Deepak Nitrite Limited
49th Annual Report 2019-20

DEEPAK NITRITE

RESPONSIBLE CHEMISTRY

50 Years of Strength & Resilience

RESPONSIBLE CARE®
OUR COMMITMENT TO SUSTAINABILITY

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Forty-Ninth Annual General Meeting
Day & Date : Friday, August 7, 2020
Time : 11:30 A.M.
Through Video Conferencing/Other Audio Visual Means

Cautionary Statement Regarding Forward-Looking Statement

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

ON A **GOLDEN PEDESTAL**

Deepak Nitrite Limited at 50 is younger, agile and stable.

Having sailed through storms, navigated rough terrains and faced complex challenges, Deepak Nitrite today enters into the 50th glorious year as a key player in the space of chemical intermediates. Our empowered workforce and innovation-driven business acumen has enabled us to build unwavering resilience.

As a responsible Company, we have redefined chemicals with a touch of care, by nurturing people and the planet.

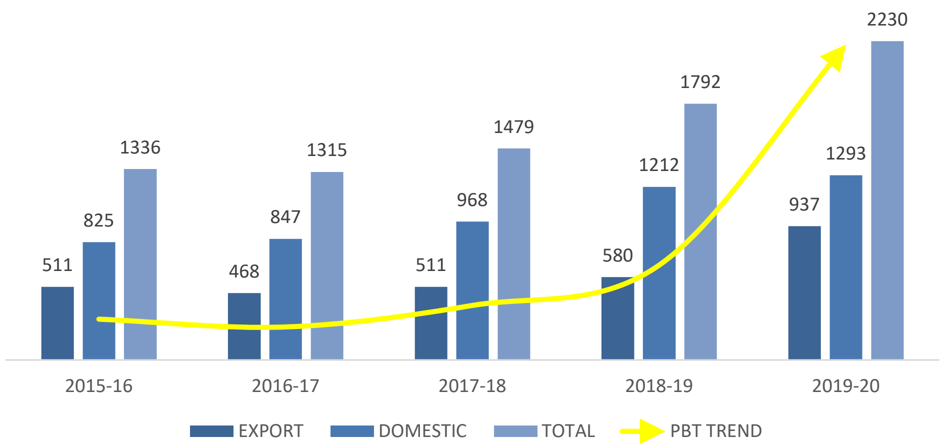
Operating in the ever-changing world, we are committed to redefine business and help our customers gain competitive edge.

We are ready, confident and equipped to take the world with 'new normal', and look forward to moving ahead with renewed strength and resilient spirit.

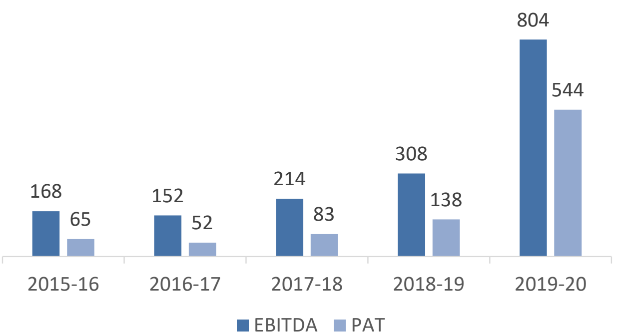
At Deepak Nitrite, we believe in building businesses of today and tomorrow.

OUR GROWTH TRAJECTORY

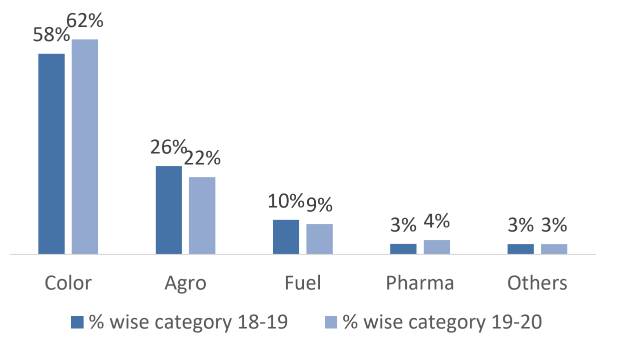
Revenue and PBT ₹ in Crores



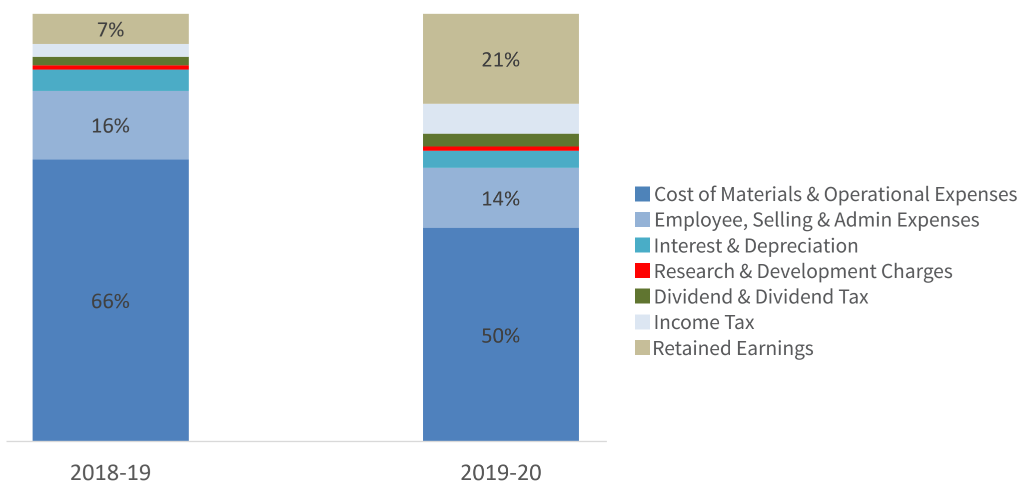
EBITDA and PAT ₹ in Crores



Revenue mix by Application



Funds Outflow



FINANCIAL HIGHLIGHTS
FOR THE LAST TEN YEARS

Sr. No.	Particulars	UOM*	Ind AS						Indian GAAP					
			Consolidated		Standalone									
			2019-20	2018-19	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
1	Total Income	₹ in Crores	4265	2715	2237	1795	1491	1324	1337	1329	1271	1030	793	677
	YoY Growth	%	*57.08*	*60.80*	*24.67*	*20.38*	*12.56*	*(0.96)*	*0.61*	*4.55*	*23.42*	*29.94*	*17.02*	*23.97*
2	EBITDA	₹ in Crores	1061	429	804	308	214	152#	168	140	114	81	58	62
3	Profit / (Loss) Before Taxation	₹ in Crores	806	268	706	212	122	74#	91	68	58	53	32	37
	Percentage to Total Income	%	*18.91*	*9.87*	*31.56*	*11.84*	*8.19*	*5.58*	*6.83*	*5.10*	*4.57*	*5.10*	*3.98*	*5.46*
4	Profit / (Loss) After Taxation	₹ in Crores	611	174	544	138	83	52#	65	53	38	38	23	26
	Percentage to Total Income	%	*14.33*	*6.40*	*24.32*	*7.69*	*5.60*	*3.92*	*4.87*	*4.02*	*3.01*	*3.67*	*2.91*	*3.81*
5	Equity	₹ in Crores	27	27	27	27	27	26	23	21	10	10	10	10
6	Net worth	₹ in Crores	1572	1072	1491	1058	944	732	476	347	308	281	253	238
7	Debt	₹ in Crores	1099	1187	208	328	462	574	495	545	505	335	171	60
8	Dividend on Equity Capital	₹ in Crores	61**	27##	61**	27##	18	16	14	10	10	8	6	6
	Percentage	%	*225***	*100##*	*225***	*100##*	*65*	*60*	*60*	*50*	*100*	*80*	*60*	*60*
9	EPS	₹	44.80	12.73	39.89	10.12	6.34	4.43	6.07	5.11	36.63	36.15	22.06	24.65
10	Book Value*#	₹	115	79	109	78	72	62	44	34	294	268	242	235
11	Net Debt/ Equity Ratio	%	*69.93*	*110.73*	*13.92*	*30.97*	*48.90*	*78.34*	*104.06*	*157.00*	*164.23*	*119.55*	*67.63*	*25.04*

* UOM: Units of Measurement

** Interim Dividend

\# Excludes Exceptional Income

\#\# Proposed dividend is accounted as and when declared by the Company

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

BUILDING SUSTAINABLE FUTURE
MAKING INDIA A FORCE TO RECKON WITH

WE ARE DEEPAK NITRITE LIMITED

Ranked amongst Fortune Next 500 and 25 Top wealth creators by the prestigious Fortune India Magazine, Deepak Nitrite Limited (DNL) today is one of India's fastest-growing chemical intermediates companies with a diversified business of Basic Chemicals , Fine & Speciality and Performance Products. Further, it manufactures Phenol, Acetone & Iso-Propyl Alcohol through its wholly-owned subsidiary, Deepak Phenolics Limited.

Deepak Nitrite's manufacturing facilities are located at Nandesari and Dahej in Gujarat, Roha and Taloja in Maharashtra, and Hyderabad in Telangana. Today, DNL caters to over 700 customers in 6 continents with more than 30 products. DNL's is recognized globally as a 'Supplier of Choice' by clients spread across 6 continents in over 30 countries.

As a partner of choice for Domestic and Global Chemical majors, DNL is amongst one of the fastest growing Company in India, adhering to 'Responsible Care' and is also a proud member of 'Together for Sustainability' and a founder member of the Indian Chemical Council's 'Nicer Globe'. Evolving to meet the strategic demands of the business, the industry, the society and the planet, we are striving to build a sustainable future with our 3P approach – **Planet, People & Profit**.

DNL has a vision of expanding its footprint in high-value intermediates to capitalize and sustain its growth trajectory driven by several levers and strategic initiatives on the right path.

OUR VISION

To become the FASTEST GROWING Indian chemical intermediates Company

NET REVENUE
₹ 4,265 CRORES

FY 2019-20 (Consolidated)

LEADING PRODUCER

- Inorganic Salts
- Xylidines
- Cumidines
- Toluidines
- Phenolics
- IPA

ATTRIBUTES

Innovativeness
Driving not just product ideas but also innovation in terms of processes and employee engagement thus maximizing growth.

Responsiveness
Towards employees, customers and all other stakeholders.

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

Performance driven
Rewarding performers across verticals, thereby setting examples for leadership.

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

OUR STRENGTH

Creating responsible chemistry across the lifecycle - 'Design to Dispatch'

Over the last five decades, we have been evolving, engaging and empowering to create responsible chemistry, for today and tomorrow. We are strategically positioned within the chemical industry with our diversified product portfolio and cutting-edge Research & Development. Our focus continues to remain on gaining 'more from less' as our integrated infrastructure sharpens its 'design to dispatch' capabilities everyday.

DIVERSIFIED & INTEGRATED PORTFOLIO

of value-added intermediates

SAFE MAN HOURS

crossed more than 8.8 Million safe man hours

ENVIRONMENT CONSCIOUSNESS

by adopting sustainable practices

MULTI-LAYER, MULTI-YEAR RELATIONSHIP

with marquee customers

EARLY ADOPTER OF 'MAKE-IN-INDIA'

philosophy for 50 years

BUILDING ON EMPOWERED SOCIETY

through our CSR initiatives

DIVERSIFIED PRODUCT PORTFOLIO

Business Segment	Basic Chemicals	Fine & Speciality Chemicals	Performance Products	Phenolics
Products	Sodium Nitrite Sodium Nitrate Nitro Toluidines Fuel Additives Nitrosyl Sulphuric Acid	Xylidines Oximes Cumidines Speciality agrochemicals	Optical Brightening Agent (OBA) DASDA	Phenol Acetone Cumene Isopropyl alcohol
Application Diversity	Colourants Petrochemicals Rubber	Agrochemicals Colors & Pigments Paper Personal Care Pharmaceuticals	Paper Detergents Textiles Coating Applications in Printing & Photographic Paper	Laminate & Plywood Pharmaceuticals Adhesives Sanitizers Rubber Chemicals Paints

CUSTOMERS

EASTMAN	NAYARA ENERGY	colourtex The Dyestuff Company	INDOFIL INDUSTRIES LIMITED	HP	Henkel
LANXESS	BASF	MONSANTO	Reliance Industries Limited	atul	SUDARSHAN
Bharat	UPL	huber group	GOODYEAR	IndianOil	L'ORÉAL
COTY	syngenta	MITSUI & CO., LTD.	BAYER	Clariant	phisit
Setas	ABC	TNPL	RSPL	NIRMA	mondi
GHADI	A	APRIL	APP	Himatsingka	SCG
American Eagle Paper Mills	DAIO PAPER	Kimberly-Clark Professional	JK PAPER LTD	Kuantum Papers Ltd	
NB	TRIDENT GROUP		sappi	INTERNATIONAL PAPER	SPB
KHANNA Proud to be Green	emami				

PLANT LOCATIONS

Our 6 fully-integrated manufacturing facilities spread across 5 locations and 3 states in the country.

Nandesari (Gujarat)

- Basic Chemicals, Fine & Speciality Chemicals
- The first and flagship manufacturing facility

Taloja (Maharashtra)

- Synthetic Organic Chemicals,
- Fine and Speciality Chemicals
- Strategically connected to Nhava Sheva port

Roha (Maharashtra)

- Intermediates for Agrochemicals, Dyes and Speciality Chemicals

Hyderabad (Telangana)

- Optical Brightening intermediates
- DASDA

Dahej - DNL (Gujarat)

- Basic Chemicals, Performance Products

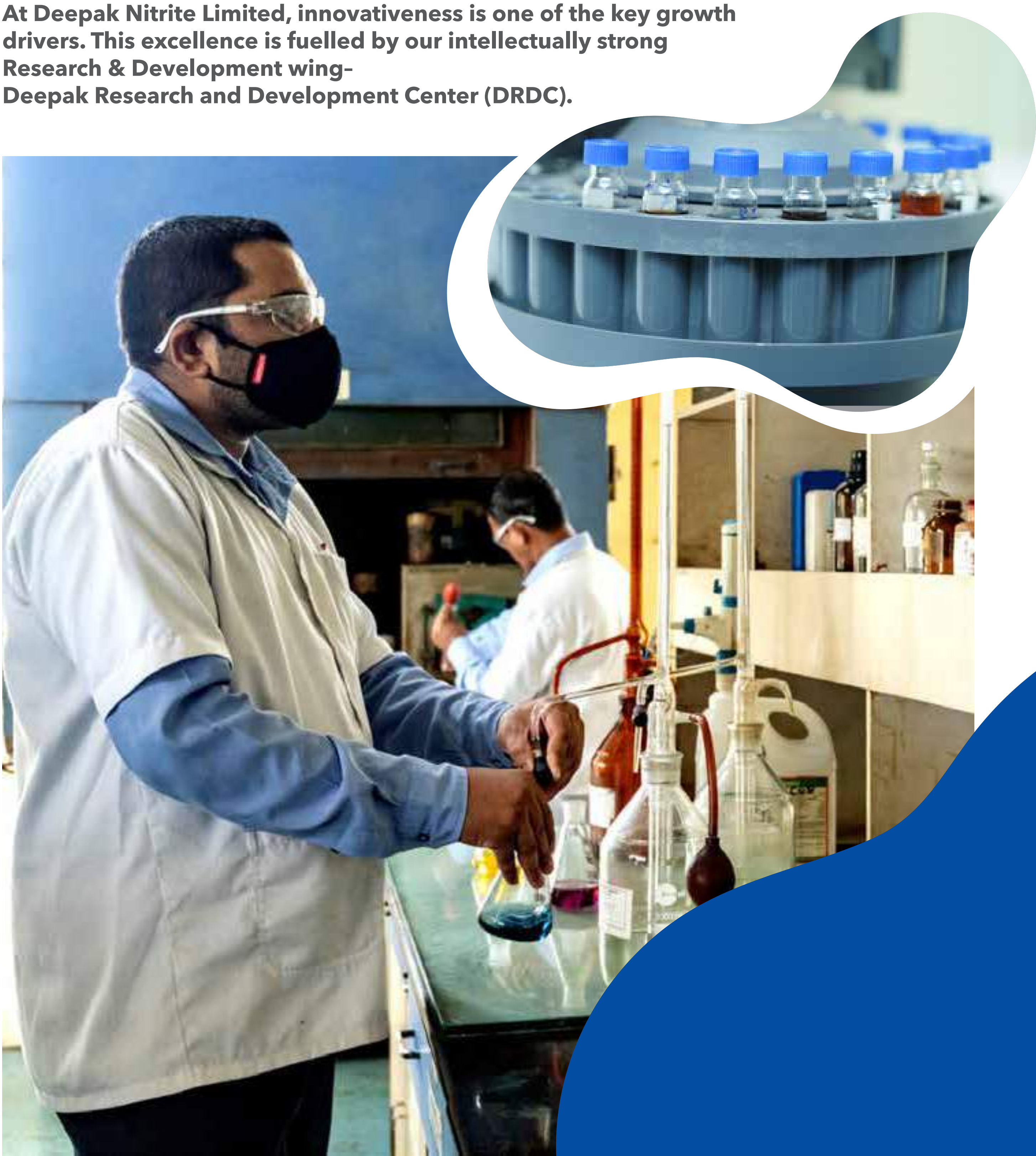
Dahej - DPL (Gujarat)

- Phenol
- Acetone
- IPA

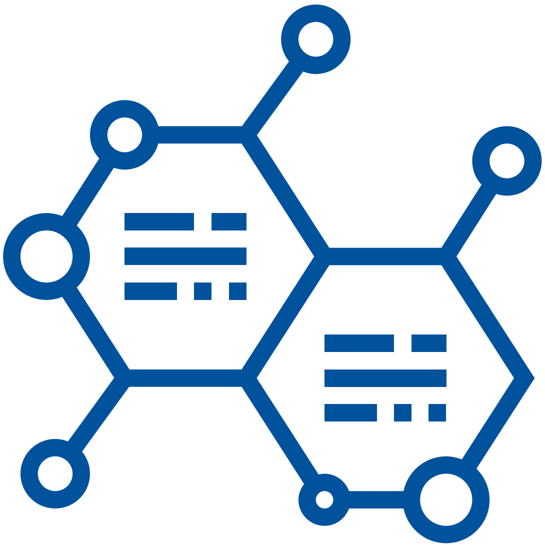
ROBUST RESEARCH & DEVELOPMENT

Science with Conscience Through 'Responsible Chemistry'

At Deepak Nitrite Limited, innovativeness is one of the key growth drivers. This excellence is fuelled by our intellectually strong Research & Development wing– Deepak Research and Development Center (DRDC).



The advanced R&D facility enables us to develop cutting-edge intermediates, positioning us as 'Responsible Manufacturer'. For five decades, Deepak Nitrite has made investment in strengthening the research division to maintain its position in the market. Your Company strongly believes in building novel chemistry through innovation, process improvement and utility reduction and value from waste.



HIGHLIGHTING FEATURES

- Safety Lab
- Environment Lab
- Pilot plant to commercial scale

DIGITIZATION -
OUR EMERGING STRENGTH

Deepak Nitrite Limited undoubtedly, within the chemical sector in India and amongst its peer, has emerged as most digitally savvy with its multipronged approach, platform, new tools impacting positively its stakeholders and overall reputation.

IT and Digitization has been a major focus for the year to strengthen our infrastructure and business at both offices and across all plants. IT and digital intervention has made significant difference to the organization in its quest for growth – be it across plants, logistics, HR and Administrative system or even internal communications and IT and Administrative facilitation through our in-house portal and Mobile APP- 'EMPOWER'.

MAKING THE 50TH YEAR COUNT

Times Icon of Vadodara 2020

Vadodara, 2020

Deepak Nitrite Limited was conferred with **'Best Chemical Intermediates Company – Times Icon of Vadodara'** award by Times Internet Limited, a division of Times of India newspaper.

Rising Brand of Asia, 2019 Certificate of Merit

Kuala Lumpur, 2019

Deepak Group was conferred with prestigious '**Rising Brand of Asia, 2019'** by BARC Asia under Global Business Symposium.

India's most trusted Companies Award 2019

Delhi, 2019

Deepak Nitrite Limited was conferred with '**India's Most Trusted Companies Award'** by IBC.

Fortune Next 500

Delhi, 2019

Deepak Nitrite Limited ranks 74th in '**Fortune 500 Next List, 2019'** by Fortune Magazine. Recognised at top wealth creator in mid-size category.

CFO 100 Roll of Honour

Jaipur, 2020

Deepak Nitrite Limited's Director – Finance & Chief Financial Officer Sanjay Upadhyay honoured at **10th Annual CFO100 Roll of Honour.**

Great Manager Award

Delhi, 2020

Jay Shah received **Great Manager Award** by People Business, powered by Economic Times and TA Pai Management Institute (TAPMI) with ET NOW.

MESSAGE FROM THE FOUNDER (CHAIRMAN EMERITUS)

50 years ago, I could scarcely have imagined that this is where we would be standing as a Company. In my nostalgia, I still remember the original dream of setting up a chemical plant based on indigenous technology- a true 'Make in India'. We were a young team, confident that challenges could be overcome by honest passion and ingenuity. Willing to learn from anyone, we dared to think big and were willing to work as hard.

The struggle in setting up the first plant had its own unique challenges- we were to compete with world players and match their quality standards by an untested local technology. Choosing Gujarat and Vadodara to set up the unit, the project was completed in record time, at least 8 months earlier than our competitor.

The Board of Directors consisted of some of the most eminent solicitors, economists and financial advisors of the time. We were able to convince the shareholders of the tremendous potential and the public issue of a small town entrepreneur like me was oversubscribed by 20 times- a record! We had a great passion for growth- our zeal was able to inspire seemingly ordinary employees to give extraordinary performances. One after another, new products continued to be added to the original list until growth simply became a way of life at Deepak Nitrite.

When I compare what Deepak is today, I see a market cap having risen from ₹ 45 Lakhs in 1972 to over ₹ 7,000 Crores, the product slate having grown from 2 to 30, the number of employees from around 60 to 1,500 and the original family of shareholders growing from around 6,000 to 80,000. All this certainly makes me very happy but my greater sense of pride is when I see that the value system I practiced has become the foundation of Deepak Nitrite, such as:

1. Strive to be the best in the world in whatever we do.

2. Take along the interest of all the stakeholders including workers, investors, suppliers and customers.

3. Remember that we have to give back from where we have got. Deepak continues to contribute to various social causes.

4. Finally, maintain a high degree of integrity and constantly embrace trusteeship in our behavior and work ethics.

Yes we have come a long way and I am confident that our next 50 years will see Deepak achieve even greater heights and be a world player.

Best Regards,

C.K. MEHTA

ABOUT **THE FOUNDER**

- Visionary and founder with over five decades of versatile experience in chemical industry.
- Credited with leading an able Board and laying the foundation of a strong, professionally driven organisation at par excellence.
- An Inspiration to DNL and all group companies, including Deepak Foundation.
- Instrumental in initiating company's CSR initiatives much ahead of mandatory requirement and in establishing Deepak Foundation.
- Recipient of ICC Lifetime Achievement Award in 2014

Chemistry of Growth

Celebrating 50 Glorious Golden Years

CEO'S COMMUNIQUE (OUTGOING CEO)

Dear Stakeholders

As we embark into the golden jubilee year of our operations, I am delighted that your Company has accomplished 5 decades of tireless service in the Indian chemical industry. I am pleased to have served this prestigious Company for 12 years and will always fondly remember my association with Deepak Nitrite Limited (DNL) throughout its journey of transformation. Now, it is time for me to retire and pass on the baton to the leader of next generation - Shri Maulik Mehta. I feel proud to have had the opportunity to take your Company thus far with all the support and guidance from you and the team at DNL.

Over these 12 years, we have witnessed several milestones and the experience from all these developments has been enriching and delightful. Being a CEO of a global company like DNL is an incredibly demanding role. Fortunately, I have always felt supported in my role by the several passionate and hardworking colleagues; my fellow management team members who have demonstrated utmost dedication towards joint objectives and the several thousand shareholders who have reposed faith in us.

However, I fall short of words to convey how much I have genuinely enjoyed being part of and working with DNL family. To spend over a decade of your life amongst people so enormously talented, relentless and optimistic, and to together achieve excellence and such wonderful outcomes has been nothing short of a blessing.

Bidding my farewell, I warmly congratulate Shri Maulik Mehta on his new role, hoping for a brighter future for him and my wholehearted belief that we shall all witness Deepak Nitrite's continued evolution and further scaling up into a world-class chemical intermediates Company.

Best Regards,

UMESH ASAIKAR

"I fall short of words to convey how much I have genuinely enjoyed being part of and working with the DNL family. To spend over a decade of your life amongst people so enormously talented, relentless and optimistic, and to together achieve excellence and such wonderful outcomes has been nothing short of a blessing."

ENHANCING VALUE, BRICK BY BRICK

1970
Incorporation of Deepak Nitrite Limited

1971
Public Issue of Equity Shares

1972
Commissioned Sodium Nitrite & Nitrate Plant at Vadodara, Gujarat

1974
Sir P.C. Ray award for "Best Chemical Industry Unit" with Indigenous Technology

1979
Promoted Deepak Fertilisers and Petrochemicals Corporation Limited for setting up project for manufacturing Anhydrous Liquid Ammonia

1984
Acquisition of Sahyadri Dyestuffs & Chemicals Unit from Mafatlal Industries

1992
Commissioned Nitro Aromatic Plant at Nandesari

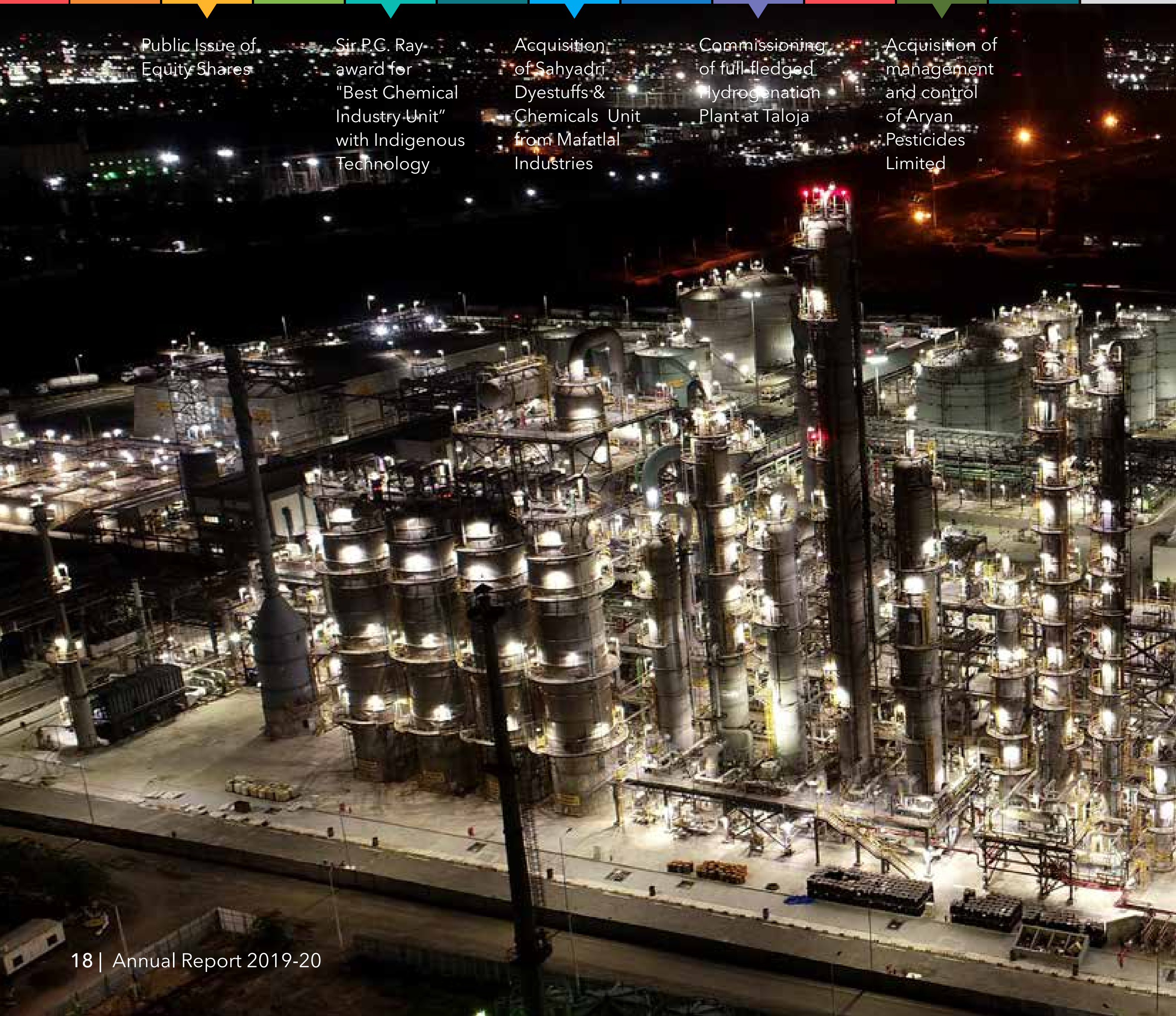
1995
Commissioning of full-fledged Hydrogenation Plant at Taloja

1998
Capacity of Nitro Aromatic plant doubled

2000
Acquisition of management and control of Aryan Pesticides Limited

2006
Rights Issues of Equity Shares

Acquisition of business of DASDA Division from Vasant Chemicals by Hyderabad



2009

Crossed ₹ 500 Crores Turnover

2010

Listed on National Stock Exchange (NSE)

Entered into Fuel Additives Space by Launching new products

2012

Awarded by FICCI With "Business world FICCI CSR Award" (Large Enterprises)

Honoured with "Responsible Care" logo
World wide Initiative to advance the safe and secure management of chemical products and operation

2013

Brownfield expansion for manufacturing inorganic salts at Nandesari

Alignment of business segments into three Strategic Business Units

Crossed ₹ 1,000 Crores Turnover

2014

Sub-division of Equity Shares and 4th Bonus Issue

Commissioned a worldclass facility to manufacture Optical Brightening Agent (OBA)

Commenced setting up a Project at Dahej, Gujarat to manufacture Phenol and Acetone through Deepak Phenolics Limited (DPL), a wholly owned subsidiary

2015

Shri C. K. Mehta, founder of Deepak Nitrite Limited Conferred with the Life Time Achievement Award by The Indian Chemical Council (ICC)

2016

Raised ₹ 83.31 Crores via 1st QIP

2017

Raised ₹ 150 Crores via 2nd QIP

2018

Raised ₹ 150 Crores via 3rd QIP

2019

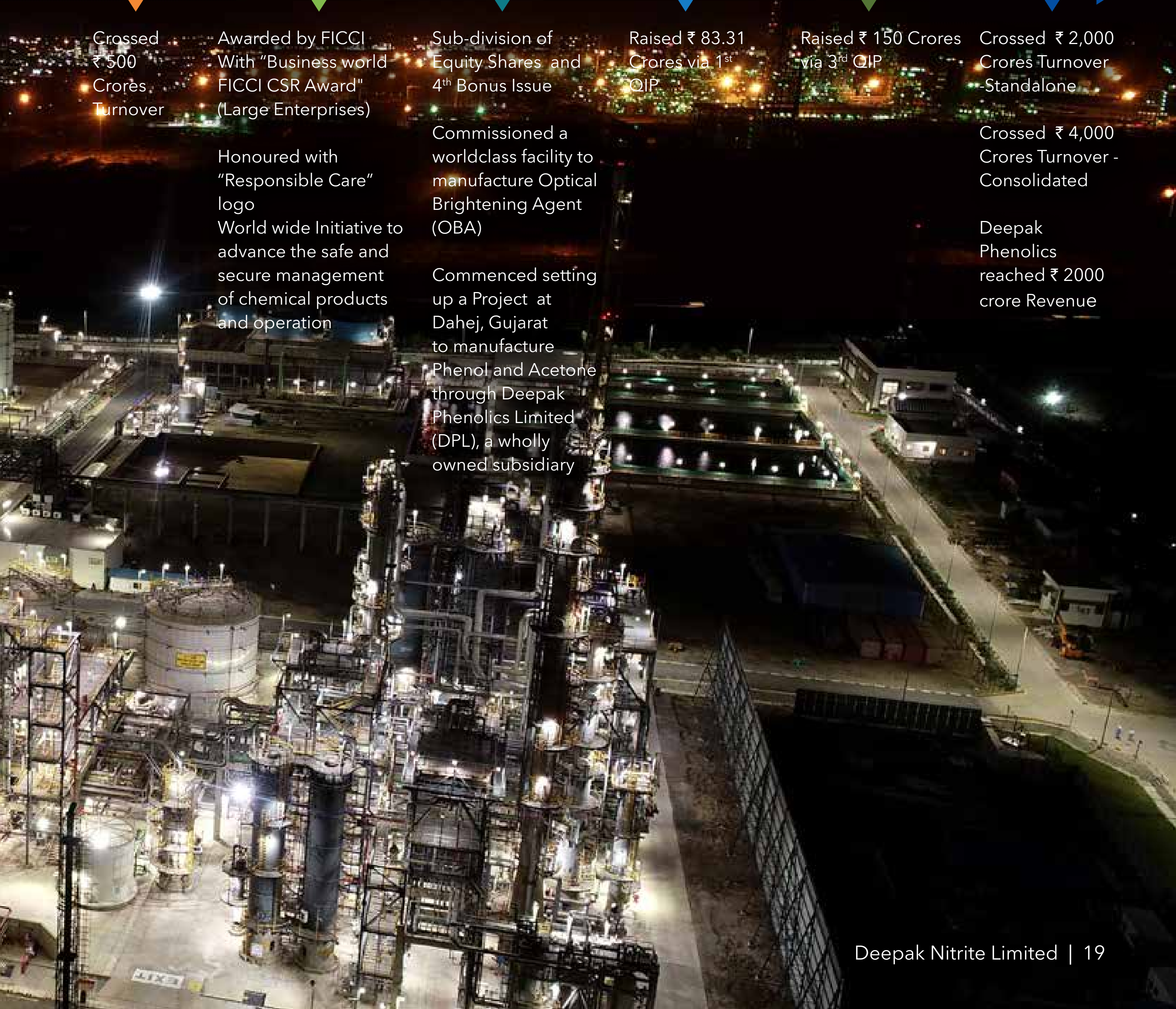
Deepak Phenolics Commenced commercial production of Phenol and Acetone at Dahej

2020

Crossed ₹ 2,000 Crores Turnover -Standalone

Crossed ₹ 4,000 Crores Turnover - Consolidated

Deepak Phenolics reached ₹ 2000 crore Revenue



Deepak Nitrite is a trusted name in the Indian chemical industry and it has done so by having the right combination of dedicated employees, effective manufacturing processes and a sustained effort of building long term relationships with external stakeholders.

FROM THE DESK OF CHAIRMAN & MANAGING DIRECTOR

Dear Stakeholders

We are pleased to present to you our Forty Ninth Annual Report for the Financial Year (FY) 2019-20. During this year, Deepak Nitrite celebrates the milestone of 50 years in business. I would like to take this opportunity to thank all of you, our stakeholders, who are an integral part of our business and have contributed in significant measure to our progress. We have entered the Golden Jubilee year on the back of sound fundamentals, profitability and strong performance of Deepak Phenolics ahead of expectations. We strongly believe in delivering our promises made to investors and other stakeholders. We are now well positioned to take up several growth opportunities and I am sure that we will continue to receive your support as ever.

GLOBAL ECONOMIC SCENARIO

FY 2019-20 was an extremely challenging year for the global economy and was marked by multiple upheavals. Trade conflicts, political uncertainties, heightened volatility in commodity prices with some never before seen developments with respect to crude oil, protectionism etc.

Towards the end of the fiscal, unprecedented impact was witnessed from the global spread of the COVID-19, which caused turmoil across markets worldwide. The world economy is anticipated to lose roughly US$ 8.5 trillion in output in 2020 & 2021 *(Source: UN – World Economic Situation Report)*, nearly wiping out the cumulative output gains of the last four years. The pandemic has unfolded with alarming magnitude and the severity of the health and economic crisis is incomparable to any event in recent memory. Government enforced border controls and lockdowns of varied durations across multiple countries have impacted economic operations around the world. However, even as Governments around the world deploy fiscal and monetary stimulus in order to successfully resuscitate demand, it is believed that the second and third order effects of the pandemic may limit the pace of recovery.

India's economic growth is estimated to be lower at 1.2% in 2020, a further decline from the previous year growth of 4.1% *(Source: UN – World Economic Situation Report)*. In Fiscal 2019-20, the Indian Economy was benefiting from lower interest rates, witnessed benign inflation, improved liquidity and was on course to witness improved tax collections. Towards the second half of the fiscal, India began to witness early signs of an uptick in business activities signalling return of momentum to Asia's third-largest economy. However, those were short lived as the pandemic has derailed the prospects for higher economic growth in the short term. The pace of recovery is currently uncertain as the country is yet unwinding from the lockdown and the medium to long term outlook is opaque at every level.

MAJOR PROSPECTS IN INDIAN CHEMICAL INDUSTRY

The chemical industry in India has been actively gaining global market share in recent years and has been a beacon of hope. Leading players have demonstrated intent to scale up, diversify offerings and plough earnings back into the business by pursuing innovation and sophistication. Given its strong fundamentals, India's chemical industry is expected to keep growing at a fairly strong pace after absorbing the shock in FY 2021. Also, the pace for the chemical industry's adoption of technology continues to be on the rise. Looking towards an optimistic future, India's chemical industry is set for sustained growth receiving impetus with capital investment and affirmative Government policies.

ENTERING 50TH YEAR

As Deepak Nitrite is on the verge of completing its 50 years of operations, we take immense pride on our track record, not just of financial performance but also of the relationships that we have been able to build along the way. Deepak Nitrite is a trusted name in the Indian chemical industry and it has done so by having the right combination of dedicated employees, effective manufacturing processes and a sustained effort of building long term relationships with external stakeholders.

Its manufacturing strength is based on having strong growth pillars and considerable integration downstreams which has allowed us to remain resilient in the face of volatility. Calibrated transformation has been the underlying aspect of the Company which has enabled us to elevate our operations over the years and continuously expand offerings to increase the share of high-value and complex products. Higher outlay in capital infusion into R&D will help us widen our basket in the coming years and also in remaining competitive on a global scale. At the heart of this transformation, we cement our strongest value: to be a force for good.

During FY 2019-20, Deepak Phenolics having completed first full year of operations after commencement of commercial production and running above 90% capacity utilization, is a validation of the scale of commitment at the plant, and efficient movement of product with the help of our marketing and logistics team.

RESILIENCE IN THE FACE OF ADVERSITY

Deepak Nitrite ended FY 2020 on a positive note despite major disruptions caused by the impact of COVID-19 pandemic. We implemented our Business Continuity Plan aimed at ensuring health and protection to all our employees while adhering to the guidelines provided by the Government authorities. Manufacturing activities commenced from mid - April 2020 in a phased manner, based on approvals from local authorities. Well-being of our employees and safety of our manufacturing sites were given paramount importance. Amidst the pan-India lockdown, in April 2020, we commissioned our plant for the manufacture of Iso-Propyl Alcohol a key ingredient for sanitizers. Our timing has been serendipitous as the Hon'ble Prime Minister has recently given a clarion call for 'Atmanirbhar Bharat' or Self-reliant India.

We will continue to focus on delivering profitable growth alongside calibrated expansion, timely project execution and operational excellence.

OUR TRIPLE BOTTOMLINE APPROACH

People

The Company has increased its investment into developing a highly talented pool of employees from the shopfloor all the way to senior management. Various initiatives to recognize high performers, development of an e-learning portal, cross functional projects to encourage team building, and streamlining new inductions have been successfully executed. Our HR practices have been recognized by external agencies and Deepak Group retains its position as an employer of choice.

Planet

Our Company has been internationally recognized as a responsible corporate citizen. We are one of the Indian chemical companies to be accredited with 'Responsible Care' appreciating its efforts towards a safer planet. Deepak Nitrite is also an active member of 'Together for Sustainability' and a founder member of the Indian Council's 'Nicer Globe'. We have dedicated our Strategic Business Units to ensure sustainable manufacturing and adhering to all the safety norms and standards. The Company is committed towards responsible chemistry while conserving environment, safeguarding our employees & customers and taking care of the welfare of the community. It continues its investments into further reducing its environmental impact- with a focus on 'value from waste'.

Either directly, or through Deepak Foundation, the CSR arm of the Company, we continue to support society around us.

Profit

During the year under review, Deepak Nitrite demonstrated strong all-round performance led by healthy growth across its Strategic Business Units. The Company executed and commissioned various expansions and new products including a large scale Iso-Propyl Alcohol plant, through Deepak Phenolics, which is now in the process of safe scaleup to capacity. We have aggressively pursued market share expansions in our current product baskets on the back of increased customer confidence and leadership. Alongside this, we have taken cost measures which is yielding results and we expect this to continue in future time. These are strategic improvements which will result in sustained benefits to the Company in the years to come.

We take pride in the fact that our Phenol mega-plant almost achieved maximum capacity in just the first full year of activity. It has been one of the highlights of the year for us and it will certainly strengthen our footing in the Indian and the global chemical industry for years to come by opening doors for further growth, helping us and India reduce import dependence in favour of products manufactured in India.

PREPARING FOR THE FUTURE

In an uncertain future, stability becomes a great virtue. Deepak Nitrite has been constantly working towards being 'future-ready', which is essential to sustainably grow its businesses in all aspects. The ability to foresee changes in trends and enable the organisational changes in order to adapt to those changes at the right time is essential in order to differentiate oneself in the highly competitive global marketplace. We are making continuous investments in our productive assets, and our growth plans are also being formulated, bearing in mind our focus on efficient allocation of capital.

The decisions taken to expand our facilities or expand into additional product lines are deeply thought out and followed by meticulous research and planning. Forward and Backward integration is a key pillar of our growth strategy as it enables us to strengthen and reinforce our competitive position.

DIVIDEND

On the back of the robust performance during the year, the Board of Directors have declared a higher Interim Dividend of ₹4.50 per equity share (225%) on a face value of ₹2.00 each. Given the developments with regard to the COVID-19 pandemic and its fallout, the Company has decided to conserve cash for the quarters ahead. Hence, the Board has prudently decided that the Interim Dividend is to be considered as the total dividend for the year.

VOTE OF THANKS

On behalf of the Board, I would like to express my sincere gratitude and thank all stakeholders once again for being a part of the journey of our business over these years. We appreciate your continued confidence in the resilience and abilities of Deepak Nitrite and also the valuable guidance and endless support extended. We would also like to thank all of our staff members for their tireless efforts to accomplish our goals and bring our vision to life. We are confident of becoming a diversified chemical powerhouse in the near future.

Best Regards,

DEEPAK C. MEHTA
Chairman and Managing Director

CEO's LETTER

Dear Stakeholders

I feel honoured to be given the opportunity to serve the Company and reaffirm that I am committed to growing the organisation keeping sacred the values that are instilled by promoters in Deepak Nitrite, while embracing 50th year of legacy. I thank Shri Umesh Asaikar for his efforts over the last era to bring the Company at today's height.

During the fiscal year, our Company navigated global volatilities ably deliver an excellent performance on the back of an engaged team, sustainable operations and a wide portfolio of important chemical intermediates. We continue to be associated with leading names in the Chemicals Industry. Our customers have reaffirmed their commitment further developing their product lines with upstream support from Companies like Deepak that deploy state-of-the-art technology for process and sustainability.

Strategic Transformation

We stand at a turning point in global chemical supply chain as China de-emphasizes its chemical manufacturing industry, and global partners look beyond for countries and companies that can offer market stability. Our Company is thus, well regarded for its specialisation in niche chemistries and ability to conduct hazardous and complex processes safely. During the year, DNL witnessed its established business lines of Basic Chemicals and Fine and Speciality Chemicals break new grounds. The Performance Products division which reported a turnaround performance in the prior fiscal was able to further elevate itself.

In FY 2019-20, Deepak Phenolics Limited (DPL), a wholly-owned subsidiary, completed its first full year of operations with a rapid ramp up of about 90% capacity utilisation, a testament to plant operators and domestic customers' desire to partner with an Indian supplier. I take the opportunity to share my deep gratitude with all stakeholders. DPL also commissioned its premium grade Isopropyl Alcohol ('IPA') plant in April 2020, at the height of the lockdown, thanks to stoic support from policy makers and its technology team. With a capacity of 30,000 MT, Deepak is committed to supplying this essential item at a time when human needs transcend economics.

DNL is well along its journey of becoming a Company that its stakeholders, both internal and external, can depend on for support, growth opportunities and future readiness. We hope to take this to the next level by strategically utilizing various land parcels to produce new chemical intermediates in long term relationships with key customers.

Performance and Operational Excellence

The COVID pandemic challenged our ability to respond to a crisis like no other. We executed a Business Continuity Plan which focused on first ensuring employee welfare, and restarting plants safely under the shadow of manpower and material movement constraints. Our Company continues to prioritize revenue recovery and a unique ability to leverage strategic customer relationships. Our Company, nonetheless, lost about several days of effective production in FY 2019-20, and a large part of April so that it could adhere to government policies fully. On the one hand, we are working with customers in the dyes segment as they slowly restart their production, while on the other, we see buoyant demand from the pharmaceutical, personal care and agrochemical industries. I remain cautiously optimistic about our performance this year.

Environment and Sustainability

Despite the current situation surrounding the pandemic, we believe that the trend towards sustainable, environmentally friendly operations continues. Companies that hold these values dear will see their performance bolstered at the expense of others who remain callous about manufacturing, heedless of impact on the globe. As a signatory of Responsible Care, Together for Sustainability (TFS) and Nicer Globe, DNL assigns the highest importance of safety, environment and health. Our Company has implemented multiple initiatives to reduce its carbon and water footprint, and has developed value-added chemicals from by-products in its circular economy efforts. I can proudly say that the DPL facility has the highest energy efficiency of any Phenol plant of its size in the world. I'd like to thank all our stakeholders for their continued encouragement and support. By aligning our goals with those of our customers, and society at large, we are building a stronger, more resilient Company that works to make the world a better place with its presence.

Best Regards,

MAULIK D. MEHTA

"We stand at a turning point in the global chemical supply chain as China de-emphasizes its chemical manufacturing industry, and global partners look beyond for countries and companies that can offer market stability."

CFO's COMMUNIQUE

Dear Stakeholders

We stand on the cusp of 50 glorious years of excellence and value creation. This has been a long and fulfilling journey where Deepak Nitrite Limited (DNL) has successfully demonstrated its capabilities and perseverance to evolve from a local manufacturer of Bulk Chemicals into a global provider of Chemical intermediates. It is fitting that we are on the verge of 50th year on the back of new records set for revenues, operating margins, profitability and return ratios. Our track record over this journey of 5 decades, gives us immense pride as we have built deep relationships with leading enterprises in India and overseas, established a manufacturing footprint of global scale and positively impacted the lives of employees, associates, partners and through our Foundation, served society at large. A notable milestone for any institution, we will take this opportunity to further strengthen DNL and set it for higher course in the years ahead.

Effective Project Management & Strengthening Team Bond

During fiscal 2019-20, DNL witnessed healthy demand for products both locally and internationally and has delivered a comprehensive performance characterised by higher volumes, increased realisations as well as cost optimisation. We were able to report improved margins in all of the business segments on a standalone basis as well as higher profitability in its wholly owned subsidiary, Deepak Phenolics Limited (DPL).

Through DPL, we achieved a key milestone by substituting majority of the local market imports of Phenol and Acetone, and reportedly attaining a market share of about 65% in the country. DNL has been a frontrunner in tapping the import substitution opportunity in India, thereby delivering long-term benefits to the country. Additionally, it has also been successful in producing and selling pharma grade Acetone.

"Your Company achieved a key milestone by substituting majority of the local market imports of Phenol and Acetone, and reportedly attaining a market share of about 65% in the country. "

Backed by our diversified portfolio-mix, DNL continued to leverage on the better export demand for Fine and Speciality Chemicals products and DASDA which led to rise in the share of exports in the overall business mix. We have been able to capitalise on the demand from large global customers who are graduating towards high quality and competitive global suppliers as they seek to diversify their sourcing requirements away from China. We are fortunate to have delivered a robust performance in the first 11 months of FY 2019-20 that the Company was able to withstand the impact on the business from the COVID-19 pandemic towards the end of the fiscal year.

DNL acquired several land parcels as a part of its capacity expansion and growth plan. This comprises a big parcel of land acquired at Dahej, Gujarat, followed by smaller parcels of land acquired in Hyderabad and in Roha. The land acquired during FY 2019-20 has been capitalised wherein the Company had paid ₹ 141 Crores in aggregate for these land parcels.

Phenolics-Performance Update

During FY 2019-20, DPL has also delivered a robust performance with healthy profitability despite cyclicality in Phenol and Acetone prices globally. DPL had it first full year of operations in FY 19-20, wherein its Phenol production volumes were just short of 200,000 tons or above 90% capacity utilisation. The shortfall was owing to the loss of production following the nation-wide lockdown and consequent restrictions ordered by the Government. Despite many challenges, DNL has managed to operate a large, global scale plant at near full capacity utilisation in the first complete financial year. This indicates the scale of effort, preparedness and efficient management of complex material logistics.

In April 2020, DPL commenced commercial production of Isopropyl Alcohol ('IPA'). IPA is a solvent primarily used by Pharmaceutical companies and is also used for manufacturing sanitizers. The plant has a production capacity of 30,000 MT annually which is expected to serve humanity at the time of crisis when the entire World is combating Covid-19 pandemic since IPA enables supply of sanitizers. And of course, this marks the first step towards the vision of establishing a basket of downstream derivatives of Phenol and Acetone.

Capital Structure

Supported by the resilience and efficient operations of DNL, the Balance Sheet and cash position are robust. It will ensure that there will be no impact on its ability to meet its liabilities as and when they fall due, amidst this pandemic scenario. DNL has adequate liquidity to continue its operations unabated. It has lowered its borrowing position, improved operational and Balance Sheet ratios amidst exhibiting a strong Balance Sheet and Cashflow. As of March 31, 2020, the Debt Equity ratio for DNL was 0.14x on a standalone basis and 0.69x on a consolidated basis, both of which remain within comfortable range of leverage.

Enhanced Credit Rating

DNL is well placed in the industry, delivering quality guided by a robust product mix. Thus, on the back of steady performance over the years, ICRA has upgraded long term credit rating from "ICRA A+/Positive" to "ICRA AA-/Stable" while retaining short term credit rating at highest notch i.e. at " ICRA A1+"; while CRISIL assigns with a long term credit rating of 'CRISIL AA-/ Stable and short term rating of "CRISIL A1+",which is the highest rating in short term category. In case of DPL, ICRA has upgraded the long term credit rating from "ICRA BBB" to "ICRA A-" and also upgraded the short term credit rating from "ICRA A3+" to "ICRA A2+".

"DNL has been a frontrunner in tapping the import substitution opportunity in India, thereby delivering long-term benefits to the country."

This is primarily owing to Company's sustainable business performance, commercial viability across most segments of its products, diversified product portfolio, constant innovation and efficient operations.

Shareholder Value Creation

In view of the robust performance, the Board of Directors had declared an Interim Dividend of ₹ 4.50 per equity share of ₹ 2 each for the FY 2019-20 which was substantially higher than dividend declared in the prior years.

Furthermore, we are also encouraged that despite this challenging operating environment, our teams are working on continued business growth and higher market share. As an organization, we are confident that our fundamentally strong business model and deep relationships built over last 50 years will enable us to emerge from these challenges as a stronger enterprise.

On behalf of the Board of Directors and the management of the Company, we would like to reassure you that we are carefully navigating through the current situation with a focus on stability even as our appetite for growth in the future remains undiminished.

I would like to thank all of you, our shareholders, for your trust and faith in DNL. We remain committed to creation of sustainable value for all our stakeholders and I look forward to your continued support in the future.

Trust you, your families and your communities are safe. Take care and stay healthy.

Best Regards,

SANJAY UPADHYAY

BOARD OF DIRECTORS

Shri Deepak C. Mehta
Chairman & Managing Director

Shri Maulik D. Mehta
Executive Director &
Chief Exective Officer

Shri Sanjay Upadhyay
Director - Finance &
Chief Financial Officer

Shri Deepak C. Mehta is a Science Graduate from the University of Mumbai and is at the helm of affair of Deepak Nitrite Limited for the last 48 years. His business acumen, leadership skills and dynamism have enabled the Company to take swift strides forward and achieve many milestones year on year.

An active participant at industry forums, he is the Chairman of Gujarat State Council – The Federation of Indian Chambers of Commerce and Industry ('FICCI'). He is also the Chairman of National Chemicals Committee at FICCI. He has been the past President of Indian Chemicals Council ('ICC') and was also the Chairman of various Committees including Trade & Business Development Committee of ICC. Shri Mehta adorned the position of member of 'Task Force on Chemical Industry' constituted by the Government of India with an object to put forward a strategy for increasing competitiveness for the Indian chemical industry.

He is also an active Trustee on Deepak Foundation, a Group Trust dedicated to improve quality of life for persons in BPL Category as also improving life expectancy for Women and Children besides BAIF Development Research Foundation, a voluntary organisation dedicated to Rural Development, Vadodara Society for Prevention of Cruelty to Animals (VSPCA). He is Chairman of Society for Village Development in Petrochemicals Area (SVADES), and a Member on the Board of GSFC University.

Shri Maulik Mehta has been appointed as the Executive Director & CEO of the Company with effect from June 1, 2020. He is a Bachelor of Business Administration from the University of Liverpool, UK. He holds a Masters in Industrial and Organizational Psychology from Columbia University, USA. Further, he is part of Harvard Business School's prestigious Owner & President Management Program. He possesses around 12 years of experience.

Over the years he has built up a diversified profile and has served in varied capacities/ functions in the organization including Product Head, Profit Centre Head, Group SBU Head and was most recently responsible for the day to day business of all the verticals of the Company along with Group Strategy. During the span of his career, Shri Mehta has coordinated several programs including profit improvement. Through various initiatives and measures adopted, the Company has significantly improved both top-line and bottom-line. In the last year, he has successfully coordinated the annual business plan of the Company as a whole, working closely with the Heads of Strategic Business Units. Shri Maulik Mehta is an active member of the Economic Times India Leadership Council, YPO, ICC's CEO Roundtable, and CII Central Gujarat.

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

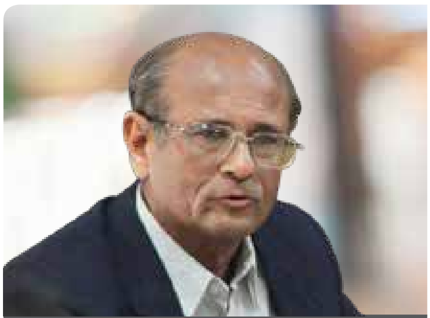
During the span of his career he has held important positions in the Company prior to his joining the Board, as Director-Finance & CFO in the year 2017.

Shri Ajay C. Mehta
Non-Executive Director

Shri Ajay C. Mehta has a Bachelor's degree in Science from the University of Mumbai and a Master's degree in Chemical Engineering from the University of Texas. He has over 35 years of experience with chemical, petrochemical, fertiliser, manufacturing and investment companies.

He has been actively associated with Deepak Nitrite Limited since 1984 and was the Managing Director of the Company from December 1, 1989 till December 1, 2017. With extensive experience, a comprehensive approach and industry foresight, Shri Ajay C. Mehta has paved the way for innovation and excellence at Deepak Nitrite Limited.

He is presently a Non-Executive Director in Deepak Nitrite Limited and a Managing Director of Deepak Novochem Technologies Limited. He is a member of the Executive Committee of Mahratta Chamber of Commerce, Industries and Agriculture and various other developmental institutions and social organisations.



Shri Sudhir Mankad
Independent Director

Shri Sudhir Mankad, IAS (Retd.) has served in senior positions, both with the Government of India and Government of Gujarat.

His last assignment was as Chief Secretary, Government of Gujarat. Additionally, he has served as a Director/Chairman on the Board of several cement, power, fertiliser and finance companies.

He is associated with several educational institutions and NGOs. He holds a Master's degree in History from the University of Delhi.

He served as a Director on the Central Board of Reserve Bank of India from 2016-2020.

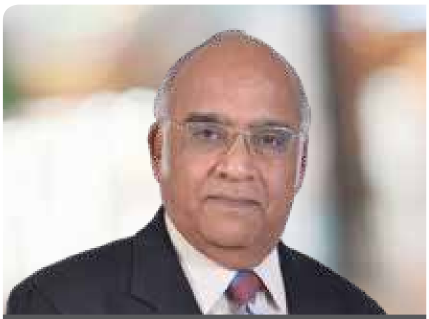
Shri Sandesh Kumar Anand
Independent Director

Shri Sandesh Kumar Anand has a rich experience of 47 years in the field of Project Management, Operations, Corporate Planning, Quality Management, Health, Safety and Environment Management, Energy Management and Strategic Planning in petrochemicals, refining and other allied industries.

He is a Bachelor of Engineering (Chemical) from Delhi University and has done a Petrochemical Course from I.I.P., Dehradun.

He has also done an Advanced Management course from IIM Ahmedabad.

Dr. Richard H. Rupp
Independent Director



Dr. Swaminathan Sivaram
Independent Director

Shri Sanjay Asher
Independent Director

Dr. Richard H. Rupp has held various top level positions in leading multinational companies such as Hoechst AG (Germany), Lonza (Switzerland) and Allessachemie (Germany). His experience encompasses a mix of scientific, technical as well as managerial roles. He is well-acquainted with the USA, European, Asian and Indian subcontinent markets.

Dr. Rupp holds a Ph.D in Chemistry from the University of Karlsruhe, Germany, and has completed a programme for Executive Development from IMD at Lausanne, Switzerland.

