.09	127.49
Deductions during the year 2022-23	-	-	(0.97)	(9.91)	(0.15)	(0.49)	(0.16)	-	(11.68)	(133.79)
Gross Carrying Amount as at March 31, 2023	**24.10**	**36.13**	**150.96**	**866.20**	**9.17**	**14.50**	**4.52**	**3.79**	**1,109.37**	**77.03**
Additions during the year 2023-24	-	18.41	45.93	126.10	5.61	3.87	1.69	0.03	201.64	221.55
Deductions during the year 2023-24	-	-	(5.87)	(7.16)	(3.23)	(4.83)	(0.52)	-	(21.61)	(172.97)
Gross Carrying Amount as at March 31, 2024	**24.10**	**54.54**	**191.03**	**985.14**	**11.55**	**13.54**	**5.69**	**3.82**	**1,289.41**	**125.61**
Depreciation | Amortisation as at April 01, 2022	**-**	**1.69**	**34.56**	**261.40**	**4.78**	**5.33**	**3.25**	**3.01**	**314.03**	**-**
Depreciation for the year 2022-23	-	0.50	7.01	64.88	0.88	1.58	0.42	0.08	75.37	-
Depreciation on disposal during the year 2022-23	-	-	(0.39)	(5.25)	(0.08)	(0.26)	(0.14)	-	(6.12)	-
Depreciation | Amortisation as at March 31, 2023	**-**	**2.19**	**41.18**	**321.04**	**5.58**	**6.66**	**3.53**	**3.09**	**383.27**	**-**
Depreciation for the year 2023-24	-	0.74	8.70	73.28	1.14	1.45	0.49	0.09	85.89	-
Depreciation on disposal during the year 2023-24	-	-	(2.64)	(4.27)	(2.19)	(2.79)	(0.49)	-	(12.38)	-
Depreciation | Amortisation as at March 31, 2024	**-**	**2.93**	**47.24**	**390.05**	**4.53**	**5.32**	**3.53**	**3.18**	**456.78**	**-**
Net Carrying Amount as at March 31, 2023	**24.10**	**33.94**	**109.78**	**545.17**	**3.59**	**7.84**	**0.99**	**0.69**	**726.10**	**77.03**
Net Carrying Amount as at March 31, 2024	**24.10**	**51.61**	**143.79**	**595.09**	**7.02**	**8.23**	**2.16**	**0.63**	**832.63**	**125.61**

Notes:

1 Capital work-in-progress mainly comprises addition/expansion projects in progress.

The following table provides CWIP Ageing Schedule as at March 31, 2024

₹ in Crores

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	120.72	3.60	0.45	0.84	125.61

The following table provides CWIP Ageing Schedule as at March 31, 2023

₹ in Crores

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	63.21	5.95	7.87	-	77.03

Notes

forming part of the Standalone Financial Statements as at and for the year ended March 31, 2024

2 Right -to-use assets included in Property, Plant and Equipment & Intangible Assets

₹ in Crores

	Building	Plant and Equipment	Furniture	Vehicle	Total
Gross Carrying Amount as at April 01, 2022	**8.73**	**1.39**	**1.75**	**4.53**	**16.40**
Additions during the year 2022-23	2.45	-	-	-	2.45
Deductions during the year 2022-23	-	-	-	-	-
Gross Carrying Amount as at March 31, 2023	**11.18**	**1.39**	**1.75**	**4.53**	**18.85**
Additions during the year 2023-24	25.53	-	4.46	-	29.99
Deductions during the year 2023-24	(5.52)	(1.39)	(1.75)	(4.53)	(13.19)
Gross Carrying Amount as at March 31, 2024	**31.20**	**-**	**4.46**	**-**	**35.66**
Depreciation | Amortisation as at April 01, 2022	**4.59**	**1.01**	**0.48**	**1.65**	**7.73**
Depreciation for the year 2022-23	0.85	0.38	0.20	0.72	2.15
Depreciation on disposal during the year 2022-23	-	-	-	-	-
Depreciation | Amortisation as at March 31, 2023	**5.44**	**1.39**	**0.68**	**2.37**	**9.88**
Depreciation for the year 2023-24	1.09	-	0.49	0.18	1.76
Depreciation on disposal during the year 2023-24	(2.46)	(1.39)	(0.80)	(2.55)	(7.20)
Depreciation | Amortisation as at March 31, 2024	**4.07**	**-**	**0.37**	**-**	**4.44**
Net Carrying Amount as at March 31, 2023	**5.74**	**0.00**	**1.07**	**2.16**	**8.97**
Net Carrying Amount as at March 31, 2024	**27.13**	**-**	**4.09**	**-**	**31.22**

3 Research & Development Assets included in Property, Plant and Equipment & Intangible Assets

₹ in Crores

	Owned assets							
	Land	Building	Plant and Equipment	Furniture and Fixture	Vehicle	Office Equipment	Computer Software	Total
Gross Carrying Amount as at April 01, 2022	**-**	**0.92**	**24.42**	**1.81**	**0.08**	**0.29**	**0.38**	**27.90**
Gross Carrying Amount for reclassified asset	-	-	0.02	-	-	-	-	0.02
Additions during the year 2022-23	-	-	3.76	0.12	0.14	0.05	-	4.07
Additions during the year 2022-23 for reclassified asset*	11.12	-	-	-	-	-	-	11.12
Deductions during the year 2022-23	-	-	(0.00)	-	(0.14)	(0.01)	-	(0.15)
Gross Carrying Amount as at March 31, 2023	**11.12**	**0.92**	**28.20**	**1.93**	**0.08**	**0.33**	**0.38**	**42.95**
Additions during the year 2023-24	-	0.31	8.50	0.23	-	0.09	-	9.13
Deductions during the year 2023-24	-	-	(0.05)	-	-	-	-	(0.05)
Gross Carrying Amount as at March 31, 2024	**11.12**	**1.23**	**36.65**	**2.15**	**0.08**	**0.42**	**0.38**	**52.03**
Depreciation | Amortisation as at April 01, 2022	**-**	**0.25**	**6.60**	**0.75**	**0.01**	**0.21**	**0.18**	**8.00**
Depreciation | Amortisation for reclassified asset	-	-	0.01	-	-	-	-	0.01
Depreciation for the year 2022-23	-	0.05	2.29	0.17	0.02	0.03	0.06	2.62
Depreciation for the year 2022-23 for reclassified asset	-	0.09	-	-	-	-	-	0.09
Depreciation on disposal during the year 2022-23	-	-	(0.00)	-	(0.01)	(0.00)	-	(0.02)
Depreciation | Amortisation as at March 31, 2023	**-**	**0.38**	**8.90**	**0.92**	**0.02**	**0.23**	**0.24**	**10.69**
Depreciation for the year 2023-24	-	0.05	2.70	0.18	0.01	0.03	0.06	3.03
Depreciation on disposal during the year 2023-24	-	-	(0.27)	-	-	(0.00)	-	(0.28)
Depreciation | Amortisation as at March 31, 2024	**-**	**0.43**	**11.33**	**1.10**	**0.03**	**0.26**	**0.30**	**13.45**
Net Carrying Amount as at March 31, 2023	**11.12**	**0.54**	**19.30**	**1.01**	**0.06**	**0.09**	**0.15**	**32.26**
Net Carrying Amount as at March 31, 2024	**11.12**	**0.80**	**25.32**	**1.05**	**0.05**	**0.15**	**0.09**	**38.58**

* The reclassified assets as shown in the above table relates to a parcel of leasehold land upon which the company is undertaking construction of state-of-the-art Research & Development Centre in Savli, Vadodara.

4 The Company has availed deemed cost approach in relation to the Property, Plant and Equipment & Intangible Assets on the date of transition to IND-AS i.e. 1 April 2016, hence the net block carrying amount has been considered as the gross block carrying amount on that date. Additions to the Plant and Equipment & Intangible Assets after the said date have been recorded on historical cost basis.

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5 Working Capital borrowings are secured by way of first Hypothecation charge over Company's Raw Materials, Semi-Finished and Finished Goods, Consumable Stores and Book Debts and second charge on all Property, Plant and Equipment by way of hypothecation and mortgage. The assets stated herein are disclosed under note 2, 9 and 11.

6 Building includes ₹ 10.80 Crores (₹ 10.80 Crores at March 31, 2023) in respect of ownership of premises in a co-operative housing society by way of 10 Shares.

7 There are no projects which are temporary suspended.

3. INTANGIBLE ASSETS

₹ in Crores

	Computer Software	Others	Total
Gross Carrying Amount as at April 01, 2022	**6.46**	**3.47**	**9.93**
Additions during the year 2022-23	1.15	-	1.15
Deductions during the year 2022-23	(0.04)	-	(0.04)
Gross Carrying Amount as at March 31, 2023	**7.57**	**3.47**	**11.04**
Additions during the year 2023-24	1.32	-	1.32
Deductions during the year 2023-24	(0.13)	-	(0.13)
Gross Carrying Amount as at March 31, 2024	**8.76**	**3.47**	**12.23**
Depreciation | Amortisation as at April 01, 2022	**5.43**	**2.63**	**8.06**
Depreciation for the year 2022-23	0.61	0.18	0.79
Depreciation on disposal during the year 2022-23	(0.04)	-	(0.04)
Depreciation | Amortisation as at March 31, 2023	**6.00**	**2.81**	**8.81**
Depreciation for the year 2023-24	0.62	0.27	0.89
Depreciation on disposal during the year 2023-24	(0.13)	-	(0.13)
Depreciation | Amortisation as at March 31, 2024	**6.49**	**3.08**	**9.57**
Net Carrying Amount as at March 31, 2023	**1.57**	**0.66**	**2.23**
Net Carrying Amount as at March 31, 2024	**2.27**	**0.39**	**2.66**

4. NON-CURRENT INVESTMENTS

₹ in Crores

		As at March 31, 2024	As at March 31, 2023
(a)	Investments in Equity Instruments of subsidiary companies measured at cost	812.22	289.98
(b)	Investments in Non- Cumulative Optionally Convertible Redeemable Preference Shares of subsidiary companies measured at cost	40.00	-
(c)	Investment in Compulsorily Convertible Debentures of subsidiary companies measured at cost	-	395.50
Sub-Total		**852.22**	**685.48**
(a)	Investments in Equity Instruments of other companies measured at Fair Value Through Profit or Loss (FVTPL)	0.14	0.09
(b)	Investments in Equity Instruments of other companies measured at Fair Value Through Other Comprehensive Income (FVTOCI)	2.55	2.39
(c)	Investments in Government or Trust Securities measured at amortised cost (Refer Note (d) below)	0.00	0.00
Sub-Total		**2.69**	**2.48**
Total		**854.91**	**687.96**

Notes

forming part of the Standalone Financial Statements as at and for the year ended March 31, 2024

₹ in Crores

		Face Value	As at Mar 31, 2024		As at Mar 31, 2023	
			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/-	280,000,000	280.00	280,000,000	280.00
	Deepak Chem Tech Limited (Refer note 1 below)	₹ 10/-	499,500,000	499.50	9,500,000	9.50
	Deepak PMC Ltd (Refer note 2 below)	₹ 10/-	5,000,000	5.00	-	-
	In Foreign subsidiary company measured at cost					
	Deepak Nitrite Corporation, Inc.	US $ 10/-	7,500	0.48	7,500	0.48
	Deepak Oman Industries LLC (SFZ) (Refer note 3 below)	OMR 1/- (Omani Rial)	1,265,824	27.24	-	-
	(ii) Other Companies measured at FVTPL					
	Quoted					
	IDBI Bank	₹ 10/-	6,240	0.05	6,240	0.03
	Bank of Baroda	₹ 2/-	3,234	0.09	3,234	0.05
	Unquoted					
	Nandesari Environment Control Limited (represents ₹ 8,000)	₹ 10/-	800	0.00	800	0.00
	Baroda Co-operative Bank Ltd. (represents ₹ 500)	₹ 50/-	10	0.00	10	0.00
	Shamrao Vitthal Co-op Bank Ltd.	₹ 25/-	2,000	0.01	2,000	0.01
	New India Co-op Bank Ltd. (represents ₹ 7,980)	₹ 10/-	798	0.00	798	0.00
	(iii) Other Companies measured at FVOCI					
	Unquoted					
	Jedimetla Effluent Treatment Ltd.	₹ 100/-	52,342	0.80	52,342	0.68
	Deepak International Limited	GBP 1/-	73,706	0.77	73,706	0.75
	Deepak Gulf LLC	Omani Riyal 1/-	45,000	0.97	45,000	0.96
(b)	**Investment in Preference Shares(fully paid-up)**					
	Subsidiary Company measured at cost					
	Unquoted					
	Deepak Chem Tech Limited					
	9% Non- Cumulative Optionally Convertible Redeemable Preference Shares	₹ 100/-	4,000,000	40.00	-	-
(c)	**Investment in Compulsorily Convertible Debentures of subsidiary measured at cost**					
	Unquoted					
	Deepak Chem Tech Limited					
	0.01% Compulsorily Convertible Debentures (Refer note 1 below)	₹ 100/-	-	-	39,550,000	395.50
(d)	**Investments in Government or Trust Securities measured at amortised cost**					
	Unquoted					
	National Savings Certificate (represents ₹ 1,000)			0.00		0.00
Total			**789,957,454**	**854.91**	**329,241,630**	**687.96**

Note:

1. During the year, the company has subscribed to "0.01% Compulsory Convertible Debentures" amounting to ₹ 94.50 crores of Deepak Chem Tech Limited (Wholly Owned Subsidiary of the Company), post which whole "0.01% Compulsory Convertible Debentures" of ₹ 490 crores converted into fully paid equity shares in ratio of 1:1.

2. Deepak PMC Limited ("DPMC"), a wholly owned subsidiary of the Company, has been incorporated on December 02, 2023.

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3. On August 11, 2023, Deepak Nitrite Limited acquired 31.72% equity stake in Deepak Oman Industries LLC (SFZ) (DOIL) by subscribing to 7,70,000 equity shares of OMR 1 each for the consideration of ₹ 16.55 Crores. Further, on March 20, 2024, Deepak Nitrite Limited acquired, through acquisition as well as by way of subscription, additional 19.28% equity stake in DOIL i.e. 4,95,824 equity shares of OMR 1 each for the consideration of ₹ 10.69 Crores. Cumulative holding as on March 31, 2024 is 51%.

   Thereby, DOIL has been treated as an Associate up to March 19, 2024 and Subsidiary thereafter during the period ended March 31, 2024.

4. During the year, the company has subscribed 40,00,000 "9% Non- Cumulative Optionally Convertible Redeemable Preference Shares" of ₹ 100 each amounting to ₹ 40 crores of Deepak Chem Tech Limited (Wholly Owned Subsidiary of the Company).

5.

₹ in Crores

		As at March 31, 2024	As at March 31, 2023
(a)	Aggregate amount of Unquoted Investments	854.77	687.88
(b)	Aggregate amount of Quoted Investments	0.14	0.08

5. LOANS

₹ in Crores

	As at March 31, 2024	As at March 31, 2023
Non-current		
Loans to Employees		
Unsecured, considered good	1.54	0.70
Total-Non-Current	**1.54**	**0.70**
Current		
Loans to Employees		
Unsecured, considered good	0.80	0.43
Loan to Subsidiary (Refer note 33)	169.98	-
Total Current	**170.78**	**0.43**

6. OTHER NON-CURRENT FINANCIAL ASSETS

₹ in Crores

	As at March 31, 2024	As at March 31, 2023
Security Deposits		
Unsecured, considered good	3.72	5.69
Total	**3.72**	**5.69**

7. NON CURRENT TAX ASSETS

₹ in Crores

	As at March 31, 2024	As at March 31, 2023
Non Current Tax Assets		
Advance Income Tax (Net of provisions)	0.88	2.63
Total	**0.88**	**2.63**

Notes

forming part of the Standalone Financial Statements as at and for the year ended March 31, 2024

8. OTHER NON-CURRENT ASSETS

₹ in Crores

		As at March 31, 2024	As at March 31, 2023
(a)	Capital Advances	7.08	18.79
(b)	Prepaid Expenses	0.35	0.32
(c)	Advance against Salary	1.28	1.21
	Total	**8.71**	**20.32**

9. INVENTORIES [AT LOWER OF COST AND NET REALISABLE VALUE]

₹ in Crores

		As at March 31, 2024	As at March 31, 2023
(a)	Raw materials and components	80.44	130.29
	Goods-in-transit	47.04	40.38
		127.48	**170.67**
(b)	Stores and Spares	26.42	23.96
	Sub-Total	**153.90**	**194.63**
(c)	Work-in-progress	53.85	68.57
(d)	Finished goods	173.64	185.33
	Provision for obsolescence	(0.83)	(0.90)
	Sub-Total	**226.66**	**253.00**
Total		**380.57**	**447.63**

In previous year 2022-23 inventories amounting to ₹ 35.70 Crores has been charged to the Standalone Statement of Profit and Loss on account of damage due to occurrence of fire incident around the warehouse section of Company's one of the manufacturing sites located at Nandesari, Gujarat. (Refer Note 47)

Refer note 2 for hypothecation and mortgage created on assets of the company.

10. CURRENT INVESTMENTS

₹ in Crores

	As at March 31, 2024	As at March 31, 2023
Investments measured at FVTPL (Quoted)		
Investments in Mutual Funds	90.08	368.87
Total	**90.08**	**368.87**

11. TRADE RECEIVABLES

₹ in Crores

		As at March 31, 2024	As at March 31, 2023
Unsecured, Considered Good			
(i)	Trade Receivables - Others	615.94	605.33
(ii)	Related Parties (Refer Note 33.20)	4.74	6.68
Allowance for credit losses (Refer Note 38.5)		(6.42)	(14.99)
Total		**614.26**	**597.02**

The credit period on sales of goods varies with business segments/ markets and generally ranges between 30 to 180 days. For financial risk and ageing schedule related to Trade Receivables refer note 38.5 and 38.6.

There is no amount due from directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member should be separately stated.

Refer note 2 for hypothecation and mortgage created on assets of the company.

Notes

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12. CASH AND CASH EQUIVALENTS

₹ in Crores

		As at March 31, 2024	As at March 31, 2023
(a)	Cash on hand	0.08	0.04
(b)	Balances with banks		
	In Current accounts	0.00	0.01
	In Cash Credit Accounts	19.83	16.10
(c)	Deposits with banks with maturity less than 3 months	153.00	-
Total		**172.91**	**16.15**

13. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS ABOVE

₹ in Crores

		As at March 31, 2024	As at March 31, 2023
(a)	Earmarked Balances with Bank	1.67	1.60
(b)	Margin Money Deposits	0.20	0.19
Total		**1.87**	**1.79**

14. OTHER CURRENT FINANCIAL ASSETS

₹ in Crores

		As at March 31, 2024	As at March 31, 2023
Unsecured, considered good			
(a)	Interest Receivable	0.17	0.63
(b)	Insurance Claim Receivable (Refer Note 47)	54.90	35.97
(c)	Security Deposits	4.24	1.23
(d)	Earnest Money	0.18	0.20
(e)	Others	-	1.16
Total		**59.49**	**39.19**

15. OTHER CURRENT ASSETS

₹ in Crores

		As at March 31, 2024	As at March 31, 2023
Unsecured, considered good			
(a)	Balance with Government Authorities	29.14	38.24
(b)	Prepaid Expenses	2.92	3.22
(c)	Advances to Suppliers	17.94	14.16
(d)	Other Receivables	0.39	0.24
Total		**50.39**	**55.86**

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forming part of the Standalone Financial Statements as at and for the year ended March 31, 2024

16. EQUITY SHARE CAPITAL

₹ in Crores

	As at March 31, 2024	As at March 31, 2023
Authorised:		
15,00,00,000 Equity shares of ₹ 2 each	30.00	30.00
20,00,000 Preference shares of ₹ 100 each	20.00	20.00
Total	**50.00**	**50.00**
Issued, Subscribed and fully paid up:		
13,63,93,041 Equity shares of ₹ 2 each	27.28	27.28
Total	**27.28**	**27.28**

(a) Reconciliation of number of Equity Shares outstanding at the beginning and at the end of the year :

	As at March 31, 2024		As at March 31, 2023	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
Equity Shares				
Shares outstanding at the beginning of the year	1,36,393,041	27.28	1,36,393,041	27.28
Shares outstanding at the end of the year	**1,36,393,041**	**27.28**	**1,36,393,041**	**27.28**

(b) Shares: Terms/Rights

(i) The Company has Authorised capital of Equity and Preference shares.

(ii) Each holder of the Equity Share is entitled to one vote per Share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders at the ensuing Annual General Meeting.

(iii) In the event of liquidation of the Company, the holders of Equity Shares shall be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the Shareholders. No preferential amounts exist as on the Balance Sheet date.

(c) Details of shares held by each shareholder holding more than 5% Equity shares of ₹ 2 each fully paid in the Company :

Name of the Shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of shares	% holding	No. of shares	% holding
Shri Deepak Chimanlal Mehta	22,535,241	16.52	21,852,531	16.02
Stiffen Credits & Capital Pvt. Ltd.	8,437,840	6.19	8,437,840	6.19
Checkpoint Credits & Capital Pvt. Ltd.	7,206,050	5.28	7,206,050	5.28
Stepup Credits & Capital Pvt. Ltd.	6,915,580	5.07	6,915,580	5.07

(d) Details of shares held by Promoters

Promoter Name	As at March 31, 2024		As at March 31, 2023		% Change during the year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
Late. Shri Chimanlal K. Mehta	-	-	697,090	0.51	-0.51%
Shri Deepak Chimanlal Mehta	22,535,241	16.52	21,852,531	16.02	0.50%
Shri Maulik Mehta	131,300	0.10	131,300	0.10	0.00%

Notes

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17. OTHER EQUITY

₹ in Crores

		As at March 31, 2024	As at March 31, 2023
Reserves & Surplus			
(a)	Retained Earnings	2,392.77	2,063.41
(b)	General Reserve	98.90	98.90
(c)	Capital Reserve	0.71	0.71
(d)	Capital Redemption Reserve	0.15	0.15
(e)	Securities Premium	434.17	434.17
Reserves Representing Unrealised Gains/(Losses)			
(f)	Equity Instruments through Other Comprehensive Income	0.56	0.44
Total		**2,927.26**	**2,597.78**

₹ in Crores

		As at March 31, 2024	As at March 31, 2023
(a)	**Retained Earnings**		
	Balance at beginning of year	2,063.41	1,694.52
	Add: Profit for the year	433.43	469.39
	Add: Remeasurement of Defined Benefit Obligation (Net of tax)	(1.78)	(5.02)
	Less: Payment of Dividend on Equity Shares	102.29	95.48
	Balance at end of year	**2,392.77**	**2,063.41**
	Retained earnings represents the Company's undistributed earnings after taxes.		
(b)	**General Reserve**		
	Balance at beginning of year	98.90	98.90
	Add: Transferred from Retained Earnings	-	-
	Balance at end of year	**98.90**	**98.90**
	The general reserve is used for purposes as specified under the Companies Act, 2013. Items included in the general reserve will not be reclassified subsequently to the standalone statement of profit and loss as the general reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income.		
(c)	**Capital Reserve**		
	Balance at beginning of year	0.71	0.71
	Balance at end of year	**0.71**	**0.71**
(d)	**Capital Redemption Reserve**		
	Balance at beginning of year	0.15	0.15
	Balance at end of year	**0.15**	**0.15**
	Capital redemption reserve has been created pursuant to the requirements of the Act under which the Company is required to transfer certain amounts on redemption of the debentures. The Company has redeemed the underlying debentures in the earlier years. The capital redemption reserve can be utilised for issue of bonus shares.		
(e)	**Securities Premium**		
	Balance at beginning of year	434.17	434.17
	Balance at end of year	**434.17**	**434.17**
	Securities premium represents the amount received in excess of the face value of the equity shares. The utilisation of the securities premium is governed by the Section 52 of the Companies Act, 2013.		

