



DEEPAK PHENOLICS LIMITED

9th Annual Report 2019-20

DEEPAK PHENOLICS LIMITED

9TH ANNUAL REPORT

2019-20



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CORPORATE INFORMATION:

BOARD OF DIRECTORS

Shri Deepak C. Mehta
Chairman & Managing Director

Shri Meghav Mehta
Whole-time Director

Smt. Ila D. Mehta
Non-Executive Director

Shri Sanjay Upadhyay
Non-Executive Director

Shri Shripad Gumaste
Non-Executive Director

Shri Sandesh Kumar Anand
Independent Director

Shri Rajeev Pandia
Independent Director

Shri Prem Kumar Taneja
Independent Director

Shri Milin Mehta
Additional Director

Shri Sanjay Asher
Additional Director

KEY MANAGERIAL PERSONNEL

Shri Kishor Jhalaria
Chief Executive Officer

Shri Ajay Jajoo
Chief Financial Officer

Shri Arvind Bajpai
Company Secretary

STATUTORY COMMITTEES

AUDIT COMMITTEE

Shri Milin Mehta - Chairman
Shri Deepak C. Mehta - Member
Shri Rajeev Pandia - Member

NOMINATION & REMUNERATION COMMITTEE

Shri Sanjay Asher - Chairman
Shri Deepak C. Mehta - Member
Shri Sanjay Upadhyay - Member
Shri Milin Mehta - Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Smt. Ila D. Mehta - Chairperson
Shri Sanjay Upadhyay - Member
Shri S. K. Anand - Member
Shri P. K. Taneja - Member

BANKERS

Axis Bank Limited

Bank of Baroda

Allahabad Bank

United Bank of India

RBL Bank Ltd

IDFC First Bank Ltd

AUDITORS

B. K. Khare & Co.
Chartered Accountants

SECRETARIAL AUDITORS

Samdani Shah & Kabra
Company Secretaries

COST AUDITORS

Y. S. Thakar & Co.
Cost Accountants

INTERNAL AUDITORS

Sharp & Tannan Associates,
Chartered Accountants

REGISTERED OFFICE

1st Floor, Aaditya-II, Chhani
Road, Vadodara-390 024
Tel: +91-265-276 5500
Website: www.godeepak.com

CORPORATE IDENTITY NUMBER

U24100GJ2011PLC064669

PLANT LOCATION

Plot No. 12/B-2 GIDC,
Dahej, Dist. Bharuch,
Gujarat - 392130

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Private Limited
C-101, 247 Park, L.B.S Marg,
Vikhroli (W), Mumbai - 400 078.



NOTICE

NOTICE is hereby given that the Ninth Annual General Meeting of members of **DEEPAK PHENOLICS LIMITED** will be held at the Registered Office of the Company at, the Board room, **First Floor, Aaditya-II, Chhani Road, Vadodara - 390 024** on **Friday, the 31st day of July, 2020 at 10:30 A.M.**, to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Standalone Audited Balance Sheet, Statement of Profit and Loss, Cash Flow Statement and Statement Changes in Equity for the Financial Year ended March 31, 2020 together with Directors' Report and the Auditors' Report thereon.
2. To appoint a Director in place of Shri Sanjay Upadhyay [DIN:01776546], who retires by rotation at this Annual General Meeting, in terms of Section 152 (6) of the Companies Act, 2013 and being eligible, has offered himself for re-appointment.

SPECIAL BUSINESS:

3. **APPOINTMENT OF SHRI SANDESH KUMAR ANAND (DIN: 00001792) AS AN INDEPENDENT DIRECTOR OF THE COMPANY FOR A SECOND TERM OF 2 CONSECUTIVE YEARS.**

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

"RESOLVED THAT pursuant to provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Shri Sandesh Kumar Anand (DIN: 00001792), Non-Executive Independent Director of the Company who has submitted a declaration under Section 149(7) of the Act that he meets the criteria for independence as provided in the Act and who is eligible for re-appointment, be and is hereby re-appointed as an Non-Executive Independent Director of the Company to hold office for a second term of two (2) consecutive years with effect from August 7, 2020 till August 6, 2022.

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



4. APPOINTMENT OF SHRI MILIN MEHTA (DIN: 01297508) AS AN INDEPENDENT DIRECTOR OF THE COMPANY FOR A TERM OF 2 CONSECUTIVE YEARS.

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 and any other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with Schedule IV 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), Shri Milin Mehta (DIN: 01297508), who has been appointed as an Additional Director of the Company by the Board of Directors with effect from October 10, 2019, in terms of Section 161 (1) of the Act and Articles of Association of the Company and who has submitted a declaration under Section 149(7) of the Act that he meets the criteria for independence as provided in the Act and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Non-Executive Independent Director of the Company to hold office for a term of two (2) consecutive years upto 9th October, 2021.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to do all such acts, deeds and things as it may deem necessary and expedient for the purpose of giving effect to the above Resolution.”

5. RATIFICATION OF REMUNERATION OF COST AUDITORS 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 Section 148 and all other applicable provisions of Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration payable to M/s. Y. S. Thakar & Co., Cost Accountants, (Firm Registration No. 000318), Cost Auditors appointed by Board of Directors of the Company to conduct the audit of the cost records of the Company for Financial Year ending March 31, 2021, amounting to ` 1,00,000/- (Rupees One Lakh Only) plus applicable taxes, travelling and other out-of-pocket expenses incurred by them in connection with aforesaid audit, be and is hereby ratified and approved.



RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to do all such acts, deeds and things as it may deem necessary and expedient for the purpose of giving effect to the above Resolution.”

6. APPOINTMENT OF SHRI SANJAY ASHER (DIN: 00008221) AS AN INDEPENDENT DIRECTOR OF THE COMPANY FOR A TERM OF 2 CONSECUTIVE YEARS.

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 and any other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with Schedule IV 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), Shri Sanjay Asher (DIN: 00008221), who has been appointed as an Additional Director of the Company by the Board of Directors with effect from June 8, 2020, in terms of Section 161 (1) of the Act and Articles of Association of the Company and who has submitted a declaration under Section 149(7) of the Act that he meets the criteria for independence as provided in the Act and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as an Non-Executive Independent Director of the Company to hold office for a term of two (2) consecutive years upto June 7, 2022.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to do all such acts, deeds and things as it may deem necessary and expedient for the purpose of giving effect to the above Resolution.”

Place: Vadodara
Date: June 8, 2020

By Order of the Board of Directors of
DEEPAK PHENOLICS LIMITED

Registered Office:

First Floor, Aaditya-II, Chahni Road,
Vadodara - 390024
Tel: +91-265-276 5500
Website: www.godeepak.com
CIN:U24100GJ2011PLC064669

ARVIND BAJPAI
Company Secretary
Membership No: F6713
Address: A/2/202, Labh Exotica,
Nr. Pratham Vatika, Gotri
Vadodara-390021



NOTES:

1. A statement pursuant to Section 102 of the Companies Act, 2013 with respect to the Special Businesses set out in the Notice is annexed. The information on Directors seeking appointment/reappointment at the Annual General Meeting pursuant to provisions of the Secretarial Standard 2 on General Meetings is provided in Annexure - I to this Notice.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE NINTH ANNUAL GENERAL MEETING OF THE COMPANY (the "Meeting") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THAT THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY, IN ORDER TO BE VALID AND EFFECTIVE, SHOULD BE LODGED / DEPOSITED WITH THE COMPANY NOT LESS THAN 48 (FORTY EIGHT) HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING 50 (FIFTY) AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% (TEN PERCENT) OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN 10% (TEN PERCENT) OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR MEMBER.

3. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. Members / Proxies are requested to bring duly filled Attendance Slip to attend the Meeting, along with their copy of Annual Report.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. The relevant documents referred to in this Notice requiring the approval of the Members at the Meeting shall be available for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays from 10:00 a.m. to 2:00 p.m. upto the date of the Meeting.



7. The route map showing directions to reach the venue of the Meeting is provided in the Notice after the Explanatory Statement.
8. In view of outbreak of Covid-19 pandemic, necessary arrangements to ensure compliance with the directives of concerned Regulatory Authorities w.r.t. social distancing, thermal screening etc. have been made by the Company. The participants of the Meeting are requested to adhere to safety guidelines and co-operate with the security personnel at the Meeting venue.

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

ITEM NO. 3

Pursuant to the requirement of Companies Act, 2013, Shri Sandesh Kumar Anand (DIN: 00001792) was appointed as an Independent Director at the 4th Annual General Meeting of the Company held on August 7, 2015 for a term of five (5) consecutive years upto August 6, 2020.

As per Section 149(10) of the Act, an Independent Director can hold office for a term upto five (5) consecutive years on the Board of a Company and may be re-appointed for another term upto five (5) consecutive years, with the approval Members of the Company by way of Special Resolution.

The Board of Directors at its meeting held on May 21, 2020, on the recommendation of the Nomination and Remuneration Committee and based on his positive performance evaluation, considered that given his background, experience and contributions made by him during his tenure, the association of Shri Sandesh Kumar Anand would be beneficial to the Company and it is desirable to re-appoint Shri Sandesh Kumar Anand as an Independent Director for another term of two (2) consecutive years with effect from August 7, 2020 upto August 6, 2022.

Shri Sandesh Kumar Anand does not hold by himself or for any other person on a beneficial basis, any shares in the Company. Shri Anand has given a declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. In the opinion of the Board, Shri Sandesh Kumar Anand fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company.

He is also an Independent Director of the Board of Deepak Nitrite Limited, holding Company.



A copy of the draft Letter of Appointment of Shri Sandesh Kumar Anand setting out the terms and conditions of appointment are available for inspection by the Members of the Company, without any fee, at the Registered Office of the Company during normal business hours on any working day except Saturdays.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Shri Sandesh Kumar Anand are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 3 of the Notice.

The Board recommends the Special Resolution set out at Item No. 3 of the Notice for approval by the Members.

ITEM NO.4

Shri Milin Mehta (DIN: 01297508) has been appointed as an Additional Director on the Board of the Company w.e.f. October 10, 2019 vide resolution passed through circulation on October 10, 2019. As per the provisions of Section 161 of the Companies Act, 2013 ("the Act"), he holds office as an Additional Director upto the ensuing Annual General Meeting of the Company.

Shri Milin Mehta is a law graduate and has obtained a Master's Degree in Commerce. He is a Fellow Member of the Institute of Chartered Accountants of India and is a Senior Partner of M/s. K. C. Mehta & Co. Chartered Accountants (Baroda, Mumbai, Ahmedabad and Bangalore), for about 3 decades. Shri Milin Mehta is mainly engaged in providing consultancy to various corporate and non-corporate bodies in the areas of strategy, taxation (domestic and international) and Mergers, Acquisitions, Joint Ventures, etc. He has been strategic advisor to several industrial groups.

Shri Milin Mehta does not hold by himself or for any other person on a beneficial basis, any shares in the Company. Shri Milin Mehta has also given a declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

In the opinion of the Board, Shri Milin Mehta fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Shri Milin Mehta as an Independent Director.

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



None of the Directors or Key Managerial Personnel of the Company or their relatives except Shri Milin Mehta are, in any way, concerned or interested, financially or otherwise, in the Ordinary 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 appointed M/s. Y. S. Thakar & Co., Cost Accountants (Firm Registration No. 000318) as the Cost Auditors of the Company to conduct the Audit of the Cost Records of the Company for the Financial Year 2020-21 at a remuneration of ` 1,00,000/- (Rupees One Lakh only), plus applicable tax, travelling and other out-of-pocket expenses incurred by them in connection with aforesaid audit.

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

Accordingly, approval of the Members is sought for the Ordinary Resolution as set out at Item No.7 of the Notice for ratification of the remuneration payable to the Cost Auditor 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.

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

ITEM NO.6

Shri Sanjay Asher (DIN: 00008221) has been appointed as an Additional Director on the Board of the Company w.e.f. June 8, 2020 vide resolution passed through circulation on June 8, 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 of the Company.

Shri Sanjay Asher is presently a senior partner with Crawford Bayley & Co, which is India's oldest law firm, established in 1830. Shri Asher holds a bachelor's degree in commerce and a bachelor's degree in law from the University of Bombay. He has been a practising advocate since 1991 and was admitted as a solicitor in 1993. He is also a qualified Chartered Accountant.



He specialises in the fields of corporate law and commercial law, cross border M&A, joint ventures, and capital markets, and advises large, medium and small business enterprises on these subjects. Shri Asher serves as an independent director of various public and private companies. He has been a noted speaker at various seminars and conferences both domestically and internationally.

He is also an Independent Director of the Board of Deepak Nitrite Limited, holding Company.

Shri Sanjay Asher does not hold by himself or for any other person on a beneficial basis, any shares in the Company. Shri Asher has also given a declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

In the opinion of the Board, Shri Sanjay Asher fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Shri Sanjay Asher as an Independent Director.

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

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

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

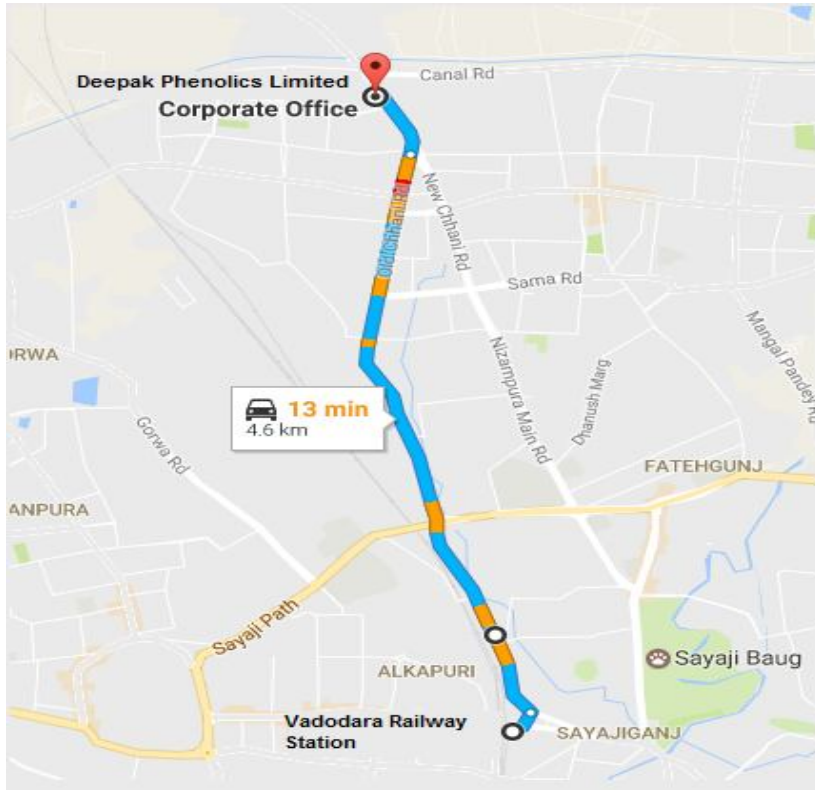
Place: Vadodara
Date: June 8, 2020

By Order of the Board of Directors of
DEEPAK PHENOLICS LIMITED

Registered Office:
First Floor, Aaditya-II, Chahni Road,
Vadodara - 390024
Tel: +91-265-276 5500
Website: www.godeepak.com
CIN:U24100GJ2011PLC064669