Dr. Swaminathan Sivaram is a polymer chemist by profession and a mentor as well as a science administrator of distinction. He is a former Director of the CSIR – National Chemical Laboratory, Pune, Shanti Swarup Bhatnagar Fellow of CSIR and J. C. Bose Fellow of the Department of Science and Technology. Currently, he is an Honorary Professor and INSA Senior Scientist of the Indian Institute of Science Education and Research (IISER), Pune. He has authored over two hundred and forty papers in peer-reviewed journals, edited two books and authored one book. He has fifty-one issued US and European patents and fifty-two Indian patents to his credit. Dr. Sivaram is a highly decorated scientist / technologist with numerous awards and honours to his credit. He was conferred Padma Shri by the President of India in 2006. Dr. Sivaram is a distinguished alumnus of IIT-Kanpur. He earned a Ph.D in Chemistry and DSc (h.c) from Purdue University, W. Lafayette, Indiana, USA. He is an elected Fellow of all the learned academies of science and engineering in India.

Shri Sanjay Asher is presently a Senior Partner with M/s Crawford Bayley & Co. Shri Asher is a practising Solicitor and a qualified Chartered Accountant.

He specialises in the fields of M&A, cross border M&A, joint ventures, and capital markets, and advises large, medium and small business enterprises on these subjects. He serves as an Director of various public and private companies.

He has been a noted speaker at various seminars and conferences including those organised by The Institute of Chartered Accountants of India, The Institute of Company Secretaries of India, International Financial Law Review.

Smt. Purvi Sheth
Independent Director

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

As CEO of Shilputsi consultants, Smt. Sheth is an expert consultant and advisor to some of the most prestigious Indian and multinational companies, boards and CEOs. Her offering have proven value in developing large scale engagements, leading client teams in executing complex strategic engagements, and repeatedly contributing to intellectual capital. She helps organisations create business opportunities and competitive advantage via Strategic HR management. Effective in boosting and impacting business performance and productivity, Smt. Sheth has successfully elevated several businesses through advanced leadership processes and implementation.

Shri Dileep C. Choksi
Additional Director

Shri Dileep C. Choksi is a Chartered Accountant by profession and has been in practice for over 35 years and a Fellow Member of The Institute of Chartered Accountants of India, Bachelor of Law, Member of The Institute of Cost Accountants of India.

Shri Choksi was the former Joint Managing Partner of Deloitte in India till 2008, before he set up C.C. Chokshi Advisors Pvt. Limited of which he is the Chief Mentor.

He has been a speaker at various seminars and conferences of professional interests organized by the Reserve Bank of India, The Institute of Chartered Accountants, Bombay Chartered Accountants Society, etc.

RESPONSIVE TO CHALLENGES WITH RESILIENCE

Our key strategic business units stand firmly on the astute business model that is well-equipped to take on any immediate and tangible challenges. In over five decades of our operations, Your Company has faced every challenge or adversity head-on. With most businesses grappling to come to terms with the COVID-19 pandemic, Deepak Nitrite has successfully responded to it and is sailing through the crisis.

With immense pride, we assert that Deepak Nitrite pursued selected opportunities in domestic and export markets, enabling the Company to scale up its volumes across all business segments. Despite lockdown and subsequent restrictions, all our facilities are now running and helping us to meet demand. Our strengths – cost leadership, quality assurance, right positioning and customer-centric business approach have given us a formidable edge in a competitive market.

BASIC CHEMICALS

Deepak Nitrite manufactures Nitrites, Nitro Toluidines & Fuel Additives. Cost leadership is one of the foremost competitive advantages required to drive growth and profitability as most of these chemicals are sold in high-volumes with greater price sensitivity. These chemicals are typically manufactured in standard specifications.

Basic Chemicals find application in dyes and pigments, pharmaceuticals, agrochemicals, concrete mixture, water treatment, rubber, heat treatment, glass industries, industrial explosives and fuel additives.

Closure of production facilities due to the national lockdown caused by COVID-19 pandemic impacted the revenue momentum towards the end of Q4 FY 2019-20. This has, however, recovered post re-starting of the facilities. Overall, your Company will continue to swiftly capitalise on opportunities by diverting capacity towards products that enjoy better demand scenario, and will leverage its cost leadership position to drive market share gains.

FINE & SPECIALITY CHEMICALS

Under Fine & Speciality Chemicals segment (FSC), your Company manufactures specialised and exclusive products which are developed using the Company's expertise with respect to processes and technical skillsets. These products are specially customized as per the clients' recommendation and are typically manufactured in lower volumes, but they command higher value and profitability.

The Fine and Speciality business segment produces specialised and niche compounds from various processes and requires technical skills and technological competencies in handling potentially complex reactions. These chemical intermediates find application in agrochemicals, pigments, pharmaceuticals and personal care segments.

Your Company witnessed increased demand for key products in the export markets which also led to solid realization gains. Performance was also bolstered by benefits accruing from backward integration initiatives and capacity expansion for established products.

PERFORMANCE PRODUCTS

Deepak Nitrite is a leading fully integrated manufacturer of OBA which is backward integrated from basic building block up to the feedstock of toluene to PNT and further into DASDA and OBA. These products have strict requirements in terms of performance and technical specifications. Over the years, your Company has targeted and built a robust global customer network and has taken conscious efforts to place its products in the right geography.

The Performance Products segment finds application in paper,detergents and textiles with its key value in the characteristic of the main product.

Your Company's efforts of reorienting its industry and geographical mix to ensure better product acceptance played a major role in driving the performance. Further, Deepak Nitrite's position as a fully integrated supplier of OBA has strengthened its competitive edge. During the year under review, we witnessed healthy realization gains in DASDA, which bolstered our overall performance in the PP segment.

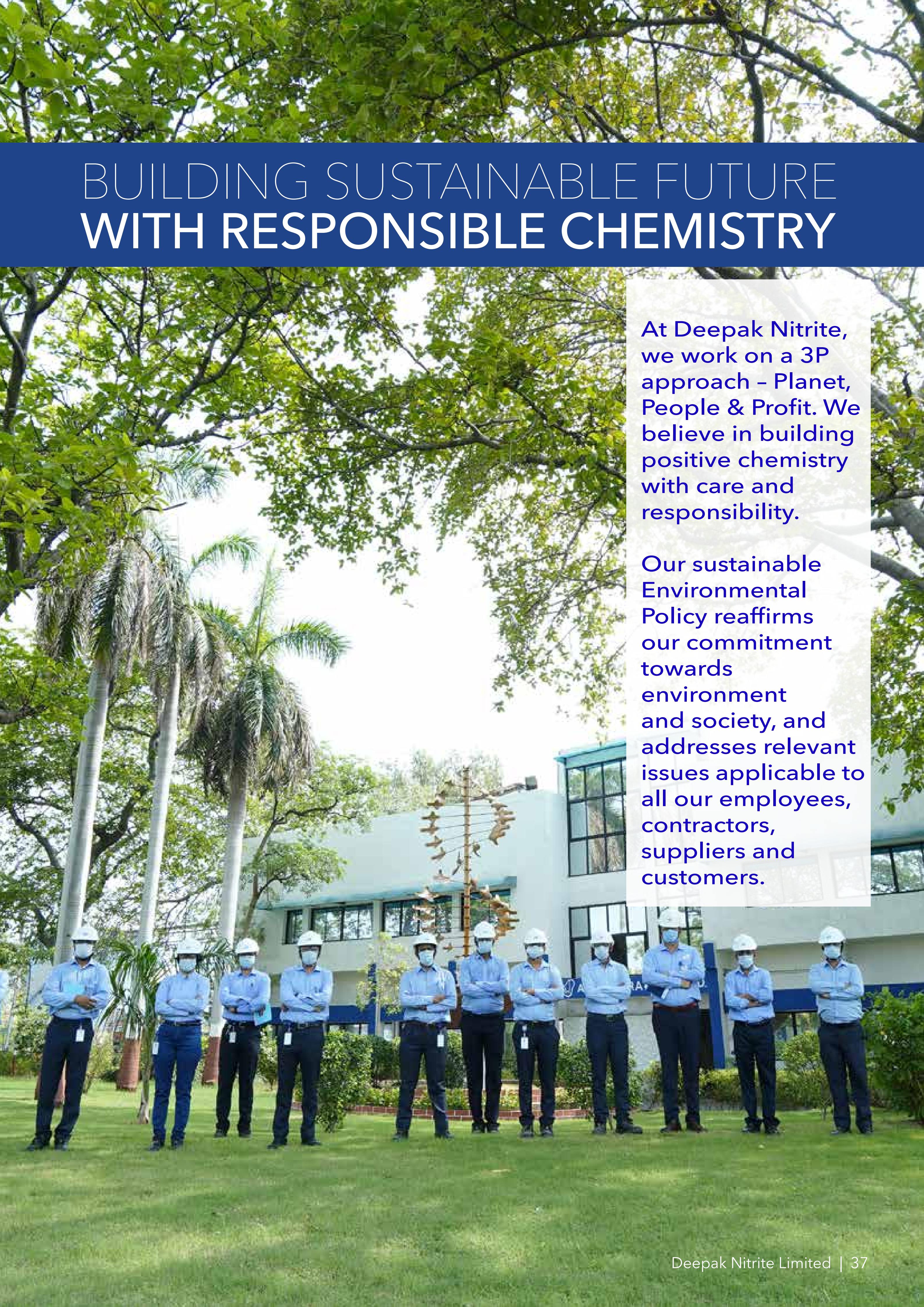
PHENOLICS

Deepak Phenolics Limited (DPL), a wholly-owned subsidiary of Deepak Nitrite Limited, began commercial production at its mega Phenol and Acetone facility in Dahej, Gujarat in November 2018. The facility has an installed capacity of 200,000 MTPA to manufacture Phenol and 120,000 MTPA to manufacture Acetone. It also has facility to produce 260,000 MTPA of Cumene for captive consumption. The objective of foraying into these products was to substitute imports and parallelly grow the domestic demand.

Your Company has already established itself as the most reliable player for Phenol and Acetone in the domestic market, with its market share touching almost 65%.

During the financial year under review, your Company was successfully able to substitute majority of imports. It was also able to operate its manufacturing capacity close to above 90% utilization levels on a sustained basis.

In line with its objective of moving into value-added downstream products with captive raw material consumption, your Company commissioned a plant to manufacture Isopropyl Alcohol (IPA) from Acetone with a capacity of 30,000 MTPA in the month of April 2020. It will continue to explore such products in the future to drive business momentum and focus on profitability.



BUILDING SUSTAINABLE FUTURE WITH RESPONSIBLE CHEMISTRY

At Deepak Nitrite, we work on a 3P approach – Planet, People & Profit. We believe in building positive chemistry with care and responsibility.

Our sustainable Environmental Policy reaffirms our commitment towards environment and society, and addresses relevant issues applicable to all our employees, contractors, suppliers and customers.

MANAGING NATURAL CAPITAL

Environmental Management Systems at all our manufacturing locations have migrated to ISO-14001:2015 standard

All our manufacturing sites are ISO 9001, ISO 14001 and ISO 45001 certified and equipped with an Occupational Health Centre (OHC)

We are vigilant as a responsible Company and citizen, as we strive to strengthen our position as the Indian chemical intermediates serving the globe, responsibly. We are on a constant endeavour to protect our people and adhere to stringent safety and environment norms.

A third party environment audit helps us adhere to and adopt world's best Environment Health & Safety (EHS) standards. The Environment Review Committee conducts audits every quarter of all our manufacturing facilities. These regular interval reviews offer us data relating to compliance status and suggests improvements. Our 'Learning from Incidents' across all our sites helps us improve the existing practises and interpret incidents.

MANAGING NATURAL CAPITAL

We strive to improve our environmental performance continuously with enhancement in its current practices and implementation of Environment Management Systems across all locations.

	CLEAN AIR	CLEAN WATER	PREVENTING SOIL CONTAMINATION	DIGITAL ECONOMY
Philosophy adopted	Going beyond compliance for stack emissions by maximising operational efficiency	Plan for minimum reliance on freshwater Zero discharge	Minimum waste disposal Zero-spill operations	Advanced technology
DNL differentiators	Emission reduction through design improvements and eco-friendly fuels	Treated water recycled at Hyderabad & Dahej	Recycle / Reuse of organic substance after separation	Clean technology initiatives
Impact created	Emissions reduction	Reduction in water consumption by way of increased water recyclability	Resource conservation	Reduced area requirement

INTEGRATING SUSTAINABILITY WITH PRODUCTIVITY

- Adopting cleaner and cost efficient technologies.
- Focus on Reduce, Reuse and Recover for resource conservation and sustainable growth.
- Focus on Planet, People and Profit for sustainable growth.
- Committed to resource conservation.
- Dedicated cell for conservation through improvisation in processes and products.
- Effluent treatment plants compliant with pollution control norms.

Responsible Care®
OUR COMMITMENT TO SUSTAINABILITY

TOGETHER FOR SUSTAINABILITY

nicerglobe

OUR TEAM, OUR STRENGTH

Our Resilient Voice

Deepak Nitrite Limited works with 3P approach – Planet, People and Profit. Our 'people power' has helped us stay strong, competitive and resilient. Each and every employee at Deepak Nitrite is an important contributor to the growth and prosperity accomplished over five glorious decades.

As a company we have managed to nurture, attract and retain talented professionals. Our people-centric approach, competitive remuneration, equal employment opportunity and conducive work environment makes us the 'Good place to work at'. Our Human Resource management system is impeccably designed focused on career enhancement and skill development.

Digital empowerment gained major momentum in the year 2019-20. A series of interesting, interactive and informative training and skill enhancement programs were rolled out for employees across the board. Rewards & Recognition – Talent in Spotlight was launched to honour, applaud and appreciate deserving employees and teams.

Learning & Development at DNL has always strived to be in sync with needs of changing times and the year witnessed new avenues of learning generated across organization. We also unveiled 'Gurukul' initiative enabling employees to learn anytime, anywhere and on-the-go.

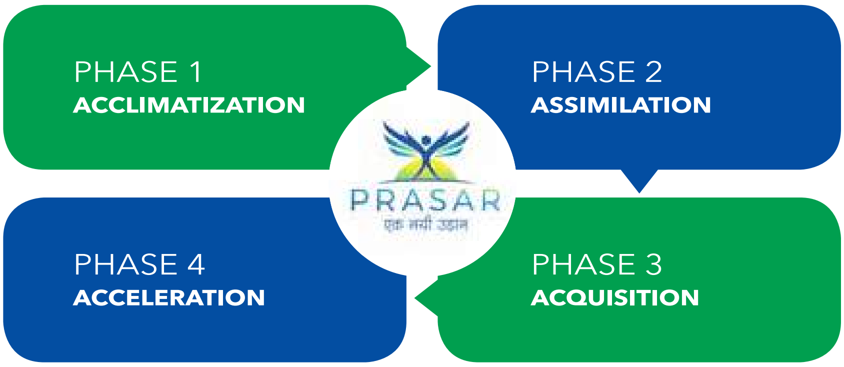
PEOPLE **INITIATIVES**

CAMPUS TALENT PROGRAM

PRASAR

Each new entrant selected through Campus Interface Programme is a budding talent and will grow when nurtured with care and confidence. Keeping in tune with the belief, Talent Management team designed the 'integration programme' titled *'PRASAR…Ek Nayi Udaan'* which is a phased inclusion of Campus Trainees into the values, business, culture, opportunities and developmental initiatives at Deepak Nitrite, imparted through a structured programme to build & enhance capabilities for future

PRAVESH



LEARNING & DEVELOPMENT

GURUKUL@DNL

Customized training sessions, assignment-based developmental tasks, technical tutoring and exposure through participation in external conclaves are some of the initiatives which marked the beginning of our approach to enable a culture of continual learning. This is evident from the offering of over 25 diverse programmes, encompassing varied skills & competencies designed to meet learning needs of 1200+ participants during the year.

The advancements planned in L&D are focused on engaging with people for enriched experiences and exposure, thus enabling the organization to strive for the next leap of growth propositions.

REWARDS AND RECOGNITION

The courage to visualize and realize dreams stems from the very confidence in people at Deepak Nitrite Limited. Our employees always strive and deliver noteworthy contribution. And to recognize such remarkable performance is the organization's way of celebrating the contribution. The 'Deepak Reward & Recognition' awards were launched across Deepak Group to motivate employees and foster productive work culture.

CREATING SOCIALLY INCLUSIVE AND EMPOWERED SOCIETY

At Deepak Nitrite, we are guided by our vision and philosophy of creating a socially inclusive and sustainable environment. It is this belief that has been driving us to transform lives of the underprivileged communities through our explicit CSR programmes in association with our non-profit organisation, Deepak Foundation, in the areas of healthcare, education, skill development and livelihood.

Deepak Foundation

DEEPAK FOUNDATION

Deepak Foundation was initiated in 1982 with a vision of providing healthcare facilities to the families of workers and local communities residing in the industrial area of Nandesari. The Foundation has progressed over the period into a leading non-profit civil society. With a Pan-India presence, it has branch offices in Pune, Roha, Palghar and Aurangabad in Maharashtra, Hyderabad in Telengana, Dumri, Arki, Kuchai and Madhuban in Jharkhand, and New Delhi. The Foundation implements its activities in close collaborations with communities, government, national and international non-profit organization, research and academic institutions, and networks of Civil Society Organizations (CSOs), including corporate sector. The Foundation has been accredited by Credibility Alliance and also certified as an ISO 9001:2008 organization.

IMPACT 2019-2020

Comprehensive Emergency Obstetric and New Born Care (CEmONC), Gujarat

- Strengthening Govt. health system for saving maternal & new born lives in the catchment area comprising of 10,00,000 tribal population in Bodeli Taluka of Chhota Udepur district of Gujarat
- Over 4,500 deliveries conducted free-of-cost annually with 30% high risk cases and with low direct obstetric case fatality rate (0.3%)
- Tribal beneficiaries save ₹ 6.6 Crores annually on out-of-pocket expenses on deliveries and surgeries

Primary health care through Mobile Health Units (MHUs)

- Nearly 40,000 out-patient primary care services beneficiaries in 55 villages, 30 villages in Dahej and 25 villages in Roha
- Annual Savings on OOPE in Dahej is ₹ 82.5 Lakhs and in Roha is ₹ 47.7 Lakhs

De-addiction & Couseling Centre in Jeedimetla slum area at Hyderabad

- De-addiction & Counseling Centre at Hyderabad was set-up with the aim of generating awareness on ill-effcts on alcohol consumption. 54 people successfully rehabilitated since last 3 years
- Nearly 300 Self-help group (SHG) members were trained in various livelihood activities during April 2019-March 2020
- Nearly 350 families were engaged in livelihood opportunities, earning an average monthly income of around ₹ 2,956

New Toilet block at Nandesari Primary School

- Deepak Nitrite Limited in association with SVADES, a well-known NGO, and Deepak Foundation constructed and handed over a new toilet block to Nandesari Primary School. The initiative is a part of Swachh Bharat Abhiyan, a nation-wide campaign of Government of India. The new toilet block aims to improve health and sanitation at the school.

Citizen's Help Desk, SSG Hospital, Vadodara

- Citizen's Help desk received nearly 36,000 footfalls during April 2019-March 2020
- Nearly 19,500 were critical cases that were provided further support
- 1,434 critical patients have been provided assistance such as emergency medical services & products

Mobile Library Project (Vivek Vidya)

- Project Vivek Vidya, a unique Mobile Library programme runs in 3 states including Nandesari, Gujarat, tribal areas around Roha in Maharashtra and urban slum communities in Hyderabad, Telangana
- During April 2019 to March 2020, 4,363 children between the age brackets of 6-14 years have been benefitted from the project
- Over 2,400 children have started issuing books regularly from the mobile library.

2400 CHILDREN

issuing books from the mobile library

67 ANGANWADI

centers

50,000 POPULATION

in 10 villages

96 WOMEN

entrepreneurs have been trained

Nandesari Education Project (Remedial Classes)

- Remedial education for English & Maths at schools in Nandesari, Gujarat to strengthen education in the school. In FY 2019-20, remedial classes initiated for standard 8^{th}, 9^{th} and 10^{th} for English, Mathematics and Science
- In the year 2018-19, the school pass rate increased to 40.9 % as compared to 36.1% in 2017-18. The 2018-19, remedial classes pass rate is 66.1 %.

Entrepreneurial Activities, Nandesari

- The Entrepreneurial Activities aims to build capacity of rural women of Nandesari area of Vadodara district to undertake enterprises such as nursery plants, paper/cloth bag, quilt based cloth products and apparel
- Considering the ongoing dairy development, the women are also trained to take up fodder development for cattle
- 4 entrepreneurial activities were initiated and 96 women entrepreneurs have been trained whose average monthly income is ₹ 2,115

Integrated Child Development Services, Nandesari

- 67 Anganwadi centers cater to pre-school education and health-nutrition needs of nearly 9,228 beneficiaries including children (0-5 years), pregnant and lactating women and adolescent girls

Skills Training - Home Health Aide

- This project aims to develop competent skilled work force for providing quality services in the health care sector.
- Beneficiaries enrolled - 353

- Training Batches – 12
- Trainees employed– 106 (63%) of those completing training
- Average Income earned by a beneficiary in Vadodara ₹ 4,279 per month & in Hyderabad ₹ 8,207.

Skills Training - Housekeeping & Cookery

- Beneficiaries trained - 42 (75% BPL)
- Training Batches – 3
- Trainees engaged in income-generation– 19 (45%)
- Average income earned by a benficiary- ₹ 7,793 per month

Vocational training (Samaj Suraksha Sankul)

- Samaj Suraksha Sankul is a Public Private Partnership (PPP) between Deepak Foundation and Department of Social Justice and Empowerment, Govt. of Gujarat, aimed at rehabilitation of children with special needs and enable them to live a life of dignity and independence
- Sankul is a residential and support institute for visually impaired, physically challenged, and orphans with a school for visually impaired

Activities undertaken	Duration	No. of children involved	Sales (till March 31, 2020)
Vocational Training for all children and young adults			
Diya making	1 Month	16	42,032
Canvas Painting	Ongoing	12	25,520
Rakhi Making	1 Month	30	17,020
Paper bag making	Ongoing	17	1,515
Spring file making	Ongoing	10	23,690
Clay workshop	3 days	115	-
Vegetables	-	-	4,300
		Total Sales	₹ 1,14,077

Skills Enhancement Training – Samaj Suraksha Sankul

Activities undertaken	Duration	No. of children involved
ITI Training	2 Years	2
Home Health Aide Course	3 Months	6
Computer Training	Every Sunday	70
Total		**78**

OUR COVID-19 INITIATIVES

MISSION TO CARE, SUPPORT & UPLIFT

11
DISTRICT

04
STATES

COVID-19 RELIEF MEASURES

An array of relief measures were initiated in 11 districts across 4 states since lockdown that came into effect on March 25th, 2020.

Two hospitals under Deepak Foundation designated as COVID Care facilities

- Two of the hospitals managed by Deepak Foundation in Jharkhand have been designated as COVID Care facilities by the state government

Serving food to the stranded truckers, migrant labourer

- Distribution of cooked food and supply of dry ration kits at strategic locations to stranded truckers and industrial workers who lost their daily wages
- Distribution of food packets for migrant labourers on their way home through Shramik Express trains

Outpatient services through our Mobile Health Units (MHUs)

- Providing primary health care to remote communities
- Spreading awareness on prevention and containment of the infection via public address system, demonstrations and supplies to over 3,00,000 population in partnership with 12 other corporate partners through MHUs in rural and tribal areas

Supply of Personal protective equipment (PPE) kits

- PPE kits supplied to staff engaged in health care services at community and at facility level of both government and trust hospitals
- Help Desk, functional at the district's SSG hospital of Vadodara, catering to nearly 40 suspected cases on a daily basis at the emergency ward of the hospital

CORPORATE INFORMATION

CHAIRMAN EMERITUS

Shri Chimanlal K. Mehta

BOARD OF DIRECTORS

Shri Deepak C. Mehta
Chairman & Managing Director

Shri Umesh Asaikar
Executive Director &
Chief Executive Officer
(upto May 31, 2020)

Shri Sanjay Upadhyay
Director-Finance &
Chief Financial Officer

Shri Maulik D. Mehta*
Whole-time Director

Shri Ajay C. Mehta
Non-Executive Director

Dr. Richard H. Rupp
Independent Director

Shri Sudhir Mankad
Independent Director

Shri Sandesh Kumar Anand
Independent Director

Dr. Swaminathan Sivaram
Independent Director

Shri Sanjay Asher
Independent Director

Shri Dileep Choksi
Independent Director

Smt. Purvi Sheth
Independent Director

** Elevated as Executive Director & Chief Executive Officer of the Company with effect from June 1, 2020*

AUDIT COMMITTEE

Shri Sudhir Mankad
Chairman

Shri Sandesh Kumar Anand
Member

Shri Sanjay Asher
Member

Shri Dileep Choksi
Member

STAKEHOLDER'S RELATIONSHIP & INVESTORS GRIEVANCE COMMITTEE

Shri Sandesh Kumar Anand
Chairman

Shri Ajay C. Mehta
Member

Shri Umesh Asaikar
Member

NOMINATION & REMUNERATION COMMITTEE

Shri Sudhir Mankad
Chairman

Shri Sandesh Kumar Anand
Member

Smt Purvi Sheth
Member

CORPORATE SOCIAL RESPONSBILITY COMMITTEE

Shri Sudhir Mankad
Chairman

Dr. Swaminathan Sivaram
Member

Shri Deepak C. Mehta
Member

Shri Umesh Asaikar
Member

COMPANY SECRETARY & COMPLIANCE OFFICER

Shri Arvind Bajpai

REGISTRAR AND SHARE TRANSFER AGENT

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

BANKERS

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

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

REGISTERED & CORPORATE OFFICE

Aaditya-I, Chhani Road,
Vadodara – 390 024 Gujarat
Tel: +91-265-2765200/3960200
Fax: +91-265-276 5344
Email:investor@godeepak.com
Website:www.godeepak.com

PLANTS

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

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

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

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMIC SCENARIO

Financial Year (FY) 2019-20 was a challenging year for the global economy, recording its lowest growth of the decade at 2.4%, as an outcome of protracted trade disputes, reverse globalisation and a slowdown in the domestic investments. The widespread weakness in global trade and investments affected advanced markets such as the European markets as well as the emerging markets and developing economies. Manufacturing activities across the globe slowed down significantly and just as there were signs of stabilization of manufacturing output at lower levels, at the turn of the decade, the outbreak of COVID-19 led to economic disruption on an unprecedented scale.

The mid-October USA-China bilateral negotiations had helped to de-escalate trade tensions to an extent. Amidst improving economic data, growth in the United States has exhibited signs of peaking out. The UK continued to struggle with Brexit related challenges while other major economies like the European region, Japan and China faced intermittent deceleration, adding to the slowdown in the pace of global growth. Even as nations were coming to terms with slowing growth, a new threat emerged with the spread of the coronavirus pandemic, which is expected to cost the global economy $ 2.7 trillion (Bloomberg estimate), and is likely to push the global economy into a recession while undoing a large proportion of economic gains achieved over the last decade.

Asia: An Epicenter of Global Growth

One of the most dramatic developments in the last 30 years has been the soaring consumption in Asia and its integration into global trade, capital, talent and innovation. In 2000, Asia accounted for just under one-third of the global GDP and is on track to top 50% of the global GDP by 2040 and drive 40% of the world's consumption, representing a significant shift in the center of activity of the world. Having said that, the Emerging Asia's GDP growth is expected to significantly weaken from 5.5% in 2019 to 1.0% in 2020 in-line with the global weakness mainly caused due to COVID-19 pandemic. Yet, the long term structural drivers remain intact.

The Asia-Pacific region will be responsible for an overwhelming majority (90%) of the 2.4 billion new members of the middle class entering the global economy. The bulk of that growth will come from the developing markets of China, India and throughout South-East Asia. Asia is making significant economic progress and rapid strides in human development in terms of life span, literacy and even internet usage and lifestyle standards. Millions have been lifted out of poverty and living standards improved across income levels.

China, which has been a global powerhouse is expected to see its growth slipping drastically from 6.1% in 2019 to 1.2% in 2020 and if conditions get worse, growth will sink to 0.1% that is almost no growth essentially on the back of significant damage done by the COVID-19 outbreak after a nearly two-month suspension of all non-essential business activity was imposed by authorities. However, the short-term effects of the coronavirus pandemic do not affect China's long-term growth prospects, as the country's economic fundamentals remain unchanged.

INDIAN ECONOMIC SCENARIO

On the back of weakness in the global economy and structural changes being undertaken in India, GDP growth has dipped to an 11 year low of 4.2% in FY 2019-20.

Weak performance by the manufacturing and construction sectors and slower credit growth and continued asset quality stress in the financial sector are largely responsible for the slowdown. Sluggish economic growth and tighter credit conditions in the non-banking sector have led to a substantial weakening of domestic demand. Despite this, India overtook the UK and France to become the fifth largest economy in the world. The implementation of the Government's policies which have a clear focus on improving the capacity to spend for the rural sector, on infrastructure creation and inviting foreign investments will help to improve the economy significantly.

Some of the key reforms implemented by the Government including ease of doing business, implementation of a bankruptcy law, streamlining the tax structure and reducing tax rates as well as steadfast focus on infrastructure covering national highways, dedicated rail freight corridor and interlinking of rivers is expected to have a multiplier effect in the ensuing years.

Global rating agencies expect India's economic growth to significantly soften to between 'zero' and 1.2% for FY 2020-21 before rebounding sharply to 6.6%-6.7% in FY 2021-22. The recent slowdown and steps taken by the Government to shore up the economy are likely to result in further fiscal slippage. It is believed that the Central Government's fiscal deficit will end up at negative 5.5% (-5.5%) of GDP for fiscal FY 2019-20, a breach of the fiscal deficit target of negative 3.3% (-3.3%).

Looking at FY 2020-21 , the initial momentum appears tapered owing to lockdown imposed by the Government to inhibit the spread of novel coronavirus (COVID-19). Before the lockdown, IMF and Moody's reduced the growth forecasts for India to 4.8% and 5.3% respectively, from 6.1% and 5.4% projected earlier. While this could be further reduced since the lockdown included full closure of all non-essential services, industries like manufacturing, transport, retail, leisure and recreation, which constitute a substantial component of India's GDP will be halted for a while. For several decades, consumption has been the bedrock of India's growth story. With it expected to be significantly impacted due to the pandemic, it will undoubtedly have a multiplier effect across the Indian Economy.

INDUSTRY OUTLOOK AND TRENDS

The global chemical industry currently stands at US$ 4 trillion in annual sales. Over the past two decades, this industry has witnessed a structural shift of manufacturing dominance from the West (USA and Europe) to the East (China followed by rest of South East Asia). China alone represents a dominant 35% share of the global chemical industry, whilst India has only modestly benefitted from the easternization of chemical manufacturing. It is however, expected to be one of the fastest growing chemical markets in the world in the coming years. India is set to be a key beneficiary of structural shift in the global supply chain.

The COVID-19 pandemic has caused a shock to the global economy. The impact to business and industry will undoubtedly be reflected in sharply reduced global demand for goods and services. This impact on all end user industries will, in turn, be reflected in the demand for products from the chemical industry.

Indian Chemical Industry

The chemical industry in India covers a wide array of more than 70,000 commercial products. India is the sixth largest producer of chemicals globally and third largest producer in Asia in terms of output. The country ranks third globally in the production of agro-chemicals and contributes around 16% to the global dyestuff and dye intermediates production. On the exports front, India's share stands at 12.5% and it ranks fourteenth in exports and eighth in imports of chemicals (excluding Pharmaceuticals products) globally.

The Indian chemical industry is expected to double to US$ 300 billion by 2025, recording an annual growth rate of 15%-20%. To achieve this, the Government is working on a draft chemical policy that will focus on meeting the rising demand for chemicals and reduce imports. The Government allows 100% FDI under the automatic route in the chemicals sector, and this has and will keep improving FDI into the industry. The total FDI in Chemicals (excluding fertilizers) from April 2000 to December 2019 stood at US$ 17.4 billion.

While the impact of the COVID-19 pandemic is yet to fully unravel, India's chemical industry is expected to keep growing at a fairly strong pace after absorbing the shock in FY 2020-21. Even as the rapid spread of the pandemic has sharply derailed industries all over the globe, the strong fundamentals of India's chemical industry are likely to ensure that this industry will be back on its feet soon.

Focus on decreasing Chemical Imports

India ranks eighth globally in chemical imports and is a net importer. Despite the improving condition of the Indian chemical industry to grow and make a significant impact at a global level, many intermediates and value-added chemicals are still falling short of the required volumes. The Indian Chemical Council's aim to achieve a turnover of US$ 300 billion by 2025 backed by Government's support in proposed infrastructure and policy changes. The investment requirement for this is estimated to be around US$ 75-100 billion and the primary objective is to reduce India's dependence on imports.

Structural Growth Drivers for India

India's large population with rising disposable income, urbanization, growing investments in infrastructure and demand from rural markets are some of the fundamental factors driving growth of the consumption of end use products leading to growth in demand for the chemical industry in India. In addition, huge dependence on agriculture and strong demand for exports throws vast opportunities for chemical players based in India. India has a low per capita consumption of chemicals as compared to the rest of the global economies. The per capita consumption of chemicals in the country is one-tenth of the world average with India being one of the low consumption countries even among the developing nations. The consumption pattern is expected to rise with the rising incomes of the population and consumers demanding better quality products with shift in their preferences towards a healthier lifestyle and environment-friendly products. The large size of the Indian market provides a lucrative opportunity for the end-user industries to set up their manufacturing bases in the country.

The shift in production and consumption pattern towards Asian and South East Asian countries in all sectors is leading to increasing demand for Chemicals and Petrochemicals. The combination of domestic consumption and export growth has made it viable to locate manufacturing operations in India thereby enhancing India's contribution to the Global chemical industry. India's chemical and petrochemical industry accounted for 3% of the global chemical industry in FY 2018-19, and this is expected to further increase at accelerated rate in the ensuring years. Additionally, the Government has continued its work on ease of doing business in India by streamlining regulations and processes. It is issuing clear directives on the future regulatory regime. This along with introduction of sector-specific skill-development programs will drive India's contribution to the Global chemical industry.

Recently, the Government of India's announcement of *'Atmanirbhar Bharat Abhiyan'* economic package of ₹ 20 lakh Crores or US$ 266 billion support package for the economy to help mitigate the damage caused by COVID-19 pandemic, and the subsequent lockdown would stimulate demand and aid the economy. Further, the call for self-reliance along with initiatives to open all sectors for private players is expected to infuse the necessary impetus towards manufacturing in India which will further augment the base of end use products and exponentially increase the demand for use of chemicals.

Phase I of the trade agreement between USA and China may slightly compress the benefit to India's growth trajectory, but other factors such as the clamp down by the Chinese Government on local manufacturing units and their tighter control has created a favourable tailwind. More importantly, with frequent disruptions caused by China, initially on pollution crackdown and subsequently due to the COVID-19 pandemic, large global manufacturers have been very decisive and have already accelerated their pace of setting up an alterative supply base in countries such as India to de-risk their business. In the long run, this is expected to create a large and sustainable opportunity for the Indian chemical players.

The Road Ahead

India has seen its GDP growth slowing in the last year due to contraction in consumption, weak investment, a slowing external sector and an under-performing services sector. As India is working towards becoming a US$ 5 trillion-dollar economy, the long-term growth prospects remain positive for the economy as well as the chemical industry. The Government of India is focusing on strengthening the clusters, chemical regulations, partnering with academia and industry for skilling and preparing a dashboard for monitoring and supporting activities of the entire chemical industry. This along with reforms such as timely GST revisions can help improve consumer sentiment and enhance the demand to support India's overall US$ 5 trillion-dollar vision.

The uncertainty in global trade caused by the US-China trade conflict and the changing structure of China's chemical industry are expected to open doors for the Indian chemical industry. Despite industry-specific challenges, rising domestic demand in chemical end-use sectors such as agriculture, consumer and retail, infrastructure, auto and electronics and healthcare is increasing the attractiveness of India as a manufacturing destination and India's steadily improving 'Ease of Doing Business' ranking could further elevate its position as the epicenter of chemical manufacturing in Asia, in the long run.

PERFORMANCE OF YOUR COMPANY

FY 2019-20 will go down as a milestone year in the history of your Company on the back of elevated growth in Revenues and Profitability combined with opening up of new vistas of growth. More importantly, your Company embarks into golden jubilee year as it celebrates its 50th year of operation. Your Company continued to make investments to further strengthen its product portfolio as well as elevate its operational capabilities as it achieved greater economies of scale. All this has not only resulted in improved performance, but also helped to enrich your Company's position as a leading chemical manufacturer from India. Over the past year, your Company has continued its efforts towards innovative skills, perseverance and ingenuity. The strategic decisions undertaken to expand your Company's facilities in a

calibrated manner are testament to its efforts of being future ready and delivering to its commitment of sustainable growth.

Your Company's performance was largely in-line with the expected shift of global supply chains from China to other reliable markets including India. Sensing this opportunity, your Company was quick to structure its production to favour products that enjoy a more favourable demand scenario. Your Company's continuous focus on quality, environmental standards, human resource practices and efficiency in hazardous and complex chemical processes makes it the supplier of choice for large global customers.

During the year under review, your Company demonstrated strong all-round performance led by healthy growth across its Strategic Business Units (SBUs). On a Standalone basis, revenues climbed to ₹ 2,230 Crores, 25% higher than the previous year. EBITDA registered at ₹ 804 Crores, up by 161% from the previous year resulting to EBITDA margins of 36%, higher by 18.77%. The expansion of margins was an outcome of enhancements in the product mix, improved realizations and cost reduction efforts undertaken at Company level. Profit Before Tax (PBT) was recorded at ₹ 706 Crores, up by 232% from last year. Profit After Tax (PAT) stood at ₹ 544 Crores, representing an improvement of 294% compared to FY 2018-19. This performance has been partially caused by supernormal realisation in DASDA owing to China's temporary disruption and hence may be seen in light of this.

Majority of your Company's turnover entails from the Domestic Revenues which stood at 58% of Total Revenues and the rest 42% came from Exports. Backed by steady demand from key end-user industries, the Domestic Revenues grew by 7%, while solid demand in key Export geographies resulted in 61% increase in Export Revenues; however, this strong Export performance has been partially caused by DASDA Export.

The combination of higher realisations as well as strong volume growth supported the performance momentum during the year since all SBUs have performed well. Demand in the end-user industries remained robust and your Company capitalized on these growth opportunities across global markets by demonstrating agility and nimbleness throughout its operations. Moreover, given the agile nature of its business, it was able to transfer its production quickly to key products that experienced better demand situation.

Your Company's wholly owned subsidiary, Deepak Phenolics Limited (DPL) reported its first full year of operations. Due to this, your Company reported robust momentum on a consolidated basis too. With the capacity to manufacture 200,000 MTPA of Phenol and 120,000 MTPA for co-product Acetone, supported by the capacity to manufacture 260,000 MT of cumene for captive consumption, Deepak Phenolics has demonstrated success in operating a global scale plant efficiently during the year as it recorded high capacity utilization of above 90% on a sustained basis.

With its vision of developing value-added downstream derivatives and thereby strengthening its business model, DPL in April 2020 commissioned a 30,000 MTPA plant at Dahej to manufacture Isopropyl Alcohol (IPA) from Acetone, thus significantly reducing the country's dependence on imports. IPA is an important input in production of essential pharmaceuticals and sanitizers.

In FY 2019-20, your Company invested ₹ 270 Crores towards initiatives on capacity expansion and de-bottlenecking of existing plants. This expenditure also covers the new 125-acre land purchased at Dahej during the year. This land is strategically located surrounded by key suppliers and customers paving path for ample opportunity of growth.

In appreciation of the continued support of all the shareholders, the Board of Directors of your Company had declared an Interim Dividend of ₹ 4.50 per Equity Share in FY 2019-20, on a Face Value of ₹ 2 per Equity Share. The rate of Interim Dividend was 225% as against Final Dividend of 100% , being ₹ 2 per Equity Share in FY 2018-19.

PERFORMANCE OF BUSINESS UNITS

Headquartered at Vadodara, Gujarat, your Company is a leading chemical manufacturer. It has a diversified portfolio of chemical intermediates that cater to various end-user industries and falls under Strategic Business Units (SBUs) of Basic Chemicals (BC), Fine and Speciality Chemicals (FSC) and Performance Products (PP). Its manufacturing facilities are located at Nandesari and Dahej in Gujarat, Roha and Taloja in Maharashtra, and Hyderabad in Telengana.

Today, your Company is acknowledged as a global chemical manufacturer, a dependable and reliable business partner in almost all key products that it manufactures. Over the years, it has significantly expanded its footprint in the export geographies of Europe, USA, Japan, Latin America, South East, and Far-East Asia. Overall, it exports to more than 30 countries. On the domestic front, it has been an undisputed leader with cost leadership across key products. Your Company has a vision of expanding its footprint in high-value intermediates to capitalize and sustain its growth trajectory driven by several levers and strategic initiatives, and it is on the right path to realize that.

Basic Chemicals

Your Company manufactures Nitrites, Nitro Toluidines and Fuel Additives. Possessing cost leadership is one of the foremost competitive advantages required to drive growth and profitability as most of these chemicals are sold in high-volumes with greater price sensitivity. These chemicals are typically manufactured in standard specifications and are subject to availability and pricing of raw materials.

User Industries for Basic Chemicals:

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

Basic Chemicals reported sales of ₹ 940 Crores in FY 2019-20, growing by 5%. Closure of production facilities due to the national lockdown impacted the revenue momentum towards the end of Q4 FY 2019-20. This has, however, recovered post re-starting of the facilities. Overall, your Company will continue to swiftly capitalise the opportunities by diverting capacity towards products that enjoy better demand scenario, and will leverage its cost leadership position to drive market share gains. The EBIT increased by 44% during the FY 2019-2020.

Fine & Speciality Chemicals

Under Fine & Speciality Chemicals segment (FSC), your Company manufactures specialised and exclusive products which are developed using your Company's expertise with respect to processes and technical skill sets. These products are specially customized as per the clients' recommendation and are typically manufactured in lower volumes, but they command higher value and profitability. Customers place keen importance to the product quality, stickiness of relationships, sustainable and scalable operations and adherence to global best practices.

User Industries for Fine & Speciality Chemicals:

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

Fine & Speciality Chemicals segment's revenue grew by 9% to ₹ 585 Crores in FY 2019-20. EBIT for this segment grew by 33%. Your Company witnessed increased demand for key products in the export markets which also led to solid realization gains. Performance was also bolstered by benefits accruing from backward integration initiatives and capacity expansion for established products. With strong product portfolio, your Company is on track to deliver stellar performance in the FSC segment in the coming years.

Performance Products

Your Company's Performance Products (PP) segment produces chemicals that are recognized for the specific characteristics they add to the end product. It consists of Optical Brightening Agents (OBA) and DASDA. Your Company is a leading fully integrated manufacturer of OBA which is backward integrated up to the feedstock of Toluene to PNT and further into DASDA and OBA. These products have strict requirements in terms of performance and technical specifications. Over the years, your Company has targeted and built a robust global customer network and has taken conscious efforts to place its products in the right geography.

User Industries for Performance Products:

- Paper
- Detergents
- Textiles

PP segment reported a stellar performance during the year under review growing robustly by 91% translating to Revenues of ₹ 768 Crores. EBIT also recorded solid growth of 403%. Your Company's efforts of re-orienting its industry mix and geography mix to ensure better product acceptance played a major role in driving the performance. Further, your Company's position as a fully integrated supplier of OBA has strengthened its competitive edge. During the year , your Company witnessed healthy realization gains in DASDA owing to China's temporary disruptions, which bolstered it's overall performance in the PP segment. Performance Products has contributed 34% to your Company's Total Revenues.

Phenol & Acetone

Deepak Phenolics Limited (DPL), a wholly-owned subsidiary of your Company, began commercial production at its mega Phenol and Acetone facility in Dahej, Gujarat in November 2018. The facility has an installed capacity of 2,00,000 MTPA to manufacture Phenol and 1,20,000 MTPA to manufacture Acetone. It also has facility to produce 2,60,000 MTPA of Cumene for captive consumption. The objective of foraying into these products was to substitute imports and parallelly grow the domestic demand.

During the Financial Year under review, DPL was successfully able to substitute majority of imports. It was also able to operate its manufacturing capacity above 90% utilization levels on a sustained basis.

By now, your Company has already established itself as the most reliable player for Phenol and Acetone in the domestic market, with its market share touching almost 55%. In line with its objective of moving into value-added downstream products with captive raw material consumption, your Company commissioned a plant to manufacture Isopropyl Alcohol (IPA) from Acetone with a capacity of 30,000 MTPA in the month of April 2020. It will continue to explore such products in the future to drive business momentum and focus on profitability.

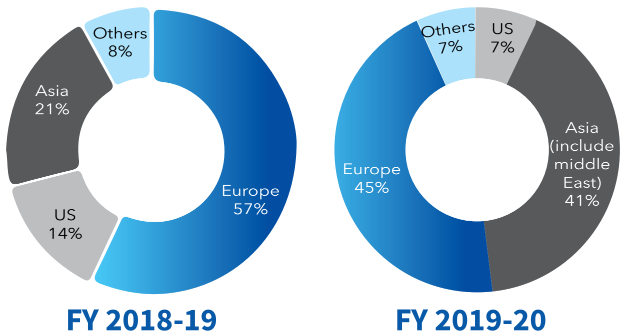
During FY 2019-20, DPL reported ₹ 2,010 Crores of Revenues with ₹ 67 Crores of Profit After Tax.

GEOGRAPHICAL PERFORMANCE

Domestic Revenues for FY 2019-20 stood at ₹ 1,293 Crores, as compared to ₹ 1,212 Crores in FY 2018-19. Export Revenues came in at ₹ 937 Crores, higher by 61% as compared to ₹ 580 Crores in the previous year. Export of DASDA and OBA played a good role. This performance has been partially caused by supernormal realisation in DASDA owing to China's temporary disruption and hence may be seen in light of this.

Domestic Revenues grew by 7% during the year led by positive demand in key end-user industries maintaining its position as a supplier of choice with cost leadership. Efficiencies in production as well as better product mix resulted in robust volume growth with better realisations for select products.

Your Company's Exports represented a growth of 61% in FY 2019-20. This was a result of focus on deepening the customer engagements in strategic geographical regions and overall shift in the global supply chain. This momentum was further supported by your Company's efforts of running plants at optimum capacities with streamlined processes and also by emphasis on export of DASDA and OBA. During the year, Europe contributed 45%, as compared to 57% in the previous Financial Year. Asia also showed an improvement contributing 41%, while the US contributed 7%. On a Standalone basis, mix of Domestic Sale versus Exports has been 58:42.



For DPL the Revenues for FY 2019-20 stood at ₹ 2,010 Crores. Domestic and Exports Revenue mix stood at 93:07.

On a Consolidated basis, the Domestic Revenues for FY 2019-20 stood at ₹ 3,158 Crores while Export Revenues came in at ₹ 1,072 Crores. Domestic and Exports Revenue mix was at 75:25.

SWOT ANALYSIS

Strengths

Diversified Product Offerings: Leveraging its manufacturing proficiency, your Company has expanded its product offerings over the years to build a diversified product portfolio with application diversity. This insulates your Company from any slowdown in a particular product or category and de-risks its business model. These products cater to the uses of multiple end-user industries such as agrochemicals, rubber, pharmaceuticals, colorants and textiles amongst others. More importantly, an extensive product portfolio helps your Company to win more customers across the globe as it meets their requirements for multiple products

Global Reach and Customer Stickiness: Your Company has established a strong presence across key geographies including US, Europe and China among others, besides India. With exports to more than 30 countries across 6 continents at present, your Company is well positioned to pursue market share gains through tactical expansions in newer geographies. It's customer-centric approach as well as healthy relationships built over decades has enabled to establish and maintain a strong association with most of the large customers in India and across the globe. Customer stickiness remains a key strength which is further aided by vast portfolio offerings to ensure that your Company is not dependent on a single application to drive growth

Sustainability in Operations: Business Sustainability is one of the key focus areas for your Company, for which it has been acknowledged by its customers. It believes in fulfilling its responsibilities of being a responsible Corporate Citizen by working relentlessly towards reducing its carbon footprint. As a recognized leader of 'Responsible Care' and 'Together for Sustainability,' your Company has been at the forefront of driving sustainability initiatives, and has created an example for many companies.

Robust Supply Chain and Logistics Competencies: Given its expertise and presence in chemical industry for five decades, your Company has established and continues to maintain close relations with its suppliers and consumers, thereby delivering quality service and in-market execution through solid supply chain. The addition of Deepak Phenolics with its global scale plant has resulted in tremendous expansion of material management of both inputs and outputs which are being efficiently managed.

Robust Technical Skills: Your Company enjoys high level of technical expertise in the areas of Nitration, Hydrogenation, Oxidation, and Diazotisation. Your teams undertake processes of high complexity on a regular basis at all manufacturing facilities while maintaining elevated utilization rates across all the plants. Your Company has developed strong technical capabilities and provides niche chemistries to its customers to stay at the forefront of innovation. While utilizing its experience in sustainable chemistry, your Company continues to focus on complex and hazardous chemical processes in order to offer higher value to its customers. Technological competence is a major strength and it undertakes sector-specific technological advancements that boosts industry-wide innovation.

Spearheaded by Experienced Management Team: The management team of your Company leverages leadership skills combined with deep domain knowledge and rich industry expertise to deal with ever-changing and evolving dynamics in the chemical industry. They have been instrumental in developing the key strategies to drive business momentum which has helped your Company to maintain its leadership position in chosen products. Code of Responsible Care and Ethical Values are of foremost importance to the organisation. The Leadership team has emphasized on a robust Corporate Governance policy and sustainable approach to conduct of business across the organisation.

Weaknesses

Adverse Movement in Raw Material Prices: Raw material price volatility directly impacts the prices of end-products as they form a major component of the entire chemical process. High volatility is a characteristic of the chemical intermediates industry. This is an industry norm, however, your Company ensures that a majority of products are contracted with pass through clauses, thereby minimizing the adverse impact from raw material variation.

Absence of Alternative Energy Sources: Given the increasing scale and complexity of manufacturing operations, uninterrupted supply of power and electricity is required in the manufacturing processes and waste management initiatives. Your Company largely relies on conventional fuels such as coal and furnace oil for power generation as non-conventional energy is presently unfeasible and other alternative fuels have their own limitations including high costs based on varied requirements. Being a responsible company, your Company is evaluating and implementing multiple approaches to expand its ecological initiatives. It also recognizes that one way to reduce greenhouse gas emissions is by improving energy efficiency.

Fluctuations in Exchange Rates: Currency fluctuation is an operating risk for all the businesses which engage in exports and imports and how you manage this risk is of utmost importance. During recent years, the degree of volatility has heightened and your Company has guarded itself against sudden and adverse movements. Your Company is prone to such exchange rate risk due to robust exports, but this risk is being handled constructively through various Foreign Exchange Risk Management tools like Options, Forwards etc.

Opportunities

Import Substitution: Substitution of imports has always been a key component of your Company's business strategy . Your Company has built a modern yardstick for chemical companies after successfully substituting imports of some of the key products including Phenol and Acetone. These products are import replacements, offering convenience to domestic buyers in terms of availability and elimination of import costs, with a reliable source of supply. Your Company will continue to introduce value-added downstream products to capitalize on the ongoing demand trajectory.

Government's 'Make in India' Initiative: 'Make in India' initiative of GOI has encouraged many companies to manufacture their products in India with dedicated investments in manufacturing. This has placed India on a strong footing when compared to the global giants in terms of size and scale. Not only has this helped the Companies in gaining easy regulatory clearances, but also opened up varied opportunities for foreign partnerships. Further, capitalising on this initiative, your Company will pursue investment opportunities to prosper its business.

Promising Prospects for Indian Exporters: Ongoing events in global trade and the burgeoning requirement for large global chemical companies to reduce dependence on a single source have created several opportunities for established chemical intermediates players to demonstrate capabilities on a global scale. The favourable demand environment has also helped competent Indian chemical exporters to expand capabilities and strengthen operations with higher scale and ability to re-invest into R&D to elevate manufacturing expertise.

Proactive Government Measures: The Government has continually supported the Indian chemical industry through various initiatives undertaken to further boost the production of chemicals and petrochemicals to make India a manufacturing hub. Some initiatives include an integrated master plan for petrochemical and speciality chemicals and fast-track implementation of the Petroleum, Chemical and Petrochemical Production Regions (PCPIR).

Threats

Technological Advancements: Established products are always prone to the risk of obsolescence due to introduction of new technologies and processes. Discovery of new products with more effective processes for manufacturing chemical compounds may put at risk the viability of some of the product lines. The newer products and technologies introduced could cannibalise the demand of older products or replace existing processes where competence has been built over the years. Your Company being a leader in some of the key products with diverse product portfolio is to an extent insulated by such risks. Additionally, your Company periodically reviews its processes and upgrades wherever required through technical improvements.

Paucity of Skilled Workers: Employees are an asset for any company, and skilled labour with experience in the same industry can be challenging to source. Moreover, sometimes there is a shortage of technically skilled laborers in India. In order to retain the existing talent pool as well as to further strengthen their expertise, your Company takes timely measures towards imparting comprehensive training for skill development, understanding the business complications and adherence to global best practices.

MANAGEMENT OUTLOOK

Your Company is one of the dominant players in India's chemical industry, manufacturing a vast range of products across three major Strategic Business Units i.e. Basic Chemicals, Fine & Speciality Chemicals and Performance Products. Given the established manufacturing infrastructure at competitive locations along with expertise across complex processes, your Company holds a solid market position in India across select products and chosen niches within the chemical industry. Key initiatives by the Government of India have further helped your Company to enhance and create multiple growth opportunities both in domestic as well as export markets.

Moreover, your Company 's internal R&D team has consistently facilitated in introducing more efficient processes and pathways to add more chemical intermediates to its line-up in addition to modifying the established products in-line with the growing demand. Also, the global distribution network of your Company covers more than 30 countries and this has bolstered the exports performance over the years. Overall, the business continues to be well positioned to take advantage of newer prospects by leveraging your Company's deep market expertise, significant experience as well as the cost competitive manufacturing platform, which have all allowed your Company to deliver consistent results year-on-year. Plans are ripe to further accelerate this performance by growing consistently in the targeted regions, markets and creating value for all stakeholders. With increased scope for market development and implementation of strategic initiatives to forward integrate into downstream derivatives, your Company is optimistic to continue on its promising growth path in the times ahead.

Consistent growth trajectory in Basic Chemicals backed by targeted expansions

Basic Chemicals segment continues to achieve positive topline growth with higher contribution supported by demand traction in key products including Nitro Derivatives. Supported by healthy demand across major end-user industries, this segment is poised to sustain its growth trajectory. The fundamental approach is to maintain cost leadership and also in introducing superior grade products for niche markets. Besides that, benefits coming out of incremental expansions, will drive future growth and allow your Company to increase its productivity in a cost-effective way.

Fine & Speciality Chemicals – Benefiting from strategic initiatives; capacity increments to support momentum

Fine & Speciality Chemicals segment has been further strengthened its operations in the past one year through steady capacity additions and cost leadership initiatives. This along with favorable product-mix in key export geographies has helped maintain your Company's leadership position in the segment. FSC has shown consistency in the past and is well poised to demonstrate encouraging performance in the times ahead.

Positive demand momentum continues in Performance Products

Your Company manufactures Performance Products right from the basic building block, thereby present throughout the value-chain. This segment has capitalized on the temporary price surge in the DASDA over the last few periods, resulting in a stellar leap in profitability on the back of improved manufacturing efficiency and elevated demand.

Phenol and Acetone – Key to import substitution; value-addition to continue

The Phenol and Acetone segment has delivered on its target of import substitution. Amid uncertainties in the global market for these products and sluggish economic growth in the domestic market, your Company through it's wholly owned subsidiary, Deepak Phenolices Limited (DPL) was still able to sustain its dominant position in the domestic market. The capacity utilization continues to remain high, above 90% on sustained basis with increased sales volumes. While DPL navigates this phase of the Phenol and Acetone cycles, it is progressing in the advancement of value-added derivatives via forward integration to achieve its goal of providing a diverse basket of downstream derivatives. With the addition of Isopropyl Alcohol in April, 2020, the product basket has become more versatile to capture current market demand.

Business Environment and Customer Industries

The COVID-19 pandemic has caused unprecedented impact on the global economy. It has disabled global trade and cross border transactions like never before. The lockdown of countries and economies has resulted in overnight evaporation of demand for industries such as airlines, hotels, cinemas, and entertainment among others.

Global supply chains have been hindered and it is expected that consumption will pick up gradually where it was disrupted. This disruption has accelerated some of the emerging trends like virtualization, remote interactions and electronic transactions.

Your Company is closely monitoring the development in its customer industries and assessing the near term as well as long term effects of this development. In its own operations, your Company is mindful and has taken all the necessary precautions while resuming plants operations to provide desired safety and security to its the employees. Your Company believes that the customer industries, in aggregate, will recover and grow to be larger in the future. Your Company has robust, well-integrated operations, deep capabilities and a healthy balance sheet position which will allow it to overcome the near term challenges and return to creating value in the long run.

RISK MANAGEMENT

As a prominent player in the chemical industry with global operations, your Company is exposed to a diverse set of risks. Your Company implements a comprehensive structure-based approach to risk management. The risk management and prevention mechanisms are aimed at ring fencing its operational strengths by leveraging a portfolio of best in class products that cater to a wide variety of end user industries.