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₹ in Crores

		As at March 31, 2024	As at March 31, 2023
(f)	**Reserve for equity instruments through other comprehensive income**		
	Balance at beginning of year	0.44	0.27
	Add: Gain / (Loss) on revaluation of Equity Instruments (Net of tax)	0.12	0.17
	Balance at end of year	**0.56**	**0.44**
	This reserve represents the cumulative gains and losses arising on the fair valuation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed off.		

18. PROVISIONS

₹ in Crores

	As at March 31, 2024	As at March 31, 2023
Non-current		
Provision for Employee Benefit Obligations		
Provision for Leave Benefits (Refer Note 36 (B))	29.02	26.37
Total-Non-Current	**29.02**	**26.37**
Current		
Provision for Employee Benefit Obligations		
Provision for Leave Benefits (Refer Note 36 (B))	7.91	6.60
Provision for Gratuity (Refer Note 36 (A)(iii))	8.73	7.21
Total-Current	**16.64**	**13.81**

19. DEFERRED TAX LIABILITY (NET)

₹ in Crores

		As at March 31, 2024	As at March 31, 2023
(a)	**Break up of deferred tax liability as at year end:**		
	Nature of temporary difference		
	Property, Plant and Equipment	62.97	61.96
	Insurance claim receivable on account of loss of inventory	-	8.10
	Unrealised Gain on Investments	0.02	2.28
	Total Deferred Tax Liability (a)	**62.99**	**72.34**
(b)	**Break up of deferred tax asset as at year end:**		
	Nature of temporary difference		
	Disallowances u/s 43B, Provisions and Others	14.06	16.02
	Total Deferred Tax Asset (b)	**14.06**	**16.02**
	Deferred Tax Liability (Net) (a-b)	**48.93**	**56.32**

Refer note 35C for movement in Deferred Tax Assets and Liabilities.

Notes

forming part of the Standalone Financial Statements as at and for the year ended March 31, 2024

20. TRADE PAYABLES

₹ in Crores

		As at March 31, 2024	As at March 31, 2023
(a)	To outstanding dues of Micro Enterprises and Small Enterprises (Refer Note 44)	24.85	14.26
(b)	To outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	226.38	273.88
Total		**251.23**	**288.14**

The average credit period on goods purchased or services received ranges between 30 days to 180 days. For ageing schedule related to Trade Payables refer note 38.5

21. OTHER CURRENT FINANCIAL LIABILITIES

₹ in Crores

		As at March 31, 2024	As at March 31, 2023
(a)	Security Deposits	5.81	6.86
(b)	Investor Education and Protection Fund will be credited by following amounts (as and when due)		
	Unpaid Dividend	1.67	1.60
(c)	Payable for capital expenditure	9.45	9.04
(d)	Others	0.77	-
Total		**17.70**	**17.50**

There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company except for in previous year amounts of ₹ 274000, ₹ 20390 & ₹ 380117 pertaining to unclaimed deposits of FY 2014-15 which were due to be transferred on April 11, 2022, April 17, 2022 & April 26, 2022 respectively and the same were transferred on May 03, 2022.

22. OTHER CURRENT LIABILITIES

₹ in Crores

		As at March 31, 2024	As at March 31, 2023
(a)	Advances received from Customers	7.57	7.25
(b)	Statutory Dues	5.96	4.47
Total		**13.53**	**11.72**

23. CURRENT TAX LIABILITIES

₹ in Crores

	As at March 31, 2024	As at March 31, 2023
Current Tax Liabilities		
Provision for Tax (Net of Advances)	7.39	-
Total	**7.39**	**-**

Notes

forming part of the Standalone Financial Statements as at and for the year ended March 31, 2024

24. REVENUE FROM OPERATIONS

₹ in Crores

		For the year ended March 31, 2024	For the year ended March 31, 2023
(a)	Sale of Products	2,690.60	3,002.14
(b)	Sale of Services	6.81	8.70
(c)	Other Operating Revenues		
	Export Incentives	19.09	15.39
	Scrap Sale	7.70	7.19
	Insurance Claims	0.16	0.13
Total		**2,724.35**	**3,033.55**

Reconciliation of sales of products

₹ in Crores

	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from contracts with customer	2,696.67	3,003.87
Adjustments made to contract price on account of Discounts and rebates	6.07	1.73
	2,690.60	**3,002.14**

Refer Note 11 - Trade Receivables to the Standalone Financial Statements for the amount of contract assets outstanding as at March 31, 2024 and refer to details of Advance received from Customers in Note 22 - Other Current Liabilities to the Standalone Financial Statements for the contract liabilities outstanding as at March 31, 2024.

25. OTHER INCOME

₹ in Crores

		For the year ended March 31, 2024	For the year ended March 31, 2023
(a)	Foreign Exchange Gain	-	6.91
(b)	Cash Discount	3.63	5.63
(c)	Gain on redemption of Investments	23.22	12.80
(d)	Fair Value Gains on Financial Assets	0.14	9.05
(e)	Interest Income	8.63	0.55
(f)	Dividend Income (Refer Note 33.13)	75.60	61.60
(g)	Rent	1.34	0.62
(h)	Gain on disposal of RTU assets	1.55	-
(i)	Writebacks and Other Recoveries	8.65	4.33
(j)	Other Non-Operating Revenue	0.92	0.09
Total		**123.70**	**101.58**

26. COST OF RAW MATERIAL AND COMPONENTS CONSUMED

₹ in Crores

		For the year ended March 31, 2024	For the year ended March 31, 2023
(a)	Cost of Raw Material and Components Consumed	1,429.98	1,687.52
(b)	Cost of Packing Material Consumed	46.15	37.64
Total		**1,476.13**	**1,725.16**

Notes

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27. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

₹ in Crores

	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventories at the beginning of the year		
Work-in-Progress	68.57	38.30
Finished Goods	185.33	175.19
	253.90	**213.49**
Less:		
Inventories at the end of the year		
Work-in-Progress	53.85	68.57
Finished Goods	173.64	185.33
	227.49	**253.90**
Less:		
Loss of inventory due to fire disclosed seperately under exceptional items (Refer Note 47)	-	15.07
Total	**26.41**	**(55.48)**

28. EMPLOYEE BENEFITS EXPENSE

₹ in Crores

		For the year ended March 31, 2024	For the year ended March 31, 2023
(a)	Salaries & Wages	220.59	199.55
(b)	Contribution to provident fund and other funds (Refer Note 36C)	14.52	13.23
(c)	Gratuity Expenses (Refer Note 36A(iv))	3.83	2.71
(d)	Staff Welfare Expenses	11.43	14.10
Total		**250.36**	**229.59**

29. POWER & FUEL EXPENSES

₹ in Crores

		For the year ended March 31, 2024	For the year ended March 31, 2023
(a)	Consumption of Power	95.86	83.45
(b)	Consumption of Fuel and other utilities	126.91	159.15
Total		**222.77**	**242.60**

30. FINANCE COSTS

₹ in Crores

		For the year ended March 31, 2024	For the year ended March 31, 2023
(a)	Interest on Borrowings	0.84	0.32
(b)	Interest cost on lease liabilities (Refer Note 41A)	1.25	1.25
Total		**2.09**	**1.57**

Notes

forming part of the Standalone Financial Statements as at and for the year ended March 31, 2024

31. DEPRECIATION AND AMORTISATION EXPENSES

₹ in Crores

		For the year ended March 31, 2024	For the year ended March 31, 2023
(a)	Depreciation on Property, Plant and Equipment	84.13	73.22
(b)	Depreciation on Right-of-use Assets	1.76	2.15
(c)	Amortisation of Intangible Assets	0.89	0.79
Total		**86.79**	**76.16**

32. OTHER EXPENSES

₹ in Crores

		For the year ended March 31, 2024	For the year ended March 31, 2023
(a)	Conversion Charges	13.84	8.44
(b)	Other Manufacturing Expenses	12.69	15.00
(c)	Rent	6.47	3.33
(d)	Repairs & Maintenance		
	Repairs to Building	1.06	2.22
	Repairs and Maintenance to Plant and Equipment	37.04	40.19
	Repairs and Maintenance to Others	1.42	1.25
(e)	Consumption of stores & spare parts	20.31	20.09
(f)	Insurance	22.62	10.15
(g)	Rates & Taxes	1.77	1.94
(h)	Bank Charges	2.26	0.98
(i)	Travelling & Conveyance	5.30	4.90
(j)	Freight & Forwarding Charges	101.79	118.04
(k)	Loss on Sale of Property, Plant and Equipment	0.06	1.05
(l)	Commission on sales	4.57	6.10
(m)	CSR Expenses (Refer Note 46)	12.45	12.64
(n)	Provision for Doubtful Debts (Gross)	-	2.63
	Less: Transfer from Provision for Doubtful Debts	-	0.10
	Provision/(Reversal) for Doubtful Debts (Net)	-	2.53
(o)	Bad Debts written off	1.69	-
(p)	Vehicle Expenses	4.56	3.66
(q)	Legal & Professional Expenses	11.10	17.82
(r)	General Expenses	40.69	32.24
(s)	Payment to Auditor	0.82	0.85
(t)	Director's Sitting Fees	0.34	0.32
(u)	Other Directors Commission	1.85	1.95
(v)	Foreign Exchange Loss	0.35	-
Total		**305.04**	**305.69**

Notes

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Note: Payment to Auditor

₹ in Crores

		For the year ended March 31, 2024	For the year ended March 31, 2023
(a)	As Auditor:		
	Audit fees	0.48	0.41
	Tax Audit fees	0.04	0.04
	Quarterly Limited Review	0.27	0.37
(b)	In Other Capacity:		
	Taxation Matters	0.02	0.02
	Other Services (Certification fees)	0.01	0.01
Total		**0.82**	**0.85**

33. RELATED PARTIES DISCLOSURES

A) Name of Related Party and nature of relationship

(i) Subsidiary Companies

Deepak Nitrite Corporation Inc., United States of America

Deepak Phenolics Limited

Deepak Chem Tech Limited

Deepak Oman Industries LLC (SFZ) (w.e.f March 20, 2024)

Deepak PMC Limited (w.e.f. December 02, 2023)

(ii) Key Management Personnel

Shri Deepak C. Mehta	Chairman & Managing Director
Shri Maulik Mehta	Executive Director & Chief Executive Officer
Shri Sanjay Upadhyay	Director (Finance) & Group CFO
Shri Girish Satarkar	Executive Director
Shri Somsekhar Nanda	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 * Mahadhan Agritech Limited * Pranawa Leafin Private Limited * Performance Chemiserve Limited * Skyrose Finvest Private Limited * Stepup Credits & Capital Private Limited * Stiffen Credits and Capital Private Limited * Stigma Credits & Capital Private Limited * Storewell Credits and Capital Private Limited * Sundown Finvest Private Limited

(iv) Others (common directors)

Arvind Envisol Limited

(v) Relative of Key Management Personnel

Late. Shri Chimanlal K. Mehta

Shri Meghav Mehta

Smt Ila D. Mehta

B) Transactions with the Related Parties

₹ in Crores

Sr. No.	Nature of Transaction	31st March, 2024					31st March, 2023				
		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	-	-	56.19	-	**56.19**	-	-	168.72	-	**168.72**
	Deepak Phenolics Limited	27.21	-	-	-	**27.21**	5.68	-	-	-	**5.68**
	Deepak Novochem Technologies Limited	-	-	0.05	-	**0.05**	-	-	-	-	**-**
	Deepak Chem Tech Limited	0.61	-	-	-	**0.61**	-	-	-	-	**-**
	Arvind Envisol Limited	-	-	1.36	-	**1.36**	-	-	-	-	**-**
	Performance Chemiserve Limited	-	-	21.75	-	**21.75**	-	-	-	-	**-**
	Mahadhan Agritech Limited	-	-	5.27	-	**5.27**	-	-	-	-	**-**
2	**Sale of Goods / Services**										
	Deepak Novochem Technologies Limited	-	-	21.87	-	**21.87**	-	-	12.97	-	**12.97**
	Deepak Phenolics Limited	-	-	-	-	**-**	0.70	-	-	-	**0.70**
	Deepak Chem Tech Limited	0.33	-	-	-	**0.33**	-	-	-	-	**-**
3	**Conversion Charges Received**										
	Deepak Novochem Technologies Limited	-	-	6.81	-	**6.81**	-	-	8.70	-	**8.70**
4	**Sharing of Utilities**										
	Deepak Phenolics Limited	18.24	-	-	-	**18.24**	25.54	-	-	-	**25.54**
5	**Rendering of Services / Reimbursement of Expenses**										
	Deepak Novochem Technologies Limited	-	-	0.05	-	**0.05**	-	-	0.04	-	**0.04**
	Deepak Phenolics Limited	8.69	-	-	-	**8.69**	8.33	-	-	-	**8.33**
	Deepak Chem Tech Limited	15.15	-	-	-	**15.15**	9.20	-	-	-	**9.20**
	Deepak PMC Limited	0.08	-	-		**0.08**	-	-	-	-	**-**
	Deepak Foundation	-	-	0.04	-	**0.04**	-	-	-	-	**-**
6	**Sale of Capital Asset**										
	Deepak Chem Tech Limited	1.52	-	-	-	**1.52**	-	-	-	-	**-**

Notes

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₹ in Crores

Sr. No.	Nature of Transaction	31st March, 2024					31st March, 2023				
		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
7	**Receiving of services / Reimbursement of Expenses**										
	Deepak Fertilisers & Petrochemicals Corporation Limited	-	-	0.37	-	**0.37**	-	-	0.15	-	**0.15**
	Deepak Phenolics Limited	-	-	-	-	**-**	0.01	-	-	-	**0.01**
	Deepak Foundation	-	-	0.00	-	**0.00**	-	-	0.05	-	**0.05**
	Deepak Medical Foundation	-	-	0.17	-	**0.17**	-	-	0.20	-	**0.20**
	Deepak Nitrite Corporation Inc.	0.16	-	-	-	**0.16**	0.14	-	-	-	**0.14**
	Deepak Cybit Private Limited	-	-	1.09	-	**1.09**	-	-	0.93	-	**0.93**
	Stepup Credits & Capital Private Limited	-	-	0.36	-	**0.36**	-	-	0.37	-	**0.37**
	Arvind Envisol Limited	-	-	0.11	-	**0.11**	-	-	-	-	**-**
	Smt. Ila D. Mehta	-	-	-	0.03	**0.03**	-	-	-	-	**-**
	Deepak Chem Tech Limited	0.03	-	-	-	**0.03**	0.42	-	-	-	**0.42**
8	**Managerial Remuneration**										
	Shri Deepak C. Mehta	-	7.53	-	-	**7.53**	-	6.99	-	-	**6.99**
	Shri Maulik Mehta	-	4.24	-	-	**4.24**	-	3.79	-	-	**3.79**
	Shri Sanjay Upadhyay	-	5.33	-	-	**5.33**	-	4.93	-	-	**4.93**
	Shri Girish Satarkar	-	1.45	-	-	**1.45**	-	-	-	-	**-**
	Shri Somsekhar Nanda	-	1.84	-	-	**1.84**	-	1.11	-	-	**1.11**
9	**Subscription of Investment**										
	Deepak Chem Tech Limited	134.50	-	-	-	**134.50**	215.50	-	-	-	**215.50**
	Deepak Oman Industries LLC (SFZ)*	27.24	-	-	-	**27.24**	-	-	-	-	**-**
	Deepak PMC Limited	5.00	-	-	-	**5.00**	-	-	-	-	**-**
10	**Loan Given**										
	Deepak Phenolics Limited	-	-	-	-	**-**	45.00	-	-	-	**45.00**
	Deepak Chem Tech Limited	328.00	-	-	-	**328.00**	-	-	-	-	**-**

Notes

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₹ in Crores

Sr. No.	Nature of Transaction	31st March, 2024					31st March, 2023				
		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
11	**Repayment of Loan**										
	Deepak Phenolics Limited	-	-	-	-	**-**	45.00	-	-	-	**45.00**
	Deepak Chem Tech Limited	158.02	-	-	-	**158.02**	-	-	-	-	**-**
12	**Interest Received**										
	Deepak Chem Tech Limited	7.99	-	-	-	**7.99**	0.03	-	-	-	**0.03**
	Deepak Phenolics Limited	-	-	-	-	**-**	0.11	-	-	-	**0.11**
13	**Dividend Received**										
	Deepak Phenolics Limited	75.60	-	-	-	**75.60**	61.60	-	-	-	**61.60**
14	**Dividend Paid**										
	Checkpoint Credits & Capitals Private Limited	-	-	5.40	-	**5.40**	-	-	5.04	-	**5.04**
	Stigma Credits & Capital Private Limited	-	-	4.64	-	**4.64**	-	-	4.33	-	**4.33**
	Stiffen Credits & Capital Private Limited	-	-	6.33	-	**6.33**	-	-	5.91	-	**5.91**
	Stepup Credits & Capital Private Limited	-	-	5.19	-	**5.19**	-	-	4.84	-	**4.84**
	Skyrose Finvest Private Limited	-	-	2.87	-	**2.87**	-	-	2.68	-	**2.68**
	Pranawa Leafin Private Limited	-	-	1.73	-	**1.73**	-	-	1.61	-	**1.61**
	Forex Leafin Private Limited	-	-	1.63	-	**1.63**	-	-	1.52	-	**1.52**
	Sundown Finvest Private Limited	-	-	0.62	-	**0.62**	-	-	0.58	-	**0.58**
	Storewell Credits and Capital Private Limited	-	-	0.67	-	**0.67**	-	-	0.62	-	**0.62**
	Hardik Leafin Private Limited	-	-	0.26	-	**0.26**	-	-	0.24	-	**0.24**
	Deepak Novochem Technologies Limited	-	-	3.49	-	**3.49**	-	-	-	-	**-**
	Shri Deepak C. Mehta	-	16.39	-	-	**16.39**	-	15.29	-	-	**15.29**
	Late. Shri Chimanlal K. Mehta	-	-	-	0.53	**0.53**	-	-	-	0.49	**0.49**
	Shri Maulik Mehta	-	0.10	-	-	**0.10**	-	0.09	-	-	**0.09**
	Shri Meghav Mehta	-	-	-	0.04	**0.04**	-	-	-	0.03	**0.03**
	Smt. Ila D. Mehta	-	-	-	0.30	**0.30**	-	-	-	0.28	**0.28**
	Others	-	-	-	0.08	**0.08**	-	-	-	0.08	**0.08**

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forming part of the Standalone Financial Statements as at and for the year ended March 31, 2024

₹ in Crores

Sr. No.	Nature of Transaction	31st March, 2024					31st March, 2023				
		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
17	**Donation / CSR Activity**										
	Deepak Foundation	-	-	12.01	-	**12.01**	-	-	10.16	-	**10.16**
	Deepak Medical Foundation	-	-	-	-	**-**	-	-	0.04	-	**0.04**
18	**Deposit Paid**										
	Smt. Ila D. Mehta	-	-	0.18	-	**0.18**	-	-	-	-	**-**
19	**Deposit Received**										
	Stepup Credits & Capital Private Limited	-	-	0.18	-	**0.18**	-	-	-	-	**-**
	Deepak Novochem Technologies Limited	-	-	0.01	-	**0.01**	-	-	-	-	**-**
20	**Net Accounts Receivable incl advance / (Payable)**										
	Deepak Fertilisers & Petrochemicals Corporation Limited	-	-	(4.93)	-	**(4.93)**	-	-	(27.26)	-	**(27.26)**
	Deepak Novochem Technologies Limited	-	-	8.79	-	**8.79**	-	-	6.68	-	**6.68**
	Deepak Phenolics Limited	(8.98)	-	-	-	**(8.98)**	(6.83)	-	-	-	**(6.83)**
	Deepak Nitrite Corporation Inc.	(0.81)	-	-	-	**(0.81)**	(0.86)	-	-	-	**(0.86)**
	Deepak Chem Tech Limited	3.98	-	-	-	**3.98**	-	-	-	-	**-**
	Arvind Envisol Limited	-	-	(0.12)	-	**(0.12)**	-	-	-	-	**-**
	Mahadhan Agritech Limited	-	-	(0.82)	-	**(0.82)**	-	-	-	-	**-**
	Deepak Medical Foundation	-	-	-	-	**-**	-	-	(0.01)	-	**(0.01)**
	Deepak Foundation	-	-	(0.00)	-	**(0.00)**	-	-	0.03	-	**0.03**
	Shri Maulik Mehta	-	(0.84)	-	-	**(0.84)**	-	(0.72)	-	-	**(0.72)**
	Shri Sanjay Upadhyay	-	(1.02)	-	-	**(1.02)**	-	(0.95)	-	-	**(0.95)**
	Shri Girish Satarkar	-	(0.21)	-	-	**(0.19)**	-	-	-	-	**-**
	Shri Somsekhar Nanda	-	(0.25)	-	-	**(0.25)**	-	(0.14)	-	-	**(0.14)**

* Subscription in investment of shares of Deepak Oman Industries LLC (SFZ) includes payment made to Deepak Gulf LLC for purchase of shares of Deepak Oman Industries LLC (SFZ) of ₹ 9.51 crores.