Arvind Bajpai
Company Secretary
Membership No: F6713
Address: A/2/202, Labh Exotica,
Nr. Pratham Vatika, Gotri
Vadodara-390021

ROUTE MAP TO THE 9TH ANNUAL GENERAL MEETING OF DEEPAK PHENOLICS LIMITED:



Landmark: Beside Deepak Nitrite Limited

ANNEXURE - I

Information on Directors seeking appointment/re-appointment/variation in terms of appointment at the Annual General Meeting pursuant to provisions of Secretarial Standard 2 on General Meetings are as under:

Name of the Director	Shri Sanjay Upadhyay		Shri Sandesh Kumar Anand	
Date of Birth	July 20, 1961		December 10, 1942	
Age	59 Years		77 Years	
Director Identification Number	01776546		00001792	
Qualifications	Associate Member of the Institute of Cost Accountants of India and Fellow Member of the Institute of Company Secretaries of India. Advanced Management Programme from Wharton, USA.		Bachelor of Engineering (Chemical) from Delhi University and has done Petrochemical Course from I.I.P., Dehradun. Advanced Management course at the Indian Institute of Management, Ahmedabad.	
Terms and Conditions of appointment or re-appointment	Retire by rotation and he is also entitle for sitting fees.		Terms and Conditions of appointment as applicable for an Independent Director of the Company.	
Remuneration Paid / Payable for the Financial Year 2019-20	Sitting Fees	80,000	Sitting Fees	1,30,000
	Commission	6,00,000	Commission	40,00,000
	Total	6,80,000	Total	41,30,000
Details of remuneration sought to be paid	Fees for attending Meetings of Board of Directors and Committees of Directors of the Company and Profit related commission.		Fees for attending Meetings of Board of Directors and Committees of Directors of the Company and Profit related commission.	
Experience	Finance, Taxation & Management		Project Management, Operations, Corporate Planning, Quality Management, Health, Safety and Environment Management, Energy Management, Strategic Planning in petrochemicals.	
Date of first appointment on the Board	March 29, 2011		August 6, 2015	
Shareholdings in the Company	Nil		Nil	
Disclosure of relationships between directors inter-se.	Not related to any of the Directors or Key Managerial Personnel of the Company.		Not related to any of the Directors or Key Managerial Personnel of the Company.	
The number of Meetings of the Board attended during the F.Y. 2019-20	No. of Board Meetings held	Board Meetings Attended	No. of Board Meetings held	Board Meetings Attended
	4	4	4	4
Directorship in other companies	Listed Companies		Listed Companies	
	Deepak Nitrite Limited		Deepak Nitrite Limited	
	Non- Listed Companies		Non-Listed Companies	
	Deepak Novochem Technologies Limited		Sunrise Industries (India) Limited Optimum Diagnostics and Research Private Limited	



Name of the Director	Milin Mehta	Shri Sanjay Asher			
Date of Birth	September 8, 1964	November 26, 1963			
Age	55 Years	56 Years			
Director Identification Number	01297508	00008221			
Qualifications	Bachelor's degree in Law and also a qualified Chartered Accountant.	Bachelor's degree in Commerce and a Bachelor's degree in Law from the University of Bombay. He is also a qualified Chartered Accountant and a solicitor			
Terms and Conditions of appointment or re-appointment	Terms and Conditions of appointment as applicable for an Independent Director of the Company.	Terms and Conditions of appointment as applicable for an Independent Director of the Company.			
Remuneration Paid / Payable for the Financial Year 2019-20	Sitting Fees	50,000	Sitting Fees	NA	
	Commission	6,00,000			Commission
	Total	6,50,000			Total
Details of remuneration sought to be paid	Fees for attending Meetings of Board of Directors and Committees of Directors of the Company and Profit related commission.	Fees for attending Meetings of Board of Directors and Committees of Directors of the Company and Profit related commission.			
Experience	He has Rich experience in the field of Merger, Acquisition, Taxation, Strategy. He was also a member of the Committee set up by the Central Board of Direct Taxes for framing "Income Tax computation and Disclosure Standards".	He has over twenty nine years of experience in the field of law and corporate matters. He is presently a senior partner at M/s. Crawford Bayley and Co., and deals with corporate laws, mergers and acquisitions and capital market transactions.			
Date of first appointment on the Board	October 10, 2019	June 8, 2020			
Shareholdings in the Company	Nil	Nil			
Disclosure of relationships between directors inter-se.	Not related to any of the Directors or Key Managerial Personnel of the Company.	Not related to any of the Directors or Key Managerial Personnel of the Company.			
The number of Meetings of the Board attended during the F.Y. 2019-20	No. of Board Meetings held	Board Meetings Attended	NA		
	2	2			
Directorship in other companies	Listed Companies		Listed Companies		
	Va Tech Wabag Limited Shaily Engineering Plastics Limited 5paisa Capital Limited		Deepak Nitrite Limited Sudarshan Chemicals Industries Limited Tribhovandas Bhimji Zaveri Limited Ashok Leyland Limited Repro India Limited Indusind Bank Limited Sonata Software Limited		
	Non- Listed Companies		Non- Listed Companies		
Shiva Pharmachem Limited Vadodara Marathon Indusface Private Limited		Lonza India Private Limited Kineco Kaman Composites- India Private Limited			



	Rubamin Private Limited Technokraft Products Private Limited Gujarat Life Sciences Private Limited Heubach Colour Private Limited	Siporex India Private Limited N V Advisory Services Private Limited Arch Protection Chemicals Private limited Orbit Electricals Private Limited
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DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Ninth Annual Report together with the Audited Financial Statements for the Financial Year ('FY') ended March 31, 2020.

STANDALONE FINANCIAL RESULTS

	(` In Crores)	
Particulars	2019-20	2018-19
Revenue and Other Income	2,037.66	926.86
Gross Profit (Before Interest, Depreciation and Tax)	256.98	121.11
Finance Cost	94.82	40.40
Depreciation	62.14	24.98
Profit Before Tax	100.02	55.73
Provision for Current Tax	-	12.09
Provision for Deferred Tax	33.37	7.76
Profit After Tax	66.65	35.88
Other Comprehensive Income	(0.13)	(0.17)
Surplus in Statement of Profit & Loss Brought Forward	18.32	(17.39)
Amount available for Appropriation	84.85	18.32
Dividend	-	-
Balance carried to Balance Sheet	84.85	18.32

PERFORMANCE REVIEW

Your Company completed its first full year of operations in FY 2019-20. The greenfield facility for manufacture of Phenol and Acetone is located at Dahej in the State of Gujarat and commenced the commercial production in November, 2018. The manufacturing facility has an installed capacity to produce 200,000 MTPA of Phenol and 120,000 MTPA of Acetone. In addition, it has a capacity to produce 260,000 MTPA of Cumene, to be used for captive consumption.

During FY 2019-20, your Company achieved production volumes of Phenol of nearly 200,000 metric tons, that is above 90% of capacity utilization. Your company could have achieved higher production however the shortfall was primarily due to the lockdown imposed at the end of March, 2020, resulting in plant closure for few days. To report above 90% of capacity utilisation in the first complete year of operations from a plant of this magnitude indicates the level of preparedness of the organisation supported by reliable management of complex material logistics. Your Company reported Revenues of ` 2,010 crores with Profit After Tax of ` 67 crores in FY 2019-20.

Operating at high level of output resulted your Company to emerge as the largest producer of Phenol and Acetone in India with market share of ~65%. The output has steadily increased month on month amidst a volatile external environment. During the year under review, your



Company succeeded in replacing large proportion most of the imports, thereby converting India from an import dependent country into a largely self-reliant country in both of these products.

Phenol is a versatile industrial organic chemical and is used for manufacture of various chemical intermediates. This is consumed in a broad spectrum of end-user segments, including Ply, laminates, foundry, paints, rubber, surfactants, pharmaceuticals, and agro-chemicals. While, Acetone is mainly used in pharmaceutical manufacturing aside from its significant applications in paints, adhesives, and thinners amongst many others. It is a co-product of the production process for Phenol.

OTHER PROJECTS

In line with your Company's efforts of moving into downstream value added derivatives of Phenol and Acetone, your Company commissioned Acetone derivative plant to manufacture Isopropyl Alcohol ('IPA') in April 2020 at its facility at Dahej in the State of Gujarat with a capacity to manufacture 30,000 MT of IPA annually. For this, 25% of Acetone will be captively used. IPA is a solvent used mainly by pharmaceutical companies and is also used in sanitizer manufacturing. Your Company will continue to achieve its growth initiatives through forward integration as it aims to develop facilities to produce more value-added derivatives. The introduction of IPA manufacturing capability represents the first step towards achieving the objective of creating a basket of downstream derivatives of Phenol and Acetone.

SHARE CAPITAL

The Authorised and Paid-up Share Capital of the Company as on March 31, 2020 was ` 560 crores comprising of ` 280 crores of Equity Share Capital divided into 28,00,00,000 Equity Shares of ` 10/- each and ` 280 crores of Preference Share Capital divided into 2,80,00,000 7% Non-Cumulative Optionally Convertible Redeemable Preference Shares of ` 100/- each. There has been no change in the Share Capital of the Company during the year ended March 31, 2020.

DIVIDEND AND TRANSFER TO RESERVES

Your Directors have not recommended any dividend on Equity Shares as well as on Preference Shares for the year ended March 31, 2020. It is not proposed to transfer any amount to reserves during the year.

DIRECTORS

As required under the provisions of Section 152 of the Companies Act, 2013, Shri Sanjay Upadhyay (DIN: 01776546) will be retiring at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment for approval by the Members.



Shri Sandesh Kumar Anand, Independent Director of the Company completes his term of appointment as Independent Director on August 6, 2020. The Board of Directors of your Company, on the basis of the positive performance evaluation and based on recommendations of the Nomination and Remuneration Committee, considered and has recommended to the Shareholders for approval at the ensuing Annual General Meeting, by way of Special Resolution, the re-appointment of Shri Sandesh Kumar Anand as Independent Director of your Company for a second term of two (2) consecutive years effective from August 7, 2020 upto August 6, 2022.

Shri Shripad Gumaste ceased to be an Independent Director of the Company with effect from August 1, 2019 and he continues to be a Non-Executive Non-Independent Director of your Company, liable to retire by rotation.

The Board of Directors of your Company appointed Shri Milin Mehta (DIN: 05229853) as an Additional Director (Non-Executive Independent Director) effective from October 10, 2019. As per provisions of the Companies Act, 2013 he holds office upto the ensuing Annual General Meeting. Your Company has received a notice proposing candidature for the appointment of Shri Milin Mehta as a Director. Accordingly, the Board of Directors of your Company has recommended the appointment of Shri Milin Mehta as an Independent Director of your Company for a term of two (2) consecutive years from October 10, 2019 upto October 9, 2021, for approval by the Shareholders at the ensuing Annual General Meeting of your Company.

KEY MANAGERIAL PERSONNEL

During the year under review, your Company has following Key Managerial Personnel of the Company:

1. Shri Deepak C. Mehta as the Chairman & Managing Director;
2. Shri Meghav Mehta as the Whole-time Director;
3. Shri Arvind Bajpai as Company Secretary; and
4. Shri Ajay Jajoo as Chief Financial Officer of the Company.

MEETINGS OF THE BOARD

During the year under review, four (4) meetings of Board of Directors of your Company were held on May 2, 2019, July 27, 2019, October 18, 2019 and January 27, 2020.

INDEPENDENT DIRECTORS

The Independent Directors of your Company have given the declaration that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and have furnished the declaration as required under the Companies Act, 2013.



PERFORMANCE EVALUATION

Pursuant to the provisions of Companies Act, 2013, the Board of Directors of your Company have carried out annual evaluation of its own performance, Board Committees and individual Directors, including the Independent Directors.

The performance of the Board / Committee was evaluated through collective feedback from all the Directors / Committee.

Your Directors have expressed their satisfaction to the evaluation process. Based on the declarations received from the Independent Directors, the Board of Directors of your Company confirms the integrity, expertise and experience (including the proficiency) of the Independent Directors of the Company.

AUDIT COMMITTEE

Your Company has a duly constituted Audit Committee as required under the provisions of Companies Act, 2013. The Audit Committee consists of Shri Sandesh Kumar Anand as the Chairman of the Committee and Shri D. C. Mehta and Shri Milin Mehta as the members. The Committee was re-constituted effective October 10, 2019 whereby Shri Milin Mehta was inducted to the Committee in place of Shri Shripad Gumaste. During the year under review, four (4) meetings of the Audit Committee were held on May 2, 2019, July 27, 2019, October 18, 2019 and January 27, 2020.

VIGIL MECHANISM

In accordance with the provisions of Section 177 of the Companies Act, 2013, your Company has a vigil mechanism which has been incorporated in the Whistle Blower Policy for Directors and employees to report genuine concerns. The Whistle Blower Policy also provides for adequate safeguards against victimization of persons who use vigil mechanism and for direct access to the Chairman of the Audit Committee in exceptional cases. The Whistle Blower Policy is uploaded on the website of your Company at <https://www.godeepak.com>.

NOMINATION AND REMUNERATION COMMITTEE

In accordance with the provisions of the Companies Act, 2013, your Company has a duly constituted Nomination and Remuneration Committee comprising Shri Sandesh Kumar Anand as the Chairman of the Committee and Shri D. C. Mehta, Shri Sanjay Upadhyay and Shri Milin Mehta as members of the Committee. The Committee was re-constituted effective October 10, 2019, whereby Shri Milin Mehta was inducted as a member of the Committee in place of Shri Shripad Gumaste. During the year under review, one (1) meeting of Nomination and Remuneration Committee was held on May 2, 2019.



INTERNAL FINANCIAL CONTROLS

Your Company has an adequate Internal Financial Controls system over the Financial Reporting and the same is operating effectively.

RISK MANAGEMENT

The Board of Directors of your Company has constituted a Risk Management Committee on October 10, 2019. The Risk Management Committee consists of Shri Sandesh Kumar Anand as the Chairman of the Committee and Shri Meghav D. Mehta, Shri Rajeev Pandia and Shri Ajay Jajoo as members of the Committee.

The first meeting of Risk Management Committee was held on May 19, 2020. Your Company is in the process of developing a comprehensive Risk Management Framework.

STATUTORY AUDITORS

M/s. B. K. Khare & Co., Chartered Accountants (Firm Registration No. 105102W), were appointed as the Statutory Auditors of your Company for a period of two (2) years at the 8th Annual General Meeting held on June 21, 2019. Accordingly, they will hold the office as the Statutory Auditors of your Company till 10th Annual General meeting of your Company.

STATUTORY AUDITORS' REPORT

The observations made in the Auditors Report read together with relevant notes thereon, are self-explanatory and hence do not call for any comments. There is no qualification, reservation, adverse remark or disclaimer by the Statutory Auditors in their Report. There is no instance of fraud reported by the Statutory Auditors during the Financial Year 2019-20.

