

Management Discussion and Analysis Report

GLOBAL ECONOMIC SCENARIO

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

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

There remains optimism around stronger consumer spending due to resilient labour markets and easing inflation. Businesses are expected to focus on productivity growth, invest in advanced technologies and enhancing research capabilities. Disinflationary pressures are expected to persist, with central banks likely to pivot

towards easing monetary policies. Geopolitical tensions and fiscal consolidation remain risks to the economic outlook, with global trade flows expected to recover modestly.

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



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

Asia

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

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

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

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

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

(IMF REPORT – APRIL 2024)



INDIAN ECONOMIC SCENARIO

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

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

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

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

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

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

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

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

INDUSTRY OUTLOOK AND TRENDS

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

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

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

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

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

Emerging Mega-Trends that will impact the Global Chemical Industry

- **Green Energy:** Renewable energy sources are expected to play a significant role in the global power supply landscape, constituting over one-third of the world's power supply by 2024. This shift is supported by various positive developments, including China's projected decline in CO₂ emissions driven by substantial installations of low-carbon energy sources such as wind and solar. Factors such as declining production costs, growing concerns about climate change, evolving energy policies and increasing investor pressure on Environmental, Social and Governance (ESG) policies are driving growth in the renewables sector.
- **3D Printing:** The 3D printing industry experienced modest growth in industrial additive solutions in CY2023. The current year is expected to witness robust growth in 3D printing, fuelled by the demand for mass customisation enabled by technological advancements. The integration of 5G technology with 3D printing processes will streamline workflows, while the availability of lower-cost desktop solutions will expedite adoption. Introduction of new products and services by global leaders will further stimulate market growth.
- **Use of Lightweight Materials in Next-Generation Vehicles:** The automotive industry anticipates significant growth in the adoption of lightweight materials, including advanced composites, high-strength steel and aluminium alloys, in next-generation vehicles. The market for automotive lightweight materials is projected to reach USD 101.5 Billion by 2027, with a compound annual growth rate (CAGR) of 6.5% from 2022 to 2027. Advancements in the mobility sector, including the development of autonomous vehicles, are expected to drive demand for lightweight materials. Vehicle Original Equipment Manufacturers (OEMs) such as BMW and Mercedes-Benz are poised to offer Level 3 autonomous driving capabilities in specific regions, further boosting the demand for lightweight materials. Additionally, autonomous mobility is expanding to the skies, with initiatives such as electric air taxi services planned for the 2024 Olympics in Paris. Companies like Volocopter aim to transition to fully autonomous air mobility, with aircraft designed to operate as autonomous air taxis in the future.

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

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

DOMESTIC CHEMICAL INDUSTRY

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

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

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

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

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STRATEGIC EMPHASIS: MINIMISING DEPENDENCY ON IMPORTED CHEMICALS

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

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

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

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

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

Source:

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STRUCTURAL GROWTH DRIVERS FOR INDIA

1. **Supply Chain Dynamics Shift** - Recent geopolitical events, such as the Russia-Ukraine conflict and trade restrictions on China, have prompted major multinational corporations to diversify their sourcing strategies. Consequently, the Indian chemicals industry, with its compelling value proposition, is positioned to emerge as a key global hub for chemical manufacturing.
2. **Escalating Domestic Demand** - India currently holds a significant share, over 20%, in global chemical consumption. Experts anticipate a surge in the domestic demand, reaching USD 1,000 Billion by 2040.
3. **Embracing Innovation and Sustainability** - Chemical firms are prioritising value addition while carefully balancing economic, social and environmental impacts. Their innovation endeavours are directed towards promoting sustainability and green chemistry through continuous advancements in products, technologies and processes.
4. **Shifting Customer Preferences** - There is a discernible shift in consumer preferences towards environmentally sustainable and socially responsible products and services. This trend is driving demand for greener and safer alternatives, as customers increasingly prioritise health, hygiene and safety.
5. **Leveraging Data Analytics** - Chemical manufacturing firms are increasingly leveraging data analytics to enhance operational efficiency and profitability. By harnessing insights from big data, they are refining plant operations, managing energy consumption and optimising supply chains. Furthermore, they are employing AI algorithms to predict potential equipment failures, thereby minimising downtime.



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

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

Source:

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INDUSTRY OUTLOOK

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

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

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



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

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

Source:

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PERFORMANCE OF YOUR COMPANY

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

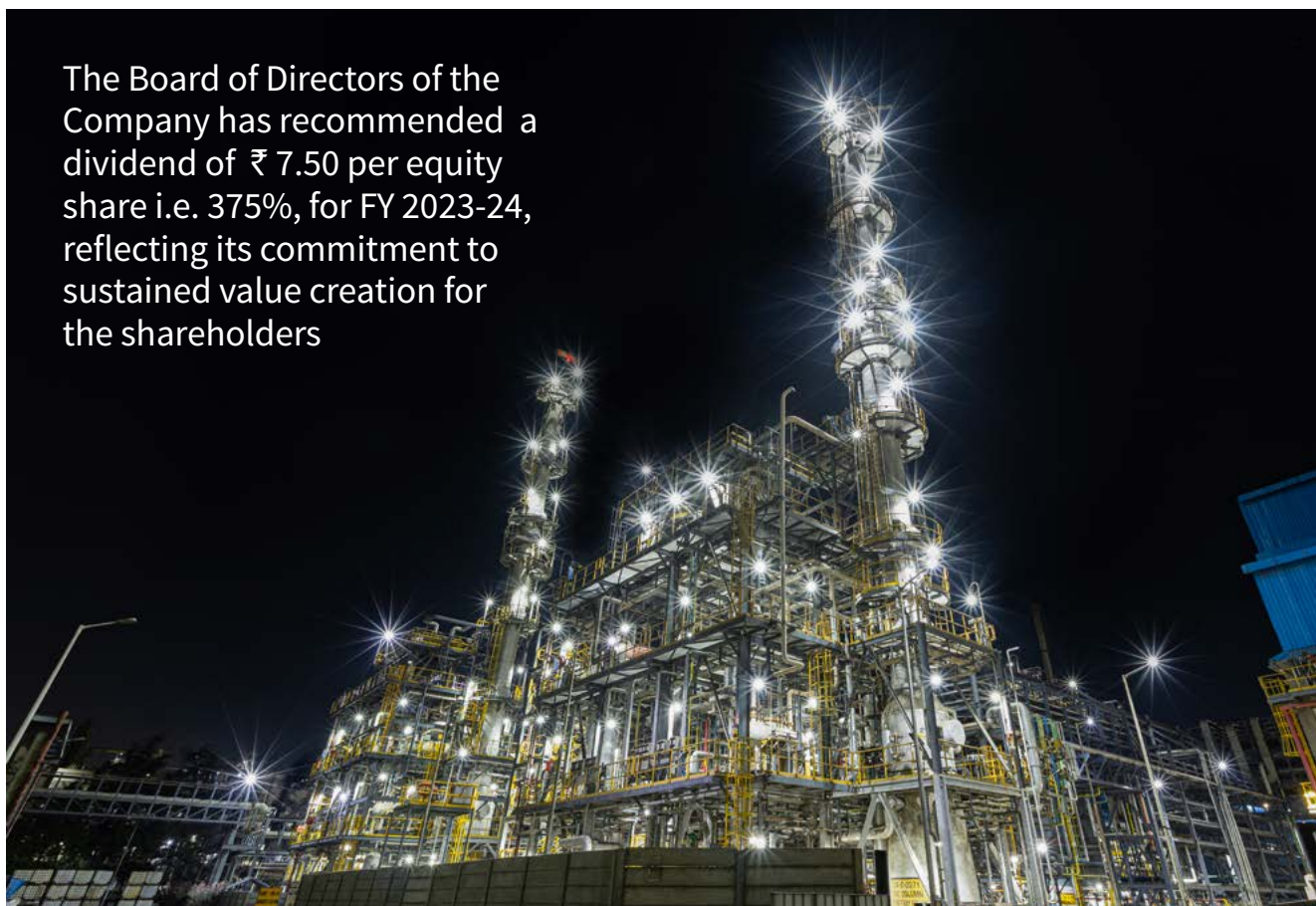
Our proactive approach this year commenced with initiatives geared towards establishing secure, long-term supply arrangements. The Fluorination project stands out as a pivotal step in DNL's journey towards complete backward integration in the speciality chemical value chain, facilitating production of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

R&D capabilities and constructing a cutting-edge facility near Vadodara to drive innovation in speciality products, supporting our growth in fine chemicals and beyond.