The amounts outstanding are current, unsecured and will be settled in cash or cash equivalents, for which no guarantees have been given or received. No expense has been recognised in current or previous year for bad or doubtful debts in respect of the amounts owed by related parties.

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34. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

₹ in Crores

		As at March 31, 2024	As at March 31, 2023
I.	**Claims against the Company not acknowledged as debts in respect of**		
(a)	Matters relating to Sales Tax/VAT from FY 2010-11 to FY 2014-15 is being contested at various level of Indirect Tax authorities	0.53	0.53
(b)	Bank Guarantees:		
	Financial	50.74	62.30
	Performance	15.91	14.34
(c)	Disputed Labour Matters	Amount not ascertainable	
	Management is not expecting any future cash outflow in respect of (a) & (c).		
	Total (I)	**67.18**	**77.17**
II.	**Commitments**		
	Capital Commitments (Net of Advances: Refer Note 8(a))	66.56	45.67
	Total(II)	**66.56**	**45.67**

35. TAX EXPENSE

A. Income Tax Expense Recognised in the Standalone Statement of Profit and Loss

₹ in Crores

		For the year ended March 31, 2024	For the year ended March 31, 2023
I.	**Expense / (Benefit) recognised in the standalone statement of profit and loss**		
	Current tax on profit for the year	129.89	133.72
	Increase/ (Decrease) in deferred tax liabilities	(5.06)	6.73
	Total Current tax expense	**124.83**	**140.45**
II.	**Expense / (Benefit) recognised in standalone statement of other comprehensive income**		
	Re-measurement gains / (losses) on defined benefit plans	(0.62)	(1.71)
	Equity instruments through other comprehensive income	0.04	0.05
	Total	**(0.58)**	**(1.66)**

B. The reconciliation between the provision of income tax and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows

₹ in Crores

	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit before taxes	**558.26**	**609.84**
Enacted income tax rate in India	25.17%	25.17%
Computed expected tax expense	**140.50**	**153.48**
Effect of:		
Donations and CSR Expense	3.38	3.21
Deduction for section 80M pertaining to Dividend Income	(19.03)	(15.50)
Others (Net)	(0.02)	(0.74)
Total income tax expense	**124.83**	**140.45**

Notes

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C. Deferred Tax Liabilities (Net)

The balance comprises temporary differences attributable to the below items and corresponding movement in deferred tax liabilities/ (assets)

₹ in Crores

	As at March 31, 2024	Recognised in standalone statement of profit and loss /OCI	As at March 31, 2023	Recognised in standalone statement of profit and loss /OCI	As at April 01, 2022
Property, plant and equipment	62.97	1.01	61.96	(0.35)	62.31
Insurance claim receivable on account of loss of inventory	-	(8.10)	8.10	8.10	-
Unrealised Gain on Investments	0.02	(2.26)	2.28	1.35	0.93
Total Deferred Tax Liabilities (a)	**62.99**	**(9.35)**	**72.34**	**9.10**	**63.24**
Disallowances u/s 43B, Provision and Others	15.80	(0.22)	16.02	4.02	12.00
Transferred from Income Tax Provision	(1.74)	(1.74)	-	-	-
Total Deferred Tax Assets (b)	**14.06**	**(1.96)**	**16.02**	**4.02**	**12.00**
Net Deferred Tax (Asset)/Liabilities (a-b)	**48.93**	**(7.39)**	**56.32**	**5.08**	**51.24**

36. EMPLOYEE BENEFIT OBLIGATIONS

A. Gratuity

The Company has covered its Gratuity Liability by a Group Gratuity Policy named 'Employee Group Gratuity Assurance Scheme' issued by Life Insurance Corporation of India. Under this plan, an employee at retirement is eligible for benefit, which will be equal to 15 days salary for each completed year of service. Thus, it is a defined benefit plan and the aforesaid insurance policy is the Plan Asset.

(i) Reconciliation of opening and closing balances of Defined Benefit Obligation

₹ in Crores

	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	45.71	35.20
Current Service Cost	3.29	2.58
Interest Cost	3.43	2.55
Liability Transferred In/Out	0.06	-
Actuarial (gain)/losses	2.14	6.67
Benefits Paid	(2.19)	(1.29)
Balance at the end of the year	**52.43**	**45.71**

(ii) Reconciliation of opening and closing balances of Fair Value of Plan Assets

₹ in Crores

	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	38.50	33.32
Interest Income	2.89	2.41
Return on Plan Assets	(0.26)	(0.06)
Contribution by the Company	4.77	4.12
Benefits Paid	(2.19)	(1.29)
Balance at the end of the year	**43.71**	**38.50**
Actual Return on Plan Assets	7.21% to 7.23%	7.47% to 7.52%

Notes

forming part of the Standalone Financial Statements as at and for the year ended March 31, 2024

(iii) Assets and Liabilities Recognised in the Standalone Balance Sheet

₹ in Crores

	As at March 31, 2024	As at March 31, 2023
Present Value of Defined Benefit Obligation	52.43	45.71
Less: Fair Value of Plan Assets	43.71	38.50
Amounts recognised as liability	**8.73**	**7.21**
Recognised under		
Current provision (Refer Note 18)	8.73	7.21
Total	**8.73**	**7.21**

(iv) Expenses recognised in the Standalone Statement of Profit and Loss

₹ in Crores

	For the year ended March 31, 2024	For the year ended March 31, 2023
Current Service Cost	3.29	2.58
Net Interest Cost	0.54	0.14
Total Expenses (Refer Note 28)	**3.83**	**2.72**

(v) Expenses recognised in the Other Comprehensive Income

₹ in Crores

	For the year ended March 31, 2024	For the year ended March 31, 2023
Actuarial gain/(losses) on Obligation for the year	(2.14)	(6.67)
Return on Plan assets excluding Interest Income	(0.26)	(0.06)
Total Expenses recognised in OCI	**(2.40)**	**(6.73)**

(vi) Major Category of Plan Assets

	As at March 31, 2024		As at March 31, 2023	
	₹ in Crores	%	₹ in Crores	%
Insurance Policies	43.71	100.00	38.50	100.00

Risk exposure

The Company is exposed to a number of risks, the most significant of which are detailed below:
Interest rate risk: A fall in the discount rate which is linked to the Government Securities Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

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.

Notes

forming part of the Standalone Financial Statements as at and for the year ended March 31, 2024

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

(vii) Actuarial Assumptions

	As at March 31, 2024	As at March 31, 2023
Discount Rate	7.23%	7.52%
Expected Return on Plan Assets	7.23%	7.52%
Salary Growth Rate	8.00%	8.00%
Attrition Rate	2.00%	2.00%

(viii) Sensitivity Analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period , while holding all other assumptions constant. The result of Sensitivity analysis is given below:

	Change in assumptions		Impact on defined benefit obligation			
			Increase		Decrease	
	March 31, 2024	March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
	%	%	₹ in Crores	₹ in Crores	₹ in Crores	₹ in Crores
Discount Rate	1.00%	1.00%	(3.15)	(2.79)	3.66	3.23
Salary Growth Rate	1.00%	1.00%	3.56	3.17	(3.14)	(2.80)
Attrition Rate	1.00%	1.00%	(0.25)	(0.16)	0.27	0.17

In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the defined benefit liability as recognised in the Balance Sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change as compared to the prior year.

(ix) Maturity profile of Defined Benefit Obligation

₹ in Crores

	As at March 31, 2024	As at March 31, 2023
Within the next 12 months	12.94	10.41
From 2 to 5 years	15.92	13.59
From 6 to 10 years	18.96	19.07
Beyond 10 years	52.74	47.55

Notes

forming part of the Standalone Financial Statements as at and for the year ended March 31, 2024

B. Leave Benefit

(a) The Leave Benefit is wholly unfunded. Hence, there are no plan assets attributable to the obligation.

(b) The accumulated balance of Leave Benefit (unfunded) provided in the books as at March 31, 2024, is ₹ 36.93 Crores (Previous year ₹ 32.97 Crores), which is determined on actuarial basis using Projected Unit Credit Method.

C. Defined Contribution Plan

Contribution to Defined Contribution Plans, recognised in Standalone Statement of Profit and Loss, for the year is as under

₹ in Crores

	For the year ended March 31, 2024	For the year ended March 31, 2023
Employer's Contribution to Provident Fund and other funds except superannuation	11.78	10.71
Employer's Contribution to Superannuation Fund	2.73	2.52
Total (refer note 28)	**14.52**	**13.23**

37. CAPITAL MANAGEMENT

The key objective of the Company's capital management is to ensure that it maintains a stable capital structure with the focus on total equity to uphold investor, creditor and customer confidence and to ensure future development of its business.

The Company focused on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required without impacting the risk profile of the Company.

For the purpose of Capital Management, the Company considers the following components of its Balance Sheet to manage capital.

The capital structure of the Company was as follows

₹ in Crores

	As at March 31, 2024	As at March 31, 2023
Total Equity (A)	2,954.54	2,625.06
Non-Current Borrowings	-	-
Current Borrowings	-	-
Total Borrowings (B)	-	-
Total Capital (A+B)	**2,954.54**	**2,625.06**
Total Borrowings as % of Total Capital	0.00%	0.00%
Total Borrowings as % of Total Equity	0.00%	0.00%

The Interest Coverage Ratio for the reporting period was as follows

₹ in Crores

	For the year ended March 31, 2024	For the year ended March 31, 2023
EBITDA (excluding other income & exceptional item)	442.39	584.74
Finance Cost (excluding interest on lease)	0.84	0.32
Interest Coverage Ratio	**529.30**	**1,827.31**

Notes

forming part of the Standalone Financial Statements as at and for the year ended March 31, 2024

The Debt Service Coverage Ratio for the reporting period was as follows

₹ in Crores

	For the year ended March 31, 2024	For the year ended March 31, 2023
EBITDA (excluding other income & exceptional item)	442.39	584.74
Finance Cost (excluding interest on lease)	0.84	0.32
Repayment of Non-Current Borrowings	-	-
Debt Service Coverage Ratio	**529.30**	**1,827.31**

38. FINANCIAL INSTRUMENTS

38.1. Categories of financial instruments

The carrying value of financial instruments by categories as at March 31, 2024 is as follows

₹ in Crores

	Fair Value through Other Comprehensive Income	Fair value through profit or loss	Amortised Cost	Total
Financial Assets				
Cash and Cash Equivalents	-	-	172.91	172.91
Other Balances with Banks	-	-	1.87	1.87
Investments	2.55	90.23	-	92.78
Government Securities (Refer Note 4(d))	-	-	0.00	0.00
Trade Receivables	-	-	614.26	614.26
Loans	-	-	172.32	172.32
Other Financial Assets	-	-	63.21	63.21
Total	**2.55**	**90.23**	**1,024.57**	**1,117.35**
Financial Liabilities				
Trade Payables	-	-	251.23	251.23
Other Financial Liabilities	-	0.77	48.96	49.73
Total	**-**	**0.77**	**300.19**	**300.96**

The carrying value of financial instruments by categories as at March 31, 2023 is as follows

₹ in Crores

	Fair Value through Other Comprehensive Income	Fair value through profit or loss	Amortised Cost	Total
Financial Assets				
Cash and Cash Equivalents	-	-	16.15	16.15
Other Balances with Banks	-	-	1.79	1.79
Investments	2.39	368.96	-	371.35
Government Securities (Refer Note 4(d))	-	-	0.00	0.00
Trade Receivables	-	-	597.02	597.02
Loans	-	-	1.13	1.13
Other Financial Assets	-	0.62	44.26	44.88
Total	**2.39**	**369.58**	**660.35**	**1,032.32**
Financial Liabilities				
Trade Payables	-	-	288.14	288.14
Other Financial Liabilities	-	-	28.18	28.18
Total	**-**	**-**	**316.32**	**316.32**

The assets and liabilities which are valued at amortised cost represents Fair Value at period end.

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forming part of the Standalone Financial Statements as at and for the year ended March 31, 2024

38.2. 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, 2024

₹ in Crores

	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments	90.22	-	2.56	92.78
Other Financial Assets	-	-	-	-

Fair Value Hierarchy as at March 31, 2023

₹ in Crores

	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments	368.95	-	2.40	371.35
Other Financial Assets	-	0.62	-	0.62

Reconciliation of Level 3 fair value measurements

₹ in Crores

	Investment in unquoted shares irrevocably designated as FVTOCI
Balance as at April 01, 2022	**2.17**
Total gains in other comprehensive income	0.22
Balance as at March 31, 2023	**2.39**
Total gains in other comprehensive income	0.16
Balance as at March 31, 2024	**2.55**

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.

38.3. Financial Risk Management objectives

The Company has adequate internal processes to assess, monitor and manage financial risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using financial instruments such as foreign currency forward contracts and option contracts to hedge risk exposures and appropriate risk management policies as detailed below. The use of these financial instruments is governed by the Company's policies, which outlines principles on foreign exchange risk, interest rate risk, credit risk and deployment of surplus funds.

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Item	Primarily effected by	Risk management policies	Reference
Market risk - currency risk	Foreign Currency balances and exposure towards trade payables, exports, short-term and long-term borrowings	The Company hedges its foreign currency risk using foreign exchange forward contracts and option contracts.	Note 38.4.1
Market risk - interest rate risk	Change in market interest rates	Maintaining a combination of fixed and floating rate debt; cash management policies	Note 38.4.2
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 38.5
Liquidity risk	Fluctuations in cash flows	Preparing and monitoring forecasts of cash flows; cash management policies; multiple-year credit and banking facilities	Note 38.5

38.4 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.

38.4.1 Foreign Currency Risk management

The Company is exposed to foreign exchange risk on account of following

1. Imports of raw materials and services.
2. Exports of finished goods.

The Company has a forex policy in place whose objective is to mitigate foreign exchange risk by deploying the appropriate hedging strategies through combination of various hedging instruments such as foreign currency forward contracts, option contracts and has a dedicated forex desk to monitor the currency movement and respond swiftly to market situations. The Company follows netting principle for managing the foreign exchange exposure.

(a) The carrying amounts of the Company's foreign currency denominated monetary assets and liabilities based on gross exposure at the end of the reporting period is as under:

Currency	Liabilities		Assets	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
USD (Crores)	0.60	0.79	3.16	2.21
₹ (Crores)	49.86	65.16	263.51	181.57
EURO (Crores)	0.00	0.00	0.13	0.43
	(Represents € 3,049)	(Represents € 7,443)		
₹ (Crores)	0.03	0.07	11.76	38.18
CHF (Crores)	0.00	0.00	-	-
	(Represents CHF 14,221)	(Represents CHF 1,213)		
₹ (Crores)	0.13	0.01	-	-

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The foreign currency risk on above exposure is mitigated by derivative contracts. The outstanding contracts as at the Balance Sheet date are as follows:

(b) Foreign currency forward contracts and option contracts outstanding as at the Balance Sheet date:

	As at March 31, 2024		As at March 31, 2023	
	Buy	Sell	Buy	Sell
Forward Contracts (USD Crores)	-	2.05	-	-
Range Forward (USD Crores)	-	0.30	-	1.48

The forward contracts and option contracts have been entered into to hedge the foreign currency risk on trade receivables and trade payables.

(c) Net open exposures outstanding as at the Balance Sheet date:

Currency	Liabilities		Assets	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
USD (Crores)	-	0.06	0.21	-
CHF (Crores)	0.00	0.00	-	-
	(Represents CHF 14,221)	(Represents CHF 1,213)		
EURO (Crores)	-	-	0.13	0.43

(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 Crores

Currency USD Impact on profit or loss	As at March 31, 2024	As at March 31, 2023
Impact of ₹ 1 strengthening against US Dollar	(0.97)	(0.44)
Impact of ₹ 1 weakening against US Dollar	(0.31)	1.97

38.4.2 Interest Rate Risk Management

The Company draws working capital demand loans, avails cash credit, foreign currency borrowings etc. for meeting its funding requirements.

Interest rates on these borrowings are exposed to change in respective benchmark rates. The Company manages the interest rate risk by maintaining appropriate mix/portfolio of the borrowings.

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forming part of the Standalone Financial Statements as at and for the year ended March 31, 2024

38.5 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 credit risk on cash and bank balances, derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The table below provides ageing of trade receivables as at March 31, 2024

₹ in Crores

Particulars	Undisputed Trade Receivables – considered good	Undisputed Trade Receivables – which have significant increase in credit risk	Undisputed Trade Receivables – credit impaired	Total
Not Due	450.68	-	-	450.68
Less than 6 months	165.20	-	-	165.20
6 months - 1 year	1.28	-	-	1.28
1 - 2 years	0.40	-	-	0.40
2-3 years	0.80	-	-	0.80
More than 3 years	2.32	-	-	2.32
Sub-Total	**620.68**	**-**	**-**	**620.68**
Less: Allowance for credit loss	6.42	-	-	6.42
Total (Refer Note 11)	**614.26**	**-**	**-**	**614.26**

The table below provides ageing of trade receivables as at March 31, 2023

₹ in Crores

Particulars	Undisputed Trade Receivables – considered good	Undisputed Trade Receivables – which have significant increase in credit risk	Undisputed Trade Receivables – credit impaired	Total
Not Due	495.19	-	-	495.19
Less than 6 months	112.12	-	-	112.12
6 months - 1 year	0.78	-	-	0.78
1 - 2 years	0.84	-	-	0.84
2-3 years	0.08	-	-	0.08
More than 3 years	3.00	-	-	3.00
Sub-Total	**612.01**	**-**	**-**	**612.01**
Less: Allowance for credit loss	14.99	-	-	14.99
Total (Refer Note 11)	**597.02**	**-**	**-**	**597.02**

Notes

forming part of the Standalone Financial Statements as at and for the year ended March 31, 2024

Reconciliation of loss allowance provision - Trade receivables

	₹ in Crores
Loss allowance as at April 01, 2022	**12.47**
Changes in loss allowance	2.52
Loss allowance as at March 31, 2023	**14.99**
Changes in loss allowance	(8.57)
Loss allowance as at March 31, 2024	**6.42**

The table below provides ageing of trade payables as at March 31, 2024

₹ in Crores

Outstanding for following periods from due date of payment	MSME	Others	Disputed MSME	Disputed Others	Total
Unbilled	-	84.08	-	-	84.08
Not Due	22.11	66.65	-	-	88.72
Less than 1 year	2.74	74.91	-	-	77.65
1 to 2 years	-	0.68	-	-	0.72
2 to 3 years	-	0.01	-	-	0.01
More than 3 years	-	0.05	-	-	0.05
Total (Refer Note 20)	**24.85**	**226.38**	**-**	**-**	**251.23**

The table below provides ageing of trade payables as at March 31, 2023

₹ in Crores

Outstanding for following periods from due date of payment	MSME	Others	Disputed MSME	Disputed Others	Total
Unbilled	-	79.15	-	-	79.15
Not Due	13.03	121.45	-	-	134.48
Less than 1 year	1.10	71.59	-	-	72.69
1 to 2 years	0.05	0.77	-	-	0.82
2 to 3 years	0.00	0.02	-	-	0.02
More than 3 years	0.08	0.90	-	-	0.98
Total (Refer Note 20)	**14.26**	**273.88**	**-**	**-**	**288.14**

38.6 Liquidity Risk management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the contractual maturities of financial liabilities as at March 31, 2024

₹ in Crores

	Amount	upto 1 year	1-3 year	More than 3 year	Total cash flows
Trade Payables	251.23	251.23	-	-	251.23
Other Financial Liabilities	17.70	17.70	-	-	17.70

The table below provides details regarding the contractual maturities of financial liabilities as at March 31, 2023

₹ in Crores

	Amount	upto 1 year	1-3 year	More than 3 year	Total cash flows
Trade Payables	288.14	288.14	-	-	288.14
Other Financial Liabilities	17.50	17.50	-	-	17.50

Note: Refer note 41B for contractual maturity of Lease Liabilities.

Notes

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38.7 Changes in Liabilities arising from Financing Activities

₹ in Crores

Particulars	Current Borrowings	Interest Accrued But Not Due	Lease Liabilities	Unpaid dividend on equity Shares (Incl DDT)
As at April 01, 2022	**13.99**	**(0.00)**	**10.01**	**1.42**
Cash Flows	(13.99)	(0.32)	(3.03)	(95.30)
Charged to P&L during the year	-	0.32	1.25	-
Additions (net of Deductions/Disposal)	-	-	2.45	-
Dividend recognised during the year	-	-	-	95.48
As at March 31, 2023	**-**	**(0.00)**	**10.68**	**1.60**
Cash Flows	-	(0.84)	(2.37)	(102.29)
Charged to P&L during the year	-	0.84	1.25	-
Additions (net of Deductions/Disposal)	-	-	22.46	-
Dividend recognised during the year	-	-	-	102.29
As at March 31, 2024	**-**	**(0.00)**	**32.03**	**1.60**

39. ANALYTICAL RATIOS

Ratio	Numerator	Denominator	March 31, 2024	March 31, 2023	Variance
Current Ratio (x)	Current Assets	Current Liabilities	5	5	8%
Debt-Equity Ratio (x)	Total Debt	Shareholder's Equity	-	-	-
Debt Service Coverage Ratio (x)#	EBITDA (excluding other income & Exceptional item)	Finance Cost (excluding interest on lease) + Repayment of Non-Current Borrowings	529	1,827	-71%
Return on Equity Ratio (%)	Profit after tax	Average Shareholder's Equity	15.54%	19.23%	-19%
Inventory turnover ratio (x)	Cost of Materials Consumed + Changes in Inventories of FG and WIP + Power & Fuel Expenses	Average Inventory	4	5	-14%
Trade Receivables turnover ratio (x)	Revenue from Operations	Average Trade Receivables	4	5	-15%
Trade payables turnover ratio (x)	Cost of Materials Consumed + Power & Fuel Expenses + Closing Inventory - Opening Inventory	Average Trade Payables	6	7	-17%
Net capital turnover ratio (x)	Revenue from Operations	Working Capital	2	3	-13%
Net-Profit Ratio (%)	Profit after tax	Revenue from Operations	15.91%	15.47%	3%
Return on Capital employed (%)*	Earnings before Interest and Taxes	Total Assets - Current Liabilities	15.69%	22.49%	-30.24%
Return on investment (%)					
Quoted##	Income from Investment	Time Weighted Average Investment	7.48%	5.01%	49.39%

Negligible interest cost, Company is effectively operating at zero debt.