Your Company continues to be focused on creating collaborative leadership, succession planning systems and is constantly evaluating opportunities to improve institutional functionality. Therefore, risk management has always been an essential component of your Company's business. The roles and responsibilities of multiple business segments of risk management, covering a number of duties, from strategic to operational, are assisted by effective internal

SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS (Standalone)

Key Financial Ratios	FY 2019-20	FY 2018-19	Change (%)	Reason
Debtors Turnover Ratio	6.30	5.03	25%	Efficient collections
Inventory Turnover Ratio	4.44	5.31	-16%	-
Interest Coverage Ratio	41.91	7.13	488%	Significant improvement due to lower borrowings
Current Ratio	1.45	1.18	23%	-
Debt Equity Ratio	0.14	0.31	-55%	Lower borrowings resulting in healthy balance sheet
Return on Net Worth (%)	36.48	13.05	180%	Strong expansion due to robust profitability
Operating Profit Margin (%) (EBIT)	32.5	14.20	128%	Solid profitability due to better business visibility, and higher realisations
Net Profit Margin (%) (PBT)	31.6	11.80	167%	Solid profitability due to better business visibility, and higher realisations

control structures, the current risk management system and policies that have been developed. These kinds of role also provide a solid basis for acceptable risk management policies, their successful execution, and the independent monitoring and reporting of internal audits to the corporate management group.

Your Company has set up effective frameworks to proactively track and handle inherent business risks. A clear and unbiased Internal Audit role at the organizational level carries out risk-focused audits throughout all product categories, points defined and continuously reinforced. Subsequently, the challenge of raw material prices, product threats and currency volatility are efficiently handled by its professional and qualified team. Management also has adequate regulations in place and seeks to mitigate the adverse effect of these risks on its operations.

INTERNAL CONTROL FRAMEWORK

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

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

HUMAN RESOURCE DEVELOPMENT

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

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

Talent management promise continues to play a key role in attracting and retaining the "best-in-class" talent. Performance management also serves to align individual and team performance with the larger strategic goals of the organisation. As on March 31, 2020, your Company had 1,472 permanent employees.

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

Notice

NOTICE is hereby given that the Forty Ninth Annual General Meeting of Members of DEEPAK NITRITE LIMITED will be held on **Friday, August 7, 2020** at **11:30 A.M.** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following businesses:

ORDINARY BUSINESS:

1) To receive, consider, approve and adopt:

    a) the Audited Financial Statements of the Company for the Financial Year ended March 31, 2020, together with the Reports of the Board of Directors and the Auditors thereon; and

    b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2020, together with Report of the Auditors thereon.

2) To confirm the payment of Interim Dividend of ₹ 4.50 (Rupees Four and Paise Fifty only) per Equity Share of ₹ 2.00 (Rupees Two only) each, for the Financial Year 2019-20.

3) 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.

SPECIAL BUSINESS:

4) **Appointment of Shri Dileep Choksi (DIN: 00016322) as an Independent Director of the Company.**

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

    "**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV and all other applicable provisions of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) ("Act") and pursuant to the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof), ("Listing Regulations"), Shri Dileep Choksi (DIN: 00016322), who was appointed as an Additional Director of the Company on February 3, 2020 and who holds office upto the date of ensuing Annual General Meeting ("AGM"), who has submitted a declaration that he fulfills the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and in respect of whom the Company has received a notice in writing from a Member, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 3 (three) consecutive years from the date of this 49th Annual General Meeting of the Company, i.e. upto August 6, 2023.

    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 deemed necessary, proper or expedient to give effect to this Resolution."

5) **Ratification of remuneration of the Cost Auditor for the Financial Year 2020-21**.

    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 ₹ 7,50,000/- (Rupees Seven Lakhs Fifty Thousand only) plus applicable tax, travelling and other out of pocket expenses to M/s. 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, 2021, be and is hereby ratified and approved.

    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 deemed 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
Address: A2/202, Labh Exotica,
Nr. Pratham Vatika, Gotri,
Vadodara-390 021

Place : Vadodara
Date : May 26, 2020

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

General Notes:

1. In view of outbreak of COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars"), has allowed to hold the Annual General Meeting ("AGM") through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC/OAVM.

2. In terms of the MCA Circulars, the physical attendance of Members has been dispensed with and there is no requirement of appointment of proxies. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. Since the AGM of the Company will be held through VC / OAVM, the Route Map for AGM venue is not annexed in this 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 Act.

4. A statement pursuant to Section 102 of the Act, with respect to the Special Businesses set out in the Notice is annexed.

5. The relevant documents referred to in this Notice requiring approval of Members at the Meeting shall be available for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays and Sundays, during business hours, up to the date of the AGM.

6. Pursuant to Section 91 of the Act, the Register of Members of the Company will be closed from Friday, July 31, 2020 to Friday, August 7, 2020 (both days inclusive) for the purpose of AGM.

7. As per the MCA Circulars and SEBI Circular No SEBI/HO/ CFD/ CMD1/CIR/P/2020/79 dated May 12, 2020, Notice of the AGM along with the Annual Report for the Financial Year 2019-20 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 2019-20 will also be available on the Company's website www.godeepak.com, 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.

8. 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 form and with Company's Registrar & Share Transfer Agent i.e. Link Intime India Private Limited in case the shares are held by them in physical from.

9. Process for Registration / updation of Email Id, Bank Account Details and other details:

   A. Shareholding in Demat Form:

      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.

   B. Shareholding in Physical Form:

      Members holding shares in physical form are requested to visit the website of the Registrar and Share Transfer Agents of the Company – Link Intime India Private limited at the link mentioned hereunder and upload the documents required therein:

      https://www.linkintime.co.in/EmailReg/Email_Register.html

   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.

10. In view of SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) are being processed only in the dematerialized form with effect from April 1, 2019. Therefore, the Members are requested to take prompt action to dematerialize the Equity Shares of the Company. The Members may contact the Company or the Company's Registrar & Share Transfer Agent Link Intime India Private Limited for assistance in this regard.

11. 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 31, 2020, through email on investor@godeepak.com so as to enable the Company to keep the information ready at the Meeting.

12. In terms of the provisions of Section 124 and other applicable provisions of the Act, the amount of dividend not encashed or claimed within 7 (seven) years from the date of its transfer to the unpaid dividend account, will be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Accordingly, the unclaimed dividend in respect of Financial Year 2012-13 is due for transfer to the said Fund in August, 2020. Members who have not yet encashed their dividend warrant(s) pertaining to the dividend for the Financial Year 2012-13 onwards, are requested to lodge their claims with the Company for the same.

Attention of Members is invited to the provisions of Section 124(6) of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 amended from time to time, which inter alia requires the Company to transfer the equity shares on which the dividend has remained unpaid or unclaimed for a continuous period of seven years, to a special Demat account of Investor Education and Protection Fund Authority ("IEPF Authority"). The dividend/shares, once transferred to the said Demat account of the IEPF Authority can be claimed after following due procedure prescribed under the said IEPF Rules by making an online application to the IEPF Authority in web From No. IEPF-5 available on www.iepf.gov.in.

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

14. Members, whose names appear in the Register of Members / list of Beneficial Owners as on Friday, July 31, 2020 ("Cut-off Date") are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the Cut-off Date should treat this Notice for information purposes only.

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

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

A. PROCEDURE FOR REMOTE E-VOTING

The instructions for shareholders voting electronically are as under:

Pursuant to the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of the Listing Regulations and the MCA circulars, the Company is providing 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 as well as of voting at the AGM will be provided by NSDL.

The Members may cast their votes on electronic voting system to be provided by NSDL ("remote e-Voting"). The remote e-Voting will commence on **Tuesday, August 4, 2020 (9:00 A.M.)** and will end on **Thursday, August 6, 2020 (5:00 P.M.)**. During this period, Members holding shares either in physical form or in dematerialized form, as on Friday, July 31, 2020 i.e. Cut-off Date, may cast their vote electronically.

The Members who have casted their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

The instructions for Members for remote e-voting are as under:

Step 1: Log-in to NSDL e-Voting system at https:// www.evoting.nsdl.com/

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

i. The Members should log on to the e-voting website https://www.evoting.nsdl.com either on a personal computer or on a mobile.

ii. Once the home page of e-voting system is launched, click on the icon "Login" which is available under "Shareholders" section.

A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL e-services 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.

iii. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
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******.
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**************
For Members holding shares in Physical Form.	E-Voting Event Number ("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***

iv. Your password details 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'?

1. 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'.

2. If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered

v. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com

b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

vi. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

vii. Now, you will have to click on "Login" button.

viii. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of Company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. 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.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Corporate Members intending to appoint their authorized representatives pursuant to Section 113 of Act are requested to send a scanned copy (PDF/ JPG format) of certified Board Resolution authorizing their representatives to attend the AGM through VC/OAVM and vote on their behalf through remote e-Voting or voting at the AGM. The said Resolution shall be sent to the Scrutinizer by email through its registered email address to dinesh.joshi@kanjcs.com with a copy marked to evoting@nsdl.co.in.

2. In case of joint holders, the Members whose name appear as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

   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 authorized signatories who are authorized to vote, to the Scrutinizer by e-mail to dinesh.joshi@kanjcs.com with a copy marked to evoting@nsdl.co.in.

3. 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.

4. 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.: 1800-222-990 or send a request to at evoting@nsdl.co.in

5. In case of any grievances connected with facility for e-voting, please contact

   Ms. Pallavi Mhatre, Manager, NSDL,
   4th Floor, 'A' Wing, Trade World,
   Kamala Mills Compound,
   Senapati Bapat Marg,
   Lower Parel, Mumbai 400 013.
   Email: evoting@nsdl.co.in / pallavid@nsdl.co.in,
   Tel: 91 22 2499 4545/ 1800-222-990

Process for those Shareholders whose email ids are not registered with the Depositories for procuring user id and password and registration of e-mail ids for e-voting on the Resolutions set out in this Notice :

Demat Holding	please provide DPID-CLID (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) to (Company email id).
Physical Holding	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) by email to (Company email id).

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.

B INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. The Members can join the AGM through VC/OAVM, 30 minutes prior to the scheduled time of the commencement of the AGM, by following the procedure mentioned in the Notice. The Company has made arrangements to provide facility of participation at the AGM through VC/OAVM to at least 1000 Members, on 'first come first serve' basis. The large Shareholders (i.e. 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 can participate at the AGM without restrictions of 'first come first serve' basis.
2. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at https://www.evoting.nsdl.com under Shareholders/ Members login by using the remote e-voting credentials. The link for VC/OAVM will be available in Shareholder/ Members login where the EVEN of the Company will be displayed. 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. Further, Members can also use the OTP based login for logging into the e-Voting system of NSDL.
3. Members are encouraged to join the Meeting through Laptops for better experience.
4. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the AGM.
5. 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.
6. 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 upto July 31, 2020. 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.
7. Members who need assistance before or during the AGM, can contact NSDL on : 1800-222-990 or send a request at evoting@nsdl.co.in or contact Mr. Pratik Bhatt at designated email ID: pratikb@nsdl.co.in /+91-22-24994738, or Ms. Sarita Mote, at saritam@nsdl.co.in /+91-22-24994890.

Other Instructions:

- The Scrutinizer 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 make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
- The result declared along with the Scrutinizer's Report shall be placed on the Company's website 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 shares of the Company are listed.

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

ITEM NO. 4

Shri Dileep Choksi (DIN: 00016322) was appointed by the Board of Directors as an Additional Director on the Board of the Company w.e.f. February 3, 2020. As per the provisions of Section 161 of the Companies Act, 2013 ("the Act"), he holds office as an Additional Director upto the ensuing Annual General Meeting.

The Company has received a notice under Section 160 of the Act from a Member proposing his candidature as a Non-Executive Independent Director of the Company. In accordance with the provisions of the Act, it is proposed to appoint Shri Dileep Choksi as a Non-Executive Independent Director for a term of three (3) consecutive years from the date of 49th Annual General Meeting of the Company.

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

A brief profile of Shri Dileep Choksi is as under:

Shri Choksi is a Chartered Accountant by profession and has been in practice for over 35 years. His areas of specialization include business succession, tax advisory and litigation, structuring of collaborations and joint ventures, and corporate restructuring, turnaround and change management strategies.

He was the former Joint Managing Partner of Deloitte in India till 2008, before the setting up of C.C. Chokshi Advisors Private Limited of which he is the Chief Mentor. Shri Choksi is on the Board of well-known companies including as a member of their committees.

The details of Shri Dileep Choksi as required under the provisions of Regulation 36(3) of the Listing Regulations and provisions of Secretarial Standard - 2 are provided in Annexure - I to this Notice.

A copy of the draft Letter of Appointment of Shri Dileep Choksi as an Independent Director will be available for inspection without any fee, to the Members of the Company at the Registered Office of the Company during normal business hours on any working day, excluding Saturdays upto the date of 49th Annual General Meeting.

Except Shri Dileep Choksi himself, 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 Resolution set out at Item No. 4 of the Notice.

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

ITEM NO. 5

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. B. M. Sharma & Co., Cost Accountants (Firm Registration No. 00219) as the Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year ending on March 31, 2021.

The remuneration of the Cost Auditors was fixed by the Board of Directors at ₹ 7,50,000/- (Rupees Seven Lakhs Fifty Thousand only) plus applicable tax, travelling and other out of pocket expenses upon recommendation of the Audit Committee.

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 sought for the Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending March 31, 2021.

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. 5 of the Notice.

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

Annexure – I to the Notice

DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT:

Name of Director	Shri Ajay C. Mehta	Shri Dileep Choksi
Date of Birth	July 28, 1959	December 26, 1949
Age	61 Years	70 Years
Director Identification Number	00028405	00016322
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 35 years of experience with Chemical, Petrochemical, Fertiliser, manufacturing and Investment Companies.	Shri Dileep C. Choksi is a Chartered Accountant by profession and has been in practice for over 35 years and a Fellow Member of The Institute of Chartered Accountants of India, Bachelor of Law, Member of The Institute of Cost Accountants of India. He was the former Joint Managing Partner of Deloitte in India till 2008, before he set up C.C. Chokshi Advisors Private Limited of which he is the Chief Mentor. He has been a speaker at various seminars and conferences of professional interests organized by the Reserve Bank of India, The Institute of Chartered Accountants, Bombay Chartered Accountants Society, etc.
Qualifications	Science Graduate with Honours and Master of Science (Chemical Engineering) from the University of Texas, USA	Bachelor of Law Fellow Member of The Institute of Chartered Accountants of India Member of The Institute of Cost Accountants of India.
Directorships held in Companies as on March 31, 2020	**Listed Companies**	**Listed Companies**
	Deepak Nitrite Limited Tribhovandas Bhimji Zaveri Limited	Deepak Nitrite Limited Lupin Limited Arvind Limited AIA Engineering Limited Swaraj Engines Limited ICICI Prudential Life Insurance Company Limited
	Unlisted Companies	**Unlisted Companies**
	Deepak Novochem Technologies Limited	TATA Housing Development Company Limited Gujarat International Finance Tec-City Company Limited Universal Trusteeship Services Limited
Membership / Chairmanship of Committees of Public Companies	**Tribhovandas Bhimji Zaveri Limited** Audit Committee- Member Stakeholder Relationship Committee- Chairman **Deepak Nitrite Limited** Stakeholders' Relationship & Investors Grievance Committee	**Swaraj Engines Limited** Audit Committee- Chairman Nomination and Remuneration Committee- Chairman Stakeholders' Relationship Committee- Member **Arvind Limited** Audit Committee- Chairman Nomination and Remuneration Committee- Member **Lupin Limited** Audit Committee- Member Corporate Social Responsibility Committee -Member Stakeholders' Relationship Committee- Chairman **Tata Housing Development Company Limited** Audit Committee-Member Nomination and Remuneration Committee-Member **ICICI Prudential Life Insurance Company Limited** Audit Committee-Member Corporate Social Responsibility Committee-Member Customer Service & Policyholders' Protection Committee-Member **Gujarat International Finance Tec-City Company Limited** Audit Committee-Member **Deepak Nitrite Limited** Audit Committee-Member

Name of Director	Shri Ajay C. Mehta		Shri Dileep Choksi	
Shareholdings in the Company as on March 31, 2020	Nil		Nil	
Disclosure of relationships between Directors inter-se.	Brother of Shri Deepak C. Mehta and Uncle of Shri Maulik D. Mehta		Not related to any of the Directors or Key Managerial Personnel of the Company.	
Remuneration received from the Company in the Financial Year 2019-20	Sitting Fees	₹ 1,50,000	Sitting Fees	₹ 30,000
	Commission	-	Commission	-
	Total	₹ 1,50,000	Total	₹ 30,000
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 for attending meetings of Board or Committee thereof and payment of Commission on Net Profit as approved by the Shareholders.		His appointment shall be subject to the terms and conditions as applicable to Independent Directors of the Company, which are available on the website of the Company at https://www.godeepak.com/wp-content/themes/twentysixteen/companyfiles/independent_directors_appointment/Terms%20and%20Conditions%20for%20appointment%20of%20Independent%20Director.pdf	
Date of first appointment on the Board	December 1, 1989		February 3, 2020	
The number of Meetings of the Board attended during the Financial Year 2019-20 / during the tenure of their appointment.	**No. of Board Meetings held**	**Board Meetings Attended**	**No. of Board Meetings held**	**Board Meetings Attended**
	6	5	1	0

By Order of the Board of Directors

Arvind Bajpai
Company Secretary
Membership No.: FCS-6713
Address: A2/202, Labh Exotica,
Nr. Pratham Vatika, Gotri,
Vadodara-390 021

Place : Vadodara
Date : May 26, 2020

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

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the Forty Ninth Annual Report together with the Audited Statement of Accounts (Standalone and Consolidated) for the Financial Year ("FY") ended March 31, 2020.

FINANCIAL RESULTS

Your Company's financial performance for the year ended March 31, 2020 is summarized below:

(₹ in Crores)

Particulars	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Total Revenue (Gross)	**2,237.24**	**1,794.52**	**4,264.91**	**2,715.04**
Operating Profit Before Depreciation, Finance Cost, Exceptional Item and Tax (EBITDA)	804.28	308.23	1,061.00	429.02
Less: Depreciation and Amortization expenses	77.93	52.88	139.73	77.79
Less: Finance Costs	20.32	42.85	114.87	83.25
Profit before Tax	**706.03**	**212.50**	**806.40**	**267.98**
Less: Tax expenses	161.99	74.46	195.37	94.32
Net Profit for the Year	**544.04**	**138.04**	**611.03**	**173.66**
Other Comprehensive Income	(3.66)	(2.67)	(3.80)	(2.84)
Total Comprehensive income for the Year	**540.38**	**135.37**	**607.23**	**170.82**
Surplus brought forward from previous year	511.26	402.32	525.01	380.61
Balance available for Appropriation	**1,051.62**	**537.64**	**1,184.97**	**548.16**

PERFORMANCE REVIEW

Standalone

Your Company delivered a solid all-round performance during the year under review steered by positive growth across its Strategic Business Units ("SBUs"). In FY 2019-20, Total Revenue including Other Income stood at ₹ 2,237.24 Crores as against ₹ 1,794.52 Crores in FY 2018-19.

EBITDA was ₹804.28 Crores in FY 2019-20, higher by 160.94% as compared to ₹ 308.23 Crores in FY 2018-19. Higher margins were a result of favorable product mix, improved realizations as well as cost efficiency initiatives carried out. Raw material costs stood at ₹ 887.98 Crores as against ₹ 976.18 Crores in FY 2018-19, lower by 9.04%.

Profit Before Tax ("PBT") was ₹ 706.03 Crores as compared to ₹ 212.50 Crores in FY 2018-19. The Profit After Tax ("PAT") stood at ₹ 544.04 Crores as compared to ₹ 138.04 Crores in FY 2018-19. The robust performance during the year was driven by growth initiatives which were implemented in prior years to elevate your Company's market position in India and overseas. The integrated nature of operations which involve production processes starting from key building blocks going up to niche and complex chemical intermediates have allowed your Company to take advantage of opportunities that arose amidst rising volatility in product prices and disruption in global supply chains. Specialisation in certain niche products combined with strong demand has allowed your Company to benefit from improved realisations, further strengthening its leadership position in the market. The Depreciation and Finance Costs during the year stood at ₹ 77.93 Crores and ₹ 20.32 Crores, respectively.

Domestic Revenues stood at ₹ 1,292.94 Crores from ₹ 1,211.53 Crores in FY 2018-19, representing a growth of 7% on account of positive and sustained demand scenario from key end-user industries. The Revenue from exports stood at ₹ 936.72 Crores compared to ₹ 580.39 Crores last year. Increased demand along with higher realisation gains in key export geographies expanded Export Revenues by 61%. This was also supported by strategic initiatives undertaken by the management team with respect to widening the customer base and re-calibrating the product-mix.

The Indian chemical industry is well poised to capitalize on the growing opportunities arising out of uncertainties and supply disruptions created by other geographies globally. This is expectedly a tailwind for the Indian chemical manufacturers including your Company which has demonstrated scalability and evolved to serve a diverse spectrum of end-user industries. Even as the global economy remains impacted by the COVID-19 pandemic and its fallout, the Indian chemical industry is expected to continue this positive momentum over the medium to long term and improve its market share providing some of the leading companies like your Company a platform to demonstrate capabilities on a global scale.

Consolidated

During the FY 2019-20, your Company and its subsidiaries i.e. Deepak Phenolics Limited and Deepak Nitrite Corporation Inc. ('the Group') has created new benchmark in revenues and profitability marking this as a milestone year for the Group. The Group managed to achieve its targets in the backdrop of volatility in prices of raw materials and finished goods thereby demonstrating resilience. The Group reported elevated growth in revenues and profitability combined with opening up of new avenues of growth prospects. Total Revenue including Other Income on a consolidated basis stood at ₹ 4,264.91 Crores in FY 2019-20 as against ₹ 2,715.04 Crores in FY 2018-19.

EBITDA was ₹ 1,061.00 Crores in FY 2019-20, higher by 147.31% as compared to ₹ 429.02 Crores in FY 2018-19. Raw material costs stood at ₹ 2,373.50 Crores as against ₹ 1,646.70 Crores in FY 2018-19, higher by 44.14%.

Demonstrating its agility, the Group has witnessed shift in revenue mix between various products and also capitalised on favourable trends in global markets to increase exports. As a result, Profit Before Tax ("PBT") stood at ₹ 806.40 Crores as compared to ₹ 267.98 Crores in FY 2018-19. The Profit After Tax (PAT) came in at ₹ 611.03 Crores as compared to ₹ 173.66 Crores in FY 2018-19. In addition to the above-mentioned reasons for improved performance, the integrated Phenol- Acetone manufacturing facility delivered adequately and added significantly to the overall growth of the business. The Depreciation and Finance costs during the year stood at ₹ 139.73 Crores and ₹ 114.87 Crores respectively.

The Domestic Revenues stood at ₹ 3,157.88 Crores from ₹ 2,106.54 Crores in FY 2018-19, representing a growth of 50%. During the year under review, the Group was successful in substituting a large proportion of Phenol-Acetone imports, through roll out of its product with well-established pan India distribution network. More importantly, operating a global scale plant at above 90% utilisation level in the first complete Financial Year is testament of the scale of effort, preparedness and efficient management of complex material logistics. The Revenue from Exports stood at ₹ 1,071.83 Crores compared to ₹ 593.38 Crores last year.

DIVIDEND

A consistent Dividend is a healthy sign of a growing company. Based on your Company's performance, the Board of Directors, at their meeting held on March 4, 2020 declared an Interim Dividend of ₹ 4.50 (Rupees Four and Paise Fifty only) per Equity Share of ₹ 2.00 (Rupees Two only) each which represents 225% Dividend on Equity Share Capital of your Company, as against the Final Dividend of ₹ 2.00 (Rupees Two only) per Equity Share in the previous year.

The payment of Interim Dividend was made through electronic mode on March 21, 2020 to all the Equity Shareholders whose Bank Account details were available with your Company. However, your Company was not able to complete dispatch of Interim Dividend Warrants within the prescribed time limit on account of situation emerged due to outbreak of COVID-19 and the orders of Central / State Government for lockdown effective from March 23, 2020. Your Company shall endeavor to complete the dispatch of Interim Dividend Warrants upon resumption of services by Postal Authorities.

The total amount of Interim Dividend, including Dividend Tax, declared for FY 2019-20 was ₹ 73.99 Crores.

Your Directors have not recommended any Final Dividend for the Financial Year ended March 31, 2020.

SHARE CAPITAL:

The issued, subscribed and paid-up Equity Share Capital of your Company as on March 31, 2020 was ₹ 27.28 Crores comprising of 13,63,93,041 Equity Shares of ₹ 2/- each. Your Company has not issued any Equity shares during the Financial Year 2019-20. There was no change in Share Capital during the year under review.

TRANSFER TO RESERVES

During the year under review, your Company has transferred an amount of ₹ 10 Crores to the General Reserves out of the amount available for appropriation. (Previous Year ₹ 5 Crores).

UPDATE ON DEEPAK PHENOLICS LIMITED

FY 2019-20 was the first full year of operations of your Company's wholly owned subsidiary, Deepak Phenolics Limited ("DPL"). DPL performed remarkably well on volumes as it recorded capacity utilization of above 90% on a sustained basis. While there was cyclicality in prices, DPL has significantly enhanced its volumes and market presence during the fiscal.

Even as DPL stabilizes its large scale Phenol and Acetone plant, it is investing through forward integration to expand the scope of value-added variants. In-line with this objective, DPL commissioned 30,000 MTPA plant to manufacture Isopropyl Alcohol ("IPA") from Acetone, in April, 2020, thus significantly reducing the country's dependence on imports. IPA is an important input in production of essential pharmaceuticals and sanitizers. DPL further aims to introduce such value-added products to fulfill its goal of a diverse downstream derivative portfolio. This is expected to result in captive consumption of 25% of Acetone output.

Your Company, through DPL, has successfully tackled the opportunity of serving the domestic demand of Phenol and Acetone which was otherwise met by imports. It will continue to maintain its leadership position through cost competitiveness, and substitute imports.

FINANCE

Your Company tries to strike a balance in its capital structure on a consolidated level while following strict guidelines to efficiently manage its working capital, thereby maintaining debt at a reasonable level. During the year under review, the total debt of your Company decreased due to repayments and improved working capital management.

Interest costs sharply decreased during the year due to repayment of debt, efficient management of working capital as well as borrowing basket and marginally due to decrease in the Libor in offshore borrowing and decrease in market rate in rupee borrowing. Depreciation increased owing to change in estimate of useful life of certain Property, Plant and Equipment. Your Company has a dynamic team to manage its foreign exchange exposures to minimize risk arising out of imports and exports. Due to prudent management, your Company has been able to effectively manage its cash flows. There is always an effort to reduce the overall interest costs. Debt: Equity as on March 31, 2020 reduced to 0.14 compared to 0.31 as on March 31, 2019.

Your Company is well placed in the industry, delivering quality guided by a robust product mix. Thus, on the back of steady performance over the years, ICRA has upgraded long term credit rating from “ICRA A+/Positive” to “ICRA AA-/Stable” while retaining short term credit rating at highest notch i.e. at “ ICRA A1+”; while CRISIL assigns with a long term credit rating of ‘CRISIL AA-/Stable and short term rating of “CRISIL A1+”,which is the highest rating in short term category. ICRA has also re-affirmed the rating at ICRA A1+ assigned to the Commercial Paper programme. In case of DPL, ICRA has upgraded the long term credit rating from “ICRA BBB” to “ICRA A-” and also upgraded the short term credit rating from “ICRA A3+” to “ICRA A2+”. This is primarily owing to your Company’s sustainable business performance, commercial viability across most segments of its products, diversified product portfolio, constant innovation and efficient operations.

DIRECTORS

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

Shri Sudhir Mankad, Shri Sandesh Kumar Anand, Dr. Swaminathan Sivaram and Dr. Richard H. Rupp were re-appointed at the 48th Annual General Meeting held on June 28, 2019, as Independent Directors of your Company for a second term of three (3) consecutive years commencing from August 8, 2019 to August 7, 2022.

Shri Sanjay Asher and Smt. Purvi Sheth were appointed as Independent Directors of your Company for a term of three (3) consecutive years commencing from June 28, 2019 till June 27, 2022.

Pursuant to expiry of first term, Shri Nimesh Kampani and Prof. Indira Parikh did not seek re-appointment for a second term. Hence, both Directors ceased to be Independent Directors of your Company with effect from August 8, 2019 and August 9, 2019, respectively. Your Directors place on record their sincere appreciation of the invaluable contribution by Shri Nimesh Kampani and Prof. Indira Parikh during their association with your Company.

Shri Sudhin Choksey, resigned as an Independent Director of your Company w.e.f. October 11, 2019 as he was proposed to be appointed as an Executive Director of Bandhan Bank Limited upon amalgamation of GRUH Finance Limited with Bandhan Bank Limited. Consequently he also ceased to be the Chairman of Audit Committee and Member of the Nomination and Remuneration Committee. The Board of Directors places on record its appreciation for the invaluable contribution and expert advices given by him during his tenure as an Indepedent Director and Member of Committees of the Directors of your Company.

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of your Company appointed Shri Dileep Choksi and as an Additional Director at their meeting held on February 3, 2020. As per provisions of the Companies Act, 2013, (‘the Act’) Shri Dileep Choksi holds office as an Additional Director upto the ensuing Annual General Meeting.

Your Company has received notice from a Member, proposing his candidature for the appointment as an Independent Director for a period of three (3) consecutive years. The resolution for the appointment of Shri Dileep Choksi as an Independent Director is given in the Notice for approval by the Members.

Pursuant to the provisions of Section 152 of the Act, Shri Ajay C. Mehta, Non-Executive & Non-Independent Director, retires by rotation at the 49th Annual General Meeting and being eligible, has offered himself for re-appointment. The Board recommends his re-appointment.

Shri Umesh Asaikar completes his term of appointment as Executive Director & CEO of the Company on May 31, 2020. Accordingly, Shri Umesh Asaikar shall retire as Executive Director & CEO of the Company from close of business hours on May 31, 2020. The Board of Directors places on record its appreciation of the invaluable contributions made by Shri Umesh Asaikar during his tenure as Executive Director & CEO of the Company.

Pursuant to recommendations of the Nomination and Remuneration Committee, the Board of Directors of your Company has elevated Shri Maulik D. Mehta, Whole-time Director as the Executive Director & CEO of the Company effective from June 1, 2020.

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

There has been no change in the Key Managerial Personnel of the Company, during the year ended March 31, 2020.

MEETINGS OF THE BOARD

During FY 2019-20, six (6) Board Meetings were held. The details of the Board Meetings with regard to their dates and attendance of each of the Directors thereat have been set out in the Report on Corporate Governance, which forms part of this Report.

INDEPENDENT DIRECTORS

The Independent Directors of your Company have furnished the declaration that they meet the criteria of independence as provided in Section 149 (6) of the Act and the Listing Regulations as amended from time to time.

Based on the declarations received from the Independent Directors, the Board of Directors of your Company confirm the independence, integrity, expertise and experience (including the proficiency) of the Independent Directors of your Company.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Act and the Listing Regulations, the Board of Directors have carried out annual performance evaluation of its own performance, Board Committees and individual Directors.

As required under Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors of the Company was also held on March 20, 2020 to evaluate the performance of the Chairman, Non-Independent Directors and the Board as a whole and also to assess the quality, quantity and timeliness of flow of information between the management of your Company and the Board.

The performance of the Board / Committee was evaluated after seeking inputs from all the Directors / Committee Members on the basis of the defined criteria including composition and structure, effectiveness of meetings, information and functioning.

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

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

Your Directors have expressed their satisfaction to the evaluation process.

AUDIT COMMITTEE

The Audit Committee consists of all Independent Directors with Shri Sudhir Mankad as the Chairman of the Committee. The other members of the Audit Committee are Shri Sandesh Kumar Anand, Shri Sanjay Asher and Shri Dileep Choksi. The terms of reference of the Audit Committee, details of meetings held during the year and attendance of Members are set out in the Report on Corporate Governance, which forms part of this Report.

During the year under review, all the recommendations of the Audit Committee were accepted by the Board.

STATUTORY AUDITORS' REPORT

The observations made in the Auditors' Report of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants for the year ended March 31, 2020, read together with relevant notes thereon, are self-explanatory and hence do not call for any comments. There is no qualification, reservation, adverse remark or disclaimer by the Statutory Auditors in their Report.

REPORTING OF FRAUD BY AUDITORS

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditor have not reported any instances of frauds committed in your Company by its Officers or Employees to the Audit Committee under Section 143(12) of the Act details of which needs to be mentioned in this Report.

SECRETARIAL AUDITORS' REPORT

The Secretarial Audit Report of M/s. KANJ & Co. LLP, Company Secretaries, Pune, for the year ended March 31, 2020 in Form MR-3 is annexed as Annexure - A, which forms part of this Report.

The observations made in the Secretarial Audit Report of M/s. KANJ & Co. LLP Company Secretaries, Pune for the year ended March 31, 2020 are self- explanatory and hence do not call for any comments.

AUDITORS

(A) Statutory Auditors:

The Statutory Auditor of your Company, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, (Firm Registration No.: 117366W/W-100018), were appointed for a period of five (5) years at the 46th Annual General Meeting held on June 26, 2017 until the conclusion of the 51st Annual General Meeting of your Company.

(B) Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit for the year ended March 31, 2020 was carried out by the Secretarial Auditors, M/s. KANJ & Co. LLP, Company Secretaries, Pune. The Board of Directors of your Company has appointed M/s. KANJ & Co. LLP, Company Secretaries, Pune to carry out Secretarial Audit of your Company for FY 2020-21.

(C) Cost Auditors:

Your Company is required to maintain cost records under Companies (Cost Records and Audit) Rules, 2014. Accordingly, cost records have been maintained by your Company.

The Board of Directors on the recommendation of the Audit Committee appointed M/s. B. M. Sharma & Company, Cost Accountants, to conduct audit of your Company's cost records for FY 2020-21 at a remuneration of ₹ 7,50,000/- (Rupees Seven Lakhs Fifty Thousand only) plus applicable taxes and out of pocket expenses. As required under the provisions of the Act, the remuneration of Cost Auditors as approved by the Board of Directors is subject to ratification by the shareholders at the ensuing Annual General Meeting. A Resolution for the ratification of remuneration of Cost Auditors for FY 2020-21 is provided in the Notice. Your Directors recommend the same for approval by the Members.

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

(D) Internal Auditors:

The Board of Directors has appointed M/s. Sharp & Tannan Associates, Chartered Accountants as Internal Auditors of your Company to conduct the Internal Audit for FY 2020-21.

FIXED DEPOSITS

During FY 2019-20, your Company has not accepted or renewed any Fixed Deposits.

As on March 31, 2020, thirty five (35) warrants aggregating to ₹ 7,23,507 issued by your Company to the respective deposit holders towards compulsory repayment of deposits and interest thereon in accordance with the provisions of Section 74 of the Act, remained uncleared. There has been no default in repayment of deposits or interest thereon during the year and there are no deposits outstanding as on March 31, 2020.

VIGIL MECHANISM

As per 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 your Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimisation of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in certain cases. It is affirmed that no personnel of your Company has been denied access to the Audit Committee.

The Whistle Blower Policy is available on the your Company's website at https://www.godeepak.com/wp-content/themes/twentysixteen/companyfiles/corporate_governance_report/Whistle_Blower_Policy.pdf

RELATED PARTY TRANSACTIONS

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

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

In line with the requirements of the Act and the Listing Regulations, your Company has adopted a Policy on Materiality of Related Party Transactions which is also available on your Company's website at https://www.godeepak.com/wp-content/themes/twentysixteen/companyfiles/corporate_governance_report/PolicyMaterialityofRelatedPartyTransactions.pdf

Disclosure of Related Party Transactions with the Promoter(s) and Promoter(s) group which individually hold 10% or more shareholding of your Company, as per Indian Accounting Standards, are set out in Note No. 34 of the Standalone Financial Statements of your Company.

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

SUBSIDIARY / ASSOCIATE COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

As required under Rule 8(1) of the Companies (Accounts) Rules, 2014, the Board's Report has been prepared on a Standalone basis.

The Consolidated Financial Statements of your Company and its subsidiaries, prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS'), forms part of the Annual Report and are reflected in the Consolidated Financial Statements of your Company.

The Annual Financial Statements of the subsidiaries and related detailed information will be kept at the Registered Office of your Company, as also at the Registered Offices of the respective Subsidiary Companies and will be available to investors seeking information at any time. They are also available on the website of your Company.

The Consolidated Financial Statements reflect the operations of following subsidiaries:

Deepak Phenolics Limited; and

Deepak Nitrite Corporation Inc.

There is no other Company which has become or ceased Subsidiary or Associate of your Company during the year ended March 31, 2020.

Your Company has adopted a Policy for determining Material Subsidiaries in terms of Regulation 16(1)(c) of the Listing Regulations. The Policy, as approved by the Board, is uploaded on your Company's website.

PERFORMANCE OF SUBSIDIARIES

(a) Deepak Phenolics Limited

Your Company's wholly owned subsidiary, Deepak Phenolics Limited ("DPL"), is in the manufacturing of Phenol and Acetone.

During FY 2019-20, the Revenue from Operations of DPL was ₹ 2,009.76 Crores and Profit After Tax for the period was ₹ 66.65 Crores.

(b) Deepak Nitrite Corporation Inc. (USA)

Deepak Nitrite Corporation Inc. ("DNC") is a wholly owned subsidiary incorporated in the United States of America to cater to the marketing requirements of your Company in North and South American region.

During FY 2019-20 the total revenue of DNC was USD 20,134 and the Net Income for the period was USD 270.

In accordance with the provisions of the Act, Regulation 33 of the Listing Regulations and applicable Accounting Standards, the Audited Consolidated Financial Statements of your Company for FY 2019-20, together with the Auditors' Report, forms part of this Annual Report. A statement containing the salient features of your Company's subsidiaries, associate and joint venture company in the prescribed Form AOC-1, is attached to the Financial Statements.

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

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

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments affecting the financial position of your Company since the close of Financial Year i.e. since March 31, 2020 and the date of this Report. Further, it is hereby confirmed that there has been no change in the nature of business of your Company.

DIRECTORS' RESPONSIBILITY STATEMENT

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

(a) in the preparation of the Annual Accounts for the Financial Year ended March 31, 2020, 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 your Company at the end of the Financial Year ended March 31, 2020 and of the profit of your 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 your Company and for preventing and detecting fraud and other irregularities;

(d) they have prepared the Annual Accounts on a going concern basis;

(e) they have laid down Internal Financial Controls to be followed by your Company and that such Internal Financial Controls are adequate and are operating effectively; 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

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

BUSINESS RESPONSIBILITY REPORT

As stipulated under Regulation 34 of the Listing Regulations, the Business Responsibility Report, covering initiatives on environmental, social and governance aspects forming part of this Report is annexed as Annexure - B.

CORPORATE SOCIAL RESPONSIBILITY

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

During the year under review, your Company has spent ₹ 3.48 Crores on CSR activities, against the requirement of ₹ 3.03 Crores, being 2% of average of the Net Profits for the preceding three years.

Your Company has a policy on Corporate Social Responsibility and the same has been posted on the website of your Company at https://www.godeepak.com/wp-content/themes/twentysixteen/companyfiles/corporate_governance_report/DNL_Corporate%20Social%20Responsibility%20Policy.pdf

The Report on CSR activities in terms of the requirements of Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith as Annexure - C, which forms part of this Report.

NOMINATION AND REMUNERATION POLICY

Your Company has adopted a Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and 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 - D.

EXTRACTS OF ANNUAL RETURN

Pursuant to Section 134(3)(a) and 92(3) of the Act read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return as on March 31, 2020 in the prescribed Form No. MGT-9 is annexed herewith as Annexure – E, which forms part of this Report.

The Annual Return has been placed on the website of your Company and can be accessed at https://www.godeepak.com/wp-content/themes/twentysixteen/companyfiles/shareholder_information/DNL%20Annual%20Return%20MGT-7%2031-Mar-2019.pdf

PARTICULARS OF EMPLOYEES

Disclosures with respect to the remuneration of Directors, Key Managerial Personnel and employees as required under Section 197 of the Act and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, forms part of this Report as Annexure - F.

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

The information pertaining to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo as required under Section 134(3)(m) of the Act, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is attached as Annexure - G to this Report.

STATE OF COMPANY'S AFFAIRS

The state of your Company's affairs is given under the heading 'Performance Review' and various other headings in this Report and in the Management Discussion and Analysis, which forms part of the Annual Report.

SIGNIFICANT AND MATERIAL ORDERS PASSED AGAINST THE COMPANY

Pursuant to the requirement of Section 134(3)(q) of the Act, read with Rule 8 (5)(vii) of the Companies (Accounts) Rules, 2014, it is confirmed that during FY 2019-20 there were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and your Company's operations in future.

SECRETARIAL STANDARDS OF ICSI

During the year under review, your Company is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India as approved by the Central Government.

INTERNAL CONTROL SYSTEMS

Your Company has sufficient Internal Control mechanisms in place including Internal Financial Controls. The Internal Control Framework is implemented by written policies, rules, and protocols to maintain adherence with laws and regulations, processes, and legislation, and that all resources are secured and protected against loss from unlawful use or disposal, and that such transactions are appropriately permitted, registered, and documented.

During the year, the Internal Auditor performed comprehensive assessments at all locations and across all functional departments. The Audit Committee regularly reviews the audit findings and corrective measures taken thereon to ensure the efficacy of the Internal Control process. The system of Internal Control is structured to verify that financial and other documents are accurate in compiling financial reports and other data, and in maintaining transparency for individuals.

Statutory Auditors' Report on Internal Financial Controls as required under Clause (i) of Sub-section 3 of Section 143 of the Act, is annexed with the Independent Auditors' Report.

RISK MANAGEMENT

Your Company has a system for Risk Management to define, assess and track business threats and obstacles throughout your Company. Based on this system, the Risk Management Policy was embraced pursuant to Section 134 of the Act. The framework on Risk Management accounts for the development of a Risk Register, Risk assessment and the formulation of contingency plans. The organization uncertainties for your Company are detected and reported to the Board for scrutiny by the respective Risk Managers.

Your Company has accordingly formed a Risk Management Committee in compliance with Regulation 21 of the Listing Regulations. The Committee evaluates the performance of your Company against perceived risks, develops approaches to classify potential and evolving challenges that may adversely impact the overall risk exposure of your Company, and determines the strategic plan and framework of Risk Management. The details about the Risk Management Committee have been provided in the Corporate Governance section of the Annual Report.

The Board of Directors periodically evaluates the processes for Risk Identification and Risk Mitigation. The Risk Register is regularly assessed to make sure that the relevant risks are suitably identified and mitigation mechanisms are effective. This provides a constructive and value-added analysis mechanism that helps to maintain an appropriate level of risk profile in a rapidly evolving ecosystem.

RESEARCH & DEVELOPMENT

Your Company has a Research and Development ("R&D") facility at Nandesari, Gujarat with pilot plants at Roha, Maharashtra and Nandesari, Gujarat. The Department of Scientific and Industrial Research ("DSIR"), New Delhi, on behalf of Government of India vide letter August 10, 2017 has recognized your Company's in-house R&D facilities for further period of extension up to June 30, 2020.

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

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

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

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

SAFETY, HEALTH & ENVIRONMENT

Health and safety remained a core area of importance for your Company with an aim to achieve accident free workplace. Your Company believes that all injuries, occupational illnesses as well as safety and environmental incidents are preventable. This ensures that all employees strive for excellence in their own personal safety and the safety of others including employees, contractors, customers, and the communities within which your Company operates.

Workplace safety and Process Safety Management through employee engagement initiatives are continuously being strengthened. Your Company has a system of Internal and external Safety Audits and actions based on audit findings. All Manufacturing Units including Corporate Office are certified with the latest standard of ISO 9001, ISO 14001 and ISO 45001.

Your Company follows a strict incident reporting system with even no injury incidents and unusual occurrence are also logged into the Safety MIS. Each incident is analysed for their root-causes and required precautions are taken to prevent recurrences. Each management of change and projects undertaken by your Company are made to undergo HAZOP studies before commencement. All plant-setting changes are first approved by the HAZOP team before implementation. The safety team regularly conducts safety awareness programs across plants to achieve continuous improvement in terms of process safety, workplace safety and behavioral transformation.

Your Company has policy and system in place to deploy internationally recognized guidelines, such as the principles of the United Nations' Global Compact, the International Labour Organization ("ILO") conventions and the topic areas of the Responsible Care® Initiative. The Code of Conduct, inter alia, covers compliance with human rights, labor & social standards, anti-discrimination, conflict of interest and anti corruption policies in addition to protecting the environment, health and safety. This is being audited by third party and customers as a part of Together for Sustainability ("TfS") system.

Logistic Safety Management System:

Your Company has, along with its peers, founded Nicer Globe, an independent platform which provides real-time monitoring of the movement of dangerous goods across the length and breadth of India. This helps in monitoring any deviations in speed or route or driving time restrictions, which results in minimizing transport related incidents. Almost all raw materials and products within supply chain framework of your Company are transported in a secure manner, with GPS for real-time monitoring for the safety of its customers, carriers, suppliers, distributors and contractors.

Environment:

Your Company is committed to the chemical industry's Responsible Care® initiative and have set out the basic principles fully aligned with UN Sustainable Development Goals. Commitment to environmental protection extends beyond the scope of legal requirements. It has focused on recycle and reuse and reduction of pollution load and constantly working on to reduce environmental footprint and find innovative solutions that benefit the environment.

HUMAN RESOURCES

Your Company considers its employees as most valuable resource and ensures strategic alignment of Human Resource practices to business priorities and objectives. Its constant endeavor is to invest in people and processes to improve capabilities and potentials of human capital of the organization to cope with challenging business environment, varying needs of the customers and bring about customers delight by focusing on the Customers' needs. Attracting, developing and retaining the right talent and keeping them motivated will continue to be a key strategic initiative and the organisation continues to be focused on building up the capabilities of its people to cater to the business needs. Given growth plans of your Company, an important strategic focus is to continue to not only nurture its human capital, but also proactively focus on preparing all employees for the challenges of the future.

Your Company strives to provide a healthy, conducive and competitive work environment to enable the employees excel and create new benchmarks of quality, productivity, efficiency and customer delight. Your Company always believes in maintaining mutually beneficial, healthy and smooth industrial relations with the employees and the Unions which is an essential foundation for the success of any organisation and the proactive initiatives taken have ensured that there is no friction in the Industrial Relations resulting into smooth, cordial and trusting Industrial Relations.

INSURANCE

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

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

Your Company has in place a policy on prevention of Sexual Harassment of women at Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress the complaints received regarding sexual harassment at workplace.

All employees (both permanent and contractual) are covered under this Policy. No complaint was received from any employee during FY 2019-20 and hence no complaint is outstanding as on March 31, 2020 for redressal.

ACKNOWLEDGEMENT

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

For and on behalf of the Board

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

Place: Vadodara
Date: May 26, 2020

Annexure - A

Form No. MR-3

Secretarial Audit Report

For the Financial year ended March 31, 2020

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

To,
The Members,
Deepak Nitrite Limited,
Aaditya-I, Chhani Road,
Vadodara 390 024,
Gujarat.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Deepak Nitrite Limited (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit. We hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2020, 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, 2020 according to the provisions of:

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

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

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

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; There were no events occurred during the period which attracts provisions of these guidelines, hence not applicable.

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

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

   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993: There were no events occurred during the period which attracts provisions of these regulations, hence not applicable.

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

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

(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 the applicable clauses of the following:

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

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

During the period under review the Company has generally complied with the provisions of the mentioned Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above, subject to the following observations:

a) The Company had uploaded the shareholding pattern for the quarter ended December 31, 2019 with BSE Limited (BSE) as well as with National Stock Exchange of India Limited (NSE) pursuant to Regulation 31 of the Securities and Exchange Board of India (Listing Regulations and Disclosure Requirements) Regulations, 2015, The same got reflected on the website of NSE on January 21, 2020 but not on BSE website. We have been informed that due to some technical issues at BSE's platform, the said shareholding pattern appears to have been filed with a delay of two days on BSE website. The Company has brought this matter before BSE and representations are made, a response on which is awaited from BSE. We have verified this fact during our audit and found the same in order.

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 in accordance with the applicable provisions of Companies Act, 2013 and other applicable legislation(s).

Adequate notice is given to all Directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

We further report that:

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company does not have any events having a major bearing on its affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

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

Dinesh Joshi
Designated Partner
Membership No: FCS- 3752
CP No: 2246
UDIN: F003752B000386123

Place: Pune

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

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
7. Due to COVID-19 outbreak and Lockdown situation, this Report has been issued relying on the certificate, information, details, data, documents and explanation provided by the Company and its officers, agents and authorized representatives and Registrar and Transfer Agent in electronic form, without physically verifying at their office.

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

Dinesh Joshi
Designated Partner
Membership No: FCS- 3752
CP No: 2246
UDIN: F003752B000386123

Place: Pune

Annexure - B

Business Responsibility Report

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

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	:	L24110GJ1970PLC001735
2	Name of the Company	:	Deepak Nitrite Limited
3	Registered Office Address	:	Aaditya-I, Chhani Road, Vadodara -390 024, Gujarat, India
4	Website	:	www.godeepak.com
5	E-mail -Id	:	investor@godeepak.com
6	Financial Year reported	:	April 1, 2019 to March 31, 2020
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	:	Commodity Chemicals NIC Code: 24121
8	List of three key products/services that the Company manufactures/provides (as per Balance sheet)	:	(1) 4-4 Amino Stilbene 2-2 Disulphonic Acid (2) Optical Brightening Agent (3) Nitro Toluene (4) Sodium Nitrite
9	Total number of locations where business activity is undertaken by the Company	:	(a) Number of International Locations – 01# (b) Number of National Locations - 09 # *through wholly-owned subsidiary*
10	Markets served by the Company	:	National and International

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital (INR)	:	₹ 27.28 Crores
2	Total Turnover (INR)	:	₹ 2,229.66 Crores
3	Profit After Taxes (INR)	:	₹ 544.04 Crores
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit After Tax (%)	:	Company's total spending on CSR for the Financial Year 2019-20 is ₹ 3.48 Crores which is 0.64% of Profit After Tax.
5	List of activities in which expenditure in 4 above has been incurred:-		

A. Health Care

- Comprehensive Emergency Obstetric Newborn Care Unit (CEmONC)
- Mobile Health Unit
- Citizen's Help Desk
- De-addiction and Counseling Center
- USG Machine & other Equipment for Hospital

B. Skill Development/ Education

- Home Health Aid Course
- Vocational Training at Samaj Suraksha Sankul
- Entrepreneurial Activities through SHG
- Housekeeping and Cookery Course
- Integrated Child Development Scheme
- Remedial Education for English & Maths at Nandesari School
- Mobile Library

SECTION C: OTHER DETAILS

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

SECTION D: BR INFORMATION

1 Details of Director/Directors responsible for Business Responsibility

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

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

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

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

(a) Details of Compliances

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

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

3. Governance related to BR

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

SECTION E: PRINCIPLE-WISE PERFORMANCE

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

1.	Does the policy relating to ethics, bribery and corruption cover only the company? Does it extend to the Group/ Joint Ventures/ Suppliers/Contractors/NGOs /Others?	The Company strives to adhere to the highest standards of integrity and behavior and ensure compliance and adherence to law and internal policies through its compliance systems. The Board of Directors of the Company has adopted a Code of Conduct. These are set of regulations, policies, principles and guidelines to help maintain a lawful, honest and ethical environment throughout the Company. The policies, rules and guidelines in the Code of Conduct apply to all employees / associates, including contractual employees of the Company and its subsidiaries.
2.	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	The Company has not received any complaint from any stakeholders relating to ethics, bribery and corruption during the Financial Year 2019-20.

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

1.	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.		a) Sodium Nitrite b) Nitro Toluene c) 2 Ethyl Hexyl Nitrate
2.	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):		The details are given in Annexure-G relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo of Director's Report
	a.	Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?	
	b.	Reduction during usage by consumers (energy, water) has been achieved since the previous year?	

3.	Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?	Company has system for sustainable sourcing. Environmental concerns are being assessed while supplier evaluation.
4.	Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	While the criteria for selection of goods and services is quality, reliability and price, the Company gives preference to the manufacturers and service providers located near-by. The Company provides feedback to them to improve their quality in compliance with Company's requirement, enhance capacity and capability particularly in the areas of manufacturing and fabrication and safety, health and environment.
5.	Does the Company have a mechanism to recycle products and waste?	Yes.

Principle 3: Businesses should promote the wellbeing of all employees

1.	Total number of Employees	There were 1,472 permanent employees as on March 31, 2020.
2.	Total number of employees hired on temporary/ contractual/casual basis	There were 1,573 employees hired on temporary/contract/ casual basis as on March 31, 2020.
3.	Number of permanent women employees.	There were 31 permanent women employees as on March 31, 2020.
4.	Number of permanent employees with disabilities	There were 12 permanent employees with disabilities as on March 31, 2020.
5.	Do you have an employee association that is recognized by management	Yes. The Company has recongnised unions at Nandesari, Roha, Taloja and Hyderabad.
6.	What percentage of your permanent employees is members of this recognized employee association?	18% of the total permanent employees are members of recongnised union.
7.	Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the Financial Year.	

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

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

S. No.	Employees Category	Employees imparted safety training	Employees imparted skill up-gradation training
a.	Permanent Employees	79.60%	62.43%
b.	Permanent Women Employees	70.00%	93.55%
C.	Casual/Temporary/Contractual Employees	94.36%	40.00%
d.	Employees with Disabilities	91.67%	90.00%

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

1.	Has the Company mapped its internal and external stakeholders?	Yes
2.	Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.	Yes. The Company has undertaken various programmes under its CSR Policy in the areas of health, education and livelihood for such marginalized and disadvantaged groups.
3.	Special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders	The initiatives undertaken by the Company for the disadvantaged, vulnerable and marginalized stakeholders are elaborated in Principle 8 and in the Annexure – C of the Directors' Report.

Principle: 5 Businesses should respect and promote human rights

1.	Does the policy of the Company on Human Rights cover only the company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?	The Company follows its policy on Human Rights which are applicable to the Company, its subsidiaries and contractors. The Company is committed to the fundamental principles of human rights, labor rights in all its operations, which also include its customers, suppliers and other third parties.
2.	How many stakeholder complaints have been received in the past Financial Year and what percent was satisfactorily resolved by the management?	The Company has not received any stakeholder complaints during the Financial Year 2019-20 related to Human Rights.

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

1.	Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others.	The policy related to Principle 6 covers the Company, its Subsidiaries, Joint Ventures, Suppliers, Contractors and NGOs.
2.	Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? If yes, please give hyperlink for webpage etc.	The Company practices global principles of sustainable development and principles of Responsible Care. It includes global environmental issues such as climate change, global warming etc.
3.	Does the Company identify and assess potential environmental risks?	Yes. The Company identifies and assess potential environmental risk relating to its business, if any.
4.	Does the Company have any project related to Clean Development Mechanism? If yes, whether any environmental compliance report is filed?	Company adopts clean development mechanism wherever feasible. However, no project was undertaken during the year.
5.	Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. If yes, please give hyperlink for web page etc.	The Company is continuously improving its energy efficiency and environmental Performance. The Company procures and uses solar power wherever feasible.
6.	Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB/SPCB for the Financial Year being reported?	Yes. The effluents, emissions and wastes generated at the manufacturing facilities of the Company are within the permissible limits given by respective Pollution Control Board.
7.	Number of show cause / legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as at the end of Financial Year.	There are no show cause / legal notices received from Central and State Pollution Control Boards which are pending as at the end of Financial Year 2019-20.

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

1.	Is the Company a member of any trade and chamber or association? If yes, Name only those major ones that your business deals with.	As on March 31, 2020, your Company is a Member of the following trade associations: a) FICCI: The Federation of Indian Chambers of Commerce and Industry b) FGI: Federation of Gujarat Industries c) GEO: Gujarat Employees Orgranisation d) ICC: Indian Chemical Council e) CII- Confederation of Indian Industry
2.	Have you advocated/lobbied through above associations for the advancement or improvement of public good?	The Company supports the initiatives taken by above association in their endeavor for the advancement or improvement of public good.

Principle: 8 Businesses should support inclusive growth and equitable development

1.	Does the Company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes, details thereof.	The Company takes up programme/ initiatives/ projects in pursuit of the principle of inclusive growth and equitable development in pursuance of its Corporate Social Responsibility ('CSR') Policy. Detailed information about the specified programme and initiatives undertaken during the Financial Year 2019-20 in pursuit of the CSR Policy has been given in Annexure - C to the Directors' Report.
2.	Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/ any other organization?	The programmes/projects are undertaken through Implementing Agency viz. Deepak Foundation.
3.	Have you done any impact assessment of your initiative?	The CSR programmes and their impacts/ outcomes are monitored and reviewed by the CSR Committee of the Board and management periodically, to understand the impact of these programmes.
4.	What is your Company's direct contribution to community development projects amount in INR and the details of the project undertaken.	During the Financial Year 2019-20, the Company spent ₹ 3.48 Crores on various CSR initiatives, detailed in Annexure - C to the Directors' Report.
5.	Have you taken steps to ensure that this community development initiative is successfully adopted by the community?	Yes. Initiatives conducted under CSR are tracked to determine the outcomes achieved and the benefits to the community. Internal tracking mechanisms, monthly reports and follow-up field visits, telephonic and email communications are regularly carried out.

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

1.	What percentage of customer complaints/consumer cases are pending as on the end of Financial Year.	There were no customer complaints / consumer cases pending as at the end of Financial Year 2019-20.
2.	Does the Company display product information on the product label, over and above what is mandated as per local laws?	Yes. The Company adheres to all the applicable statutory laws regarding product labelling and displays relevant information on product label.
3.	Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behavior during the last five years and pending as at end of Financial Year.	There have been no cases relating to unfair trade practices, irresponsible advertising and/or anti-competitive behavior against the Company during the last five years and as at the end of Financial Year 2019-20.
4.	Did the Company carry out any consumer survey/ consumer satisfaction trends?	Customer satisfaction surveys are being conducted frequently for betterment of the products, feedback and improving delivering mechanism.

For and on behalf of the Board

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

Place : Vadodara
Date: May 26, 2020

Annexure - C

Report on Corporate Social Responsibility

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

   Outline of Company's CSR Policy:

   The Company's CSR policy is to remain a responsible corporate entity mindful of its social responsibilities to all stakeholders including consumers, shareholders, employees, local community and society at large.