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

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

The Board of Directors of the Company has recommended a dividend of ₹ 7.50 per equity share i.e. 375%, for FY 2023-24, reflecting its commitment to sustained value creation for the shareholders



1. Advanced Intermediates (AI)

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

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

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

User Industries under the segment:

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

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

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

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

2. Phenolics

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

User Industries under the segment:

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

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

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

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

3. Investment in Deepak Chem Tech Limited

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

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

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

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

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

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

Towards this, DCTL has inked two Memorandum of Understanding (MOU) totalling nearly ₹ 14,000 Crores with the Government of Gujarat with an intention to invest in setting up projects at Dahej, in the state of Gujarat. This includes an MoU worth ₹ 5,000 Crores signed on May 23, 2023 for setting up facility to produce speciality chemicals, Phenol, Acetone and Bisphenol within the state. The additional MoU worth ₹ 9,000 Crores inked on January 31, 2024 is to establish projects for manufacturing of three new products, Polycarbonate Resins, Methyl Methacrylate (MMA)/ Poly Methyl

Methacrylate (PMMA) Resins and compounds, as well as Aniline. All announced investments are expected to be completed by FY 2027-28, reinforcing the Group's commitment to import substitution through value-addition.

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

Other Subsidiary Companies

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

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



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

NAVIGATING FORWARD – CAPITAL EXPENDITURE STRATEGIES AHEAD

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

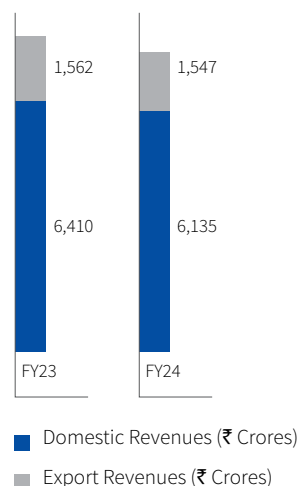
- A landmark term sheet with Petronet LNG secures a consistent supply of key raw materials, ensuring stability in our growth trajectory
 - DPL will procure 250 KTPA of Propylene and 11 KTPA of Hydrogen via pipeline from Petronet LNG from their proposed Propane dehydrogenation facility being set up at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

These initiatives will drive strong Revenue growth, expand market presence, improve margins, diversify product offerings and strengthen relationships with customers and suppliers. With a solid financial foundation, strong client ties and thoughtful growth strategies, we are poised to enhance our business proposition. Our expansion efforts will enhance competitiveness, fuel market share expansion and generate value for stakeholders. Positioned strategically for comprehensive growth, DNL will bolster integration within existing and new value chains, seizing

emerging opportunities domestically and internationally. We will continue to diversify our project portfolio, expand our customer base and enrich overall value propositions, while maintaining our strong financial position and robust client relationships.

GEOGRAPHICAL PERFORMANCE

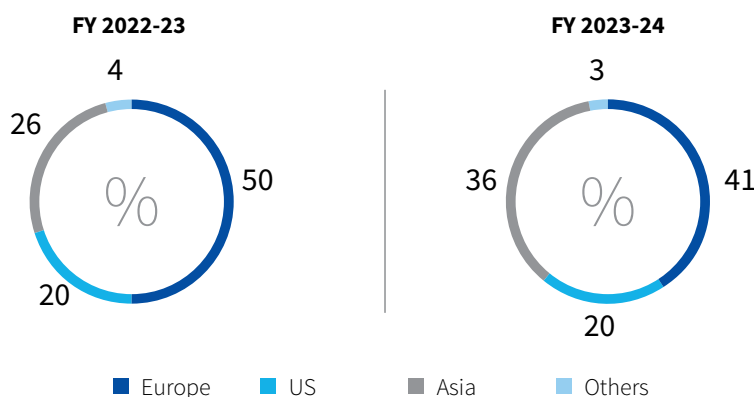
In terms of our geographic split, in our Standalone operations, we improved the share of Exports from 43% in FY 2022-23 to 47% in FY 2023-24. With the ratio of Domestic to Export Revenues at 53:47 in FY 2023-24. While on a Consolidated basis, the Domestic Revenues for the year stood at ₹ 6,135 Crores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



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

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

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



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

RISK MANAGEMENT

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

The Company has a well-defined Risk Management Framework and robust Internal Control systems that support risk mitigation efforts across its diverse business segments. The execution of Risk Management Policies entails a robust foundation of independent oversight, Internal Audit reporting and corporate management engagement. Transparent and objective measures have been adopted to assess and address underlying business risks

effectively. The Internal Audit function conducts risk-focused audits across all product categories to identify and rectify areas of concern. The Company's seasoned team adeptly navigates challenges pertaining to raw material pricing, commodity risks and currency fluctuations, with management implementing prudent measures to minimise their adverse impact on operational activities.

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

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

SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS (STANDALONE)

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

#Excluding exceptional item

INTERNAL CONTROL FRAMEWORK

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

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

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


HUMAN RESOURCE DEVELOPMENT

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

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

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



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

SWOT ANALYSIS

Strengths

- 1. Sustainability is central to DNL's Vision:** DNL upholds a commitment to business sustainability, recognised by customers as a top priority. As it progresses towards greater scale and diversification, its product will touch endless customers and end users. As a responsible corporate citizen, DNL's leadership position in various chemical products and value chain will ensure sustainable utilisation of natural resources with adherence to environmental, social and governance principles.
- 2. Diverse Product Portfolio:** DNL has a diverse range of products categorised into two main segments: Advanced Intermediates and Phenolics. Catering to various industries such as dyes & pigments, agrochemical, pharmaceutical, plastics, textiles, paper, home & personal care and petro derivatives, this extensive portfolio mitigates risks associated with product obsolescence. Leveraging production expertise and knowledge of complex chemistries, DNL continually enhances its product portfolio to meet the evolving needs of its diverse customer base.
- 3. Streamlined Supply Chain Operations:** DNL exhibits agility in fulfilling delivery obligations, maintaining consistent performance. The Company adeptly executes operational plans, ensuring timely and reliable deliveries to customers. Leveraging chemical manufacturing expertise, DNL efficiently manages large-scale logistics and supply chains. Harnessing technology, the Company's nationwide supply chain team fosters strong partnerships with suppliers and customers, enhancing service quality and market competitiveness.
- 4. Global Reach and Strong Partnerships:** DNL boasts an extensive distribution network spanning over 45 countries across six continents, encompassing vital markets such as the United States, Europe, China and India. This strategic presence enables DNL to seamlessly access new markets and expand its market share. Deep-rooted customer relationships and a steadfast commitment to customer-centric practices further solidify DNL's standing as a preferred supplier for key clients worldwide. These strengths empower DNL to capitalise on burgeoning demand for chemicals on both domestic and international fronts.

- 5. Innovation and Technological Advancements:** DNL's Research and Development endeavours are dedicated to pioneering new chemical compounds and extracting value from by-products. Continuously evaluating current products and processes, DNL strives to optimise efficiency and drive cost savings. With a focus on sustainable chemistry, DNL aims to seize innovation opportunities while upholding operational excellence. Its robust execution capabilities and proven track record are instrumental in transitioning into a research and innovation-driven enterprise.
- 6. Cost Efficiency:** DNL secures a strong cost leadership position across various product lines, commanding a substantial market share. This success is the result of relentless efforts to attain economies of scale and ongoing process innovations, which not only provide value to customers but also ensure operational cost-effectiveness.
- 7. Leadership Excellence:** DNL's leadership team consists of seasoned industry professionals renowned for their deep expertise and acute market insights. They uphold the Code of Responsible Care and ethical standards as guiding principles. With a long-standing track record of driving the Company's success, the management team remains dedicated to high-margin products, emphasising Research and Development initiatives and nurturing enduring customer partnerships.

Weaknesses

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

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



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


Opportunities

- 1. Supportive Government Policies:** India's 'Make in India' campaign, 'Atmanirbhar Bharat' initiative and various Production-Linked Incentive (PLI) schemes are geared towards strengthening domestic manufacturing. These endeavours streamline regulatory procedures and offer ample prospects for foreign partnerships. DNL is strategically positioned to leverage these policies to advance its growth agenda.
- 2. Promising Export Prospects:** With global chemical leaders aiming to decentralise their supply chains from China, well-established Indian chemical intermediate firms have an opportunity to showcase their prowess internationally. The optimistic demand forecast has spurred Indian chemical exporters to scale up their facilities and operations.