* Decrease on account of subdued sale price in current year.

Increase in return on investment from Mutual funds are on account of fluctuation in market yields

Notes

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40. SEGMENT INFORMATION

In accordance with Ind AS 108, 'Operating Segments', segment information has been given in the Consolidated Financial Statements and therefore, no separate disclosure on segment information is given in the Standalone Financial Statements.

The following table shows the distribution of the Company's Revenue and Assets by geographical market:

₹ in Crores

Revenue	For the year ended March 31, 2024	For the year ended March 31, 2023
In India	1,446.84	1,718.97
Outside India	1,277.51	1,314.58
Total	**2,724.35**	**3,033.55**

₹ in Crores

Carrying Amount of Segment Assets	As at March 31, 2024	As at March 31, 2023
In India	3,066.27	2,827.66
Outside India	304.74	221.94
Total	**3,371.01**	**3,049.60**

₹ in Crores

Addition to Fixed Assets	As at March 31, 2024	As at March 31, 2023
In India		
- Tangible	171.65	132.64
- Intangible	1.32	1.15
Outside India		
- Tangible	-	-
- Intangible	-	-
Total	**172.97**	**133.79**

41. LEASES

A. The following is the movement in lease liabilities:

₹ in Crores

	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	**10.68**	**10.01**
Additions during the year	29.99	2.45
Deductions during the year	(7.53)	-
Finance cost accrued during the year	1.25	1.25
Payment/Provision of Lease Liabilities	(2.37)	(3.03)
Balance at the end of the year	**32.03**	**10.68**
Recognised under		
Non -Current Financial Liabilities	30.02	10.43
Current Financial Liabilities	2.01	0.25
Total	**32.03**	**10.68**

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B. The following are details regarding the contractual maturities of lease liabilities on an undiscounted basis:

₹ in Crores

	As at March 31, 2024	As at March 31, 2023
Less than one year	4.00	2.34
One to five years	19.72	8.35
More than five years	65.52	-
Total	**89.25**	**10.69**

42. EARNINGS PER SHARE

₹ in Crores

	As at March 31, 2024	As at March 31, 2023
Basic and Diluted Earnings per Share		
Number of Shares at the beginning (Nos. in Crores)	13.64	13.64
Number of Shares at the end (Nos. in Crores)	13.64	13.64
Weighted Average Number of Shares considered for Basic and Diluted Earnings Per Share	13.64	13.64
Weighted Average Number of Shares considered for Diluted Earnings Per Share	13.64	13.64
Net Profit after Tax available for Equity Shareholders	433.43	469.39
Basic and Diluted Earnings (in Rupees) Per Share of ₹ 2/- each	31.78	34.41

43. RESEARCH AND DEVELOPMENT EXPENSES

₹ in Crores

		As at March 31, 2024	As at March 31, 2023
(i)	**Capital Expenditure (Refer Note 2.3)**	9.13	4.07
(ii)	**Revenue Expenditure**		
	Materials	0.49	0.72
	Utilities	0.50	0.49
	Maintenance	0.68	0.46
	Personnel	10.90	8.16
	Others	4.27	4.19
		16.84	**14.02**
	Depreciation	3.49	2.61
		3.49	**2.61**
	Total Revenue Expenditure	**20.33**	**16.63**
(iii)	**Total Capital & Revenue Expenditure ((i)+(ii))**	**29.46**	**20.71**

Notes

forming part of the Standalone Financial Statements as at and for the year ended March 31, 2024

44. DISCLOSURES UNDER MICRO, SMALL AND MEDIUM ENTERPRISE DEVELOPMENT ACT, 2006

To the extent, the company has received intimation from the "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the details are provided as under

₹ in Crores

		As at March 31, 2024	As at March 31, 2023
(i)	Principal amount remaining unpaid.	24.85	14.26
(ii)	Interest due thereon remaining unpaid.	-	-
(iii)	Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
(iv)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
(v)	Interest accrued and remaining unpaid (net of tax deducted at source).	-	-
(vi)	Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	-

45. The Company has been sanctioned working capital from banks on the basis of security of current assets. Quarterly Statements of Inventory and Book Debts submitted with the Banks in this regard, are reconciling with the books of Accounts of respective period.

46. CORPORATE SOCIAL RESPONSIBILITY

The Company has been continuing to undertake projects for overall development and welfare of the society. Through the group's charitable trust "Deepak Foundation", the Company has upgraded its Corporate Social Responsibility ('CSR') activities to cover a larger section of the society encompassing social interventions in various developmental domains.

₹ in Crores

Particulars	As at March 31, 2024	As at March 31, 2023
Amount required to be spent by the company during the year	11.69	12.64
Amount of expenditure incurred on:		
(i) Construction/acquisition of any asset	2.11	2.01
(ii) On purposes other than (i) above	10.34	9.93
Shortfall/(Excess) at the end of the year carried forward	(0.76)	0.7
Total of previous years shortfall	0.7	NIL
Reason for shortfall	Ongoing Projects	Ongoing Projects
Nature of CSR activities	Health Care, Skills Building & Livelihood, Education & Research & Development	

* Refer note 33 for expenses incurred for CSR with related parties.

47. With respect to fire incident at Company's one of the manufacturing sites located at Nandesari, Gujarat in June 2022 which resulted damage to certain property, plant and equipment & inventory, the Company had recognized loss of ₹ 47.20 Crores as an exceptional item and had recognized insurance claim receivable of ₹ 47.20 Crores against the same. Consequently, the loss and insurance claim amount was shown as NIL under exceptional item for the year ended March 31, 2023.

Notes

forming part of the Standalone Financial Statements as at and for the year ended March 31, 2024

In month of March 2024, the claim got settled at ₹ 53.91 Crores based on the reinstatement value. The Company received ₹ 36.98 Crores by March 31, 2024 and ₹ 16.93 Crores after March 31, 2024.

Further, the Company has also received approval for claim of ₹ 73.09 Crores from insurance company in March 2024 towards loss of profit due to "Business Interruption". The Company has received ₹ 32.89 Crores by March 31, 2024 and ₹ 40.20 Crores after March 31, 2024.

As a result of the above, an amount of ₹ 79.80 Crores has been recognised under Exceptional Items in Statement of Profit and Loss for the year ended March 31, 2024.

48. OTHER STATUTORY INFORMATION

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any transactions with struck off companies.

(iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,

(iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(vii) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

49. Events occurring after the balance sheet date: The Board of Directors have recommended, subject to the approval of shareholders, dividend of ₹ 7.50/- (Rupees Seven & Fifty Paise only) per equity share of face value of ₹ 2/- (Rupees Two only) each for the year ended March 31, 2024 on 13,63,93,041 equity shares amounting to ₹ 102.29 Crores.

50. The Standalone Financial Statements were approved for issue by the Board of Directors on May 20, 2024.

For and on behalf of the Board

DEEPAK C. MEHTA
Chairman & Managing Director
DIN: 00028377

MAULIK MEHTA
Executive Director & CEO
DIN: 05227290

SANJAY UPADHYAY
Director (Finance) & Group CFO
DIN: 01776546

SOMSEKHAR NANDA
Chief Financial Officer
ICAI Membership .no - 49831

DILEEP CHOKSI
Director
DIN: 00016322

ARVIND BAJPAI
Company Secretary
Membership No.: F6713

Vadodara: May 20, 2024

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of Subsidiaries

PART "A": SUBSIDIARIES

1	Name of the subsidiary	Deepak Phenolics Limited	Deepak Chem Tech Limited	Deepak Nitrite Corporation, Inc.	Deepak Oman Industries LLC (SFZ)	Deepak Project Management Company Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	2023-24	2023-24	2023-24	2023-24	2023-24
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	₹	₹	US$ 1US$ = ₹ 83.3739	Omani Rial 1OMR = ₹ 216.6425	₹
		₹ in Crores	₹ in Crores	₹ in Lakhs	₹ in Crores	₹ in Crores
4	Share Capital	280.00	539.50	47.68	53.48	5.00
5	Other Equity	1,873.28	(11.18)	34.64	(0.17)	(0.08)
6	Total Assets	2,643.26	1,135.91	86.74	98.70	4.94
7	Total Liabilities	489.98	607.59	4.43	45.39	0.02
8	Investments	29.07	-	-	-	-
9	Turnover	5,003.45	0.86	16.31	0.11	0.04
10	Profit before Tax	641.46	(9.21)	0.65	0.08	(0.09)
11	Provision for Tax	167.52	(1.52)	0.32	-	(0.00)
12	Profit after Tax	473.93	(7.69)	0.33	0.08	(0.08)
13	Total Comprehensive Income	473.68	(7.73)	0.33	0.08	(0.08)
14	Proposed Dividend	98.00	-	-	-	-
15	% of Shareholding	100%	100%	100%	51%	100%

For and on behalf of the Board

DEEPAK C. MEHTA
Chairman & Managing Director
DIN: 00028377

MAULIK MEHTA
Executive Director & CEO
DIN: 05227290

SOMSEKHAR NANDA
Chief Financial Officer
ICAI Membership .no - 49831

SANJAY UPADHYAY
Director (Finance) & Group CFO
DIN: 01776546

DILEEP CHOKSI
Director
DIN: 00016322

ARVIND BAJPAI
Company Secretary
Membership No.: F6713

Vadodara: May 20, 2024

Independent Auditor's Report

To The Members of Deepak Nitrite Limited

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying consolidated financial statements of Deepak Nitrite Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2024 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 ended on that date and notes to the financial statements, including a summary of material 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 other auditors on separate financial statements of the subsidiaries referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024 and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. we have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Revenue Recognition** Revenue recognition is significant audit risk across the Group. Risk exists that revenue is recognized without substantial transfer of control and is not in accordance with Ind AS-115 "Revenue from Contracts with Customers".	Our audit consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: • We evaluated the design and performed walkthrough of internal controls relating to revenue recognition. • We selected sample of Sales transactions and tested the operating effectiveness of the internal control relating to revenue recognition. We carried out a combination of procedures involving enquiry and observation, reperformance and/or inspection. • We have tested sample of Sale transactions to their respective customer contracts, underlying invoices and related documents. • We have performed cut-off procedures for revenue transactions at year-end in order to conclude on whether they were recognized in accordance with Ind-AS 115.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' report and annexure thereto, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, is traced from their financial statements audited by the other auditors.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. 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 Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intend to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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 entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent Company 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 financial controls 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 three subsidiaries, whose financial statements reflect total assets of ₹ 104.51 Crores as at March 31, 2024, total revenues of ₹ 0.21 Crores and net cash inflows amounting to ₹ 6.48 Crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law maintained by the Group, including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books books, except not complying with the requirement of audit trail as stated in (i) (vi) below.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Parent Company as on March 31, 2024 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) The modification relating to the maintenance of accounts and other matters connected therewith, is as stated in paragraph (b) above.

   g) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent company, subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the auditor's reports of subsidiary companies incorporated in India, the remuneration paid by the Parent Company and such subsidiary companies to their respective directors during the year is in accordance with the provisions of section 197 of the Act.

   i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 37 to the consolidated financial statements;

      ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

      iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies incorporated in India.

      iv) (a) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors respectively that, to the best of their knowledge and belief, other than as disclosed in the note 47 (v) (a) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiaries to

or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, other than as disclosed in the note 47(vi)(a) to the consolidated financial statements, no funds have been received by the Parent or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) The final dividend proposed in the previous year, declared and paid by the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, where applicable, during the year is in accordance with section 123 of the Act, as applicable.

As stated in note 49 to the consolidated financial statements, the Board of Directors of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, where applicable, have proposed final dividend for the year which is subject to the approval of the members of the Parent and such subsidiaries at the ensuing respective Annual General Meetings. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

vi) Based on our examination which included test checks and based on the other auditor's reports of its subsidiary companies incorporated in India whose financial statements have been audited under the Act, except for instance mentioned below, the Parent and two of its subsidiaries incorporated in India have used accounting softwares for maintaining their respective books of account for the year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software(s). Further, during the course of audit, we and respective other auditors, whose reports have been furnished to us by the Management of the Parent, have not come across any instance of the audit trail feature being tampered with.

In respect one subsidiary, as reported by the other auditor,

i) The Company has used an accounting software(s) for maintaining its books of account for the period April 1, 2023 to October 31, 2023 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the said period for all relevant transactions recorded in the software(s). Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with, in respect of accounting software for the period for which the audit trail feature was operating.

ii) The Company has migrated to another accounting software on November 1, 2023 which has a feature of recording audit trail (edit log) facility and the same was operational for all relevant transactions recorded in the software, except that, audit trail feature is not enabled for privileged access users as described in note 47 (viii) to the consolidated financial statements.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

(Kartikeya Raval)
(Partner)
(Membership No. 106189)
(UDIN: 24106189BKFGVE4518)

Place: Vadodara
Date: May 20, 2024

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 7(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as at and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated financial statements of Deepak Nitrite Limited (hereinafter referred to as "Parent") and its subsidiary companies, which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Parent, its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal control with reference to consolidated financial statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Parent, its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Parent, its subsidiary companies, which are companies incorporated in India.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion to the best of our information and according to the explanations given to us, the Parent, its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to consolidated financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

(Kartikeya Raval)
(Partner)
(Membership No. 106189)
(UDIN: 24106189BKFGVE4518)

Place: Vadodara
Date: May 20, 2024

Consolidated Balance Sheet

as at March 31, 2024

Corporate Identification Number: L24110GJ1970PLC001735

₹ in Crores

		Notes	As at March 31, 2024	As at March 31, 2023
I.	**ASSETS**			
	Non-Current Assets			
(a)	Property, Plant and Equipment	2	2,243.11	1,913.53
(b)	Capital Work-in-Progress	2	773.51	282.59
(c)	Intangible Assets	3	49.61	28.08
(d)	Intangible Assets Under Development		-	18.24
(e)	Financial Assets			
	Investments	4	2.69	2.48
	Loans	5	2.09	0.70
	Other Financial Assets	6	28.60	10.78
(f)	Non-Current Tax Assets (Net)	7	4.86	6.16
(g)	Deferred Tax Assets	8	2.17	0.15
(h)	Other Non-Current Assets	9	147.98	126.96
	Total Non-Current Assets		**3,254.62**	**2,389.67**
	Current Assets			
(a)	Inventories	10	759.91	893.07
(b)	Financial Assets			
	Investments	11	119.16	376.87
	Trade Receivables	12	1,298.35	1,309.52
	Cash and Cash Equivalents	13	237.97	37.64
	Bank Balances Other than Cash and Cash Equivalents above	14	227.49	2.31
	Loans	5	1.11	0.43
	Other Financial Assets	15	62.21	39.60
(c)	Other Current Assets	16	135.40	79.63
	Total Current Assets		**2,841.60**	**2,739.07**
	TOTAL ASSETS		**6,096.22**	**5,128.74**
II.	**EQUITY AND LIABILITIES**			
	Equity			
(a)	Equity Share Capital	17	27.28	27.28
(b)	Other Equity	18	4,769.34	4,062.68
(c)	Non-Controlling Interest		26.06	-
	Total Equity		**4,822.68**	**4,089.96**
	Liabilities			
	Non-Current Liabilities			
(a)	Financial Liabilities			
	Borrowings	19	216.95	43.02
	Lease Liabilities	43	62.28	15.41
(b)	Provisions	20	35.63	29.97
(c)	Deferred Tax Liabilities (Net)	21	173.62	156.62
	Total Non-Current Liabilities		**488.48**	**245.02**
	Current Liabilities			
(a)	Financial Liabilities			
	Borrowings	22	-	11.46
	Lease Liabilities	43	6.85	2.97
	Trade Payables			
	Total outstanding dues of			
	a) Micro Enterprises and Small Enterprises	23	32.77	26.61
	b) creditors other than Micro Enterprises and Small Enterprises	23	549.49	635.15
	Other Financial Liabilities	24	127.59	55.65
(b)	Other Current Liabilities	25	43.49	47.55
(c)	Provisions	20	17.43	14.37
(d)	Current Tax Liabilities (Net)	26	7.44	-
	Total Current Liabilities		**785.06**	**793.76**
	Total Liabilities		**1,273.54**	**1,038.78**
	TOTAL EQUITY AND LIABILITIES		**6,096.22**	**5,128.74**
	Material Accounting Policies	1		

The accompanying Notes form an integral part of the Consolidated Financial Statements.

As per our report of even date

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

Kartikeya Raval
Partner

Vadodara: May 20, 2024

For and on behalf of the Board

DEEPAK C. MEHTA
Chairman & Managing Director
DIN: 00028377

MAULIK MEHTA
Executive Director & CEO
DIN: 05227290

SANJAY UPADHYAY
Director (Finance) & Group CFO
DIN: 01776546

DILEEP CHOKSI
Director
DIN: 00016322

SOMSEKHAR NANDA
Chief Financial Officer
ICAI Membership .no - 49831

ARVIND BAJPAI
Company Secretary
Membership No.: F6713

Vadodara: May 20, 2024

Consolidated Statement of Profit and Loss

for the Year ended March 31, 2024

Corporate Identification Number: L24110GJ1970PLC001735

₹ in Crores

		Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
I.	**Revenue from Operations**	27	7,681.83	7,972.06
II.	**Other Income**	28	76.10	47.58
III.	**Total Income (I+II)**		**7,757.93**	**8,019.64**
IV.	**Expenses:**			
	(a) Cost of Materials Consumed	29	5,056.09	5,394.56
	(b) Purchases of Stock-in-Trade		77.02	144.06
	(c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	30	102.99	(191.11)
	(d) Employee Benefits Expense	31	351.05	318.25
	(e) Power & Fuel Expenses	32	457.12	541.93
	(f) Finance Costs	33	11.83	24.78
	(g) Depreciation and Amortisation Expense	34	165.66	166.30
	(h) Other Expenses	35	514.28	474.99
	Total Expenses (IV)		**6,736.04**	**6,873.76**
V.	**Profit before share of profit of an Associate and Exceptional Items (III-IV)**		**1,021.89**	**1,145.88**
VI.	**Profit before Tax from Associate**		**0.03**	**-**
VII.	**Profit before Exceptional Items and Tax (V+VI)**		**1,021.92**	**1,145.88**
VIII.	**Exceptional Items**	49	**79.80**	**-**
IX.	**Profit before tax (VII+VIII)**		**1,101.72**	**1,145.88**
X.	**Tax Expense:**			
	(a) Current Tax		273.10	258.63
	(b) Deferred Tax		17.73	35.25
XI.	**Profit for the Year (IX-X)**		**810.89**	**852.00**
XII.	**Other Comprehensive Income:**			
	Items that will not be Reclassified to Profit and Loss:			
	(a) Remeasurement of Defined Benefit Obligations (Net)		(2.78)	(6.89)
	(b) Tax Effect on remeasurement of Defined Benefit obligations (Net)		0.71	1.73
	(c) Fair Value gains on Investments		0.16	0.22
	(d) Tax effect of Fair Value Gains on Investments		(0.04)	(0.06)
	Total Other Comprehensive Income for the Year (XII)		**(1.95)**	**(5.00)**
XIII.	**Total Comprehensive Income for the year (XI+XII)**		**808.94**	**847.00**
XIV.	**Profit attributable to:**			
	Owners of the Company		810.90	852.00
	Non-Controlling Interest		(0.01)	-
XV.	**Other Comprehensive Income attributable to:**			
	Owners of the Company		(1.95)	(5.00)
	Non-Controlling Interest		-	-
XVI.	**Total Comprehensive Income attributable to:**			
	Owners of the Company		808.95	847.00
	Non-Controlling Interest		(0.01)	-
	Earnings Per Equity Share			
	(a) Basic (Nominal Value per share ₹ 2)	44	59.45	62.46
	(b) Diluted (Nominal Value per share ₹ 2)	44	59.45	62.46

The accompanying Notes form an integral part of the Consolidated Financial Statements.

As per our report of even date

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

Kartikeya Raval
Partner

Vadodara: May 20, 2024

For and on behalf of the Board

DEEPAK C. MEHTA
Chairman & Managing Director
DIN: 00028377

MAULIK MEHTA
Executive Director & CEO
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Director
DIN: 00016322

SOMSEKHAR NANDA
Chief Financial Officer
ICAI Membership .no - 49831

ARVIND BAJPAI
Company Secretary
Membership No.: F6713

Vadodara: May 20, 2024

Consolidated Cash Flow Statement

for the Year ended March 31, 2024

Corporate Identification Number: L24110GJ1970PLC001735

₹ in Crores

		For the year ended March 31, 2024	For the year ended March 31, 2023
(A)	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit Before Tax	**1,101.72**	**1,145.88**
	Adjustments for :		
1.	Depreciation and Amortisation Expense	165.66	166.30
2.	Loss on Sale of Property, Plant and Equipment	(0.86)	1.15
3.	Gain on disposal/modification of RTU assets	(1.56)	-
4.	Provision/(Reversal) for Doubtful Debts	(27.62)	(0.48)
5.	Provision/(Reversal) for Inventory Obsolescence	(0.07)	(1.76)
6.	Bad Debts (net of recovery)	1.69	-
7.	Gain on Redemption of Current Investment including gain on fair valuation	(31.03)	(22.26)
8.	Finance Costs	11.83	30.86
9.	Interest Income	(4.35)	(3.21)
10.	Unrealised Foreign Exchange Loss/(Gain) net	1.08	1.99
	Operating Profit Before Change in Operating Assets and Liabilities	**1,216.49**	**1,318.47**
	Movements in Working Capital :		
1.	(Increase)/Decrease in Inventories	133.23	(306.77)
2.	(Increase)/Decrease in Trade Receivables	13.35	(193.65)
3.	(Increase)/Decrease in Other Assets	(137.30)	(57.17)
4.	Increase/(Decrease) in Trade Payables	(80.81)	162.96
5.	Increase/(Decrease) in Other Liabilities	(0.45)	(13.90)
	Cash Generated from Operations	**1,144.51**	**909.94**
	Less: Income tax paid (net of refund)	266.45	260.02
	Net Cash Inflow from Operating Activities (A)	**878.06**	**649.92**
(B)	**CASH FLOW FROM INVESTING ACTIVITIES**		
1.	Purchase of Property, Plant and Equipment, including Capital Work-in-Progress, Capital Advances & Payable for Capital Expenditure	(742.39)	(358.13)
2.	Purchase of Intangible Assets	(29.32)	(2.72)
3.	Proceeds from Sale of Property, Plant and Equipment	3.25	0.93
4.	Payment for acquisition of subsidiaries (refer note 3 below)	(27.24)	-
5.	Net Proceeds/(Purchase) from Redemption of Current Investments	288.70	82.15
6.	Deposit with Bank	(218.80)	(0.52)
7.	Interest Received	3.96	2.24
	Net Cash Outflow from Investing Activities (B)	**(721.84)**	**(276.05)**

Consolidated Cash Flow Statement (Contd.)