COST AUDITORS

Pursuant to Sub Section (3) of Section 148 of Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and upon the recommendation of Audit Committee, the Board of Directors of your Company at their meeting held on May 21, 2020 appointed M/s. Y. S. Thakar & Co. (Firm Registration No. 000318), as the Cost Auditors for auditing your Company's Cost Accounting Records for the Financial Year 2020-21, at a remuneration of ₹ 1,00,000/- (Rupees One Lakh only) plus applicable taxes travelling and out of pocket expenses, subject to ratification by Members at the ensuing Annual General Meeting.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the



Secretarial Audit for the year ended March 31, 2020 was carried out by the Secretarial Auditors, M/s. Samdani Shah & Kabra, Company Secretaries. The Board of Directors of your Company has appointed M/s. Samdani Shah & Kabra, Company Secretaries to carry out Secretarial Audit of your Company for the Financial Year 2020-21.

SECRETARIAL AUDITORS' REPORT

The Secretarial Audit Report of M/s. Samdani Shah & Kabra, Company Secretaries, for the Financial Year ended March 31, 2020 does not contain any qualification, reservation, adverse remark or disclaimer by the Secretarial Auditors. The Secretarial Audit Report in Form MR-3 is annexed as Annexure-A, which forms part of this Report.

INTERNAL AUDITORS

Upon the recommendation of the Audit Committee, the Board of Directors of your Company at their meeting held on May 21, 2020 has appointed M/s. Sharp & Tannan Associates, Chartered Accountants, as Internal Auditors of your Company to conduct the Internal Audit for Financial Year 2020-21.

FIXED DEPOSITS

Your Company has not accepted any deposits, covered under Chapter V of the Companies Act, 2013 during the year and hence no details pursuant to Rules 8 (v) and 8 (vi) of the Companies (Accounts) Rules, 2014 are required to be reported.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the year ended March 31, 2020 were on arm's length basis and in the ordinary course of business. There was no material significant related party transaction entered into by your Company during the year and hence no information is required to be provided as prescribed under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014.

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

Your Company has not granted any loans or guarantees during the Financial Year ended March 31, 2020. The details of investments made by the Company during the Financial Year 2019-20 have been disclosed in the Financial Statements of your Company.

DIRECTORS' RESPONSIBILITY STATEMENT

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



- (a) in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed and there are no material departures;
- (b) they have selected accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the Financial Year and of profit of your Company for that period;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- (d) they have prepared the Annual Accounts on a going concern basis;
- (e) they have laid down Internal Financial Controls to be followed by your Company and that such Internal Financial Controls are adequate and are operating effectively;
- (f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE 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 Financial Year 2019-20, your Company has spent ₹ 11,00,000/- (Rupees Eleven Lakhs only) on CSR activities, against the requirement of ₹ 23,00,000/- (Rupees Twenty Three Lakhs only), being 2% of average of the net profits for the preceding three years.

Reason for unspent CSR amount: The CSR activities approved by the CSR Committee and the Board of Directors of your Company covered areas such as Construction of rainwater harvesting infrastructure, promotion of vocational training and to facilitate people to access Government schemes. Some of the activities targeted for the financial year 2019-20, could not be completed before 31st March, 2020 due to situation arising from outbreak of Covid-19 as those activities involved holding of camps for collection of AADHAR details of beneficiaries etc. Further, payments for certain activities which were completed during the month of March, could not be processed due to the lockdown orders issued by the Government Authorities.

Your Company has a policy on Corporate Social Responsibility and the same has been posted on the website of the Company at www.godeepak.com. The Report on CSR activities in terms of the requirements of Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith as Annexure-B, 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 Companies Act, 2013.

The Salient features of the Nomination and Remuneration Policy ('NR Policy') of your Company are as under:

- A. Objectives:** The key objectives of the NR 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.
- B. Applicability:** The Policy is applicable to Directors, Key Managerial Personnel ('KMP'), Senior Management Employees and Other Employees.
- C. Role, Composition etc. of the Nomination and Remuneration Committee and meetings thereof:** The Policy describes the role, composition requirements, frequency of meetings and quorum and voting etc. at the Meetings of the Nomination and Remuneration Committee.
- D. Appointment and Removal of Directors, KMPs and Senior Management Employees:** The Policy provides in detail, the criteria for appointment of Directors (Executive, Non-Executive and Independent Directors), Key Managerial Personnel and Senior Management Employees of the Company. It also provides for Term / tenure of Independent Directors and Executive Directors, their evaluation, removal and retirement.
- E. Remuneration:** The NR Policy provides for Remuneration of Managing Director, Executive Directors including ratio of Fixed and Variable pay portions of their respective costs to the Company. It also provides for manner in which remuneration shall be paid to Independent Directors i.e. by way of payment of fees for attending meetings of the Company and payment of profit related commission. The NR Policy also provides procedure for determining and revision in Remuneration of Key



Managerial Personnel, Senior Management Employees and other Employees by the Company.

- F. Review and Amendments to the Policy:** The policy provides for periodical review of the Policy by the Board and procedure for carrying out amendments to the Policy.

The NR Policy is available on the website of the Company at the following link:

https://www.godeepak.com/wp-content/themes/twenty-sixteen/companyfiles/dpl_policies/DPL-NRC-Policy%20Final.pdf

EXTRACT OF ANNUAL RETURN

The extract of Annual Return in Form MGT-9 as required under Section 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, forms part of this Report and annexed as Annexure-C, which forms part of this Report.

PARTICULARS OF EMPLOYEES

The disclosures pertaining to remuneration and other details of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Directors' Report Rules, 2014, is annexed herewith as Annexure-D, which forms part of this Report.

SECRETARIAL STANDARDS OF ICSI

Your Company is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India and approved by the Central Government.

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

Your Company has in place an Anti-Discrimination and Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress the complaints received regarding sexual harassment at workplace. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

No complaint was received from any employee during FY 2019-20 and hence no complaint is outstanding as on March 31, 2020 for redressal.



MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitments affecting the financial position of your Company since the close of Financial Year i.e. since March 31, 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.

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

Pursuant to the requirement of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 the relevant data pertaining to the Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo are provided in Annexure-E, which forms part of this Report.

SUBSIDIARY, ASSOCIATE AND JOINT VENTURE

Your Company does not have any subsidiary, associate or joint venture Company. Deepak Nitrite Limited is the holding Company of your Company.

ORDERS PASSED BY THE REGULATORS OR THE COURTS OR THE TRIBUNALS

There are no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of your Company and its operations.

ACKNOWLEDGEMENT

Your Directors wish to acknowledge the contributions of the all stakeholders and are grateful for the co-operation of various government authorities, support received from shareholders, bankers and other business associates. Your Directors recognize the hard work and efforts put in by all the employees of your Company.

For and on behalf of the Board

Place: Vadodara
Date: May 21, 2020

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



Annexure-A

Secretarial Audit Report
for the Financial Year ended March 31, 2020
*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9
of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

The Members,
Deepak Phenolics Limited
First Floor, Aaditya-II,
National Highway No.8,
Chhani Road,
Vadodara-390024,
Gujarat, India.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Deepak Phenolics Limited** ('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, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 / 2018, to the extent applicable;
- v. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client, to the extent applicable;
- vi. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- vii. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) are not applicable to the Company being Unlisted Public Company.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India. Being Unlisted Public Company, clauses / regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are not applicable to the Company.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that;

- (a) The Board of Directors of the Company is duly constituted with proper balance of executive directors, non-executive directors and independent directors. The changes in the composition of the Board of Directors that took place during the period under review, were carried out in compliance with the provisions of the Act;



- (b) Adequate notice is given to all the Directors to schedule the Board Meetings, Agenda and detailed notes on Agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarification on the Agenda items before the meeting and for meaningful participation at the meeting;
- (c) As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded;
- (d) There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with all the applicable laws, rules, regulations and guidelines;
- (e) During the audit period there were no specific instances / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc., having a major bearing on the Company's affairs.

S. Samdani

Partner

Samdani Shah & Kabra

Company Secretaries

FCS No. 3677

CP No. 2863

UDIN: F003677B000264465

Vadodara,

Date: May 21, 2020

This Report is to be read with our letter of even date which is annexed as Appendix A and forms an integral part of this report.

Appendix A

The Members,

Deepak Phenolics Limited

First Floor, Aaditya-II,

National Highway No.8,

Chhani Road,

Vadodara-390024,

Gujarat, India.

Our Secretarial Audit report of even date is to be read along with this letter, that:

- (a) Maintenance of Secretarial records and compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management of the Company. Our examination was limited to the verification and audit of procedures and records on test basis. Our responsibility is to express an opinion on these secretarial records and compliances based on such verification and audit.
- (b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.



- (c) Wherever required, we have obtained the management representation about the Compliance of laws, rules and regulations and happening of events etc.
- (d) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

S. Samdani
Partner
Samdani Shah & Kabra
Company Secretaries
FCS No. 3677
CP No. 2863

Vadodara,
Date: May 21, 2020

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:

The project Sangaath aims to enhance the utilization of Government schemes and services by facilitating the process of application to the various schemes and creating awareness about the existing schemes. Under the project, Jan Suvidha Kendras have been established at village-level to strengthen access to public services. The initiative enables connect between communities and village, block level official/administration by serving as a hub for all scheme related information and facilitating applications. During the Financial Year ended March 31, 2020, 12 Jan Suvidha Kendra have been operationalized and around 4300 households have been profiled for eligible schemes and services.

Weblink to the CSR Policy of the Company: <https://www.godeepak.com/dpl-policies/>

2. The Composition of CSR Committee: The CSR Committee comprises of Smt. Ila D. Mehta as Chairperson, Shri Sanjay Upadhyay and Shri S.K. Anand as Members.
3. Average Net Profit of the Company for the last three Financial Years: ` 1,151 Lakhs
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ` 23 lakhs.
5. Details of CSR Spent during the Financial Year
 - (a) Total amount to be spent for the Financial Year: ` 11 lakhs
 - (b) Amount unspent, if any: ` 12 lakhs
 - (c) Manner in which the amount was spent during the Financial Year is detailed below:

(1) Sr No.	(2) CSR project or activity identified	(3) Sector in which the project is covered	(4) Projects or programs (1) Local area or other (2) Specify the State and District Where projects or programs was undertaken	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or programs Sub-heads 1. Direct Expenditure On projects or programs 2.Overheads	(7) Cumulative expenditure up to the reporting period	(8) Amount Spent: Direct or through implementing agency
1	Sangaath Project	Social Welfare Scheme,	State : Gujarat Dist. : Bharuch, Dahej	19,00,038	9,50,000	-	Implementing Agency



2	Society for Village Development	Social Welfare Scheme	Pensionpura, State : Gujarat Dist. : Vadodara	4,57,216	1,50,800	-	Implementing Agency
	TOTAL			23,57,254	11,00,800		

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.

Date: May 21, 2020
Place: Vadodara

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

Ila D. Mehta
Chairperson of CSR Committee
(DIN: 00230412)



Annexure-C

**Form No. MGT - 9
EXTRACT OF ANNUAL RETURN
(As on the financial year ended on 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	U24110GJ2011PLC064669
ii)	Registration Date	March 29, 2011
iii)	Name of the Company	Deepak Phenolics Limited
iv)	Category/Sub-Category of the Company	Public Company/ Limited by Shares
v)	Address of the Registered Office and Contact Details	First Floor, Aaditya-II, Chhani Road, Vadodara - 390 024, Gujarat, India Tel No: +91 265 276 5500 Fax No: +91 265 276 5557
vi)	Whether listed company	No
vii)	Name, Address and Contact Details of Registrar and Transfer Agent, if any:	Link Intime India Private Limited, C 101, 1 st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai- 400083, Maharashtra. Ph. No.: - 022 49186000 & 022-49186060 E-Mail Id:- demat@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.	Sale of Phenol	46691	69.74
2.	Sale of Acetone	46691	24.52

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 Nitrite Limited (Registered office at Aaditya-I, National, Chhani Road, Vadodara - 390024)	L24100GJ1970PLC001735	Holding	100 %	2 (46), 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*									
Indian									
Individuals/HUF	6*	0	6*	0.00	6*	0	6*	0.00	-
Central/State Government(s)									
Bodies Corporate	279999994	0	279999994	100.00	279999994	0	279999994	100.00	
Financial Institutions/Banks									
Any Other (specify)									
Sub-Total (A)(1)	280000000	0	280000000	100.00	280000000	0	280000000	100.00	
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)	280000000	0	280000000	100.00	280000000	0	280000000	100.00	
B. Public Shareholding									
Institutions									
Mutual Fund/UTI	-	-	-	-	-	-	-	-	-
Financial Institutions/Banks	-	-	-	-	-	-	-	-	-
Central/State Government(s)	-	-	-	-	-	-	-	-	-
Venture Capital Funds	-	-	-	-	-	-	-	-	-
Insurance Companies	-	-	-	-	-	-	-	-	-
Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
Foreign Venture Cap. Inv	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-



Any Other (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	-	-	-	-	-	-	-	-	-
Non Institutions									
Bodies Corporate	-	-	-	-	-	-	-	-	-
Individuals									
i) Holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-
ii) Holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Any Other (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2)	-	-	-	-	-	-	-	-	-
Total Public shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
TOTAL (A)+(B)	280000000		280000000	100.00	280000000	0	280000000	100.00	
Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A)+(B)+(C)	280000000	-	280000000	100.00	280000000	0	280000000	100.00	-

*Holding shares on behalf of Deepak Nitrite Limited

(II) SHAREHOLDING OF PROMOTERS AND PROMOTERS GROUP

A. Details of Shareholding of Promoters

Sl. 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	% shares pledged/encumbered to total shares	No. of Shares	% of total shares of the company	% shares pledged/encumbered to total shares	
1.	Deepak Chimanlal Mehta	1*	0	NIL	1*	0	NIL	-
2.	Ajay Chimanlal Mehta	1*	0	NIL	1*	0	NIL	-
3.	Ila Deepak Mehta	1*	0	NIL	1*	0	NIL	-
4.	Maulik Deepak Mehta	1*	0	NIL	1*	0	NIL	-
5.	Deepak Desai	1*	0	NIL	1*	0	NIL	-
6.	Meghav Deepak Mehta	1*	0	NIL	1*	0	NIL	-
7.	Deepak Nitrite Limited	279999994	100.00	NIL	279999994	100.00	NIL	-
	Total	280000000	100.00	-	280000000	100.00	-	-

*Holding shares on behalf of Deepak Nitrite Limited



(III) CHANGE IN SHAREHOLDING OF PROMOTERS AND PROMOTERS GROUP 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 shares of the Company	Date	Increase/ Decrease	No. of Shares held	% of total shares of the Company
-							

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

All shares of Deepak Phenolics were with promoters and from August 1, 2014, 100% shares were with Deepak Nitrite Limited. There were no shareholders apart from Promoters and promoter group.

(v) Shareholding of Directors and Key Managerial Personnel:

None of the Directors or KMP except Shri D. C. Mehta, Smt. Ila D. Mehta and Shri Meghav D. Mehta (holding one Equity Share each on behalf of Deepak Nitrite Limited) holds Shares of the Company nor there has been any change in such holdings during the Financial Year.