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

Threats

- 1. External Challenges:** DNL's substantial reliance on the Indian market, accounting for over half of its total Revenue, exposes the Company to fluctuations in demand-supply dynamics across various sectors. Despite serving a diverse range of industries, mitigating dependency risks on any single customer or sector, a downturn in domestic demand could markedly affect the Company's earnings visibility.
- 2. Geopolitical Developments:** Global geopolitical occurrences, such as the Russia-Ukraine War, have the potential to disturb established trade relations, triggering heightened tariff rates, sanctions and supply chain interruptions. These disruptions may lead to elevated prices and constrained availability of specific products and commodities. Although DNL vigilantly monitors these events, it remains susceptible to adverse consequences stemming from geopolitical tensions.
- 3. Product and Process Viability Risk:** The ongoing evolution of technologies and methodologies poses a risk of product obsolescence, with newer and more efficient alternatives emerging over time. This shifting landscape may reduce demand for existing products or require the replacement of current processes. Nevertheless, DNL's strong foothold in numerous product categories offers some protection against these risks. Additionally, the Company proactively assesses and improves its processes to adapt to technological advancements.
- 4. Shortage of Skilled Manpower:** The intricate nature of chemical processes demands a workforce with specialised expertise, presenting difficulties in recruiting suitable talent. Moreover, there may be a scarcity of technically proficient individuals in India. To tackle this challenge, DNL implements diverse initiatives, including comprehensive training programmes for professional growth, educating employees on industry nuances and advocating for adherence to international best practices to foster and broaden the current talent pool.

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

MANAGEMENT OUTLOOK

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

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

- **Business Resilience:** Demonstrating the ability to optimise assets and navigate through difficult market conditions effectively.
- **Product Mix Optimisation:** Actively managing our portfolio to meet customer requirements while maximising margins.
- **Deep Customer Relationships:** Maintaining a market leadership position across key products by fostering strong relationships with our customers.
- **Robust Business Controls:** Implementing stringent inventory and working capital optimisation measures, including prudent raw material procurement and the adoption of SAP in DPL, with plans to extend to other entities.

- **Focus on Sustainability:** Working towards sustainability by developing renewable energy solutions to reduce our carbon footprint. Diversification of fuel sources, such as boilers based on briquettes and other materials, contributes to this effort.
- **Operational Excellence:** Continuously improving processes to achieve world-leading efficiency in atomisation and maximising the value of by-products through valorisation.

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

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

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

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

FINANCIAL HIGHLIGHTS FOR THE LAST TEN YEARS

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

* UOM: Units of Measurement

** Interim Dividend

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

@@ Excludes exceptional income derived from sale of land.

Proposed dividend is accounted as and when declared by the Company

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

Notice

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

ORDINARY BUSINESS:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SPECIAL BUSINESS:

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

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

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of ₹ 8,50,000 (Rupees Eight Lakhs Fifty Thousand only) plus applicable tax, travelling and other out of pocket expenses payable to B. M. Sharma & Co., Cost Accountants (Firm Registration No. 00219), the Cost Auditors, appointed by the

Board of Directors of the Company to conduct the audit of the cost records of the Company, for the Financial Year ending March 31, 2024, be and is hereby ratified.

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

By Order of the Board of Directors

Date: May 20, 2024

Place: Vadodara

Arvind Bajpai

Company Secretary

Membership No.: FCS-6713

Registered Office:

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

GENERAL NOTES:

- Pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 21/2021 dated December 14, 2021, Circular No. 02/2022 dated May 05, 2022 and General Circular No. 10/2022, dated December 28, 2022, General Circular No. 09/2023 dated September 25, 2023 and all other relevant circulars issued from time to time by the Ministry of Corporate Affairs (“MCA”) (hereinafter collectively referred to as “the MCA Circulars”). MCA has permitted to hold Annual General Meeting through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”), without the physical presence of Members at a common venue. Hence, in compliance with MCA Circulars, the 53rd Annual General Meeting of the Company (“AGM”) is being held through VC/OAVM.
- In terms of the MCA Circulars, the physical attendance of Members is dispensed with and there is no requirement of appointment of proxies. Accordingly, the facility for appointment of proxies by Members will not be available for the AGM and hence, the Proxy Form and Attendance Slip are not annexed to this Notice. However, Corporate Members are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-Voting. Since the AGM will be held through VC/OAVM, the Route Map for AGM venue is not required to be annexed to the Notice.
- The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- In compliance with the MCA Circulars, Notice of the AGM along with the Annual Report for the Financial Year 2023-24 is being sent only through email to those Members whose email IDs are registered with the Company/Depositories. Members may note that the Notice of the AGM and Annual Report for the Financial Year 2023-24 will also be available on the Company’s website www.godeepak.com and the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively and on the website of NSDL (agency providing the remote e-Voting facility) at www.evoting.nsdl.com.
- Members who have not yet registered their email addresses are requested to register the same with their Depository Participants in case the shares are held by them in electronic mode and with the Company’s Registrar & Share Transfer Agent i.e. Link Intime India Private Limited (“RTA”) in case the shares are held by them in physical mode.
- Process for Registration/update of E-mail ID, PAN, Bank Account Details and other details.

Type of Holder Process to be followed

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

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

7. Members who wish to seek any information with regard to the Financial Statements or any matter to be placed at AGM are requested to write to the Company latest by **July 30, 2024**, through email on investor@godeepak.com so as to enable the Company to keep the information ready at the AGM.
 8. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number ("PAN") by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/ Company's RTA.
 9. SEBI Notification No. SEBI/LAD-NRO/GN/2022/66 dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. The Members may contact the Company or the Company's RTA for assistance in this regard.
 10. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item Nos. 6 of the Notice, is annexed thereto. Further, the relevant details with respect to Item Nos. 4 and 5 pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment /re-appointment at this AGM are also annexed to the Notice.
 11. The Members can join the AGM through VC/OAVM mode, 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 Members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
 12. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the Members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM, i.e. August 6, 2024. Members seeking to inspect such documents can send an email to investor@godeepak.com.
 13. The Register of Members and the Share Transfer Books of the Company will be closed from **Tuesday, July 30, 2024 to Tuesday, August 6, 2024** (both days inclusive) for the purpose of determining the eligibility of the Members entitled to Dividend, subject to the approval of the Members at the AGM.
 14. Members may note that the Board of Directors of the Company, at its meeting held on May, 20, 2024, has recommended a final dividend of ₹ 7.50 (Rupees Seven and Paise Fifty only) per equity share for the Financial Year 2023-24. The dividend as recommended by the Board of Directors, if approved at the AGM, will be paid on or after Monday, August 12, 2024 in respect of shares held in the Company in physical form, to those Members whose names appear in the Company's Register of Members and in respect of shares held in demat form, to those "Deemed Members" whose names appear in the Statement of Beneficial Ownership furnished by the NSDL and CDSL at the close of business hours on Monday, July 29, 2024.
 15. The dividend, once approved by the Members at the ensuing AGM, will be paid electronically through various online transfer modes to those Members who have updated their bank account details. Members holding shares in physical form and who have not updated their bank account details, may submit Form ISR-1 duly signed stating their bank details viz., Name of the Bank and Branch, their A/c type and Core Banking A/c No. with 9 digit MICR and 11 digit IFSC code along with the original copy of cancelled cheque to Link Intime India Private Limited. Requests for payment of dividend through various online transfer modes should be lodged with Link Intime India Private Limited on or before the book closure end date i.e. Tuesday, August 6, 2024. To avoid delay in receiving dividend, Members are requested to update their KYC with their depositories (where shares are held in dematerialised mode) and with the Company's RTA (where shares are held in physical mode) to receive dividend directly into their bank account on the payout date.
 16. Members may note that the Income Tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company after April 1, 2020 shall be taxable in the hands of Members. The Company shall therefore be required to deduct Tax at Source ("TDS") at the time of making the payment of dividends as mentioned above.
- In order to enable the Company to determine the appropriate TDS rate as applicable, Members are requested to submit relevant documents, as specified in the below paragraphs, in accordance with the provisions of the IT Act.

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

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

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

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

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

- Self-attested copy of the PAN card allotted by the Indian Income Tax Authorities duly attested by the Member or in case PAN is not available, details as prescribed under Rule 37BC of Income Tax, Rules, 1962.
- Self-attested copy of Tax Residency Certificate for fiscal 2024 obtained from the revenue authorities of the country of tax residence, duly attested by Member.
- Copy of Form-10F filled electronically on the income tax portal for Financial Year 2024-25, if all the details required in this Form are not mentioned in the Tax Residency Certificate.

- Self-declaration by the Member that (i) does not have a permanent establishment in India under the applicable Tax Treaty, (ii) is the beneficial owner of the dividends, (iii) complies with any other condition prescribed in the relevant Tax Treaty and provisions under the 'MLI' will not have a place of effective management in India.
- FPI shareholders shall, in addition to above documents, also provide SEBI Registration Certificate as FII / FPI.
- Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by the Member.