₹ in Crores

		For the year ended March 31, 2024	For the year ended March 31, 2023
(C)	**CASH FLOW FROM FINANCING ACTIVITIES**		
1.	Proceeds from Non-Current Borrowings	216.95	-
2.	Repayment of Non-Current Borrowings	(49.02)	(215.75)
3.	Net (Proceeds)/Borrowings from Current Borrowings	(5.46)	(36.53)
4.	Interest paid	(9.82)	(23.31)
5.	Dividend paid on Equity Shares	(102.29)	(95.48)
6.	Margin Money Deposit	(0.01)	17.33
7.	Principal repayment of Lease Liability	(4.34)	(3.36)
8.	Interest cost of Lease	(2.48)	(1.98)
	Net Cash Outflow from Financing Activities (C)	**43.53**	**(359.08)**
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	**199.75**	**14.79**
	Cash and Cash Equivalents at the Beginning of the Financial Year	37.64	22.85
	Cash and Cash Equivalents on acquisition of subsidiaries (refer note 3 below)	0.58	-
	Cash and Cash Equivalents at the End of the Financial Year	**237.97**	**37.64**
	Reconciliation of Cash and Cash Equivalents		
	Balances with Banks:		
	In Current Accounts	9.01	0.35
	In Cash Credit Accounts	19.83	23.17
	Deposit with banks with maturity less than 3 months from the date of acquisition	209.01	14.01
	Cash on Hand	0.12	0.11
	Total Cash and Cash Equivalents as per note 13.	**237.97**	**37.64**

Notes:

1. The Consolidated Cash Flow Statement has been prepared under the 'Indirect Method' set out in Ind AS 7 'Cash Flow Statement'.
2. Disclosure with regards to changes in liabilities arising from Financing activities as set out in Ind AS 7 'Cash Flow Statement' is presented under note 41.7.
3. On August 11, 2023, Deepak Nitrite Limited acquired 31.72% equity stake in DOIL by subscribing to 7,70,000 equity shares of OMR 1 each for the consideration of ₹ 16.55 Crores. Further, on March 20, 2024, Deepak Nitrite Limited acquired, through acquisition as well as by way of subscription, additional 19.28% equity stake in DOIL i.e. 4,95,824 equity shares of OMR 1 each for the consideration of ₹ 10.69 Crores. Cumulative holding as on March 31, 2024 is 51%.

   Thereby, DOIL has been treated as an Associate up to March 19, 2024 and Subsidiary thereafter during the period ended March 31, 2024.

The accompanying Notes form an integral part of the Consolidated Financial Statements.

As per our report of even date

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

Kartikeya Raval
Partner

Vadodara: May 20, 2024

For and on behalf of the Board

DEEPAK C. MEHTA
Chairman & Managing Director
DIN: 00028377

SANJAY UPADHYAY
Director (Finance) & Group CFO
DIN: 01776546

SOMSEKHAR NANDA
Chief Financial Officer
ICAI Membership .no - 49831

Vadodara: May 20, 2024

MAULIK MEHTA
Executive Director & CEO
DIN: 05227290

DILEEP CHOKSI
Director
DIN: 00016322

ARVIND BAJPAI
Company Secretary
Membership No.: F6713

Consolidated Statement of Changes in Equity

for the Year ended March 31, 2024

Corporate Identification Number: L24110GJ1970PLC001735

(A) EQUITY SHARE CAPITAL (REFER NOTE 17)

₹ in Crores

	Amount
As at April 01, 2022	**27.28**
Changes in Equity Share Capital during the year	-
As at March 31, 2023	**27.28**
Changes in Equity Share Capital during the year	-
As at March 31, 2024	**27.28**

(B) OTHER EQUITY (REFER NOTE 18)

₹ in Crores

	Reserves and Surplus					Other Comprehensive Income	Total	Non-controlling Interests	Total
	Retained Earnings	Capital Reserve	General Reserve	Capital Redemption Reserve	Securities Premium	Equity instruments through other comprehensive income			
Balance as at April 01, 2022	**2,776.96**	**0.71**	**98.90**	**0.15**	**434.17**	**0.27**	**3,311.16**	**-**	**3,311.16**
Profit for the year	852.00	-	-	-	-	-	852.00	-	852.00
Other Comprehensive income (net of taxes)	(5.16)	-	-	-	-	0.16	(5.00)	-	(5.00)
Dividend	(95.48)	-	-	-	-	-	(95.48)	-	(95.48)
Balance as at March 31, 2023	**3,528.32**	**0.71**	**98.90**	**0.15**	**434.17**	**0.43**	**4,062.68**	**-**	**4,062.68**
Transactions with Non-controlling Interests	-	-	-	-	-	-	-	26.07	26.07
Profit for the year	810.90	-	-	-	-	-	810.90	(0.01)	810.89
Other Comprehensive income (net of taxes)	(2.07)	-	-	-	-	0.12	(1.95)	-	(1.95)
Dividend	(102.29)	-	-	-	-	-	(102.29)	-	(102.29)
Balance as at March 31, 2024	**4,234.86**	**0.71**	**98.90**	**0.15**	**434.17**	**0.55**	**4,769.34**	**26.06**	**4,795.40**

The accompanying Notes form an integral part of the Consolidated Financial Statements.

As per our report of even date

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

Kartikeya Raval
Partner

Vadodara: May 20, 2024

For and on behalf of the Board

DEEPAK C. MEHTA
Chairman & Managing Director
DIN: 00028377

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SOMSEKHAR NANDA
Chief Financial Officer
ICAI Membership .no - 49831

ARVIND BAJPAI
Company Secretary
Membership No.: F6713

Vadodara: May 20, 2024

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

GROUP OVERVIEW

Deepak Nitrite Limited ('DNL' or 'the Company') is a prominent chemical manufacturing public limited company incorporated and domiciled in India. Its registered office is located at 2nd Floor, Fermenter House, Alembic City, Alembic Avenue Road, Vadodara – 390 003, Gujarat, India and its manufacturing facilities are located in the states of Gujarat, Maharashtra and Telangana.

The Company with its five subsidiaries namely Deepak Phenolics Limited, Deepak Nitrite Corporation Inc., Deepak Chem Tech Limited, Deepak Oman Industries LLC (SFZ) (with effect from March 20, 2024) and Deepak Project Management Company Limited (incorporated on December 02, 2023) are referred to as the Group here under.

The Group manufactures Advanced Intermediates and Phenolics.

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended March 31, 2023, except for amendments to the existing Indian Accounting Standards (Ind AS). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. The Company applies, for the accounting periods beginning on or after April 1, 2023, that do not have material impact on the financial statements of the Company.

Ind AS 1 - Presentation of Financial Statements:

This amendment requires the entities to disclose their material accounting policies rather than their material accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the Consolidated Financial Statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors:

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2023. The Company has evaluated the amendment and there is no material impact on its Consolidated Financial Statements.

Ind AS 12 - Income taxes:

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2023. The Company has evaluated the amendment and there is no material impact on its Consolidated Financial Statements.

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

1. Material Accounting Policies

This Note provides a list of the material Accounting Policies adopted by the Group in the preparation of these Consolidated Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The Financial Statements are for the Group consisting of the Company and its subsidiary companies.

(a) I. Basis of preparation

(i) Compliance with Ind AS

The Consolidated Financial Statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The Consolidated Financial Statements have been prepared on a historical cost basis except for the following assets and liabilities which have been measured at fair value or revalued amount:

(a) Certain financial assets and financial liabilities measured at fair value

(b) Derivative Financial instruments

(c) Defined benefit plan – plan assets measured at fair value

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if the market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value measurement and/or disclosure purposes in the financial statements is determined on such a basis except for leasing transactions that are within the scope of Ind AS 116 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

(ii) Functional and Presentation Currency

Items included in the Consolidated Financial Statements of the Group are measured using the currency of the primary economic environment in which the Group operates ('functional currency'). The Consolidated Financial Statements of the Group are presented in Indian currency (₹), which is also the functional and presentation currency of the Group.

(iii) Use of estimates

Preparation of the Consolidated Financial Statements requires use of accounting estimates which, by definition, will be equal to the actual results. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Useful lives and residual value of property, plant and equipment : The Group reviews the useful life and residual value of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods. (Refer Note 2)

Allowance for expected credit losses: The expected credit allowance is based on the ageing of the days receivables which are past due and the rates derived based on past history of defaults in the provision matrix. (Refer Note 41.5)

Fair value of investments: The Group has invested in the equity instruments of various companies. However, the percentage of shareholding of the Group in such investee companies is very low and hence, it has not been provided with future projections including projected statement of profit and loss by those investee companies. Hence, the valuation exercise carried out by the Group with the help of an independent valuer has estimated fair value at each reporting period based on available historical annual reports and other information in the public domain. (Refer Note 41.1)

Income taxes : Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. (Refer Note 38)

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

(a) II. Principles of Consolidation :

The Consolidated Financial Statements (CFS) comprise the Financial Statements of Deepak Nitrite Limited and its subsidiaries as at March 31, 2024. 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 into Consolidated financial statements at exchange rate in effect at the balance sheet date. Any exchange difference arising on consolidation is recognised in the Consolidated Statement of Profit and Loss.

Profit or Loss and each component of Other Comprehensive Income are attributed to the owners of the Group and to the non-controlling interests. Total Comprehensive Income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Name of Entity	Ownership in % either directly or through subsidiaries		Nature	Country of Incorporation
	2023-24	2022-23		
Deepak Phenolics Limited	100%	100%	Subsidiary	India
Deepak Chem Tech Limited	100%	100%	Subsidiary	India
Deepak Nitrite Corporation, Inc.	100%	100%	Subsidiary	United States of America
Deepak Oman Industries LLC (SFZ)	51%	0%	Subsidiary	Sultanate of Oman
Deepak Project Management Company Limited	100%	100%	Subsidiary	India

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.

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

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, trade discounts and rebates – if the following conditions are met:

- The control of the goods have been transferred to the buyer.
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits associated with the transaction will flow to the Group.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from Services is recognised in the accounting period in which the services are rendered.

Interest Income:

Interest income from Financial Assets is recognised when it is probable that the economic benefits will flow to the Group and the amount of income is measured reliably. Interest income is accrued on time basis, by reference to the principle outstanding and using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Eligible export incentives are recognised in the year in which the conditions precedent is met and there is no significant uncertainty about the collectability.

Revenue in respect of other income is recognised to the extent that the Group is reasonably certain of its ultimate realisation.

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

(d) Leasing

As a Lessee

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The ROU are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the incremental borrowing rates.

As a Lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

(e) Foreign Currency Transactions

In preparing the Consolidated Financial Statements of the Group, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in Consolidated Statement of profit and loss in the period in which they arise.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Consolidated Statement of Profit and Loss, within finance costs.

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and option contracts.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Consolidated Statement of profit and loss immediately.

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(f) Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are recognised in the Consolidated Statement of Profit and Loss in the period in which they are incurred.

(g) Government Grants

(i) Grants from the Government are not recognised until there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

(ii) Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited in the Consolidated Statement of Profit and Loss in proportion to fulfilment of associated export obligations and presented within other income.

(iii) Government grants relating to income are recognised in the Consolidated Statement of Profit and Loss on a Systematic basis over the period necessary to match them with the costs that they are intended to compensate or when the performance obligations are met.

(h) Employee Benefits

(i) Retirement Benefit Costs and Termination Benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit plans in respect of an approved gratuity plan, the cost of providing benefits is determined using projected unit credit method, with actuarial valuations being carried out at the end of each reporting period.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income is reflected in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to Consolidated Statement of Profit and Loss.

Past service cost is recognised in Consolidated Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and curtailments and settlements);
- net interest expense or income; and
- remeasurement

The first two components of defined benefit costs are recognised in the Consolidated Statement of Profit and Loss in the line item 'Employee benefits expense'. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

(ii) Short-Term and Other Long-Term Employee Benefits

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Notes

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Liabilities recognised in respect of other long-term employee benefits are measured at the Present value of the estimated future cash outflows expected to be made in respect of services provided by employees up to the reporting date.

(iii) Compensated Absence and Earned Leaves

The Group's current policy permits eligible employees to accumulate compensated absences up to a prescribed limit and receive cash in lieu thereof in accordance with the terms of the policy. The Group measures the expected cost of accumulating compensated absences as the additional amount that the Group expects to pay as a result of unused entitlement that has accumulated as at the reporting date. The expected cost of these benefits is calculated using the projected unit credit method by qualified actuary every year. Actuarial gains and losses arising from experience adjustment and changes in actuarial assumptions are recognised in the Consolidated Statement of Profit and Loss in the period in which they arise.

(i) Income Taxes

The Company and its Subsidiary, Deepak Phenolics Limited, has elected to exercise option available under section 115BAA of the Income Tax Act, 1961.

Deepak Chem Tech Limited, wholly owned subsidiary, shall be eligible to claim benefit of lower rate of tax under section 115BAB of the Income Tax Act, 1961.

The income tax expense represents the sum of the tax currently payable and deferred tax.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax is recognised in the Consolidated Statement of Profit and Loss, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity. In this case, the tax is also recognised in Other Comprehensive Income or directly in equity, respectively.

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.

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(j) Property, Plant and Equipment

Property, plant and equipment held for use in the production or supply of goods or services are stated at cost less accumulated depreciation and accumulated impairment losses if any.

Subsequent costs are included in the carrying amount of asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the Consolidated Statement of Profit and Loss during the period in which they are incurred.

Spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment if they are held for use in the production or supply of goods or services and are expected to be used during more than one period.

Property, plant and equipment which are not ready for intended use as on the date of Consolidated Balance Sheet are disclosed as 'Capital Work-in-Progress'.

Depreciation Methods, Estimated Useful Lives and Residual Value:

Depreciation on all tangible assets is provided at the rates and in the manner prescribed by Schedule II to the Companies Act, 2013 and certain components of plant & equipment such as Reactors, Centrifuge, Cooling towers, Air Compressor etc. which are depreciated over its useful life as technically assessed by Independent/ Internal Technical Personnel after taking into consideration past experience of the group, chemical process & chemical industry norms.

Asset Category	Estimated Useful Life
Building	30 years
Plant & Equipment	3 to 40 years
Furniture & Fixture	5 to 10 years
Vehicle	8 years
Office Equipment	2 to 5 years
Road	2 to 10 years

Freehold land is stated at historical cost and is not depreciated.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Consolidated Statement of Profit and Loss.

In respect of depreciable assets for which Impairment Loss is recognised, depreciation/amortisation is charged on the revised carrying amount over the remaining useful life of the assets computed on the basis of the life prescribed in schedule II to the Companies Act, 2013.

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.

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The cost of intangible assets is amortised over the estimated useful life, in any case, not exceeding ten years, on a straight-line basis. A detail of estimated useful life is given below:

Asset Category	Estimated Useful Life
Computer Software and related implementation costs	2 to 6 years
Rights to use facilities	5 years
Technical Know How	10 years

(l) Impairment of Tangible and Intangible Assets

The carrying amount of cash generating units/assets is reviewed at the Consolidated Balance Sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount is estimated as the fair value less cost of disposal or value in use, whichever is higher. While assessing value in use, the estimated future cash flows are discounted to the present value by using pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset. Impairment loss, if any, is recognised whenever carrying amount exceeds the recoverable amount. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

(m) Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, demand deposits with bank and other short-term deposits (3 months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

(n) Inventories

Raw materials and components, stores and spares are valued at cost determined on period-moving weighted average basis and are net of Cenvat, VAT & GST. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to the present location and condition. Due allowances are made for slow moving and obsolete inventories based on estimates made by the Group. Items such as spare parts, stand-by equipment and servicing equipment which is not plant and equipment gets classified as inventory.

Finished Goods and Work-in-progress are valued at cost of purchase of raw materials and conversion thereof, including the cost incurred in the normal course of business in bringing the inventories up to the present condition or at the net realisable value, whichever is lower. The inventories of joint products are valued by allocating the costs to the joint products by 'Relative Sales Value' method. By-products are valued at net realisable value.

(o) Financial Instruments

Financial Assets and Financial Liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial Assets and Financial Liabilities are initially measured at Fair Value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

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.

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forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(i) Classification of Financial Assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition)

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income(except for debt instruments that are designated as at fair value through profit or loss on initial recognition)

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in Consolidated Statement of Profit and Loss and is included in the “Other Income” line item.

(iii) Investments in Equity Instruments

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the ‘Reserve for equity instruments through other comprehensive income’.

The cumulative gain or loss is not reclassified to Consolidated Statement of Profit and Loss on disposal of the investments.

Dividends on these investments in equity instruments are recognised in Consolidated Statement of Profit and Loss when the Group’s right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery a part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in Consolidated Statement of Profit and Loss are included in the ‘Other income’ line item.

(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.

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Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in Consolidated Statement of Profit and Loss. The net gain or loss recognised in Consolidated Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset and is included in the Other income or Other expenses line item. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

(v) Impairment of Financial Assets

The Group recognises a loss allowance for Expected Credit Losses (ECL) on investments in debt instruments that are measured at amortised cost or at FVTOCI, trade receivables and contract assets, financial guarantee contracts and certain other financial assets measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

(vi) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in Consolidated Statement of Profit and Loss if such gain or loss would have otherwise been recognised in Consolidated Statement of Profit and Loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between

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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.

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forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

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'.

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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, Contingent Assets and Contingent Liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These are reviewed at each year end and reflect the best current estimate. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of best estimate of the Management of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

(s) Research and Development Expenditure

Research and Development expenditure is charged to revenue under the natural heads of account in the year in which it is incurred. Research and Development expenditure on property, plant and equipment is treated in the same way as expenditure on other property, plant and equipment.

(t) Earnings Per Share

Basic Earnings per share (EPS) is calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of Equity shares outstanding during the period. Diluted Earnings per Equity Share are computed by dividing net income by the weighted average number of Equity Shares adjusted for the effects of all dilutive

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potential Equity Shares. Earnings considered in ascertaining the EPS is the net profit for the period after attributable tax thereto for the period.

(u) Segment Reporting - Basis of Information

The Group has determined 2 (two) reporting Segments, based on the information reviewed by Chief Operating Decision Maker (CODM) as primary segments viz. (i) Advanced Intermediates and (ii) Phenolics.

Inter segment transfer prices are normally negotiated amongst the segments with reference to the costs, market prices and business risks, within an overall optimisation objective of the Group.

Revenue and expenses have been accounted on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segments on reasonable basis, have been included under “Other unallocable”. Assets and liabilities which relate to the enterprise as a whole but are not allocable to segments on a reasonable basis, have been included under “Unallocable Assets/Liabilities”.

Secondary segment have been identified with reference to geographical location of external customers. Composition of secondary segment is as follows:

(i) India and

(ii) Outside India.

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2. PROPERTY, PLANT AND EQUIPMENT

₹ in Crores

	Freehold Land	Leasehold Land	Building	Plant and Equipment	Furniture and Fixture	Vehicle	Office Equipment	Road	Total	Capital Work-in-Progress
Gross Carrying Amount as at April 01, 2022	**24.10**	**180.73**	**189.17**	**2,067.26**	**11.83**	**14.00**	**7.18**	**23.11**	**2,517.38**	**103.69**
Additions during the year 2022-23	-	-	27.08	114.42	1.62	4.33	1.36	0.85	149.66	323.89
Deductions during the year 2022-23	-	-	(0.97)	(10.09)	(0.15)	(0.60)	(0.21)	-	(12.02)	(144.99)
Gross Carrying Amount as at March 31, 2023	**24.10**	**180.73**	**215.28**	**2,171.59**	**13.30**	**17.73**	**8.33**	**23.96**	**2,655.02**	**282.59**
Additions during the year 2023-24	18.10	18.41	134.55	302.73	14.85	4.74	5.62	12.21	511.22	962.73
Deductions during the year 2023-24	-	-	(7.98)	(7.28)	(3.23)	(5.02)	(0.53)	-	(24.04)	(471.81)
Gross Carrying Amount as at March 31, 2024	**42.20**	**199.14**	**341.85**	**2,467.04**	**24.93**	**17.45**	**13.42**	**36.17**	**3,142.20**	**773.51**
Depreciation | Amortisation as at April 01, 2022	**-**	**5.70**	**42.52**	**501.77**	**6.88**	**6.13**	**5.12**	**16.59**	**584.70**	**-**
Depreciation for the year 2022-23	-	2.08	10.57	145.35	1.27	1.85	0.98	0.99	163.09	-
Depreciation on disposal during the year 2022-23	-	-	(0.39)	(5.34)	(0.09)	(0.30)	(0.18)	-	(6.30)	-
Depreciation | Amortisation as at March 31, 2023	**-**	**7.78**	**52.70**	**641.78**	**8.06**	**7.68**	**5.92**	**17.58**	**741.49**	**-**
Depreciation for the year 2023-24	-	2.30	22.29	138.66	2.36	2.13	1.87	1.18	170.78	-
Depreciation on disposal during the year 2023-24	-	-	(3.17)	(4.39)	(2.19)	(2.93)	(0.50)	-	(13.18)	-
Depreciation | Amortisation as at March 31, 2024	**-**	**10.08**	**71.82**	**776.05**	**8.23**	**6.88**	**7.28**	**18.75**	**899.09**	**-**
Net Carrying Amount as at March 31, 2023	**24.10**	**172.94**	**162.59**	**1,529.81**	**5.24**	**10.05**	**2.42**	**6.38**	**1,913.53**	**282.59**
Net Carrying Amount as at March 31, 2024	**42.20**	**189.05**	**270.04**	**1,690.99**	**16.69**	**10.57**	**6.14**	**17.42**	**2,243.11**	**773.51**

Notes:

1 Capital work-in-progress mainly comprises addition/expansion projects in progress.

The following table provides CWIP Aging Schedule as at March 31, 2024

₹ in Crores

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	636.10	74.91	24.87	37.63	773.51

The following table provides CWIP Aging Schedule as at March 31, 2023

₹ in Crores

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	236.81	37.91	7.87	-	282.59

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

2 Right -to-use assets included in Property, Plant and Equipment

₹ in Crores

	Building	Plant and Equipment	Furniture	Vehicle	Total
Gross Carrying Amount as at April 01, 2022	**15.35**	**1.39**	**1.75**	**4.53**	**23.02**
Additions during the year 2022-23	7.39	-	-	-	7.39
Deductions during the year 2022-23	-	-	-	-	-
Gross Carrying Amount as at March 31, 2023	**22.74**	**1.39**	**1.75**	**4.53**	**30.41**
Additions during the year 2023-24	55.90	-	12.82	-	68.72
Deductions during the year 2023-24	(7.64)	(1.39)	(1.75)	(4.53)	(15.31)
Gross Carrying Amount as at March 31, 2024	**71.00**	**-**	**12.82**	**-**	**83.82**
Depreciation | Amortisation as at April 01, 2022	**7.37**	**1.01**	**0.48**	**1.65**	**10.51**
Depreciation for the year 2022-23	2.67	0.38	0.20	0.72	3.97
Depreciation on disposal during the year 2022-23	-	-	-	-	-
Depreciation | Amortisation as at March 31, 2023	**10.04**	**1.39**	**0.68**	**2.37**	**14.48**
Depreciation for the year 2023-24	12.75	-	1.19	0.18	14.12
Depreciation on disposal during the year 2023-24	(2.99)	(1.39)	(0.80)	(2.55)	(7.73)
Depreciation | Amortisation as at March 31, 2024	**19.80**	**-**	**1.07**	**-**	**20.87**
Net Carrying Amount as at March 31, 2023	**12.70**	**-**	**1.06**	**2.16**	**15.92**
Net Carrying Amount as at March 31, 2024	**51.20**	**-**	**11.74**	**-**	**62.94**

3 The parent company has availed deemed cost approach in relation to the property, plant and equipment on the date of transition to IND-AS i.e. 1 April 2016, hence the net block carrying amount has been considered as the gross block carrying amount on that date. Additions to the property, plant and equipment after the said date have been recorded on historical cost basis.