   Overview of Projects or programs undertaken:

   During Financial Year 2019-20, various projects and programs were undertaken by the Company as per its CSR policy. The major projects/programs include Comprehensive Emergency Obstetric & Newborn Care (CEmONC), Mobile Health Unit, Citizen's Help Desk, De-addiction and Counselling Centre in the field of health sector; Mobile Library Integrated Child Development Scheme (ICDS) in the field of education sector; Home Health Aide Course in the field of skills building sector, The details of these programs undertaken by the Company during the Financial Year 2019-20 are provided in a separate section on CSR in the Annual Report.

   Weblink to the CSR Policy of the Company: https://www.godeepak.com/wp-content/themes/twentysixteen/companyfiles/corporate_governance_report/DNL_Corporate%20Social%20Responsibility%20Policy.pdf

2. The Composition of CSR Committee: As on March 31, 2020, the CSR Committee comprises of Shri Sudhir Mankad as Chairman Dr. Swaminathan Sivaram, Shri Deepak C. Mehta and Shri Umesh Asaikar as Members.

3. Average Net Profit of the Company for the last three Financial Years: ₹ 151.44 Crores

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹ 3.03 Crores

5. Details of CSR spent during the Financial Year

   (a) Total amount to be spent for the Financial Year: ₹ 3.03 Crores

   (b) Amount unspent, if any: NIL

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

(₹ in Crores)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	**CSR project or activity identified**	**Sector in which the project is covered**	**Projects or programs (1) Local area or other (2) Specify the State and District Where projects or programs was Undertaken**	**Amount outlay (budget) project or programs wise**	**Amount spent on the projects or programs Sub-heads 1. Direct Expenditure On projects or programs 2.Overheads**	**Cumulative expenditure up to the reporting period**	**Amount Spent: Direct or through Implementing Agency**
1	CEmONC	Health Care	Jabugam Dist.: Vadodara State: Gujarat	0.50	0.55 0.00 **0.55**	1.94 (1.39)	Implementing Agency
2	Remedial Education for English & Maths at Nandesari School	Skill Development/ Education	Nandesari Dist: Vadodara State: Gujarat	0.04	0.04 0.01 **0.05**	0.08 (0.03)	Implementing Agency
3	Mobile Health Unit	Health Care	Dahej Dist: Bharuch State: Gujarat	0.32	0.29 0.02 **0.31**	1.59 (1.28)	Implementing Agency
4	Citizen's Help Desk	Health Care	Vadodara Dist: Vadodara State: Gujarat	0.17	0.16 0.01 **0.17**	0.67 (0.50)	Implementing Agency
5	Mobile Health Unit	Health Care	Roha Dist: Raigad State: Maharashtra	0.29	0.27 0.02 **0.29**	1.13 (0.84)	Implementing Agency
6	ICDS	Health Care	Nandesari Dist: Vadodara State: Gujarat	0.33	0.30 0.02 **0.32**	1.42 (1.10)	Implementing Agency

(₹ in Crores)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	**CSR project or activity identified**	**Sector in which the project is covered**	**Projects or programs (1) Local area or other (2) Specify the State and District Where projects or programs was Undertaken**	**Amount outlay (budget) project or programs wise**	**Amount spent on the projects or programs Sub-heads 1. Direct Expenditure On projects or programs 2.Overheads**	**Cumulative expenditure up to the reporting period**	**Amount Spent: Direct or through Implementing Agency**
7	Home Health Aid Course	Skill Development/ Education	Vadodara Dist: Vadodara State: Gujarat Hyderabad Dist: Hyderabad State: Telangana	0.44	0.40 0.02 **0.42**	1.55 (1.13)	Implementing Agency
8	Mobile Library	Skill Development/ Education	Roha Dist: Raigad State: Maharashtra	0.19	0.18 0.01 **0.19**	0.57 (0.38)	Implementing Agency
9	De-addiction and Counseling Center	Health Care	Hyderabad Dist: Hyderabad State: Telangana	0. 26	0.25 0.01 **0.26**	0.73 (0.47)	Implementing Agency
10	Mobile Library	Skill Development/ Education	Nandesari Dist: Vadodara State: Gujarat	0.19	0.18 0.02 **0.20**	0.32 (0.12)	Implementing Agency
11	Mobile Library	Skill Development/ Education	Hyderabad Dist: Hyderabad State: Telangana	0.20	0.16 0.01 **0.17**	0.25 (0.08)	Implementing Agency
12	Entrepreneurial Activities through SHG	Skill Development/ Education	Nandesari Dist: Vadodara State: Gujarat	0.07	0.06 0.01 **0.07**	0.12 (0.05)	Implementing Agency
13	Samaj Suraksha Sankul	Skill Development/ Education	Pensionpura Dist: Vadodara State: Gujarat	0.04	0.04 0.00 **0.04**	0.07 (0.03)	Implementing Agency
14	Housekeeping and Cookery Course	Skill Development/ Education	Vadodara Dist: Vadodara State: Gujarat	0.09	0.07 0.01 **0.08**	0.07 (0.00)	Implementing Agency
15	USG Machine & other Equipment for Hospital	Health Care	Nandesari Dist: Vadodara State: Gujarat	0.11	0.12 0.00 **0.12**	0.12 (0.00)	Implementing Agency
16	Toilet constrution for 7 Aaganwadi centers	Health Care	Nandesari Dist: Vadodara State: Gujarat	0.08	0.08	0.08 (0.00)	Implementing Agency
17	Management Cost	-	NA	0.16	0.16	0.61 (0.45)	Implementing Agency
	TOTAL			**3.48**	**3.48**		

Figures in Brackets are of previous Financial Year i.e. 2018-19.

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

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

Sudhir Mankad
Chairman of CSR Committee
(DIN: 00086077)

Place : Vadodara
Date: May 26, 2020

Annexure - D

Nomination and Remuneration Policy

1. INTRODUCTION

A transparent, fair and reasonable process for determining the appropriate remuneration at all levels of the Company is required to ensure that shareholders remain informed and confident in the management of the Company. To harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the rules made thereunder and the Listing Regulations as amended from time to time, this policy on nomination and remuneration of Directors on the Board of the Company, Key Managerial Personnel and other employees in the Senior Management is formulated in compliance with Section 178 of the Companies Act, 2013 read with the applicable rules thereto and of the Listing Regulations with the Stock Exchanges.

This Policy shall act as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a Director, appointment and removal of the Directors, Key Managerial Personnel and Senior Management employees and matters relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

Pursuant to the requirement of Section 178 of the Companies Act, 2013 and the Listing Regulations with the Stock Exchanges, the Company has a duly constituted Nomination and Remuneration Committee.

2. OBJECTIVE OF THE POLICY

2.1. The objective of this Policy is to outline a framework to ensure that the Company's remuneration levels are aligned with best industry practices and are good enough to attract and retain competent Directors on the Board, Key Managerial Personnel and the Senior Management Personnel of the quality required. The key objectives of this Policy include:

(i) guiding the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management employees.

(ii) evaluating the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.

(iii) recommending to the Board the remuneration payable to the Directors and setting forth a policy for determining remuneration payable to Key Managerial Personnel and Senior Management employees.

2.2. While determining the remuneration for the Directors, Key Managerial Personnel and Senior Management employees, regard should be given to prevailing market conditions, business performance and practices in comparable companies, also to financial and commercial health of the Company as well as prevailing laws and government/other guidelines, to ensure that pay structures are appropriately aligned and the levels of remuneration remain appropriate.

2.3. While designing the remuneration package it should be ensured:

(i) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate person, to ensure the quality required to run the Company successfully.

(ii) Remuneration to Directors, Key Managerial Personnel and Senior Management employees involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

2.4. Some part of the remuneration package may be linked to the achievement of corporate performance targets of the Company and a strong alignment of interest with stakeholders.

2.5. The Committee shall observe the set of principles and objectives as envisaged under the Companies Act, 2013 ("Act") (including Section 178 thereof), rules framed there under and the Listing Regulations including, inter-alia, principles pertaining to determining qualifications, positives attributes, integrity and independence.

2.6. In this context, the following Policy has been formulated by the Nomination and Remuneration Committee and recommended to the Board of Directors for adoption.

3. EFFECTIVE DATE

This Policy shall be effective from the date of its adoption by the Board.

4. DEFINITIONS

4.1. In this Policy the following terms shall have the meaning assigned to them:

(i) **"Act"** means The Companies Act, 2013 and rules made thereunder.

(ii) **"Board of Directors"** or **"Board"** means the Board of Directors of the Company.

(iii) **"Committee"** means Nomination and Remuneration Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Act and the Listing Regulations.

(iv) **"Company"** means "Deepak Nitrite Limited."

(v) **"Director"** shall mean a member of the Board of Directors of the Company appointed from time to time in accordance with the Articles of Association of the Company and provisions of the Act.

(vi) **"Employees' Stock Option"** means the option given to the Directors, other than Independent Directors, officers or employees of a Company or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the company at a future date at a pre-determined price.

(vii) **"Executive Director"** shall mean a Director who is in the whole-time employment of the Company other than Managing Director.

(viii) **"Financial Year"** shall mean the period ending on the 31st day of March every year.

(ix) **"Independent Director"** shall mean a Director referred to in Section 149 (6) of the Act read with the Listing Regulations.

(x) **"Key Managerial Personnel"** or **"KMP"** shall have the meaning ascribed to it in the Act.

(xi) **"Listing Regulations"** shall mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and for the time being in force.

(xii) **"Managing Director"** means a Director who, by virtue of the Articles of Association of the Company or an agreement with the Company or a resolution passed in its general meeting, or by its Board of Directors, is entrusted with substantial powers of management of the affairs of the Company and includes a Director occupying the position of Managing Director, by whatever name called.

(xiii) **"Policy"** or **"this Policy"** means, "Nomination and Remuneration Policy."

(xiv) **"Remuneration"** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

(xv) **"Senior Management"** means officers/personnel of the Company who are members of its core management team excluding Board of Directors and shall comprise all members of management one level below Chief Executive Officer / Managing Director / Whole-time Director including Chief Executive Officer and shall specifically include Chief Financial Officer and Company Secretary.

4.2. Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Companies Act, 2013 and/or Listing Regulations as may be amended from time to time shall have the meaning respectively assigned to them therein.

5. APPLICABILITY

This Policy is applicable to:

(i) Directors (Managing Director, Executive Director, Independent Director and Non-Independent Director)

(ii) Key Managerial Personnel

(iii) Senior Management employees

(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 Senior Management employees.

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

(d) Devising a policy on Board diversity.

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

(f) The Committee shall take into consideration and ensure the compliance of provisions under Schedule V of the Companies Act, 2013 for appointing and fixing remuneration of Managing Directors / Executive Directors.

(g) While approving the remuneration, the Committee shall take into account financial position of the Company, trend in the industry, qualification, experience and past performance of the appointee.

(h) any other role as may be specified by the Board.

6.2. Composition of the Committee

(a) The Committee shall comprise of at least three (3) Directors, all of whom shall be non-executive Directors and at least half shall be Independent Directors.

(b) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Act and/or the Listing Regulations.

(c) Membership of the Committee shall be disclosed in the Annual Report.

(d) Term of the Committee shall continue unless terminated by the Board of Directors.

6.3. Chairman of the Committee

(a) Chairman of the Committee shall be an Independent Director.

(b) Chairman of the Company (whether Executive or non-Executive) may be appointed as a member of the Committee but shall not Chair the Committee.

(c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.

(d) Chairman of the Committee shall be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

6.4. Frequency of the Meetings of the Committee

The meeting of the Committee shall be held at such intervals as may be required.

6.5. Committee Member's Interest

(a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

(b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

6.6. Quorum

The quorum necessary for transacting business at a meeting of the Committee shall be two (2) members or one-third of the members of the Committee, whichever is greater.

6.7. Voting at the Meeting

(a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of members present. Any such decision shall for all purposes be deemed a decision of the Committee.

(b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

7. APPOINTMENT AND REMOVAL OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT EMPLOYEES

7.1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as a Director, KMP and Senior Management employee.

7.2. A person should possess adequate qualifications, expertise and experience for the position he/ she is considered for appointment as a Director, Key Managerial Personal or Senior Management employee.

7.3. The Company shall not appoint or continue the employment of any person as Managing Director / Executive Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for such appointment.

7.4. The appointment as recommended by the Committee to the Board shall be subject to the approval of the Board.

7.5. Criteria for appointment of Independent Director:

7.5.1. The proposed appointee shall comply with the criteria specified in the relevant provisions of the Act and/or the Listing Regulations. He or she shall not, directly or indirectly, represent the interest of any specific vendor or customer or stakeholder and shall have business reputation and strong ethical standards and possess leadership skills and business experience including board procedures.

7.5.2. The Independent Director shall fulfill the qualification and requirements specified under the Act and Listing Regulations.

7.5.3. He or she shall also declare his or her independent status prior to their appointment to the Board and maintain the same during his or her tenure as an Independent Director. Being a Director of the Company, he or she shall adhere to the Code of Conduct stipulated for the Director.

7.6. Criteria for appointment of Managing Director / Executive Director:

7.6.1. The Company can have more than one Managing Director or Executive Director.

7.6.2. The appointee(s) shall have good educational background, preferably with specialization in the field. He shall have exemplary skills and leadership qualities to lead the Company or as the case may be the function assigned to him.

7.6.3. Depending on the role and responsibility, he shall have hands on experience in the relevant filed. For example as ED (Operations) is expected to have adequate knowledge and experience about the plant operations and related issues. The suitability of the candidate shall be determined on a case to case basis by the Committee. Being a Director of the Company, Managing Director /

Executive Director shall adhere to the Code of Conduct stipulated for the Director.

7.6.4. He shall fulfill the conditions as specified under Part I of Schedule V of the Act. However, in case the conditions specified under Part I of Schedule V of the Act is not fulfilled, such appointments shall be subject to the approval of the Central Government.

7.7. Criteria for appointment of KMPs:

7.7.1. Pursuant to the requirement of Section 203 of the Act, the Company is required to appoint a Managing Director / Manager / Chief Executive Officer and in their absence an Executive Director as Whole Time KMP.

7.7.2. The Company may also appoint a Chief Executive Officer (CEO) who may or may not be a Director. The qualification, experience and stature of the CEO could be in line with that of the Executive Director. Where the CEO is designated as KMP, he shall act subject to the superintendence and control of the Board.

7.7.3. The Company is also required to appoint a Chief Financial Officer (CFO) as KMP as per the requirement of the Act. The CFO shall preferably be a Chartered Accountant or a Cost & Management Accountant or holds an equivalent qualification and have relevant work experience. He shall be well versed with finance function including but not limited to funding, taxation, forex and other core matters. As required under the Listing Regulations, the appointment of CFO shall be subject to approval of the Audit Committee.

7.7.4. As required under the said Section of the Act, a Company Secretary (CS) is also required to be appointed by the Company as a KMP. The CS shall have the prescribed qualification and requisite experience to discharge the duties specified in law and as may be assigned by the Board / Managing Director / Executive Director from time to time.

7.7.5. KMPs, other than Managing Director and/or Executive Director shall adhere to the Code of Conduct stipulated for the Senior Management.

7.8. Criteria for appointment of Senior Management employees:

7.8.1. Senior Management employees shall possess the requisite qualifications, expertise and experience depending upon the requirement of the relevant position.

7.8.2. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.

7.8.3. Senior Management employees shall adhere to the Code of Conduct stipulated for the Senior Management.

7.9. Term / Tenure

7.9.1. Managing Director and Executive Director

The Company shall appoint or re-appoint any person as its Managing Director / Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of the term.

7.9.2. Independent Director

(a) An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

(b) No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

(c) The Independent Director shall comply with the requirement of number of directorships he or she can hold as prescribed under the provisions of the Act or the Listing Regulations including any amendment thereto from time to time.

7.10. Familiarization Programme for Independent Directors

The Company shall familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc., through various programmes.

7.11. Evaluation

7.11.1. Subject to Schedule IV of the Companies Act, 2013 and Listing Regulations, the Committee shall carry out the evaluation of Directors periodically.

7.11.2. The performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated.

7.11.3. The Independent Directors at their separate meeting shall review, on yearly basis, the performance of Non-Independent Directors and the Board as a whole.

7.11.4. The Independent Directors at their separate meeting shall also review, on yearly basis, the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors.

7.11.5. The entire process of the Performance Evaluation shall be kept in strict confidence and shall not be disclosed to any person except to those required to perform their duties under the Act.

7.11.6. All the records of Performance Evaluation process and outcome shall be maintained by the Company Secretary of the Company and shall be kept at the Registered Office of the Company. Such records shall be preserved till such time as may be decided by the Board from time to time or as required under the Act.

7.12. Removal

Due to reasons for any disqualification mentioned in the Act, rules made thereunder or under any other applicable laws, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP and Senior Management employees subject to the provisions and compliance of the applicable laws, rules and regulations.

7.13. Retirement

The Director, KMP and Senior Management employees shall retire as per the applicable provisions of the Act and/or the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management employees in the same position / remuneration or otherwise even after attaining the retirement age, in the interest and for the benefit of the Company, in accordance with the provisions of the Act and approval of members, wherever required.

8. REMUNERATION

8.1. Remuneration to Managing Director:

8.1.1. The remuneration comprising of salary, allowance, perquisites and other benefits payable to Managing Director will be determined by the Committee and recommended to the Board for approval.

8.1.2. In addition to the remuneration as stated in 8.1.1. above, Managing Director shall also be paid a Commission, calculated with reference to the Net Profits of the Company in a particular Financial Year, as may be determined by the Board of Directors, subject to the overall ceiling stipulated in Section 197 and other relevant provisions of the Act.

8.1.3. The Managing Director shall be entitled to the following perquisites / allowances:

(i) Housing – Rent free furnished residential accommodation. In case no accommodation is provided by the Company, Managing Director shall be paid house rent allowance as may be decided by the Board of Directors.

(ii) Re-imbursement of gas, electricity, water charges and furnishings.

(iii) Re-imbursement of medical expenses incurred for self and members of his family, as per rules of the Company.

(iv) Leave travel concession for self and members of his family, as per rules of the Company.

(v) Fees of clubs subject to maximum of two clubs.

(vi) Medical insurance, as per rules of the Company.

(vii) Personal Accident Insurance, as per rules of the Company.

(viii) Provision of car and telephone at residence.

(ix) Company's contribution to provident fund, superannuation fund or annuity fund, gratuity and encashment of leave, as per rules of the Company.

(x) Retirement and other benefits, as per rules of the Company.

8.1.4. The remuneration and commission to be paid to the Managing Director shall be as per the statutory provisions of the Act and the rules made thereunder for the time being in force and shall be subject to the approval of the shareholders of the Company and Central Government, wherever required.

8.1.5. The remuneration / commission payable to Managing Director shall be reviewed by the Board after close of each Financial Year, and based on the Profits made by the Company in that Financial Year, Managing Director shall be paid such enhanced remuneration as the Board may decide subject to the ceiling limits specified in Section 197 and other applicable provisions of the Act read with Schedule V of the Act.

8.1.6. The Managing Director shall not be entitled to sitting fees for attending the meetings of the Board or any Committee thereof.

8.2. Remuneration to Executive Director:

8.2.1. Fixed Pay

(a) Executive Director shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the provisions of the Act and rules made thereunder for the time being in force.

(b) The Fixed Pay of Executive Director shall comprise of salary, perquisites, allowances and other benefits. The perquisites, allowances and other benefits to the Executive Director shall include but not be limited to the following:

(i) Re-imbursement of medical expenses incurred for self and members of his family, as per policy of the Company.

(ii) Leave travel concession for self and members of his family, as per policy of the Company.

(iii) Medical and other insurances, as per policy of the Company.

(iv) Company Car with Driver.

(v) Company's contribution to provident fund, superannuation fund or annuity fund, gratuity and encashment of leave, as per the policy of the Company.

(vi) Retirement and other benefits, as per policy of the Company.

(vii) Hardship Allowance as applicable in accordance with the policy of the Company.

(c) The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

8.2.2. Variable Pay

In addition to the salary, perquisites, allowances and other benefits as mentioned above, Executive Director will also be entitled to a Variable Pay by way of Performance Linked Incentive. This amount shall be paid annually after the end of each Financial Year. The Performance Linked Incentive shall be in the range of 0% to 20% of cost to the Company, which will be entirely based on the individual's performance and Company's performance as per policy of the Company.

8.2.3. Loyalty Bonus

In addition to the above, Executive Director shall also be entitled for the Loyalty Bonus as per policy of the Company.

8.2.4. Payment of Variable component / Increments

(a) Payment of Variable component of the remuneration of the Executive Director for a particular Financial Year and increments to the existing remuneration structure of Executive Director shall be recommended by the Chairman & Managing Director of the Company to the Committee based upon the individual performance and also the Company's performance as per policy of the Company.

(b) The Committee shall review the payment of Variable component of the remuneration of the Executive Director for a particular Financial Year and increments to the existing remuneration structure of Executive Director as recommended by the Chairman & Managing Director of the Company and recommend the same to the Board for its approval. Such Variable component and proposed enhanced remuneration as recommended by the Committee to the Board should be within the overall limits of managerial remuneration as prescribed under the Act and rules made thereunder.

(c) The Executive Director shall also be entitled to reimbursement of all legitimate expenses incurred by him while performing his duties and such reimbursement will not form part of his remuneration.

8.2.5. Executive Director shall not be entitled to sitting fees for attending meetings of the Board or any Committee thereof.

8.3. Minimum Remuneration

Where, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director(s) and Executive Director(s) in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

8.4. Remuneration to Independent Director and Directors other than Managing Director/ Executive Director:

8.4.1. Sitting Fees

The Independent Director / Directors other than Managing Director and Executive Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof.

Provided that the amount of such fees shall not exceed the maximum amount as provided in the Act, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

The Sitting Fee paid to Independent Directors, shall not be less than the Sitting Fees payable to other Directors.

8.4.2. Commission on the Net Profits

Apart from receiving the Sitting Fees, Independent Director(s) / Non-Independent Director(s) may be paid Commission on the Net Profits of the Company for a particular Financial Year within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the Net Profits of the Company computed as per the applicable provisions of the Act. The amount of Commission payable to each Independent Director / Non-Independent Director for a particular Financial Year shall be decided by the Chairman of the Company and shall be approved by the Board.

8.4.3. Stock Options

Independent Director shall not be entitled to any stock option of the Company.

8.5. Provisions for excess remuneration

If any Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. Subject to the approval of Central Government, the Shareholders of the Company may waive recovery of such excess remuneration by passing an Ordinary Resolution.

8.6. Remuneration to KMP and Senior Management employees:

8.6.1. The remuneration to KMP and Senior Management employees shall comprise of Fixed Pay and Variable Pay and governed by the DNL HR Policy.

8.6.2. The Committee may authorize the Managing Director / Executive Director to determine from time to time the remuneration payable to KMP and Senior Management employee including their increments. The powers of the Committee in this regard may be delegated to the Managing Director / Executive Director.

8.6.3. Remuneration of a KMP at the time of their appointment will be recommended by the Managing Director / Executive Director to the Committee. The Committee shall review such remuneration and recommend the same to the the Board for approval. Any subsequent modification to the remuneration of KMP shall be decided by the Managing Director / Executive Director as may be authorized by the Committee.

8.6.4. Fixed Pay

The Fixed Pay of KMP and Senior Management employees shall comprise of salary, perquisites, allowances and other benefits as per policy of the Company. The break-up of the pay scale and quantum of perquisites including but not limited to employer's contribution to P.F, pension scheme, medical expenses etc. shall be decided by the Managing Director / Executive Director.

8.6.5. Variable Pay

The remuneration of KMP and Senior Management employees will also comprise performance linked variable pay which may vary from 0% to 16% of the cost to the Company. This amount of variable pay shall be paid annually after the end of each Financial Year and will be entirely based on the individual's performance and Company's performance as per policy of the Company. Such Variable Pay for a particular Financial Year shall be decided by the Managing Director / Executive Director.

8.6.6. Hardship Allowance and Loyalty Bonus

In addition to the above, KMP and Senior Management employees shall also be entitled for the Hardship Allowance and Loyalty Bonus as per policy of the Company.

8.7. The remuneration to other employees of the Company shall be governed by DNL HR Policy.

8.8 Loans and Advances to Employees

(a) The Loan, advance and other financial assistance facilities to the employees shall be governed by the DNL HR policy as amended from time to time and shall be considered as a part of 'conditions of service' for employees of the Company.

(b) Advances to the employees for the purpose of performance of his duties shall be governed by the DNL HR Policy as amended from time to time and shall be considered as a part of 'conditions of service' for employees of the Company.

9. BOARD DIVERSITY

9.1. The Board of Directors shall have the optimum combination of Directors from the different areas / fields like operations, projects, production, management, quality assurance, finance, legal, sales and marketing, research and development, Human Resources etc. or as may be considered appropriate.

9.2. The Board shall have at least one Director who has accounting or related financial management expertise.

10. DISCLOSURE

This Policy shall be disclosed in the Board's Report.

11. REVIEW OF THE POLICY

This Policy shall be reviewed by the Committee after every three years.

12. AMENDMENTS TO THE POLICY

The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the competent authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

For and on behalf of the Board

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

Place : Vadodara
Date : May 26, 2020

Annexure - E

Form No. MGT - 9

EXTRACT OF ANNUAL RETURN

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

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

Sr. No.	Name and Description of main Products/Services	NIC Code of the Product/Service	% to Total Turnover of the Company
1.	4-4 Amino Stilbene 2-2 Disulphonic Acid	24121	19%
2.	Optical Brightening Agent	24121	16%
3.	Nitro Toluene	24121	14%
4.	Sodium Nitrite	24121	13%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1.	Deepak Phenolics Limited Registered Office at First Floor, Aaditya-II, Chhani Road, Vadodara - 390024, Gujarat, India	U24100GJ2011PLC064669	Subsidiary	100%	2(87)(ii)
2.	Deepak Nitrite Corporation Inc. 565 Metro Place South, Suite 300 Dublin, OH 43017, USA	NA	Subsidiary	100%	2(87)(ii)

IV. SHAREHOLDING PATTERN (Equity share Capital Break up as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the Beginning of the Financial Year 2019-20				No. of Shares held at the End of the Financial Year 2019-20				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters[1]Indian									
Individuals/H.U.F	2,28,67,361	-	2,28,67,361	16.76	2,32,31,861	-	2,32,31,861	17.03	0.27
Central/State Government(s)	-	-	-	-	-	-	-	-	-
Financial Institutions/Banks	-	-	-	-	-	-	-	-	-
Bodies Corporate	3,83,25,107	-	3,83,25,107	28.10	3,90,88,107	-	3,90,88,107	28.66	0.56
Any other (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1)	**6,11,92,468**	**-**	**6,11,92,468**	**44.86**	**6,23,19,968**	**-**	**6,23,19,968**	**45.69**	**0.83**
Foreign									
Non Resident Individuals/ Foreign Nationals	-	-	-	-	-	-	-	-	-
Bodies Corporate	-	-	-	-	-	-	-	-	-
Institutions	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Any other (specify)	-	-	-	-	-	-	-	-	-
Sub Total (A)(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total holding of Promoter (A)=(A)(1)+(A)(2)	**6,11,92,468**	**-**	**6,11,92,468**	**44.86**	**6,23,19,968**	**-**	**6,23,19,968**	**45.69**	**0.83**
B. Public Shareholding									
Non- Institutions									
Mutual Fund/UTI	2,03,84,369	9,000	2,03,93,369	14.95	2,07,94,669	9,000	2,08,03,669	15.25	0.30
Financial Institutions/Banks	7,01,224	1,100	7,02,324	0.52	3,36,268	1,100	3,37,368	0.25	(0.27)
Central/State Government(s)	-	-	-	-	-	-	-	-	-
Venture Capital Funds	-	-	-	-	-	-	-	-	-
Alternate Investment Funds	86,600	-	86,600	0.06	3,14,036	-	3,14,036	0.23	0.17
Insurance Companies	-	-	-	0.00	6,20,751	-	6,20,751	0.46	0.46
Foreign Portfolio Investor	1,40,23,615	-	1,40,23,615	10.28	1,49,54,542	-	1,49,54,542	10.96	0.68
Foreign Venture Cap. Inv	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Any other (specify)									
Foreign Banks	1,350	-	1,350	0.00	1,350	-	1,350	0.00	0.00
Sub-Total (B)(1)	**3,51,97,158**	**10,100**	**3,52,07,258**	**25.81**	**3,70,21,616**	**10,100**	**3,70,31,716**	**27.15**	**1.34**
Central Government/ State Government(s)/ President of India	-	-	-	-	-	-	-	-	-
Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
Sub Total (B)(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-
Non Institutions									
Bodies Corporate	92,72,433	-	92,72,433	6.81	68,05,179	-	68,05,179	5.00	(1.81)
Individuals									
i) Holding nominal share capital upto ₹ 1 lakh	2,03,95,467	12,10,495	2,16,05,962	15.84	2,05,60,866	10,89,651	2,16,50,517	15.87	0.03
ii) Holding nominal share capital in excess of ₹ 1 lakh	59,44,459	1,08,170	60,52,629	4.44	49,71,759	-	49,71,759	3.64	(0.80)
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Any other(specify)									
Trusts	8,186	-	8,186	0.01	1,004	-	1,004	0.00	0.01
Hindu Undivided Family	15,04,252	10	15,04,262	1.10	14,02,156	-	14,02,156	1.03	(0.07)
Individual NRI- Rep.- Non Rep.	10,49,315	6,050	10,55,365	0.77	12,82,914	6,050	12,88,964	0.95	0.18
Clearing Member	2,08,355	-	2,08,355	0.16	3,77,080	-	3,77,080	0.28	0.12

Category of Shareholders	No. of Shares held at the Beginning of the Financial Year 2019-20				No. of Shares held at the End of the Financial Year 2019-20				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
NBFC registered with RBI	61,083	-	61,083	0.04	5,690	-	5,690	0.00	(0.04)
Employee Trust	-	-	-	-	3,15,318	-	3,15,318	0.23	0.23
IEPF	2,25,040		2,25,040	0.16	2,23,690	-	2,23,690	0.16	0.00
Sub-Total (B)(3)	**3,86,68,590**	**13,24,725**	**3,99,93,315**	**29.33**	**3,59,45,656**	**10,95,701**	**3,70,41,357**	**27.16**	**(2.17)**
Total Public shareholding (B)=(B)(1)+(B)(2)+(B)(3)	**7,38,65,748**	**13,34,825**	**7,52,00,573**	**55.14**	**7,29,67,272**	**11,05,801**	**7,40,73,073**	**54.31**	**(0.83)**
TOTAL (A)+(B)	**13,50,58,216**	**13,34,825**	**13,63,93,041**	**100.00**	**13,52,87,240**	**11,05,801**	**13,63,93,041**	**100.00**	**-**
Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A)+(B)+(C)	**13,50,58,216**	**13,34,825**	**13,63,93,041**	**100.00**	**13,52,87,240**	**11,05,801**	**13,63,93,041**	**100.00**	**-**

1. *Includes Shareholding of Promoter Group.*

(ii) Shareholding of Promoters

Details of Shareholding of Promoters and Promoters group

Sr. No.	Shareholder's Name	Shareholding at the Beginning of the Financial Year 2019-20			Shareholding at the End of the Financial Year 2019-20			% Change in Shareholding during the Year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	%of Shares Pledged/ encumbered to Total Shares	
1	Chimanlal K. Mehta[1, 2]	86,430	0.06	-	10,24,430	0.75	-	0.69
2	Deepak C. Mehta[2]	2,12,16,331	15.56	-	2,15,64,831	15.81	-	0.25
3	Ajay C. Mehta[3]	-	-	-	-	-	-	-
4	Kantaben Chimanlal Mehta[3]	9,70,000	0.71	-	0	0.00	-	(0.71)
5	Ila Deepak Mehta[3]	3,96,010	0.29	-	3,96,010	0.29	-	-
6	Maulik Deepak Mehta[2]	1,31,300	0.10	-	1,31,300	0.10	-	-
7	Meghav Deepak Mehta[3]	47,290	0.03	-	47,290	0.03	-	-
8	Ahaana Maulik Mehta[3]	20,000	0.01	-	36,000	0.03	-	0.02
9	Prahaan Maulik Mehta[3]	0	0.00	-	32,000	0.02	-	0.02
10	Checkpoint Credits and Capital Private Limited[3]	72,06,050	5.28	-	72,06,050	5.28	-	-
11	Stepup Credits and Capital Private Limited[3]	69,15,580	5.07	-	69,15,,580	5.07	-	-
12	Stigma Credits and Capital Private Limited[3]	61,78,100	4.53	-	61,78,100	4.53	-	-
13	Skyrose Finvest Private Limited[3]	38,02,357	2.79	-	38,29,357	2.81	-	0.02
14	Pranawa Leafin Private Limited[3]	23,04,000	1.69	-	23,04,000	1.69	-	-
15	Forex Leafin Private Limited[3]	21,69,780	1.59	-	21,69,780	1.59	-	-
16	Stiffen Credits and Capital Private Limited[3]	83,79,940	6.14	-	84,15,940	6.17	-	0.03
17	Sundown Finvest Private Limited[3]	8,33,300	0.61	-	8,33,300	0.61	-	-
18	Storewell Credits and Capital Private Limited[3]	1,90,000	0.14	-	8,90,000	0.65	-	0.51
19	Hardik Leafin Private Limited[3]	3,46,000	0.25	-	3,46,000	0.25	-	-
	Total	**6,11,92,468**	**44.86**	**-**	**6,23,19,968**	**45.69**	**-**	**0.83**

[1] *Include 8040 shares held as the Karta of HUF.*

[2] *Promoter*

[3] *Promoter Group*

(iii) Change in Promoters' and Promoter groups Shareholding

Sr. No.	Name & Reason for Increase/Decrease	Shareholding at the Beginning of the Financial Year – 2019-20		Transactions during the year		Cumulative Shareholding at the End of the Financial Year – 2019-20	
		No. of Shares held	% of Total Share of the Company	Date	Increase / (Decrease)	No. of Shares held	% of Total Share of the Company
1	**Chimanlal K. Mehta**	**86,430**	**0.06**				
	Transmission[1]			July 9, 2019	9,70,000	10,56,430	0.77
	Transfer by way of gift			December 24, 2019	(16,000)	10,40,430	0.76
	Transfer by way of gift			February 14, 2020	(16,000)	10,24,430	0.75
	At the end of the Year					**10,24,430**	**0.75**
2	**Kantaben C. Mehta**	**9,70,000**	**0.71**				
	Transmission[1]			July 9, 2019	(9,70,000)	0	0.00
	At the end of the Year					**0**	**0.00**
3	**Deepak C. Mehta**	**2,12,16,331**	**15.56**				
	Market Purchase			August,14, 2019	36,000	2,12,52,331	15.58
	Market Purchase			August 21, 2019	3,00,000	2,15,52,331	15.80
	Transfer by way of gift			February 17, 2020	(16,000)	2,15,36,331	15.78
	Market Purchase			March 19, 2020	7,500	2,15,43,831	15.80
	Market Purchase			March 20, 2020	21,000	2,15,64,831	15.81
	At the end of the Year					**2,15,64,831**	**15.81**
4	**Ahanna Maulik Mehta**	**20,000**	**0.02**				
	Transfer by way of gift			December 24, 2019	16,000	36,000	0.03
	At the end of the Year					**36,000**	**0.03**
5	**Prahaan Maulik Mehta**	**0**	**0.00**				
	Transfer by way of gift			February 14, 2020	16,000	16,000	0.01
	Transfer by way of gift			February 17, 2020	16,000	32,000	0.02
	At the end of the Year					**32,000**	**0.02**
6	**Skyrose Finvest Private Limited**	**38,02,357**	**2.79**				
	Market Purchase			August 20, 2019	27,000	38,29,357	2.81
	At the end of the Year					**38,29,357**	**2.81**
7	**Stiffen Credits and Capital Private Limited**	**83,79,940**	**6.14**				
	Market Purchase			March 19, 2020	36,000	84,15,940	6.17
	At the end of the Year					**84,15,940**	**6.17**
8	**Storewell Credits and Capital Private Limited**	**1,90,000**	**0.14**				
	Market Purchase			August 21, 2019	7,00,000	8,90,000	0.65
	At the end of the Year					**8,90,000**	**0.65**

[1] *9,70,000 Equity Shares of the Company were transmitted to Shri Chimanlal K. Mehta due to sad demise of Smt. Kantaben C. Mehta.*

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

Sr. No.	Name & Reason of Increase/Decrease	Shareholding at the Beginning of the Financial Year – 2019-20		Transactions during the year		Cumulative Shareholding at the End of the Financial Year – 2019-20	
		No. of Shares Held	% of Total Shares of the Company	Date	Increase / (Decrease)	No. of Shares Held	% of Total Shares of the Company
1	**Reliance Capital Trustee Company Limited -A/C Nippon India Small Cap Fund**	**74,97,953**	**5.50**				
	Transfer			April 26, 2019	(17,000)	74,80,953	5.48
	Transfer			May 10, 2019	3,70,000	78,50,953	5.76
	Transfer			May 17, 2019	(1,00,000)	77,50,953	5.68
	Transfer			June 07, 2019	1,21,851	78,72,804	5.77
	Transfer			June 14, 2019	3,61,779	82,34,583	6.04
	Transfer			June 21, 2019	79,398	83,13,981	6.10
	Transfer			September 27, 2019	52,000	83,65,981	6.13

Sr. No.	Name & Reason of Increase/Decrease	Shareholding at the Beginning of the Financial Year – 2019-20		Transactions during the year		Cumulative Shareholding at the End of the Financial Year – 2019-20	
		No. of Shares Held	% of Total Shares of the Company	Date	Increase / (Decrease)	No. of Shares Held	% of Total Shares of the Company
	Transfer			November 08, 2019	1,00,000	84,65,981	6.20
	Transfer			November 15, 2019	(92,049)	83,73,932	6.14
	Transfer			November 29, 2019	(3,47,422)	80,26,510	5.88
	Transfer			December 27, 2019	(72,154)	79,54,356	5.83
	Transfer			December 31, 2019	(62,433)	78,91,923	5.79
	Transfer			January 17, 2020	(2,956)	78,88,967	5.78
	Transfer			January 24, 2020	(42,457)	78,46,510	5.75
	Transfer			February 14, 2020	(1,95,000)	76,51,510	5.61
	Transfer			February 21, 2020	(50,000)	76,01,510	5.57
	At the end of Year					**76,01,510**	**5.57**
2	**Franklin India Smaller Companies Fund**	**57,78,251**	**4.24**				
	Transfer			July 19, 2019	(1,00,000)	56,78,251	4.16
	Transfer			October 11, 2019	7,238	56,85,489	4.17
	Transfer			March 20, 2020	25,000	57,10,489	4.19
	At the end of the Year					**57,10,489**	**4.19**
3	**Land T Mutual Fund Trustee Limited - Land T India Value Fund**	**33,37,070**	**2.45**				
	Transfer			May 31, 2019	1,54,800	34,91,870	2.56
	Transfer			June 14, 2019	1,53,130	36,45,000	2.67
	Transfer			July 12, 2019	37,611	36,82,611	2.70
	Transfer			July 19, 2019	43,215	37,25,826	2.73
	Transfer			September 06, 2019	69,081	37,94,907	2.78
	Transfer			February 14, 2020	1,77,900	39,72,807	2.91
	Transfer			February 21, 2020	3,50,000	43,22,807	3.16
	Transfer			March 6, 2020	4,14,090	47,36,897	3.47
	Transfer			March 13, 2020	1,16,366	48,53,263	3.56
	Transfer			March 20, 2020	3,00,244	51,53,507	3.78
	Transfer			March 27, 2020	57,600	52,11,107	3.82
	Transfer			March 31, 2020	1,50,000	53,61,107	3.93
	At the end of the Year					**53,61,107**	**3.93**
4	**DCS Infotech Private Limited**	**46,48,720**	**3.41**				
	At the end of the Year					**46,48,720**	**3.41**
5	**Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Pure Value Fund**	**73,58,733**	**5.40**				
	Transfer			April 5, 2019	(48,000)	73,10,733	5.36
	Transfer			April 12, 2019	82,357	73,93,090	5.42
	Transfer			May 17, 2019	27,705	74,20,795	5.44
	Transfer			May 24, 2019	(81,000)	73,39,795	5.38
	Transfer			May 31, 2019	(2,00,000)	71,39,795	5.23
	Transfer			June 07, 2019	(40,000)	70,99,795	5.20
	Transfer			June 14, 2019	39,900	71,39,695	5.23
	Transfer			July 12, 2019	1,01,795	72,41,490	5.30
	Transfer			July 26, 2019	50,000	72,91,490	5.35
	Transfer			August 02, 2019	47,000	73,38,490	5.38
	Transfer			August 09, 2019	(5,18,424)	68,20,066	5.00
	Transfer			August 16, 2019	(1,05,000)	67,15,066	4.92
	Transfer			August 23, 2019	(11,52,000)	55,63,066	4.08
	Transfer			August 30, 2019	(20,000)	55,43,066	4.06
	Transfer			September 06, 2019	(1,05,000)	54,38,066	3.99
	Transfer			September 20, 2019	(2,43,100)	51,94,966	3.81
	Transfer			December 06, 2019	6,158	52,01,124	3.81

Sr. No.	Name & Reason of Increase/Decrease	Shareholding at the Beginning of the Financial Year – 2019-20		Transactions during the year		Cumulative Shareholding at the End of the Financial Year – 2019-20	
		No. of Shares Held	% of Total Shares of the Company	Date	Increase / (Decrease)	No. of Shares Held	% of Total Shares of the Company
	Transfer			December 27, 2019	(13,000)	51,88,124	3.80
	Transfer			December 31, 2019	(1,09,300)	50,78,824	3.72
	Transfer			January 17, 2020	(92,433)	49,86,391	3.66
	Transfer			January 31, 2020	(1,41,346)	48,45,045	3.55
	Transfer			February 07, 2020	(1,64,500)	46,80,545	3.43
	Transfer			February 14, 2020	(94,421)	45,86,124	3.36
	Transfer			February 21, 2020	(1,45,000)	44,41,124	3.26
	Transfer			February 28, 2020	15,000	44,56,124	3.27
	Transfer			March 06, 2020	(1,08,073)	43,48,051	3.19
	Transfer			March 20, 2020	63,073	44,11,124	3.23
	Transfer			March 27, 2020	(2,64,046)	41,47,078	3.04
	Transfer			March 31, 2020	(1,00,000)	40,47,078	2.97
	At the end of Year					**40,47,078**	**2.97**
6	**IDFC Sterling Value Fund**	**41,44,757**	**3.04**				
	Transfer			April 05, 2019	28,000	41,72,757	3.06
	Transfer			June 14, 2019	3,09,535	44,82,292	3.29
	Transfer			June 21, 2019	33,458	45,15,750	3.31
	Transfer			June 29, 2019	42,275	45,58,025	3.34
	Transfer			July 05, 2019	31,282	45,89,307	3.36
	Transfer			July 19, 2019	(3,118)	45,86,189	3.36
	Transfer			July 26, 2019	3,118	45,89,307	3.36
	Transfer			August 09, 2019	19,000	46,08,307	3.38
	Transfer			August, 16, 2019	45,000	46,53,307	3.41
	Transfer			September 06, 2019	10,000	46,63,307	3.42
	Transfer			September 20, 2019	35,000	46,98,307	3.44
	Transfer			October 11, 2019	20,000	47,18,307	3.46
	Transfer			October 18, 2019	30,000	47,48,307	3.48
	Transfer			October 25, 2019	(40,000)	47,08,307	3.45
	Transfer			November 01, 2019	(32,931)	46,75,376	3.43
	Transfer			November 15, 2019	(32,814)	46,42,562	3.40
	Transfer			November 22, 2019	(11,253)	46,31,309	3.40
	Transfer			November 29, 2019	27,684	46,58,993	3.42
	Transfer			December 06, 2019	20,000	46,78,993	3.43
	Transfer			December 20, 2019	(76,204)	46,02,789	3.37
	Transfer			December 27, 2019	(143,796)	44,58,993	3.27
	Transfer			January 03, 2020	(69,337)	43,89,656	3.22
	Transfer			January 10, 2020	(6,235)	43,83,421	3.21
	Transfer			January 17, 2020	(77,812)	43,05,609	3.16
	Transfer			January 24, 2020	(41,804)	42,63,805	3.13
	Transfer			February 07, 2020	(10,180)	42,53,625	3.12
	Transfer			February 14, 2020	(49,820)	42,03,805	3.08
	Transfer			February 21, 020	(62,522)	41,41,283	3.04
	Transfer			February 28, 2020	(87,478)	40,53,805	2.97
	Transfer			March 06, 2020	(46,544)	40,07,261	2.94
	At the end of the Year					**40,07,261**	**2.94**
7	**SBI Magnum Multicap Fund**	**26,38,266**	**1.93**				
	Transfer			April 12, 2019	(37,801)	26,00,465	1.91
	Transfer			April 19, 2019	(91,765)	25,08,700	1.84
	Transfer			April 26, 2019	(15,434)	24,93,266	1.83
	Transfer			May 10, 2019	(50,000)	24,43,266	1.79
	Transfer			June 29, 2019	36,714	24,79,980	1.82

Sr. No.	Name & Reason of Increase/Decrease	Shareholding at the Beginning of the Financial Year – 2019-20		Transactions during the year		Cumulative Shareholding at the End of the Financial Year – 2019-20	
		No. of Shares Held	% of Total Shares of the Company	Date	Increase / (Decrease)	No. of Shares Held	% of Total Shares of the Company
	Transfer			September 20, 2019	12,172	24,92,152	1.83
	Transfer			September 27, 2019	2,97,515	27,89,667	2.05
	Transfer			October 11, 2019	(78,000)	27,11,667	1.99
	Transfer			November 08, 2019	2,09,460	29,21,127	2.14
	Transfer			November 15, 2019	86,283	30,07,410	2.21
	Transfer			November 29, 2019	3,57,856	33,65,266	2.47
	Transfer			January 31, 2020	(10,009)	33,55,257	2.46
	Transfer			February 07, 2020	(1,19,991)	32,35,266	2.37
	Transfer			February 21, 2020	70,000	33,05,266	2.42
	Transfer			March 13, 2020	50,000	33,55,266	2.46
	Transfer			March 20, 2020	2,26,889	35,82,155	2.63
	At the end of the Year					**35,82,155**	**2.63**
8	**Ashish Kacholia**	**7,50,000**	**0.55**				
	Transfer			June 21, 2019	50,000	8,00,000	0.59
	Transfer			June 29, 2019	528	8,00,528	0.59
	Transfer			July 26, 2019	17,239	8,17,767	0.60
	Transfer			August 02, 2019	62,233	8,80,000	0.65
	Transfer			February 07, 2020	(1,00,000)	7,80,000	0.57
	Transfer			March 06, 2020	(1,27,902)	6,52,098	0.47
	At the end of the Year					**6,52,098**	**0.47**
9	**The New India Assurance Company Limited**	**0**	**0.00**				
	Transfer			January 24, 2020	50,000	50,000	0.04
	Transfer			January 31, 2020	88,811	1,38,811	0.10
	Transfer			February 07, 2020	1,48,200	2,87,011	0.21
	Transfer			February 14, 2020	2,52,989	5,40,000	0.40
	At the end of the Year					**5,40,000**	**0.40**
10	**Lincoln P Coelho**	**5,00,000**	**0.37**				
	Transfer			March 27, 2020	(18,943)	4,81,057	0.35
	At the end of the Year					**4,81,057**	**0.35**

(v) Shareholding of Directors and Key Managerial Personnel:

None of the Directors or KMP, except Shri Deepak C. Mehta and Shri Maulik D. Mehta (covered under point (ii) above), hold any Shares of the Company and the changes in the shareholdings of Shri Deepak C. Mehta and Shri Maulik D. Mehta, if any, are disclosed under point (iii) above.

V. INDEBTEDNESS

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

(₹ in Crores)

Indebtedness at the Beginning of the Financial Year 2019-20	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	293.78	33.83	-	327.61
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.72	0.25	-	0.97
Total (i+ii+iii)	**294.50**	**34.08**		**328.58**
Change in Indebtedness during the Financial Year 2019-20				
· Addition	0.73	123.30	-	124.04
· Reduction	(210.56)	(33.91)	-	(244.47)
Net Change	**(209.83)**	**89.39**	-	**(120.44)**
Indebtedness at the End of the Financial Year 2019-20				
i) Principal Amount	84.25	123.30	-	207.55
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.42	0.17	-	0.59
Total (i+ii+iii)	**84.67**	**123.47**	-	**208.14**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Crores)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		Shri Deepak C. Mehta	Shri Umesh Asaikar	Shri Maulik Mehta	Shri Sanjay Upadhyay	
1.	**Gross Salary** (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	5.44	5.87	1.30	2.71	15.32
	(b) Value of Perquisites u/s 17(2) Income Tax Act, 1961	1.48	0.60	0.23	0.42	2.73
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as % of profit	7.00	-	-	-	7.00
	- others	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
	Total (A)	**13.92**	**6.47**	**1.53**	**3.13**	**25.05**

Ceiling as per the Act ₹ 82.12 Crores (being 11% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013).

B. Remuneration to other Directors:

(Amount in ₹)

Particulars of Remuneration	Name of Directors											Total Amount
	Non- Executive Directors											
	Shri Nimesh Kampani	Shri Sudhin Choksey	Shri Sudhir Mankad	Dr. Richard H. Rupp	Shri Sandesh Kumar Anand	Dr. Swaminathan Sivaram	Prof. Indira Parikh	Shri Ajay C. Mehta	Shri Sanjay Asher	Smt. Purvi Sheth	Shri Dileep Choksi	
Fee for attending Board/Committee Meetings	60,000	1,35,000	3,90,000	2,40,000	4,80,000	2,70,000	75,000	1,50,000	3,00,000	1,65,000	30,000	22,95,000
Commission	5,00,000	10,00,000	15,00,000	30,00,000	60,00,000	12,00,000	3,00,000	-	15,00,000	7,00,000	-	1,57,00,000
Total (B)	**5,60,000**	**11,35,000**	**18,90,000**	**32,40,000**	**64,80,000**	**14,70,000**	**3,75,000**	**1,50,000**	**18,00,000**	**8,65,000**	**30,000**	**1,79,95,000**

Ceiling as per the Act ₹ 7.47 Crores (being 1% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013).

Total Managerial Remuneration ₹ 26.62 Crores

Overall Ceiling as per the Act ₹ 82.12 Crores (being 11% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)

C. Remuneration to Key Managerial Personnel other than Managing Director/Manager/Whole-time Director

(₹ in Crores)

Sr. No.	Particulars of Remuneration	Company Secretary
1	Gross Salary	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	0.55
	(b) Value of Perquisites u/s 17(2) Income Tax Act, 1961	0.01
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission	-
	- as % of profit	
	- others, specify	
5.	Others, please specify	-
Total		0.56

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board

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

Place: Vadodara
Date: May 26, 2020

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, 2020 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, 2020:

Name of the Director/ KMP	Remuneration* (₹ in Crores)	% Increase in Remuneration in the F.Y. 2019-20#	Ratio to Median Remuneration
Shri Deepak C. Mehta Chairman & Managing Director	13.92	53.58	270.89
Shri Umesh Asaikar Executive Director & CEO	6.47	17.15	122.81
Shri Sanjay Upadhyay Director-Finance & CFO	3.13	25.13	59.50
Shri Maulik Mehta Whole-time Director	1.53	23.07	28.99
Shri Ajay C. Mehta Non-Executive Director	-	-	-
Shri Nimesh Kampani[1] Independent Director	0.05	(37.50)	0.97
Shri Sudhin Choksey[2] Independent Director	0.10	0.00	1.95
Dr. Richard H. Rupp, Independent Director	0.30	200.00	5.84
Shri Sudhir Mankad Independent Director	0.15	50.00	2.92
Shri Sandesh Kumar Anand Independent Director	0.60	140.00	11.67
Dr. Swaminathan Sivaram Independent Director	0.12	50.00	2.33
Prof. Indira Parikh[3] Independent Director	0.03	(25.00)	0.58
Shri Sanjay Asher[4] Independent Director	0.15	NA	NA
Smt. Purvi Sheth[5] Independent Director	0.07	NA	NA
Shri Dileep Choksi[6] Independent Director	0.00	NA	NA
Shri Arvind Bajpai Company Secretary	0.56	23.43	NA

* Excluding sitting fees.

Excluding special incentive of one time in nature.

[1] *Shri Nimesh Kampani ceased to be Director of the Company w.e.f. August 8, 2019.*

[2] *Shri Sudhin Choksey ceased to be Director of the Company w.e.f. October 11, 2019.*

[3] *Prof. Indira Parikh ceased to be Director of the Company w.e.f. August 9, 2019.*

[4] *Shri Sanjay Asher has been appointed as an Independent Director w.e.f. May 3, 2019.*

[5] *Smt. Purvi Sheth has been appointed as an Independent Director w.e.f. May 3, 2019.*

[6] *Shri Dileep Choksi has been appointed as an Independent Director w.e.f February 3, 2020.*

Notes:

1. In the Financial Year 2019-20, there was an increase of 7.83% in the median remuneration of employees.
2. There were 1,472 permanent employees on the rolls of the Company as on March 31, 2020.
3. Average Percentile increase already made in the salaries of employees other than Managerial Personnel in the last Financial Year was 10 % and average percentile increase in remuneration of Managerial Personnel was 29.73%.

   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 & 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 26, 2020

PART (B) - Information as per Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the Financial Year ended March 31, 2020.

(a) Details of Top Ten Employees in terms of Remuneration drawn during the Financial Year ended March 31, 2020:

(₹ in Crores)

Sr. No.	Name of Employee	Designation	Remuneration Received	Nature of Employment	Qualification	Experience	Date of commencement of Employment	Age	The Last Employment held before joining the Company	% of Equity shares held
1	Shri Deepak C. Mehta	Chairman & Managing Director	13.92	Permanent	B.Sc.	42 Years	June 14,1978	64	Industrialist	15.81
2	Shri Umesh Asaikar	Executive Director & Chief Executive Officer	6.47	Permanent	B.Tech, MMS, ACMA	41 Years	September 01, 2008	65	Defiance Knitting Industries Limited	NIL
3	Shri Sanjay Upadhyay	Director-Finance & Chief Financial Officer	3.13	Permanent	M.Com, ACMA, FCS, AMP (Wharton USA)	39 Years	April 01,1994	59	Bhor Industries Limited	NIL
4	Shri Maulik D. Mehta	Whole-time Director	1.53	Permanent	MBA	12 Years	August 06, 2011	37	Rotaract Club of Pune	0.10
5	Shri Girish R. Satarkar	President – Basic Chemical	1.20	Permanent	M. Tech	32 Years	February 02, 2015	57	Diamines & Chemicals Limited	NIL
6	Shri Kamalakar Rao	Head - Fine & Speciality Chemicals	0.91	Permanent	B.Sc., MBA	36 Years	December 01,1992	61	Chemox Industries Limited	NIL
7	Shri Milan R. Nikte	President - Performance Product	0.84	Permanent	B.Sc., M.Sc.	30 Years	July 11, 2018	55	Pulcra Industries Limited	0.00[1]
8	Shri Rajendra Y. Shinde	Sr.GM - Marketing (Basic Chemical)	0.74	Permanent	B.Sc., MMS	34 Years	May 09,1994	55	Pidilite Industries Limited	NIL
9	Dr. Prashant Rao	Vice President - Human Resource	0.71	Permanent	MSW, LLB, Ph.D.	25 Years	November 23, 2018	47	Reliance Industries Limited	NIL
10	Shri Aminmahamad Ismaili	Sr. GM - Technology Development	0.67	Permanent	B.E	30 Years	September 07, 2018	52	Paushak Limited	NIL

[1] Shri Milan R. Nikte holds 100 Equity Shares of the Company.

(b) Details of every Employee, who was employed throughout the Financial Year, was in receipt of Remuneration for that year which, in the aggregate, was not less than One Crore Two Lakh Rupees:

(₹ in Crores)

Sr. No.	Name of Employee	Designation	Remuneration Received	Nature of Employment	Qualification	Experience	Date of commencement of Employment	Age	The Last Employment held before joining the Company	% of Equity shares held
1	Shri Deepak C. Mehta	Chairman & Managing Director	13.92	Permanent	B.Sc.	42 Years	June 14,1978	64	Industrialist	15.81
2	Shri Umesh Asaikar	Executive Director & Chief Executive Officer	6.47	Permanent	B.Tech, MMS, ACMA	41 Years	September 01, 2008	65	Defiance Knitting Industries Limited	NIL
3	Shri Sanjay Upadhyay	Director-Finance & Chief Financial Officer	3.13	Permanent	M.Com, ACMA, FCS, AMP (Wharton USA)	39 Years	April 01,1994	59	Bhor Industries Limited	NIL
4	Shri Maulik D. Mehta	Whole-time Director	1.53	Permanent	MBA	12 Years	August 06, 2011	37	Rotaract Club of Pune	0.10
5	Shri Girish R. Satarkar	President – Basic Chemical	1.20	Permanent	M. Tech	32 Years	February 02, 2015	57	Diamines & Chemicals Limited	NIL

(c) Details of every Employee, who was employed for a part of the Financial Year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than Eight Lakh Fifty Thousand Rupees per Month:

(₹ in Crores)

Sr. No.	Name of Employee	Designation	Remuneration Received	Nature of Employment	Qualification	Experience	Date of commencement of Employment	Age	The Last Employment held before joining the Company	% of Equity shares held
1	Shri Saiprasad Jadhav	President – Fine & Speciality Chemicals	1.31	Permanent	B.Tech	31 Years	April 17, 2017	51	Cadila Pharmaceuticals Limited	NIL

(d) Details of every Employee, who was employed throughout the Financial Year or part thereof, was in receipt of Remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the Managing Director or Whole-Time Director or Manager and holds by himself or along with his spouse and dependent children, not less than Two percent of the Equity Shares of the Company:

Sr. No.	Name of Employee	Designation	Remuneration Received	Nature of Employment	Qualification	Experience	Date of commencement of Employment	Age	The Last Employment held before joining the Company	% of Equity shares held
-	-	-	-	-	-	-	-	-	-	-

(e) Details of Employees posted and working in a country outside India, not being Directors or their relatives, drawing more than Sixty Lakh Rupees per Financial Year or Five Lakh Rupees per Month, as the case may be during the Financial Year 2019-20:

Sr. No.	Name of Employee	Designation	Remuneration Received	Nature of Employment	Qualification	Experience	Date of commencement of Employment	Age	The Last Employment held before joining the Company	% of Equity shares held
-	-	-	-	-	-	-	-	-	-	-

Note: Shri Deepak C. Mehta and Shri Ajay C. Mehta are brothers. Shri Maulik D. Mehta is son of Shri Deepak C. Mehta and nephew of Shri Ajay C. Mehta

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

Place: Vadodara
Date: May 26, 2020

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:

- improvements in Flash steam and condensate recovery, chilling units efficiency improvements & air leakage survey in plant.
- Processes improved to reduce utility and improve energy conservation.
- Implementation of BEESAS (Boiler Efficiency & Environment Safety Automation System) to improve boiler efficiency.
- Electrical heater in (AHU) Air Heater Unit sections is replaced by recovered flash steam.