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

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

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

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

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

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

17. In terms of the provisions of Section 124 and other applicable provisions of the Act, the amount of dividend not encashed or claimed within seven (7) years from the date of its transfer to the unpaid dividend account, will be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Accordingly, the unclaimed dividend in respect of Financial Year 2016-17 is due for transfer to IEPF Fund in August, 2024. Members who have not yet encashed their dividend warrant(s) pertaining to the dividend for the Financial Year 2016-17 onwards,

are requested to lodge their claims for the same with the Company or Registrar and Share Transfer Agent of the Company.

Attention of Members is invited to the provisions of Section 124(6) of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 amended from time to time, which inter alia requires the Company to transfer the equity shares on which the dividend has remained unpaid or unclaimed for a continuous period of seven (7) years, to a special demat account of Investor Education and Protection Fund Authority ("IEPF Authority").

The dividend/shares, once transferred to the said demat account of the IEPF Authority can be claimed after following due procedure prescribed under the said IEPF Rules by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in.

18. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended) and the MCA Circulars dated April 08, 2020, April 13, 2020, May 05, 2020, December 28, 2022 and September 25, 2023, the Company is providing the facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited ("NSDL") for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a Member using remote e-Voting system is provided by NSDL.
19. Members who have cast their votes by remote e-Voting prior to the AGM may participate in the AGM but shall not be entitled to cast their votes again. The manner of voting remotely by Members holding shares in dematerialised mode, physical mode and for Members who have not registered their e-mail addresses is provided in the "Instructions for e-Voting" section which forms part of this Notice.
20. The Board of Directors of the Company has appointed Shri Dinesh Joshi, Practising Company Secretary (Membership No.: FCS-3752), Designated Partner, KANJ & Co. LLP, Company Secretaries, Pune, as the Scrutiniser, to scrutinise the voting during the AGM and remote e-Voting process in a fair and transparent manner.
21. Members holding shares either in physical or dematerialised form, as on **Tuesday, July 30, 2024** ("Cut-off Date"), may cast their votes electronically. The e-Voting period commences on **Saturday, August 3, 2024** (9:00 A.M. IST) and ends on **Monday, August 5, 2024** (5:00 P.M. IST). The e-Voting module will be disabled by NSDL thereafter. A Member will not be allowed to vote again on any Resolution on which vote has already been cast.
22. The voting rights of Members shall be proportionate to their share of the paid-up equity share capital of the Company as on the Cut-off Date, i.e. as on **July 30, 2024**.
23. A person who is not a Member as on the Cut-off Date is requested to treat this Notice for information purposes only.
24. The facility for voting during the AGM will also be made available. Members present at the AGM through VC and who have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through the e-Voting system during the AGM.
25. Any person holding shares in physical form and non-individual shareholders who acquire shares of the Company and become Member of the Company after the Notice is sent and holding shares as of the Cut-off Date, i.e. **July 30, 2024**, may obtain the login ID and password by sending a request at evoting@nsdl.com. However, if he / she is already registered with NSDL for remote e-Voting, then he / she can use his / her existing user ID and password for casting the vote. In case of individual shareholders holding securities in demat mode, who acquire shares of the Company and become Member of the Company after the Notice is sent and holding shares as of the Cut-off Date, may follow steps mentioned in the Notice under 'Instructions for e-Voting'.
26. All Stakeholders are requested to note that the Registered and Corporate Office of the Company has been shifted to 2nd Floor, Fermenter House, Alembic City, Alembic Avenue Road, Vadodara 390 003 with effect from November 10, 2023. All future correspondences should be made to the above mentioned new address only.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-


The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

STEP 1: ACCESS TO NSDL E-VOTING SYSTEM

A) Login method for e-Voting and joining virtual meeting for individual shareholders holding securities in demat mode.

In terms of SEBI Circular dated December 9, 2020 on e-Voting facility provided by listed companies, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.
	
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly.

Type of shareholders	Login Method
	<ol style="list-style-type: none"> If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com Click on login & New System Myeasi Tab and then click on registration option. Alternatively, the user can directly access e-Voting page by providing demat account number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat account. After successful authentication, user will be provided links for the respective e-Voting Service Providers i.e. NSDL where the e-voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option. You will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a Mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

- Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

STEP 2: CAST YOUR VOTE ELECTRONICALLY AND JOIN GENERAL MEETING ON NSDL E-VOTING SYSTEM.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the Resolution, you will not be allowed to modify your vote.

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present at the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system at the AGM.

- Members who have voted through remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-Voting.

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

- Members may note that the 53rd Annual General Meeting of the Company will be convened through VC/OAVM in compliance with the applicable provisions of the Companies Act, 2013, read with the MCA Circulars. The facility to attend the AGM through VC/OAVM will be provided by the Company through NSDL. Members may access the same at <https://www.evoting.nsdl.com>.
- Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system.
- After successful login, you can see link of “VC/OAVM link” placed under “Join meeting” menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of the Company will be displayed.
- Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice to avoid last minute rush.
- Members can join the AGM in the VC/OAVM mode 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
- The Company reserves the right to limit the number of Members asking questions depending on the availability of time at the AGM.
- Members can participate in the AGM through their desktops/ smartphones/ laptops etc. However, for better experience and smooth participation, it is advisable to join the Meeting through desktops/ laptops with high-speed internet connectivity.

- Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore, recommended to use Stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- Members will be required to allow camera and the use Internet with a good speed to avoid any disturbance during the AGM.
- Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/Folio Number, PAN, mobile number at investor@godeepak.com latest by July 30, 2024. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

GENERAL GUIDELINES FOR SHAREHOLDERS

- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser by e-mail to dinesh.joshi@kanjcs.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution/ Power of Attorney/ Authority Letter etc. by clicking on “Upload Board Resolution/Authority Letter” displayed under “e-Voting” tab in their login.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 022 - 4886 7000 or send a request to Ms. Pallavi Mhatre, Senior Manager, NSDL at evoting@nsdl.com.

Process for those shareholders whose email IDs are not registered with the Depositories for obtaining user ID and password and registration of e-mail IDs for e-Voting for the Resolutions set out in this Notice:

Shareholders may send a request to evoting@nsdl.com for obtaining user ID and password for e-Voting

1. In case shares are held in physical mode, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card).
2. In case shares are held in demat mode, please provide DPIDCLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card).
3. If you are an individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at Step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

4. In terms of SEBI Circular dated December 9, 2020 on e-Voting facility provided by listed companies, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

Other Instructions

- The Scrutiniser shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-Voting and submit, not later than 48 hours of conclusion of the AGM, a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing.
- The result declared along with the Scrutiniser's Report shall be placed on the Company's website at www.godeepak.com and on the website of NSDL, <https://www.evoting.nsdl.com>. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the equity shares of the Company are listed.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**Item No. 6**

The Board of Directors of the Company, upon recommendation of the Audit Committee, has approved the appointment of B. M. Sharma & Co., Cost Accountants (Firm Registration No. 00219) as the Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2025. Also, upon recommendation of the Audit Committee, the remuneration of the Cost Auditors was fixed by the Board of Directors at ₹ 8,50,000 (Rupees Eight Lakhs Fifty Thousand only) plus applicable taxes, travelling and other out of pocket expenses for performing the audit as mentioned above.

In accordance with the provisions of Section 148 of the Act, read with the Companies (Audit and Auditors) Rules, 2014, the

remuneration payable to the Cost Auditors is required to be ratified by the Members of the Company.

Accordingly, approval of Members is being sought for the Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending March 31, 2025.