4 Refer note 19 and 22 for hypothecation / mortgage created on assets of the Group.

5 Building includes ₹ 10.80 Crores (₹ 10.80 Crores) in respect of ownership of premises in a co-operative housing society by way of 10 Shares.

6 The Group dose not have any projects which are temporarily suspended.

7 Out of the total depreciation, ₹ 3.83 Crores (Previous year ₹ 2.15 Crores) in Deepak Chem Tech Limited, a wholly owned subsidiary and ₹ 9.07 (Previous year ₹ Nil) Crores in Deepak Oman Industries LLC (SFZ), a subsidiary has been allocated to Capital Work-in-Progress.

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

3. INTANGIBLE ASSETS

₹ in Crores

	Computer Software	Others	Total
Gross Carrying Amount as at April 01, 2022	**9.31**	**40.16**	**49.48**
Additions during the year 2022-23	2.72	-	2.72
Deductions during the year 2022-23	(0.04)	-	(0.04)
Gross Carrying Amount as at March 31, 2023	**11.99**	**40.16**	**52.16**
Additions during the year 2023-24	1.42	27.90	29.31
Deductions during the year 2023-24	(0.14)	-	(0.14)
Gross Carrying Amount as at March 31, 2024	**13.27**	**68.06**	**81.33**
Depreciation | Amortisation as at April 01, 2022	**6.46**	**12.27**	**18.73**
Depreciation for the year 2022-23	1.18	4.20	5.38
Depreciation on disposal during the year 2022-23	(0.04)	-	(0.04)
Depreciation | Amortisation as at March 31, 2023	**7.60**	**16.47**	**24.07**
Depreciation for the year 2023-24	1.23	6.55	7.78
Depreciation on disposal during the year 2023-24	(0.13)	-	(0.13)
Depreciation | Amortisation as at March 31, 2024	**8.70**	**23.02**	**31.72**
Net Carrying Amount as at March 31, 2023	**4.39**	**23.69**	**28.08**
Net Carrying Amount as at March 31, 2024	**4.57**	**45.04**	**49.61**

Intangible Assets Under Development was Nil as at March 31, 2024.

The table below provides aging of Intangible Assets Under Development as at March 31, 2023

₹ in Crores

Intangible Assets Under Development	Amount for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress	-	4.56	13.68	-	18.24

4. NON-CURRENT INVESTMENTS

₹ in Crores

		As at March 31, 2024	As at March 31, 2023
(a)	Investments in Equity Instruments of other companies measured at Fair Value Through Profit or Loss (FVTPL)	0.14	0.09
(b)	Investments in Equity Instruments of other companies measured at Fair Value Through Other Comprehensive Income (FVTOCI)	2.55	2.39
(c)	Investments in Government or Trust Securities measured at amortised cost (Refer Note (b) below)	0.00	0.00
Total		**2.69**	**2.48**

Notes

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₹ in Crores

		Face Value	As at Mar 31, 2024		As at Mar 31, 2023	
			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	0.05	6,240	0.03
	Bank of Baroda	₹ 2/-	3,234	0.09	3,234	0.05
	Unquoted					
	Nandesari Environment Control Limited (represents ₹ 8,000)	₹ 10/-	800	0.00	800	0.00
	Baroda Co-operative Bank Ltd. (represents ₹ 500)	₹ 50/-	10	0.00	10	0.00
	Shamrao Vitthal Co-op Bank Ltd.	₹ 25/-	2,000	0.01	2,000	0.01
	New India Co-op Bank Ltd. (represents ₹ 7,980)	₹ 10/-	798	0.00	798	0.00
	(ii) Other Companies measured at FVOCI					
	Unquoted					
	Jeedimetla Effluent Treatment Ltd.	₹ 100/-	52,342	0.80	52,342	0.68
	Deepak International Limited	GBP 1/-	73,706	0.77	73,706	0.75
	Deepak Gulf LLC	Omani Riyal 1/-	45,000	0.97	45,000	0.96
(b)	**Investments in Government or Trust Securities measured at amortised cost**					
	Unquoted					
	National Savings Certificate (represents ₹ 1,000)			0.00		0.00
Total			**1,84,130**	**2.69**	**1,84,130**	**2.48**

1.

₹ in Crores

		As at March 31, 2024	As at March 31, 2023
(a)	Aggregate amount of Unquoted Investments	2.56	2.40
(b)	Aggregate amount of Quoted Investments	0.14	0.08

5. LOANS

₹ in Crores

	As at March 31, 2024	As at March 31, 2023
Non-current		
Loans to Employees		
Unsecured, considered good	2.09	0.70
Total-Non-Current	**2.09**	**0.70**
Current		
Loans to Employees		
Unsecured, considered good	1.11	0.43
Total Current	**1.11**	**0.43**

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

6. OTHER NON-CURRENT FINANCIAL ASSETS

₹ in Crores

	As at March 31, 2024	As at March 31, 2023
Security Deposits		
Unsecured, considered good	9.35	10.78
Advance for Shares Acquisition*	19.25	-
Total	**28.60**	**10.78**

*Advance paid by one of the subsidiary of the Group to the share holders of Narmada Thermal Power Private Limited for acquisition of shares.

7. NON-CURRENT TAX ASSETS

₹ in Crores

	As at March 31, 2024	As at March 31, 2023
Non-Current Tax Assets		
Advance Income Tax (Net of provisions)	4.86	6.16
Total	**4.86**	**6.16**

8. DEFERRED TAX ASSETS

₹ in Crores

	As at March 31, 2024	As at March 31, 2023
Deferred Tax Assets		
Carry Forward of Business Losses	2.17	0.15
Total	**2.17**	**0.15**

9. OTHER NON-CURRENT ASSETS

₹ in Crores

		As at March 31, 2024	As at March 31, 2023
(a)	Capital Advances	39.89	79.05
(b)	Prepaid Expenses	0.70	0.32
(c)	Advance against Salary	1.28	1.21
(d)	Balance with Government Authorities	106.11	46.38
	Total	**147.98**	**126.96**

10. INVENTORIES [AT LOWER OF COST AND NET REALISABLE VALUE]

₹ in Crores

		As at March 31, 2024	As at March 31, 2023
(a)	Raw materials and components	209.63	262.26
	Goods-in-transit	98.53	73.27
		308.16	**335.53**
(b)	Stores and Spares	52.98	55.85
	Sub-Total	**361.14**	**391.38**
(c)	Work-in-progress	108.22	103.83
(d)	Finished goods	290.07	312.99
	Provision for obsolescence	(0.83)	(0.90)
(e)	Stock in trade	1.31	85.77
	Sub-Total	**398.77**	**501.69**
Total		**759.91**	**893.07**

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

In previous year, inventories amounting to ₹ 35.70 Crores has been charged to the Statement of Profit and Loss on account of damage due to occurrence of fire incident around the warehouse section of Group's one of the manufacturing sites located at Nandesari, Gujarat. (Refer Note 48)

Refer note 19 and 22 for hypothecation / mortgage created on assets of the Group.

11. CURRENT INVESTMENTS

₹ in Crores

	As at March 31, 2024	As at March 31, 2023
Investments measured at FVTPL (Quoted)		
Investments in Mutual Funds	119.16	376.87
Total	**119.16**	**376.87**

12. TRADE RECEIVABLES

₹ in Crores

	As at March 31, 2024	As at March 31, 2023
Unsecured, Considered Good		
(i) Trade Receivables - Others	1,297.34	1,338.04
(ii) Related Parties (Refer Note 36.12)	8.79	6.87
Allowance for credit losses (Refer Note 41.5)	(7.78)	(35.39)
Total	**1,298.35**	**1,309.52**

The credit period on sales of goods varies with business segments/ markets and generally ranges between 7 to 180 days. For financial risk and ageing related to Trade Receivables refer note 41.5 and 41.6.

There is no amount due from directors or other officers of the group or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member should be separately stated.

Refer note 19 and 22 for hypothecation / mortgage created on assets of the Group.

13. CASH AND CASH EQUIVALENTS

₹ in Crores

	As at March 31, 2024	As at March 31, 2023
(a) Cash on hand	0.12	0.11
(b) Balances with banks		
In Current accounts	9.01	0.35
In Cash Credit Accounts	19.83	23.17
Deposit with banks with maturity less than 3 months from the date of acquisition	209.01	14.01
Total	**237.97**	**37.64**

14. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS ABOVE

₹ in Crores

	As at March 31, 2024	As at March 31, 2023
(a) Earmarked unpaid dividend accounts	1.67	1.60
(b) Deposits with banks with maturity more than 3 months but less than 12 months	225.62	0.71
(c) Margin Money Deposits		
- Maturity less than 3 months	0.20	-
Total	**227.49**	**2.31**

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

15. OTHER CURRENT FINANCIAL ASSETS

₹ in Crores

		As at March 31, 2024	As at March 31, 2023
	Unsecured, considered good		
(a)	Interest Receivable	1.02	0.63
(b)	Insurance Claim Receivable (Refer Note 48)	54.90	35.97
(c)	Security Deposits	5.46	1.64
(d)	Earnest Money	0.18	0.20
(e)	Others	0.65	1.16
	Total	**62.21**	**39.60**

16. OTHER CURRENT ASSETS

₹ in Crores

		As at March 31, 2024	As at March 31, 2023
	Unsecured, considered good		
(a)	Balance with Government Authorities	93.24	50.71
(b)	Prepaid Expenses	11.43	10.20
(c)	Advances to Suppliers	30.16	18.47
(d)	Other Receivables	0.57	0.25
	Total	**135.40**	**79.63**

17. EQUITY SHARE CAPITAL

₹ in Crores

	As at March 31, 2024	As at March 31, 2023
Authorised:		
15,00,00,000 Equity shares of ₹ 2 each	30.00	30.00
20,00,000 Preference shares of ₹ 100 each	20.00	20.00
Total	**50.00**	**50.00**
Issued, Subscribed and fully paid up:		
13,63,93,041 Equity shares of ₹ 2 each	27.28	27.28
Total	**27.28**	**27.28**

(a) Reconciliation of number of Equity Shares outstanding at the beginning and at the end of the year :

	As at March 31, 2024		As at March 31, 2023	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
Equity Shares				
Shares outstanding at the beginning of the year	13,63,93,041	27.28	13,63,93,041	27.28
Shares outstanding at the end of the year	**13,63,93,041**	**27.28**	**13,63,93,041**	**27.28**

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

(b) Shares: Terms/Rights

(i) The Company has Authorised capital of Equity and Preference shares.

(ii) Each holder of the Equity Share is entitled to one vote per Share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders at the ensuing Annual General Meeting.

(iii) In the event of liquidation of the Company, the holders of Equity Shares shall be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the Shareholders. No preferential amounts exist as on the Balance Sheet date.

(c) Details of shares held by each shareholder holding more than 5% Equity shares of ₹ 2 each fully paid in the Company:

Name of the Shareholder	As at March 31, 2024		As at March 31, 2023	
	No.	% holding	No.	% holding
Shri Deepak Chimanlal Mehta	2,25,35,241	16.52	2,18,52,531	16.02
Stiffen Credits & Capital Pvt. Ltd.	84,37,840	6.19	84,37,840	6.19
Checkpoint Credits & Capital Pvt. Ltd.	72,06,050	5.28	72,06,050	5.28
Stepup Credits & Capital Pvt. Ltd.	69,15,580	5.07	69,15,580	5.07

(d) Details of shares held by Promoters

Promoter Name	As at March 31, 2024		As at March 31, 2023		% Change during the year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
Late. Shri Chimanlal K. Mehta	-	-	6,97,090	0.51	-0.51%
Shri Deepak Chimanlal Mehta	2,25,35,241	16.52	2,18,52,531	16.02	0.50%
Shri Maulik Mehta	1,31,300	0.10	1,31,300	0.10	0.00%

18. OTHER EQUITY

₹ in Crores

		As at March 31, 2024	As at March 31, 2023
Reserves & Surplus			
(a)	Retained Earnings	4,234.86	3,528.32
(b)	General Reserve	98.90	98.90
(c)	Capital Reserve	0.71	0.71
(d)	Capital Redemption Reserve	0.15	0.15
(e)	Securities Premium	434.17	434.17
Reserves representing Unrealised Gains/(Losses)			
(f)	Equity instruments through other comprehensive income	0.55	0.43
Total		**4,769.34**	**4,062.68**

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

₹ in Crores

		As at March 31, 2024	As at March 31, 2023
(a)	**Retained Earnings**		
	Balance at beginning of year	3,528.32	2,776.96
	Add: Profit for the year	810.90	852.00
	Add: Remeasurement of Defined Benefit Obligation (Net of tax)	(2.07)	(5.16)
	Less: Payment of Dividend on Equity Shares	102.29	95.48
	Balance at end of year	**4,234.86**	**3,528.32**
	Retained earnings represents the Group's undistributed earnings after taxes.		
(b)	**General Reserve**		
	Balance at beginning of year	98.90	98.90
	Balance at end of year	**98.90**	**98.90**
	The general reserve is used for purposes as specified under the Companies Act, 2013. Items included in the general reserve will not be reclassified subsequently to the statement of profit and loss as the general reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income.		
(c)	**Capital Reserve**		
	Balance at beginning of year	0.71	0.71
	Balance at end of year	**0.71**	**0.71**
(d)	**Capital Redemption Reserve**		
	Balance at beginning of year	0.15	0.15
	Balance at end of year	**0.15**	**0.15**
	Capital redemption reserve has been created pursuant to the requirements of the Act under which the Group is required to transfer certain amounts on redemption of the debentures. The Group has redeemed the underlying debentures in the earlier years. The capital redemption reserve can be utilised for issue of bonus shares.		
(e)	**Securities Premium**		
	Balance at beginning of year	434.17	434.17
	Balance at end of year	**434.17**	**434.17**
	Securities premium represents the amount received in excess of the face value of the equity shares. The utilisation of the securities premium is governed by the Section 52 of the Companies Act, 2013.		
(f)	**Reserve for equity instruments through other comprehensive income**		
	Balance at beginning of year	0.43	0.27
	Add: Gain / (Loss) on revaluation of Equity Instruments (Net of tax)	0.12	0.16
	Balance at end of year	**0.55**	**0.43**
	This reserve represents the cumulative gains and losses arising on the fair valuation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed off.		

19. NON-CURRENT BORROWINGS

₹ in Crores

	As at March 31, 2024	As at March 31, 2023
Term Loans from Banks at amortised cost		
Secured	216.95	49.02
Sub-Total	**216.95**	**49.02**
Less:		
Current maturities of Non-Current Borrowings (Refer Note 22)	-	6.00
Total	**216.95**	**43.02**

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

Secured Term Loans:-

Term loan from Banks are secured by an exclusive charge by way of hypothecation of all the movables including movable plant and machinery pertaining to the Project.

The assets stated herein are disclosed under note 2, 10 and 12.

Repayment Schedule:-

Term loan availed is repayable on quarterly basis starting from June, 2026.

Interest Rate Condition:-

Interest rate of secured term loan is linked with MCLR.

20. PROVISIONS

₹ in Crores

	As at March 31, 2024	As at March 31, 2023
Non-current		
Provision for Employee benefit obligations		
Provision for leave benefits (Refer Note 39 (B))	34.24	29.44
Provision for Gratuity (Refer Note 39 (A)(iii))	1.39	0.53
Total-Non-Current	**35.63**	**29.97**
Current		
Provision for Employee benefit obligations		
Provision for leave benefits (Refer Note 39 (B))	7.71	6.75
Provision for Gratuity (Refer Note 39 (A)(iii))	9.72	7.62
Total-Current	**17.43**	**14.37**

21. DEFERRED TAX LIABILITY (NET)

₹ in Crores

		As at March 31, 2024	As at March 31, 2023
(a)	**Break up of deferred tax liability as at year end:**		
	Nature of temporary difference		
	Property, Plant and Equipment	187.66	170.32
	Insurance claim receivable on account of loss of inventory	-	8.10
	Unrealised Gain on Investments	0.02	2.28
	Total Deferred Tax Liability (a)	**187.68**	**180.70**
(b)	**Break up of deferred tax asset as at year end:**		
	Nature of temporary difference		
	Disallowances u/s 43B, Provisions and Others	14.06	24.08
	Total Deferred Tax Asset (b)	**14.06**	**24.08**
	Deferred Tax Liability (Net) (a-b)	**173.62**	**156.62**

Refer note 38C for movement in Deferred Tax Assets and Liabilities.

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

22. CURRENT BORROWINGS

₹ in Crores

		As at March 31, 2024	As at March 31, 2023
Working Capital Borrowings from Banks			
(a)	Secured	-	5.46
(b)	Current maturities of Long term Borrowings (Refer Note 19)	-	6.00
Total		**-**	**11.46**

(i) Working Capital borrowings from banks represent Cash Credit and Working Capital Demand Loan with rate of interest as MCLR of respective banks plus spread ranging from 0% to 1.25% p.a. These borrowings are repayable on demand.

(ii) Working Capital borrowings are secured by way of first Hypothecation charge over Group's Raw Materials, Semi-Finished and Finished Goods, Consumable Stores and Book Debts. The assets stated herein are disclosed under note no. 10 and 12.

23. TRADE PAYABLES

₹ in Crores

		As at March 31, 2024	As at March 31, 2023
(a)	To outstanding dues of Micro Enterprises and Small Enterprises	32.77	26.61
(b)	To outstanding dues of creditors other than Micro Enterprises and Small Enterprises	549.49	635.15
Total		**582.26**	**661.76**

The average credit period on goods purchased or services received ranges between 30 days to 180 days. For ageing related to Trade Payables refer note 41.5.

24. OTHER CURRENT FINANCIAL LIABILITIES

₹ in Crores

		As at March 31, 2024	As at March 31, 2023
(a)	Security Deposits	8.31	9.44
(b)	Investor Education and Protection Fund will be credited by following amounts (as and when due)		
	Unpaid Dividend	1.67	1.60
(c)	Payable for capital expenditure	106.83	44.26
(d)	Others	10.78	0.35
Total		**127.59**	**55.65**

There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group, except for, in previous year amounts of ₹ 2,74,000, ₹ 20,390 & ₹ 3,80,117 pertaining to unclaimed deposits of Parent Company of FY 2014-15 which were due to be transferred on April 11, 2022, April 17, 2022 & April 26, 2022 respectively and the same were transferred on May 03, 2022.

25. OTHER CURRENT LIABILITIES

₹ in Crores

		As at March 31, 2024	As at March 31, 2023
(a)	Advances received from Customers	20.17	15.92
(b)	Statutory Dues	23.32	31.63
Total		**43.49**	**47.55**

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

26. CURRENT TAX LIABILITIES

₹ in Crores

	As at March 31, 2024	As at March 31, 2023
Current Tax Liabilities		
Provision for Tax (Net of Advances)	7.44	-
Total	**7.44**	**-**

27. REVENUE FROM OPERATIONS

₹ in Crores

		For the year ended March 31, 2024	For the year ended March 31, 2023
(a)	Sale of Products	7,603.11	7,873.88
(b)	Sale of Services	6.81	8.70
(c)	Other Operating Revenue		
	Export Incentives	19.09	18.76
	Scrap Sale	7.70	7.87
	Others	45.12	62.85
Total		**7,681.83**	**7,972.06**

Reconciliation of sales of products

₹ in Crores

	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from contracts with customer	7,674.26	7,952.36
Adjustments made to contract price on account of discounts and rebates	71.15	78.48
	7,603.11	**7,873.88**

Refer Note 12 - Trade Receivables to the Consolidated Financial Statements for the amount of contract assets outstanding as at March 31, 2024 and refer to details of Advance received from Customers in Note 25 - Other Current Liabilities to the Consolidated Financial Statements for the contract liabilities outstanding as at March 31, 2024.