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

- Power generation by using back pressure turbine.

(iii) Capital Investment on energy conservation equipments: ₹ 2.13 Crores

(B) Technology Absorption:

(i) Efforts made towards technology absorption:

- Technology developed for import substituted products.
- In-house Technology development cell for converting existing batch process into continuous process.

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

- Processes developed for import substituted products in the in-house Research & Development 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.

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

(iv) Expenditure incurred on Research and Development:

(₹ in Crores)

Particulars	2019-20	2018-19
a) Capital	3.09	1.93
b) Recurring	10.43	8.11
Total	13.52	10.04
Total R&D expenditure as a percentage to total turnover	0.61%	0.56%

(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	2019-20	2018-19
Total Foreign Exchange Earned	935.83	579.08
Total Foreign Exchange Outgo	222.31	318.10

For and on behalf of the Board

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

Place : Vadodara
Date : May 26, 2020

Corporate Governance Report

for the year ended March 31, 2020

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

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

Your Company firmly believes that for a company to succeed on a sustained basis, it must maintain global standards of Corporate Conduct. It also believes that Corporate Governance is not simply a matter of creating checks and balances; it is about creating an outperforming organisation, which leads to increasing employee and customer satisfaction.

2. BOARD OF DIRECTORS:

(i) Composition and Category of Directors

The Board of Directors along with its Committees provides leadership and guidance to the Management and directs and supervises the performance of the Company, thereby enhancing stakeholder value.

The Board has a fiduciary relationship in ensuring that the rights of all stakeholders are protected. The Company has an engaged and well informed Board with qualifications and experience in diverse areas. The Board composition is in conformity with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('the Listing Regulations') and the Companies Act, 2013 ("the Act").

The Board of Directors of your Company has an optimum combination of Executive and Non-Executive Directors including an Independent Woman Director. The Board of Directors as on March 31, 2020, comprised of twelve (12) Directors, out of which four (4) were Executive Directors, one (1) Non-Executive Director and seven (7) Independent Directors. The Chairman of the Board is an Executive Director.

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

(1) Shri Sanjay Asher (DIN:00008221) and Smt. Purvi Sheth (DIN:06449636) were appointed as Independent Directors of your Company for a term of three (3) consecutive years commencing from June 28, 2019 till June 27, 2022.

(2) Shri Nimesh Kampani (DIN:00009071) ceased to be a Director effective from August 8, 2019 on completion of his term as an Independent Director of the Company.

(3) Prof. Indira Parikh (DIN:00143801) ceased to be a Director effective from August 9, 2019 on completion of her term as an Independent Director of the Company.

(4) Shri Sudhin Choksey (DIN: 00036085) resigned as an Independent Director of the Company effective from October 11, 2019 as he was proposed to be appointed as an Executive Director on Bandhan Bank post amalgamation of GRUH Finance Limited with Bandhan Bank.

(5) Shri Dileep Choksi (DIN: 00016322) has been appointed as an Independent Director of the Company with effect from February 3, 2020.

As on March 31, 2020, the composition of the Board is in conformity with the Listing Regulations and the Act and the members on the Board are classified and categorized as under:

Sr. No.	Category	Name of Director
I.	Promoter and Executive Directors	Shri Deepak C. Mehta *Chairman & Managing Director* Shri Maulik D. Mehta *Whole-time Director*
II.	Promoter and Non-Executive Director	Shri Ajay C. Mehta *Non-Executive Director*
III	Executive Directors	Shri Umesh Asaikar *Executive Director & CEO* Shri Sanjay Upadhyay *Director - Finance & CFO*

Sr. No.	Category	Name of Director
IV.	Non-Executive and Independent Directors	Dr. Richard H. Rupp Shri Sudhir Mankad Shri Sandesh Kumar Anand Dr. Swaminathan Sivaram Shri Sanjay Asher Smt. Purvi Sheth Shri Dileep Choksi

(ii) Board Meetings

During the Financial Year 2019-20, Six (6) Board Meetings were held on May 3, 2019, August 2, 2019, September 9, 2019, October 24, 2019, February 3, 2020 and March 4, 2020. The maximum time gap between the two Board Meetings was not more than one hundred twenty (120) days as prescribed under the Act as well as Listing Regulations.

The details of composition of the Board, category, attendance of Directors at the Board Meetings and at the previous Annual General Meeting (48th AGM), number of other Directorships and Committee positions as on March 31, 2020 are as under:

Name of the Director	Director Identification Number (DIN)	No. of Board Meetings held during the year/ tenure of Director	No. of Board Meetings Attended	Attendance at Last AGM	No. of other Directorships Held (including listed entities)[a]	No. of Committee position in other Public Companies [Chairman (C)/ Member (M)][b]
Shri Deepak C. Mehta	00028377	6	6	YES	2	2(M)
Shri Umesh Asaikar	06595059	6	6	YES	-	-
Shri Sanjay Upadhyay	01776546	6	6	YES	2	1(C)
Shri Maulik D. Mehta	05227290	6	6	YES	-	-
Shri Ajay C. Mehta	00028405	6	5	YES	2	1(C) & 1(M)
Dr. Richard H. Rupp	02205790	6	5	NO	-	-
Shri Sudhir Mankad	00086077	6	4	YES	5	1(C) & 1(M)
Shri Sandesh Kumar Anand	00001792	6	6	YES	2	2(C)
Dr. Swaminathan Sivaram	00009900	6	5	YES	6	2(C)
Shri Sanjay Asher	00008221	6	5	YES	6	2(M) & 4(C)
Smt. Purvi Sheth	06449636	6	4	YES	-	-
Shri Dileep Choksi [1]	00016322	1	0	NA	8	5(M) & 3(C)

[1] *Appointed as an Additional Director effective February 3, 2020.*

Note:

a. *Number of other directorships held by Directors as mentioned above excludes directorships in Private Limited Companies, Section 8 Companies, Foreign Companies, Membership of Managing Committee of various chambers/bodies and alternate directorships.*

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 (excluding 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;

Name of Director	Name of Listed Entity	Category of Directorship
Shri Deepak C. Mehta	Deepak Nitrite Limited	Chairman & Managing Director
Shri Umesh Asaikar	Deepak Nitrite Limited	Executive Director & CEO
Shri Sanjay Upadhyay	Deepak Nitrite Limited	Director - Finance & CFO
Shri Maulik D. Mehta	Deepak Nitrite Limited	Whole-time Director
Shri Ajay C. Mehta	Deepak Nitrite Limited Tribhovandas Bhimji Zaveri Limited	Non-Executive Director Independent Director
Dr. Richard H. Rupp	Deepak Nitrite Limited	Independent Director
Shri Sudhir Mankad	Deepak Nitrite Limited Navin Fluorine International Limited Swaraj Engines Limited	Independent Director Independent Director Non-Executive Director

Name of Director	Name of Listed Entity	Category of Directorship
Shri Sandesh Kumar Anand	Deepak Nitrite Limited	Independent Director
Dr. Swaminathan Sivaram	Deepak Nitrite Limited Supreme Petrochem Limited Asian Paints Limited GMM Pfaudler Limited Apcotex Industries Limited	Independent Director Independent Director Independent Director Independent Director Independent Director
Shri Sanjay Asher	Deepak Nitrite Limited Repro India Limited Sudarshan Chemical Industries Limited Tribhovandas Bhimji Zaveri Limited Ashok Leyland Limited Indusind Bank Limited Sonata Software Limited	Independent Director Independent Director Independent Director Independent Director Independent Director Independent Director Additional Director
Smt. Purvi Sheth	Deepak Nitrite Limited	Independent Director
Shri Dileep Choksi	Deepak Nitrite Limited Lupin Limited Arvind Limited AIA Engineering Limited Swaraj Engines Limited ICICI Prudential Life Insurance Company Limited	Independent Director Independent Director Independent Director Independent Director Independent Director Independent Director

(iii) Board Procedure

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

(iv) Disclosure of relationships between Directors inter-se

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

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

(v) Independent Directors

The Independent Directors of the Company have been appointed in terms of requirements of the Act and Listing Regulations. The selection of eminent people for appointment as Independent Directors on the Board is considered by the Nomination and Remuneration Committee. The Committee, inter alia, considers qualification, positive attributes, area of expertise and number of directorships and memberships held in various committees of other companies by such person and recommend the same to the Board. The Board considers the Committee's recommendation and takes appropriate decision. Formal letters of appointment have been issued to the Independent Directors and the terms and conditions of their appointment are disclosed on the Company's website at www.godeepak.com.

Based on the disclosures received from the Independent Directors, the Board of Directors of the Company confirms that the Independent Directors fulfill the conditions specified in the Listing Regulations and are Independent of the management.

(vi) Separate Meeting of Independent Directors

Separate meeting of Independent Directors of the Company without the presence of the Executive Directors & the management representatives was held on March 20, 2020 as required under Schedule IV to the Act (Code for Independent Directors) and Regulation 25 (3) of the Listing Regulations. At the said meeting, the Independent Directors:

(a) reviewed the performance of Non-Independent Directors and the Board as a whole;

(b) reviewed the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors; and

(c) assessed the quality, quantity and timeliness of flow of information between the management of the listed entity and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

(vii) Familiarisation program for Independent Directors

The Company has put in place the familiarisation programme for all its Directors including the Independent Directors by way of providing necessary documents/brochures, reports and internal policies to enable them to familiarize themselves with the Company's procedures and practices. Periodic presentations are made at the Board and the Committee meetings on business and performance updates of the Company, global business environment, business strategy and risks involved.

Web link giving details of familiarisation program imparted to Independent Directors is https://www.godeepak.com/wp-content/themes/twentysixteen/companyfiles/corporate_governance_report/DNL_Familiarization_Programmes%20_2019-20.pdf

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

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and the names of the Directors who possess such Skills/Expertise/ Competencies:

Sr No.	Nature of Skills / Expertise / Competencies	Shri Deepak C. Mehta	Shri Maulik D. Mehta	Shri Umesh Asaikar	Shri Sanjay Upadhyay	Shri Ajay C. Mehta	Shri Sudhir Mankad	Dr. Richard H. Rupp	Shri Sandesh Kumar Anand	Dr. Swaminathan Sivaram	Shri Sanjay Asher	Shri Dileep Choksi	Smt. Purvi Sheth
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	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
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 Skill :**												
	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	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Performance Evaluation

The Nomination and Remuneration Committee has laid down criteria for performance evaluation of Independent Directors and the same has been approved by the Board Directors. The criteria for performance evaluation of Independent Directors has been disclosed in Directors' Report.

3. COMMITTEES OF BOARD OF DIRECTORS:

The Board committees are set up to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. Minutes of proceedings of Committee meetings are circulated to the Directors and placed before Board meetings for noting. The Board has currently established the following Committees:

(A) Audit Committee:

(i) Composition of Audit Committee

The Audit Committee comprises of the following members as on March 31, 2020:

Name of Member	Designation	Category
Shri Sudhir Mankad[1]	Chairman	Independent Director
Shri Sandesh Kumar Anand	Member	Independent Director
Shri Sanjay Asher[2]	Member	Independent Director
Shri Dileep Choksi[3]	Member	Independent Director

[1] *Shri Sudhir Mankad was appointed Chairman of the Committee w.e.f. October 17, 2019 in place of Shri Sudhin Choksey.*

[2] *Shri Sanjay Asher was inducted as a Member of Audit Committee w.e.f October 17, 2019.*

[3] *Shri Dileep Choksi was inducted as a member of Audit Committee w.e.f February 3, 2020.*

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 possesses financial / accounting expertise.

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

Shri Sudhin Choksey, then Chairman of the Audit Committee, was present at the previous Annual General Meeting held on June 28, 2019.

The Company Secretary acts as a Secretary to the Committee.

(ii) Brief Description of Terms of Reference of the Audit Committee

In accordance with the provisions of the Act and the Listing Regulations, the terms of reference for the Audit Committee of Directors are as under:

1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the Financial Statement is correct, sufficient and credible;

2) Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;

3) Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;

4) Reviewing, with the management, the Annual Financial Statements and Auditor's report thereon before submission to the Board for approval, with particular reference to:

   - Matters required to be included in the Director's Responsibility Statement to 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) 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) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;

21) Reviewing the utilization of loans and/or advances from / investment by the Company in its subsidiary exceeding ₹ 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments; and

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

(iii) Meetings of Audit Committee and Attendance thereat

Six (6) meetings of the Audit Committee were held during the Financial Year 2019-20 on May 2, 2019, August 2, 2019, September 9, 2019, October 24, 2019, February 3, 2020 and March 4, 2020.

The attendance at the Audit Committee meetings held during Financial Year 2019-20 was as under:

Name of Member	No. of Audit Committee Meetings held and Tenure of Directors	No. of Audit Committee Meetings attended
Shri Sudhin Choksey[1]	3	2
Shri Sudhir Mankad	6	5
Shri Sandesh Kumar Anand	6	6
Shri Sanjay Asher[2]	3	3
Shri Dileep Choksi[3]	1	0

[1] *Shri Sudhin Choksey ceased to be Chairman of the Audit Committee w.e.f. October 11, 2019.*

[2] *Shri Sanjay Asher was inducted as a Member of Audit Committee w.e.f. October 17, 2019.*

[3] *Shri Dileep Choksi was inducted as a member of Audit Committee w.e.f. February 3, 2020.*

(B) Nomination and Remuneration Committee:

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

(i) Composition of Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises of the following members as on March 31, 2020:

Name of Member	Designation	Category
Shri Sudhir Mankad	Chairman	Independent Director
Shri Sandesh Kumar Anand	Member	Independent Director
Smt. Purvi Sheth[1]	Member	Independent Director

[1] *Smt. Purvi Sheth was inducted as a Member of Nomination and Remuneration Committee w.e.f. October 24, 2019.*

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

The Company Secretary acts as a Secretary to the Committee.

(ii) Terms of Reference

In accordance with the provisions of the 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 and Senior Management.
2) To specify the manner for effective evaluation of performance of Board, its Committee and individual Directors;
3) Devising a policy on diversity of Board of Directors;
4) Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
5) Whether to extend or continue the term of appointment of the Independent 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 Senior Management; and
7) Such other terms as may be required under the Act or the Listing Regulations.

(iii) Meetings and Attendance thereat

Two (2) meetings of the Nomination and Remuneration Committee were held during the Financial Year 2019-20 on May 3, 2019 and February 3, 2020.

The attendance at the Nomination and Remuneration Committee meetings held during Financial Year 2019-20 was as under:

Name of Member	No. of Nomination and Remuneration Committee Meetings held and Tenure of Directors	No. of Nomination and Remuneration Committee Meetings attended
Shri Sudhin Choksey[1]	1	1
Shri Sudhir Mankad	2	2
Shri Sandesh Kumar Anand	2	2
Prof. Indira Parikh[2]	1	1
Smt. Purvi Sheth[3]	1	1

[1] *Shri Sudhin Choksey ceased to be Member of the Nomination and Remuneration Committee w.e.f. October 11, 2019.*

[2] *Prof. Indira Parikh was ceased to be Member of the Nomination and Remuneration Committee w.e.f. August 9, 2019.*

[3] *Smt. Purvi Sheth was inducted as a member of Nomination and Remuneration Committee w.e.f. October 24, 2019.*

Shri Sudhir Mankad, Chairman of the Nomination and Remuneration Committee, was present at the previous Annual General Meeting of the Company held on June 28, 2019.

(iv) Performance evaluation criteria for Independent Directors

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

(v) Remuneration Policy

The Company has adopted a Nomination and Remuneration Policy for Directors, Key Managerial Personnel and Senior Management and is annexed to the Directors' Report. The said Policy is directed towards rewarding performance, based on review of achievements periodically and is in consonance with the existing industry practice. The key factors considered in formulating the Policy are as under:

a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors to run the Company successfully;

b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

c) Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The Company does not have any Employee Stock Option Scheme.

(C) Stakeholders' Relationship & Investors Grievance Committee:

(i) Composition

The Board of Directors of the Company constituted a Stakeholders' Relationship & Investors Grievance Committee of the Board in terms of the requirements of Section 178 of the Act and Rules framed thereunder read with Regulation 20 of the Listing Regulations.

The Stakeholders' Relationship & Investors Grievance Committee comprises of the following members as on March 31, 2020:

Name of Member	Designation	Category
Shri Sandesh Kumar Anand	Chairman	Independent Director
Shri Ajay C. Mehta	Member	Non-Executive Director
Shri Umesh Asaikar	Member	Executive Director & CEO

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

(ii) Terms of Reference

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

1) Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;

2) Review of measures taken for effective exercise of voting rights by shareholders;

3) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;

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

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

(iii) Meetings and Attendance thereat

One (1) meeting of the Stakeholders' Relationship & Investors Grievance Committee was held during the Financial Year 2019-20 on February 3, 2020 and attendance at the meeting held was as under:

Name of Member	No. of Stakeholders' Relationship & Investors Grievance Committee Meetings held	No. of Stakeholders' Relationship & Investors Grievance Committee Meetings attended
Shri Sandesh Kumar Anand	1	1
Shri Ajay C. Mehta	1	1
Shri Umesh Asaikar	1	1

(iv) Investors Grievance

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

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

Details of shareholders' complaints received during the Financial Year 2019-20 and status thereof:

Number of pending complaints at the beginning of the Financial Year	00
Number of complaints received during the Financial Year	08
Number of complaints resolved during the Financial Year	08
Number of complaints pending at the end of the Financial Year	00
Number of complaints not solved to the satisfaction of shareholders	00

(D) Corporate Social Responsibility Committee:

(i) Composition

The Corporate Social Responsibility (CSR) Committee has been constituted by the Board in compliance with the requirements of Section 135 of the Act.

The Corporate Social Responsibility Committee comprises of the following members as on March 31, 2020:

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

(ii) Terms of Reference

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

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

(iii) Meetings and Attendance thereat

Two (2) meetings of the Corporate Social Responsibility Committee were held during the Financial Year 2019-20 on May 2, 2019 and October 7, 2019.

The attendance at the Corporate Social Responsibility Committee meetings held during Financial Year 2019-20 was as under:

Name of Member	No. of CSR Committee Meetings held	No. of CSR Committee Meetings attended
Shri Sudhir Mankad	2	2
Dr. Swaminathan Sivaram	2	2
Shri Deepak C. Mehta	2	1
Shri Umesh Asaikar	2	0

(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, 2020 is annexed to the Directors' Report.

(E) Project Committee:

(i) Composition

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

The Project Committee comprises of the following Directors as on March 31, 2020:

Name of Member	Designation	Category
Shri Sandesh Kumar Anand	Chairman	Independent Director
Dr. Richard H. Rupp	Member	Independent Director
Dr. Swaminathan Sivaram	Member	Independent Director
Shri Sanjay Asher[1]	Member	Independent Director

[1] *Shri Sanjay Asher was inducted as a Member with effect from February 3, 2020.*

(ii) Terms of Reference

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

(iii) Meetings and Attendance thereat

Two (2) meetings of the Project Committee were held during the Financial Year 2019-20 on August 1, 2019 and March 4, 2020.

The attendance at the Project Committee meetings held during Financial Year 2019-20 was as under:

Name of Member	No. of Project Committee Meetings held and Tenure of Director	No. of Project Committee Meetings attended
Shri Sandesh Kumar Anand	2	1
Dr. Richard H. Rupp	2	2
Dr. Swaminathan Sivaram	2	2
Shri Sanjay Asher	1	1

(F) Risk Management Committee:

(i) Composition

The Company has a duly constituted a Risk Management Committee in Compliance with the Listing Regulations 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.

The Risk Management Committee comprises of the following Directors as on March 31, 2020:

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

(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 ensure that appropriate methodology, processes and systems are in place to monitor, evaluate and report risks associated with the business of the Company;
2) To review adequacy of the existing measures to mitigate risks covering various functions of the Company;
3) To evaluate and approve mitigation measures that may be recommended by the Risk Manager(s) in respect of any function and review the action taken for its implementation on an on-going basis;
4) To review and recommend to the Board, amendment of any of the provisions of the Risk Management Framework;
5) Monitoring and reviewing the Risk Mitigation Plan related to cyber security; and
6) Such other terms as may be required under the Listing Regulations.

(iii) Meetings and Attendance thereat

Two (2) meetings of the Risk Management Committee were held during the Financial Year 2019-20 on April 29, 2019 and October 7, 2019.

The attendance at the Risk Management Committee meetings held during Financial Year 2019-20 was as under:

Name of Member	No. of Risk Management Committee Meetings held	No. of Risk Management Committee Meetings attended
Shri Deepak C. Mehta	2	0
Shri Sandesh Kumar Anand	2	2
Shri Umesh Asaikar	2	0
Shri Sanjay Upadhyay	2	2
Shri Maulik D. Mehta	2	1
Dr. Swaminathan Sivaram	2	2

4. REMUNERATION OF DIRECTORS:

(A) Chairman & Managing Director / Executive Directors

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

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

The details of remuneration of Chairman & Managing Director and Executive Directors for the Financial Year 2019-20 are as under:

(₹ in Crores)

Name	Salary & Allowances	Perquisites	Retirement Benefits	Commission / Variable Pay	Total
Shri Deepak C. Mehta	4.60	1.48	0.84	7.00	13.92
Shri Umesh Asaikar	4.10	0.60	0.62	1.15	6.47
Shri Maulik D. Mehta	0.87	0.23	0.15	0.28	1.53
Shri Sanjay Upadhyay	1.80	0.42	0.38	0.53	3.13

The term of appointments of Shri Deepak C. Mehta, Chairman & Managing Director, Shri Sanjay Upadhyay, Director-Finance & CFO and Shri Maulik Mehta, Whole-time Director are for a period of five years from the date of their respective appointments. Shri Umesh Asaikar was re-appointed as Executive Director & CEO for a period from May 9, 2018 to May 31, 2020.

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

There is no provision for payment of severance fees.

The Company does not have any Stock Options Scheme.

The remuneration of Managing Director comprises of salary, allowances, perquisites and other benefits. In addition, the Managing Director is also paid a Commission, calculated with reference to the Net Profits of the Company in a particular Financial Year, as may be determined by the Board of Directors, subject to the overall ceiling stipulated in Section 197 and other relevant provisions of the Act. The remuneration of Executive Directors comprises of fixed pay and variable pay which ranges from 0% to 20% of cost to the Company for a particular Financial Year.

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

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

The Independent Directors and Non-Independent Non-Executive Directors of the Company are paid Sitting Fees for attending meetings of the Board and Committees thereof in which they are members. Apart from the Sitting Fees, the Independent Directors and Non-Independent and Non Executive Directors are also paid Commission not exceeding 1% of the Net Profits of the Company for a particular financial year, computed in accordance with the provisions of Act.

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

The details of remuneration paid / payable to Independent Directors and Non-Independent Non-Executive Director for the Financial Year 2019-20 are as under:

(Amount in ₹)

Name	Sitting Fees	Commission	Total
Shri Nimesh Kampani	60,000	5,00,000	5,60,000
Shri Sudhin Choksey	1,35,000	10,00,000	11,35,000
Shri Sudhir Mankad	3,90,000	15,00,000	18,90,000
Dr. Richard H. Rupp	2,40,000	30,00,000	32,40,000
Shri Sandesh Kumar Anand	4,80,000	60,00,000	64,80,000

(Amount in ₹)

Name	Sitting Fees	Commission	Total
Dr. Swaminathan Sivaram	2,70,000	12,00,000	14,70,000
Prof. Indira Parikh	75,000	3,00,000	3,75,000
Shri Ajay C. Mehta	1,50,000	-	1,50,000
Shri Sanjay Asher	3,00,000	15,00,000	18,00,000
Smt. Purvi Sheth	1,65,000	7,00,000	8,65,000
Shri Dileep Choksi	30,000	-	30,000

The details of Equity Shares of the Company held by Non-Executive Directors as on March 31, 2020 are as under:

Sr. No.	Name of Non-Executive Director	No. of shares held
1	Shri Ajay C. Mehta	Nil
2	Dr. Richard H. Rupp	Nil
3	Shri Sudhir Mankad	Nil
4	Shri Sandesh Kumar Anand	Nil
5	Dr. Swaminathan Sivaram	Nil
6	Shri Sanjay Asher	Nil
7	Smt. Purvi Sheth	Nil
8	Shri Dileep Choksi	Nil

The Company has no pecuniary relationship or transactions with its Non-Executive and Independent Directors other than payment of Sitting Fees to them for attending Board and Committee meetings and Commission as approved by the Members for their invaluable services to the Company.

5. GENERAL BODY MEETINGS :

(i) Details of last three Annual General Meetings held:

Meeting	Date	Time	Venue	No. of Special Resolutions Passed
46th AGM	June 26, 2017	10:30 A.M.	Hotel Surya Palace, Sayajigunj, Vadodara - 390005, Gujarat.	-
47th AGM	August 3, 2018	10:00 A.M.	Hotel Grand Mercure Vadodara Surya Palace, Opp. Parsi Agiyari, Sayajigunj, Vadodara - 390020, Gujarat.	-
48th AGM	June 28, 2019	10:30 A.M.	Hotel Grand Mercure Vadodara Surya Palace, Opp. Parsi Agiyari, Sayajigunj, Vadodara – 390020, Gujarat.	7

(ii) Details of Special Resolutions passed in the previous AGM:

Sr No.	Particular
1	Re-appointment of Shri Sudhin Choksey (DIN: 00036085) as an Independent Director of the Company for a second term of 3 consecutive years.
2	Re-appointment of Shri Sudhir Mankad (DIN: 00086077) as an Independent Director of the Company for a second term of 3 consecutive years.
3	Re-appointment of Shri Sandesh Kumar Anand (DIN: 00001792) as an Independent Director of the Company for a second term of 3 consecutive years.
4	Re-appointment of Dr. Swaminathan Sivaram (DIN: 00009900) as an Independent Director of the Company for a second term of 3 consecutive years.
5	Re-appointment of Dr. Richard H. Rupp (DIN: 02205790) as an Independent Director of the Company for a second term of 3 consecutive years.
6	Payment of Managerial Remuneration under Section 197 of the Companies Act, 2013.
7	Payment of remuneration to Executive Directors who are Promoters or members of Promoter Group.

(iii) Postal Ballot conducted during the year and procedure thereof:

No Postal Ballot exercise was conducted during the Financial Year 2019-20.

6. MEANS OF COMMUNICATION:

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

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.

Conference calls with Investors, on Financial Results of the Company are held every quarter.

7. GENERAL SHAREHOLDER INFORMATION:

(i) Annual General Meeting:

Day & Date	:	Friday, August 7, 2020
Time	:	11:30 A.M.
Venue	:	Through Video Conference / Other Audio Visual Means ('VC'/ 'OAVM')
Financial Year	:	April 1 to March 31
Record Date / Book Closure	:	July 31, 2020 to August 7, 2020 (both days inclusive)

Dividend payment date : The payment of Interim Dividend was made through electronic mode on March 21, 2020 to all the Equity Shareholders whose Bank Account details were available with your Company. However, your Company was not able to complete dispatch of Interim Dividend Warrants within the prescribed time limit on account of situation emerged due to outbreak of COVID-19 and the orders of Central / State Government for lockdown effective from March 23, 2020. Your Company shall endeavor to complete the dispatch of Interim Dividend Warrants upon resumption of services by Postal Authorities.

(ii) Financial Calendar:

Results for the Quarter ending	Tentative Time of Reporting
June 30, 2020	On or before August 14, 2020
September 30, 2020	On or before November 14, 2020
December 31, 2020	On or before February 14, 2021
Audited Annual Accounts for the year ending March 31, 2021	On or before May 30, 2021

(iii) Listing on Stock Exchanges:

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

Name: BSE Limited ("BSE")

Address: Pheroz Jeejeebhoy Towers, Dalal Street, Fort, Mumbai.

Name: National Stock Exchange of India Limited ("NSE")

Address: Exchange Plaza, C-1,Block-G, Bandra Kurla Complex, Bandra (E) Mumbai.

The requisite Listing fees for Financial Year 2020-21 has been paid to both the Stock Exchanges.

The Commercial Papers issued by the Company have been listed on BSE.

The Securities of the Company have not been suspended from trading during the Financial Year 2019-20.

Stock Code for Equity Shares (BSE): 506401

Stock Code for Commercial Papers: 718632

Stock Symbol for Equity Shares (NSE): DEEPAKNTR

ISIN Number for Equity Shares (NSDL & CDSL): INE288B01029

ISIN Number for Commercial Papers (NSDL & CDSL): INE288B14378

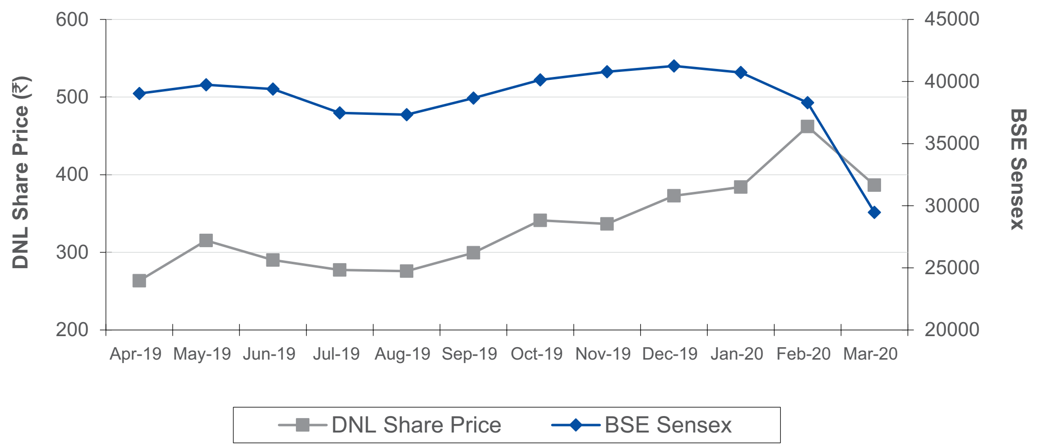
(iv) Market Price Data of Equity Shares:

Monthly High & Low during the Financial Year 2019-20 at BSE and NSE:

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2019	284.75	255.00	284.85	254.75
May, 2019	325.85	263.00	325.30	263.00
June, 2019	337.55	265.00	337.95	264.25
July, 2019	317.90	269.00	317.45	266.75
August, 2019	299.00	256.95	299.00	257.30
September, 2019	320.05	267.55	319.90	267.00
October, 2019	359.80	285.10	360.00	286.05
November, 2019	377.45	332.25	377.00	334.10
December, 2019	386.70	325.55	386.75	325.00
January, 2020	410.00	364.55	409.60	365.10
February, 2020	520.70	372.20	520.80	371.45
March, 2020	543.40	310.00	542.50	310.00

Source: Respective Websites of BSE and NSE.

DNL Share Price Vs BSE Sensex



(v) Distribution of Shareholding as on March 31, 2020:

Range	No. of Holders	%	No. of Shares	%
1 – 500	61,770	89.21	47,690,36	3.50
501 – 1000	2,976	4.30	23,93,086	1.75
1001 – 5000	3,391	4.90	77,86,219	5.71
5001 – 10000	614	0.89	43,06,043	3.16
10001 & above	487	0.70	11,71,38,657	85.88
TOTAL	**69,238**	**100.00**	**13,63,93,041**	**100.00**

(vi) Shareholding Pattern as on March 31, 2020:

Category of Shareholders	No. of Shares	% to Equity Capital
Promoters & Promoter Group	6,23,19,968	45.69
Mutual Fund	2,08,03,669	15.25
Financial Institutions, Banks, Insurance Companies	9,58,119	0.70
Foreign Portfolio Investor	1,49,54,542	10.96
Bodies Corporate	68,05,170	4.99
Non Resident Individuals	12,88,964	0.95
Resident Individuals	2,66,22,276	19.52
Others	26,40,333	1.94
TOTAL	**13,63,93,041**	**100.00**

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

(vii) Dematerialisation of Equity Shares:

Electronic holding by Members comprises 99.19 % of the paid up Equity Capital of the Company as on March 31, 2020 held through National Securities Depository Limited and Central Depository Services (India) Limited.

(viii) Share Transfer System:

Share transfers are processed and Share Certificates duly endorsed are delivered within a period of 15 days from the date of receipt, subject to documents being valid and complete in all respects. All requests for dematerialisation of securities are processed and the confirmation is given to the Depositories within 15 days.

Pursuant to Regulation 40(9) of the Listing Regulations, certificates, on half yearly basis have been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company. Pursuant to Regulation 76 of SEBI (Depositories and Participants) Regulation, 2018, certificates have been received from a Company Secretary-in-Practice for timely dematerialisation of shares and for reconciliation of the share capital of the Company on a quarterly basis.

(ix) Registrar and Share Transfer Agent:

Contact details of Link Intime India Private Limited:

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

Investor Relation Centre:
B-102-103, Shangrila Complex,
1st Floor, Opp. HDFC Bank,
Near Radhakrishna Chhar Rasta,
Akota, Vadodara 390 020
Tel: 0265 - 2356 573 / 2356 794
Fax: 0265 - 2356 791
E-mail : vadodara@linkintime.co.in

(x) Address for Correspondence and Investor Assistance:

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

Telephone Numbers:(0265) 2765200. 3960200
Fax No. : (0265) 2765344
E-mail : investor@godeepak.com
Website : www.godeepak.com

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

(xi) Unclaimed/Unpaid Dividend:

As per the provisions of Section 124 of the Act the Company is required to transfer unclaimed dividends, matured deposits and interest accrued thereon remaining unclaimed and unpaid for a period of seven years from the due date to the Investor Education and Protection Fund (IEPF) set by the Central Government.

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

Financial Year	Dividend Declaration Date	Tentative Date for transfer to IEPF
2012-2013	August 5, 2013	August 4, 2020
2013-2014	August 11, 2014	August 10, 2021
2014-2015	August 10, 2015	August 9, 2022
2015-2016	August 8, 2016	August 7, 2023
2016-2017	June 26, 2017	June 25, 2024
2017-2018	August 3, 2018	August 2, 2025
2018-2019	June 28, 2019	June 27, 2026

The Shareholders are requested to claim their unencashed Dividends, if any at the earlier.

(xii) Commodity Price Risk or Foreign Exchange Risk and hedging activities:

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

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

(xiii) Plant Locations:

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

(xiv) Credit Ratings:

During the Financial Year 2019-20, ICRA has upgraded long term credit rating from “ICRA A+/Positive” to “ICRA AA-/Stable” while retaining short term credit rating at highest notch i.e. at “ ICRA A1+”; while CRISIL assigns with a long term credit rating of ‘CRISIL AA-/Stable and short term rating of “CRISIL A1+”,which is the highest rating in short term category.

ICRA has also re-affirmed the rating at [ICRA] **A1+** (pronounced ICRA A one plus) assigned to the Commercial Paper programme of DNL.

8. DISCLOSURE:

(i) Related Party Transactions

All transactions entered into by the Company with Related Parties as defined under the Act and the Listing Regulations, during the Financial Year 2019-20 were in the ordinary course of business and on arm’s length pricing basis. There were no materially significant transactions with the Related Parties during the Financial Year which were in conflict with the interest of Company.

Necessary disclosures as required under the Accounting Standards have been made in the Financial Statements. The Board has approved a policy on materiality of Related Party transactions and on dealing with related party transactions and the same is disclosed on the website of the Company at the link https://www.godeepak.com/wp-content/themes/twentysixteen/companyfiles/corporate_governance_report/PolicyMaterialityofRelatedPartyTransactions.pdf

(ii) Details of non-compliance

There were no non-compliance by the Company nor any penalty or stricture imposed on the Company by any Stock Exchanges, SEBI or any other statutory authority on any matter relating to capital markets during the last three years.

(iii) Whistle Blower Policy

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior including actual or suspected leak of unpublished price sensitive information. The Company has established a vigil mechanism for Directors and employees to report concern about unethical behavior, actual or suspected fraud or violation of the Company’s code of conduct or ethics policy and also actual or suspected leak of unpublished price sensitive information. During the year under review, no personnel was denied access to the Audit Committee.

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

https://www.godeepak.com/wp-content/themes/twentysixteen/companyfiles/corporate_governance_report/Whistle_Blower_Policy.pdf

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

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

(v) Policy for Material Subsidiaries

In accordance with the provisions of the Listing Regulations, the Company 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

(vi) Dividend Distribution Policy

The Board of Directors of your Company has adopted a Dividend Distribution Policy, which aims to ensure fairness, sustainability and consistency in distributing profits to the Shareholders. The Dividend Distribution Policy is attached as Annexure - I and is also available on the website of your Company at https://www.godeepak.com/wp-content/themes/twentysixteen/companyfiles/corporate_governance_report/DNL_Dividend%20Distribution%20Policy.pdf

(vii) Details of Directors seeking appointment or re-appointment:

The details of Directors seeking appointment or re-appointment forms part of Notes to the Notice convening the 49th Annual General Meeting of the Company.

(viii) Demat Suspense Account – Unclaimed Share Certificates

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

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

Particulars	Number of Shareholders	Number of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the Financial Year 2019-20:	308	2,52,980
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	00	00
Number of shareholders to whom shares were transferred from suspense account during the year	00	00
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the Financial Year 2019-20	308	2,52,980

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

(ix) 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.

(x) Utilization of funds raised through Qualified Institutions Placement

The funds raised through Qualified Institutions Placement in earlier years have been utilized fully in accordance with the objects stated in the Placement Document issued to the Qualified Institutional Buyers.

(xi) Total Fees to Statutory Auditors

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

(₹ in Crores)

Payment to Statutory Auditors	FY 2019-20
Statutory Audit Fees	0.33
Limited Review	0.30
Tax Audit Fees	0.04
Taxation Services	0.04
Other Certification	0.03
Total	**0.74**

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

Number of complaints filed during the Financial Year 2019-20	0
Number of complaints disposed off during the Financial Year 2019-20	0
Number of complaints pending as on end of the Financial Year 2019-20	0

(i) **Recommendations of the Committees**

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

(ii) **Disclosure regarding adoption of discretionary requirements as specified in Part E of Schedule II of Listing Regulations**

(a) Modified Opinion(s) in Audit Report

The Statutory Auditors have issued the Audit Report of the year ended March 31, 2020 with unmodified opinion.

(b) Reporting of Internal Auditor

The Internal Auditor reports to the Audit Committee.

(iii) The Company has complied with the Corporate Governance Requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46.

9. CODE OF CONDUCT:

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

All Directors and members of the Senior Management have affirmed their adherence to the provisions of the Code. A declaration to that effect signed by the Chief Executive Officer is given below:

DECLARATION

As per requirements of the Listing Regulations, this is to confirm that all the members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the Financial Year 2019-20.

Vadodara
May 26, 2020

Umesh Asaikar
Executive Director & CEO

10. CEO / CFO CERTIFICATION:

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

CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS

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

We have examined the compliance of conditions of Corporate Governance by **DEEPAK NITRITE LIMITED** ("the Company") having **CIN: L24110GJ1970PLC001735** for the Financial Year ended March 31, 2020 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: F003752B000386112

Place: Pune

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

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

For KANJ & CO. LLP
Company Secretaries

Dinesh Joshi
Designated Partner
Membership No.: F3752
CP No. 2246
UDIN: F003752B000386081

Place: Pune

Annexure - I

Dividend Distribution Policy

1. INTRODUCTION

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

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

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

2. OBJECTIVES AND SCOPE

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

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

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

3. APPLICABILITY

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

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

4. DEFINITIONS

4.1. **"Board of Director"** or **"Board"** shall mean the Board of Directors of the Company, as constituted from time to time.

4.2. "**Companies Act"** or **"Act"** shall mean the Companies Act, 2013 and Rules framed thereunder, including any amendments, modifications, clarifications or re-enactment thereof, for the time being in force.

4.3. **"Dividend"** includes any interim dividend.

4.4. **"Financial Year"** a consecutive period of 12 months ending March 31.

4.5. **"Policy"** means this Dividend Distribution Policy.

4.6. **"Regulations"** shall mean SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, including any amendments, modifications, clarifications or re-enactment thereof, for the time being in force.

5. DECLARATION OF DIVIDEND

5.1 Subject to provisions of the Act, Dividend may be declared and paid out of:

(a) Profits of the Company for the Financial Year for which the Dividend is to be paid after setting off carried over losses of the previous Financial Year and depreciation not provided in the previous Financial Year(s);

(b) Undistributed profits of the previous Financial Years remaining undistributed after provising 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 / convenants in loan Agreements
- Such other factors as the Board may deem fit from time to time

B. **External Factors**

- Economic environment
- Capital markets
- Global conditions
- Industry outlook and growth rate
- Economic and regulatory framework
- Governmental policies

6.2 While recommending or declaring Dividend, the Board will consider adequacy of profit calculated in accordance with the applicable provisions of the Act and Indian Accounting Standards. The Board of Directors may, in exceptional circumstances, consider utilising retained earning for declaration of Dividend subject to the provisions of the Act and/or Regulations.

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

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

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

8. UTILISATION OF RETAINED EARNINGS

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

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

9. PROCEDURE

9.1 Pursuant to provisions of the Act, the Regulations and the Policy, interim Dividend approved by the Board of Directors will be confirmed by the shareholders and final Dividend, if any, recommended by the Board of Directors, will be subject to shareholders' approval, at the ensuing Annual General Meeting of the Company.

9.2 The Members, whose name appears in the Register of Member as on Record Date/Book Closure, as may be deicided by the Board of Directors, shall be entitled for Dividend.

9.3 The Dividend shall be paid to the Members within the limit prescribed under the Act and/or Regulations.

9.4 The Company shall ensure compliance of provisions of the Act and/or Regulations and this Policy in relation to Dividend declared by the Company.

10. PARAMETERS WITH REGARD TO VARIOUS CLASSES OF SHARES

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

11. DISCLOSURES

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

12. REVIEW AND AMENDMENTS

12.1 This Policy will be reviewed by the Board of Directors of the Company as they deem necessary.

12.2 The Board of Directors on its own can amend this Policy, as and when deem fit.

12.3 In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

For and on behalf of the Board

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

Place : Vadodara
Date : May 26, 2020

Independent Auditor's Report

To The Members of Deepak Nitrite Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying standalone financial statements of Deepak Nitrite Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Revenue recognition** Revenue recognition is significant audit risk across all units within the Company. Risk exists that revenue is recognized without substantial transfer of control and is not in accordance with Ind AS-115 "Revenue from Contracts with Customers".	**Principal Audit Procedures** Our audit consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: • We evaluated the design of internal controls relating to revenue recognition. • We selected sample of Sales transactions and tested the operating effectiveness of the internal control relating to revenue recognition. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection. • We have tested sample of Sale transactions to their respective customer contracts, underlying invoices and related documents. • We have performed cut-off procedures for revenue transactions at year-end in order to conclude on whether they were recognised in accordance with Ind-AS 115.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- We have nothing to report in this regards.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit, we report:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts including derivative contracts;

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

KARTIKEYA RAVAL
(Partner)
(Membership No. 106189)

Place: Ahmedabad
Date: 26th May, 2020

UDIN: 20106189AAAADQ2464

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of Deepak Nitrite Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, to the best of our information and according to the explanations given to us, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal financial control over financial reporting 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)

Place: Ahmedabad
Date: 26th May, 2020

UDIN: 20106189AAAADQ2464

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 of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) The Company has a regular program for verification of property, plant and equipment at every 2 years which, in our opinion, is reasonable having regarding to the size of the Company and nature of its assets. The property, plant and equipment were physically verified during last financial year in accordance with this program. According to information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged as security for loans are held in the name of the Company based on the confirmations directly received by us from lenders. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as property, plant and equipment in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Goods and Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Goods and Service Tax, cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

(c) Details of dues of Sales Tax , Excise Duty, Central Sales Tax, Value Added Tax and other statutory dues which have not been deposited as on March 31, 2020 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 Excise Act 1944	Excise Duty	Revision Application Unit	FY 2004 to FY 2015	0.04	0.04
Central Sales Tax Act	Sales Tax	Sales Tax commissioner (Appeal)	FY 2005 to FY 2014	0.92	0.91
Hyderabad Metropolitan Water Supply & Sewerage Act 1989	Sewerage Cess	High Court of Andhra Pradesh	FY 2008 to FY 2013	0.27	0.27

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)
The Gujarat Panchayats Law (Amendment) Act, 1963	Property Tax	Gram Panchayat	FY 2013 to FY 2017	0.25	0.25

There are no dues of Income-tax, Service Tax, Customs Duty, Goods and Service Tax and Value Added Tax that have not been deposited as at 31st March, 2020 on account of disputes.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.

(ix) In our opinion and according to the information and explanations given to us, the Company has not raised money by way of initial public offer/ further public offer (including debt instruments) and the term loans have been applied by the Company during the year for the purposes for which they were raised.

(x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of paragraph 3 of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares and debentures and hence reporting under clause (xiv) of Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

KARTIKEYA RAVAL
(Partner)
(Membership No. 106189)

Place: Ahmedabad
Date: 26th May, 2020

UDIN: 20106189AAAADQ2464

Balance Sheet as at March 31, 2020

₹ in Crores

	Notes	As at March 31, 2020	As at March 31, 2019
I. ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	2	706.45	585.07
(b) Capital Work-in-Progress	2	89.88	28.92
(c) Right-of-use Assets	3	10.39	-
(d) Other Intangible Assets	4	3.29	4.30
(e) Financial Assets			
Investments	5	562.86	562.87
Loans	6	1.06	1.36
Other Financial Assets	7	5.60	5.57
(f) Non-Current Tax Assets (Net)	8	-	1.93
(g) Other Non-Current Assets	9	7.40	3.80
Total Non-Current Assets		**1,386.93**	**1,193.82**
Current Assets			
(a) Inventories	10	233.09	232.51
(b) Financial Assets			
Trade Receivables	11	365.97	344.45
Cash and Cash Equivalents	12.A	2.10	2.81
Bank balances other than Cash and Cash Equivalents above	12.B	1.63	2.77
Other Financial Assets	13	1.62	1.91
(c) Other Current Assets	14	52.95	49.12
(d) Assets classified as held for sale		2.23	0.35
Total Current Assets		**659.59**	**633.92**
TOTAL ASSETS		**2,046.52**	**1,827.74**
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	15	27.28	27.28
(b) Other Equity	16	1,464.05	1,030.56
Total Equity		**1,491.33**	**1,057.84**
Non-Current Liabilities			
(a) Financial Liabilities			
Borrowings	17	-	81.59
Lease Liabilities		10.52	-
(b) Provisions	18	13.29	10.73
(c) Deferred Tax Liabilities (Net)	19	45.41	76.59
Total Non-Current Liabilities		**69.22**	**168.91**
Current Liabilities			
(a) Financial Liabilities			
Borrowings	20	177.55	184.43
Trade Payables			
Total outstanding dues of			
a) micro enterprises and small enterprises	21	6.16	7.75
b) creditors other than micro enterprises and small enterprises	21	233.16	317.11
Lease Liabilities		0.70	-
Other Financial Liabilities	22	39.76	66.33
(b) Provisions	18	11.40	7.06
(c) Current Tax Liabilities (Net)	23	1.16	1.74
(d) Other Current Liabilities	24	16.08	16.57
Total Current Liabilities		**485.97**	**600.99**
Total Liabilities		**555.19**	**769.90**
TOTAL EQUITY AND LIABILITIES		**2,046.52**	**1,827.74**
Significant Accounting Policies	1		

The accompanying notes form an integral part of the Financial Statements.

As per our report of even date

For and on behalf of the Board

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

KARTIKEYA RAVAL
Partner

Ahmedabad: May 26, 2020

DEEPAK C. MEHTA
Chairman & Managing Director
DIN: 00028377

SANJAY UPADHYAY
Director-Finance & CFO
DIN: 01776546

UMESH ASAIKAR
Executive Director & CEO
DIN: 06595059

ARVIND BAJPAI
Company Secretary
Membership No.: F6713

Vadodara: May 26, 2020

SUDHIR MANKAD
Director
DIN: 00086077

SANDESH ANAND
Director
DIN: 00001792

Statement of Profit and Loss for the year ended March 31, 2020

₹ in Crores

	Notes	For the year March 31, 2020	For the year March 31, 2019
I. Revenue from Operations	25	2,229.66	1,791.92
II. Other Income	26	7.58	2.60
III. **Total Income (I+II)**		**2,237.24**	**1,794.52**
IV. **Expenses:**			
(a) Cost of Materials Consumed	27	884.68	1,027.85
(b) Changes in Inventories of Finished Goods and Work-in-Progress	28	3.30	(51.67)
(c) Employee Benefits Expense	29	174.97	158.60
(d) Power & Fuel Expenses	30	145.80	140.94
(e) Finance Costs	31	20.32	42.85
(f) Depreciation and Amortisation Expense	32	77.93	52.88
(g) Other Expenses	33	224.21	210.58
Total Expenses (IV)		**1,531.21**	**1,582.03**
V. **Profit Before Tax (III-IV)**		**706.03**	**212.49**
VI. **Tax Expense:**			
(a) Current Tax		192.08	48.64
(b) Deferred Tax		(30.09)	25.81
VII. **Profit for the Year (V-VI)**		**544.04**	**138.04**
VIII. **Other Comprehensive Income**			
Items that will not be Reclassified to Profit and Loss:			
(a) Remeasurement of Defined Benefit Obligations (Net)		(4.78)	(4.17)
(b) Tax Effect on remeasurement of Defined Benefit obligations (net)		1.10	1.45
(c) Fair Value Gains on Investments		0.02	0.08
(d) Tax effect of Fair Value Gains on Investments		-	(0.03)
Total Other Comprehensive Income for the Year (VIII)		**(3.66)**	**(2.67)**
IX. **Total Comprehensive Income for the Year (VII+VIII)**		**540.38**	**135.37**
Earnings Per Equity Share			
(a) Basic (Nominal Value per Share ₹ 2)		39.89	10.12
(b) Diluted (Nominal Value per Share ₹ 2)		39.89	10.12

The accompanying notes form an integral part of the Financial Statements.

As per our report of even date

For and on behalf of the Board

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

KARTIKEYA RAVAL
Partner

Ahmedabad: May 26, 2020

DEEPAK C. MEHTA
Chairman & Managing Director
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Company Secretary
Membership No.: F6713

SUDHIR MANKAD
Director
DIN: 00086077

SANDESH ANAND
Director
DIN: 00001792

Vadodara: May 26, 2020

Cash Flow Statement for the year ended March 31, 2020

₹ in Crores

		For the year March 31, 2020	For the year March 31, 2019
(A)	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit for the Year	544.04	138.04
	Add: Income Tax Expense recognised in the Statement of Profit and Loss	161.99	74.45
	Profit Before Tax	**706.03**	**212.49**
	Non-cash adjustment to reconcile Profit Before Tax to net Cash Flows		
	1. Depreciation / Amortisation	77.93	52.88
	2. Loss on Sale of Fixed Assets	6.32	4.29
	3. Provision for Doubtful Debts	7.82	0.84
	4. Gain on Redemption of Investment	(0.33)	(0.44)
	5. Interest Expenses	20.32	42.85
	6. Interest Income	(0.58)	(0.80)
	7. Dividend Income (represents ₹ 878 (Previous Year ₹ 638))	(0.00)	(0.00)
	8. Fair Value (Gains)/Loss	0.04	0.03
	9. Foreign Exchange Fluctuation on account of Financing Activities	1.98	(3.42)
	Operating Profit Before Change in Operating Assets and Liabilities	**819.53**	**308.71**
	Movements in Working Capital :		
	1. (Increase)/Decrease in Inventories	(0.58)	(44.33)
	2. (Increase)/Decrease in Trade Receivables	(29.34)	23.93
	3. (Increase)/Decrease in Non-Current Loans	0.30	(0.05)
	4. (Increase)/Decrease in Other Financial Assets	(0.87)	2.13
	5. (Increase)/Decrease in Other Assets	(3.94)	15.27
	6. Increase/(Decrease) in Trade Payables	(85.97)	10.81
	7. Increase/(Decrease) in Other Financial Liabilities	4.54	(0.04)
	8. Increase/(Decrease) in Other Liabilities	(0.18)	4.22
	9. Increase/(Decrease) in Provisions	2.12	2.78
	Cash Generated from Operations	**705.60**	**323.43**
	Less: Income Tax paid (net of refund)	190.39	46.00
	Net Cash Inflow from Operating Activities (A)	**515.21**	**277.43**
(B)	**CASH FLOW FROM INVESTING ACTIVITIES**		
	1. Purchase of Property, Plant & Equipment, including Capital Work-in-Progress, Capital Advances & Payable for Capital Expenditure	(269.67)	(70.21)
	2. Purchase of Intangible assets	(0.21)	(1.34)
	3. Proceeds from Sale of Property, Plant & Equipment	1.22	1.69
	4. Insurance claims Received	-	17.83
	5. Investment in Subsidiaries	-	(79.00)
	6. Purchase of Current Investments	(221.00)	(107.77)
	7. Proceeds from Redemption/Maturity of Current Investments	221.33	129.61
	8. Deposit with Bank	-	30.26
	9. Interest received	0.58	0.90
	10. Dividend received (represents ₹ 878 (Previous Year ₹ 638))	0.00	0.00
	Net Cash Outflow from Investing Activities (B)	**(267.75)**	**(78.03)**

₹ in Crores

	For the year March 31, 2020	For the year March 31, 2019
(C) CASH FLOW FROM FINANCING ACTIVITIES		
1. Proceeds from Non-Current Borrowings	-	50.00
2. Repayment of Non-Current Borrowings	(113.19)	(104.52)
3. Net Proceeds from Current Borrowings	(8.40)	(76.22)
4. Interest paid	(19.86)	(43.73)
5. Dividend paid on Equity Shares and Dividend Distribution Tax	(106.01)	(21.29)
6. Margin Money Deposit	2.01	(2.03)
7. Principal repayment of Lease Liability	(1.41)	-
8. Interest cost of Lease	(1.31)	-
Net Cash Outflow from Financing Activities (C)	**(248.17)**	**(197.78)**
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	**(0.71)**	**1.62**
Cash and Cash Equivalents at the Beginning of the Financial Year	2.81	1.19
Cash and Cash Equivalents at the end of the Financial Year	**2.10**	**2.81**
Reconciliation of Cash and Cash Equivalents		
Balances with Banks:		
In Current Accounts	1.50	1.20
In EEFC Accounts	0.46	1.51
Cash on Hand	0.14	0.10
Total Cash and Cash Equivalents as per Note 12 A.	**2.10**	**2.81**

Note:

1. The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Ind AS 7 'Cash Flow Statement'.
2. Disclosure with regards to changes in liabilities arising from financing activities as set out in Ind AS 7 'Cash Flow Statement' is presented under note 39.7.

The accompanying notes form an integral part of the Financial Statements.

As per our report of even date

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

KARTIKEYA RAVAL
Partner

Ahmedabad: May 26, 2020

For and on behalf of the Board

DEEPAK C. MEHTA
Chairman & Managing Director
DIN: 00028377

UMESH ASAIKAR
Executive Director & CEO
DIN: 06595059

SUDHIR MANKAD
Director
DIN: 00086077

SANJAY UPADHYAY
Director-Finance & CFO
DIN: 01776546

ARVIND BAJPAI
Company Secretary
Membership No.: F6713

SANDESH ANAND
Director
DIN: 00001792

Vadodara: May 26, 2020

Statement of Changes in Equity for the year ended March 31, 2020

(A) EQUITY SHARE CAPITAL (Refer Note 15)

₹ in Crores

	Amount
As at March 31, 2018	**27.28**
Changes in Equity Share Capital during the year	-
As at March 31, 2019	**27.28**
Changes in Equity Share Capital during the year	-
As at March 31, 2020	**27.28**

(B) OTHER EQUITY

₹ 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 31.03.2018	**402.32**	**0.71**	**78.90**	**0.15**	**434.17**	**0.32**	**916.57**
Profit for the year	138.04	-	-	-	-	-	138.04
Other Comprehensive Income	(2.72)	-	-	-	-	0.05	(2.67)
Dividend	(17.73)	-	-	-	-	-	(17.73)
Tax on Dividend	(3.64)	-		-	-	-	(3.64)
Transfer to/from Retained Earnings	(5.00)	-	5.00	-	-	-	-
Balance as at 31.03.2019	**511.26**	**0.71**	**83.90**	**0.15**	**434.17**	**0.37**	**1,030.56**
Profit for the year	544.04	-	-	-	-	-	544.04
Other Comprehensive income	(3.68)	-	-	-	-	0.02	(3.66)
Dividend (Including Interim Dividend of ₹ 61.37 Crores)	(88.66)	-	-	-	-	-	(88.66)
Tax on dividend (Including Tax on Interim Dividend of ₹ 12.62 Crores)	(18.23)	-	-	-	-	-	(18.23)
Transfer to/from retained earnings	(10.00)	-	10.00	-	-	-	-
Balance as at 31.03.2020	**934.73**	**0.71**	**93.90**	**0.15**	**434.17**	**0.39**	**1,464.05**

The accompanying notes form an integral part of the Financial Statements.