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

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

By Order of the Board of Directors

Date: May 20, 2024
Place: Vadodara

Registered Office:

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

Arvind Bajpai

Company Secretary
Membership No.: FCS-6713

Annexure – I To The Notice

Additional information for the Directors seeking appointment / re-appointment at the AGM as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Name of Director	Shri Ajay C. Mehta
DIN	00028405
Date of Birth	July 28, 1959
Age	65 Years
Brief resume covering expertise in specific functional areas and experience	<p>Shri Ajay C. Mehta has a Bachelor's degree in Science from the University of Mumbai and a Master's degree in Chemical Engineering from the University of Texas.</p> <p>He has over 36 years of experience with chemical, petrochemical, fertiliser, manufacturing and investment companies. He has been actively associated with the Company since 1984 and was the Managing Director of the Company from December 1989 till December 2017. With extensive experience, a comprehensive approach and industry foresight, Shri Mehta has paved the way for innovation and excellence at Deepak Nitrite Limited. He is presently a Non-Executive Director of the Company and the Managing Director of Deepak Novochem Technologies Limited.</p> <p>He is a member of the Executive Committee of Mahratta Chamber of Commerce, Industries and Agriculture and various other developmental institutions and social organisations.</p>
Qualifications	Science Graduate with Honours and Master of Science (Chemical Engineering) from the University of Texas, USA.
Directorships held in companies	<p>Listed Companies Deepak Nitrite Limited</p> <p>Unlisted Companies Deepak Novochem Technologies Limited Blueshell Investment Private Limited Sofotel Infra Private Limited Prolific Credits and Capital Private Limited Lakaki Works Private Limited Deepak Assets Reconstruction Private Limited Crossover Advisors Private Limited Satej International Resources Private Limited (Previously known as Synergy Li Power Resources (India) Private Limited Shalimar Distributors and Investments Private Limited Form3d Solutions Private Limited Blackhill Investments Private Limited Deepak Research and Development Foundation Binarius Infra Private Limited</p>
Membership / Chairmanship of committees of public companies	<p>Deepak Nitrite Limited Stakeholders' Relationship & Investors Grievances Committee - Chairman Project Committee – Member</p>
Shareholdings in the Company, including Shareholding as a Beneficial Owner	Nil

Name of Director	Shri Ajay C. Mehta	
Disclosure of relationships between Directors inter-se	Shri Ajay C. Mehta is brother of Shri Deepak C. Mehta, Chairman & Managing Director and uncle of Shri Maulik Mehta, Executive Director & CEO and Shri Meghav Mehta, Non-Executive Director of the Company.	
Remuneration received from the Company in the Financial Year 2023-24	Sitting Fees : ₹ 3.40 Lakhs Commission : ₹ 15.00 Lakhs (for the Financial Year 2022-23 paid in the Financial Year 2023-24) Total : ₹ 18.40 Lakhs	
Terms and conditions of appointment / re-appointment along with details of remuneration sought to be paid	He shall be liable to retire by rotation. He shall be entitled for the sitting fees and reimbursement of expenses for attending meetings of Board or Committee thereof and payment of Commission on Net Profits as approved by the Shareholders.	
Date of first appointment on the Board	December 1, 1989	
The number of Meetings of the Board attended during the Financial Year 2023-24 / during the tenure of their appointment	No. of Board Meetings held 6	No. of Board Meetings attended 6

Name of Director	Shri Meghav Mehta	
DIN	05229853	
Date of Birth	September 24, 1986	
Age	37 Years	
Brief resume covering expertise in specific functional areas and experience	<p>Shri Meghav Mehta is a Mechanical Engineer from the Rochester Institute of Technology (New York, USA) with a specialization in Material Science Technology and Alternative Energy.</p> <p>Shri Meghav Mehta has been the Executive Director of Deepak Phenolics Limited ('DPL'), a wholly owned subsidiary of the Company, from May 2, 2019 till May 1, 2024. He is an astute strategist and was instrumental in commissioning the Phenol plant including successful implementation of various projects for manufacturing downstream products of Phenol and Acetone. At DPL, he has played a very crucial role including in creating the organisational structure, formulating of policies, setting up internal controls, overseeing the operations and setting up of robust IT infrastructure.</p> <p>He is also at the helm of affairs of digitalisation in the Group. This encompasses all spheres of activities like – procurement, marketing, operations, logistics, quality, hydrocarbon accounting etc. He is a great advocate of Artificial Intelligence and Machine Learning and constantly working towards engaging these concepts into and any sphere of activities of the Group.</p> <p>Presently, he is the Executive Director & Chief Executive Officer of Deepak Chem Tech Limited, another wholly owned subsidiary and would be looking after execution of all major projects being implemented and to be implemented over the years.</p>	
Qualifications	Mechanical Engineer from the Rochester Institute of Technology (New York, USA) with a specialization in Material Science Technology and Alternative Energy.	
Directorships held in companies	<p>Listed Companies Deepak Nitrite Limited</p> <p>Unlisted Companies Deepak Phenolics Limited Deepak Chem Tech Limited Deepak PMC Limited OXOC Chemicals Limited Voidcoin Software Private Limited Hyspec Chemicals Private Limited (Formally known as Hyspec Chemicals Limited)</p>	
Membership / Chairmanship of committees of public companies	<p>Deepak Phenolics Limited Project Committee - Member Risk Management Committee - Member</p> <p>Deepak Chem Tech Limited Project Committee – Member</p>	
Shareholdings in the Company	47,290 Equity Shares	
Disclosure of relationships between Directors inter-se	Shri Meghav Mehta is son of Shri Deepak C. Mehta, Chairman & Managing Director, brother of Shri Maulik Mehta, Executive Director & CEO and nephew of Shri Ajay C. Mehta, Non-Executive Director of the Company.	
Remuneration received from the Company in the Financial Year 2023-24	<p>Sitting Fees : ₹ 2.40 Lakhs</p> <p>Commission : ₹ 10.00 Lakhs (for the Financial Year 2022-23 paid in the Financial Year 2023-24)</p> <p>Total : ₹ 12.40 Lakhs</p>	
Terms and conditions of appointment / re-appointment along with details of remuneration sought to be paid	He shall be liable to retire by rotation. He shall be entitled for the sitting fees and reimbursement of expenses for attending meetings of Board or Committee thereof and payment of Commission on Net Profit as approved by the Shareholders.	
Date of first appointment on the Board	May 4, 2022	
The number of Meetings of the Board attended during the Financial Year 2023-24 / during the tenure of their appointment	No. of Board Meetings held 6	No. of Board Meetings attended 6

INFORMATION AT A GLANCE:

Particulars	Details
Time and date of AGM	11:30 a.m. IST, Tuesday, August 6, 2024
Mode	Video Conferencing and Other Audio Visual Means
Webcasts and transcripts	https://www.godeepak.com/financial-result/
Book Closure period	July 30, 2024 to August 6, 2024 (both days inclusive)
Final Dividend Payment date	Within 30 days from the date of declaration of Dividend
Information on final dividend 2023-24	₹ 7.50/- (Rupees Seven and Paisa Fifty only)
Cut-off date for e-voting	Tuesday, July 30, 2024
E-voting start time and date	9:00 a.m. Saturday, August 3, 2024
E-voting end time and date	5:00 p.m. Monday, August 5, 2024
Name, address and contact details of e-voting service provider	<p>Contact Name Ms. Pallavi Mhatre Senior Manager</p> <p>National Securities Depository Limited 4th Floor, A wing, Trade world, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400013, India</p> <p>Email Id: evoting@nsdl.com</p> <p>Contact Number 022-48867000</p>
Name, address and contact details of Registrar and Transfer Agent	<p>Shri Alpesh Gandhi Asst. Vice President</p> <p>Link Intime India Private Limited "Geetakunj" 1, Bhakti Nagar Society, Behind ABS Tower, Old Padra Road, Vadodara – 390 015 Tel: 0265 - 3566768</p>

By Order of the Board of Directors

Arvind Bajpai

Company Secretary

Membership No.: FCS-6713

Date: May 20, 2024

Place: Vadodara

Registered Office:

2nd Floor, Fermenter House,
Alembic City, Alembic Avenue Road,

Vadodara – 390 003, Gujarat

Tel: +91-265-2765200

Fax: +91-265-2765344

Email: investor@godeepak.com

Website: www.godeepak.com

CIN: L24110GJ1970PLC001735

Directors' Report

Dear Shareholders

Your Directors have pleasure in presenting the Fifty Third (53rd) Annual Report and the Third (3rd) Integrated Report of Deepak Nitrite Limited ('DNL' or 'your Company' or 'the Company') along with the Audited Financial Statements for the Financial Year ('FY') ended March 31, 2024. The Directors' Report has been prepared on a standalone basis and the consolidated performance of the Company and its subsidiaries has been referred to wherever required.