V. INDEBTEDNESS

INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING/ACCRUED BUT NOT DUE FOR PAYMENT

(` in lakhs)				
Indebtedness at the beginning of the financial year 2019-20	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	83,839.01	1,955.00	-	85,794.01
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	267.67	-	-	267.67
Total (i+ii+iii)	84,106.68	1,955.00	-	86,061.68
Change in Indebtedness during the Financial Year 2019-20				
Addition	5,379.61	-	-	5,379.61
Reduction	-	(1,955.00)	-	(1,955.00)
Net Change	5,379.61	(1,955.00)	-	3,424.61
Indebtedness at the end of the Financial Year 2019-20				
i) Principal Amount	89,167.74	-	-	89,167.74
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	318.56	-	-	318.56
Total (i+ii+iii)	89,486.30	-	-	89,486.30

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER: (₹ in lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Shri Deepak C. Mehta	Shri Meghav D. Mehta	
1	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	-	67.83	67.83
	(b) Value of Perquisites u/s 17(2) Income Tax Act, 1961	-	14.40	14.40
	(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	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	-	82.23	82.23

B. REMUNERATION TO OTHER DIRECTORS: (₹ in lakhs)

Particulars of Remuneration	Name of Directors							Total Amount
	Non-Executive Directors							
	Shri Shripad Gumaste	Shri Sanjay Upadhyay	Shri S.K. Anand	Shri Rajeev Pandia	Smt. Ila Mehta	Shri P.K. Taneja	Shri Milin Mehta	
Fee for attending board/committee Meetings	0.70	0.80	1.30	0.60	0.60	0.50	0.50	5.00
Commission	6.00	6.00	40.00	10.00	6.00	10.00	6.00	84.00
Total (B)	6.70	6.80	41.30	10.60	6.60	10.50	6.50	89.00

Ceiling as per the Act ₹ 102.06 lakhs (being 1% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)

Total Managerial Remuneration ₹ 82.23 lakhs

Overall Ceiling as per the Act ₹ 1122.66 lakhs (being 11% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD
(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		CFO	Company Secretary
1	Gross Salary (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 (b) Value of Perquisites u/s 17(2) Income Tax Act, 1961 (c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	100.48 -	- -



2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - others, specify		-
5.	Others, please specify		-
Total		100.48	-

VII. PENALTIES/PUNISHMENT/COMPUNDING 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			NIL		
Penalty					
Punishment					
Compounding					
B. Directors Penalty			NIL		
Punishment					
Compounding					
C. Other Officers in default			NIL		
Penalty					
Punishment					
Compounding					

For and on behalf of the Board

Date : May 21, 2020
Place: Vadodara

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



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:										
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	Ajay Jajoo	Chief Financial Officer	1,00,48,309	Permanent	Chartered Accountant	20 Years	26-Feb-18	41	Vedanta Industries Limited	Nil
2	Nimish Desai	Vice President	92,58,224	Permanent	M.M.S (Marketing)	28 Years	02-Apr-18	53	IG Petrochemicals Limited	Nil
3	Kulgodesh Walvekar	Vice President	90,56,871	Permanent	BE/B. Tech., MBA	28 Years	09-Sep-15	51	Heurtey Petrochem India Private	Nil
4	Meghav Mehta	Whole time Director	82,22,984	Permanent	BE/B. Tech.	5 Years	02-May-19	33	Deepak Nitrite Limited	Nil
5	Harshit Kapoor	Senior General Manager	74,08,469	Permanent	BE/B. Tech., MBA	13 Years	01-Dec-14	36	Larsen and Toubro Limited	Nil
6	Jay Shah	General Manager	66,01,018	Permanent	BE/B. Tech.	24 Years	20-Oct-16	46	Reliance Industries Limited	Nil
7	Bharat Shah	General Manager	63,31,279	Permanent	BE/B. Tech.	30 Years	15-Jan-15	54	Essar Projects Limited	Nil
8	Anil Khatri	General Manager	61,99,881	Permanent	BE/B. Tech.	16 Years	15-Jul-15	38	GTC Technology (India) Limited	Nil
9	Arun Jog	Engg Head	54,55,120	Permanent	BE	35 Years	01-Dec-17	58	Saudi chevron phillips	Nil
10	Vijaya Kanagasabai	Production Head Phenol	54,52,058	Permanent	BE- Chemical	19 Years	04-Sep-17	42	Reliance Industries Limited	Nil

(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:										
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
-	-	-	-	-	-	-	-	-	-	-

(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:										
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	Harendra Pandya	Senior Vice President	1,31,18,144	Permanent	BE (Mechanical) + MBA	29 Years	22-Apr-15	52	Reliance Industries 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 Meghav Mehta is relative of Shri Deepak C. Mehta and Smt. Ila D. Mehta.

Date: May 21, 2020
Place: Vadodara

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



Annexure-E

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:**

1. Steam trap audit by external party.
2. Pinch study to identify the for process heat integration.
3. Stoppage of Adsorber resulted in steam saving.

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

1. Feasibility study of installation on roof top solar panel.

(iii) Capital Investment on energy conservation equipment:

Nil

(B) Technology Absorption:**i. Efforts made towards technology absorption:**

1. Isopropyl Alcohol (IPA) production from Acetone hydrogenation
2. Laboratory Information System for Laboratory
3. IP21 for process/plant operation monitoring
4. AIMS - Alarm management system

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

1. New product development from Acetone to substitute Import of Isopropyl Alcohol

iii. Information regarding technology imported, during the last 3 years:

1. Cumene manufacturing from Benzene and Propylene
2. Phenol & Acetone manufacturing from cumene
3. Isopropyl Alcohol (IPA) Manufacturing from Acetone hydrogenation

iv. Expenditure incurred on Research and Development: Nil**(C) Foreign exchange earnings and Outgo:**

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

(` in Lakhs)

Particulars	2019-20	2018-19
Total Foreign Exchange Earned	12,988.28	854.96
Total Foreign Exchange Outgo	5,128.94	28,945.54

Date: May 2, 2020
Place: Vadodara

For and on behalf of the Board
Deepak C. Mehta
Chairman & Managing Director
(DIN: 00028377)

**INDEPENDENT AUDITOR'S REPORT**

To the Members of
Deepak Phenolics Limited
Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the Ind AS financial statements of **Deepak Phenolics Limited** ("the Company"), which comprise the balance sheet as at 31st March 2020, the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the Ind AS financial statements, including 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 Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Ind AS 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 below to be the key audit matters to be communicated in our report.

Key audit matter	Response to Key audit matter
Revenue recognition Refer Note 23 to the Ind AS Financial Statements relating to revenue from operations and note (c) of significant accounting policies to the Ind AS financial statements	Principle audit procedures: Our audit procedures included considering the appropriateness of Company's revenue recognition accounting policies and assessing compliance with the policies in terms of the applicable accounting standards. We have:

<p>We considered revenue recognition as a key audit matter owing to the risk of incorrect timing of revenue recognition. Revenue is recognized at a point in time when the control of the goods is passed to the customer. There is a variation in the commercial (contracted sales) terms with different customer in different geographies. This gives rise to an inherent risk around the accuracy of the revenue recorded.</p>	<ul style="list-style-type: none"> • Performed test of controls, assisted by our IT specialists wherever required. • We have performed test of details, on a sample basis, to review the commercial terms of customer purchase orders to assess whether revenue is recognized as per the contract terms.
<p>Inventory Valuation</p> <p>Refer Note 6 to the Ind AS Financial statements relating to Inventories and note (n) of significant accounting policies to the Ind AS financial statements.</p> <p>We have considered inventory valuation as 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.</p>	<p>Principle audit procedures:</p> <p>Our audit procedures included reviewing the company's accounting policies for inventories along with the relevant accounting standard.</p> <p>We have:</p> <ul style="list-style-type: none"> • 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.

Other Information

The company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report, and its annexures but does not include the financial statements and our auditor's report thereon.

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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 Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Standard on Auditing 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 based on these Ind AS financial statements.

As part of an audit in accordance with Standard on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that are 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 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 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS 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 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 financial statement.

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 Ind AS 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 the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure-B", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (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".
 - (g) 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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which will impact its financial positions.
 - ii. The Company has made provision, as required under the applicable law or accounting standards for material foreseeable losses, if any, on long-term contracts including derivative contracts.



- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **B.K. Khare & Co.**
Chartered Accountants
(Firm's Registration No. 105102W)

Ravi Kapoor
Partner
Membership No.040404
UDIN:
Mumbai, May 21, 2020

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 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 Phenolics Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 Act, 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 whether the risk of 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 Ind AS 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 Ind AS 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 Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected, Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B.K. Khare & Co.**
Chartered Accountants
(Firm's Registration No. 105102W)

Ravi Kapoor
Partner
Membership No. 040404
UDIN:
Mumbai, May 21, 2020

ANNEXURE B TO THE AUDITOR'S REPORT

Referred to in paragraph under "Report on Other Legal and Regulatory Requirements" section of our report of even date on the Ind AS financial statements of Deepak Phenolics Limited for the year ended March 31, 2020.

- i. a) The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment.

b) The property, plant and equipment are physically verified by the Company once in 2 years. The physical verification of property, plant and equipment was conducted in the previous financial year and accordingly no physical verification of fixed assets was carried out in the current year.

c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- ii. The inventories were physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noted on such physical verification.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other related parties covered in the register maintained under section 189 of the Act. Therefore, clauses 3(iii) (a), (b) & (c) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made investments or provided guarantees or securities and accordingly reporting under Clause (iv) of CARO 2016 is not applicable to the Company.
- v. In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.
- vi. We have been informed that the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act, and such accounts and records have been appropriately made and maintained by the Company.
- vii. i) According to the records of the Company, the Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Income Tax, GST and other statutory dues applicable to it. According to the information and explanation given to us, no undisputed amounts in respect of the above were outstanding, as on March 31, 2020 for a period of more than 6 months from the date they become payable.

ii) There are no dues of income tax, service tax, duty of customs, and duty of excise or value added tax, GST and cess which have not been deposited on the account of any dispute.
- viii. The Company has not defaulted in repayment of any loans / dues towards any financial institution or bank. The Company has not raised any money through debentures or from Government during the year.
- ix. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Further, the Company has raised money by way of Buyer's Credit and term loans in the earlier years were applied for the purpose for which those are raised.



- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- xi. According to the information and explanations given to us, the Company has not paid any remuneration to managerial personnel as defined in the Act and accordingly the provisions of para 3(xi) of the Order are not applicable to the Company.
- xii. The Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit. Hence, the provisions of para 3(xiv) of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Hence, the provisions of para 3(xv) are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, the provisions of para 3(xvi) of the Order are not applicable to the Company.

For **B.K. Khare & Co.**
Chartered Accountants
(Firm's Registration No. 105102W)

Ravi Kapoor
Partner
Membership No. 040404
UDIN:
Mumbai, May 21, 2020

Deepak Phenolics Limited
Balance Sheet as at March 31, 2020

(Rs. in Crores)

S. N.	Particulars	Notes	As at March 31, 2020	As at March 31, 2019
I	ASSETS			
	Non-current assets			
	(a) Property, Plant and Equipment	2	1,085.92	1,120.36
	(b) Capital Work-in-Progress	2A	82.39	4.95
	(c) Investment Property	3	-	-
	(c) Right of Use of Asset	2B	6.43	-
	(d) Other Intangible assets	3	26.77	10.97
	(e) Financial Assets			
	Investments			-
	Loans			-
	(i) Other Financial Assets	4	3.20	1.19
	(f) Deferred Tax Assets (net)	16	-	-
	(f) Non - Current Tax Assets (Net)	10	6.00	10.00
	(g) Other Non-Current Assets	5	22.60	0.19
	Total Non-Current Assets		1,233.31	1,147.65
	Current assets			
	(a) Inventories	6	161.43	178.17
	(b) Financial Assets:			
	Investments	7		-
	(i) Trade Receivables	7	247.54	232.97
	(ii) Cash and Cash Equivalents	8	0.05	0.13
	(iii) Other Bank Balances	8A	27.63	20.04
	(iv) Other Financial Assets	9	0.01	0.01
	(c) Current Tax Assets (Net)		-	-
	(c) Other Current Assets	11	60.87	98.96
	Total Current Assets		497.53	530.28
	TOTAL ASSETS		1,730.84	1,677.93
II	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity Share Capital	12	560.00	560.00
	(b) Share Application Money	13	-	-
	(b) Other Equity	13	84.84	18.32
	Total Equity		644.84	578.32
	Non-current liabilities			
	(a) Financial Liabilities:			
	(i) Borrowings	14	779.43	788.26
	(ii) Other Non-Current Financial Liabilities	22	-	32.14
	(b) Provisions	15	1.11	0.71
	(c) Deferred Tax Liabilities (Net)	16	34.20	0.87
	(d) Lease Liability - Non Current Liabilities	21	5.62	-
	(e) Other Non Current Liabilities	21	0.85	13.80
	Total Non-Current Liabilities		821.21	835.80
	Current liabilities			
	(a) Financial Liabilities:			
	Borrowings	17	70.88	70.65
	Trade Payables :			
	- outstanding dues of Micro Small Enterprises		0.54	0.02
	- outstanding dues of creditors other than Micro Enterprises and Small enterprises		125.99	150.75
	Other Financial Liabilities	18	63.26	29.61
	(b) Provisions	15	0.64	0.56
	(c) Current Tax Liabilities (Net)	19	-	12.09
	(d) Lease Liability -Current Liabilities	20	1.23	-
	(e) Other Current Liabilities	20	2.25	0.14
	Total Current Liabilities		264.79	263.82
	Total Liabilities		1,086.00	1,099.62
	TOTAL EQUITY AND LIABILITIES		1,730.84	1,677.93

The accompanying Notes form an integral part of 1

As per our report of even date

For and on behalf of the Board

For

M/s B.K. Khare & Co.
Chartered Accountants
Firm Registration No. - 105102W

D. C. Mehta
Chairman & Managing Director
DIN:00028377

Sanjay Upadhyay
Director
DIN:01776546

Ravi Kapoor
Partner
Membership No. 040404

Sandesh Anand
Director
DIN:00001792

Ajay Jajoo
Chief Financial Officer

Arvind Bajpai
Company Secretary

Mumbai: May 21, 2020

Vadodara: May 21, 2020

Deepak Phenolics Limited
Statement of Profit and Loss for the year ended March 31, 2020

(Rs. in Crores)

S.N.	Particulars	Notes	2019-20	2018-19
I	Revenue From Operations	23	2,009.76	913.50
II	Other Income	24	28.30	13.46
III	Total Income (I+II)		2,038.06	926.97
IV	Expenses:			
	(a) Cost of materials consumed	25	1,470.60	724.18
	(b) Purchase of Traded Goods	26	-	53.34
	(c) Changes in Inventories of Finished goods, Stock-in-Trade,	27	22.29	(101.92)
	(d) Excise duty on sale of goods		-	-
	(d) Employee Benefits Expense	28	43.57	20.72
	(e) Power & Fuel Expenses	29	141.75	66.84
	(f) Finance costs	30	94.82	40.40
	(g) Depreciation and amortisation Expense	31	62.14	24.98
	(h) Other Expenses	32	102.87	42.69
	Total Expenses (IV)		1,938.04	871.24
VI.	Profit before Exceptional and Extra-ordinary Items and Exceptional items			55.73
V	Profit before tax (III-IV)		100.02	55.73
VI	Tax expense:			
	(a) Current Tax		-	12.09
	(b) Deferred Tax		33.37	7.76
	(c) Prior Period Tax adjustment		-	-
VII	Profit for the year (V-VI)		66.65	35.88
VIII	Other comprehensive income:			
	(A) Items that will not be reclassified to profit and loss:			
	(a) Remeasurement of defined benefit obligations		(0.17)	(0.27)
	(b) Tax Effect on remeasurement of Defined Benefit obligations		0.04	0.09
	(c) Share of other comprehensive income in associates and joint ventures			
	(b) Tax effect of remeasurement of defined benefit liabilities / (Assets)			-
	(B) (i) Items that will be reclassified to profit and loss:			
	(a) Fair Value gains on Investments			-
	(b)			
	(c)			
	(d)			
	(ii) Income tax relating to items that will be reclassified to			
	Total Other comprehensive income for the year (VIII)		(0.13)	(0.17)
IX	Total comprehensive income for the year (VII+VIII)		66.52	35.71
	Earnings per equity share			
	(i) Basic (Face Value per share Rs.10 each)	40	2.38	1.28
	(ii) Diluted (Face Value per share Rs.10 each)	40	1.19	0.64