As per our report of even date

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

KARTIKEYA RAVAL
Partner

Ahmedabad: May 26, 2020

For and on behalf of the Board

DEEPAK C. MEHTA
Chairman & Managing Director
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ARVIND BAJPAI
Company Secretary
Membership No.: F6713

SANDESH ANAND
Director
DIN: 00001792

Vadodara: May 26, 2020

Notes forming part of the Financial Statements

as at and for the year ended March 31, 2020

COMPANY OVERVIEW

Deepak Nitrite Limited ('DNL' or 'the Company') is a prominent chemical manufacturing public limited company incorporated and domiciled in India. Its registered office is located at Aaditya-I Chhani Road, Vadodara- 390 024, Gujarat, India and its manufacturing facilities are located in the states of Gujarat, Maharashtra and Telangana.

The Company manufactures Basic Chemicals, Fine & Speciality Chemicals and Performance Products.

Application of New Ind AS

The Ministry of Corporate Affairs (MCA) notified Ind AS 116, the new leases accounting standard on 30th March 2019 with the effective date of its application from 1st April 2019. Ind AS -116 replaces the current guidance in Ind AS-17, 'Leases'. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases.

Nature and the effect of adoption of Ind AS 116

Before the adoption of Ind AS 116, the Company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

On adoption, the Company (as lessee) recognise right-of-use asset at its carrying amount as if the standard had been applied since the commencement of the lease, but discounted using the lessee's incremental borrowing rate as at April 1, 2019 and correspondingly also recognised lease liability measured at the present value of the remaining lease payments. The Company has used a single discount rate to a portfolio of leases with similar characteristics.

The Companies (Indian Accounting Standards) Amendment Rules, 2019 also notified amendments to the following accounting standards. The amendments are effective from April 1, 2019.

1. Ind AS 12 Income taxes - Appendix C on uncertainty over income tax treatment
2. Ind AS 12 Income Taxes - Accounting for Dividend Distribution Taxes
3. Ind AS 23 - Borrowing costs
4. Ind AS 28 - Investment in associates and joint ventures
5. Ind AS 103 and Ind AS 111 - Business combinations and joint arrangements
6. Ind AS 109 - Financial instruments
7. Ind AS 19 - Employee benefits

There is no material impact on adoption of these amendments.

1. Significant Accounting Policies

This Note provides a list of the significant Accounting Policies adopted by the Company in the preparation of these Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

(i) Compliance with Ind AS

The Financial Statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The Financial Statements have been prepared on a historical cost basis except for the following assets and liabilities which have been measured at fair value or revalued amount:

(a) Certain items of Property, Plant and Equipment

(b) Certain financial assets and financial liabilities measured at fair value

(c) Derivative Financial instruments

(d) Defined benefit plan – plan assets measured at fair value

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if the market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value measurement and/or disclosure purposes in the financial statements is determined on such a basis except for leasing transactions that are within the scope of Ind AS 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 Financial Statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('functional currency'). The Financial Statements of the Company are presented in Indian currency (INR), which is also the functional and presentation currency of the Company.

(iii) Use of estimates and critical accounting judgements

Preparation of the Financial Statements requires use of accounting estimates which, by definition, will be equal to the actual results. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations that the management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

Useful lives and residual value of property, plant and equipment : The Company reviews the useful life and residual value of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Allowance for expected credit losses: The expected credit allowance is based on the ageing of the days receivables which are past due and the rates derived based on past history of defaults in the provision matrix.

Fair value of investments: The Company has invested in the equity instruments of various companies. However, the percentage of shareholding of the Company in such investee companies is very low and hence, it has not been provided with future projections including projected statement of profit and loss by those investee companies. Hence, the valuation exercise carried out by the Company with the help of an independent valuer has estimated fair value at each reporting period based on available historical annual reports and other information in the public domain.

Income taxes : Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

(b) Current versus non-current classification

Assets and liabilities are classified as Current or Non-Current as per the provisions of the Schedule III notified under the Companies Act, and the Company's normal operating cycle.

An asset is treated as current when it is:

(i) Expected to be realised or intended to be sold or consumed in normal operating cycle;

(ii) Held primarily for the purpose of trading;

(iii) Expected to be realised within twelve months after the reporting period, or

(iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

(i) It is expected to be settled in normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period, or

(iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Based on the nature of business and its activities, the Company has ascertained its operating cycle as twelve months for the purpose of Current & Non-Current classification of assets and liabilities.

(c) Revenue Recognition

Sale of Goods:

Revenue from the sale of goods is only recognized – net of Goods & Service Tax, cash discounts, discounts and rebates – if the following conditions are met:

- The significant risks and rewards of ownership of the goods have been transferred to the buyer.
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits associated with the transaction will flow to the Company.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from Services is recognised in the accounting period in which the services are rendered.

Interest Income:

Interest income from Financial Assets is recognised when it is probable that the economic benefits will flow to the company and the amount of income is measured reliably. Interest income is accrued on time basis, by reference to the principle outstanding and using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Eligible export incentives are recognised in the year in which the conditions precedent is met and there is no significant uncertainty about the collectability.

Revenue in respect of other income is recognised to the extent that the Company is reasonably certain of its ultimate realisation.

(d) Leasing

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 financial statements of the Company, transactions in currencies other than the entity’s functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in Statement of profit and loss in the period in which they arise.

Exchange difference arising either on settlement or on translation, in case of long-term foreign currency borrowings, in so far as they relate to property, plant and equipment are capitalised.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs.

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, option contracts and interest rate swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of profit and loss immediately.

(f) Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

(g) Government Grants

(i) Grants from the Government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

(ii) Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited in the Statement of profit and loss in proportion to fulfilment of associated export obligations and presented within other income.

(iii) Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

(h) Employee Benefits

(i) Retirement Benefit Costs and Termination Benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit plans in respect of an approved gratuity plan, the cost of providing benefits is determined using projected unit credit method, with actuarial valuations being carried out at the end of each reporting period.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income is reflected in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to Statement of Profit and Loss.

Past service cost is recognised in Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and curtailments and settlements);
- net interest expense or income; and
- remeasurement

The first two components of defined benefit costs are recognised in the Statement of Profit and Loss in the line item 'Employee benefits expense'. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

(ii) Short-Term and Other Long-Term Employee Benefits

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the Present value of the estimated future cash outflows expected to be made in respect of services provided by employees up to the reporting date.

(iii) Compensated Absence and Earned Leaves

The Company's current policy permits eligible employees to accumulate compensated absences up to a prescribed limit and receive cash in lieu thereof in accordance with the terms of the policy. The Company measures the expected cost of accumulating compensated absences as the additional amount that the Company expects to pay as a result of unused entitlement that has accumulated as at the reporting date. The expected cost of these benefits is calculated using the projected unit credit method by qualified actuary every year. Actuarial gains and losses arising from experience adjustment and changes in actuarial assumptions are recognised in the Statement of Profit and Loss in the period in which they arise.

(i) Income Taxes

The Company has elected to exercise option available under section 115BAA 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 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 financial statements and the corresponding tax bases used in the computation of taxable profits.

However, deferred tax liabilities are not recognised if they arise from the initial recognition of Goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit /(tax loss).

Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the Balance Sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Dividend distribution tax arising out of payment of dividends to shareholders under the Income Tax Act, 1961 regulation are recognised in statement of changes in equity as part of associated dividend payment.

(j) Property, Plant and Equipment

Property, plant and equipment held for use in the production or supply of goods or services are stated at cost less accumulated depreciation and accumulated impairment losses if any.

Subsequent costs are included in the carrying amount of asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred.

Spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment if they are held for use in the production or supply of goods or services and are expected to be used during more than one period.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as 'Capital work-in-progress'.

Depreciation Methods, Estimated Useful Lives and Residual Value:

Depreciation on all tangible assets is provided at the rates and in the manner prescribed by Schedule II to the Companies Act, 2013 and certain components of plant & equipment such as Reactors, Centrifuge, Cooling towers, Air Compressor etc. which are depreciated over its useful life as technically assessed by Independent/ Internal Technical Personnel after taking into consideration past experience of the company, chemical process & chemical industry norms.

Asset Category	Estimated Useful Life
Building	30 years
Plant & Equipment	3 to 40 years
Furniture & Fixture	10 years
Vehicle	8 years
Office Equipment	5 years
Road	5 years

Freehold land is stated at historical cost and is not depreciated.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

In respect of depreciable assets for which Impairment Loss is recognised, depreciation/amortisation is charged on the revised carrying amount over the remaining useful life of the assets computed on the basis of the life prescribed in schedule II to the Companies Act, 2013.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

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 Statement of Profit and Loss.

(k) Intangible Assets

Intangible assets are stated at their original cost of acquisition, less accumulated amortisation and impairment losses, if any. An Intangible Asset is recognised, where it is probable that the future economic benefits attributable to the Asset will flow to the enterprise and where its cost can be reliably measured.

The cost of intangible assets is amortised over the estimated useful life, in any case, not exceeding ten years, on a straight-line basis. A detail of estimated useful life is given below:

Software and related implementation costs	6 years
Rights to use facilities	5 years
Technical Know How	10 years

(l) Impairment of Tangible and Intangible Assets

The carrying amount of cash generating units/assets is reviewed at the Balance Sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount is estimated as the net selling price or value in use, whichever is higher. While assessing value in use, the estimated future cash flows are discounted to the present value by using pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset . Impairment loss, if any, is recognised whenever carrying amount exceeds the recoverable amount. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

(m) Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, demand deposits with bank and other short-term deposits (3 months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

(n) Inventories

Raw materials and components, stores and spares are valued at cost determined on period-moving weighted average basis and are net of Cenvat, VAT & GST. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to the present location and condition. Due allowances are made for slow moving and obsolete inventories based on estimates made by the Company. Items such as spare parts, stand-by equipment and servicing equipment which is not plant and equipment gets classified as inventory.

Finished Goods and Stock-in-process are valued at cost of purchase of raw materials and conversion thereof, including the cost incurred in the normal course of business in bringing the inventories up to the present condition or at the net realisable value, whichever is lower. The inventories of joint products are valued by allocating the costs to the joint products by `Relative Sales Value' method. By-products are valued at net realisable price.

(o) Financial Instruments

Financial Assets and Financial Liabilities are recognised when the company becomes a party to the contractual provisions of the instruments.

Financial Assets and Financial Liabilities are initially measured at Fair Value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.

Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(i) Classification of Financial Assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition)

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income(except for debt instruments that are designated as at fair value through profit or loss on initial recognition)

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in Statement of Profit and Loss and is included in the “Other Income” line item.

(iii) Investments in Equity Instruments

On initial recognition, the company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the ‘Reserve for equity instruments through other comprehensive income’.

The cumulative gain or loss is not reclassified to Profit or Loss on disposal of the investments.

Investments in subsidiary companies carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiary companies the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

Dividends on these investments in equity instruments are recognised in Statement of Profit and Loss when the Company’s right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery a part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in Statement of Profit and Loss are included in the ‘Other income’ line item.

(iv) Financial Assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset and is included in the Other income 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 applies the expected credit loss model for recognising impairment loss on financial contractual rights to receive cash or other financial asset, and financial guarantees not designated as at assets at amortised cost, debt instruments at FVTOCI lease receivables, trade receivables, other contractual rights to receive cash or other financial assets.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses, 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company can again measure the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without cost or effort that is indicative of significant increases in credit risk since initial recognition.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

(vi) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in Statement of Profit and Loss if such gain or loss would have otherwise been recognised in Statement of Profit and Loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety, the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in Statement of Profit and Loss if such gain or loss would have otherwise been recognised in Statement of Profit and Loss on disposal of that financial asset.

A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part it continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

(vii) Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in Statement of Profit and Loss.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange difference on amortised cost are recognised in Statement of Profit and Loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

(p) Financial Liabilities and equity instruments

(i) Classification as Debt and Equity

Debt and Equity instruments issued by the company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(ii) Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

(iii) Financial Liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

a) Financial Liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the 'Other income' or 'Other Expenses' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in Statement of Profit and Loss, in which case these effects of changes in credit risk are recognised in Statement of Profit and Loss. The remaining amount of change in the fair value of liability is always recognised in Statement of Profit and Loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to Statement of Profit and Loss.

b) Financial Liabilities subsequently measured at Amortised Cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amount of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

c) Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income' or 'Other expenses'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses.

d) Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability and the consideration paid and payable is recognised in Statement of Profit and Loss.

(q) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(r) Provisions and Contingent Liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These are reviewed at each year end and reflect the best current estimate. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of best estimate of the Management of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

(s) Research and Development Expenditure

Research and Development expenditure is charged to revenue under the natural heads of account in the year in which it is incurred. Research and Development expenditure on property, plant and equipment is treated in the same way as expenditure on other property, plant and equipment.

(t) Earnings Per Share

Basic Earnings per share (EPS) is calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of Equity shares outstanding during the period. Diluted Earnings per Equity Share are computed by dividing net income by the weighted average number of Equity Shares adjusted for the effects of all dilutive potential Equity Shares. Earnings considered in ascertaining the EPS is the net profit for the period after attributable tax thereto for the period.

(u) Segment Reporting - Basis of Information

The Company has determined 3 (three) reporting Segments, based on the information reviewed by chief operating decision maker as primary segments viz. (i) Basic Chemicals, (ii) Fine & Speciality Chemicals and (iii) Performance Products .

Inter segment transfer prices are normally negotiated amongst the segments with reference to the costs, market prices and business risks, within an overall optimisation objective of the Company.

Revenue and expenses have been accounted on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segments on reasonable basis, have been included under “Other unallocable”. Assets and liabilities which relate to the enterprise as a whole but are not allocable to segments on a reasonable basis, have been included under “Unallocable Assets/Liabilities”.

Secondary segment have been identified with reference to geographical location of external customers. Composition of secondary segment is as follows:

(i) India and

(ii) Outside India.

2. PROPERTY, PLANT AND EQUIPMENT

₹ in Crores

	Owned assets									
	Freehold Land	Leasehold Land	Building	Plant and Equipment	Furniture and Fixture	Vehicle	Office Equipment	Road	Total	Capital Work-in-Progress
Net Carrying Amount as at March 31, 2018	**5.79**	**18.91**	**88.27**	**441.08**	**4.16**	**3.93**	**1.51**	**1.00**	**564.65**	**36.25**
Additions during the year 2018-19	-	0.31	7.19	68.53	0.36	0.57	0.39	0.05	77.40	71.41
Deductions during the year 2018-19	-	-	(0.34)	(6.13)	-	(0.69)	(0.02)	-	(7.17)	(78.74)
Depreciation for the year 2018-19	-	(0.25)	(4.63)	(43.63)	(0.72)	(0.90)	(0.59)	(0.57)	(51.29)	-
Depreciation on disposal during the year 2018-19	-	-	0.02	1.13	-	0.32	0.01	-	1.48	-
Net Carrying Amount as at March 31, 2019	**5.79**	**18.97**	**90.52**	**460.98**	**3.81**	**3.23**	**1.30**	**0.48**	**585.07**	**28.92**
Additions during the year 2019-20	18.31	120.15	4.01	60.43	0.11	1.62	0.28	-	204.91	266.08
Deductions during the year 2019-20	-	-	(0.65)	(11.76)	(0.01)	(0.53)	(0.03)	-	(12.99)	(205.12)
Depreciation for the year 2019-20	-	(0.67)	(4.75)	(66.24)	(0.74)	(0.91)	(0.57)	(0.17)	(74.06)	-
Depreciation on disposal during the year 2019-20	-	-	0.21	3.00	0.01	0.27	0.02	-	3.51	-
Net Carrying Amount as at March 31, 2020	**24.10**	**138.46**	**89.33**	**446.41**	**3.18**	**3.67**	**0.99**	**0.30**	**706.45**	**89.88**

Notes:

1. Property, Plant and Equipment hypothecated/mortgaged as security for borrowings are disclosed under note 17 and note 20.
2. Building includes ₹ 10.80 Crores (₹ 10.80 Crores at March 31, 2019) in respect of ownership of premises in a co-operative housing society by way of 10 Shares.
3. With effect from April 1, 2019, the Company has changed the useful life of certain Property, Plant & Equipment based upon the technical evaluation conducted by the management. Accordingly, change in useful life of the Property, Plant & Equipment is being applied prospectively in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.
4. Capitalised borrowing costs

   Addition to Property, Plant & Equipment in previous year include borrowing costs (including exchange difference considered as adjustments to borrowings cost) amounting to ₹ 1.69 Crores

₹ in Crores

	Capitalised during the Current Year	Capitalised during the Previous Year
Exchange loss/(Gain) Capitalised (Refer note below)		
(a) Plant & Machinery	-	1.59
(b) Factory & Other Building	-	0.10
Total	-	**1.69**

Note: Pursuant to the provisions contained in the Companies (Accounting Standards) Amendment Rules, 2009, and related notifications of Ministry of Corporate Affairs, the Company in 2018-19 has adjusted to Property, Plant & Equipment, foreign exchange differences amounting to ₹ 1.69 Crores on revaluation of long term foreign currency borrowing for acquisition of Property, Plant & Equipment as an adjustment to borrowing costs.

5 Capital work-in-progress mainly comprises addition/expansion projects in progress.

6 Research & Development Assets included in Property, Plant & Equipment

₹ in Crores

	Owned assets						
	Building	Plant and Equipment	Furniture and Fixture	Vehicle	Office Equipment	Computer Software	Total
Net Carrying Amount as at March 31, 2018	**0.57**	**6.32**	**1.27**	**0.17**	**0.13**	**0.17**	**8.64**
Additions during the year 2018-19	-	1.88	-	-	0.01	0.04	1.93
Depreciation for the year 2018-19	(0.04)	(0.83)	(0.12)	(0.03)	(0.04)	(0.03)	(1.10)
Net Carrying Amount as at March 31, 2019	**0.53**	**7.36**	**1.15**	**0.14**	**0.10**	**0.18**	**9.47**
Additions during the year 2019-20	-	3.03	0.05	-	0.01	-	3.09
Deductions during the year 2019-20	-	(0.06)	-	(0.10)	-	-	(0.16)
Depreciation for the year 2019-20	(0.04)	(0.95)	(0.13)	(0.03)	(0.04)	(0.04)	(1.23)
Depreciation on disposal during the year 2019-20	-	0.04	-	0.05	-	-	0.09
Net Carrying Amount as at March 31, 2020	**0.49**	**9.42**	**1.07**	**0.06**	**0.07**	**0.14**	**11.26**

3. RIGHT-OF-USE ASSETS

₹ in Crores

	Building	Plant and Equipment	Furniture	Vehicle	Total
Recognition on adoption of Ind AS 116	**3.67**	**0.61**	**-**	**1.11**	**5.39**
Additions during the year 2019-20	5.83	0.08	1.75	-	7.66
Depreciation for the year 2019-20	(1.69)	(0.33)	(0.08)	(0.56)	(2.66)
Net Carrying Amount as at March 31, 2020	**7.81**	**0.36**	**1.67**	**0.55**	**10.39**

4. OTHER INTANGIBLE ASSETS

₹ in Crores

	Computer Software	Others	Total
Net Carrying Amount as at March 31, 2018	**2.83**	**1.71**	**4.54**
Additions during the year 2018-19	1.27	0.08	1.34
Deductions during the year 2018-19	(0.01)	-	(0.01)
Depreciation for the year 2018-19	(1.19)	(0.40)	(1.59)
Depreciation on disposal during the year 2018-19	0.01	-	0.01
Net Carrying Amount as at March 31, 2019	**2.91**	**1.39**	**4.30**
Additions during the year 2019-20	0.21	-	0.21
Deductions during the year 2019-20	-	-	-
Depreciation for the year 2019-20	(1.02)	(0.20)	(1.22)
Depreciation on disposal during the year 2019-20	-	-	-
Net Carrying Amount as at March 31, 2020	**2.10**	**1.20**	**3.29**

5. NON-CURRENT INVESTMENTS

₹ in Crores

		As at March 31, 2020	As at March 31, 2019
(a)	Investments in equity instruments of subsidiary companies measured at cost	280.48	280.48
(b)	Investments in Preference shares of subsidiary companies measured at cost	280.00	280.00
	Subtotal	**560.48**	**560.48**
(a)	Investments in equity instruments of other companies measured at FVTPL	0.04	0.07
(b)	Investments in equity instruments of other companies measured at FVOCI	2.35	2.32
(c)	Investments in Government or Trust Securities measured at amortised cost (Refer Note (c) below)	0.00	0.00
	Subtotal	**2.38**	**2.39**
	Total	**562.86**	**562.87**

₹ in Crores

	Face Value	As at March 31, 2020		As at March 31, 2019	
		No. of shares	Amount	No. of shares	Amount
(a) Investment in Equity Instruments (fully paid-up)					
(i) Subsidiary Companies measured at cost (Unquoted)					
In Indian subsidiary company measured at cost					
Deepak Phenolics Limited	INR 10/-	280,000,000	280.00	280,000,000	280.00
In Foreign subsidiary company measured at cost					
Deepak Nitrite Corporation, Inc.	US $ 10/-	7,500	0.48	7,500	0.48
(ii) Other Companies measured at FVTPL					
Quoted					
IDBI Bank	INR 10/-	6,240	0.01	6,240	0.03
Bank of Baroda (Refer Note 1 below)	INR 2/-	3,234	0.02	29,400	0.04
Unquoted					
Nandesari Environment Control Limited (represents ₹8,000)	INR 10/-	800	0.00	800	0.00
Baroda Co-operative Bank Limited (represents ₹500)	INR 50/-	10	0.00	10	0.00
Shamrao Vitthal Co-op Bank Limited	INR 25/-	2,000	0.01	2,000	0.01
New India Co-op Bank Limited (represents ₹7,980)	INR 10/-	798	0.00	798	0.00

₹ in Crores

	Face Value	As at March 31, 2020		As at March 31, 2019	
		No. of shares	Amount	No. of shares	Amount
(iii) **Other Companies measured at FVOCI**					
Unquoted					
Jedimetla Effluent Treatment Limited	INR 100/-	52,342	0.85	52,342	0.85
Deepak International Limited	GBP 1/-	73,706	0.69	73,706	0.67
Deepak Gulf LLC	Omani Riyal 1/-	45,000	0.81	45,000	0.81
(b) **Investment in Preference Shares(fully paid-up)**					
Subsidiary Company measured at cost					
Unquoted					
Deepak Phenolics Limited 7% Non- Cumulative Optionally Convertible Preference Shares	INR 100/-	28,000,000	280.00	28,000,000	280.00
(c) **Investments in Government or Trust Securities measured at amortised cost**					
National Savings Certificate (represents ₹ 1,000)			0.00		0.00
Total		**308,191,630**	**562.86**	**308,217,796**	**562.87**

Note:

1. The Company has received 3,234 shares of Bank of Baroda (Face Value ₹ 2 each) in the scheme of amalgamation against 29,400 shares of the Dena Bank (Face Value ₹ 10 each) in the month of April 2019.

2.

₹ in Crores

		As at March 31, 2020	As at March 31, 2019
(a)	Aggregate amount of Unquoted Investments	562.83	562.80
(b)	Aggregate amount of Quoted Investments	0.03	0.07

6. LOANS

₹ in Crores

	As at March 31, 2020	As at March 31, 2019
Loans to Employees		
Unsecured, considered good		
(a) Key Managerial Personnel and Directors	-	0.01
(b) Others	1.06	1.35
Total	**1.06**	**1.36**

These financial assets are carried at amortised cost.

7. OTHER NON-CURRENT FINANCIAL ASSETS

₹ in Crores

	As at March 31, 2020	As at March 31, 2019
Security Deposits		
Unsecured, considered good	5.60	5.57
Total	**5.60**	**5.57**

8. NON-CURRENT TAX ASSETS

₹ in Crores

	As at March 31, 2020	As at March 31, 2019
Non-Current Tax Assets		
Advance Income Tax (Net of provisions)	-	1.93
Total	**-**	**1.93**

9. OTHER NON-CURRENT ASSETS

₹ in Crores

	As at March 31, 2020	As at March 31, 2019
(a) Capital Advances	6.06	2.58
(b) Prepaid Expenses	0.23	0.29
(c) Advance against Salary	1.11	0.93
Total	**7.40**	**3.80**

10. INVENTORIES [AT LOWER OF COST AND NET REALISABLE VALUE]

₹ in Crores

	As at March 31, 2020	As at March 31, 2019
(a) Raw materials and components	75.66	75.08
Goods-in-transit	24.02	24.93
	99.68	100.01
(b) Stores and Spares	20.70	16.04
Sub-Total	**120.38**	**116.05**
(c) Work-in-progress	21.80	27.29
(d) Finished goods	98.84	96.65
Provision for obsolescence	(7.93)	(7.49)
Sub-Total	**112.71**	**116.45**
Total	**233.09**	**232.51**

Inventories hypothecated as security for borrowings are disclosed under note 17 and note 20.

11. TRADE RECEIVABLES

₹ in Crores

	As at March 31, 2020	As at March 31, 2019
Current		
(a) Unsecured, Considered Good		
(i) Trade Receivables	364.10	340.48
(ii) Related Parties (Refer Note 34.12.)	1.87	3.97
(b) Trade Receivables - Credit Impaired	14.60	6.78
Allowance for credit losses	(14.60)	(6.78)
Total	**365.97**	**344.45**

The credit period on sales of goods varies with business segments/ markets and generally ranges between 30 to 180 days. For financial risk related to Trade Receivables refer note 39.5 and 39.6

Trade receivables hypothecated/mortgaged as security for borrowings are disclosed under note 17 and note 20.

12 A. CASH AND CASH EQUIVALENTS

₹ in Crores

	As at March 31, 2020	As at March 31, 2019
(a) Cash on hand	0.14	0.10
(b) Balances with banks		
In Current accounts	1.50	1.20
In EEFC Accounts	0.46	1.51
Total	**2.10**	**2.81**

12 B. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS ABOVE

₹ in Crores

	As at March 31, 2020	As at March 31, 2019
(a) Earmarked Balances with Bank	1.59	0.72
(b) Margin Money Deposits	0.04	2.05
Total	**1.63**	**2.77**

13. OTHER CURRENT FINANCIAL ASSETS

₹ in Crores

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
(a) Loans to employees		
(i) Key Managerial Personnel and Directors (represents ₹ 26,948)	0.00	0.01
(ii) Others	0.59	0.76
(b) Interest Receivable	0.63	0.60
(c) Security Deposits	0.30	0.15
(d) Earnest Money	0.10	0.16
(e) Others	-	0.24
Total	**1.62**	**1.91**

14. OTHER CURRENT ASSETS

₹ in Crores

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
(a) Balance with Government Authorities	28.85	27.94
(b) Prepaid Expenses	1.18	1.67
(c) Advances to Suppliers	22.73	19.39
(d) Other Receivables	0.19	0.12
Total	**52.95**	**49.12**

15. EQUITY SHARE CAPITAL

₹ in Crores

	As at March 31, 2020	As at March 31, 2019
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) 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.

The Board of Directors declared Interim Dividend of ₹ 4.50/- (Rupees Four and paisa fifty only) per equity share of face value of ₹ 2/- (Rupees Two only) each on March 04, 2020 amounting to ₹ 73.99 Crores (including tax on dividend of ₹ 12.62 Crores).

(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.

(b) 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, 2020		As at March 31, 2019	
	No.	% holding	No.	% holding
Shri Deepak Chimanlal Mehta	21,564,831	15.81	21,236,331	15.56
Stiffen Credits & Capital Private Limited	8,415,940	6.17	8,379,940	6.14
Reliance Capital Trustee Co Limited-A/C Nippon India Small Cap Fund	7,601,510	5.57	6,421,199	4.71
Checkpoint Credits & Capital Private Limited	7,206,050	5.28	7,206,050	5.28
Stepup Credits & Capital Private Limited	6,915,580	5.07	6,915,580	5.07

(c) During the year 2014-15, Company has allotted 52,269,095 Bonus Equity Shares of ₹ 2/- (Rupees Two Only) each, fully paid up, in the ratio of 1:1 (one Bonus Equity Shares of ₹ 2/- each).

16. OTHER EQUITY

₹ in Crores

	As at March 31, 2020	As at March 31, 2019
Reserves & Surplus		
(a) Retained Earnings	934.73	511.26
(b) General Reserve	93.90	83.90
(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)		
Equity Instruments through Other Comprehensive Income	0.39	0.37
Total	**1,464.05**	**1,030.56**

₹ in Crores

		As at March 31, 2020	As at March 31, 2019
(a)	**Retained Earnings**		
	Balance at beginning of year	511.26	402.32
	Add: Profit attributable to owners of the Company (Profit for the year)	540.36	135.32
	Less: Payment of Dividend on Equity Shares (Including Interim Dividend of ₹ 61.37 Crores)	88.66	17.73
	Less: Payment of Dividend Distribution Tax (Including Tax on Interim Dividend of ₹ 12.62 Crores)	18.23	3.64
	Less: Transferred to General Reserve	10.00	5.00
	Balance at end of year	**934.73**	**511.26**
	Retained earnings represents the Company's undistributed earnings after taxes.		

₹ in Crores

		As at March 31, 2020	As at March 31, 2019
(b)	**General Reserve**		
	Balance at beginning of year	83.90	78.90
	Add: Transferred from Surplus Balance in the Statement of Profit and Loss	10.00	5.00
	Balance at end of year	**93.90**	**83.90**
	The general reserve is used for purposes as specified under the Companies Act, 2013. As the general reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to the statement of profit and loss.		
(c)	**Capital Reserve**		
	Balance at beginning of year	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 reserve represents the amount received in excess of the face value of the equity shares. The utilisation of the securities premium reserve is governed by the Section 52 of the Companies Act, 2013.		
(f)	**Reserve for equity instruments through other comprehensive income**		
	Balance at beginning of year	0.37	0.32
	Add: Gain on revaluation of Equity Instruments	0.02	0.05
	Balance at end of year	**0.39**	**0.37**
	This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed off.		

17. NON-CURRENT BORROWINGS

₹ in Crores

	As at March 31, 2020	As at March 31, 2019
Term Loans from Banks at amortised cost		
Secured	30.00	123.19
Unsecured	-	20.00
Sub-Total	**30.00**	**143.19**
Less:		
Current maturities of Non-Current Borrowings disclosed under "Other Current Financial Liabilities" (Refer Note 22 (a))	30.00	61.60
Total	**-**	**81.59**

Secured Term Loans:-

Term loan from Banks are secured by first pari passu charge by way of hypothecation of all existing movable property, plant and equipment and mortgage of immovable properties of the Company.

Repayment Schedule:-

(i) Rate of interest of Rupee loan from Banks are in the range of MCLR plus 0.00% to 1.40% p.a. and is repayable on monthly/quarterly basis with last instalment payable from April, 2020 to March, 2026.

(ii) Unsecured Term Loan from Banks was repayable on quarterly basis and last instalment paid in September, 2019.

18. PROVISIONS

₹ in Crores

	As at March 31, 2020	As at March 31, 2019
Non-current		
Provision for Employee Benefit Obligations		
Provision for Leave Benefits (Refer Note 37 (B))	13.29	10.73
Total-Non-Current	**13.29**	**10.73**
Current		
Provision for Employee Benefit Obligations		
Provision for Leave Benefits (Refer Note 37 (B))	4.79	3.26
Provision for Gratuity (Refer Note 37 (A)(iii))	6.61	3.80
Total-Current	**11.40**	**7.06**

19. DEFERRED TAX LIABILITY (NET)

₹ in Crores

	As at March 31, 2020	As at March 31, 2019
(a) Break up of deferred tax liability as at year end:		
Nature of timing difference		
Property, Plant and Equipment	60.58	90.46
Total Deferred Tax Liability	**60.58**	**90.46**
(b) Break up of deferred tax asset as at year end:		
Nature of timing difference		
Disallowances u/s 43B and Others	15.17	13.87
Total Deferred Tax Asset	**15.17**	**13.87**
Deferred Tax Liability (Net) (a-b)	**45.41**	**76.59**

20. CURRENT BORROWINGS

₹ in Crores

	As at March 31, 2020	As at March 31, 2019
Working Capital Borrowings from Banks		
(a) Secured	54.25	170.59
(b) Unsecured	123.30	13.83
Total	**177.55**	**184.43**

(i) Working Capital borrowings from banks represent Cash Credit, Working Capital Demand Loan, Export Packing Credit with rate of interest as MCLR of respective banks plus spread ranging from 0% -1.25% p.a., Packing Credit in Foreign Currency, Buyers' Credit against Letter of Undertaking with rate of interest ranging from LIBOR/EURIBOR plus spread ranging from 0.50% p.a. to 1.30% p.a. These borrowings are repayable on demand.

(ii) Working Capital borrowings are secured by way of first Hypothecation charge over Company's Raw Materials, Semi-Finished and Finished Goods, Consumable Stores and Book Debts and second charge on all Property, Plant & Equipment by way of hypothecation and mortgage.

(iii) Commercial Paper placed by the Company during the year are unsecured and carries interest rate ranging from 5.70% p.a. to 6.50% p.a., tenure of each placement ranging from 81 days to 90 days.

The outstanding Commercial Papers (listed) of the Company as on March 31, 2020 have maturity value of ₹ 125 crore.

21. TRADE PAYABLES

₹ in Crores

		As at March 31, 2020	As at March 31, 2019
(a)	To outstanding dues of Micro, Small and Medium Enterprises	6.16	7.75
(b)	To outstanding dues of Creditors other than Micro, Small and Medium Enterprises	233.16	317.11
Total		**239.32**	**324.87**

The average credit period on goods purchased or services received ranges between 30 days to 180 days.

22. OTHER FINANCIAL LIABILITIES - CURRENT

₹ in Crores

		As at March 31, 2020	As at March 31, 2019
(a)	Current maturities of Long term Borrowings (Refer Note 17)	30.00	61.60
(b)	Security Deposits	3.11	2.87
(c)	Investor Education and Protection Fund will be credited by following amounts (as and when due)		
	Unpaid Dividend	1.58	0.70
	Unclaimed Matured Deposits (Refer Note below)	0.07	0.07
	Unpaid Interest on Matured Fixed Deposits	0.01	0.02
(d)	Interest accrued but not due on Borrowings	0.59	0.97
(e)	Others	4.40	0.09
Total		**39.76**	**66.33**

The Unclaimed Matured deposits of ₹ 0.07 crores outstanding as at March 31, 2020 represents an aggregate amount of certain cheques issued towards compulsory repayment of the outstanding fixed deposits as on March 31, 2015, which have not been presented to the bank for payment by the depositors.

23. CURRENT TAX LIABILITIES

₹ in Crores

	As at March 31, 2020	As at March 31, 2019
Current Tax Liabilities		
Provision for Tax (Net of Advances)	1.16	1.74
Total	**1.16**	**1.74**

24. OTHER CURRENT LIABILITIES

₹ in Crores

		As at March 31, 2020	As at March 31, 2019
(a)	Advances received from Customers	2.86	6.50
(b)	Payable for capital expenditure	5.55	5.86
(c)	Statutory Dues	7.67	4.21
Total		**16.08**	**16.57**

25. REVENUE FROM OPERATIONS

₹ in Crores

		For the year March 31, 2020	For the year March 31, 2019
(a)	Sale of Products	2,185.59	1,758.06
(b)	Sale of Services	10.41	9.71
(c)	Other Operating Revenues		
	Export Incentives	29.37	17.34
	Scrap Sale	3.88	3.10
	Insurance Claims (Refer Note below)	0.41	3.70
Total		**2,229.66**	**1,791.92**

The Company, during the previous year, recognised ₹ 3.48 Crores in the Statement of Profit and Loss under Fine & Speciality Chemicals Segment with respect to fire incident in October 2016 upon final settlement of the claims of replacement value of the damaged facilities and loss of profits due to business interruption.

26. OTHER INCOME

₹ in Crores

		For the year March 31, 2020	For the year March 31, 2019
(a)	Interest Income	0.58	0.80
(b)	Profit on redemption of Investments	0.33	0.44
(c)	Rent	0.45	0.68
(d)	Miscellaneous Receipts	3.11	0.67
(e)	Dividend Income (represents ₹ 878 (Previous Year ₹ 638))	0.00	0.00
(f)	Foreign Exchange Gain	3.11	-
Total		**7.58**	**2.60**

27. COST OF RAW MATERIAL AND COMPONENTS CONSUMED

₹ in Crores

		For the year March 31, 2020	For the year March 31, 2019
(a)	Raw Material and Components Consumed		
	Inventory at the beginning of the year	100.01	100.82
	Add: Purchases during the year	855.95	1,001.07
		955.96	1,101.89
	Less: Inventory at the end of the year	99.68	100.01
	Cost of Raw Material and Components Consumed	**856.28**	**1,001.88**
(b)	Cost of Packing Material and Consumed	**28.40**	**25.97**
Total		**884.68**	**1,027.85**

28. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

₹ in Crores

	For the year March 31, 2020	For the year March 31, 2019
Inventories at the beginning of the year		
Stock in Process	27.29	38.20
Finished Goods	96.65	34.07
	123.94	**72.27**
Less:		
Inventories at the end of the year		
Stock in Process	21.80	27.29
Finished Goods	98.84	96.65
	120.64	**123.94**
Total	**3.30**	**(51.67)**

29. EMPLOYEE BENEFITS EXPENSE

₹ in Crores

	For the year March 31, 2020	For the year March 31, 2019
(a) Salaries & Wages	156.82	143.38
(b) Contribution to provident fund and other funds (Refer Note No.37C)	8.46	7.39
(c) Gratuity Expenses (Refer Note No.37A(iv))	1.89	1.15
(d) Staff Welfare Expenses	7.80	6.68
Total	**174.97**	**158.60**

30. POWER & FUEL EXPENSES

₹ in Crores

	For the year March 31, 2020	For the year March 31, 2019
(a) Consumption of Gas	16.68	19.98
(b) Consumption of Furnace Oil	17.09	13.24
(c) Consumption of High Speed Diesel	1.29	1.29
(d) Consumption of Coal & Coke	39.57	39.10
(e) Electricity Expenses	61.91	59.93
(f) Water Charges	8.84	7.23
(g) Other Expenses	0.42	0.17
Total	**145.80**	**140.94**

31. FINANCE COSTS

₹ in Crores

	For the year March 31, 2020	For the year March 31, 2019
(a) Interest on Borrowings	16.77	34.90
(b) Exchange difference to the extent considered as an adjustment to Borrowing Costs	2.24	7.95
(c) Interest cost on lease liabilities	1.31	-
Total	**20.32**	**42.85**

32. DEPRECIATION AND AMORTISATION EXPENSES

₹ in Crores

		For the year March 31, 2020	For the year March 31, 2019
(a)	Depreciation on Tangible assets	74.05	51.29
(b)	Depreciation on Right-of-use assets	2.66	-
(c)	Amortisation of Intangible assets	1.22	1.59
Total		**77.93**	**52.88**

33. OTHER EXPENSES

₹ in Crores

		For the year March 31, 2020	For the year March 31, 2019
(a)	Conversion Charges	7.64	5.48
(b)	Other Manufacturing Expenses	16.03	12.47
(c)	Rent	1.14	2.35
(d)	Repairs & Maintenance		
	Repairs to Building	3.72	1.16
	Repairs and Maintenance to Plant and Equipment	33.92	26.15
	Repairs and Maintenance to Others	0.67	0.70
(e)	Consumption of stores & spare parts	13.49	15.84
(f)	Insurance	7.00	3.59
(g)	Rates & Taxes	5.19	3.67
(h)	Bank Charges	1.69	1.94
(i)	Travelling & Conveyance	5.65	4.37
(j)	Freight & Forwarding Charges	66.48	57.88
(k)	Loss on Sale of Property, Plant & Equipment	6.32	4.29
(l)	Commission on sales	3.74	2.94
(m)	CSR Expenses	3.48	2.50
(n)	Provision for Doubtful Debts (Gross)	7.82	3.58
	Less: Transfer from Provision for Doubtful Debts	-	2.74
	Provision for Doubtful Debts (Net)	7.82	0.84
(o)	Bad Debts written off (net)	0.86	10.37
(p)	Vehicle Expenses	2.71	3.53
(q)	Legal & Professional Expenses	10.96	10.12
(r)	General Expenses	24.28	27.82
(s)	Payment to Auditor	0.74	0.59
(t)	Director's Sitting Fees	0.23	0.15
(u)	Provision/(Reversal) for Inventory Obsolescence	0.45	5.75
(v)	Foreign Exchange Loss	-	6.08
Total		**224.21**	**210.58**

Note: Payment to Auditor

₹ in Crores

		For the year March 31, 2020	For the year March 31, 2019
(a)	As Auditor:		
	Audit fees	0.33	0.30
	Tax Audit fees	0.04	0.02
	Quarterly Limited Review	0.30	0.21
(b)	In Other Capacity:		
	Taxation Matters	0.04	0.04
	Other Services (Certification fees)	0.03	0.03
Total		**0.74**	**0.59**

34. RELATED PARTIES DISCLOSURES

A) Name of Related Party and nature of relationship

(i) Subsidiary Companies

Deepak Nitrite Corporation Inc., United States of America

Deepak Phenolics Limited

(ii) Key Management Personnel

Shri Deepak C. Mehta	Chairman & Managing Director
Shri Maulik D. Mehta	Whole Time Director
Shri Umesh Asaikar	Executive Director & Chief Executive Officer
Shri Sanjay Upadhyay	Director-Finance & Chief Financial Officer

(iii) Entities over which key managerial personnel or their relatives are able to exercise significant Influence

Check Point Credits & Capital Private Limited * Deepak Cybit Private Limited * Deepak Fertilizers and Petrochemicals Corporation Limited *Deepak Gulf LLC, Sultanate of Oman* Deepak Foundation * Deepak International Limited * Deepak Medical Foundation * Deepak Research and Development Foundation * Deepak Novochem Technologies Limited. * Forex Leafin Private Limited * Hardik Leafin Private Limited * Pranawa Leafin Private Limited * Skyrose Finvest Private Limited * Sofotel Infra Private Limited * Stepup Credits & Capital Private Limited * Stiffen Credits and Capital Private Limited * Stigma Credit & Capital Private Limited * Storewell Credits and Capital Private Limited* Sundown Finvest Private Limited

(iv) Relative of Key Management Personnel

Shri Chimanlal K. Mehta

Shri Ajay C. Mehta

Shri Meghav D. Mehta

B) **Transactions with the Related Parties**

Transaction with Related Parties

₹ in Crores

Sr. No.	Nature of Transaction	31st March, 2020					31st March, 2019				
		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	-	-	63.13	-	**63.13**	-	-	78.91	-	**78.91**
	Deepak Phenolics Limited	7.36	-	-	-	**7.36**	6.78	-	-	-	**6.78**
2	**Sale of Goods/Services**										
	Deepak Novochem Technologies Limited	-	-	-	-	**-**	-	-	6.96	-	**6.96**
	Deepak Phenolics Limited	0.75	-	-	-	**0.75**	-	-	-	-	**-**
3	**Conversion Charges Received**										
	Deepak Novochem Technologies Limited	-	-	10.40	-	**10.40**	-	-	9.68	-	**9.68**
4	**Sharing of Utilities**										
	Deepak Phenolics Limited	1.50	-	-	-	**1.50**	1.52	-	-	-	**1.52**
5	**Rendering of Services / Reimbursement of Expenses**										
	Deepak Novochem Technologies Limited	-	-	0.02	-	**0.02**	-	-	0.02	-	**0.02**
	Deepak Phenolics Limited	3.00	-	-	-	**3.00**	3.85	-	-	-	**3.85**
	Storewell Credits and Capital Private Limited	-	-	0.11	-	**0.11**	-	-	0.10	-	**0.10**
6	**Acquisition of Capital Asset (Leasehold Land)**										
	Deepak Fertilisers & Petrochemicals Corporation Limited	-	-	117.11	-	**117.11**	-	-	-	-	**-**
7	**Receiving of services / Reimbursement of Expenses**										
	Deepak Fertilisers & Petrochemicals Corporation Limited	-	-	0.07	-	**0.07**	-	-	0.60	-	**0.60**
	Deepak Novochem Technologies Limited (Previous year represents ₹13,000)	-	-	-	-	**-**	-	-	0.00	-	**0.00**
	Deepak Phenolics Limited	0.01	-	-	-	**0.01**	0.27	-	-	-	**0.27**
	Deepak Foundation (represents ₹15,000)	-	-	0.00	-	**0.00**	-	-	0.01	-	**0.01**
	Deepak Medical Foundation	-	-	0.24	-	**0.24**	-	-	0.19	-	**0.19**
	Deepak Nitrite Corporation Inc.	0.14	-	-	-	**0.14**	1.25	-	-	-	**1.25**
	Deepak Cybit Private Limited	-	-	0.33	-	**0.33**	-	-	0.22	-	**0.22**
	Shri Deepak C. Mehta	-	-	-	-	**-**	-	0.07	-	-	**0.07**
	Shri Meghav D. Mehta	-	-	-	-	**-**	-	-	-	0.55	**0.55**
	Shri Ajay C. Mehta	-	-	-	-	**-**	-	-	-	0.01	**0.01**
8	**Managerial Remuneration**										
	Shri Deepak C. Mehta	-	13.92	-	-	**13.92**	-	8.99	-	-	**8.99**
	Shri Maulik D. Mehta	-	1.53	-	-	**1.53**	-	1.71	-	-	**1.71**
	Shri Umesh Asaikar	-	6.47	-	-	**6.47**	-	5.89	-	-	**5.89**
	Shri Sanjay Upadhyay	-	3.13	-	-	**3.13**	-	2.94	-	-	**2.94**

₹ in Crores

Sr. No.	Nature of Transaction	31st March, 2020					31st March, 2019				
		Subsidiary Companies	Key Management Personnel	Entities over which key managerial personnel or their relatives are able to exercise significant Influence	Relative of Key Management Personnel	TOTAL	Subsidiary Companies	Key Management Personnel	Entities over which key managerial personnel or their relatives are able to exercise significant Influence	Relative of Key Management Personnel	TOTAL
9	**Subscription of Investment**										
	Deepak Phenolics Limited	-	-	-	-	**-**	79.00	-	-	-	**79.00**
10	**Dividend Paid**										
	Checkpoint Credits & Capitals Private Limited	-	-	4.68	-	**4.68**	-	-	0.94	-	**0.94**
	Stigma Credits & Capital Private Limited	-	-	4.02	-	**4.02**	-	-	0.80	-	**0.80**
	Stiffen Credits & Capital Private Limited	-	-	5.45	-	**5.45**	-	-	1.09	-	**1.09**
	Stepup Credits & Capital Private Limited	-	-	4.50	-	**4.50**	-	-	0.90	-	**0.90**
	Skyrose Finvest Private Limited	-	-	2.48	-	**2.48**	-	-	0.49	-	**0.49**
	Shri Deepak C. Mehta	-	13.93	-	-	**13.93**	-	2.76	-	-	**2.76**
	Shri Chimanlal K. Mehta	-	-	-	0.47	**0.47**	-	-	-	0.01	**0.01**
	Shri Maulik D. Mehta	-	0.09	-	-	**0.09**	-	0.02	-	-	**0.02**
	Shri Meghav D. Mehta	-	-	-	0.03	**0.03**	-	-	-	0.01	**0.01**
	Others	-	-	4.11	0.49	**4.60**	-	-	0.72	0.18	**0.90**
11	**Donation / CSR Activity**										
	Deepak Medical Foundation	-	-	0.12	-	**0.12**	-	-	-	-	**-**
	Deepak Foundation	-	-	3.45	-	**3.45**	-	-	2.62	-	**2.62**
12	**Net Accounts Receivable / (Payable)**										
	Deepak Fertilisers & Petrochemicals Corporation Limited	-	-	(8.67)	-	**(8.67)**	-	-	(12.88)	-	**(12.88)**
	Deepak Novochem Technologies Limited	-	-	1.76	-	**1.76**	-	-	3.97	-	**3.97**
	Deepak Phenolics Limited	0.11	-	-	-	**0.11**	(2.46)	-	-	-	**(2.46)**
	Deepak Nitrite Corporation Inc.	(0.81)	-	-	-	**(0.81)**	(0.79)	-	-	-	**(0.79)**
	Deepak Cybit Private Limited (Previous year represents ₹19,230)	-	-	(0.01)	-	**(0.01)**	-	-	(0.00)	-	**(0.00)**
	Deepak Medical Foundation (Previous year represents ₹49,756)	-	-	(0.10)	-	**(0.10)**	-	-	(0.00)	-	**(0.00)**
	Storewell Credits and Capital Private Limited	-	-	(0.04)	-	**(0.04)**	-	-	-	-	**-**
	Shri Deepak C. Mehta	-	(7.00)	-	-	**(7.00)**	-	(6.00)	-	-	**(6.00)**
	Shri Maulik D. Mehta	-	(0.28)	-	-	**(0.28)**	-	(0.66)	-	-	**(0.66)**
	Shri Umesh Asaikar	-	(1.15)	-	-	**(1.15)**	-	(1.14)	-	-	**(1.14)**
	Shri Sanjay Upadhyay	-	(0.53)	-	-	**(0.53)**	-	(0.79)	-	-	**(0.79)**

35. CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)

₹ in Crores

	As at March 31, 2020	As at March 31, 2019
I. Claims against the Company not acknowledged as debts in respect of		
(a) Matters relating to Income Tax.	-	0.59
(b) Matters relating to Sales Tax/VAT from FY 2011-12 to FY 2014-15 is being contested at various level of Indirect Tax authorities.	0.92	1.59
(c) Matters relating to Excise duty from FY 2011-12 and FY 2012-13 is being contested at various level of Indirect Tax authorities.	0.04	2.92
(d) Bank Guarantees:		
Financial	13.62	17.03
Performance	13.19	15.94
(e) Disputed Labour Matters	Amount Not ascertainable	Amount Not ascertainable
Management is not expecting any future cash outflow in respect of (a) to (c) & (e)		
Total (I)	**27.77**	**38.06**
II. Commitments		
Capital Commitments (Net of Advances: Refer Note 9.(a))	31.25	23.50
Total(II)	**31.25**	**23.50**

36. TAX EXPENSE

A. Income Tax Expense Recognised in the Statement of Profit and Loss

₹ in Crores

	For the year March 31, 2020	For the year March 31, 2019
I. Expense / (Benefit) recognised in the statement of profit and loss		
Current tax on profit for the year	192.08	48.64
Increase/ (Decrease) in deferred tax liabilities	(30.09)	25.81
Total	**161.99**	**74.45**
II. Expense / (Benefit) recognised in statement of other comprehensive income		
Re-measurement gains / (losses) on defined benefit plans	(1.10)	(1.45)
Equity instruments through other comprehensive income	-	0.03
Total	**(1.10)**	**(1.42)**

B. The reconciliation between the provision of income tax and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows

₹ in Crores

	For the year March 31, 2020	For the year March 31, 2019
Profit before taxes	**706.03**	**212.49**
Enacted income tax rate in India	25.17%	34.94%
Computed expected tax expense	**177.69**	**74.25**
Effect of		
Weighted deduction for R&D Expenditure	-	(1.73)
Impact of electing option u/s 115BAA (Refer Note below)	(17.48)	-
Others (Net)	1.78	1.92
Total income tax expense	**161.99**	**74.45**

The Company elected to exercise option available under section 115BAA of the Income Tax Act, 1961 and tax expense has been recognised accordingly for the year ended March 31, 2020.

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, 2020	Recognised in statement of profit and loss /OCI	As at March 31, 2019	Recognised in statement of profit and loss /OCI	As at March 31, 2018
Property, plant and equipment	60.58	(29.88)	90.46	8.41	82.05
Total Deferred Tax Liabilities (a)	**60.58**	**(29.88)**	**90.46**	**8.41**	**82.05**
Disallowances u/s 43B and Others	15.17	1.30	13.87	8.80	5.07
MAT Credit Entitlement	-	-	-	(24.78)	24.78
Total Deferred Tax Assets (b)	**15.17**	**1.30**	**13.87**	**(15.98)**	**29.85**
Net Deferred Tax (Asset)/Liabilities (a-b)	**45.41**	**(31.18)**	**76.59**	**24.39**	**52.20**

37. EMPLOYEE BENEFIT OBLIGATIONS

A. Gratuity

The Company has covered its Gratuity Liability by a Group Gratuity Policy named 'Employee Group Gratuity Assurance Scheme' issued by Life Insurance Corporation of India. Under this plan, an employee at retirement is eligible for benefit, which will be equal to 15 days salary for each completed year of service. Thus, it is a defined benefit plan and the aforesaid insurance policy is the Plan Asset.

(i) Reconciliation of opening and closing balances of Defined Benefit Obligation

₹ in Crores

	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	23.19	18.27
Current Service Cost	1.61	1.16
Interest Cost	1.77	1.42
Actuarial (gain)/losses	4.97	3.84
Benefits Paid	(1.71)	(1.50)
Balance at the end of the year	**29.83**	**23.19**

(ii) Reconciliation of opening and closing balances of Fair Value of Plan Assets

₹ in Crores

	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	19.39	18.24
Interest Income	1.46	1.43
Return on Plan Assets	0.18	(0.33)
Contribution by the Company	3.91	1.55
Benefits Paid	(1.71)	(1.50)
Balance at the end of the year	**23.23**	**19.39**
Actual Return on Plan Assets	**6.82% to 6.84%**	**7.54% to 7.88%**

(iii) Assets and Liabilities Recognised in the Balance Sheet

₹ in Crores

	As at March 31, 2020	As at March 31, 2019
Present Value of Defined Benefit Obligation	29.83	23.19
Less: Fair Value of Plan Assets:	23.23	19.39
Amounts recognised as liability	**6.61**	**3.80**
Recognised under		
Short Term provision **(Refer Note 18)**	6.61	3.80
Total	**6.61**	**3.80**

(iv) **Expenses recognised in the Statement of Profit and Loss:**

₹ in Crores

	For the year March 31, 2020	For the year March 31, 2019
Current Service Cost	1.61	1.16
Net Interest Cost	0.32	(0.01)
Liability Transferred	(0.04)	-
Total Expenses (Refer Note No. 29)	**1.89**	**1.15**

(v) **Expenses recognised in the Other Comprehensive Income:**

₹ in Crores

	For the year March 31, 2020	For the year March 31, 2019
Actuarial gain/(losses) on Obligation for the period	(4.97)	(3.84)
Return on Plan assets excluding Interest Income	0.18	(0.33)
Total Expenses recognised in OCI	**(4.79)**	**(4.17)**

(vi) **Major Category of Plan Assets**

	As at March 31, 2020		As at March 31, 2019	
	₹ in Crores	%	₹ in Crores	%
GOI Securities	-	-	-	-
Public Securities	-	-	-	-
State Government Securities	-	-	-	-
Insurance Policies	23.23	100.00	19.39	100.00
Others	-	-	-	-

Risk exposure

The Company is exposed to a number of risks, the most significant of which are detailed below:

Interest rate risk: A fall in the discount rate which is linked to the 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.

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, 2020	As at March 31, 2019
Discount Rate	7.54%	7.79%
Expected Return on Plan Assets	7.79%	7.79%
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 trade, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given below:

	Change in assumptions		Impact on defined benefit obligation			
			Increase		Decrease	
	As at March 31, 2020 %	As at March 31, 2019 %	As at March 31, 2020 ₹ in Crores	As at March 31, 2019 ₹ in Crores	As at March 31, 2020 ₹ in Crores	As at March 31, 2019 ₹ in Crores
Discount Rate	1.00%	1.00%	(1.57)	(1.27)	1.81	1.44
Salary Growth Rate	1.00%	1.00%	1.77	1.42	(1.56)	(1.27)
Attrition Rate	1.00%	1.00%	(0.13)	(0.05)	0.18	0.05

In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance Sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change as compared to the prior year.

B. Leave Encashment

(a) The Leave Encashment Benefit Scheme is a Defined Benefit Plan and is wholly unfunded. Hence, there are no plan assets attributable to the obligation.

(b) The accumulated balance of Leave Encashment (unfunded) provided in the books as at March 31, 2020, is ₹ 18.08 Crores (Previous year ₹ 13.99 Crores), which is determined on actuarial basis using Projected Unit Credit Method.

(c) Principal Actuarial Assumptions

	As at March 31, 2020	As at March 31, 2019
Discount Rate	6.84%	7.79%

C. Defined Contribution Plan

Contribution to Defined Contribution Plans, recognised in Statement of Profit and Loss, for the year is as under

₹ in Crores

	As at March 31, 2020	As at March 31, 2019
Employer's Contribution to Provident Fund and other funds except superannuation	6.58	5.66
Employer's Contribution to Superannuation Fund	1.88	1.73

Expected Contribution for the next year	₹ in Crores
Employer's Contribution to Provident Fund and other funds except superannuation	7.11
Employer's Contribution to Superannuation Fund	2.03

38. CAPITAL MANAGEMENT

The key objective of the Company's capital management is to ensure that it maintains a stable capital structure with the focus on total equity to uphold investor, creditor, and customer confidence and to ensure future development of its business.

The Company focused on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required without impacting the risk profile of the Company.

For the purpose of Capital Management, the Company considers the following components of its Balance Sheet to manage capital.