FINANCIAL RESULTS

Your Company's financial performance for the year ended March 31, 2024 is summarized below:

(₹ in Crores)

Particulars	Standalone Results		Consolidated Results	
	2023-24	2022-23	2023-24	2022-23
Total Revenue (Gross)	2,848.05	3,135.13	7,757.93	8,019.64
Operating Profit Before Depreciation, Finance Cost, Exceptional Item and Tax (EBITDA)	567.34	687.57	1,199.41	1,336.96
Less: Depreciation and Amortization expenses	86.79	76.16	165.66	166.30
Less: Finance Costs	2.09	1.57	11.83	24.78
Profit Before Exceptional Item & Tax	478.46	609.84	1,021.92	1,145.88
Exceptional Items	79.80	-	79.80	-
Profit Before Tax	558.26	609.84	1,101.72	1,145.88
Less: Tax expenses	124.83	140.45	290.83	293.88
Net Profit for the Year	433.43	469.39	810.89	852.00
Other Comprehensive Income	(1.66)	(4.85)	(1.95)	(5.00)
Total Comprehensive income for the Year	431.77	464.54	808.94	847.00
Surplus brought forward from previous year	2,063.41	1,694.52	3,528.32	2,776.96
Balance available for Appropriation	2,495.06	2,158.89	4,337.14	3,623.79

During FY 2023-24, the global chemical industry encountered multiple challenges such as uneven economic growth, sustained inflationary pressures and the response from Central Banks around the world which resulted in prevalence of higher interest rates. This was accompanied by geo-political challenges including continuation of Russia-Ukraine conflict and the re-emergence of geo-political skirmishes in the Middle East which have contributed to higher cost of doing business.

Overall global consumption has been hit, more particularly in Europe, thereby impacting demand for the chemical industry. Further, given the macro-economic backdrop, businesses have moved into cost optimisation mode including a return to leaner inventory levels. Combined with the destocking by Chinese players, this has led to softness in product realisations across the board.

Despite these challenges, DNL demonstrated resilience, maintaining performance levels through sustained demand from end-user industries. By increasing sales volumes and retaining market share, the Company navigated the transitional external environment. DNL strategically implemented backward and forward integration

projects to bolster long-term growth momentum, with plans for periodic commissioning over the coming quarters. Adopting various strategies including exploring new customer opportunities and optimizing procurement, DNL aimed to safeguard market share and profitability as much as possible, amidst challenging market dynamics.

In this context, DNL reported sustained operating performance, achieving volume gains for key products and maintaining or expanding market and wallet share. Your Company's efforts to expand its product portfolio and prioritize strategic relationships have contributed to reliable supplies and improved efficiencies, enabling production optimization and output enhancement. Despite pockets of volatile demand in certain segments, DNL's diverse product portfolio has provided resilience, with its Phenol plant operating at high capacity utilization despite scheduled maintenance of 15 days during the first quarter of FY 2023-24. Looking ahead, the Company focuses on delivering continued growth supported by upstream integration, capacity expansion and secured input supplies, ensuring a clear pathway to increase output in order to meet the anticipated increase in demand.

PERFORMANCE REVIEW

Standalone

Financial Year 2023-24 presented several challenges owing to various global macroeconomic pressures and a slower-than-expected rise in consumption, resulting in adverse impact on financial performance. The chemical industry encountered difficulties due to prolonged inventory destocking as a result of lower demand, coupled with aggressive actions by Chinese players bordering on dumping of products in key markets, logistical challenges fuelled by disturbances in the Red Sea. Despite ongoing global challenges like inflation, compression of inventory by customers and a slowdown in the Eurozone, your Company displayed remarkable agility in its operations. Your Company focused on optimising its assets and driving further production efficiencies. Your Company leveraged its brand equity and market position to prioritize reliable supplies to key strategic relationships. The improved production volumes were placed with customers enabling the Company to report volume led growth. As a result, your Company maintained steady revenue by meeting delivery obligations and was successful in maintaining or expanding its market share across all business segments.

DNL reported increased volumes and heightened wallet share year-on-year, although realization trends reflected subdued demand recovery in sectors like agrochemicals, textiles and dyes & pigments. DNL's broad product portfolio and versatile plant capability has allowed to focus on driving volume-led growth in certain pockets, which have enabled it to counter balance subdued demand sentiment in other parts of the portfolio. Sectors like construction, infrastructure and homecare demonstrated encouraging growth prospects. DNL displayed a resilient business performance with growth across several product categories. Additionally, the Company successfully piloted a new agro intermediate product, laying the foundation for further expansion and deeper strategic partnerships in the coming years.

In FY 2023-24, your Company's Total Revenue, including Other Income, came in at ₹ 2,848 Crores. Despite challenges, DNL strategically allocated resources to cater to high-demand applications until agrochemical demand normalizes, leveraging multi-purpose plants for flexibility. During the year, the commissioning of multiple opex initiatives led to gain in production capacity and throughput for several key intermediates.

EBITDA for FY 2023-24 stood at ₹ 567 Crores, down by 17% from the previous year to ₹ 1,476 Crores. Profit Before Tax decreased by 22% to ₹ 478 Crores, with Profit After Tax at ₹ 433 Crores.

Depreciation and Finance Costs amounted to ₹ 87 Crores and ₹ 2 Crores, respectively, with DNL continue having debt-free status as of March 31, 2024 and surplus funds invested in liquid mutual funds for liquidity and stability.

Domestic Revenue decreased by 16% to ₹ 1,447 Crores, impacted by softer demand in key industries, while Export Revenue stood at ₹ 1,278 Crores, driven by targeted initiatives in favourable markets. Your Company continues to prioritize wallet share and debottlenecking initiatives to enhance volumes amidst mixed industry sentiment.

With respect to fire incident occurred during June 2022 in warehouse areas at the Company's Nandesari plant, there was damage to certain properties, plant, equipment and inventory as well as loss of profit due to business interruption, for which the Company had filed the insurance claim with insurance companies. Upon pursuing the insurance claim rigorously, the Company has received ₹ 127 Crores towards final settlement of insurance claim from insurance companies. Accordingly, an amount of ₹ 79.80 Crores has been recognised under Exceptional Items in the Statement of Profit and Loss for the year ended March 31, 2024

In a key development, Deepak Phenolics Limited, a wholly owned subsidiary, inked a term sheet with Petronet LNG, for long term supply of Propylene and Hydrogen, from their proposed Propane dehydrogenation facility being set up at Dahej, marking a pivotal step in securing its growth trajectory. This arrangement significantly derisks Deepak Group's multi-year growth plan by guaranteeing a stable supply of critical raw materials via pipeline. Notably, the utilization of pipelines for supply not only enhances safety and cost-effectiveness but also minimizes environmental impact, contrasting favourably with traditional road and rail transport methods. DPL is poised to receive 250 KTPA of Propylene and 11 KTPA of Hydrogen, ensuring uninterrupted production processes at a competitive cost. The long-term nature of this arrangement not only assures Deepak Group of reliable feedstock access but also underscores its commitment to sustainable practices.

Looking ahead, DNL aims to become one of the most integrated chemical complexes globally, leveraging both large-volume production and high-value speciality products. With a focus on innovation and market responsiveness, the Company aims to bridge the demand-supply gap and become a preferred partner for global customers, positioning itself for sustained growth and resilience in the face of market fluctuations.

Deepak Phenolics Limited

Deepak Phenolics Limited ('DPL') is a wholly owned material subsidiary of your Company. During FY 2023-24, DPL recorded Revenues of ₹ 5,003 Crores compared to ₹ 4,970 Crores in FY 2022-23. The Profit After Tax increased by 6% to ₹ 474 Crores in FY 2023-24 as compared to ₹ 445 Crores in FY 2022-23. Despite the contraction of Phenol spreads due to disproportionate imports, DPL managed to maintain Revenue and EBITDA figures. This was primarily attributed to higher volumes in Phenolics, combined with gains from operating leverage and process optimization.

In FY 2023-24, DPL demonstrated remarkable resilience with impressive sales volumes in the Phenolics segment, despite grappling with the challenge of weak spread. Leveraging its integrated manufacturing setup and high utilization rates, DPL maintained its margins. The Phenolics volume surged by 12%, providing a substantial uplift to the overall performance. DPL set new production records for Phenol, Acetone, Cumene and IPA, driven by significant efficiency enhancements. Nevertheless, DPL's Phenolics segment remains on track to enhance downstream product offerings, through its fellow subsidiary, Deepak Chem Tech Limited, leading to higher stronger value chain and integration.

DPL also remains debt-free on a net basis, with total liquid investments of ₹ 302 Crores, having successfully implemented SAP.

Deepak Chem Tech Limited

Deepak Chem Tech Limited ('DCTL'), another wholly owned material subsidiary, implementing several projects aimed at producing intermediate chemicals for diverse applications, leveraging the Group's existing competencies and product portfolio. During FY 2023-24, the Group has contributed around ₹ 700 Crores in DCTL towards part funding its various capex programs, out of which, around ₹ 500 Crores is in the form of Equity and ₹ 40 Crores is in the form of Non-Cumulative Optionally Convertible Redeemable Preference Shares.

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

Further, DCTL is about to commission Nitric Acid projects, both diluted and concentrated. This is expected to cater to requirements of nitric acid, in existing and future products around nitration chemistry. The MIBK/MIBC projects is nearing completion and is expected to be operational in the second half of the current Financial Year.