The accompanying notes form an integral part of the Financial

1

As per our report of even date

For

M/s B.K. Khare & Co.
Chartered Accountants
Firm Registration No. - 105102W

Ravi Kapoor

Partner
Membership No. 040404
Mumbai: May 21,2020

For and on behalf of the Board

D. C. Mehta

Chairman & Managing Director
DIN:00028377

Sanjay Upadhyay

Director
DIN:01776546

Sandesh Anand

Director
DIN:00001792

Ajay Jajoo

Chief Financial Officer

Arvind Bajpai

Company Secretary

Vadodara: May 21,2020

Deepak Phenolics Limited
Statement of Cash Flows for the year ended March 31, 2020
(Rs. in Crores)

	Particulars	For the Year Ended '2019-20	For the Year Ended '2018-19
(A)	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit After Tax from Continuing Operations	66.65	35.88
	Add: Current Tax	33.37	19.85
	Profit Before Tax from Continuing Operations	100.02	55.73
	Profit Before Tax	100.02	55.73
	Non-cash adjustment to reconcile Profit Before Tax to net Cash Flows		
	1. Depreciation / Amortisation on Continuing Operations	62.13	24.98
	2. Loss on Sale of property, plant and equipments	0.01	0.01
	3. Gain on Sale of Investment	(0.00)	(0.03)
	4. Finance Costs	94.82	40.40
	5. Interest Income	(1.54)	(0.67)
	Operating Profit before change in Operating assets and liabilities	255.45	120.41
	Movements in working capital :		
	1. (Increase)/Decrease in Inventories	16.74	(40.87)
	2. Increase in Trade Receivables	(14.57)	(186.05)
	3. Increase in Other Financial Assets	(2.02)	(0.22)
	4. (Increase)/Decrease in Other Assets	38.09	(4.90)
	5. Decrease in Trade Payables	(24.25)	(17.60)
	6. Decrease in Other financial liabilities	(16.60)	(50.77)
	7. Decrease in Other liabilities	(9.83)	(3.42)
	8. Increase in Provisions	0.47	0.64
	Net Cash generated from/(used in) operations	243.50	(182.78)
	Less: Income tax paid	(8.09)	(10.08)
	Net cash inflow/(Outflow) from operating activities	235.40	(192.87)
(B)	CASH FLOW FROM INVESTING ACTIVITIES		
	1. Purchase of Property, Plant & Equipment, including Capital Work in Progress, Capital Advances & Payable for Capital Expenditure	(147.55)	(184.36)
	2. Proceeds from Sale of Property, Plant & Equipment	0.20	0.01
	3. Proceeds from redemption/maturity of Current Investments	-	8.04
	4. Interest Received	1.54	0.67
	Net Cash generated from/(used in) investing activities	(145.81)	(175.64)
(C)	CASH FLOW FROM FINANCING ACTIVITIES		
	1. Proceeds from issue of Equity Shares including Securities Premium	-	129.00
	2. Increase in Share Application Money	-	(50.00)
	3. Proceeds from Long-Term Borrowings	24.76	330.77
	4. Repayment of Long-Term Borrowings	(12.18)	-
	5. Net Proceeds from Working Capital Borrowings	0.23	3.23
	6. Interest Paid	(93.57)	(40.40)
	7. Margin Money Deposit	(7.60)	(12.20)
	8. Principal repayment of Lease Liability	(0.57)	-
	9. Interest cost of Lease	(0.75)	-
	Net Cash generated from/(used in) financing activities	(89.67)	360.41
	Net increase/(decrease) in cash and cash equivalents A+B+C	(0.08)	(8.11)
	Cash and cash equivalents at the beginning of the financial year	0.13	8.24
	Cash and cash equivalents at the end of the financial year	0.05	0.13
	Reconciliation of Cash & Cash Equivalents		
	Balances with Banks		
	- In Current Accounts	0.05	0.13
	- FD with maturity less than 3 months	-	-
	Total Cash and cash equivalents	0.05	0.13

Change in Liability arising from financing activities

Particulars	As at 01st April, 2019	Cash Flow	As at 31st March, 2020
Borrowings/ Financial liabilities (Refer Note 14 & 17)	878.87	12.81	850.31
Current maturities of long term debt (Refer Note 18)	-	-	41.37
Total	878.87	12.81	891.68

Note:

The Cash Flow Statement is prepared by the indirect method set out in Ind AS 7.
The accompanying Note- 1(w) form an integral part of these Financial Statement.

As per our report of even date

For and on behalf of the Board

For

M/s B.K. Khare & Co.
Chartered Accountants
Firm Registration No. - 105102W

Ravi Kapoor
Partner
Membership No. 040404

D. C. Mehta
Chairman & Managing Director
DIN:00028377
Sandesh Anand
Director
DIN:00001792

Sanjay Upadhyay
Director
DIN:01776546

Ajay Jajoo
Chief Financial Officer

Arvind Bajpai
Company Secretary

Mumbai: May 21, 2020

Vadodara: May 21, 2020

Statement of Changes in Equity for the year ended March 31, 2020

(A) SHARE CAPITAL

Rs. in Crores

Particulars	Equity Shares	Preference Shares
As at April 01, 2018	280.00	280.00
Issued during the year	-	-
As at March 31, 2019	280.00	280.00
Issued during the year	-	-
As at March 31, 2020	280.00	280.00

(B) OTHER EQUITY

Particulars	Reserves and Surplus
	Retained earnings
Balance as at 01.04.2018	(17.38)
Profit for the year	35.88
Other Comprehensive income	(0.18)
Balance as at 31.03.2019	18.32
Profit for the year	66.65
Other Comprehensive income	(0.13)
Balance as at 31.03.2020	84.84

As per our report of even date

For

M/s B.K. Khare & Co.
Chartered Accountants
Firm Registration No. - 105102W

Ravi Kapoor

Partner
Membership No. 040404

Mumbai: May 21, 2020

For and on behalf of the Board

D. C. Mehta

Chairman & Managing Director
DIN:00028377

Sandesh Anand

Director
DIN:00001792

Ajay Jajoo

Chief Financial Officer

Sanjay Upadhyay

Director
DIN:01776546

Arvind Bajpai

Company Secretary
Vadodara: May 21, 2020

2 PROPERTY, PLANT AND EQUIPMENT

Rs. in Crores

Particulars	Owned assets							Total	Capital work-in-progress
	Leasehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Roads		
Gross Carrying amount									
Deemed Cost as at April 01, 2018	20.81	0.87	0.45	0.98	0.26	0.60	-	23.97	918.26
Additions during the year	-	36.82	1,064.30	0.90	1.39	1.30	17.46	1,122.16	(913.31)
Deductions during the year	-	-	0.01	-	-	-	-	0.01	-
Other adjustments	-	-	-	-	-	-	-	-	-
Gross Carrying amount as at March 31, 2019	20.81	37.69	1,064.74	1.88	1.65	1.90	17.46	1,146.13	4.95
Additions during the year	-	0.75	20.82	0.99	0.68	0.23	0.35	23.83	120.09
Deductions during the year	-	-	0.05	-	0.23	0.03	-	0.30	42.65
Other adjustments	-	-	-	-	-	-	-	-	-
Gross Carrying Amount as at March 31, 2020	20.81	38.44	1,085.51	2.88	2.10	2.10	17.81	1,169.66	82.39
Depreciation/Amortisation									
As at April 01, 2018	0.34	0.00	0.24	0.40	0.07	0.18	-	1.23	-
For the year 2018-19	0.26	0.64	22.11	0.34	0.15	0.30	0.73	24.54	-
Disposal and adjustments	-	-	0.00	-	-	-	-	0.00	-
As at March 31, 2019	0.60	0.65	22.35	0.74	0.22	0.48	0.73	25.77	-
For the year 2019-20	0.26	1.53	53.44	0.41	0.23	0.42	1.80	58.08	-
Disposal and adjustments	-	-	0.05	-	0.03	0.03	-	0.11	-
As at March 31, 2020	0.86	2.18	75.74	1.16	0.42	0.87	2.52	83.74	-
Net Carrying amount									
As at March 31, 2019	20.21	37.04	1,042.39	1.14	1.43	1.42	16.73	1,120.36	4.95
As at March 31, 2020	19.95	36.26	1,009.77	1.72	1.68	1.23	15.29	1,085.92	82.39

Notes:

1 Property, Plant and Equipment hypothecated/mortgaged as security for borrowings are disclosed under note 17 and note 20.

2A Capital Work in Progress

Sr. No	Particulars	As at March 31, 2020	As at March 31, 2019
1	Capital Work in Progress (Building)	-	-
2	Capital Work in Progress (Others)	82.39	4.95
	Capital Work in Progress (Net)	82.39	4.95

Rs. in Crores

2B The Company has recognized right-of-use asset ("ROU") for all lease arrangements in which it is a lessee and have been presented in Buildings as under:

Leased Assets	DNL-Lease Rent	Delhi Office	Hyd Office	Aditya-GF	Aditya-FF	Aditya-SF	Dahej - II	Total
Gross Carrying Amount	0.70	0.31	0.00	1.01	2.12	1.28	2.03	7.47
Depreciation/Amortisation	0.23	0.06	0.00	0.12	0.40	0.19	0.03	1.04
Deduction	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Carrying amount	0.47	0.25	0.00	0.90	1.72	1.09	2.00	6.43

DEEPAK PHENOLICS LIMITED

Notes forming part of the Financial Statements as and for the year ended March 31,2020

3. INTANGIBLE ASSETS

Rs. in Crores

	Intangible assets	Computer Software	Others (Technical Know how)	Total
Gross Carrying amount				
Deemed Cost as at April 01, 2018		0.16	-	0.16
Additions during the year 2018-19		1.26	10.19	11.45
Deductions during the year 2018-19		-	-	-
Other adjustments		-	-	-
Gross Carrying amount as at March 31, 2019		1.42	10.19	11.61
Additions during the year 2019-20		-	18.82	18.82
Deductions during the year 2019-20		-	-	-
Other adjustments		-	-	-
Gross Carrying Amount as at March 31, 2020		1.42	29.01	30.43
Depreciation/Amortisation				
As at April 01, 2018		0.05	-	0.05
For the year 2018-19		0.17	0.42	0.59
Disposal and adjustments		-	-	-
As at March 31, 2019		0.22	0.42	0.64
For the year 2019-20		0.20	2.82	3.02
Disposal and adjustments		-	-	-
As at March 31, 2020		0.42	3.24	3.66
Net Carrying amount				
As at March 31, 2019		1.20	9.77	10.97
As at March 31, 2020		1.00	25.77	26.77

DEEPAK PHENOLICS LIMITED

Notes forming part of the Financial Statements as at and for the year ended March 31, 2020

4. OTHER FINANCIAL ASSETS (NON CURRENT)

Particulars	As at	As at
	March 31, 2020 Rs. in Crores	March 31, 2019 Rs. in Crores
a) Security Deposits		
Unsecured, considered good		
Lease Deposit	0.88	0.67
Other Deposits	2.32	0.52
Total	3.20	1.19

5. OTHER NON-CURRENT ASSETS

Particulars	As at	As at
	March 31, 2020 Rs. in Crores	March 31, 2019 Rs. in Crores
(a) Capital Advances	22.41	-
(b) TDS Receivables	0.19	0.19
Total	22.60	0.19

6. INVENTORIES (At lower of cost or net realisable value)

Particulars	As at	As at
	March 31, 2020 Rs. in Crores	March 31, 2019 Rs. in Crores
(a) Raw materials and components	45.63	33.69
Add: Goods-in-transit	-	15.22
	45.63	48.91
(b) Work-in-progress	30.48	31.49
(c) Finished goods	68.44	90.11
Add: Goods-in-transit	0.38	-
(d) Stores and Spares	16.50	7.67
Total	161.43	178.17

Inventories hypothecated as security for borrowings are disclosed under note 14 and note 17.

7. TRADE RECEIVABLES

Particulars	As at	As at
	March 31, 2020 Rs. in Crores	March 31, 2019 Rs. in Crores
(a) Unsecured, Considered Good		
i) Trade Receivables	247.20	232.97
ii) Related Parties	0.34	(0.00)
(b) Unsecured, Considered Doubtful		
Trade Receivables credit impaired	0.00	0.41
Less : Allowances for doubtful debts	(0.00)	(0.41)
Total	247.54	232.97

The credit period on sales of goods varies with business segments/ markets and generally ranges between Advance payment to 120 days. For Financial Risk Related to Trade Receivable refer Note: 37.4

Trade receivables hypothecated as security for borrowings are disclosed under note17 and note21.

DEEPAK PHENOLICS LIMITED

Notes forming part of the Financial Statements as at and for the year ended March 31,2020

8. CASH AND CASH EQUIVALENTS

Particulars	As at	As at
	March 31, 2020 Rs. in Crores	March 31, 2019 Rs. in Crores
(a) Cash on hand	0.01	-
(b) Balances with banks(In Current Accounts)	0.04	0.13
Total	0.05	0.13

8A. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENT ABOVE

Particulars	As at	As at
	March 31, 2020 Rs. in Crores	March 31, 2019 Rs. in Crores
(i) Earmarked Balances with Bank	-	-
(ii) Deposit with banks with maturity more than 3 months but less than 12 months (Refer below note)	27.63	20.04
Total	27.63	20.04

The Deposits of Rs. 27.63 Crores given to bank for debt service reserve account for term loans.

9. OTHER CURRENT FINANCIAL ASSETS

Particulars	As at	As at
	March 31, 2020 Rs. in Crores	March 31, 2019 Rs. in Crores
(a) Other Receivable		
(i) Advance against Salary	0.01	0.01
Total	0.01	0.01

10. NON-CURRENT TAX ASSETS

Particulars	As at	As at
	March 31, 2020 Rs. in Crores	March 31, 2019 Rs. in Crores
Non-Current Tax Assets		
Advance Income Tax	6.00	10.00
Total	6.00	10.00

11. OTHER CURRENT ASSETS

Particulars	As at	As at
	March 31, 2020 Rs. in Crores	March 31, 2019 Rs. in Crores
Unsecured, considered good		
(a) GST Recoverable and Balance with Govt.	40.72	87.04
(b) Prepaid Expenses	2.23	2.20
(c) Advances to Suppliers	8.79	9.35
(d) Unamortised Expenses	-	0.00
(e) Other Receivables	9.13	0.37
Total	60.87	98.96

Other Receivables include GST Refund, Duty Drawback and MLFPS Receivable.