28. OTHER INCOME

₹ in Crores

		For the year ended March 31, 2024	For the year ended March 31, 2023
(a)	Foreign Exchange Gain	0.29	1.94
(b)	Cash Discount	3.63	16.06
(c)	Gain on redemption of Investments	30.89	12.80
(d)	Interest Income	4.35	3.21
(e)	Rent	0.05	0.05
(f)	Fair Value Gains on Financial Assets	0.14	9.46
(g)	Gain on sale of Property, Plant and Equipment	2.42	-
(h)	Writebacks and Other Recoveries	27.69	3.97
(i)	Other Non-Operating Revenue	6.64	0.09
Total		**76.10**	**47.58**

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

29. COST OF RAW MATERIAL AND COMPONENTS CONSUMED

₹ in Crores

		For the year ended March 31, 2024	For the year ended March 31, 2023
(a)	Cost of Raw Material and Components Consumed	5,009.94	5,351.00
(b)	Cost of Packing Material Consumed	46.15	43.56
Total		**5,056.09**	**5,394.56**

30. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

₹ in Crores

	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventories at the beginning of the year		
Work-in-Progress	103.83	91.90
Finished Goods	312.99	234.65
Traded Goods	85.77	-
	502.59	**326.55**
Less:		
Inventories at the end of the year		
Work-in-Progress	108.22	103.83
Finished Goods	290.07	312.99
Stock-in-Trade	1.31	85.77
	399.60	**502.59**
Less:		
Loss of inventory due to fire disclosed seperately under exceptional items (Refer Note 48)	-	15.07
Total	**102.99**	**(191.11)**

31. EMPLOYEE BENEFITS EXPENSE

₹ in Crores

		For the year ended March 31, 2024	For the year ended March 31, 2023
(a)	Salaries & Wages	312.13	281.07
(b)	Contribution to Provident Fund and other funds (Refer Note 39C)	17.19	15.52
(c)	Gratuity Expenses (Refer Note 39A(iv))	4.64	3.46
(d)	Staff Welfare Expenses	17.09	18.20
Total		**351.05**	**318.25**

32. POWER & FUEL EXPENSES

₹ in Crores

		For the year ended March 31, 2024	For the year ended March 31, 2023
(a)	Consumption of Power	172.99	178.93
(b)	Consumption of Fuel and other utilities	284.13	363.00
Total		**457.12**	**541.93**

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

33. FINANCE COSTS

₹ in Crores

		For the year ended March 31, 2024	For the year ended March 31, 2023
(a)	Interest on Borrowings	9.74	22.96
(b)	Interest cost on lease liabilities	2.01	1.82
(c)	Interest on Income Tax	0.08	-
Total		**11.83**	**24.78**

34. DEPRECIATION AND AMORTISATION EXPENSES

₹ in Crores

		For the year ended March 31, 2024	For the year ended March 31, 2023
(a)	Depreciation on Property, Plant and Equipment	153.91	157.37
(b)	Depreciation on Right-of-use Assets	4.37	3.71
(c)	Amortisation of Intangible Assets	7.38	5.22
Total		**165.66**	**166.30**

35. OTHER EXPENSES

₹ in Crores

		For the year ended March 31, 2024	For the year ended March 31, 2023
(a)	Conversion Charges	15.50	9.51
(b)	Other Manufacturing Expenses	16.36	18.30
(c)	Rent	7.56	5.39
(d)	Repairs & Maintenance		
	Repairs to Building	1.91	2.56
	Repairs and maintenance to Plant and Equipment	74.59	62.61
	Repairs and maintenance to Others	2.89	1.47
(e)	Consumption of stores & spare parts	20.93	20.69
(f)	Insurance	32.20	19.70
(g)	Rates & taxes	3.71	3.43
(h)	Bank Charges	3.27	1.90
(i)	Travelling & Conveyance	7.44	6.20
(j)	Freight & Forwarding Charges	179.93	195.99
(k)	Loss on Sale of Property, Plant and Equipment	-	1.15
(l)	Commission on sales	4.57	6.10
(m)	CSR Expenses (Refer note 46)	26.19	22.66
(n)	Donation	10.71	-
(o)	Bad Debts written off	1.69	-
(p)	Vehicle Expenses	8.34	7.28
(q)	Legal & Professional Expenses	16.23	27.17
(r)	General Expenses	74.93	55.78
(s)	Payment to Auditor	1.19	1.19
(t)	Director's Sitting Fees	0.57	0.52
(u)	Other Directors Commission	3.57	3.67
(v)	Provision for Inventory Obsolescence	-	1.72
Total		**514.28**	**474.99**

Note: Donation includes contribution to a political party amounting to ₹ 10 crores.

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

36. RELATED PARTIES DISCLOSURES

A) Name of Related Party and nature of relationship

(i) Key Management Personnel

Shri Deepak C. Mehta	Chairman & Managing Director
Shri Maulik Mehta	Executive Director & Chief Executive Officer
Shri Sanjay Upadhyay	Director (Finance) & Group CFO
Shri Girish Satarkar	Executive Director
Shri Somsekhar Nanda	Chief Financial Officer

(ii) Entities over which key managerial personnel or their relatives are able to exercise significant Influence

Check Point Credits & Capital Private Limited * Deepak Cybit Private Limited * Deepak Fertilizers and Petrochemicals Corporation Limited *Deepak Gulf LLC, Sultanate of Oman * Deepak Foundation * Deepak International Limited * Deepak Medical Foundation * Deepak Research and Development Foundation * Deepak Novochem Technologies Limited. * Forex Leafin Private Limited * Hardik Leafin Private Limited * Mahadhan Agritech Limited * Pranawa Leafin Private Limited * Performance Chemiserve Limited * Skyrose Finvest Private Limited * Stepup Credits & Capital Private Limited * Stiffen Credits and Capital Private Limited * Stigma Credits & Capital Private Limited * Storewell Credits and Capital Private Limited * Sundown Finvest Private Limited

(iii) Others (common directors)

Arvind Envisol Limited

(iv) Relative of Key Management Personnel

Late. Shri Chimanlal K. Mehta

Shri Meghav Mehta

Smt. Ila D. Mehta

Notes

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B) Transactions with the Related Parties

₹ in Crores

Sr. No.	Nature of Transaction	31st March, 2024				31st March, 2023			
		Key Management Personnel	Entities over which key managerial personnel or their relatives are able to exercise significant influence	Relative of Key Management Personnel	TOTAL	Key Management Personnel	Entities over which key managerial personnel or their relatives are able to exercise significant influence	Relative of Key Management Personnel	TOTAL
1	**Purchase of Goods**								
	Deepak Fertilisers & Petrochemicals Corporation Limited	-	56.19	-	**56.19**	-	168.72	-	**168.72**
	Deepak Novochem Technologies Limited	-	0.05	-	**0.05**	-	-	-	**-**
	Arvind Envisol Limited	-	1.36	-	**1.36**	-	-	-	**-**
	Performance Chemiserve Limited	-	21.75	-	**21.75**	-	-	-	**-**
	Mahadhan Agritech Limited	-	5.27	-	**5.27**	-	-	-	**-**
2	**Sale of Goods / Services**								
	Deepak Novochem Technologies Limited	-	21.88	-	**21.88**	-	13.30	-	**13.30**
3	**Conversion Charges Received**								
	Deepak Novochem Technologies Limited	-	6.81	-	**6.81**	-	8.70	-	**8.70**
4	**Rendering of Services / Reimbursement of Expenses**								
	Deepak Novochem Technologies Limited	-	0.05	-	**0.05**	-	0.04	-	**0.04**
	Deepak Foundation	-	0.04	-	**0.04**	-	-	-	**-**
5	**Receiving of services / Reimbursement of Expenses**								
	Deepak Fertilisers & Petrochemicals Corporation Limited	-	0.37	-	**0.37**	-	0.18	-	**0.18**
	Deepak Foundation	-	0.06	-	**0.06**	-	0.06	-	**0.06**
	Deepak Medical Foundation	-	0.19	-	**0.19**	-	0.23	-	**0.23**
	Deepak Cybit Private Limited	-	1.88	-	**1.88**	-	1.35	-	**1.35**
	Stepup Credits And Capital Private Limited	-	0.36		**0.36**	-	0.37	-	**0.37**
	Arvind Envisol Limited	-	0.11	-	**0.11**	-	-	-	**-**
	Smt. Ila D. Mehta	-	-	0.05	**0.05**	-	-	-	**-**
	Sara Consultants	-	0.36	-	**0.36**	-	0.48	-	**0.48**
	Checkpoint Credit & Capital Private Limited	-	0.22	-	**0.22**	-	0.23	-	**0.23**
6	**Security Deposit Given**								
	Deepak Fertilisers & Petrochemicals Corporation Limited	-	-	-	**-**	-	0.03	-	**0.03**
7	**Managerial Remuneration**								
	Shri Deepak C. Mehta	25.53	-	-	**25.53**	24.99	-	-	**24.99**
	Shri Maulik Mehta	4.24	-	-	**4.24**	3.79	-	-	**3.79**
	Shri Sanjay Upadhyay	5.33	-	-	**5.33**	4.93	-	-	**4.93**

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₹ in Crores

Sr. No.	Nature of Transaction	31st March, 2024				31st March, 2023			
		Key Management Personnel	Entities over which key managerial personnel or their relatives are able to exercise significant influence	Relative of Key Management Personnel	TOTAL	Key Management Personnel	Entities over which key managerial personnel or their relatives are able to exercise significant influence	Relative of Key Management Personnel	TOTAL
	Shri Meghav Mehta	2.96	-	-	**2.96**	-	-	2.35	**2.35**
	Shri Girish Satarkar	1.45	-	-	**1.45**	-	-	-	**-**
	Shri Somsekhar Nanda	1.84	-	-	**1.84**	1.11	-	-	**1.11**
8	**Dividend Paid**								
	Checkpoint Credits & Capitals Private Limited	-	5.40	-	**5.40**	-	5.04	-	**5.04**
	Stigma Credits & Capital Private Limited	-	4.64	-	**4.64**	-	4.33	-	**4.33**
	Stiffen Credits & Capital Private Limited	-	6.33	-	**6.33**	-	5.91	-	**5.91**
	Stepup Credits & Capital Private Limited	-	5.19	-	**5.19**	-	4.84	-	**4.84**
	Skyrose Finvest Private Limited	-	2.87	-	**2.87**	-	2.68	-	**2.68**
	Pranawa Leafin Private Limited	-	1.73	-	**1.73**	-	1.61	-	**1.61**
	Forex Leafin Private Limited	-	1.63	-	**1.63**	-	1.52	-	**1.52**
	Sundown Finvest Private Limited	-	0.62	-	**0.62**	-	0.58	-	**0.58**
	Storewell Credits and Capital Private Limited	-	0.67	-	**0.67**	-	0.62	-	**0.62**
	Hardik Leafin Private Limited	-	0.26	-	**0.26**	-	0.24	-	**0.24**
	Deepak Novochem Technologies Limited	-	3.49	-	**3.49**	-	-	-	**-**
	Shri Deepak C. Mehta	16.39	-	-	**16.39**	15.29	-	-	**15.29**
	Late. Shri Chimanlal K. Mehta	-	-	0.53	**0.53**	-	-	0.49	**0.49**
	Shri Maulik Mehta	0.10	-	-	**0.10**	0.09	-	-	**0.09**
	Shri Meghav Mehta	-	-	0.04	**0.04**	-	-	0.03	**0.03**
	Smt Ila D. Mehta	-	-	0.30	**0.30**	-	-	0.28	**0.28**
	Others	-	-	0.08	**0.08**	-	-	0.08	**0.08**
9	**Donation / CSR Activity**								
	Deepak Foundation	-	19.61	-	**19.61**	-	16.51	-	**16.51**
	Deepak Medical Foundation	-	0.84	-	**0.84**	-	0.74	-	**0.74**
10	**Deposit Paid**								
	Smt. Ila D. Mehta	-	0.18	-	**0.18**	-	-	-	**-**
11	**Deposit Received**								
	Stepup Credits & Capital Private Limited	-	0.18	-	**0.18**	-	-	-	**-**
	Deepak Novochem Technologies Limited	-	0.01	-	**0.01**	-	-	-	**-**

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₹ in Crores

Sr. No.	Nature of Transaction	31st March, 2024				31st March, 2023			
		Key Management Personnel	Entities over which key managerial personnel or their relatives are able to exercise significant influence	Relative of Key Management Personnel	TOTAL	Key Management Personnel	Entities over which key managerial personnel or their relatives are able to exercise significant influence	Relative of Key Management Personnel	TOTAL
12	**Net Accounts Receivable incl advance / (Payable)**								
	Deepak Fertilisers & Petrochemicals Corporation Limited	-	(4.93)	-	**(4.93)**	-	(27.26)	-	**(27.26)**
	Deepak Novochem Technologies Limited	-	8.79	-	**8.79**	-	6.87	-	**6.87**
	Arvind Envisol Limited	-	(0.12)	-	**(0.12)**				
	Mahadhan Agritech Limited	-	(0.82)	-	**(0.82)**				
	Shri Deepak C. Mehta	-	-	-	**-**	(18.00)	-	-	**(18.00)**
	Shri Maulik Mehta	(0.84)	-	-	**(0.84)**	(0.72)	-	-	**(0.72)**
	Shri Sanjay Upadhyay	(1.02)	-	-	**(1.02)**	(0.95)	-	-	**(0.95)**
	Shri Girish Satarkar	(0.21)	-	-	**(0.19)**	-	-	-	**-**
	Shri Somsekhar Nanda	(0.25)	-	-	**(0.25)**	(0.14)	-	-	**(0.14)**
	Shri Meghav Mehta	-	-	-	**-**	-	-	(0.41)	**(0.41)**
	Smt. Ila D. Mehta	-	(0.02)	-	**(0.02)**	-	-	-	**-**
	Deepak Medical Foundation	-	-	-	**-**	-	(0.01)	-	**(0.01)**
	Deepak Cybit Private Limited	-	(0.12)	-	**(0.12)**	-	(0.04)	-	**(0.04)**
	Sara Consultants	-	-	-	**-**	-	(0.10)	-	**(0.10)**
	Deepak Foundation	-	0.01	-	**0.01**	-	0.03	-	**0.03**

The amounts outstanding are current, unsecured and will be settled in cash or cash equivalents, for which no guarantees have been given or received. No expense has been recognised in current or previous year for bad or doubtful debts in respect of the amounts owed by related parties.

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

37. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

₹ in Crores

		As at March 31, 2024	As at March 31, 2023
I.	**Claims against the Group not acknowledged as debts in respects of**		
	(a) Matters relating to Sales Tax/VAT from FY 2010-11 to FY 2014-15 is being contested at various level of Indirect Tax authorities	0.53	0.53
	(b) Matters relating to Goods and Service Tax is being contested at various level of Indirect Tax authorities	4.61	-
	(c) Bank Guarantees:		
	Financial	50.74	62.30
	Performance	15.91	14.34
	(d) Disputed Labour Matters	Amount not ascertainable	
	Management is not expecting any future cash outflow in respect of (a), (b) & (d).		
	Total (I)	**71.79**	**77.17**
II.	**Commitments**		
	Capital Commitments (Net of Advances: Refer Note 9 (a))	603.79	416.84
	Total (II)	**603.79**	**416.84**

38. TAX EXPENSE

A. Income Tax Expense Recognised in the Consolidated Statement of Profit and Loss

₹ in Crores

		For the year ended March 31, 2024	For the year ended March 31, 2023
I.	**Expense / (Benefit) recognised in the consolidated statement of profit and loss**		
	Current tax on profit for the year	273.10	258.63
	Increase in deferred tax liabilities	17.73	35.25
	Total	**290.83**	**293.88**
II.	**Expense / (Benefit) recognised in consolidated statement of other comprehensive income**		
	Re-measurement gains / (losses) on defined benefit plans	(0.71)	(1.73)
	Equity instruments through other comprehensive income	0.04	0.06
	Total	**(0.67)**	**(1.67)**

B. The reconciliation between the provision of income tax and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows

₹ in Crores

	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit before taxes	**1,101.72**	**1,145.88**
Enacted income tax rate in India	25.17%	25.17%
Computed expected tax expense	**277.28**	**288.40**
Effect of:		
Donations and CSR Expenses	9.53	5.73
Others (Net)	4.02	(0.25)
Total income tax expense	**290.83**	**293.88**

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C. Deferred Tax Liabilities (Net)

The balance comprises temporary differences attributable to the below items and corresponding movement in deferred tax liabilities/ (assets)

₹ in Crores

	As at March 31, 2024	Recognised in standalone statement of profit and loss /OCI	As at March 31, 2023	Recognised in standalone statement of profit and loss /OCI	As at April 01, 2022
Property, plant and equipment	187.66	17.34	170.32	35.54	134.78
Insurance claim receivable on account of loss of inventory	-	(8.10)	8.10	8.10	-
Unrealised Gain on Investments	0.02	(2.26)	2.28	1.35	0.93
Total deferred tax liabilities (a)	**187.68**	**6.98**	**180.70**	**44.99**	**135.71**
Disallowances u/s 43B, Provision and Others	17.97	(6.26)	24.23	11.39	12.84
Transferred from Income Tax Provision	(1.74)	(1.74)	-	-	-
Total deferred tax assets (b)	**16.23**	**(8.00)**	**24.23**	**11.39**	**12.84**
Net deferred tax (asset)/liabilities (a-b)	**171.45**	**14.98**	**156.47**	**33.60**	**122.87**

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 except Deepak Chem Tech Limited, a wholly owned Subsidiary, which has unfunded gratuity plan. Under these plans, an employee at retirement is eligible for benefit, which will be equal to 15 days salary for each completed year of service. Thus, it is a defined benefit plan and the aforesaid insurance policy is the Plan Asset.

(i) Reconciliation of opening and closing balances of Defined Benefit Obligation

₹ in Crores

	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	48.97	37.67
Current Service Cost	4.70	3.29
Interest Cost	3.67	2.73
Actuarial (gain)/losses	2.49	6.83
Benefits Paid	(2.41)	(1.56)
Liability Transferred In	0.31	0.40
Liability Transferred Out	(0.26)	(0.39)
Balance at the end of the year	**57.47**	**48.97**

(ii) Reconciliation of opening and closing balances of Fair Value of Plan Assets

₹ in Crores

	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	40.82	35.22
Interest Income	3.06	2.55
Return on Plan Assets	(0.28)	(0.07)
Contribution by the Group	5.17	4.68
Benefits Paid	(2.41)	(1.56)
Balance at the end of the year	**46.36**	**40.82**
Actual Return on Plan Assets	7.21% to 7.23%	7.47% to 7.52%

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

(iii) Assets and Liabilities Recognised in the Consolidated Balance Sheet

₹ in Crores

	As at March 31, 2024	As at March 31, 2023
Present Value of Defined Benefit Obligation	57.47	48.97
Less: Fair Value of Plan Assets	46.36	40.82
Amounts recognised as liability	**11.11**	**8.15**
Recognised under:		
Current Provision (Refer Note 20)	9.72	7.62
Non-Current Provision (Refer Note 20)	1.39	0.53
Total	**11.11**	**8.15**

(iv) Expenses recognised in the Consolidated Statement of Profit and Loss

₹ in Crores

	For the year ended March 31, 2024	For the year ended March 31, 2023
Current Service Cost	4.70	3.29
Net Interest Cost	0.61	0.17
Project related transferred to CWIP	(0.66)	-
Total Expenses (Refer Note 31)	**4.64**	**3.46**

(v) Expenses recognised in the Other Comprehensive Income

₹ in Crores

	For the year ended March 31, 2024	For the year ended March 31, 2023
Actuarial gain/(losses) on Obligation for the year	(2.49)	(6.83)
Return on Plan assets excluding Interest Income	(0.28)	(0.07)
Total Expenses recognised in OCI	**(2.78)**	**(6.90)**

(vi) Major Category of Plan Assets

	As at March 31, 2024		As at March 31, 2023	
	₹ in Crores	%	₹ in Crores	%
Insurance Policies	46.36	100.00	40.82	100.00

Risk exposure

The Group is exposed to a number of risks, the most significant of which are detailed below:

Interest rate risk: A fall in the discount rate which is linked to the Government Securities Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

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.

Notes

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Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

(vii) Actuarial Assumptions

	As at March 31, 2024	As at March 31, 2023
Discount Rate	7.23%	7.52%
Expected Return on Plan Assets	7.23%	7.52%
Salary Growth Rate	8.00%	8.00%
Attrition Rate	2.00%	2.00%

(viii) Sensitivity Analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given below:

	Change in assumptions		Impact on defined benefit obligation			
			Increase		Decrease	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
	%	%	₹ in Crores	₹ in Crores	₹ in Crores	₹ in Crores
Discount Rate	1.00%	1.00%	(3.84)	(3.24)	4.50	3.78
Salary Growth Rate	1.00%	1.00%	4.38	3.70	(3.82)	(3.24)
Attrition Rate	1.00%	1.00%	(0.34)	(0.20)	0.38	0.22

In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the defined benefit liability as recognised in the Balance Sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change as compared to the prior year.

(ix) Maturity profile of Defined Benefit Obligation

₹ in Crores

	As at March 31, 2024	As at March 31, 2023
Within the next 12 months	13.01	10.45
From 2 to 5 years	16.61	14.04
From 6 to 10 years	20.01	19.79
Beyond 10 years	69.93	59.33

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forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

B. Leave Benefit

(a) The Leave Benefit is wholly unfunded. Hence, there are no plan assets attributable to the obligation.

(b) The accumulated balance of Leave Benefit (unfunded) provided in the books as at March 31, 2024 is ₹ 41.95 Crores (Previous Year ₹ 36.19 Crores), which is determined on actuarial basis using Projected Unit Credit Method.