DCTL is actively pursuing projects across two sites in Gujarat, focusing on Advanced Intermediates (AI) and Phenolics business segments, to start with. Further, a significant milestone was achieved when DCTL signed two Memorandum of Understanding ('MOU') totalling nearly ₹ 14,000 Crores with the Government of Gujarat with an intention to invest in setting up projects at Dahej, in the state of Gujarat. This includes MOU worth ₹ 5,000 Crores signed on May 23, 2023 for setting up facility to produce speciality chemicals, Phenol, Acetone and Bisphenol within the state. The additional MOU worth ₹ 9,000 Crores inked on January 31, 2024 is to establish projects for manufacturing of three (3) new products, Polycarbonate Resins, Methyl Methacrylate (MMA)/ Poly Methyl Methacrylate (PMMA) Resins and compounds, as well as Aniline. All announced investments are expected to be completed by FY 2027-

28, reinforcing the Group's commitment to import substitution through value-addition.

DCTL places significant emphasis on project timelines, costs, health, safety, environment and compliances. Aligned with the Group's philosophy, DCTL prioritizes sustainable processes and easy scalability to facilitate future expansions at lower costs, thereby enhancing efficiency, implementing green practices and reducing carbon footprints.

Towards this, Shri Meghav Mehta has taken the charge of DCTL as the Executive Director & Chief Executive Officer with effect from May 2, 2024 and the Board of DCTL is being further strengthened by recommending to the shareholders of DCTL, the appointment of Shri Sanjay Asher and Smt Purvi Sheth as Independent Directors with effect from May 21, 2024.

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

Consolidated

During FY 2023-24, your Company encountered formidable challenges stemming from inventory destocking by China, geopolitical uncertainties, commodity price volatility and fluctuating foreign exchange rates. Despite this complex environment, which include, inter alia, unabated logistical challenges amidst skirmishes arose in Red Sea, the Company's steadfast commitment to operational excellence, asset optimization and stringent business controls enabled it to navigate these hurdles effectively. By engaging closely with customers, DNL managed to either preserve or expand its market share while maintaining leadership across key product segments, positioning itself favourably to leverage growing demand and India's import substitution initiative.

The Consolidated total Revenue for FY 2023-24 stood at ₹ 7,758 Crores, down 3% from the previous year's ₹ 8,020 Crores. Though Revenue was marginally low owing to lower realisations, volumes grew significantly in both business segments by about 13%. Despite industry-wide challenges related to inventory destocking and sluggishness in certain markets, DNL proactively pursued development opportunities, adding new customers and markets to its portfolio while maintaining or increasing wallet share. Higher volumes across key business segments, particularly in Phenolics, facilitated sustainable Revenue volume growth, with consistently high utilization levels throughout the year.

In terms of profitability, Profit Before Tax (excluding exceptional items of ₹ 79.80 Crores) for FY 2023-24 totalled ₹ 1,022 Crores, against ₹ 1,146 Crores in FY 2022-23, while Profit After Tax was

₹ 811 Crores, against ₹ 852 Crores in FY 2022-23. Despite the ongoing economic recovery and macroeconomic challenges, DNL managed to enhance its operational efficiency, increased market share and wallet share. Geographically, Domestic Revenue stood at ₹ 6,135 Crores, while Revenue from Exports also grew to ₹ 1,547 Crores, demonstrating the Company's resilience and strong global engagement.

On the financial front, DNL maintains a zero-debt position with a Consolidated Net Worth of ₹ 4,797 Crores as of March 31, 2024, alongside significant liquid investments. The Company has undertaken digitalization initiatives, including SAP implementation, to enhance operational efficiencies, streamline processes and reduce costs.

Meanwhile, DNL made significant strides, inaugurating and commissioning its Fluorination plant at Dahej. With anticipated investments of approximately ₹ 2 billion, DNL aims to enhance supply chain robustness through backward and forward integration.

Additionally, a robust project pipeline, coupled with planned investments of around ₹ 2,200 Crores expected to be commissioned in FY 2024-25, reinforces the Group's commitment to capacity expansion and growth. The construction of a state-of-the-art Research & Development Centre at Savli, Vadodara reflects the Company's dedication to innovation and global competitiveness, positioning it well for future opportunities and sustained growth.

DECLARATION AND PAYMENT OF DIVIDEND

The Board of Directors of your Company is pleased to recommend a Dividend of ₹ 7.50 (Rupees Seven and Paise Fifty only) per Equity Share for the year ended March 31, 2024 maintaining the same rate as was in the previous year. The total Dividend as above on 13,63,93,041 Equity Shares of face value of ₹ 2.00 (Rupees Two only) each, if approved by the Members at the ensuing Annual General Meeting, would involve a total outgo amount of ₹ 102.29 Crores, resulting in a Dividend Payout of 23.60% of the Standalone Profit After Tax of the Company. The Company's Register of Members and Share Transfer Books will be closed from Tuesday, July 30, 2024 to Tuesday, August 6, 2024 (both days inclusive) for the purpose of payment of Dividend for the year ended March 31, 2024 and 53rd Annual General Meeting of the Company. It is important to note that, as per the Finance Act of 2020, payment of Dividend is now subject to taxation and the Company is required to deduct tax at source from the Dividend paid to Members, as per the rates prescribed in the Income Tax Act of 1961.

DIVIDEND DISTRIBUTION POLICY

The Dividend Distribution Policy as formulated and adopted by the Board in terms of Regulation 43A of the SEBI (Listing Obligations and Disclosures Requirements), Regulations, 2015 ('Listing Regulations') is available on the Company's website and can be assessed at the link https://www.godeepak.com/wp-content/uploads/2023/11/DNL_Dividend-Distribution-Policy.pdf.

UNCLAIMED DIVIDENDS

Details of outstanding and unclaimed dividends previously declared and paid by the Company are given under the Corporate Governance Report.

SHARE CAPITAL

The issued, subscribed and paid-up Equity Share Capital of the Company as on March 31, 2024, is ₹ 27.28 Crores, comprising of 13,63,93,041 Equity Shares of face value of ₹ 2.00 (Rupees Two only) each.

During FY 2023-24, the Company has not issued any Equity Shares accordingly, there is no change in the Equity Share Capital of the Company during FY 2023-24.

TRANSFER TO RESERVES

The Board of Directors has decided to retain entire amount of Profit during FY 2023-24 appearing in the Statement of Profit and Loss and no amount is proposed to be transferred to Reserves.

FINANCE

Your Company maintains a strategic focus on achieving a balanced capital structure across its consolidated operations, emphasizing efficient working capital management while adhering to stringent criteria and maintaining a prudent level of debt. Through the implementation of enhanced working capital management practices, your Company remains to be zero debt Company for the fiscal year in review. This accomplishment speaks of the Company's commitment to financial prudence and operational excellence.

DNL has capitalized on its strong credit rating to access advantageous terms in its financial activities, leading to reduced expenses even in the absence of debt. With a dedicated team of specialists overseeing Foreign Exchange exposure, your Company effectively mitigates associated risks, ensuring stability in its financial performance. Thanks to proactive management strategies, the Company has efficiently managed its cash flow position, maintaining a standalone Net Debt: Equity ratio of nil as of March 31, 2024, consistent with the previous year's performance.

Overall, your Company remains positioned as a formidable player in the industry, driven by a commitment to delivering high-quality products supported by a robust product mix. ICRA Limited's recent reaffirmation of your Company's strong credit ratings, including [ICRA] AA for long-term and [ICRA] A1+ for short-term ratings, underscores the confidence in your Company's financial health.

Moreover, the positive outlook provided for both DNL and its wholly owned subsidiary, Deepak Phenolics Limited, reflects optimism regarding future prospects. Similarly, Deepak Chem Tech Limited was also awarded with a rating of [ICRA] A for long-term, showcasing strength of projects in the very first year.

DIRECTORS

As on March 31, 2024, the Company has twelve (12) Directors with an optimum combination of Executive and Non-Executive Directors including one (1) women Director. The Board comprises of eight (8) Non-Executive Directors, out of which six (6) are Independent Directors.

In accordance with the provisions of Section 152 of the Companies Act, 2013 ('the Act'), Shri Meghav Mehta (DIN: 05229853) and Shri Ajay C. Mehta (DIN: 00028405) will be retiring by rotation at the ensuing 53rd Annual General Meeting ('AGM') of the Company and being eligible, offered themselves for re-appointment.