DEEPAK PHENOLICS LIMITED

Notes forming part of the Financial Statements as at and for the year ended March 31, 2020

12. Equity Share Capital

Particulars	As at	
	March 31, 2020	March 31, 2019
	Rs. in Crores	Rs. in Crores
(A) Authorised:		
28,00,00,000 (P.Y. 28,00,00,000) Equity shares of Rs. 10 each	280.00	280.00
2,80,00,000 (P.Y. 2,80,00,000) Preference shares of Rs. 100 each	280.00	280.00
Total	560.00	560.00
(B) Issued, Subscribed and fully paid up:		
28,00,00,000 (P.Y. 28,00,00,000) Equity shares of Rs. 10 each	280.00	280.00
2,80,00,000 (P.Y. 2,80,00,000) Preference Shares of Rs.100/- each fully paid	280.00	280.00
Total	560.00	560.00

(a) Reconciliation of number of **Equity Shares** outstanding at the beginning and at the end of the period :

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	Rs. in Crores	No. of shares	Rs. in Crores
Equity Shares				
Shares outstanding at the beginning of the year	28,00,00,000	280.00	28,00,00,000	280.00
Shares outstanding at the end of the year	28,00,00,000	280.00	28,00,00,000	280.00

(b) Reconciliation of number of **Preference Shares** outstanding at the beginning and at the end of the period :

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	Rs. in Crores	No. of shares	Rs. in Crores
Preference Shares				
Shares outstanding at the beginning of the year	2,80,00,000	280.00	2,80,00,000	280.00
Shares outstanding at the end of the year	2,80,00,000	280.00	2,80,00,000	280.00

Note: 2,80,00,000 No of Preference shares @ Rs.100/- each (P.Y.280,00,000 No. of Preference Shares @ Rs. 100/- each) issued at 7% Non-Cumulative Optionally Convertible Redeemable (OCPS) basis.

The amount paid on each OCPS shall be either redeemed at face value of Rs. 100 or converted into ten (10) equity shares of face value of Rs. 10/- each within a period not exceeding twenty (20) years from the date of allotment of OCPS at the option of either the company and/ or the holder of the OCPS. The OCPS carry voting rights as prescribed under the provisions of Companies Act,2013

(c) Details of shares held by each shareholder holding more than 5% Equity shares of Rs. 10 each fully paid in the Company :

Name of the Shareholder	As at March 31, 2020		As at March 31, 2019	
	No.	% holding	No.	% holding
Deepak Nitrite Limited & it's Nominees				
Equity Shares of Rs. 10 each	28,00,00,000	100	28,00,00,000	100
Preference Shares of Rs. 100 each	2,80,00,000	100	2,80,00,000	100

DEEPAK PHENOLICS LIMITED

Notes forming part of the Financial Statements as at and for the year ended March 31, 2020

13. OTHER EQUITY

Particulars	As at	As at
	March 31, 2020 Rs. in Crores	March 31, 2019 Rs. in Crores
Reserves & Surplus		
(a) Retained Earnings	85.15	18.50
Reserves representing unrealised gains/(losses)		
Remeasurement of defined benefit obligations (net)	(0.31)	(0.18)
Total	84.84	18.32

Particulars	As at	As at
	March 31, 2020 Rs. in Crores	March 31, 2019 Rs. in Crores
(a) Retained Earnings		
Balance at beginning of year	18.50	(17.38)
Profit attributable to owners of the Company (Profit for the year)	66.65	35.88
Balance at end of year	85.15	18.50
(b) Reserve for equity instruments through other comprehensive income		
Balance at beginning of year	(0.18)	(0.00)
Movements	(0.13)	(0.17)
Balance at end of year	(0.31)	(0.18)

14. NON-CURRENT BORROWINGS

Particulars	As at	As at
	March 31, 2020 Rs. in Crores	March 31, 2019 Rs. in Crores
Secured Loans		
Term Loan from Banks		
Foreign Currency Loan from Banks & Financial Institutions		
Loan from Banks	792.68	804.07
Less : Unamortized Expense on borrowings	(13.25)	(15.81)
	779.43	788.26
Total	779.43	788.26

Term Loans:

Term Loan borrowings are Secured by way of first charge on Fixed Assets by way of hypothecation and mortgage and Second charge over Company's Raw Materials, Semi-Finished and Finished Goods, Consumable Stores and Book Debts by way of hypothecation.

Repayment Schedule:

- Current Rate of Interest on Rupee loan from Banks are in the range of respective banks MCLR plus spread of 0.60% to 1.00% p.a.
- Term loan from all Banks is repayable on quarterly basis starting from June, 2020 with last installment payable in December, 2028.

DEEPAK PHENOLICS LIMITED

Notes forming part of the Financial Statements as at and for the year ended March 31,2020

15 PROVISIONS

Particulars	As at	As at
	March 31, 2020 Rs. in Crores	March 31, 2019 Rs. in Crores
Non-current		
(a) Provision for Employee benefit obligations		
Provision for Leave benefits	1.11	0.71
Provision for Gratuity	-	-
Total-Non-Current	1.11	0.71
Current		
(a) Provision for Employee benefit obligations		
Provision for Leave benefits	0.03	0.08
Provision for Gratuity	0.61	0.48
Total-Current	0.64	0.56
Total	1.75	1.27

16. DEFERRED TAX ASSETS / LIABILITY (NET)

Particulars	As at	As at
	March 31, 2020 Rs. in Crores	March 31, 2019 Rs. in Crores
(i) Break up of deferred tax liability as at year end:		
Nature of timing difference		
Provision for Depreciation	50.34	19.38
Others	0.23	-
Effect on IND AS Adjustment	-	-
Total Deferred Tax Liability	50.57	19.38
(ii) Break up of deferred tax asset as at year end:		
Nature of timing difference		
Disallowances u/s 43B and Others	0.44	0.05
DTA provided for unabsorbed depreciation & business losses	15.71	6.79
MAT Credit Entitlement	-	11.66
Effect on IND AS Adjustment	0.22	-
Total Deferred Tax Asset	16.37	18.51
Deferred tax (Assets) / Liability (net) :	34.20	0.87

DEEPAK PHENOLICS LIMITED

Notes forming part of the Financial Statements as at and for the year ended March 31,2020

17. CURRENT BORROWING

Particulars	As at	As at
	March 31, 2020 Rs. in Crores	March 31, 2019 Rs. in Crores
a) Loans repayable on demand from Banks :		
(i) Secured	70.88	51.10
(ii) Unsecured	-	-
b) Unsecured Borrowings from Director and Related Parties	-	19.55
Total	70.88	70.65

a) Working Capital borrowings from banks represent Cash Credit/Working Capital Demand Loan facility with rate of interest linked to respective tenure MCLR of respective banks plus spread ranging from 0.00% - 0.70% p.a. Some of the Working capital demand loan is borrowed below Banks MCLR. LC payments are payable on due dates.

b) Working Capital borrowings are Secured by way of first Hypothecation charge over Company's Raw Materials, Semi-Finished and Finished Goods, Consumables Stores and Book Debts by way of hypothecation

18. OTHER FINANCIAL LIABILITIES - CURRENT

Particulars	As at	As at
	March 31, 2020 Rs. in Crores	March 31, 2019 Rs. in Crores
(a) Security Deposits		
i) Dealers	1.77	2.82
ii) Others	0.19	0.18
(b) Interest accrued but not due on Borrowings	3.19	2.68
(c) Creditors for Capital Goods	7.13	-
(d) Current maturities of Long term Borrowings	33.60	-
(e) Current Maturity of Suppliers Credit	7.77	-
(f) Retention Money & Others	9.55	23.93
(g) Derivative Financial Asset- Foreign Exchange forward Contracts	0.06	0.00
Total	63.26	29.61

19. CURRENT TAX LIABILITIES

Particulars	As at	As at
	March 31, 2020 Rs. in Crores	March 31, 2019 Rs. in Crores
Provision for Tax	-	12.09
Total	-	12.09

20. OTHER CURRENT LIABILITIES

Particulars	As at	As at
	March 31, 2020 Rs. in Crores	March 31, 2019 Rs. in Crores
(a) Advances received from Customer	1.03	-
(b) Others		
(i) Statutory Dues	1.22	0.14
(ii) Lease Liability	1.23	-
Total	3.48	0.14

21. OTHER NON- CURRENT LIABILITIES

Particulars	As at	As at
	March 31, 2020 Rs. in Crores	March 31, 2019 Rs. in Crores
(a) Export Obligations (Unexpired)	0.85	13.80
(b) Others		
(i) Lease Liability	5.62	-
Total	6.47	13.80

22. OTHER FINANCIAL LIABILITIES -NON CURRENT

Particulars	As at	As at
	March 31, 2020 Rs. in Crores	March 31, 2019 Rs. in Crores
(a) Creditors for Capital Goods	-	12.18
(b) Suppliers Credit	-	19.96
	-	32.14

DEEPAK PHENOLICS LIMITED

Notes forming part of the Financial Statements as at and for the year ended March 31, 2020

23 REVENUE FROM OPERATIONS

Particulars	Year ended	Year ended
	March 31, 2020	March 31, 2019
	Rs. in Crores	Rs. in Crores
(a) Sale of Products	2,003.98	912.48
(b) Other operating revenues		
- Duty Drawback received	1.47	0.17
- MEIS Received	2.45	0.23
- Scrap Sales	0.30	0.12
- Steam Sales	1.55	0.51
Total	2,009.76	913.50

24. OTHER INCOME

Particulars	Year ended	Year ended
	March 31, 2020	March 31, 2019
	Rs. in Crores	Rs. in Crores
(a) Profit on sale of Fixed Assets	0.00	0.00
(b) Interest Income	1.54	0.67
(c) Profit on sale of Investments	0.00	0.03
(d) Foreign Exchange Gain	1.13	0.27
(e) Amortized export obligation	15.89	3.23
(f) Rent Income	0.00	0.00
(g) Cash Discount (Raw Material)	2.96	0.06
(h) Penalties Recovered	6.37	9.10
(i) Reversal of Provision for doubtful debts and advances (net)	0.40	0.11
Total	28.30	13.46

DEEPAK PHENOLICS LIMITED

Notes forming part of the Financial Statements as at and for the year ended March 31, 2020

25. COST OF RAW MATERIAL AND COMPONENTS CONSUMED

Particulars	Year ended	Year ended
	March 31, 2020	March 31, 2019
	Rs. in Crores	Rs. in Crores
Raw Material and Components Consumed		
Inventory at the beginning of the year	33.69	-
Add: Purchases during the year	1,482.54	757.87
Less: Inventory at the end of the year	45.63	33.69
Cost of Raw Material and Components Consumed	1,470.60	724.18
Total	1,470.60	724.18

26. PURCHASE OF TRADED GOODS

Particulars	Year ended	Year ended
	March 31, 2020	March 31, 2019
	Rs. in Crores	Rs. in Crores
(a) Phenol	-	35.66
(b) Acetone	-	16.58
(c) Cumene	-	1.10
Total	-	53.34

27. (INCREASE)/ DECREASE IN INVENTORIES

Particulars	Year ended	Year ended
	March 31, 2020	March 31, 2019
	Rs. in Crores	Rs. in Crores
Inventories at the beginning of the year		
Stock in Process	31.49	-
Finished Goods	90.11	19.67
	121.59	19.67
Less:		
Inventories at the end of the year		
Stock in Process	30.48	31.49
Finished Goods	68.44	90.11
Add: Goods-in-transit	0.38	-
	99.30	121.59
Total	22.29	(101.92)

28. EMPLOYEE BENEFIT EXPENSE

Particulars	Year ended	Year ended
	March 31, 2020	March 31, 2019
	Rs. in Crores	Rs. in Crores
(a) Salaries & Wages	38.91	18.49
(b) Contribution to provident fund and other funds	1.54	0.74
(c) Gratuity Expenses	0.45	0.16
(d) Staff Welfare Expenses	2.67	1.33
Total	43.57	20.72

29. POWER & FUEL EXPENSES

Particulars	Year ended	Year ended
	March 31, 2020	March 31, 2019
	Rs. in Crores	Rs. in Crores
(a) Consumption of Gas	1.23	0.94
(b) Consumption of Coal & Coke	60.41	25.29
(c) Electricity Expenses	74.60	38.40
(d) Water Charges	5.51	2.21
Total	141.75	66.84

DEEPAK PHENOLICS LIMITED

Notes forming part of the Financial Statements as at and for the year ended March 31, 2020

30. FINANCE COSTS

Particulars	Year ended	Year ended
	March 31, 2020	March 31, 2019
	Rs. in Crores	Rs. in Crores
(a) Interest on Borrowings	94.08	40.40
(b) Interest on Leased Assets	0.75	-
Total	94.82	40.40

31. DEPRECIATION AND AMORTISATION EXPENSE

Particulars	Year ended	Year ended
	March 31, 2020	March 31, 2019
	Rs. in Crores	Rs. in Crores
(a) Depreciation on Tangible assets	58.08	24.54
Less: Depreciation Capitalized	-	0.15
	58.08	24.39
(b) Amortisation of Intangible assets	3.02	0.59
(c) Depreciation on Leased Assets	1.04	-
Total	62.14	24.98

32. OTHER EXPENSES

Particulars	Year ended	Year ended
	March 31, 2020	March 31, 2019
	Rs. in Crores	Rs. in Crores
(a) Other Selling Expenses	0.09	0.21
(b) Conversion Charges	0.55	0.15
(c) Rent	1.93	1.76
(d) Repairs to Buildings	0.17	-
(e) Repairs and maintenance (Plant and Equipments)	25.40	8.65
(f) Repairs and maintenance (Others)	0.33	0.28
(g) Insurance	1.66	1.40
(h) Rates & taxes	0.84	0.30
(i) Bank Charges	1.40	1.35
(j) Travelling & Conveyance	1.60	1.20
(k) Freight & Forwarding Charges	41.45	12.68
(l) Loss on sale of Asset	0.01	-
(m) Commission on sales	0.16	-
(n) Vehicle Expenses	2.96	1.39
(o) Legal & Professional Fees	3.81	2.73
(p) General Expenses	15.77	8.68
(q) Payment to Auditor (as per Note below)	0.24	0.22
(r) Director's Sitting Fees	0.05	0.03
(s) Manufacturing Expenses	4.33	1.66
(t) Donation	0.12	-
Total	102.87	42.69

Note: Payment to Auditor

Particulars	Year ended	Year ended
	March 31, 2020	March 31, 2019
	Rs. in Crores	Rs. in Crores
(i) As Auditor:		
Audit fees	0.15	0.15
Tax Audit fees	0.02	0.02
LR - Quarterly	0.04	0.05
(ii) Reimbursement of Expenses	0.03	0.01
Total	0.24	0.22

DEEPAK PHENOLICS LIMITED

Notes forming part of the Financial Statements as at and for the year ended March 31,2020

33. Contingent Liabilities and Commitments (to the extent not provided for)

Particulars	As at	
	March 31, 2020 Rs. in Crores	March 31, 2019 Rs. in Crores
I. Claims against the Company not acknowledged as debts in		
a) Arbitration Matter related claim	1.15	-
Total (I)	1.15	-
II. Commitments		
Capital Commitments (Net of Advances)	113.81	10.73
Total(II)	113.81	10.73
Total(I+II)	114.96	10.73

34. Tax Expenses

During the F.Y. 2019-20, the Government has introduced new Sec. 115 BAA, whereby a company can avail benefit of Lower Tax Rate of 25.17% (Basic Rate 22% + Cess and Surcharge) if the company fulfills the conditions given in the Section. The Company has provided Current and Deferred Tax Expenses based on the said Section. The Company will decide to Opt for New Regime or Continuing Old Regime while filling Income Tax Return as per Sec. 139(1).