C. Defined Contribution Plan

Contribution to Defined Contribution Plans, recognised in Consolidated Statement of Profit and Loss, for the year is as under

₹ in Crores

	For the year ended March 31, 2024	For the year ended March 31, 2023
Employer's Contribution to Provident Fund and other funds except superannuation	14.46	13.00
Employer's Contribution to Superannuation Fund	2.73	2.52
Total (Refer Note 31)	**17.19**	**15.52**

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 Group was as follows

₹ in Crores

	As at March 31, 2024	As at March 31, 2023
Total Equity (A)	4,822.68	4,089.96
Non-Current Borrowings	216.95	43.02
Current Borrowings	-	11.46
Total Borrowings (B)	216.95	54.48
Total Capital (A+B)	**5,039.63**	**4,144.44**
Total Borrowings as % of Total Capital	4.30%	1.31%
Total Borrowings as % of Total Equity	4.50%	1.33%

The Interest Coverage Ratio for the reporting period was as follows

₹ in Crores

	For the year ended March 31, 2024	For the year ended March 31, 2023
EBITDA (excluding other income & exceptional item)	1,121.19	1,287.56
Finance Cost (excluding interest on lease)	9.74	22.96
Interest Coverage Ratio	**115.11**	**56.08**

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

The Debt Service Coverage Ratio for the reporting period was as follows

₹ in Crores

	For the year ended March 31, 2024	For the year ended March 31, 2023
EBITDA (excluding other income & exceptional item)	1,121.19	1,287.56
Finance Cost (excluding interest on lease)	9.74	22.96
Repayment of Non-Current Borrowings	49.02	54.95
Debt Service Coverage Ratio	**19.08**	**16.53**

41. FINANCIAL INSTRUMENTS

41.1. Categories of financial instruments

The carrying value of financial instruments by categories as at March 31, 2024 is as follows

₹ in Crores

	Fair Value through Other Comprehensive Income	Fair value through profit or loss	Amortised Cost	Total
Financial Assets				
Cash and Cash Equivalents	-	-	237.97	237.97
Other Balances with Banks	-	-	227.49	227.49
Investments	2.55	119.30	-	121.85
Government Securities (Refer Note 4(b))	-	-	0.00	0.00
Trade receivables	-	-	1,298.35	1,298.35
Loans	-	-	3.20	3.20
Other financial assets	-	0.65	90.16	90.81
Total	**2.55**	**119.95**	**1,857.17**	**1,979.67**
Financial Liabilities				
Current Borrowings	-	-	-	-
Non-Current Borrowings	-	-	216.95	216.95
Trade Payables	-	-	582.26	582.26
Other financial liabilities	-	10.78	185.94	196.72
Total	**-**	**10.78**	**985.15**	**995.93**

The carrying value of financial instruments by categories as at March 31, 2023 is as follows

₹ in Crores

	Fair Value through Other Comprehensive Income	Fair value through profit or loss	Amortised Cost	Total
Financial Assets				
Cash and Cash Equivalents	-	-	37.64	37.64
Other Balances with Banks	-	-	2.31	2.31
Investments	2.39	376.96	-	379.35
Government Securities (Refer Note 4(b))	-	-	0.00	0.00
Trade receivables	-	-	1,309.52	1,309.52
Loans	-	-	1.13	1.13
Other financial assets	-	0.62	49.76	50.38
Total	**2.39**	**377.58**	**1,400.36**	**1,780.33**
Financial Liabilities				
Current Borrowings	-	-	11.46	11.46
Non-Current Borrowings	-	-	43.02	43.02
Trade Payables	-	-	661.76	661.76
Other financial liabilities	-	0.35	73.68	74.03
Total	**-**	**0.35**	**789.92**	**790.27**

The assets and liabilities which are valued at amortised cost represents Fair Value at period end.

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

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, 2024

₹ in Crores

	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments	119.30	-	2.55	121.85
Other financial assets	-	0.65	-	0.65

Fair Value Hierarchy as at March 31, 2023

₹ in Crores

	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments	376.96	-	2.40	379.35
Other financial assets	-	0.62	-	0.62

Reconciliation of Level 3 fair value measurements

₹ in Crores

	Investment in unquoted shares irrevocably designated as FVTOCI
Balance as on April 01, 2022	**2.17**
Total gains in other comprehensive income	0.22
Balance as on March 31, 2023	**2.39**
Total gains in other comprehensive income	0.16
Balance as on March 31, 2024	**2.55**

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 and option contracts to hedge risk exposures and appropriate risk management policies as detailed below. The use of these financial instruments is governed by the Group's policies, which outlines principles on foreign exchange risk, interest rate risk, credit risk and deployment of surplus funds.

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Item	Primarily effected by	Risk management policies	Reference
Market risk - currency risk	Foreign Currency balances and exposure towards trade payables, exports, short-term and long-term borrowings	The Group hedges its foreign currency risk using foreign exchange forward contracts and option contracts after considering the natural hedge.	Note 41.4.1
Market risk - interest rate risk	Change in market interest rates	Maintaining a combination of fixed and floating rate debt; cash management policies	Note 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 Non Resident borrowings availed for meeting its funding requirements.

The Group has a forex policy in place whose objective is to mitigate foreign exchange risk by deploying the appropriate hedging strategies through combination of various hedging instruments such as foreign currency forward contracts and option contracts and has a dedicated forex desk to monitor the currency movement and respond swiftly to market situations. The Group follows netting principle for managing the foreign exchange exposure.

(a) The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities based on gross exposure at the end of the reporting period is as under:

Currency	Liabilities		Assets	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
USD (Crores)	0.76	2.45	3.63	2.30
₹ (Crores)	63.31	201.65	302.38	189.23
EURO (Crores)	0.03	0.00	0.13	0.43
		(Represents € 7,443)		
₹ (Crores)	2.79	0.07	11.76	38.18
CHF (Crores)	0.00	0.00	-	-
	(Represents CHF 14,221)	(Represents CHF 1213)		
₹ (Crores)	0.13	0.01	-	-

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The foreign currency risk on above exposure is mitigated by derivative contracts. The outstanding contracts as at the Balance Sheet date are as follows:

(b) Foreign currency forward contracts and option contracts outstanding as at the Balance Sheet date:

	As at March 31, 2024		As at March 31, 2023	
	Buy	Sell	Buy	Sell
Forward Contracts (USD Crores)	0.04	2.21	0.88	-
Forward Contracts (CHF Crores)	0.02	-	-	-
Range Forward (USD Crores)	-	0.30	-	1.48

The forward contracts and option contracts have been entered into to hedge the foreign currency risk on trade receivables and trade payables.

(c) Net open exposures outstanding as at the Balance Sheet date:

Currency	Liabilities		Assets	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
USD (Crores)	-	0.75	0.39	-
CHF (Crores)	0.02	0.00	-	-
		(Represents CHF 1213)		
EURO (Crores)	-	-	0.10	0.43

(d) Foreign currency sensitivity analysis

The Group is mainly exposed to fluctuations in US Dollar. The following table details the Group's sensitivity to a ₹ 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 ₹ against the US Dollar. For a ₹ 1 weakening against the US Dollar, there would be a comparable impact on the profit before tax.

₹ in Crores

Currency USD Impact on profit or loss	As at March 31, 2024	As at March 31, 2023
Impact of ₹ 1 strengthening against US Dollar	(1.16)	0.25
Impact of ₹ 1 weakening against US Dollar	(0.12)	1.28

41.4.2 Interest Rate Risk management

The Group draws working capital demand loans, avails cash credit, foreign currency borrowings etc. for meeting its funding requirements.

Interest rates on these borrowings are exposed to change in respective benchmark rates. The Group manages the interest rate risk by maintaining appropriate mix/portfolio of the borrowings.

Interest rate sensitivity analysis

The sensitivity analysis in para below has been determined for borrowings assuming the amount of borrowings outstanding at the end of the reporting period was outstanding for the whole year. A 25 basis points increase or decrease in case of rupee borrowings is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

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If interest rate had been 25 basis points higher/ lower in case of rupee borrowings and all other variables were held constant, the Group's profit for the year ended March 31, 2024 would decrease/ increase by ₹ Nil (Previous year ₹ 0.12 Crores).

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 Group. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to the customer credit risk management. The Group uses financial information and past experience to evaluate credit quality of majority of its customers and individual credit limits are defined in accordance with this assessment through third party experts. Outstanding receivables and the credit worthiness of its counterparties are periodically monitored and taken upon case to case basis.

The credit risk on cash and bank balances, derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The table below provides aging of trade receivables as at March 31, 2024

₹ in Crores

Particulars	Undisputed Trade Receivables – considered good	Undisputed Trade Receivables – which have significant increase in credit risk	Undisputed Trade Receivables – credit impaired	Total
Not Due	1,075.90	-	-	1,075.90
Less than 6 months	224.22	-	-	224.22
6 months - 1 year	2.41	-	-	2.41
1 - 2 years	0.48	-	-	0.48
2-3 years	0.80	-	-	0.80
More than 3 years	2.32	-	-	2.32
Sub-Total	**1,306.13**	**-**	**-**	**1,306.13**
Less: Allowance for Credit Loss	7.78	-	-	7.78
Total (Refer Note 12)	**1,298.35**	**-**	**-**	**1,298.35**

The table below provides aging of trade receivables as at March 31, 2023

₹ in Crores

Particulars	Undisputed Trade Receivables – considered good	Undisputed Trade Receivables – which have significant increase in credit risk	Undisputed Trade Receivables – credit impaired	Total
Not Due	1,196.01	-	-	1,196.01
Less than 6 months	144.04	-	-	144.04
6 months - 1 year	0.94	-	-	0.94
1 - 2 years	0.84	-	-	0.84
2-3 years	0.08	-	-	0.08
More than 3 years	3.00	-	-	3.00
Sub-Total	**1,344.91**	**-**	**-**	**1,344.91**
Less: Allowance for Credit Loss	35.39	-	-	35.39
Total (Refer Note 12)	**1,309.52**	**-**	**-**	**1,309.52**

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forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

Reconciliation of loss allowance provision - Trade receivables

	₹ in Crores
Loss allowance as at April 01, 2022	**35.88**
Changes in loss allowance	(0.49)
Loss allowance as at March 31, 2023	**35.39**
Changes in loss allowance	(27.61)
Loss allowance as at March 31, 2024	**7.78**

The table below provides aging of trade payables as at March 31, 2024

₹ in Crores

Outstanding for following periods from due date of payment	MSME	Others	Disputed MSME	Disputed Others	Total
Unbilled	0.01	184.86	-	-	184.87
Not Due	29.83	210.65	-	-	240.44
Less than 1 year	2.93	151.89	-	-	154.82
1 to 2 years	-	1.40	-	-	1.44
2 to 3 years	-	0.42	-	-	0.42
More than 3 years	-	0.27	-	-	0.27
Total (Refer Note 23)	**32.77**	**549.49**	**-**	**-**	**582.26**

The table below provides aging of trade payables as at March 31, 2023

₹ in Crores

Outstanding for following periods from due date of payment	MSME	Others	Disputed MSME	Disputed Others	Total
Unbilled	-	125.92	-	-	125.92
Not Due	25.35	429.82	-	-	455.18
Less than 1 year	1.13	77.48	-	-	78.61
1 to 2 years	0.05	1.71	-	-	1.75
2 to 3 years	0.00	0.02	-	-	0.02
More than 3 years	0.08	0.20	-	-	0.28
Total (Refer Note 23)	**26.61**	**635.15**	**-**	**-**	**661.76**

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 including estimated interest payments as at March 31, 2024

₹ in Crores

	Amount	upto 1 year	1-3 year	More than 3 year	Total cash flows
Trade payable	582.26	582.26	-	-	582.26
Borrowings*	216.95	18.01	44.47	303.77	366.25
Other Financial Liabilities	127.59	127.59	-	-	127.59

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The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2023

₹ in Crores

	Amount	upto 1 year	1-3 year	More than 3 year	Total cash flows
Trade payable	661.76	661.76	-	-	661.76
Borrowings*	54.48	15.38	23.02	28.06	66.46
Other Financial Liabilities	55.65	55.65	-	-	55.65

* Includes Contractual interest payment based on interest rates prevailing at the end of the reporting period over the tenor of the borrowing.

Refer note 43B for contractual maturity of Lease Liabilities.

41.7 Changes in Liabilities arising from Financing Activities

₹ in Crores

Particulars	Non-Current Borrowings (including current maturities)	Current Borrowings	Interest Accrued But Not Due	Lease Liabilities	Unpaid dividend on equity Shares (Incl DDT)
As at April 01, 2022	**258.69**	**41.99**	**0.35**	**14.35**	**1.42**
Cash Flows	(215.75)	(36.53)	(23.31)	(5.34)	(95.30)
Charged to P&L during the year	6.08	-	22.96	1.82	-
Addition (net of disposals)	-	-	-	7.39	-
Dividend recognised during the year	-	-	-	-	95.48
Others	-	-	-	0.16	-
As at March 31, 2023	**49.02**	**5.46**	**(0.00)**	**18.38**	**1.60**
Cash Flows	167.93	(5.46)	(9.82)	(6.82)	(102.29)
Charged to P&L during the year	-	-	9.82	2.01	-
Addition (net of disposals)	-	-	-	55.75	-
Dividend recognised during the year	-	-	-	-	102.29
Others		-	-	(0.20)	-
As at March 31, 2024	**216.95**	**(0.00)**	**(0.00)**	**69.13**	**1.60**

42. SEGMENT INFORMATION

The Chief Operating Decision Maker (CODM) evaluates the performance of the Group as two business segments and allocates resources based on value generated from these segments.

Accordingly, the operations of the Group are reported under two Business Segments as per Ind AS 108- Operating Segment:

a) Advanced Intermediates

b) Phenolics

The accounting policies of the reportable segments are same as the Group's accounting policies. Segment profit represents the profit before interest and tax earned by each segment without allocation of central administrative costs and other income. This is the measure reported to the CODM.

Transfer prices between operating segments are on arm's length basis in a manner similar to transactions with third parties.

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₹ in Crores

		For the year ended March 31, 2024	For the year ended March 31, 2023
I)	**Segment Revenue**		
	(a) Advanced Intermediates	2,723.88	3,033.55
	(b) Phenolics	5,003.45	4,970.49
	TOTAL	**7,727.33**	**8,004.04**
	Less: Inter Segment Revenue	45.50	31.98
Revenue from operations		**7,681.83**	**7,972.06**
II)	**Segment Results**		
	Profit + Loss (-) Before Tax & Interest		
	(a) Advanced Intermediates	445.85	555.06
	(b) Phenolics	643.92	594.46
	TOTAL	**1,089.77**	**1,149.52**
	Less : (i) Interest Expenses	11.83	24.77
	(ii) Other un-allocable expenditure net of un-allocable Income	(23.78)	(21.13)
III)	**Profit Before Tax**	**1,101.72**	**1,145.88**
IV)	**Segment Assets**		
	(a) Advanced Intermediates	2,599.54	1,995.25
	(b) Phenolics	2,529.73	2,341.19
	(c) Un- allocable	966.95	792.30
	TOTAL	**6,096.22**	**5,128.74**
V)	**Segment Liabilities**		
	(a) Advanced Intermediates	487.16	416.85
	(b) Phenolics	489.30	597.53
	(c) Un- allocable	297.08	24.40
	TOTAL	**1,273.54**	**1,038.78**
VI)	**Capital Expenditure (Excluding RTU assets)**		
	(a) Advanced Intermediates	384.74	133.79
	(b) Phenolics	50.27	7.73
	(c) Un- allocable	36.81	3.47
	TOTAL	**471.82**	**144.99**
VII)	**Depreciation**		
	(a) Advanced Intermediates	88.06	76.15
	(b) Phenolics	77.60	89.99
	(c) Un- allocable	-	0.16
	TOTAL	**165.66**	**166.30**

(b) Secondary Segment Information

The following table shows the distribution of the Group's Revenue and Assets by geographical market:

₹ in Crores

Revenue	For the year ended March 31, 2024	For the year ended March 31, 2023
In India	6,134.39	6,410.31
Outside India	1,547.44	1,561.75
TOTAL	**7,681.83**	**7,972.06**

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

₹ in Crores

Carrying Amount of Segment Assets	As at March 31, 2024	As at March 31, 2023
In India	5,653.85	4,899.14
Outside India	442.37	229.60
TOTAL	**6,096.22**	**5,128.74**

₹ in Crores

Addition to Fixed Assets	As at March 31, 2024	As at March 31, 2023
In India		
- Tangible	442.47	142.27
- Intangible	29.32	2.72
Outside India		
- Tangible	0.03	-
- Intangible	-	-
TOTAL	**471.82**	**144.99**

43. LEASES

A. The following is the movement in lease liabilities :

₹ in Crores

	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	**18.38**	**14.35**
Additions during the year	69.89	7.39
Deductions during the year	(14.14)	-
Finance cost accrued during the year*	3.83	1.98
Payment/Provision of Lease Liabilities	(8.83)	(5.34)
Balance at the end of the year	**69.13**	**18.38**
Recognised under		
Non - Current Financial Liabilities	62.28	15.41
Current Financial Liabilities	6.85	2.97
Total	**69.13**	**18.38**

*Out of Finance cost accrued during the year, ₹ 0.47 Crores (Previous year ₹ 0.16 Crores) in Deepak Chem Tech Limited, a wholly owned subsidiary and ₹ 1.35 Crores (Previous year ₹ Nil) in Deepak Oman Industries LLC (SFZ), a subsidiary has been allocated to Capital Work-in-Progress.

B. The following are details regarding the contractual maturities of lease liabilities on an undiscounted basis:

₹ in Crores

	As at March 31, 2024	As at March 31, 2023
Less than one year	11.74	5.78
One to five years	45.25	14.19
More than five years	81.98	-
Total	**138.97**	**19.97**

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

44. EARNINGS PER SHARE

₹ in Crores

	As at March 31, 2024	As at March 31, 2023
Basic and Diluted Earnings per Share		
Number of Shares at the beginning (Nos. in Crores)	13.64	13.64
Number of Shares at the end (Nos. in Crores)	13.64	13.64
Weighted Average Number of Shares considered for Basic and Diluted Earnings Per Share (Nos. in Crores)	13.64	13.64
Net Profit after Tax available for Equity Shareholders (₹ in Crores)	810.89	852.00
Basic and Diluted Earnings (in Rupees) Per Share of ₹ 2/- each	59.45	62.47

45. RESEARCH AND DEVELOPMENT EXPENSES

₹ in Crores

		As at March 31, 2024	As at March 31, 2023
(i)	**Capital Expenditure**	9.13	4.07
(ii)	**Revenue Expenditure**		
	Materials	0.49	0.72
	Utilities	0.50	0.49
	Maintenance	0.68	0.46
	Personnel	13.87	12.50
	Others	4.27	4.19
		19.81	**18.36**
	Depreciation	3.49	2.61
		3.49	**2.61**
	Total Revenue Expenditure	**23.30**	**20.97**
(iii)	**Total Capital & Revenue Expenditure ((i)+(ii))**	**32.43**	**25.04**

46. During FY 2023-24, the Group has spent ₹ 26.19 Crores (Previous year ₹ 22.66 Crores) on Corporate Social Responsibility activities.

47. OTHER STATUTORY INFORMATION

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Group does not have any transactions with struck off companies.

(iii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

(v) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(vii) The Group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(viiii) The Group uses an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the accounting software.

However, in respect of one subsidiary which migrated to another accounting software, the audit trail feature was not enabled for certain privileged access users for some days after the migration for smooth implementation. Subsequently, the log has been activated.

Further no instance of audit trail feature being tampered with was noted in respect of the accounting software.

48. With respect to fire incident at Group's one of the manufacturing sites located at Nandesari, Gujarat in June 2022 which resulted damage to certain property, plant and equipment & inventory, the Group had recognized loss of ₹ 47.20 Crores as an exceptional item and had recognized insurance claim receivable of ₹ 47.20 Crores against the same. Consequently, the loss and insurance claim amount was shown as NIL under exceptional item for the year ended March 31, 2023.

In month of March 2024, the claim got settled at ₹ 53.91 Crores based on the reinstatement value. The group received ₹ 36.98 Crores by March 31, 2024 and ₹ 16.93 Crores after March 31, 2024.

Further, the Group has also received approval for claim of ₹ 73.09 Crores from insurance company in March 2024 towards loss of profit due to "Business Interruption". The group has received ₹ 32.89 Crores by March 31, 2024 and ₹ 40.20 Crores after March 31, 2024.

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

As a result of the above, an amount of ₹ 79.80 Crores has been recognised under Exceptional items in Statement of Profit and Loss for the year ended March 31, 2024.

49. Events occurring after the balance sheet date: The Board of Directors of Parent Company have recommended, subject to the approval of shareholders, dividend of ₹ 7.50/- (Rupees Seven & Fifty Paise only) per equity share of face value of ₹ 2/- (Rupees Two only) each for the year ended March 31, 2024 on 13,63,93,041 equity shares amounting to ₹ 102.29 Crores.

50. The Consolidated Financial Statements were authorised for issue by the Board of Directors on May 20, 2024.

51. ADDITIONAL INFORMATION IN CONSOLIDATED FINANCIAL STATEMENTS AS PER SCHEDULE III OF COMPANIES ACT, 2013

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount ₹ in Crores	As % of consolidated profit or loss	Amount ₹ in Crores	As % of consolidated other comprehensive income	Amount ₹ in Crores	As % of consolidated total comprehensive income	Amount ₹ in Crores
Parent								
Deepak Nitrite Limited	51.64%	2,954.54	48.18%	433.43	85.23%	(1.66)	48.10%	431.77
Subsidiaries								
1. Deepak Phenolics Limited	37.64%	2,153.28	52.68%	473.93	12.83%	(0.25)	52.77%	473.68
2. Deepak Chem Tech Limited	9.23%	528.32	-0.85%	(7.69)	1.95%	(0.04)	-0.86%	(7.73)
3. Deepak Nitrite Corporation Inc.	0.01%	0.82	0.00%	0.00	0.00%	-	0.00%	0.00
				(represents ₹ 33,162)				(represents ₹ 33,162)
4. Deepak Oman Industries LLC (SFZ)	0.93%	53.31	0.01%	0.08	0.00%	-	0.01%	0.08
5. Deepak Project Management Company Limited	0.09%	4.92	-0.01%	(0.08)	0.00%	-	-0.01%	(0.08)
Non controlling interests in all subsidiaries	0.46%	26.12	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Sub total	**100.00%**	**5,721.31**	**100.00%**	**899.66**	**100.00%**	**(1.95)**	**100.00%**	**897.71**
CFS Adjustments and Eliminations	-	(898.63)	-	(88.77)	-	(0.00)	-	(88.76)
Total	**-**	**4,822.68**	**-**	**810.89**	**-**	**(1.95)**	**-**	**808.94**

For and on behalf of the Board

DEEPAK C. MEHTA
Chairman & Managing Director
DIN: 00028377

MAULIK MEHTA
Executive Director & CEO
DIN: 05227290

SANJAY UPADHYAY
Director (Finance) & Group CFO
DIN: 01776546

SOMSEKHAR NANDA
Chief Financial Officer
ICAI Membership .no - 49831

ARVIND BAJPAI
Company Secretary
Membership No.: F6713

DILEEP CHOKSI
Director
DIN: 00016322

Vadodara: May 20, 2024

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