The capital structure of the Company was as follows

₹ in Crores

	As at March 31, 2020	As at March 31, 2019
Total Equity (A)	1,491.33	1,057.84
Non-Current Borrowings (including current maturities)	30.00	143.19
Current Borrowings	177.55	184.43
Total Borrowings (B)	207.55	327.62
Total Capital (A+B)	**1,698.88**	**1,385.46**
Total Borrowings as % of Total Capital	12.22%	23.65%
Total Borrowings as % of Total Equity	13.92%	30.97%

The Interest Coverage Ratio for the reporting period was as follows

₹ in Crores

	For the year March 31, 2020	For the year March 31, 2019
EBITDA (excluding other income)	796.70	305.62
Finance Cost	19.01	42.85
Interest Coverage Ratio	**41.91**	**7.13**

The Debt Service Coverage Ratio for the reporting period was as follows

₹ in Crores

	For the year March 31, 2020	For the year March 31, 2019
EBITDA (excluding other income)	796.70	305.62
Finance Cost	19.01	42.85
Repayment of Non-Current Borrowings	113.19	104.52
Debt Service Coverage Ratio	**6.03**	**2.07**

39. FINANCIAL INSTRUMENTS

39.1. Categories of financial instruments

The carrying value of financial instruments by categories as at March 31, 2020 is as follows

₹ in Crores

	Fair Value through Other Comprehensive Income	Fair value through profit or loss	Amortised Cost
Financial Assets			
Cash and Cash Equivalents	-	-	2.10
Other Balances with Banks	-	-	1.63
Quoted Investments (Level 1)	-	0.03	-
Unquoted Investments (Level 3)	2.35	0.01	560.48
Government Securities (Refer Note 5(c))	-	-	0.00
Trade Receivables	-	-	365.97
Loans	-	-	1.65
Other Financial Assets	-	-	6.63
Total	**2.35**	**0.04**	**938.46**
Financial Liabilities			
Current Borrowings	-	-	177.55
Non-Current Borrowings (including current maturities)	-	-	30.00
Trade Payables	-	-	239.32
Other Financial Liabilities	-	3.70	16.58
Total	**-**	**3.70**	**463.45**

The carrying value of financial instruments by categories as at March 31, 2019 is as follows

₹ in Crores

	Fair Value through Other Comprehensive Income	Fair value through profit or loss	Amortised Cost
Financial Assets			
Cash and Cash Equivalents	-	-	2.81
Other Balances with Banks	-	-	2.77
Quoted Investments (Level 1)	-	0.07	-
Unquoted Investments (Level 3)	2.32	0.01	560.48
Government Securities (Refer Note 5(c))	-	-	0.00
Trade Receivables	-	-	344.45
Loans	-	-	2.13
Other Financial Assets	-	-	6.71
Total	**2.32**	**0.07**	**919.35**
Financial Liabilities			
Current Borrowings	-	-	184.43
Non-Current Borrowings (including current maturities)	-	-	143.19
Trade Payables	-	-	324.87
Other Financial Liabilities	-	0.09	4.64
Total	**-**	**0.09**	**657.12**

39.2. Fair Value Hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Fair Value Hierarchy as at March 31, 2020

₹ in Crores

	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments in Quoted Instruments	0.03	-	-	0.03
Investments in Unquoted Instruments	-	-	2.35	2.35

Fair Value Hierarchy as at March 31, 2019

₹ in Crores

	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments in Quoted Instruments	0.07	-	-	0.07
Investments in Unquoted Instruments	-	-	2.33	2.33

Reconciliation of Level 3 fair value measurements

₹ in Crores

	Investment in unquoted shares irrevocably designated as FVTOCI
Opening Balance as at March 31, 2018	2.24
Total gains/losses in other comprehensive income	0.08
Closing balance as at March 31, 2019	**2.32**
Total gains in other comprehensive income	0.02
Closing balance as at March 31, 2020	**2.35**

Comparative Market Multiples method has been used for estimating the fair value of such Investment. The fair valuation estimates are based on historical annual accounts/annual reports and based on information collected from public domain. Information pertaining to future expected performance of investee companies including projections about their profitability, balance sheet status and cash flow expectations are not available.

39.3. Financial Risk Management objectives

The Company has adequate internal processes to assess, monitor and manage financial risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using financial instruments such as foreign currency forward contracts, option contracts and interest swaps to hedge risk exposures and appropriate risk management policies as detailed below. The use of these financial instruments is governed by the Company's policies, which outlines principles on foreign exchange risk, interest rate risk, credit risk and deployment of surplus funds.

Item	Primarily effected by	Risk management policies	Reference
Market risk - currency risk	Foreign Currency balances and exposure towards trade payables, buyer's credit, exports, short-term and long-term borrowings	The Company hedges its foreign currency risk using foreign exchange forward contracts and option contracts after considering the natural hedge.	Note 39.4.1
Market risk - interest rate risk	Change in market interest rates	Maintaining a combination of fixed and floating rate debt; interest rate swaps for long-term borrowings; cash management policies	Note 39.4.2
Credit risk	Ability of customers or counterparties to financial instruments to meet contractual obligations.	Credit approval and monitoring practices; counterparty credit policies and limits; arrangements with financial institutions	Note 39.5
Liquidity risk	Fluctuations in cash flows	Preparing and monitoring forecasts of cash flows; cash management policies; multiple-year credit and banking facilities	Note 39.6

39.4 Market Risk

The Company's financial instruments are exposed to market rate changes. The Company is exposed to the following significant market risks

- Foreign currency risk
- Interest rate risk

Market risk exposures are measured using sensitivity analysis. There has been no change to the Company's exposure to market risks or the manner in which these risks are being managed and measured.

39.4.1 Foreign Currency Risk management

The Company is exposed to foreign exchange risk on account of following

1. Imports of raw materials and services.
2. Exports of finished goods.
3. Foreign currency borrowings in the form of Term loans, External Commercial Borrowings, buyers credit, packing credit etc. availed for meeting its funding requirements.

   The Company has a forex policy in place whose objective is to mitigate foreign exchange risk by deploying the appropriate hedging strategies through combination of various hedging instruments such as foreign currency forward contracts, options contracts after considering the nature hedge 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, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
USD (Crores)	1.06	2.13	1.72	1.02
INR (Crores)	79.85	147.10	129.95	70.35
EURO (Crores) (represent € 34,600)	0.00	0.15	0.21	0.14
INR (Crores)	0.29	11.73	17.77	10.87

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 and option contracts outstanding as at the Balance Sheet date

	As at March 31, 2020		As at March 31, 2019	
	Buy	Sell	Buy	Sell
Forward Contracts (USD Crores)	-	0.90	-	-
Forward Contracts (EURO Crores)	-	-	0.08	-
Option Contracts (USD Crores)	-	2.93	-	-

The forward 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, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
USD (Crores)	3.17	1.11	-	-
EURO (Crores)	-	-	0.21	0.06

(d) Foreign currency sensitivity analysis

The Company is mainly exposed to fluctuations in US Dollar. The following table details the Company's sensitivity to a INR 1 increase and decrease against the US Dollar. INR 1 is the sensitivity used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only net outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a INR 1 change in foreign currency rates. A positive number below indicates an increase in profit where the Rupee strengthens by INR 1 against the US Dollar. For a INR 1 weakening against the US Dollar, there would be a comparable impact on the profit before tax.

₹ in Crores

Currency USD Impact on profit or loss	As at March 31, 2020	As at March 31, 2019
Impact of INR 1 strengthening against US Dollar	0.14	1.05
Impact of INR 1 weakening against US Dollar	(2.24)	(1.05)

The above sensitivity analysis does not include effect of Foreign Exchange (loss)/gain capitalised as the same does not affect profit or loss or total equity.

39.4.2 Interest Rate Risk Management

The Company issues commercial papers, draws working capital demand loans, avails cash credit, foreign currency borrowings including buyers credit, Packing Credit etc. for meeting its funding requirements.

Interest rates on these borrowings are exposed to change in respective benchmark rates. The Company manages the interest rate risk by maintaining appropriate mix/portfolio of the borrowings.

(a) Interest rate swap contract

The Company enters into the swap contracts to hedge the interest rate risks on the external commercial borrowings. Using interest rate swap, Company agrees to exchange LIBOR floating interest rate to LIBOR fixed interest rate on agreed notional principal amounts. Such contracts enable the company to mitigate the interest rate risk.

(b) Interest rate sensitivity analysis

The sensitivity analysis in para below has been determined for borrowings assuming the amount of borrowings outstanding at the end of the reporting period was outstanding for the whole year. A 10 basis points increase or decrease in case of foreign currency borrowings and 25 basis points increase or decrease in case of rupee borrowings is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rate had been 10 basis points higher/ lower in case of foreign currency borrowings and 25 basis points higher/ lower in case of rupee borrowings and all other variables were held constant, the Company's profit for the year ended March 31, 2020 would decrease/ increase by ₹ 0.45 Crores (March 31, 2019: ₹ 0.78 Crores)

39.5 Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to the customer credit risk management. The Company uses financial information and past experience to evaluate credit quality of majority of its customers and individual credit limits are defined in accordance with this assessment through third party experts. Outstanding receivables and the credit worthiness of its counterparties are periodically monitored and taken upon case to case basis.

The Company measured the loss allowance for receivables based on the management estimate and judgment credit risk and consequential default considering emerging situations due to COVID-19.

The credit risk on cash and bank balances, derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

Age of receivables

₹ in Crores

	As at March 31, 2020	As at March 31, 2019
Within the Credit period	373.65	344.88
91 to <=180 days	2.52	1.94
>180 days	4.40	4.41

Reconciliation of loss allowance provision - Trade receivables

	₹ in Crores
Loss allowance on March 31, 2018	**5.95**
Changes in loss allowance	0.84
Loss allowance on March 31, 2019	**6.78**
Changes in loss allowance	7.82
Loss allowance on March 31, 2020	**14.60**

39.6 Liquidity Risk management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the contractual maturities of financial (liabilities)/assets including estimated interest payments as at March 31, 2020

₹ in Crores

	Amount	upto 1 year	1-3 year	More than 3 year	Total cash flows
Trade Payables	(239.32)	(239.32)	-	-	(239.32)
Borrowings	(207.55)	(207.55)	-	-	(207.55)
Other Financial Liabilities	(16.58)	(16.58)	-	-	(16.58)
Foreign Currency Forward Contracts, option contracts and interest swaps	(3.70)	(3.70)	-	-	(3.70)
Trade Receivables (Gross)	380.57	380.57	-	-	380.57

The table below provides details of financial assets as at March 31, 2020

₹ in Crores

	Carrying amount
Loans	1.65
Other financial assets	6.63
Total	**8.28**

The table below provides details regarding the contractual maturities of financial (liabilities)/assets including estimated interest payments as at March 31, 2019

₹ in Crores

	Amount	upto 1 year	1-3 year	More than 3 year	Total cash flows
Trade Payables	(324.87)	(324.87)	-	-	(324.87)
Borrowings	(327.62)	(246.03)	(71.59)	(10.00)	(327.62)
Other Financial Liabilities	(4.64)	(4.64)	-	-	(4.64)
Foreign Currency Forward Contracts, option contracts and interest swaps	(0.09)	(0.09)	-	-	(0.09)
Trade Receivables (Gross)	351.23	351.23	-	-	351.23

The table below provides details of financial assets as at March 31, 2019

₹ in Crores

	Carrying amount
Loans	2.13
Other financial assets	6.71
Total	**8.84**

39.7 Changes in Liabilities arising from Financing Activities

₹ in Crores

	Non-Current Borrowing (including Current Maturities of Long term Borrowings)	Current Borrowings	Interest Accrued But Not Due	Lease Liabilities	Unpaid dividend on equity Shares (Incl DDT)
As at April 1, 2018	**197.71**	**264.06**	**1.87**	**-**	**0.61**
Cash Flows	(54.52)	(76.22)	(43.73)	-	(17.64)
Foreign Exchange movement	-	(3.42)	-	-	-
Charged to P&L during the period	-	-	42.85	-	-
Dividend recognised during the year	-	-	-	-	17.73
As at March 31, 2019	**143.19**	**184.42**	**0.99**	**-**	**0.70**
Recognition on adoption of Ind AS 116	-	-	-	13.06	-
Cash Flows	(113.19)	-	(19.86)	(2.72)	(106.01)
Foreign Exchange movement	-	1.53	0.45	-	-
Charged to P&L during the period	-	-	19.01	0.87	-
Dividend recognised during the year	-	-	-	-	106.89
As at March 31, 2020	**30.00**	**185.95**	**0.59**	**11.21**	**1.58**

40. SEGMENT INFORMATION

(a) Primary Segment Information

The information reported to the Chief Operating Decision Maker (CODM) for the purpose of resource allocation and assessment of segment performance is based on types of goods delivered. Accordingly, the Company's reportable segments under Ind AS 108 are as follows

(i) Basic Chemicals

(ii) Fine & Speciality Chemicals

(iii) Performance Products

The accounting policies of the reportable segments are same as the Company's accounting policies. Segment profit represents the profit before interest and tax earned by each segment without allocation of central administrative costs and other income. This is the measure reported to the CODM.

Transfer prices between operating segments are on arm's length basis in a manner similar to transactions with third parties.

₹ in Crores

	For the year March 31, 2020	For the year March 31, 2019
I) Segment Revenue		
(a) Basic Chemicals	940.32	893.19
(b) Fine & Speciality Chemicals	585.26	535.64
(c) Performance Products	767.93	402.89
(d) Un- allocable	-	-
TOTAL	**2,293.51**	**1,831.72**
Less: Inter Segment Revenue	63.85	39.80
Net Sales/Income from operations	**2,229.66**	**1,791.92**
II) Segment Results		
Profit + Loss (-) Before Tax & Interest		
(a) Basic Chemicals	209.35	145.35
(b) Fine & Speciality Chemicals	167.88	126.55
(c) Performance Products	418.16	83.18
TOTAL	**795.39**	**355.08**
Less : (i) Interest Expenses	20.32	42.85
(ii) Other un-allocable expenditure net of un-allocable Income	69.04	99.74
III) Profit Before Tax	**706.03**	**212.50**
IV) Segment Assets		
(a) Basic Chemicals	453.36	458.53
(b) Fine & Speciality Chemicals	381.74	379.65
(c) Performance Products	476.74	379.64
(d) Un- allocable	734.68	609.91
TOTAL	**2,046.52**	**1,827.73**
V) Segment Liabilities		
(a) Basic Chemicals	115.24	168.63
(b) Fine & Speciality Chemicals	70.96	82.89
(c) Performance Products	57.41	64.20
(d) Un- allocable	311.58	454.17
TOTAL	**555.19**	**769.89**
VI) Capital Expenditure		
(a) Basic Chemicals	31.46	33.81
(b) Fine & Speciality Chemicals	16.75	33.89
(c) Performance Products	34.19	6.61
(d) Un- allocable	122.74	4.43
TOTAL	**205.13**	**78.74**
VII) Depreciation		
(a) Basic Chemicals	33.47	19.14
(b) Fine & Speciality Chemicals	20.19	13.37
(c) Performance Products	18.30	16.03
(d) Un- allocable	5.94	4.33
TOTAL	**77.91**	**52.88**

(b) Secondary Segment Information

The following table shows the distribution of the Company's Revenue and Assets by geographical market:

Revenue

₹ in Crores

	For the year March 31, 2020	For the year March 31, 2019
In India	1,292.94	1,211.53
Outside India	936.72	580.39
Total	**2,229.66**	**1,791.92**

Carrying Amount of Segment Assets

₹ in Crores

	As at March 31, 2020	As at March 31, 2019
In India	1,896.83	1,744.56
Outside India	149.69	83.17
Total	**2,046.52**	**1,827.73**

Addition to Fixed Assets

₹ in Crores

	As at March 31, 2020	As at March 31, 2019
In India		
- Tangible	204.92	77.40
- Intangible	0.21	1.34
Outside India		
- Tangible	-	-
- Intangible	-	-
Total	**205.13**	**78.74**

41. LEASES

A. The following is the movement in lease liabilities during the year ended March 31, 2020:

₹ in Crores

	As at March 31, 2020
Recognition on adoption of Ind AS 116	5.39
Additions	7.66
Finance cost accrued during the year	1.31
Payment of Lease Liabilities	3.15
Balance at the end	**11.21**
Recognised under	
Non -Current Financial Liabilities	10.52
Current Financial Liabilities	0.69
Total	**11.21**

B. The following are details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

₹ in Crores

Financial year	As at March 31, 2020
2020-21	3.77
2021-22	2.30
2022-23	1.62
2023-24	1.56
2024-25	1.60
2025-26 and later	5.17
Total	**16.02**

42. EARNINGS PER SHARE

	As at March 31, 2020	As at March 31, 2019
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 Earnings Per Share (Nos. in Crores).	13.64	13.64
Weighted Average Number of Shares considered for Diluted Earnings Per Share (Nos. in Crores).	13.64	13.64
Net Profit after Tax available for Equity Shareholders (₹ in Crores)	544.04	138.04
Basic Earnings (in Rupees) Per Share of ₹ 2/- each.	39.89	10.12
Diluted Earnings (in Rupees) Per Share of ₹ 2/- each.	39.89	10.12

43 A. RESEARCH AND DEVELOPMENT EXPENSES

₹ in Crores

	As at March 31, 2020	As at March 31, 2019
(i) Capital Expenditure (Refer Note 2.6)	**3.09**	**1.93**
(ii) Revenue Expenditure		
Materials	0.73	0.81
Utilities	0.15	0.16
Maintenance	0.13	0.09
Personnel	6.42	4.74
Others	1.74	1.21
	9.17	**7.01**
Loss on discarding of assets	0.05	
Depreciation	1.21	1.10
	1.26	**1.10**
Total Revenue Expenditure	**10.43**	**8.11**
(iii) Total Capital & Revenue Expenditure ((i)+(ii))	**13.52**	**10.04**

43 B. R & D DISCLOSURE FOR DEPARTMENT OF SCIENTIFIC & INDUSTRIAL RESEARCH (DSIR)

₹ in Crores

	2019-20	2018-19	2017-18	2016-17	2015-16
(i) Capital Expenditure					
Nandesari	3.09	0.99	1.05	1.18	1.59
Roha	-	0.94	0.13	-	-
Total	**3.09**	**1.93**	**1.18**	**1.18**	**1.59**
(ii) Revenue Expenditure					
Nandesari	10.19	7.85	6.76	6.77	6.49
Roha	0.24	0.26	0.26	0.32	0.14
Total	**10.43**	**8.11**	**7.02**	**7.09**	**6.63**
(iii) Total Capital & Revenue Expenditure					
Nandesari	13.28	8.84	7.81	7.95	8.08
Roha	0.24	1.20	0.39	0.32	0.14
Total	**13.52**	**10.04**	**8.20**	**8.27**	**8.22**

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, 2020	As at March 31, 2019
(i)	Principal amount remaining unpaid	6.16	7.75
(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. During FY 2019-20, the Company has spent ₹ 3.48 Crores on Corporate Social Responsibility activities, against the requirement of ₹ 3.03 Crores, being 2% of average of the net profits for the preceding three years.

46. In view of the lockdown directions passed by the Central and Local Government all over India to prevent and contain the spread of COVID-19, the Company temporarily suspended its operations at its manufacturing facilities since March 25, 2020. Upon obtaining necessary permissions from the concerned authorities and after taking all necessary measures relating to safety as prescribed in the said permissions, the operations were resumed in a phased manner from April 06, 2020. Based on detailed assessment of the impact of COVID-19 on the operations of the Company and on-going discussions with customers, vendors and service providers, the Management as of now believes of its ability to serve customers, obtain regular supply of raw materials and logistics services.

Subsequent to the year end, the Company has received notices of Force Majeure from certain suppliers and customers and similarly the Company has also issued notices of Force Majeure to customers and suppliers. However, based on the preliminary legal evaluation of these notices, the Management does not anticipate any material economic outflow of resources which would impact its cash position and the carrying value of its assets. The Company believes that there is no impact on its ability to meet its liabilities as and when they fall due. There is no material change in the internal control environment of the Company. However, the extent and duration of COVID-19 is currently unknown and depends on future development that are uncertain. Any resultant outcome and impact on business, due to this, is unpredictable.

The Management has considered the possible effects if any that may result from the pandemic relating to COVID-19 on the carrying amounts of trade receivables and inventories. In developing the assumptions and estimates relating to the uncertainties as at the Balance Sheet date in relation to the recoverable amounts of these assets, the management has used internal and external sources of information to the extent determined by it, including economic forecasts as at the date of approval of these financial results. The impact of the same may differ from that estimated as at the date of approval of these financial statements due to the impact of the pandemic and the Company will continue to closely monitor the developments.

47. The Financial Statements were approved for issue by the Board of Directors on May 26, 2020.

For and on behalf of the Board

DEEPAK C. MEHTA
Chairman & Managing Director
DIN: 00028377

UMESH ASAIKAR
Executive Director & CEO
DIN: 06595059

SUDHIR MANKAD
Director
DIN: 00086077

SANJAY UPADHYAY
Director-Finance & CFO
DIN: 01776546

ARVIND BAJPAI
Company Secretary
Membership No.: F6713

SANDESH ANAND
Director
DIN: 00001792

Vadodara: May 26, 2020

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of Subsidiaries

Part "A": Subsidiaries

1	Name of the subsidiary	Deepak Phenolics Limited	Deepak Nitrite Corporation, Inc.
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	2019-20	2019-20
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR ₹ in Crores	US$ 1US$ = ₹ 75.3859 ₹ in Lakhs
4	Share Capital	560.00	47.68
5	Reserves & Surplus	84.84	32.50
6	Total Assets	1,730.84	81.07
7	Total Liabilities	1,086.00	0.89
8	Investments	-	-
9	Turnover	2,009.76	14.41
10	Profit before Tax	100.02	0.31
11	Provision for Tax	33.37	0.12
12	Profit after Tax	66.65	0.19
13	Total Comprehensive Income	66.52	0.19
14	Proposed Dividend	-	-
15	% of Shareholding	100%	100%

For and on behalf of the Board

DEEPAK C. MEHTA
Chairman & Managing Director
DIN: 00028377

UMESH ASAIKAR
Executive Director & CEO
DIN: 06595059

SUDHIR MANKAD
Director
DIN: 00086077

SANJAY UPADHYAY
Director-Finance & CFO
DIN: 01776546

ARVIND BAJPAI
Company Secretary
Membership No.: F6713

SANDESH ANAND
Director
DIN: 00001792

Vadodara: May 26, 2020

Independent Auditor's Report

To The Members of Deepak Nitrite Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the accompanying consolidated financial statements of Deepak Nitrite Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31st March 2020, and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2020, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Revenue recognition** Revenue recognition is significant audit risk across all units within the Company. Risk exists that revenue is recognized without substantial transfer of control and is not in accordance with Ind AS-115 "Revenue from Contracts with Customers".	**Principal Audit Procedures** Our audit consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: • We evaluated the design of internal controls relating to revenue recognition. • We selected sample of Sales transactions and tested the operating effectiveness of the internal control relating to revenue recognition. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection. • We have tested sample of Sale transactions to their respective customer contracts, underlying invoices and related documents. • We have performed cut-off procedures for revenue transactions at year-end in order to conclude on whether they were recognised in accordance with Ind-AS 115.

Sr. No.	Key Audit Matter	Auditor's Response
2	**Inventory valuation at component as reported by component auditor** Inventory valuation is a key audit matter as the prices of raw materials are primarily based on crude oil and consequently the finished goods tend to vary significantly during the accounting period. Inventory is valued at lower of cost or net realizable value and complex calculations are involved in arriving at carrying value.	**Principal Audit Procedures** As principal auditors, we had issued written communication to the auditor of the component ('Other Auditors') for audit procedures to be performed. In accordance with such communication, the procedures performed by Other Auditors, as reported by them, have been provided below: We have: • Assessed the inventory valuation practices and checked the workings on a test check basis. • Checked the valuation of inventory of Raw Materials, work in progress and finished goods on the basis of the production norms made available by the management. Additionally, audit oversight procedures carried out by us over the work performed by the Other Auditors consisted of: a) Reviewing a written summary of the audit procedures performed by the Other Auditors. b) Discussing with Other Auditors and the Management of component to understand the inventory valuation practices and the basis of valuations.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management discussion and Analysis report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries 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.

We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Group and 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 business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of ₹ 1731.65 Crore as at 31st March, 2020, total revenues of ₹ 2037.80 Crore and net cash (outflows) amounting to ₹ (0.10) Crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

One of the subsidiary company is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in the country and which have been audited by other auditor under generally accepted auditing standards applicable in the country. The Parent's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in its country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Parent's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditor and the conversion adjustments prepared by the management of the Parent and audited by us.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Parent as on 31st March, 2020 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014,as amended in our opinion and to the best of our information and according to the explanations given to us:

   i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;

   ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts including derivative contracts;

   iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary company incorporated in India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

KARTIKEYA RAVAL
(Partner)
(Membership No.106189)

Place: Ahmedabad
Date: 26th May, 2020

UDIN: 20106189AAAADR3472

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Deepak Nitrite Limited (hereinafter referred to as "Parent") and its subsidiary company, which is company incorporated in India as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Parent, its subsidiary company, which is company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its subsidiary company, which is company incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary company, which is company incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiary company which is company incorporated in India.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditor referred to in the Other Matters paragraph below, the Parent and its subsidiary company, which is company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

OTHER MATTERS

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary company, which is company incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

KARTIKEYA RAVAL
(Partner)
(Membership No.106189)

Place: Ahmedabad
Date: 26th May, 2020

UDIN: 20106189AAAADR3472

Consolidated Balance Sheet as at March 31, 2020

₹ in Crores

	Notes	As at March 31, 2020	As at March 31, 2019
I. ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	2	1,787.56	1,700.56
(b) Capital Work-in-Progress	2	172.27	33.87
(c) Right-of-use Assets	3	14.35	-
(d) Other Intangible Assets	4	30.07	15.27
(e) Financial Assets			
Investments	5	2.38	2.39
Loans	6	1.06	1.36
Other Financial Assets	7	8.80	6.76
(f) Non-Current Tax Assets (Net)	8	6.00	2.04
(g) Other Non-Current Assets	9	29.82	3.81
Total Non-Current Assets		**2,052.31**	**1,766.06**
Current Assets			
(a) Inventories	10	394.50	410.73
(b) Financial Assets			
Trade Receivables	11	612.72	574.96
Cash and Cash Equivalents	12.A	2.14	2.96
Bank Balances Other than Cash and Cash Equivalents above	12.B	29.26	22.81
Other Financial Assets	13	1.62	1.91
(c) Other Current Assets	14	113.83	148.00
(d) Assets classified as held for sale		2.23	0.35
Total Current Assets		**1,156.30**	**1,161.72**
TOTAL ASSETS		**3,208.61**	**2,927.78**
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	15	27.28	27.28
(b) Other Equity	16	1,544.63	1,044.31
Total Equity		**1,571.91**	**1,071.59**
Non-Current Liabilities			
(a) Financial Liabilities			
Borrowings	17	779.43	869.86
Lease Liabilities		13.46	-
(b) Provisions	18	14.40	11.44
(c) Deferred Tax Liabilities (Net)	19	79.61	77.46
(d) Other Non-Current Liabilities	20	0.85	13.80
Total Non-Current Liabilities		**887.75**	**972.56**
Current Liabilities			
(a) Financial Liabilities			
Borrowings	21	248.42	255.05
Trade Payables			
Total outstanding dues of			
a) micro enterprises and small enterprises	22	6.70	7.77
b) creditors other than micro enterprises and small enterprises	22	357.56	464.66
Lease Liabilities		1.93	-
Other Financial Liabilities	23	95.88	115.90
(b) Provisions	18	12.04	7.62
(c) Current Tax Liabilities (Net)	24	0.97	3.74
(d) Other Current Liabilities	25	25.45	28.89
Total Current Liabilities		**748.95**	**883.63**
Total Liabilities		**1,636.70**	**1,856.19**
TOTAL EQUITY AND LIABILITIES		**3,208.61**	**2,927.78**
Significant Accounting Policies	1		

The accompanying Notes form an integral part of the Consolidated Financial Statements.

As per our report of even date

For and on behalf of the Board

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

KARTIKEYA RAVAL
Partner

Ahmedabad: May 26, 2020

DEEPAK C. MEHTA
Chairman & Managing Director
DIN: 00028377

UMESH ASAIKAR
Executive Director & CEO
DIN: 06595059

SUDHIR MANKAD
Director
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Director-Finance & CFO
DIN: 01776546

ARVIND BAJPAI
Company Secretary
Membership No.: F6713

SANDESH ANAND
Director
DIN: 00001792

Vadodara: May 26, 2020

Consolidated Statement of Profit and Loss for the year ended March 31, 2020

₹ in Crores

	Notes	2019-20	2018-19
I. Revenue from Operations	26	4,229.71	2,699.92
II. Other Income	27	35.20	15.12
III. **Total Income (I+II)**		**4,264.91**	**2,715.04**
IV. **Expenses**			
(a) Cost of Materials Consumed	28	2,347.91	1,748.27
(b) Purchase of Traded Goods	29	-	52.02
(c) Changes in Inventories of Finished Goods, Work-in-Progress and Traded Goods	30	25.59	(153.59)
(d) Employee Benefits Expense	31	218.53	179.77
(e) Power & Fuel Expenses	32	285.19	207.33
(f) Finance Costs	33	114.87	83.24
(g) Depreciation and Amortisation Expense	34	139.73	77.79
(h) Other Expenses	35	326.69	252.23
Total Expenses (IV)		**3,458.51**	**2,447.06**
V. **Profit before tax (III-IV)**		**806.40**	**267.98**
VI. **Tax Expense**			
(a) Current Tax		192.08	60.74
(b) Deferred Tax		3.29	33.58
VII. **Profit for the Year (V-VI)**		**611.03**	**173.66**
VIII. **Other Comprehensive Income**			
Items that will not be reclassified to profit and loss:			
(a) Remeasurement of defined benefit obligations (net)		(4.96)	(4.44)
(b) Tax effect of remeasurement of defined benefit liabilities/ (assets)		1.14	1.55
(c) Fair Value gains on Investments		0.02	0.08
(d) Tax effect of Fair value gains on Investments		-	(0.03)
Total Other Comprehensive Income for the Year (VIII)		**(3.80)**	**(2.84)**
IX. **Total Comprehensive Income for the year (VII+VIII)**		**607.23**	**170.82**
X. **Profit is attributable to:**			
Owners of the Group		**611.03**	**173.66**
Non-Controlling Interest		-	-
XI. **Other Comprehensive Income is attributable to:**			
Owners of the Group		**(3.80)**	**(2.84)**
Non-Controlling Interest		-	-
XII. **Total Comprehensive Income is attributable to:**			
Owners of the Group		**607.23**	**170.82**
Non-Controlling Interest		-	-
Earnings Per Equity Share			
(a) Basic (Nominal Value per share ₹ 2)		44.80	12.73
(b) Diluted (Nominal Value per share ₹ 2)		44.80	12.73

The accompanying Notes form an integral part of the Consolidated Financial Statements.

As per our report of even date

For and on behalf of the Board

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

DEEPAK C. MEHTA
Chairman & Managing Director
DIN: 00028377

UMESH ASAIKAR
Executive Director & CEO
DIN: 06595059

SUDHIR MANKAD
Director
DIN: 00086077

KARTIKEYA RAVAL
Partner

SANJAY UPADHYAY
Director-Finance & CFO
DIN: 01776546

ARVIND BAJPAI
Company Secretary
Membership No.: F6713

SANDESH ANAND
Director
DIN: 00001792

Ahmedabad: May 26, 2020

Vadodara: May 26, 2020

Consolidated Cash Flow Statement for the year ended March 31, 2020

₹ in Crores

		2019-20	2018-19
(A)	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit for the Year	611.03	173.66
	Add: Income Tax Expense recognised in the Consolidated Statement of Profit and Loss	195.37	94.32
	Profit Before Tax	**806.40**	**267.98**
	Non-Cash Adjustment to Reconcile Profit Before Tax to Net Cash Flows		
	1. Depreciation / Amortisation	139.73	77.79
	2. Loss on Sale of Fixed Assets	6.33	4.28
	3. Provision for Doubtful Debts	7.41	0.73
	4. Gain on Redemption of Investment	(0.33)	(0.47)
	5. Interest Expenses	114.87	83.25
	6. Interest Income	(2.12)	(1.48)
	7. Dividend Income (represents ₹ 878 (Previous Year ₹ 638))	(0.00)	(0.00)
	8. Fair Value Gains	0.04	(0.00)
	9. Foreign Exchange Fluctuation on account of Financing Activities	1.98	(3.42)
	Operating Profit Before Change in Operating Assets and Liabilities	**1,074.31**	**428.66**
	Movements in Working Capital :		
	1. (Increase)/Decrease in Inventories	16.18	(85.17)
	2. (Increase)/Decrease in Trade Receivables	(41.92)	(161.86)
	3. (Increase)/Decrease in Non Current Loans	0.29	(0.05)
	4. (Increase)/Decrease in Other Financial Assets	(2.88)	2.13
	5. (Increase)/Decrease in Other Assets	34.15	10.25
	6. Increase/(Decrease) in Trade Payables	(111.84)	(19.35)
	7. Increase/(Decrease) in Other Financial Liabilities	3.54	(62.18)
	8. Increase/(Decrease) in Other Liabilities	(11.26)	0.77
	9. Increase/(Decrease) in Provisions	2.59	3.15
	Cash Generated from Operations	**963.16**	**116.37**
	Less: Income tax paid (net of refund)	198.48	56.09
	Net Cash Inflow from Operating Activities (A)	**764.68**	**60.27**
(B)	**CASH FLOW FROM INVESTING ACTIVITIES**		
	1. Purchase of Property, Plant & Equipment, including Capital Work-in-Progress, Capital Advances & Payable for Capital Expenditure	(398.39)	(242.74)
	2. Purchase of Intangible Assets	(19.04)	(12.79)
	3. Proceeds from Sale of Property, Plant & Equipment	1.43	1.70
	4. Insurance claims received	-	17.83
	5. Purchase of Current Investments	(221.00)	(107.78)
	6. Proceeds from Redemption/Maturity of Current Investments	221.33	137.65
	7. Deposit with bank	-	18.07
	8. Interest received	2.12	1.57
	9. Dividend received (represents ₹ 878 (Previous Year ₹ 638))	0.00	0.00
	10. Increase/(Decrease) in Liabilities related to Capital Assets	(14.37)	23.93
	Net Cash Outflow from Investing Activities (B)	**(427.94)**	**(162.55)**

₹ in Crores

	2019-20	2018-19
(C) CASH FLOW FROM FINANCING ACTIVITIES		
1. Proceeds from Non-Current Borrowings	24.76	380.77
2. Repayment of Non-Current Borrowings	(125.37)	(104.52)
3. Net Proceeds from Current Borrowings	(8.17)	(73.00)
4. Interest paid	(113.42)	(84.13)
5. Dividend paid on Equity Shares and Dividend Distribution Tax	(106.01)	(21.29)
6. Margin Money Deposit	(5.59)	(2.03)
7. Principal repayment of Lease Liability	(1.77)	-
8. Interest cost of Lease	(1.99)	-
Net Cash Inflow/(Outflow) from Financing Activities (C)	**(337.56)**	**95.81**
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	**(0.82)**	**(6.46)**
Cash and Cash Equivalents at the Beginning of the Financial Year	**2.96**	**9.43**
Cash and Cash Equivalents at the End of the Financial Year	**2.14**	**2.96**
Reconciliation of Cash and Cash Equivalents		
Balances with Banks:		
In Current Accounts	1.54	1.35
In EEFC Accounts	0.46	1.51
Cash on hand	0.14	0.10
Total Cash and Cash Equivalents as per note 12 A.	**2.14**	**2.96**

Notes :

1. The 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.

The accompanying Notes form an integral part of the Consolidated Financial Statements.

As per our report of even date

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

KARTIKEYA RAVAL
Partner

Ahmedabad: May 26, 2020

For and on behalf of the Board

DEEPAK C. MEHTA
Chairman & Managing Director
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Company Secretary
Membership No.: F6713

SANDESH ANAND
Director
DIN: 00001792

Vadodara: May 26, 2020

Consolidated Statement of Changes in Equity for the year ended March 31, 2020

(A) EQUITY SHARE CAPITAL (Refer Note 15)

₹ in Crores

	Amount
As at March 31, 2018	**27.28**
Changes in Equity Share Capital during the year	-
As at March 31, 2019	**27.28**
Changes in Equity Share Capital during the year	-
As at March 31, 2020	**27.28**

(B) OTHER EQUITY

₹ 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 March 31, 2018	**380.61**	**0.71**	**78.90**	**0.15**	**434.17**	**0.32**	**894.86**
Profit for the year	173.66	-	-	-	-	-	173.66
Other Comprehensive income	(2.89)	-	-	-	-	0.05	(2.84)
Dividend	(17.73)	-	-	-	-	-	(17.73)
Tax on dividend	(3.64)	-	-	-	-	-	(3.64)
Transfer to/from retained earnings	(5.00)	-	5.00	-	-	-	-
Balance as at March 31, 2019	**525.01**	**0.71**	**83.90**	**0.15**	**434.17**	**0.37**	**1,044.31**
Profit for the year	611.03	-	-	-	-	-	611.03
Other Comprehensive income	(3.82)	-	-	-	-	0.02	(3.80)
Dividend (Including Interim Dividend of ₹ 61.37 Crores)	(88.66)	-	-	-	-	-	(88.66)
Tax on dividend (Including Tax on Interim Dividend of ₹ 12.62 Crores)	(18.23)	-	-	-	-	-	(18.23)
Transfer to/from retained earnings	(10.00)	-	10.00	-	-	-	-
Balance as at March 31, 2020	**1,015.32**	**0.71**	**93.90**	**0.15**	**434.17**	**0.39**	**1,544.63**

The accompanying Notes form an integral part of the Consolidated Financial Statements.

As per our report of even date

For and on behalf of the Board

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

KARTIKEYA RAVAL
Partner

Ahmedabad: May 26, 2020

DEEPAK C. MEHTA
Chairman & Managing Director
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Company Secretary
Membership No.: F6713

SANDESH ANAND
Director
DIN: 00001792

Vadodara: May 26, 2020

Notes forming part of the Consolidated Financial Statements

as at and for the year ended March 31, 2020

GROUP OVERVIEW

Deepak Nitrite Limited ('DNL' or 'the Company') is a prominent chemical manufacturing public limited company incorporated and domiciled in India. Its registered office is located at Aaditya-I Chhani Road, Vadodara- 390 024, Gujarat, India and its manufacturing facilities are located in the states of Gujarat, Maharashtra and Telangana.

The Company with its two subsidiaries namely Deepak Phenolics Limited and Deepak Nitrite Corporation Inc. are referred to as the Group here under.

The Group manufactures Basic Chemicals, Fine & Speciality Chemicals, Performance Products, and Phenolics.

Application of New Ind AS

The Ministry of Corporate Affairs (MCA) notified Ind AS 116, the new leases accounting standard on 30th March 2019 with the effective date of its application from 1st April 2019. Ind AS -116 replaces the current guidance in Ind AS-17, 'Leases'. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases.

Nature and the effect of adoption of Ind AS 116

Before the adoption of Ind AS 116, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

On adoption, the Group (as lessee) recognise right-of-use asset at its carrying amount as if the standard had been applied since the commencement of the lease, but discounted using the lessee's incremental borrowing rate as at April 1, 2019 and correspondingly also recognised lease liability measured at the present value of the remaining lease payments. The Group has used a single discount rate to a portfolio of leases with similar characteristics.

The Companies (Indian Accounting Standards) Amendment Rules, 2019 also notified amendments to the following accounting standards. The amendments are effective from April 1, 2019.

1. Ind AS 12 - Income taxes - Appendix C on uncertainty over income tax treatment
2. Ind AS 12- Income Taxes - Accounting for Dividend Distribution Taxes
3. Ind AS 23 - Borrowing costs
4. Ind AS 28 - Investment in associates and joint ventures
5. Ind AS 103 and Ind AS 111 - Business combinations and joint arrangements
6. Ind AS 109 - Financial instruments
7. Ind AS 19 - Employee benefits

There is no material impact on adoption of these amendments.

1. Significant Accounting Policies

This Note provides a list of the significant Accounting Policies adopted by the Group in the preparation of these Consolidated Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The Financial Statements are for the Group consisting of the Company and its subsidiary companies.

(a) I. Basis of preparation

(i) Compliance with Ind AS

The Consolidated Financial Statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The Consolidated Financial Statements have been prepared on a historical cost basis except for the following assets and liabilities which have been measured at fair value or revalued amount:

(a) Certain items of Property, Plant and Equipment

(b) Certain financial assets and financial liabilities measured at fair value

(c) Derivative Financial instruments

(d) Defined benefit plan – plan assets measured at fair value

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if the market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value measurement and/or disclosure purposes in the financial statements is determined on such a basis except for leasing transactions that are within the scope of Ind AS 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 (INR), which is also the functional and presentation currency of the Group.

(iii) Use of estimates and critical accounting judgements

Preparation of the Consolidated Financial Statements requires use of accounting estimates which, by definition, will be equal to the actual results. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations that the management have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

Useful lives and residual value of property, plant and equipment : The Group reviews the useful life and residual value of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Allowance for expected credit losses: The expected credit allowance is based on the ageing of the days receivables which are past due and the rates derived based on past history of defaults in the provision matrix.

Fair value of investments: The Group has invested in the equity instruments of various companies. However, the percentage of shareholding of the Group in such investee companies is very low and hence, it has not been provided with future projections including projected statement of profit and loss by those investee companies. Hence, the valuation exercise carried out by the Group with the help of an independent valuer has estimated fair value at each reporting period based on available historical annual reports and other information in the public domain.

Income taxes : Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

(a) II. Principles of Consolidation :

The Consolidated Financial Statements (CFS) comprise the Financial Statements of Deepak Nitrite Limited and its subsidiaries as at March 31, 2020. The consolidated financial statements of the Group have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013. The basis for preparing the consolidated financial statements is given below:

Subsidiary companies are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group combines the Financial Statements of the parent and its subsidiary companies line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances, cashflows and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting Policies of subsidiary companies are consistent with the policies adopted by the Group.

In case of foreign subsidiary revenue items are consolidated at the average rate that approximates the actual rate at the date of transaction. All monetary items are translated in to Consolidated financial statements at exchange rate in effect at the balance sheet date. Any exchange difference arising on consolidation is recognised in the Consolidated Statement of Profit and Loss.

Profit or Loss and each component of Other Comprehensive Income are attributed to the owners of the 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
	2019-20	2018-19		
Deepak Phenolics Limited	100%	100%	Subsidiary	India
Deepak Nitrite Corporation, Inc.	100%	100%	Subsidiary	United States of America

Changes in ownership interest

When the Group ceases to consolidate or equity account for an investment because of a loss of significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purpose of subsequently accounting for the retained interest as an associate company or financial asset.

(b) Current versus non-current classification

Assets and liabilities are classified as Current or Non-Current as per the provisions of the Schedule III notified under the Companies Act, and the Group's normal operating cycle.

An asset is treated as current when it is:

(i) Expected to be realised or intended to be sold or consumed in normal operating cycle;

(ii) Held primarily for the purpose of trading;

(iii) Expected to be realised within twelve months after the reporting period, or

(iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

(i) It is expected to be settled in normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period, or

(iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Based on the nature of business and its activities, the Group has ascertained its operating cycle as twelve months for the purpose of Current & Non-Current classification of assets and liabilities.

(c) Revenue Recognition

Sale of Goods:

Revenue from the sale of goods is only recognized – net of Goods & Service Tax, cash discounts, discounts and rebates – if the following conditions are met:

- The significant risks and rewards of ownership of the goods have been transferred to the buyer.
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits associated with the transaction will flow to the Group.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from Services is recognised in the accounting period in which the services are rendered.

Interest Income:

Interest income from Financial Assets is recognised when it is probable that the economic benefits will flow to the Group and the amount of income is measured reliably. Interest income is accrued on time basis, by reference to the principle outstanding and using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Eligible export incentives are recognised in the year in which the conditions precedent is met and there is no significant uncertainty about the collectability.

Revenue in respect of other income is recognised to the extent that the Group is reasonably certain of its ultimate realisation.

(d) Leasing

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.

Exchange difference arising either on settlement or on translation, in case of long-term foreign currency borrowings, in so far as they relate to property, plant and equipment are capitalised.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Consolidated Statement of Profit and Loss, within finance costs.

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, option contracts and interest rate swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Consolidated Statement of Profit and Loss immediately.

(f) Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are recognised in the Consolidated Statement of Profit and Loss in the period in which they are incurred.

(g) Government Grants

(i) Grants from the Government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

(ii) Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited in the Consolidated Statement of Profit and Loss in proportion to fulfilment of associated export obligations and presented within other income.

(iii) Government grants relating to income are deferred and recognised in the Consolidated Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

(h) Employee Benefits

(i) Retirement Benefit Costs and Termination Benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit plans in respect of an approved gratuity plan, the cost of providing benefits is determined using projected unit credit method, with actuarial valuations being carried out at the end of each reporting period.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income is reflected in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to Consolidated Statement of Profit and Loss.

Past service cost is recognised in Consolidated Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and curtailments and settlements);
- net interest expense or income; and
- remeasurement

The first two components of defined benefit costs are recognised in the Consolidated Statement of Profit and Loss in the line item ‘Employee benefits expense’. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

(ii) Short-Term and Other Long-Term Employee Benefits

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the Present value of the estimated future cash outflows expected to be made in respect of services provided by employees up to the reporting date.

(iii) Compensated Absence and Earned Leaves

The Group's current policy permits eligible employees to accumulate compensated absences up to a prescribed limit and receive cash in lieu thereof in accordance with the terms of the policy. The Group measures the expected cost of accumulating compensated absences as the additional amount that the Group expects to pay as a result of unused entitlement that has accumulated as at the reporting date. The expected cost of these benefits is calculated using the projected unit credit method by qualified actuary every year. Actuarial gains and losses arising from experience adjustment and changes in actuarial assumptions are recognised in the Consolidated Statement of Profit and Loss in the period in which they arise.

(i) Income Taxes

The Company and its Indian Subsidiary, Deepak Phenolics Limited, has elected to exercise option available under section 115BAA 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.

Dividend distribution tax arising out of payment of dividends to shareholders under the Income Tax Act, 1961 regulation are recognised in Consolidated Statement of changes in equity as part of associated dividend payment.

(j) Property, Plant and Equipment

Property, plant and equipment held for use in the production or supply of goods or services are stated at cost less accumulated depreciation and accumulated impairment losses if any.

Subsequent costs are included in the carrying amount of asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the Consolidated Statement of Profit and Loss during the period in which they are incurred.

Spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment if they are held for use in the production or supply of goods or services and are expected to be used during more than one period.

Property, plant and equipment which are not ready for intended use as on the date of Consolidated Balance Sheet are disclosed as 'Capital work-in-progress'.

Depreciation Methods, Estimated Useful Lives and Residual Value:

Depreciation on all tangible assets is provided at the rates and in the manner prescribed by Schedule II to the Companies Act, 2013 and certain components of plant & equipment such as Reactors, Centrifuge, Cooling towers, Air Compressor etc. which are depreciated over its useful life as technically assessed by Independent/ Internal Technical Personnel after taking into consideration past experience of the group, chemical process & chemical industry norms.

Asset Category	Estimated Useful Life
Building	30 years
Plant & Equipment	3 to 40 years
Furniture & Fixture	10 years
Vehicle	8 years
Office Equipment	5 years
Road	5 years

Freehold land is stated at historical cost and is not depreciated.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Consolidated Statement of Profit and Loss.

In respect of depreciable assets for which Impairment Loss is recognised, depreciation/amortisation is charged on the revised carrying amount over the remaining useful life of the assets computed on the basis of the life prescribed in schedule II to the Companies Act, 2013.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

Assets held for disposal are classified as Current Assets at lower of its carrying amount and fair value less costs to sell, difference being recognised in the Consolidated Statement of Profit and Loss.

(k) Intangible Assets

Intangible assets are stated at their original cost of acquisition, less accumulated amortisation and impairment losses, if any. An Intangible Asset is recognised, where it is probable that the future economic benefits attributable to the Asset will flow to the enterprise and where its cost can be reliably measured.

The cost of intangible assets is amortised over the estimated useful life, in any case, not exceeding ten years, on a straight-line basis. A detail of estimated useful life is given below:

Software and related implementation costs	6 years
Rights to use facilities	5 years
Technical Know How	10 years

(l) Impairment of Tangible and Intangible Assets

The carrying amount of cash generating units/assets is reviewed at the Consolidated Balance Sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount is estimated as the net selling price or value in use, whichever is higher. While assessing value in use, the estimated future cash flows are discounted to the present value by using pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset. Impairment loss, if any, is recognised whenever carrying amount exceeds the recoverable amount. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

(m) Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, demand deposits with bank and other short-term deposits (3 months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

(n) Inventories

Raw materials and components, stores and spares are valued at cost determined on period-moving weighted average basis and are net of Cenvat, VAT & GST. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to the present location and condition. Due allowances are made for slow moving and obsolete inventories based on estimates made by the Group. Items such as spare parts, stand-by equipment and servicing equipment which is not plant and equipment gets classified as inventory.

Finished Goods and Stock-in-process are valued at cost of purchase of raw materials and conversion thereof, including the cost incurred in the normal course of business in bringing the inventories up to the present condition or at the net realisable value, whichever is lower. The inventories of joint products are valued by allocating the costs to the joint products by `Relative Sales Value' method. By-products are valued at net realisable price.

(o) Financial Instruments

Financial Assets and Financial Liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial Assets and Financial Liabilities are initially measured at Fair Value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Consolidated Statement of Profit and Loss.

Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(i) Classification of Financial Assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition)

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income(except for debt instruments that are designated as at fair value through profit or loss on initial recognition)

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in Consolidated Statement of Profit and Loss and is included in the "Other Income" line item.

(iii) Investments in Equity Instruments

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'.

The cumulative gain or loss is 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.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in Consolidated Statement of Profit and Loss. The net gain or loss recognised in Consolidated Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset and is included in the Other income or Other expenses line item. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

(v) Impairment of Financial Assets

The Group applies the expected credit loss model for recognising impairment loss on financial contractual rights to receive cash or other financial asset, and financial guarantees not designated as at assets at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables and other contractual rights to receive cash or other financial asset.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Group estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment extension, call and similar options) through the expected life of that financial instrument.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses, 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Group measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Group can again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without cost or effort that is indicative of significant increases in credit risk since initial recognition.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the Consolidated Balance sheet.

(vi) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in Consolidated Statement of Profit and Loss if such gain or loss would have otherwise been recognised in Consolidated Statement of Profit and Loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in Consolidated Statement of Profit and Loss if such gain or loss would have otherwise been recognised in Consolidated Statement of Profit and Loss on disposal of that financial asset.

A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part it continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

(vii) Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in Consolidated Statement of Profit and Loss.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange difference on amortised cost are recognised in Consolidated Statement of Profit and Loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

(p) Financial Liabilities and equity instruments

(i) Classification as Debt and Equity

Debt and Equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(ii) Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Consolidated Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

(iii) Financial Liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

a) Financial Liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or

- it is a derivative that is not designated and effective as a hedging instrument

  A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

  Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Consolidated Statement of Profit and Loss. The net gain or loss recognised in Consolidated Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the 'Other income' or 'Other expenses' line item.

  However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in Consolidated Statement of Profit and Loss, in which case these effects of changes in credit risk are recognised in Consolidated Statement of Profit and Loss. The remaining amount of change in the fair value of liability is always recognised in Consolidated Statement of Profit and Loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to Consolidated Statement of Profit and Loss.

b) Financial Liabilities subsequently measured at Amortised Cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amount of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

c) Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income' or 'Other expenses'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses.

d) Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability and the consideration paid and payable is recognised in Consolidated Statement of Profit and Loss.

(q) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the Consolidated Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(r) Provisions and Contingent Liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These are reviewed at each year end and reflect the best current estimate. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of best estimate of the Management of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

(s) Research and Development Expenditure

Research and Development expenditure is charged to revenue under the natural heads of account in the year in which it is incurred. Research and Development expenditure on property, plant and equipment is treated in the same way as expenditure on other property, plant and equipment.

(t) Earnings Per Share

Basic Earnings per share (EPS) is calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of Equity shares outstanding during the period. Diluted Earnings per Equity Share are computed by dividing net income by the weighted average number of Equity Shares adjusted for the effects of all dilutive potential Equity Shares. Earnings considered in ascertaining the EPS is the net profit for the period after attributable tax thereto for the period.

(u) Segment Reporting - Basis of Information

Pursuant to commencement of commercial operations of plant for manufacturing Phenol and Acetone under the Company's wholly owned subsidiary, Deepak Phenolics Limited, its results have been classified under the segment "Phenolics".

Accordingly, the Group has determined 4 (four) reporting Segments, based on the information reviewed by chief operating decision maker as primary segments viz. (i) Basic Chemicals, (ii) Fine & Speciality Chemicals, (iii) Performance Products and (iv) Phenolics.

Inter segment transfer prices are normally negotiated amongst the segments with reference to the costs, market prices and business risks, within an overall optimisation objective of the Group.

Revenue and expenses have been accounted on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segments on reasonable basis, have been included under "Other unallocable". Assets and liabilities which relate to the enterprise as a whole but are not allocable to segments on a reasonable basis, have been included under "Unallocable Assets/ Liabilities".

Secondary segment have been identified with reference to geographical location of external customers. Composition of secondary segment is as follows:

(i) India and

(ii) Outside India.

2. PROPERTY, PLANT AND EQUIPMENT

₹ in Crores

	Owned assets									
	Freehold Land	Leasehold Land	Building	Plant and Equipment	Furniture and Fixture	Vehicle	Office Equipment	Road	Total	Capital Work-in-Progress
Net Carrying amount as at March 31, 2018	**5.79**	**34.95**	**89.08**	**441.29**	**4.74**	**4.12**	**1.93**	**1.00**	**582.91**	**954.51**
Additions during the year 2018-19	-	0.31	44.01	1,132.37	1.27	1.96	1.69	17.51	1,199.12	291.27
Deductions during the year 2018-19	-	-	(0.34)	(6.14)	-	(0.69)	(0.02)	-	(7.18)	(1,211.91)
Depreciation for the year 2018-19	-	(0.51)	(5.28)	(65.68)	(1.06)	(1.06)	(0.90)	(1.30)	(75.77)	-
Depreciation on disposal during the year 2018-19	-	-	0.02	1.14	-	0.32	0.01	-	1.49	-
Net Carrying amount as at March 31, 2019	**5.79**	**34.75**	**127.50**	**1,502.99**	**4.95**	**4.65**	**2.72**	**17.21**	**1,700.56**	**33.87**
Additions during the year 2019-20	18.31	120.15	4.76	81.25	1.11	2.29	0.51	0.35	228.74	386.17
Deductions during the year 2019-20	-	-	(0.65)	(11.81)	(0.01)	(0.76)	(0.06)	-	(13.29)	(247.77)
Depreciation for the year 2019-20	-	(0.87)	(6.28)	(119.68)	(1.14)	(1.14)	(0.99)	(1.97)	(132.07)	-
Depreciation on disposal during the year 2019-20	-	-	0.21	3.05	0.01	0.30	0.05	-	3.62	-
Net Carrying Amount as at March 31, 2020	**24.10**	**154.04**	**125.53**	**1,455.80**	**4.92**	**5.35**	**2.23**	**15.60**	**1,787.56**	**172.27**

Notes:

1 Property, Plant and Equipment hypothecated/mortgaged as security for borrowings are disclosed under note 17 and note 21.

2 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.

3 With effect from April 1, 2019, the Company has changed the useful life of certain Property, Plant & Equipment based upon the technical evaluation conducted by the management. Accordingly, change in useful life of the Property, Plant & Equipment is being applied prospectively in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

4 Capital work-in-progress mainly comprises addition/expansion projects in progress.

3. RIGHT-OF-USE ASSETS

₹ in Crores

	Building	Plant and Equipment	Furniture	Vehicle	Total
Recognition on adoption of Ind AS 116	**8.40**	**0.61**	**-**	**1.11**	**10.12**
Additions during the year 2019-20	5.84	0.08	1.75	-	7.66
Depreciation for the year 2019-20	(2.46)	(0.33)	(0.08)	(0.56)	(3.43)
Net Carrying Amount as at March 31, 2020	**11.78**	**0.36**	**1.66**	**0.56**	**14.35**

4. OTHER INTANGIBLE ASSETS

₹ in Crores

	Computer Software	Others	Total
Net Carrying amount as at March 31, 2018	**2.94**	**1.71**	**4.65**
Additions during the year 2018-19	2.53	10.27	12.79
Deductions during the year 2018-19	(0.01)	-	(0.01)
Depreciation for the year 2018-19	(1.36)	(0.82)	(2.18)
Depreciation on disposal during the year 2018-19	0.01	-	0.01
Net Carrying amount as at March 31, 2019	**4.11**	**11.16**	**15.27**
Additions during the year 2019-20	0.21	18.82	19.04
Deductions during the year 2019-20	-	-	-
Depreciation for the year 2019-20	(1.22)	(3.01)	(4.24)
Depreciation on disposal during the year 2019-20	-	-	-
Net Carrying Amount as at March 31, 2020	**3.10**	**26.97**	**30.07**

5. NON-CURRENT INVESTMENTS

₹ in Crores

	As at March 31, 2020	As at March 31, 2019
(a) Investments in equity instruments of other companies measured at FVTPL	0.04	0.07
(b) Investments in equity instruments of other companies measured at FVOCI	2.34	2.32
(c) Investments in Government or Trust Securities measured at amortised cost (Refer Note (b) below)	0.00	0.00
Total	**2.38**	**2.39**

	Face Value	As at March 31, 2020		As at March 31, 2019	
		No. of shares	Amount	No. of shares	Amount
(a) Investment in Equity Instruments (fully paid-up)					
(i) Other Companies measured at FVTPL					
Quoted					
IDBI Bank	INR 10/-	6,240	0.01	6,240	0.03
Bank of Baroda (Refer Note 1 below)	INR 2/-	3,234	0.02	29,400	0.04
Unquoted					
Nandesari Environment Control Limited (represents ₹ 8,000)	INR 10/-	800	0.00	800	0.00
Baroda Co-operative Bank Limited (represents ₹ 500)	INR 50/-	10	0.00	10	0.00
Shamrao Vitthal Co-op Bank Limited	INR 25/-	2,000	0.01	2,000	0.01
New India Co-op Bank Limited (represents ₹ 7,980)	INR 10/-	798	0.00	798	0.00
(ii) Other Companies measured at FVOCI					
Unquoted					
Jedimetla Effluent Treatment Limited	INR 100/-	52,342	0.85	52,342	0.85
Deepak International Limited	GBP 1/-	73,706	0.69	73,706	0.67
Deepak Gulf LLC	Omani Riyal 1/-	45,000	0.81	45,000	0.81
(b) Investments in Government or Trust Securities measured at amortised cost					
National Savings Certificate (represents ₹ 1,000)		-	0.00	-	0.00
Total		**1,84,130**	**2.38**	**2,10,296**	**2.39**

Note:

1. The Group has received 3,234 shares of Bank of Baroda (Face Value ₹ 2 each) in the scheme of amalgamation against 29,400 shares of the Dena Bank (Face Value ₹ 10 each) in the month of April 2019.