A. Income Tax Expense Recognised in Profit or Loss

Particulars	As at	
	March 31, 2020 Rs. in Crores	March 31, 2019 Rs. in Crores
i) Current Tax		
Current tax on profit for the year	-	12.09
Decrease/(Increase) in deferred tax	33.37	7.76
Adjustments for current tax of prior periods		
Total Current tax expense	33.37	19.85
ii) Expense / (Benefit) Recognised in Statement of Other		
Re-measurement gains / (losses) on defined benefit plans	0.04	0.09
Equity instruments through other comprehensive income		
Total	0.04	0.09

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:

Particulars	As at	
	March 31, 2020 Rs. in Crores	March 31, 2019 Rs. in Crores
Profit before taxes including other comprehensive income	99.85	55.46
Enacted income tax rate in India	25.17%	34.94%
Computed expected tax expense	25.13	19.38
Effect of:		
Income exempt from tax	-	-
Basis differences that will reverse during a tax holiday period	-	-
Income taxed at higher/ (lower) rates	8.16	-
Income taxes relating to prior years	-	-
Expenses disallowed for tax purposes	-	-
Others, net	0.04	0.47
Total income tax expense	33.33	19.85

C. Deferred Tax Liabilities (net)

The balance comprises temporary differences attributable to the below items and corresponding movement in deferred tax liabilities/(assets):

Particulars	As at	Recognised in	As at	Recognised in
	March 31, 2020 Rs. in Crores	Statement of Profit and Loss/OCI	March 31, 2019 Rs. in Crores	Statement of Profit and Loss/OCI
Property, plant and equipment	50.34	30.96	19.38	19.38
Total deferred tax liabilities	50.34	30.96	19.38	19.38
Disallowance u/s 43B and others	0.44	0.39	0.05	0.05
Unabsorbed Depreciation and Losses	15.71	8.92		
MAT credit entitlement	0.00	(11.66)	11.66	11.66
Others	-0.01	(0.01)	6.79	-
Total deferred tax assets	16.14	(2.36)	18.51	11.72
Net deferred tax (asset)/liabilities	34.20	33.33	0.87	7.66

35. 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:

Particulars	As at	
	March 31, 2020	March 31, 2019
	Rs. in Crores	Rs. in Crores
Balance at the beginning of the year	0.82	0.36
Current Service Cost	0.39	0.20
Interest Cost	0.06	0.03
Actuarial (gain)/losses	0.20	0.27
Benefits Paid	(0.02)	(0.04)
Balance at the end of the year	1.46	0.82

ii) Reconciliation of opening and closing balances of Fair Value of Plan Assets:

Particulars	As at	
	March 31, 2020	March 31, 2019
	Rs. in Crores	Rs. in Crores
Balance at the beginning of the year	0.34	0.26
Expected Return on Plan Assets	-	-
Interest Income	0.03	0.02
Actuarial gain/(losses)	-	-
Contribution by the Company	0.48	0.10
Benefits Paid	(0.02)	(0.04)
Settlements	-	-
Return on Plan Assets excluding interest income	0.03	0.00
Balance at the end of the year	0.86	0.34
Actual Return on Plan Asset	6.82%	7.87%

iii) Assets and Liabilities Recognised in the Balance Sheet:

Particulars	As at	
	March 31, 2020	March 31, 2019
	Rs. in Crores	Rs. in Crores
Present Value of Defined Benefit Obligation	1.46	0.82
Less: Fair Value of Plan Assets:	0.86	0.34
Amounts recognised as liability	0.60	0.48
Recognised under:		
Short Term provision	0.60	0.48
Total	0.60	0.48

iv) Expenses recognised in the Statement of Profit and Loss:

Particulars	As at	
	March 31, 2020	March 31, 2019
	Rs. in Crores	Rs. in Crores
Current Service Cost	0.39	0.20
Net Interest Cost	0.04	0.01
Settlement - Project related transferred to CWIP	0.02	(0.05)
Total Expenses	0.45	0.16

v) Expenses recognised in the Other Comprehensive Income:

Particulars	As at	
	March 31, 2020	March 31, 2019
	Rs. in Crores	Rs. in Crores
Actuarial gain/(losses) on Obligation for the period	(0.20)	(0.27)
Return on Plan assets, Excluding Interest Income	0.03	0.00
Gratuity capitalised in proportion to exp. booked in CWIP	-	-
Gratuity recognised through Other Comprehensive Income	(0.17)	(0.27)
Total Expenses recognised in OCI	(0.17)	(0.27)

vi) Major Category of Plan Assets

Particulars	As at		As at	
	March 31, 2020		March 31, 2019	
	Rs. in Crores	%	Rs. in Crores	%
Contribution to LIC	0.86	100	0.34	100

DEEPAK PHENOLICS LIMITED
Notes forming part of the Financial Statements as at and for the year ended March 31,2020
Risk exposure

The Company is exposed to a number of risks, the most significant of which are detailed below:

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in

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

Particulars	As at	
	March 31, 2020	March 31, 2019
	Rs. in Crores	Rs. in Crores
Discount Rate	6.82%	7.78%
Expected Return on Plan Assets	6.82%	7.78%
Salary Growth Rate	8.00%	8.00%
Attrition rate	2.00%	2.00%

viii) Sensitivity Analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given below:

Particulars	Impact on defined benefit obligation					
	Change in assumptions		Increase in assumptions		Decrease in assumption	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
	%	%	Rs. In Crores	Rs. in Crores	Rs. in Crores	Rs. in Crores
Discount Rate	1.00%	1.00%	(0.20)	(0.11)	0.25	0.13
Salary Growth Rate	1.00%	1.00%	0.24	0.13	(0.20)	(0.11)
Attrition rate	1.00%	1.00%	(0.05)	(0.02)	0.05	0.02

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.

ix) Table Showing Change in the Present Value of Projected Benefit Obligation

Particulars	As at	As at
	March 31, 2020	March 31, 2019
	Rs. in Cr.	Rs. in Cr.
Present Value of Benefit Obligation at the Beginning of the Period	0.82	0.36
Interest Cost	0.06	0.03
Current Service Cost	0.39	0.20
Past Service Cost	-	-
Liability Transferred In/ Acquisitions	-	-
(Liability Transferred Out / Divestments)	-	-
(Gains)/ Losses on Curtailment	-	-
(Liability Extinguished on Settlement)	-	-
(Benefit Paid Directly by the Employer)	-	-
(Benefit Paid from the Fund)	(0.02)	(0.04)
The Effect of Changes in Foreign Exchange Rates	-	-
Actuarial (Gains) / Losses on Obligations - Due to Change in Demographic Assumptions	-	-
Actuarial (Gains) / Losses on Obligations - Due to Change in Financial Assumptions	0.19	0.16
Actuarial (Gains) / Losses on Obligations - Due to Change in Experience	0.01	0.11
Present Value of Benefit Obligation at the End of the Period	1.46	0.82

x) Maturity profile of defined benefit obligation:

Particulars	2020	2019
1st Following Year	0.01	0.00
2nd Following Year	0.01	0.01
3rd Following Year	0.02	0.01
4th Following Year	0.05	0.02
5th Following Year	0.06	0.02
Sum of Years 6 to 10	0.38	0.37
Sum of Years 11 and above	4.48	2.72

DEEPAK PHENOLICS LIMITED

Notes forming part of the Financial Statements as at and for the year ended March 31, 2020

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 Rs. 1.14 Crore (Previous Year Rs. 0.79 Crore), which is determined on actuarial basis using Projected Unit Credit Method.

c.) Principal Actuarial Assumptions:

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Discount Rate	6.82%	7.78%

C. Defined Contribution Plan

Particulars	As at	As at
	March 31, 2020	March 31, 2019
	Rs. in Crores	Rs. in Crores
Employer's Contribution to Provident Fund & other fund (other than superannuation)	1.54	0.74
Employer's Contribution to Superannuation Fund	-	-

Expected Contribution for the next year	Rs. in Crores
Employer's Contribution to Provident Fund & other fund (other than superannuation)	1.70

36. 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 purposes of Capital Management, the Company considers the following components of its Balance Sheet to manage capital.

The capital structure as of March 31, 2020 and 2019 was as follows:

Particulars	As at	As at	As at	% Change	% Change
	March 31, 2020	March 31, 2019	April 01, 2018		
	Rs. in Crores	Rs. in Crores	Rs. in Crores	2019-20	2018-19
Total Equity (A)	644.84	578.32	463.61	11.50	24.74
Current Loans & Borrowings	112.25	70.65	67.41	58.88	4.80
Non-Current Loans & Borrowings	792.68	804.07	457.50	(1.42)	75.75
Total Loans & Borrowings (B)	904.93	874.71	524.91	3.45	66.64
As % of total equity	140.33	151.25	113.22		
Total Capital (A+B)	1,549.77	1,453.04	988.52	6.66	46.99

Loans and borrowings represented 58.39%, 60.20% and 53.10% of total capital as of March 31, 2020, March 31, 2019, and April 1, 2018 respectively.

The Total Interest coverage ratio for the reporting period was as follows :

Particulars	(Rs. In Crores)	
	As at	As at
	31.03.2020	31.03.2019
EBITDA	228.68	107.64
Interest	94.82	40.40
Interest Coverage Ratio	2.41	2.66

The Debt service coverage ratio for the reporting period was as follows :

Particulars	(Rs. In Crores)	
	As at	As at
	31.03.2020	31.03.2019
EBITDA	228.68	107.64
Interest on borrowing & Total Repayment of Non Current	107.01	40.40
Debt Service Coverage Ratio	2.14	2.66

DEEPAK PHENOLICS LIMITED

Notes forming part of the Financial Statements as at and for the year ended March 31, 2020

37. Financial Instruments

37.1. Categories of financial instruments

The carrying value of financial instruments by categories as of March 31, 2020 is as follows :

Particulars	Fair Value through Other Comprehensive Income	Fair value through profit or loss	Amortised Cost
Financial Assets			
Cash and Cash Equivalents	-	-	0.05
Other Balances with Banks (Under DSRA)	-	-	27.63
Investments in Un Quoted Debt instruments	-	-	-
Unquoted investments (Level 3)	-	-	-
Trade receivables	-	-	247.54
Loans	-	-	-
Other financial asset	-	-	3.21
Total	-	-	278.43
Financial Liabilities			
Current Borrowings	-	-	112.25
Non-Current Borrowings	-	-	792.68
Trade Payables	-	-	126.53
Other financial liabilities	-	0.06	21.83
Total	-	0.06	1,053.29

The carrying value of financial instruments by categories as of March 31, 2019 is as follows :

Particulars	Fair Value through Other Comprehensive Income	Fair value through profit or loss	Amortised Cost
Financial Assets			
Cash and Cash Equivalents	-	-	0.13
Other Balances with Banks	-	-	20.04
Investments in Un Quoted Debt instruments	-	-	-
Unquoted investments (Level 3)	-	-	-
Trade receivables	-	-	232.97
Loans	-	-	-
Other financial asset	-	-	1.20
Total	-	-	254.34
Financial Liabilities			
Current Borrowings	-	-	70.65
Non-Current Borrowings	-	-	804.07
Trade Payables	-	-	150.77
Other financial liabilities	-	-	29.61
Total	-	-	1,055.10

37.2. 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 and trade receivables	Mitigating foreign currency risk using foreign currency forward contracts	Note 37.3.1
Market risk - interest rate risk	Change in market interest rates	Maintaining a combination of fixed and floating rate debt; cash management policies	Note 37.3.2
Credit risk	Ability of customers or counterparties to financial instruments to meet contractual obligations.	Credit approval and monitoring practices; counterparty credit policies and limits;	Note 37.4
Liquidity risk	Fluctuations in cash flows	Preparing and monitoring forecasts of cash flows; cash management policies; multiple credit and banking facilities	Note 37.5

37.3 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.

37.3.1 Foreign Currency Risk management

The Company is exposed to foreign exchange risk on account of following:

1. Imports of raw materials and services.
2. Exports of finished goods.

The Company has a forex policy in place whose objective is to mitigate foreign exchange risk by deploying the appropriate hedging strategies through hedging instruments such as foreign currency forward contracts and has a dedicated forex desk to monitor the currency movement and respond swiftly to market situations. The Company follows netting principle for managing the foreign exchange exposure.

a. The carrying amounts of the Company's foreign currency denominated monetary assets and liabilities based on gross exposure at the end of the reporting period is as under:

Currency	Liabilities		Assets	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
USD (Crores)	0.00	0.00	0.06	0.06
INR (Crores)	0.08	0.01	4.87	4.28
GBP (Crores)	-	0.02	-	-
INR (Crores)	-	1.70	-	-

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 outstanding as at the Balance Sheet date:

	As at March 31, 2020		As at March 31, 2019	
	Buy	Sell	Buy	Sell
Forward Contracts (USD in Crores)	-	0.01	-	0.03
Forward Contracts (EUR in Crores)	-	-	-	-

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)	0.00	0.00	0.05	0.03
EURO (Crores)	-	-	-	-
GBP (Crores)	-	0.00	-	-
CHF (Crores)	-	-	-	-

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.

Currency USD Impact on profit or loss	2019-20	2018-19
	Rs. in Crores	Rs. in Crores
Impact of INR 1 strengthening against US Dollar	(0.05)	0.06
Impact of INR 1 weakening against US Dollar	0.05	(0.06)

DEEPAK PHENOLICS LIMITED**Notes forming part of the Financial Statements as at and for the year ended March 31, 2020****37.3.2 Interest Rate Risk management**

The Company issues commercial papers, draws working capital demand loans, avails cash credit, foreign currency borrowings including buyers credit, Packing Credit etc. for meeting its funding requirements.

Interest rates on these borrowings are exposed to change in respective benchmark rates. The Company manages the interest rate risk by maintaining appropriate mix/portfolio of the borrowings.

a. Interest rate swap contract

The Company had entered into the swap contracts to hedge the interest rate risks on the external commercial borrowings. Using interest rate swap, Company agrees to exchange LIBOR floating interest rate to LIBOR fixed interest rate on agreed notional principal amounts. Such contracts enable the company to mitigate the interest rate risk. Refer details of the principal and interest rate swaps under Note 37.3.2(b).

b. Interest rate sensitivity analysis

The sensitivity analysis below has been determined for borrowings assuming the amount of borrowings outstanding at the end of the reporting period was outstanding for the whole year. A 25 basis points increase or decrease in case of rupee borrowings is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rate had been 25 basis points higher/ lower in case of rupee borrowings and all other variables were held constant, the Company's profit for the year ended 31 March 2020 would decrease/ increase by Rs.2.26 Crores (31 March 2019: Rs. 2.19 Crores)

37.4 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 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 financial institutions. Outstanding receivables and the credit worthiness of its counterparties are periodically monitored and taken upon case to case basis. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions representing large number of minor receivables operating in independent markets.

The credit risk on cash and bank balances, derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

Historical experience of collecting receivables of the Company is supported by low level of past default and hence the credit risk is perceived to be low.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on the provision matrix. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

Ageing

	Expected Credit Loss (%)
Within the Credit period	0.00%
91 to <=180 days	0.00%
'>180 days	100.00%

Age of receivables

	As at March 31, 2020	As at March 31, 2019
Within the Credit period	247.54	232.50
91 to <=180 days	-	0.48
'>180 days	-	0.40

Reconciliation of loss allowance provision - Trade receivables

Particulars	For the Period 'March 31, 2020 'Rs. in Crores
Loss allowance on April 01, 2018	0.51
Changes in loss allowance	(0.11)
Loss allowance on March 31, 2019	0.41
Changes in loss allowance	(0.40)
Loss allowance on March 31, 2020	0.00

37.4.1 'Effect of COVID-19 on Debtors

The financial instruments of the company mainly consist of trade receivables carried at amortised cost after providing for expected credit loss based on historical credit loss experience and adjusted for forward looking information. None of the assets are marked to active market thereby relieving the company from market uncertainties arising out of COVID-19

DEEPAK PHENOLICS LIMITED

Notes forming part of the Financial Statements as at and for the year ended March 31, 2020

37.5 Liquidity Risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages its funds mainly from internal accruals. The liquidity risk is managed by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2020:

Rs. in Crores

Particulars	Carrying amount	upto 1 year	1-3 year	More than 3 year	Total cash flows
Accounts payable	(126.53)	(126.53)			(126.53)
Borrowings	(850.31)	(112.25)	(198.31)	(539.75)	(850.31)
Foreign Currency Forward Contracts, option contracts and interest swaps	1.07	1.07			1.07
Trade receivables (Gross)	247.54	247.54			247.54
Total	(728.23)	9.84	(198.31)	(539.75)	(728.23)

The table below provides details of financial assets as at March 31, 2020:

Rs. in Crores

Particulars	Carrying amount
Loans	-
Other financial assets	3.21
Total	3.21

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2019:

Rs. in Crores

Particulars	Carrying amount	upto 1 year	1-3 year	More than 3 year	Total cash flows
Accounts payable	(150.77)	(150.77)	-	-	(150.77)
Borrowings	(858.91)	(50.69)	(80.41)	(727.81)	(858.91)
Foreign Currency Forward Contracts, option contracts and interest swaps	0.00	0.00	-	-	0.00
Trade receivables	232.97	232.97	-	-	232.97
Total	(776.71)	31.51	(80.41)	(727.81)	(776.71)

The table below provides details of financial assets as at March 31, 2019:

Rs. in Crores

Particulars	Carrying amount
Loans	-
Other financial assets	1.20
Total	1.20

38. Leases

The effect of adoption Ind AS 116 on PPE for the year ended March 31, 2020 is as follows:

In ₹ crore

Particulars	As on March 31, 2020
Balance at the beginning	5.43
Additions	2.03
Depreciation charged during the year	1.04
Balance at the end	6.42

The following is the movement in lease liabilities during the year ended March 31, 2020:

In ₹ crore

Particulars	As on March 31, 2020
Balance at the beginning	5.43
Additions	2.03
Finance cost accrued during the year	0.75
Payment of Lease Liabilities	1.37
Balance at the end	6.85

The following are details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

In ₹ crore

Financial Year	Lease Payments
2020-21	1.91
2021-22	1.92
2022-23	1.65
2023-24	1.66
2024-25	1.15
2025-26 or later	0.79
Total	9.10

The leases that the Company has entered with lessors towards properties used as Land and Offices are long term in nature and no changes in terms of those leases are expected due to the COVID-19.

39. Segment Information

a. Secondary Segment Information

The following table shows the distribution of the Company's Revenue and Assets by geographical market:

Revenue	For the Period	For the Period
	March 31, 2020	March 31, 2019
	Rs. in Crores	Rs. in Crores
In India	1,874.65	900.52
Outside India	135.11	12.98
TOTAL	2,009.76	913.50

Extent on Reliance on Major Customers:

The company has two customers who constitute over 10% of the revenue of the company.

Carrying Amount of Segment Assets	For the Period	For the Period
	March 31, 2020	March 31, 2019
	Rs. in Crores	Rs. in Crores
In India	1,726.08	1,673.66
Outside India	4.76	4.28
TOTAL	1,730.84	1,677.93

Addition to Fixed Assets	For the Period	For the Period
	March 31, 2020	March 31, 2019
	Rs. in Crores	Rs. in Crores
In India		
- Tangible	23.83	1,122.16
- Intangible	18.82	11.45
Outside India		
- Tangible	-	-
- Intangible	-	-
TOTAL	42.65	1,133.61

40. Earning Per Share

Particulars	For the Period	For the Period
	March 31, 2020	March 31, 2019
	Rs. in Crores	Rs. in Crores
Basic and Diluted Earning per		
Number of Shares at the beginning	28.00	25.00
Number of Shares at the end (Nos. in Crores)	28.00	28.00
Weighted Average Number of Shares considered for Basic Earning Per Share (Nos. in Crores)	28.00	28.00
Weighted Average Number of Shares considered for Diluted Earning Per Share (Nos. in Crores)	56.00	56.00
Net Profit after Tax available for Equity	66.52	35.88
Basic Earning (in Rupees) Per Share of Rs. 10/- each.	2.38	1.28
Diluted Earning (in Rupees) Per Share of Rs. 10/- each.	1.19	0.64

41. 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:

Particulars	For the Period	For the Period
	March 31, 2020	March 31, 2019
	Rs. in Crores	Rs. in Crores
(i) Principal amount remaining unpaid as on March 31.	0.54	0.02
(ii) Interest due thereon remaining unpaid as on March 31.	-	-
(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 as at March 31 (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.	-	-

DEEPAK PHENOLICS LIMITED**Notes forming part of the Financial Statements as at and for the year ended March 31,2020****42. Effect of Covid-19**

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 23, 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. 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 is positive of serving customer, obtaining regular supply of raw materials and logistics services. In assessing the recoverability of its assets including receivables and inventories, the Company has considered internal and external information upto the date of approval of these financial statements including economic forecasts. The Company has performed analysis on the assumptions used and based on current indicators of future economic conditions has evaluated the recoverability of receivables and realisability of inventory on hand. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor the developments.

43. Unspent money on CSR activities Rs.0.12 Crores.

During the F.Y.2019-2020, the Company has spent Rs.0.11 Crores on Corporate Social Responsibility, against requirement of Rs.0.23 Crores, being 2% of average of the net profits for the preceding three financial years.

44. Related Party Disclosures (As attached note)**45. Previous year figures regrouping**

Previous year's figures have been regrouped / reclassified where necessary.

DEEPAK PHENOLICS LIMITED

NOTES forming part of the Financial Statements as at and for the year ended March 31,2020

44 Related Party Disclosures:

A) Name of Related Party and nature of relationship

(i) Holding Company:

Deepak Nitrite Limited

(ii) Key Management Personnel

Shri Deepak C. Mehta Chairman & Managing Director

Shri Meghav Mehta Whole Time Director

Smt. Ila Mehta Director

Shri Sanjay B Upadhyay Director

(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 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 * Sundown Finvest Private Limited

(iv) Relative of Key Management Personnel

Shri C.K.Mehta

Shri A.C.Mehta

Shri Meghav D. Mehta

Smt. Ila Mehta

B) Transaction with Related Parties

(Rs. in Crores)

Sr. No.	Nature of Transaction	For the year ended 31st March, 2020				For the year ended 31st March, 2019			
		Holding Company	Key Managerial Person	Entities over which key managerial personnel or their relatives are able to exercise significant influence	TOTAL	Holding Companies	Key Managerial Person	Entities over which key managerial personnel or their relatives are able to exercise significant influence	TOTAL
1	Receiving of services / Reimbursement of Expenses								
	Deepak Nitrite Limited	2.74	-	-	2.74	3.28	-	-	3.28
	Deepak Nitrite Limited - HSD	1.09			1.09	0.01			
	Deepak Nitrite Limited - Dahej	0.01		-	0.01	0.56		-	0.56

Sr. No.	Nature of Transaction	For the year ended 31st March, 2020				For the year ended 31st March, 2019			
		Holding Company	Key Managerial Person	Entities over which key managerial personnel or their relatives are able to exercise significant influence	TOTAL	Holding Companies	Key Managerial Person	Entities over which key managerial personnel or their relatives are able to exercise significant influence	TOTAL
	Deepak Cybit Pvt Ltd	-	-	0.15	0.15	-	-	0.17	0.17
	Deepak Medical Foundation / Deepak Foundation	-	0.59	-	0.59	-	-	0.48	0.48
2	Purchase of Goods & goods clearance services								
	Deepak Fertilizer & Petro Chemicals Corp Ltd	-	-	0.21	0.21	-	-	0.09	0.09
3	Purchase of capital assets								
	Deepak Nitrite Limited								
	- Land	-	-	-	-	-	-	-	0.00
	- Compound Wall	-	-	-	-	-	-	-	0.00
4	Sales of Material/Providing of Services								
	Deepak Nitrite Ltd.								
	Sales of Material (Cumene)APL	(7.36)	-	-	(7.36)	(5.05)	-	-	(5.05)
	Sales of Material (Benzene) NDS	-	-	-	-	(1.72)	-	-	(1.72)
	Sales of Material (Steam) DHJ	(1.55)	-	-	(1.55)	(1.52)	-	-	(1.52)
	Services	(0.01)	-	-	(0.01)	(0.27)	-	-	(0.27)
	Deepak Novochem Technologies Ltd.	-	(0.07)	-	(0.07)	-	-	-	-
	Rental Income (Office Rent)	-	(0.00)	-	(0.00)	-	-	(0.01)	(0.01)
5	Application money received, pending allotment & Equity Contribution								
	Deepak Nitrite Limited								
	Equity Share Capital	-	-	-	-	-	-	-	-
	Preference Share Capital	-	-	-	-	79.00	-	-	79.00
	Preference Share Application Money	-	-	-	-	-	-	-	-
6	Loan received								
	Deepak C Mehta- Interest	-	-	-	-	-	-	-	0.00
	Storewell Credits and Capital Pvt Ltd.	-	-	-	-	-	-	-	0.00
7	Interest Paid								
	Deepak C Mehta- Interest	-	-	-	-	-	0.20	-	0.20
	Storewell Credits and Capital Pvt Ltd.	-	0.73	0.00	0.73	-	-	2.22	2.22
8	Managerial Remuneration								
	Shri Meghav D. Mehta		0.82		0.82				

Sr. No.	Nature of Transaction	For the year ended 31st March, 2020				For the year ended 31st March, 2019			
		Holding Company	Key Managerial Person	Entities over which key managerial personnel or their relatives are able to exercise significant influence	TOTAL	Holding Companies	Key Managerial Person	Entities over which key managerial personnel or their relatives are able to exercise significant influence	TOTAL
9	Net Accounts Receivable / (Payable)								
	Deepak Nitrite Limited	(0.11)	-	-	(0.11)	2.45	-	-	2.45
	Deepak C Mehta	-	-	-	-	-	-	-	-
	Deepak Cybit Ltd.	-	-	-	-	-	-	-	-
	Storewell Credits and Capital Pvt Ltd	-	-	-	-	-	-	(19.55)	(19.55)
	Deepak Novachem Technologies Ltd.	-	-	-	-	-	-	(0.00)	(0.00)
	Deepak Medical Foundation / Deepak Foundation	-	0.04	-	0.04	-	-	0.04	0.04
	Shri Meghav D. Mehta	-	-	-	(0.14)	-	-	-	-

<p>As per our report of even date</p> <p>For M/s B.K. Khare & Co. Chartered Accountants Firm Registration No. - 105102W</p> <p>Ravi Kapoor Partner Membership No. 040404</p> <p>Mumbai: May 21, 2020</p>	<p>For and on behalf of the Board</p> <p>D. C. Mehta Chairman & Managing Director DIN:00028377</p> <p>Sandesh Anand Director DIN:00001792</p> <p>Ajay Jajoo Chief Financial Officer</p> <p>Sanjay Upadhyay Director DIN:01776546</p> <p>Arvind Bajpai Company Secretary</p> <p>Vadodara: May 21, 2020</p>
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DEEPAK PHENOLICS LIMITED

Corporate Identity Number: U24110GJ2011PLC064669
Registered Office: First Floor, Aaditya-II, Chhani Road, Vadodara- 390 024
Web Site: www.godeepak.com;
Tel: +91 265 276 5500 Fax: +91 265 276 5557

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of Member(s):
Registered Address:
E-mail ID :
Folio No./Client ID No:..... DP ID No:.....
I/We, being the Member(s) ofShares of Deepak Phenolics Limited ('Company'), hereby appoint

Name.....E Mail ID.....
Address.....
Signature or failing him

Name.....E Mail ID.....
Address.....
Signature or failing him

Name.....E Mail ID.....
Address.....
Signature

as my/our proxy to attend and vote for me/us and on my/our behalf at the 9th Annual General Meeting of the Company to be held on Friday, July 31, 2020 at 10:30 a.m. at First Floor, Aaditya-II, Chhani Road, Vadodara- 390 024 and at any adjournment thereof in respect of such Resolutions as are indicated below:

Ordinary Business:

- 1. To receive, consider, approve and adopt the Standalone Audited Balance Sheet, Statement of Profit and Loss, Cash Flow Statement for the Financial Year ended March 31, 2020 together with Directors' Report and the Auditor's Report thereon.



2. To appoint a Director in place of Shri Sanjay Upadhyay (DIN :01776546), who retires by rotation at this Annual General Meeting, in terms of Section 152 (6) of the Companies Act, 2013 and being eligible, has offered herself for re-appointment.

Special Business:

3. Appointment of Shri S. K. Anand (DIN: 00001792) as an Independent Director of the Company for a Second Term of two consecutive years.
4. Appointment of Shri Milin Mehta (DIN: 01297508) as an Independent Director of the Company for a Term of 2 consecutive years.
5. Ratification of Remuneration of Cost Auditors of the Company.
6. Appointment of Shri Sanjay Asher (DIN: 00008221) as an Independent Director of the Company for a Term of 2 consecutive years.

Signed thisDay of, 20..... Affix
Signature of Shareholder:..... Revenue
Stamp

Signature of Proxy Holder:.....

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



DEEPAK PHENOLICS LIMITED

Corporate Identity Number: U24110GJ2011PLC064669

Registered Office: First Floor, Aaditya-II, Chhani Road, Vadodara- 390 024

Web Site: www.godeepak.com;

Tel: +91 265 276 5500 Fax: +91 265 276 5557

ATTENDANCE SLIP

(To be presented at the entrance)

9th ANNUAL GENERAL MEETING TO BE HELD ON FRIDAY, JULY 31, 2020 AT 10:30 A.M.
at First Floor, Aaditya-II, Chhani Road, Vadodara- 390 024

DP ID Client ID

Name of the Member.....Signature.....

Name of the prroxyholder.....Signature.....

1. Only Member / Proxyholder can attend the Meeting.
2. Member / Proxyholder should bring his/her copy of the Annual Report for reference at the Meeting.