2.

₹ in Crores

		As at March 31, 2020	As at March 31, 2019
(a)	Aggregate amount of Unquoted Investments	2.35	2.33
(b)	Aggregate amount of Quoted Investments	0.03	0.07

6. LOANS

₹ in Crores

	As at March 31, 2020	As at March 31, 2019
Loans to Employees		
Unsecured, considered good		
(a) Key Managerial Personnel and Directors	-	0.01
(b) Others	1.06	1.35
Total	**1.06**	**1.36**

These financial assets are carried at amortised cost.

7. OTHER NON-CURRENT FINANCIAL ASSETS

₹ in Crores

	As at March 31, 2020	As at March 31, 2019
Security Deposits		
Unsecured, considered good	8.80	6.76
Total	**8.80**	**6.76**

8. NON-CURRENT TAX ASSETS

₹ in Crores

	As at March 31, 2020	As at March 31, 2019
Non-Current Tax Assets		
Advance Income Tax (Net of provisions)	6.00	2.04
Total	**6.00**	**2.04**

9. OTHER NON-CURRENT ASSETS

₹ in Crores

		As at March 31, 2020	As at March 31, 2019
(a)	Capital Advances	28.47	2.58
(b)	Prepaid Expenses	0.23	0.29
(c)	Advance against Salary	1.12	0.94
Total		**29.82**	**3.81**

10. INVENTORIES [At lower of cost and net realisable value]

₹ in Crores

		As at March 31, 2020	As at March 31, 2019
(a)	Raw materials and components	121.82	121.81
	Goods-in-transit	24.02	27.16
		145.84	148.97
(b)	Stores and Spares	36.65	23.71
	Sub-Total	**182.49**	**172.68**
(c)	Work-in-progress	52.28	58.78
(d)	Finished goods	167.66	186.76
	Provision for obsolescence	(7.93)	(7.49)
	Sub-Total	**212.01**	**238.05**
Total		**394.50**	**410.73**

Inventories hypothecated as security for borrowings are disclosed under note 17 and note 21.

11. TRADE RECEIVABLES

₹ in Crores

	As at March 31, 2020	As at March 31, 2019
Current		
(a) Unsecured, Considered Good		
(i) Trade Receivables	610.96	571.00
(ii) Related Parties (Refer Note 36.11)	1.76	3.96
(b) Trade Receivables - Credit Impaired	14.60	7.19
Allowance for credit losses	(14.60)	(7.19)
Total	**612.72**	**574.96**

The credit period on sales of goods varies with business segments/ markets and generally ranges between 30 to 180 days. For financial risk related to Trade Receivables refer note 41.5 and 41.6.

Trade receivables hypothecated/mortgaged as security for borrowings are disclosed under note 17 and note 21.

12A. CASH AND CASH EQUIVALENTS

₹ in Crores

	As at March 31, 2020	As at March 31, 2019
(a) Cash on hand	0.14	0.10
(b) Balances with banks		
In Current accounts	1.54	1.35
In EEFC Accounts	0.46	1.51
Total	**2.14**	**2.96**

12B.BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS ABOVE

₹ in Crores

	As at March 31, 2020	As at March 31, 2019
(a) Earmarked Balances with Bank	1.59	0.72
(b) Deposits with banks with maturity less than 3 months	-	-
(c) Deposits with banks with maturity more than 3 months but less than 12 months (Refer Note below)	27.67	20.04
(d) Margin Money Deposits		
- Maturity less than 3 months	-	2.05
Total	**29.26**	**22.81**

Deposit to bank is given for Debt Service Reserve Account (DSRA).

13. OTHER CURRENT FINANCIAL ASSETS

₹ in Crores

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
(a) Loans to employees		
(i) Key Managerial Personnel and Directors (represents ₹ 26,948)	0.00	0.01
(ii) Others	0.59	0.76
(b) Interest Receivable	0.63	0.60
(c) Security Deposits	0.30	0.15
(d) Earnest Money	0.10	0.16
(e) Others	-	0.24
Total	**1.62**	**1.91**

14. OTHER CURRENT ASSETS

₹ in Crores

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
(a) Balance with Government Authorities	78.71	115.35
(b) Prepaid Expenses	3.41	3.88
(c) Advances to Suppliers	31.52	28.66
(d) Other Receivables	0.19	0.12
Total	**113.83**	**148.00**

15. EQUITY SHARE CAPITAL

₹ in Crores

	As at March 31, 2020	As at March 31, 2019
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) Shares:- Terms/Rights:

(i) The Company has Authorised capital of Equity and Preference shares.

(ii) Each holder of the Equity Share is entitled to one vote per Share. The Company declares and pays dividend in Indian Rupees. The dividend recommended by the Board of Directors is subject to approval of the shareholders at the ensuing Annual General Meeting.

The Board of Directors declared Interim Dividend of ₹ 4.50/- (Rupees Four and paisa fifty only) per equity share of face value of ₹ 2/- (Rupees Two only) each on March 04, 2020 amounting to ₹ 73.99 Crores (including tax on dividend of ₹ 12.62 Crores).

(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.

(b) 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, 2020		As at March 31, 2019	
	No.	% holding	No.	% holding
Shri Deepak Chimanlal Mehta	2,15,64,831	15.81	2,12,36,331	15.56
Stiffen Credits & Capital Private Limited	84,15,940	6.17	83,79,940	6.14
Reliance Capital Trustee Co Limited-A/C Nippon India Small Cap Fund	76,01,510	5.57	64,21,199	4.71
Checkpoint Credits & Capital Private Limited	72,06,050	5.28	72,06,050	5.28
Stepup Credits & Capital Private Limited	69,15,580	5.07	69,15,580	5.07

(c) During the year 2014-15, Company has allotted 52,269,095 Bonus Equity Shares of ₹2/- (Rupees Two Only) each, fully paid up, in the ratio of 1:1 (one Bonus Equity Shares of ₹ 2/- each).

16. OTHER EQUITY

₹ in Crores

	As at March 31, 2020	As at March 31, 2019
Reserves & Surplus		
(a) Retained Earnings	1,015.32	525.01
(b) General Reserve	93.90	83.90
(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)		
Equity instruments through other comprehensive income	0.39	0.37
Total	**1,544.63**	**1,044.31**

₹ in Crores

		As at March 31, 2020	As at March 31, 2019
(a)	**Retained Earnings**		
	Balance at beginning of year	525.01	380.61
	Add: Profit attributable to owners of the Group (Profit for the year)	607.21	170.77
	Less: Payment of Dividend on Equity Shares (Including Interim Dividend of ₹ 61.37 Crores)	88.66	17.73
	Less: Payment of Dividend Distribution Tax (Including Tax on Interim Dividend of ₹ 12.62 Crores)	18.23	3.64
	Less: Transferred to General Reserve	10.00	5.00
	Balance at end of year	**1,015.32**	**525.01**
	Retained earnings represents the Group's undistributed earnings after taxes.		
(b)	**General Reserve**		
	Balance at beginning of year	83.90	78.90
	Add: Transferred from Surplus Balance in the Statement of Profit and Loss	10.00	5.00
	Balance at end of year	**93.90**	**83.90**
	The general reserve is used for purposes as specified under the Companies Act, 2013. As the general reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to the statement of profit and loss.		
(c)	**Capital Reserve**		
	Balance at beginning of year	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.		

₹ in Crores

		As at March 31, 2020	As at March 31, 2019
(e)	**Securities Premium**		
	Balance at beginning of year	434.17	434.17
	Balance at end of year	**434.17**	**434.17**
	Securities premium reserve represents the amount received in excess of the face value of the equity shares. The utilisation of the securities premium reserve is governed by the Section 52 of the Companies Act, 2013.		
(f)	**Reserve for equity instruments through other comprehensive income**		
	Balance at beginning of year	0.37	0.32
	Add: Gain on revaluation of Equity Instruments	0.02	0.05
	Balance at end of year	**0.39**	**0.37**
	This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed off.		

17. NON-CURRENT BORROWINGS

₹ in Crores

	As at March 31, 2020	As at March 31, 2019
Term Loans from Banks at amortised cost		
Secured	843.03	911.46
Unsecured	-	20.00
Sub-Total	**843.03**	**931.46**
Less:		
Current maturities of Non-Current Borrowings disclosed under "Other Current Financial Liabilities" (Refer Note 23 (a))	63.60	61.60
Total	**779.43**	**869.86**

Secured Term Loans:-

Term loan from Banks are secured by first pari passu charge by way of hypothecation of all movable property, plant and equipment and mortgage of immovable properties of the Group, present and future.

In case of Indian Subsidiary, term loan from Banks are secured by first pari passu charge by way of hypothecation of all movable property, plant and equipment and mortgage of immovable properties, present and future and second charge on entire current assets, both present and future.

Repayment Schedule:-

(i) Rate of interest of Rupee loan from Banks are in the range of MCLR plus 0.00% to 2.20% p.a. and is repayable on monthly/quarterly basis with last installment payable from April, 2020 to December, 2028.

(ii) Unsecured Term Loan from Banks was repayable on quarterly basis and last instalment paid in September, 2019.

18. PROVISIONS

₹ in Crores

	As at March 31, 2020	As at March 31, 2019
Non-current		
Provision for Employee benefit obligations		
Provision for leave benefits (Refer Note 39 B)	14.40	11.44
Total-Non-Current	**14.40**	**11.44**
Current		
Provision for Employee benefit obligations		
Provision for leave benefits (Refer Note 39 B)	4.82	3.34
Provision for Gratuity (Refer Note 39 (A)(iii))	7.22	4.28
Total-Current	**12.04**	**7.62**

19. DEFERRED TAX LIABILITY (NET)

₹ in Crores

	As at March 31, 2020	As at March 31, 2019
(a) Break up of deferred tax liability as at year end:		
Nature of timing difference		
Property, Plant and Equipment	110.91	109.84
Total Deferred Tax Liability (a)	**110.91**	**109.84**
(b) Break up of deferred tax asset as at year end:		
Nature of timing difference		
Disallowances u/s 43B and Others	31.30	20.71
MAT Credit Entitlement	-	11.66
Total Deferred Tax Asset (b)	**31.30**	**32.38**
Deferred Tax Liability (Net) (a-b)	**79.61**	**77.46**

20. OTHER NON-CURRENT LIABILITIES

₹ in Crores

	As at March 31, 2020	As at March 31, 2019
Export Obligations	0.85	13.80
Total	**0.85**	**13.80**

21. CURRENT BORROWINGS

₹ in Crores

	As at March 31, 2020	As at March 31, 2019
Working Capital Borrowings from Banks		
(a) Secured	125.12	221.67
(b) Unsecured	123.30	13.83
Unsecured Short term Borrowings from Related Parties (Refer note (iv) below)	-	19.55
Total	**248.42**	**255.05**

(i) Working Capital borrowings from banks represent Cash Credit, Working Capital Demand Loan, Export Packing Credit with rate of interest as MCLR of respective banks plus spread ranging from 0% - 1.30% p.a., Packing Credit in Foreign Currency, Buyers' Credit against Letter of Undertaking with rate of interest ranging from LIBOR/EURIBOR plus spread ranging from 0.20% p.a. to 1.50% p.a. These borrowings are repayable on demand.

(ii) Working Capital borrowings are secured by way of first Hypothecation charge over Group's Raw Materials, Semi-Finished and Finished Goods, Consumable Stores and Book Debts and second charge on all Property, Plant & Equipment by way of hypothecation and mortgage.

(iii) Commercial Paper placed by the Group during the year are unsecured and carries interest rate ranging from 5.70% p.a. to 6.50% p.a., tenure of each placement ranging from 81 days to 90 days.

The outstanding Commercial Papers (listed) of the Group as on March 31, 2020 have maturity value of ₹ 125 crore.

(iv) Short term Borrowings from Related parties includes unsecured loan taken from related parties with rate of interest as MCLR of Axis Bank plus spread ranging from 0.00% to 0.70% p.a.

22. TRADE PAYABLES

₹ in Crores

	As at March 31, 2020	As at March 31, 2019
(a) To outstanding dues of Micro, Small and Medium Enterprises	6.70	7.77
(b) To outstanding dues of creditors other than Micro, Small and Medium Enterprises	357.56	464.66
Total	**364.26**	**472.43**

The average credit period on goods purchased or services received ranges between 30 days to 180 days.

23. OTHER FINANCIAL LIABILITIES - CURRENT

₹ in Crores

	As at March 31, 2020	As at March 31, 2019
(a) Current maturities of Long term Borrowings (Refer Note 17)	63.60	61.60
(b) Security Deposits	5.07	5.87
(c) Investor Education and Protection Fund will be credited by following amounts (as and when due)		
Unpaid Dividend	1.58	0.70
Unclaimed Matured Deposits (Refer Note below)	0.07	0.07
Unpaid Interest on Matured Fixed Deposits	0.01	0.02
(d) Interest accrued but not due on Borrowings	3.77	3.65
(e) Others	21.78	43.97
Total	**95.88**	**115.90**

The Unclaimed Matured deposits of ₹ 0.07 crores outstanding as at March 31, 2020 represents an aggregate amount of certain cheques issued towards compulsory repayment of the outstanding fixed deposits as on March 31, 2015, which have not been presented to the bank for payment by the depositors.

24. CURRENT TAX LIABILITIES

₹ in Crores

	As at March 31, 2020	As at March 31, 2019
Current Tax Liabilities		
Provision for Tax (Net of Advances)	0.97	3.74
Total	**0.97**	**3.74**

25. OTHER CURRENT LIABILITIES

₹ in Crores

	As at March 31, 2020	As at March 31, 2019
(a) Advances received from Customers	3.89	6.50
(b) Payable for capital expenditure	12.69	18.04
(c) Statutory Dues	8.87	4.35
Total	**25.45**	**28.89**

26. REVENUE FROM OPERATIONS

₹ in Crores

		For the Year March 31, 2020	For the Year March 31, 2019
(a)	Sale of Products		
	Finished Goods	4,182.22	2,595.94
	Traded Goods	-	69.55
(b)	Sale of Services	10.41	9.71
(c)	Other Operating Revenue		
	- Export Incentives	33.30	17.74
	- Scrap Sale	3.37	3.28
	- Insurance Claims (Refer Note below)	0.41	3.70
Total		**4,229.71**	**2,699.92**

The Group, during the previous year, recognised ₹ 3.48 Crores in the Statement of Profit and Loss under Fine & Speciality Chemicals Segment with respect to fire incident in October 2016 upon final settlement of the claims of replacement value of the damaged facilities and loss of profits due to business interruption.

27. OTHER INCOME

₹ in Crores

		For the Year March 31, 2020	For the Year March 31, 2019
(a)	Amortised Export Obligation	15.89	3.23
(b)	Interest Income	2.12	1.48
(c)	Profit on redemption of Investments	0.33	0.47
(d)	Rent	0.13	0.12
(e)	Penalties recovered	6.37	9.10
(f)	Miscellaneous Receipts	6.07	0.73
(g)	Dividend Income (represents ₹ 878 (Previous Year ₹ 638))	0.00	0.00
(h)	Foreign Exchange Gain	4.29	-
Total		**35.20**	**15.12**

28. COST OF RAW MATERIAL AND COMPONENTS CONSUMED

₹ in Crores

		For the Year March 31, 2020	For the Year March 31, 2019
(a)	Raw Material and Components Consumed		
	Inventory at the beginning of the year	121.81	184.11
	Add: Purchases during the year	2,339.33	1,659.39
		2,461.14	1,843.49
	Less: Inventory at the end of the year	145.84	121.81
	Cost of Raw Material and Components Consumed	**2,315.30**	**1,721.68**
(b)	Cost of Packing Material Consumed	**32.61**	**26.59**
	Total	**2,347.91**	**1,748.27**

29. PURCHASE OF TRADED GOODS

₹ in Crores

	For the Year March 31, 2020	For the Year March 31, 2019
Purchase of Finished Goods for Resale	-	52.02
Total	**-**	**52.02**

30. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS

₹ in Crores

	For the Year March 31, 2020	For the Year March 31, 2019
Inventories at the beginning of the year		
Stock in Process	58.78	38.20
Finished Goods	186.76	34.07
Traded Goods	-	19.67
	245.53	**91.94**
Less:		
Inventories at the end of the year		
Stock in Process	52.28	58.78
Finished Goods	167.66	186.76
Traded Goods	-	-
	219.94	**245.53**
Total	**25.59**	**(153.59)**

31. EMPLOYEE BENEFITS EXPENSE

₹ in Crores

	For the Year March 31, 2020	For the Year March 31, 2019
(a) Salaries & Wages	195.72	162.28
(b) Contribution to provident fund and other funds (Refer Note 39C)	10.00	8.13
(c) Gratuity Expenses (Refer Note 39A(iv))	2.34	1.31
(d) Staff Welfare Expenses	10.47	8.05
Total	**218.53**	**179.77**

32. POWER & FUEL EXPENSES

₹ in Crores

	For the Year March 31, 2020	For the Year March 31, 2019
(a) Consumption of Gas	17.91	20.91
(b) Consumption of Furnace Oil	17.09	13.24
(c) Consumption of High Speed Diesel	1.29	1.29
(d) Consumption of Coal & Coke	97.62	63.94
(e) Electricity Expenses	136.50	98.33
(f) Water Charges	14.36	9.44
(g) Other Expenses	0.42	0.17
Total	**285.19**	**207.33**

33. FINANCE COSTS

₹ in Crores

	For the Year March 31, 2020	For the Year March 31, 2019
(a) Interest on Borrowings	110.85	75.29
(b) Exchange difference to the extent considered as an adjustment to Borrowing Costs	2.24	7.95
(c) Interest cost on lease liabilities	1.78	-
Total	**114.87**	**83.24**

34. DEPRECIATION AND AMORTISATION EXPENSES

₹ in Crores

		For the Year March 31, 2020	For the Year March 31, 2019
(a)	Depreciation on Tangible assets	132.06	75.77
	Less: Transferred to Pre-operative Expenses	-	0.15
		132.06	**75.61**
(b)	Depreciation on Right-of-use Assets	3.43	-
(c)	Amortisation of Intangible Assets	4.24	2.18
	Total	**139.73**	**77.79**

35. OTHER EXPENSES

₹ in Crores

		For the Year March 31, 2020	For the Year March 31, 2019
(a)	Conversion Charges	8.19	5.62
(b)	Other Manufacturing Expenses	18.16	13.20
(c)	Rent	3.09	4.01
(d)	Repairs & Maintenance		
	Repairs to Building	3.89	1.16
	Repairs and maintenance to Plant and Equipment	59.33	34.80
	Repairs and maintenance to Others	1.01	0.98
(e)	Consumption of stores & spare parts	15.68	16.77
(f)	Insurance	8.67	5.13
(g)	Rates & taxes	6.04	3.73
(h)	Bank Charges	3.10	3.31
(i)	Travelling & Conveyance	7.25	5.61
(j)	Freight & Forwarding Charges	107.99	71.03
(k)	Loss on Sale of Property, Plant & Equipment	6.33	4.28
(l)	Commission on sales	3.90	2.91
(m)	CSR Expenses	3.59	2.50
(n)	Provision for Doubtful Debts (Gross)	7.82	3.82
	Less: Transfer from Provision for Doubtful Debts	0.41	3.09
	Provision for Doubtful Debts (Net)	7.41	0.73
(o)	Bad Debts written off (Net)	0.86	10.37
(p)	Vehicle Expenses	5.67	4.92
(q)	Legal & Professional Expenses	14.87	13.08
(r)	General Expenses	39.94	35.58
(s)	Payment to Auditors	0.99	0.81
(t)	Director's Sitting Fees	0.28	0.19
(u)	Provision for Inventory Obsolescence	0.45	5.75
(v)	Foreign Exchange Loss	-	5.77
	Total	**326.69**	**252.23**

Note: Payment to Auditors

₹ in Crores

	For the Year March 31, 2020	For the Year March 31, 2019
(a) As Auditor:		
Audit fees	0.48	0.45
Tax Audit fees	0.06	0.04
Quarterly Limited Review	0.35	0.26
(b) In Other Capacity:		
Taxation Matters	0.04	0.04
Other Services (Certification fees)	0.06	0.03
Total	**0.99**	**0.81**

36. RELATED PARTIES DISCLOSURES

A) Name of Related Party and nature of relationship

(i) Subsidiary Companies

Deepak Nitrite Corporation Inc., United States of America

Deepak Phenolics Limited

(ii) Key Management Personnel

Shri Deepak C. Mehta	Chairman & Managing Director
Shri Maulik D. Mehta	Whole Time Director
Shri Umesh Asaikar	Executive Director & Chief Executive Officer
Shri Sanjay Upadhyay	Director Finance & Chief Financial Officer

(iii) Entities over which key managerial personnel or their relatives are able to exercise significant influence

Check Point Credits & Capital Private Limited * Deepak Cybit Private Limited * Deepak Fertilizers and Petrochemicals Corporation Limited * Deepak Gulf LLC, Sultanate of Oman* Deepak Foundation * Deepak International Limited * Deepak Medical Foundation * Deepak Research and Development Foundation * Deepak Novochem Technologies Limited. * Forex Leafin Private Limited * Hardik Leafin Private Limited * Pranawa Leafin Private Limited * Skyrose Finvest Private Limited * Sofotel Infra Private Limited * Stepup Credits & Capital Private Limited * Stiffen Credits and Capital Private Limited * Stigma Credit & Capital Private Limited *Storewell Credits and Capital Private Limited * Sundown Finvest Private Limited

(iv) Relative of Key Management Personnel

Shri Chimanlal K. Mehta

Shri Ajay C. Mehta

Shri Meghav D. Mehta

B) Transactions with the Related Parties

₹ in Crores

Sr. No.	Nature of Transaction	March 31, 2020				March 31, 2019			
		Key Management Personnel	Entities over which key managerial personnel or their relatives are able to exercise	Relative of Key Management Personnel	TOTAL	Key Management Personnel	Entities over which key managerial personnel or their relatives are able to exercise	Relative of Key Management Personnel	TOTAL
1	**Purchase of Goods**								
	Deepak Fertilisers & Petrochemicals Corporation Limited	-	63.34	-	**63.34**	-	79.00	-	**79.00**
2	**Sale of Goods**								
	Deepak Novochem Technologies Limited	-	-	-	**-**	-	6.96	-	**6.96**
3	**Conversion Charges Received**								
	Deepak Novochem Technologies Limited	-	10.40	-	**10.40**	-	9.68	-	**9.68**
4	**Rendering of Services / Reimbursement of Expenses**								
	Deepak Novochem Technologies Limited	-	0.10	-	**0.10**	-	0.02	-	**0.02**
	Storewell Credits and Capital Private Limited	-	0.11	-	**0.11**	-	0.10	-	**0.10**
5	**Acquisition of Capital Asset**								
	Deepak Fertilisers & Petrochemicals Corporation Limited	-	117.11	-	**117.11**	-	-	-	**-**
6	**Receiving of services / Reimbursement of Expenses**								
	Deepak Fertilisers & Petrochemicals Corporation Limited	-	0.07	-	**0.07**	-	0.60	-	**0.60**
	Deepak Foundation (represents ₹ 15,000)	-	0.00	-	**0.00**	-	0.01	-	**0.01**
	Deepak Medical Foundation	-	0.83	-	**0.83**	-	0.67	-	**0.67**
	Deepak Cybit Private Limited	-	0.48	-	**0.48**	-	0.38	-	**0.38**
	Shri Deepak C. Mehta	-	-	-	**-**	0.07	-	-	**0.07**
	Shri Meghav D. Mehta	-	-	0.82	**0.82**	-	-	0.55	**0.55**
	Shri Ajay C. Mehta	-	-	-	**-**	-	-	0.01	**0.01**
7	**Interest paid to Related Parties**								
	Shri Deepak C. Mehta	-	-	-	**-**	0.20	-	-	**0.20**
	Storewell Credits & Capital Private Limited	-	0.73	-	**0.73**	-	2.22	-	**2.22**
8	**Managerial Remuneration**								
	Shri Deepak C. Mehta	13.92	-	-	**13.92**	8.99	-	-	**8.99**
	Shri Maulik D. Mehta	1.53	-	-	**1.53**	1.71	-	-	**1.71**
	Shri Umesh Asaikar	6.47	-	-	**6.47**	5.89	-	-	**5.89**
	Shri Sanjay Upadhyay	3.13	-	-	**3.13**	2.94	-	-	**2.94**

₹ in Crores

Sr. No.	Nature of Transaction	March 31, 2020				March 31, 2019			
		Key Management Personnel	Entities over which key managerial personnel or their relatives are able to exercise	Relative of Key Management Personnel	TOTAL	Key Management Personnel	Entities over which key managerial personnel or their relatives are able to exercise	Relative of Key Management Personnel	TOTAL
9	**Dividend Paid**								
	Checkpoint Credits & Capitals Private Limited	-	4.68	-	**4.68**	-	0.94	-	**0.94**
	Stigma Credits & Capital Private Limited	-	4.02	-	**4.02**	-	0.80	-	**0.80**
	Stiffen Credits & Capital Private Limited	-	5.45	-	**5.45**	-	1.09	-	**1.09**
	Stepup Credits & Capital Private Limited	-	4.50	-	**4.50**	-	0.90	-	**0.90**
	Skyrose Finvest Private Limited	-	2.48	-	**2.48**	-	0.49	-	**0.49**
	Shri Deepak C. Mehta	13.93	-	-	**13.93**	2.76	-	-	**2.76**
	Shri Chimanlal K. Mehta	-	-	0.47	**0.47**	-	-	0.01	**0.01**
	Shri Maulik D. Mehta	0.09	-	-	**0.09**	0.02	-	-	**0.02**
	Shri Meghav D. Mehta	-	-	0.03	**0.03**	-	-	0.01	**0.01**
	Others	-	4.11	0.49	**4.60**	-	0.72	0.18	**0.90**
10	**Donation / CSR Activity**								
	Deepak Medical Foundation	-	0.12	-	**0.12**	-	-	-	**-**
	Deepak Foundation	-	3.45	-	**3.45**	-	2.62	-	**2.62**
11	**Net Accounts Receivable / (Payable)**								
	Deepak Fertilisers & Petrochemicals Corporation Limited	-	(8.67)	-	**(8.67)**	-	(12.88)	-	**(12.88)**
	Deepak Novochem Technologies Limited	-	1.76	-	**1.76**	-	3.96	-	**3.96**
	Shri Deepak C. Mehta	(7.00)	-	-	**(7.00)**	(6.00)	-	-	**(6.00)**
	Shri Maulik D. Mehta	(0.28)	-	-	**(0.28)**	(0.66)	-	-	**(0.66)**
	Shri Umesh Asaikar	(1.15)	-	-	**(1.15)**	(1.14)	-	-	**(1.14)**
	Shri Sanjay Upadhyay	(0.53)	-	-	**(0.53)**	(0.79)	-	-	**(0.79)**
	Shri Meghav Mehta	-	-	(0.14)	**(0.14)**	-	-	-	**-**
	Deepak Medical Foundation	-	(0.06)	-	**(0.06)**	-	0.04	-	**0.04**
	Deepak Cybit Limited	-	(0.01)	-	**(0.01)**	-	(0.00)	-	**(0.00)**
	Storewell Credits & Capital Private Limited	-	(0.04)	-	**(0.04)**	-	(19.55)	-	**(19.55)**

37. CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)

₹ in Crores

	As at March 31, 2020	As at March 31, 2019
I. Claims against the Group not acknowledged as debts in respects of:		
(a) Matters relating to Income Tax.	-	0.59
(b) Matters relating to Sales Tax/VAT from FY 2011-12 to FY 2014-15 is being contested at various level of Indirect Tax authorities.	0.92	1.59
(c) Matters relating to Excise duty from FY 2011-12 and FY 2012-13 is being contested at various level of Indirect Tax authorities.	0.04	2.92
(d) Bank Guarantees:		
Financial	13.62	17.03
Performance	13.19	15.94
(e) Arbitration Matter related claim	1.15	-
(f) Disputed Labour Matters	Amount Not ascertainable	Amount Not ascertainable
Management is not expecting any future cash outflow in respect of (a) to (c) & (e).		
Total (I)	**28.92**	**38.06**
II. Commitments		
Capital Commitments (Net of Advances: Refer Note 9 (a))	145.06	34.23
Total(II)	**145.06**	**34.23**

38. TAX EXPENSE

A. Income Tax Expense Recognised in the Statement of Profit and Loss

₹ in Crores

	For the Year March 31, 2020	For the Year March 31, 2019
I. Expense / (Benefit) recognised in the statement of profit and loss:		
Current tax on profit for the year	192.08	60.74
Increase in deferred tax liabilities	3.29	33.58
Total	**195.37**	**94.32**
II. Expense / (Benefit) recognised in statement of other comprehensive income		
Re-measurement gains / (losses) on defined benefit plans	(1.14)	(1.55)
Equity instruments through other comprehensive income	-	0.03
Total	**(1.14)**	**(1.52)**

B. The reconciliation between the provision of income tax and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

₹ in Crores

	For the Year March 31, 2020	For the Year March 31, 2019
Profit before taxes	**806.40**	**267.98**
Enacted income tax rate in India	25.17%	34.94%
Computed expected tax expense	**202.95**	**93.64**
Effect of		
Weighted deduction for R&D Expenditure	-	(1.73)
Impact of electing option u/s 115BAA (Refer Note below)	(9.36)	-
Others (Net)	1.78	2.40
Total income tax expense	**195.37**	**94.32**

The Company and its Indian Subsidiary, Deepak Phenolics Limited, elected to exercise option available under section 115BAA of the Income Tax Act, 1961 and tax expense has been recognised accordingly for the year ended March 31, 2020.

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, 2020	Recognised in statement of profit and loss /OCI	As at March 31, 2019	Recognised in statement of profit and loss /OCI	As at March 31, 2018
Property, plant and equipment	110.91	1.07	109.84	27.79	82.05
Total deferred tax liabilities (a)	**110.91**	**1.07**	**109.84**	**27.79**	**82.05**
Disallowances u/s 43B and Others	31.30	10.59	20.71	8.85	11.87
MAT Credit Entitlement	-	(11.66)	11.66	(13.11)	24.78
Total deferred tax assets (b)	**31.30**	**(1.08)**	**32.38**	**(4.27)**	**36.65**
Net deferred tax (asset)/liabilities (a-b)	**79.61**	**2.15**	**77.46**	**32.06**	**45.40**

39. EMPLOYEE BENEFIT OBLIGATIONS

A. Gratuity

The Group has covered its Gratuity Liability by a Group Gratuity Policy named 'Employee Group Gratuity Assurance Scheme' issued by Life Insurance Corporation of India. Under this plan, an employee at retirement is eligible for benefit, which will be equal to 15 days salary for each completed year of service. Thus, it is a defined benefit plan and the aforesaid insurance policy is the Plan Asset.

(i) Reconciliation of opening and closing balances of Defined Benefit Obligation

₹ in Crores

	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	24.02	18.63
Current Service Cost	2.00	1.37
Interest Cost	1.83	1.45
Actuarial (gain)/losses	5.17	4.11
Benefits Paid	(1.73)	(1.54)
Balance at the end of the year	**31.29**	**24.01**

(ii) Reconciliation of opening and closing balances of Fair Value of Plan Assets

₹ in Crores

	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	19.73	18.50
Interest Income	1.49	1.45
Return on Plan Assets	0.21	(0.32)
Contribution by the Company	4.38	1.65
Benefits Paid	(1.73)	(1.54)
Balance at the end of the year	**24.08**	**19.74**
Actual Return on Plan Assets	**6.82% to 6.84%**	**7.54% to 7.88%**

(iii) Assets and Liabilities Recognised in the Balance Sheet

₹ in Crores

	As at March 31, 2020	As at March 31, 2019
Present Value of Defined Benefit Obligation	31.29	24.01
Less: Fair Value of Plan Assets:	24.08	19.74
Amounts recognised as liability	**7.22**	**4.28**
Recognised under:		
Short Term provision **(Refer Note 18)**	7.22	4.28
Total	**7.22**	**4.28**

(iv) Expenses recognised in the Statement of Profit and Loss

₹ in Crores

	For the Year March 31, 2020	For the Year March 31, 2019
Current Service Cost	2.00	1.32
Net Interest Cost	0.34	(0.00)
Total Expenses (Refer Note No. 31)	**2.34**	**1.31**

(v) Expenses recognised in the Other Comprehensive Income

₹ in Crores

	For the Year March 31, 2020	For the Year March 31, 2019
Actuarial (gain)/losses on Obligation for the period	5.17	4.11
Return on Plan assets excluding Interest Income	(0.21)	0.32
Total Expenses recognised in OCI	**4.96**	**4.44**

(vi) Major Category of Plan Assets

	As at March 31, 2020		As at March 31, 2019	
	₹ in Crores	%	₹ in Crores	%
GOI Securities	-	-	-	-
Public Securities	-	-	-	-
State Government Securities	-	-	-	-
Insurance Policies	24.08	100.00	19.74	100.00
Others	-	-	-	-

Risk exposure

The Group is exposed to a number of risks, the most significant of which are detailed below:

Interest rate risk: A fall in the discount rate which is linked to the 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.

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, 2020	As at March 31, 2019
Discount Rate	7.54%	7.79%
Expected Return on Plan Assets	7.79%	7.79%
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 trade, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given below:

	Change in assumptions		Impact on defined benefit obligation			
			Increase		Decrease	
	As at March 31, 2020 %	As at March 31, 2019 %	As at March 31, 2020 ₹ in Crores	As at March 31, 2019 ₹ in Crores	As at March 31, 2020 ₹ in Crores	As at March 31, 2019 ₹ in Crores
Discount Rate	1.00%	1.00%	(1.77)	(1.37)	2.05	1.57
Salary Growth Rate	1.00%	1.00%	2.01	1.55	(1.77)	(1.38)
Attrition Rate	1.00%	1.00%	(0.18)	(0.07)	0.23	0.07

In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance Sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change as compared to the prior year.

B. Leave Encashment

(a) The Leave Encashment Benefit Scheme is a Defined Benefit Plan and is wholly unfunded. Hence, there are no plan assets attributable to the obligation.

(b) The accumulated balance of Leave Encashment (unfunded) provided in the books as at March 31, 2020 is ₹ 19.22 Crores (₹ 14.78 Crores), which is determined on actuarial basis using Projected Unit Credit Method.

(c) Principal Actuarial Assumptions

	As at March 31, 2020	As at March 31, 2019
Discount Rate	6.84%	7.79%

C. Defined Contribution Plan

Contribution to Defined Contribution Plans, recognised in Statement of Profit and Loss, for the year is as under

₹ in Crores

	As at March 31, 2020	As at March 31, 2019
Employer's Contribution to Provident Fund and other funds except superannuation	8.12	6.25
Employer's Contribution to Superannuation Fund	1.88	1.73

Expected Contribution for the next year	₹ in Crores
Employer's Contribution to Provident Fund and other funds except superannuation	8.77
Employer's Contribution to Superannuation Fund	2.03

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, 2020	As at March 31, 2019
Total Equity (A)	1,571.91	1,071.59
Non-Current Borrowings (including current maturities)	843.03	951.41
Current Borrowings	256.19	255.05
Total Borrowings (B)	1,099.22	1,206.47
Total Capital (A+B)	**2,671.13**	**2,278.05**
Total Borrowings as % of Total Capital	41.15%	52.96%
Total Borrowings as % of Total Equity	69.93%	112.59%

The Interest Coverage Ratio for the reporting period was as follows

₹ in Crores

	For the Year March 31, 2020	For the Year March 31, 2019
EBITDA (excluding other income)	1,025.80	413.90
Finance Cost	114.87	83.24
Interest Coverage Ratio	**8.93**	**4.97**

The Debt Service Coverage Ratio for the reporting period was as follows

₹ in Crores

	For the Year March 31, 2020	For the Year March 31, 2019
EBITDA (excluding other income)	1,025.80	413.90
Finance Cost	114.87	83.24
Repayment of Non-Current Borrowings	125.37	104.52
Debt Service Coverage Ratio	**4.27**	**2.20**

41. FINANCIAL INSTRUMENTS

41.1. Categories of financial instruments

The carrying value of financial instruments by categories as at March 31, 2020 is as follows

₹ in Crores

	Fair Value through Other Comprehensive Income	Fair value through profit or loss	Amortised Cost
Financial Assets			
Cash and Cash Equivalents	-	-	2.14
Other Balances with Banks	-	-	29.26
Quoted investments (Level 1)	-	0.03	-
Unquoted investments (Level 3)	2.34	0.01	-
Government Securities (Refer Note 5(b))	-	-	0.00
Trade receivables	-	-	612.72
Loans	-	-	1.65
Other financial asset	-	-	9.83
Total	**2.34**	**0.04**	**655.60**
Financial Liabilities			
Current Borrowings	-	-	256.19
Non-Current Borrowings (including current maturities)	-	-	843.03
Trade Payables	-	-	364.26
Other financial liabilities	-	2.52	35.45
Total	**-**	**2.52**	**1,498.93**

The carrying value of financial instruments by categories as at March 31, 2019 is as follows

₹ in Crores

	Fair Value through Other Comprehensive Income	Fair value through profit or loss	Amortised Cost
Financial Assets			
Cash and Cash Equivalents	-	-	2.96
Other Balances with Banks	-	-	22.81
Quoted investments (Level 1)	-	0.07	-
Unquoted investments (Level 3)	2.32	0.01	-
Government Securities (Refer Note 5(b))	-	-	0.00
Trade receivables	-	-	574.96
Loans	-	-	2.12
Other financial asset	-	-	7.89
Total	**2.32**	**0.07**	**610.75**
Financial Liabilities			
Current Borrowings	-	-	255.05
Non-Current Borrowings (including current maturities)	-	-	951.41
Trade Payables	-	-	472.43
Other financial liabilities	-	20.04	14.30
Total	**-**	**20.04**	**1,693.20**

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, 2020

₹ in Crores

	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments in Quoted Instruments	0.03	-	-	0.03
Investments in Unquoted Instruments	-	-	2.35	2.35

Fair Value Hierarchy as at March 31, 2019

₹ in Crores

	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments in Quoted Instruments	0.07	-	-	0.07
Investments in Unquoted Instruments	-	-	2.33	2.33

Reconciliation of Level 3 fair value measurements

₹ in Crores

	Investment in unquoted shares irrevocably designated as FVTOCI
Opening Balance as on March 31, 2018	2.24
Total gains in other comprehensive income	0.08
Closing balance as on March 31, 2019	**2.32**
Total gains in other comprehensive income	0.02
Closing balance as on March 31, 2020	**2.34**

Comparative Market Multiples method has been used for estimating the fair value of such Investment. The fair valuation estimates are based on historical annual accounts/annual reports and based on information collected from public domain. Information pertaining to future expected performance of investee companies including projections about their profitability, balance sheet status and cash flow expectations are not available.

41.3. Financial Risk Management objectives

The Group has adequate internal processes to assess, monitor and manage financial risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group seeks to minimise the effects of these risks by using financial instruments such as foreign currency forward contracts, option contracts and interest swaps to hedge risk exposures and appropriate risk management policies as detailed below. The use of these financial instruments is governed by the Group's policies, which outlines principles on foreign exchange risk, interest rate risk, credit risk and deployment of surplus funds.

Item	Primarily effected by	Risk management policies	Reference
Market risk - currency risk	Foreign Currency balances and exposure towards trade payables, buyer's credit, exports, short-term and long-term borrowings	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; interest rate swaps for long-term borrowings; cash management policies	Note 41.4.2
Credit risk	Ability of customers or counterparties to financial instruments to meet contractual obligations.	Credit approval and monitoring practices; counterparty credit policies and limits; arrangements with financial institutions	Note 41.5
Liquidity risk	Fluctuations in cash flows	Preparing and monitoring forecasts of cash flows; cash management policies; multiple-year credit and banking facilities	Note 41.6

41.4 Market Risk

The Group's financial instruments are exposed to market rate changes. The Group is exposed to the following significant market risks:

- Foreign currency risk
- Interest rate risk

Market risk exposures are measured using sensitivity analysis. There has been no change to the Group's exposure to market risks or the manner in which these risks are being managed and measured.

41.4.1 Foreign Currency Risk management

The Group is exposed to foreign exchange risk on account of following:

1. Imports of raw materials and services.
2. Exports of finished goods.
3. Foreign currency borrowings in the form of Term loans, external commercial borrowings, buyers credit, packing credit etc. availed for meeting its funding requirements.

The Group has a forex policy in place whose objective is to mitigate foreign exchange risk by deploying the appropriate hedging strategies through combination of various hedging instruments such as foreign currency forward contracts, options contracts after considering the natural hedge 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 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, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
USD (Crores)	1.06	2.13	1.79	1.08
INR (Crores)	79.93	147.11	134.82	74.63
GBP (Crores) (represents £ 2,000)	-	0.00	-	-
INR (Crores)	-	0.02	-	-
EURO (Crores) (represents € 34,600)	0.00	0.15	0.21	0.14
INR (Crores)	0.29	11.73	17.77	10.87

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 and option contracts outstanding as at the Balance Sheet date:

	As at March 31, 2020		As at March 31, 2019	
	Buy	Sell	Buy	Sell
Forward Contracts (USD Crores)	-	0.91	-	0.03
Forward Contracts (EURO Crores)	-	-	0.08	-
Option Contracts (USD Crores)	-	2.93	-	-

The forward 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, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
USD (Crores)	3.12	1.08	-	-
GBP (Crores) (represents £ 2,000)	-	0.00	-	-
EURO (Crores)	-	-	0.21	0.06

(d) Foreign currency sensitivity analysis

The Group is mainly exposed to fluctuations in US Dollar. The following table details the Group's sensitivity to a INR 1 increase and decrease against the US Dollar. INR 1 is the sensitivity used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only net outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a INR 1 change in foreign currency rates. A positive number below indicates an increase in profit where the Rupee strengthens by INR 1 against the US Dollar. For a INR 1 weakening against the US Dollar, there would be a comparable impact on the profit before tax.

₹ in Crores

Currency USD Impact on profit or loss	As at March 31, 2020	As at March 31, 2019
Impact of INR 1 strengthening against US Dollar	0.09	1.11
Impact of INR 1 weakening against US Dollar	(2.19)	(1.11)

The above sensitivity analysis does not include effect of Foreign Exchange (loss)/gain capitalised as the same does not affect profit or loss or total equity.

41.4.2 Interest Rate Risk management

The Group issues commercial papers, draws working capital demand loans, avails cash credit, foreign currency borrowings including buyers credit, Packing Credit etc. for meeting its funding requirements.

Interest rates on these borrowings are exposed to change in respective benchmark rates. The Group manages the interest rate risk by maintaining appropriate mix/portfolio of the borrowings.

(a) Interest rate swap contract

The Group enters into the swap contracts to hedge the interest rate risks on the external commercial borrowings. Using interest rate swap, Group agrees to exchange LIBOR floating interest rate to LIBOR fixed interest rate on agreed notional principal amounts. Such contracts enable the company to mitigate the interest rate risk.

(b) Interest rate sensitivity analysis

The sensitivity analysis in para below has been determined for borrowings assuming the amount of borrowings outstanding at the end of the reporting period was outstanding for the whole year. A 10 basis points increase or decrease in case of foreign currency borrowings and 25 basis points increase or decrease in case of rupee borrowings is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rate had been 10 basis points higher/ lower in case of foreign currency borrowings and 25 basis points higher/ lower in case of rupee borrowings and all other variables were held constant, the Group's profit for the year ended March 31, 2020 would decrease/ increase by ₹ 2.71 Crores (March 31, 2019: ₹ 2.96 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 Company. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to the customer credit risk management. The Group uses financial information and past experience to evaluate credit quality of majority of its customers and individual credit limits are defined in accordance with this assessment through third party experts. Outstanding receivables and the credit worthiness of its counterparties are periodically monitored and taken upon case to case basis.

The 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 Group measured the loss allowance for receivables based on the management estimate and judgment credit risk and consequential default considering emerging situations due to COVID-19.

The credit risk on cash and bank balances, derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

Age of receivables

₹ in Crores

	As at March 31, 2020	As at March 31, 2019
Within the Credit period	620.40	574.93
91 to <=180 days	2.52	2.41
>180 days	4.40	4.82

Reconciliation of loss allowance provision - Trade receivables

₹ in Crores

Loss allowance on March 31, 2018	**6.46**
Changes in loss allowance	0.73
Loss allowance on March 31, 2019	**7.19**
Changes in loss allowance	7.41
Loss allowance on March 31, 2020	**14.60**

41.6 Liquidity Risk management

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the contractual maturities of financial (liabilities)/assets including estimated interest payments as at March 31, 2020

₹ in Crores

	Amount	upto 1 year	1-3 year	More than 3 year	Total cash flows
Trade payable	(364.26)	(364.26)	-	-	(364.26)
Borrowings	(1,099.22)	(319.79)	(198.31)	(581.12)	(1,099.22)
Other Financial Liabilities	(35.45)	(35.45)	-	-	(35.45)
Foreign Currency Forward Contracts, option contracts and interest swaps	(2.52)	(2.52)	-	-	(2.52)
Trade Receivables (Gross)	627.32	627.32	-	-	627.32

The table below provides details of financial assets as at March 31, 2020

₹ in Crores

	Carrying amount
Loans	1.65
Other financial assets	9.83
Total	**11.48**

The table below provides details regarding the contractual maturities of financial (liabilities)/assets including estimated interest payments as at March 31, 2019

₹ in Crores

	Amount	upto 1 year	1-3 year	More than 3 year	Total cash flows
Trade payable	(472.43)	(472.43)	-	-	(472.43)
Borrowings	(1,206.47)	(320.80)	(152.00)	(733.67)	(1,206.47)
Other Financial Liabilities	(14.30)	(14.30)	-	-	(14.30)
Foreign Currency Forward Contracts, option contracts and interest swaps	(20.04)	(20.04)	-	-	(20.04)
Trade Receivables (Gross)	582.15	582.15	-	-	582.15

The table below provides details of financial assets as at March 31, 2019

₹ in Crores

	Carrying amount
Loans	2.12
Other financial assets	7.89
Total	**10.02**

41.7 Changes in Liabilities arising from Financing Activities

₹ in Crores

	Non-Current Borrowing (including Current Maturities of Long term Borrowings)	Current Borrowings	Interest Accrued But Not Due	Lease Liabilities	Unpaid dividend on equity Shares (Incl DDT)
As at April 1, 2018	**655.20**	**331.47**	**2.01**	**-**	**0.61**
Cash Flows	276.26	(73.00)	(84.13)	-	(17.64)
Foreign Exchange movement	-	(3.42)	-	-	-
Charged to P&L during the period	-	-	83.25	-	-
Dividend recognised during the year	-	-	-	-	17.73
Others	-	-	2.52	-	-
As at March 31, 2019	**931.46**	**255.05**	**3.65**	**-**	**0.70**
Recognition on adoption of Ind AS 116	-	-	-	17.79	-
Cash Flows	(100.61)	(8.17)	(113.42)	(4.18)	(106.01)
Foreign Exchange movement	-	1.53	0.45	-	-
Charged to P&L during the period	-	-	113.09	1.78	106.89
Dividend recognised during the year	-	-	-	-	-
Others	12.18	-	-	-	-
As at March 31, 2020	**843.03**	**248.42**	**3.77**	**15.39**	**1.58**

42. SEGMENT INFORMATION

(a) Primary Segment Information

The information reported to the Chief Operating Decision Maker (CODM) for the purpose of resource allocation and assessment of segment performance is based on types of goods delivered.

Pursuant to commencement of commercial operations of plant for manufacturing Phenol and Acetone under the Company's wholly owned subsidiary, Deepak Phenolics Limited, its results have been classified under the segment "Phenolics".

Accordingly, the Group's reportable segments under Ind AS 108 are as follows:

(i) Basic Chemicals

(ii) Fine & Speciality Chemicals

(iii) Performance Products

(iv) Phenolics

The accounting policies of the reportable segments are same as the Group's accounting policies. Segment profit represents the profit before interest and tax earned by each segment without allocation of central administrative costs and other income. This is the measure reported to the CODM.

Transfer prices between operating segments are on arm's length basis in a manner similar to transactions with third parties.

₹ in Crores

	For the Year March 31, 2020	For the Year March 31, 2019
I) Segment Revenue		
(a) Basic Chemicals	940.32	893.19
(b) Fine & Speciality Chemicals	585.26	535.64
(c) Performance Products	767.12	402.88
(d) Phenolics	2,000.86	908.01
(e) Un- allocable	-	-
TOTAL	**4,293.56**	**2,739.72**
Less: Inter Segment Revenue	63.85	39.80
Net Sales/Income from operations	**4,229.71**	**2,699.92**
II) Segment Results		
Profit + Loss (-) Before Tax & Interest		
(a) Basic Chemicals	209.35	145.35
(b) Fine & Speciality Chemicals	175.24	126.55
(c) Performance Products	418.62	83.23
(d) Phenolics	187.31	95.79
TOTAL	**990.52**	**450.92**
Less : (i) Interest Expenses	115.14	83.24
(ii) Other un-allocable expenditure net of un-allocable Income	68.98	99.70
III) Profit Before Tax	**806.40**	**267.98**
IV) Segment Assets		
(a) Basic Chemicals	453.36	458.53
(b) Fine & Speciality Chemicals	381.74	379.62
(c) Performance Products	476.50	379.68
(d) Phenolics	1,723.01	1,660.52
(e) Un- allocable	174.00	49.43
TOTAL	**3,208.61**	**2,927.78**
V) Segment Liabilities		
(a) Basic Chemicals	115.24	168.63
(b) Fine & Speciality Chemicals	70.65	80.44
(c) Performance Products	56.55	64.23
(d) Phenolics	1,082.68	1,088.73
(e) Un- allocable	311.58	454.16
TOTAL	**1,636.70**	**1,856.19**
VI) Capital Expenditure		
(a) Basic Chemicals	31.46	33.81
(b) Fine & Speciality Chemicals	16.75	33.89
(c) Performance Products	34.19	6.61
(d) Phenolics	42.64	1,133.16
(e) Un- allocable	122.74	4.43
TOTAL	**247.77**	**1,211.91**

₹ in Crores

	For the Year March 31, 2020	For the Year March 31, 2019
VII) Depreciation		
(a) Basic Chemicals	33.47	19.14
(b) Fine & Speciality Chemicals	20.19	13.37
(c) Performance Products	18.30	16.03
(d) Phenolics	61.88	24.91
(e) Un- allocable	5.86	4.33
TOTAL	**139.71**	**77.79**

(b) Secondary Segment Information

The following table shows the distribution of the Group's Revenue and Assets by geographical market:

Revenue

₹ in Crores

	For the Year March 31, 2020	For the Year March 31, 2019
In India	3,157.88	2,106.54
Outside India	1,071.83	593.38
TOTAL	**4,229.71**	**2,699.92**

Carrying Amount of Segment Assets

₹ in Crores

	As at March 31, 2020	As at March 31, 2019
In India	3,054.16	2,840.33
Outside India	154.45	87.45
TOTAL	**3,208.61**	**2,927.78**

Addition to Fixed Assets

₹ in Crores

	As at March 31, 2020	As at March 31, 2019
In India		
- Tangible	228.74	1,199.12
- Intangible	19.03	12.79
Outside India		
- Tangible	-	-
- Intangible	-	-
TOTAL	**247.77**	**1,211.91**

43. LEASES

A. The following is the movement in lease liabilities during the year ended March 31, 2020:

₹ in Crores

	As at March 31, 2020
Recognition on adoption of Ind AS 116	10.12
Additions	7.66
Finance cost accrued during the year	1.78
Payment of Lease Liabilities	4.18
Balance at the end	**15.39**
Recognised under	
Non - Current Financial Liabilities	13.46
Current Financial Liabilities	1.93
Total	**15.39**

B. The following are details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

₹ in Crores

Financial year	As at March 31, 2020
2020-21	4.81
2021-22	3.35
2022-23	2.69
2023-24	2.64
2024-25	2.23
2025-26 and later	5.95
Total	**21.67**

44. EARNINGS PER SHARE

	As at March 31, 2020	As at March 31, 2019
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 Earnings Per Share (Nos. in Crores).	13.64	13.64
Weighted Average Number of Shares considered for Diluted Earnings Per Share (Nos. in Crores).	13.64	13.64
Net Profit after Tax available for Equity Shareholders (₹ in Crores)	611.03	173.66
Basic Earnings (in Rupees) Per Share of ₹ 2/- each.	44.80	12.73
Diluted Earnings (in Rupees) Per Share of ₹ 2/- each.	44.80	12.73

45. During FY 2019-20, the Group has spent ₹ 3.59 Crores on Corporate Social Responsibility activities.

46. In view of the lockdown directions passed by the Central and Local Government all over India to prevent and contain the spread of COVID-19, the group temporarily suspended its operations at its manufacturing facilities since March 25, 2020. Upon obtaining necessary permissions from the concerned authorities and after taking all necessary measures relating to safety as prescribed in the said permissions, the operations were resumed in a phased manner from April 06, 2020. Based on detailed assessment of the impact of COVID-19 on the operations of the Group and on-going discussions with customers, vendors and service providers, the Management as of now believes of its ability to serve customers, obtain regular supply of raw materials and logistics services.

Subsequent to the year end, the Group has received notices of Force Majeure from certain suppliers and customers and similarly the Group has also issued notices of Force Majeure to customers and suppliers. However, based on the preliminary legal evaluation of these notices, the Management does not anticipate any material economic outflow of resources which would impact its cash position and the carrying value of its assets. The Group believes that there is no impact on its ability to meet its liabilities as and when they fall due. There is no material change in the internal control environment of the Group. However, the extent and duration of COVID-19 is currently unknown and depends on future development that are uncertain. Any resultant outcome and impact on business, due to this, is unpredictable.

The Management has considered the possible effects if any that may result from the pandemic relating to COVID-19 on the carrying amounts of trade receivables and inventories. In developing the assumptions and estimates relating to the uncertainties as at the Balance Sheet date in relation to the recoverable amounts of these assets, the management has used internal and external sources of information to the extent determined by it, including economic forecasts as at the date of approval of these financial results. The impact of the same may differ from that estimated as at the date of approval of these financial statements due to the impact of the pandemic and the Group will continue to closely monitor the developments.

47. The Financial Statements were authorised for issue by the Board of Directors on May 26, 2020.

48. 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	58.98%	927.06	89.09%	544.37	96.63%	(3.67)	89.04%	540.70
Subsidiaries								
1. Deepak Phenolics Limited	41.02%	644.84	10.91%	66.65	3.37%	(0.13)	10.96%	66.52
2. Deepak Nitrite Corporation Inc.	0.00%	0.01	0.00%	0.00 (represents ₹ 19,000)	0.00%	-	0.00%	0.00 (represents ₹ 19,000)
Non controlling interests in all subsidiaries	-	-	-	-	-	-	-	-

For and on behalf of the Board

DEEPAK C. MEHTA
Chairman & Managing Director
DIN: 00028377

UMESH ASAIKAR
Executive Director & CEO
DIN: 06595059

SUDHIR MANKAD
Director
DIN: 00086077

SANJAY UPADHYAY
Director-Finance & CFO
DIN: 01776546

ARVIND BAJPAI
Company Secretary
Membership No.: F6713

SANDESH ANAND
Director
DIN: 00001792

Vadodara: May 26, 2020

NOTES

NOTES

Investor's Welfare Scheme

The Company's scheme covers the risk of death and permanent (total/partial) disablement sustained due to an accident by first-named shareholder of the Company solely and directly from external, violent and visible means.

Details of entitlement under the Personal Accident Policy are as under:

I. COVERAGE:

a. Death

b. Permanent (total/partial) disablement

EXPLANATION:

i. Permanent Total Disablement:

Loss of sight of both eyes or of actual loss by physical separation of the two entire hands or two entire feet.

ii. Permanent Partial Disablement:

Loss of sight of one eye or actual loss by physical separation of one entire hand or one entire foot.

II. AGE LIMIT:

18 to 65 years

III. SUM INSURED:

No. of Equity Shares held	Sum Insured
Up to 1500	₹ 40,000/-
1501 to 5000	₹ 60,000/-
5001 and above	₹ 80,000/-

IV. BENEFITS:

The benefits available under the Group Personal Accident Insurance Policy are as under:

1.	Fatal Accident (Death)	: Sum Insured*
2.	Permanent Total Disablement	: Sum Insured*
3.	Loss of two limbs or two eyes or one limb and one eye	: Sum Insured*
4.	Loss of one limb or one eye	: 50% of the Sum Insured
5.	Permanent Partial Disablement	: Specific percentage of the Sum Insured* depending on the extent of disablement.

[* Sum Insured as explained in para (III) above]

Note:

1. Temporary disablement, medical / hospitalisation expenses are out of the purview of the scheme.
2. Members who have not filed the Nomination Form earlier in respect of Personal Accident Policy may approach the Company for obtaining the Nomination Form and return the same duly filled in and signed for registration with the Company.

DEEPAK NITRITE

RESPONSIBLE CHEMISTRY

Deepak Nitrite Limited

Registered & Corporate Office

Aaditya – I, Chhani Road, Vadodara - 390024. (Gujarat), India.

Tel: +91 265 276 5200/396 0200 | Fax: +91 265 276 5344

www.godeepak.com

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