Brief resume, nature of expertise, disclosure of relationship between Directors inter-se, details of directorships and committee membership held in other companies of the Directors proposed to be appointed / re-appointed, along with their shareholding in the Company, as stipulated under Secretarial Standard 2 and Regulation 36 of the Listing Regulations, is appended as an Annexure to the Notice of the ensuing Annual General Meeting.

The Members of the Company at their 52nd Annual General Meeting held on August 4, 2023, approved the following:

- a) Appointment of Shri Girish Satarkar (DIN: 00340116) as a Director liable to retire by rotation in place of Shri S. K. Anand (DIN:00001792), who retired by rotation and also the appointment of Shri Girish Satarkar (DIN: 00340116) as Whole-time Director designated as Executive Director of the Company for a period of three (3) years with effect from August 4, 2023.
- b) Re-appointment of Shri Deepak C. Mehta (DIN: 00028377) as the Chairman & Managing Director of the Company for further period of five (5) years with effect from December 14, 2023 and continue as the Chairman & Managing Director beyond the age of seventy (70) years.
- c) Re-appointment of Shri Dileep Choksi (DIN: 00016322) as an Independent Director of the Company for a second term of three (3) consecutive years with effect from August 7, 2023.

INDEPENDENT DIRECTORS

Shri Sanjay Asher, Smt. Purvi Sheth, Shri Dileep Choksi, Shri Punit Lalbhai, Shri Vipul Shah and Shri Prakash Samudra are Independent Directors on the Board of your Company.

All the Independent Directors of the Company have submitted their declarations to the Company under Section 149(7) of the Act that they meet the criteria of independence as provided under Section 149(6) of the Act read with Regulation 16(1) (b) of the Listing Regulations. There has been no change in the circumstances affecting their status as Independent Directors of the Company. During the year under review, the Company did not have any pecuniary relationship or transactions with any of its Independent Director, other than payment of sitting fees and re-imbursment of expenses for attending meetings of Board and Committee thereof and also Commission on Net Profits of the Company as approved by the Members of the Company, in accordance with the provisions of Act and Listing Regulations.

As per requirements of the Act, a separate meeting of Independent Directors, without presence of members of management of the Company, was held on March 12, 2024 to evaluate the performance of the Chairperson, Non-Independent Directors and the Board as a whole and also to assess the quality, quantity and timeliness of flow of information between the management of the Company and the Board. All Independent Directors were present at the said meeting.

The Board is of the opinion that Directors of your Company including Independent Directors possess requisite qualifications, integrity, expertise and experience in their respective fields.

BOARD EVALUATION

The annual evaluation process of individual Directors, the Board and Committees was conducted in accordance with the provision of the Act and the Listing Regulations.

Pursuant to the requirement of the Act and the Listing Regulations and upon recommendation of the Nomination and Remuneration Committee, the Board has adopted a Performance Evaluation Policy specifying the criteria for effective evaluation of Board, its Committees and individual Directors. The performance evaluation criteria for Independent Directors are also provided in the Performance Evaluation Policy as adopted by the Board.

The process of performance evaluation is in line with the provisions of the Act and the Listing Regulations and the Board has carried out an annual evaluation of its own performance, its Committees and individual Directors, based on the criteria as provided in the Performance Evaluation Policy. The performance of the Independent Directors was evaluated by the entire Board without the presence of Independent Director being evaluated, at their meeting held on May 20, 2024. Based on such evaluation, the Board is of the view that all Independent Directors are having thorough knowledge, expertise and experience in their respective areas. They also have very good understanding of the Company's business and the general economic environment it operates. They devote quality time and full attention to understand key issues relating to business of the Company and advising on the same. Their valuable contribution has certainly improved the governance standards within the Company.

The criteria for evaluation of performance of Independent Directors are:

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

The performance of the respective Committees was also evaluated by the Board after seeking inputs from the Committee members. Based on such evaluation, the Board is of the view that various Committee of Directors are well constituted by way of having optimum number of Independent Directors with precise Terms of Reference / Charter. The respective Committees actively discussed various matters and effective suggestions were made concerning business, operations and governance of the Company. Your Directors have expressed their satisfaction to the evaluation process. Based on the declarations received from the Independent Directors, the Board of Directors of your Company confirms the integrity, expertise and experience (including the proficiency) of the Independent Directors of the Company appointed during the year.

KEY MANAGERIAL PERSONNEL

As required under Section 2(51) and Section 203 of the Act read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, following persons are the Key Managerial Personnel of your Company:

1. Shri Deepak C. Mehta, Chairman & Managing Director
2. Shri Maulik Mehta, Executive Director & Chief Executive Officer
3. Shri Sanjay Upadhyay, Director (Finance) & Group CFO
4. Shri Girish Satarkar, Executive Director
5. Shri Somsekhar Nanda, Chief Financial Officer
6. Shri Arvind Bajpai, Company Secretary

There were no changes in Key Managerial Personal during the year ended March 31, 2024 except that Shri Girish Satarkar was appointed as the Whole-time Director designated as the Executive Director w.e.f. August 4, 2023.

NUMBER OF MEETINGS OF THE BOARD AND COMMITTEES OF THE BOARD

During FY 2023-24, six (6) meetings of the Board of Directors were held. The details of the meetings of the Board of Directors and attended by Directors are given in the Corporate Governance Report forming part of this Report.

The intervening gap between the meetings was not more than 120 days, as prescribed under the Act and the Listing Regulations.

Details of composition, terms of reference and number of meetings held in FY 2023-24 for various Committees of the Board are given in the Corporate Governance Report, which forms part of this Report. Further, during FY 2023-24, all recommendations made by various Committees have been accepted by the Board.

AUDIT COMMITTEE

A duly constituted Audit Committee is in place having three (3) members, all being Independent Directors. Shri Dileep Choksi is

the Chairman of the Audit Committee. The other members of the Audit Committee are Shri Sanjay Asher and Shri Vipul Shah. The Committee's purpose is to oversee the accounting and financial reporting process of the Company, the audits of the Company's Financial Statements, the appointment, independence and performance of the Statutory Auditors and the Internal Auditors.

The terms of reference of the Audit Committee details of meetings held during the year and attendance of members of the Audit Committee are provided in the Corporate Governance Report, which is a part of this Report.

STATUTORY AUDITORS

Pursuant to the provisions of the Act and the Rules made thereunder, Deloitte Haskins & Sells LLP, Chartered Accountants, (Firm Registration No.: 117366W/ W-100018) were re-appointed as Statutory Auditors of your Company at the 51st Annual General Meeting of the Company held on August 3, 2022, to hold office as the Statutory Auditors for a second term of five (5) consecutive years from the conclusion of the 51st Annual General Meeting upto the conclusion of 56th Annual General Meeting of the Company. During the year, the Statutory Auditors have confirmed that they satisfy the independence criteria required under the Act.

STATUTORY AUDITOR'S REPORT

The observations made in the Auditors' Report of Deloitte Haskins & Sells LLP, Chartered Accountants, for the year ended March 31, 2024, read together with relevant notes thereon, are self-explanatory and hence do not call for any comments. There is no qualification, reservation or adverse remark by the Statutory Auditors in their Report.

SECRETARIAL AUDITORS

The Secretarial Audit for the year ended March 31, 2024 was carried out by the Secretarial Auditors, KANJ & Co. LLP, Company Secretaries, Pune. Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of your Company has re-appointed KANJ & Co. LLP, Company Secretaries, Pune to carry out Secretarial Audit of your Company for FY 2024-25.

SECRETARIAL AUDITOR'S REPORT

The Secretarial Audit Report of KANJ & Co. LLP, Company Secretaries, Pune, for the year ended March 31, 2024 in Form MR-3 is annexed as Annexure - A, which forms part of this Report. The Secretarial Audit Report for FY 2023-24, does not contain any qualification, reservation or adverse remark by the Secretarial Auditor.

SECRETARIAL AUDIT REPORT OF MATERIAL UNLISTED SUBSIDIARY

As per Regulation 24(1) of Listing Regulations, the Company is required to annex the Secretarial Audit Report of its material unlisted subsidiary/ies to its Annual Report. The Secretarial Audit

of Deepak Phenolics Limited ('DPL'), a material unlisted subsidiary, was undertaken by Samdani Shah & Kabra, Company Secretaries, Vadodara for the year ended March 31, 2024. The said Secretarial Audit Report confirms that DPL has complied with the provisions of the Act, Rules, Regulations and Guidelines and that there were no deviations or non-compliances. The Secretarial Audit Report of DPL is annexed to this Report as Annexure-B as per the requirement of the Listing Regulations.

Deepak Chem Tech Limited, is a wholly owned subsidiary of the Company, which became a 'material unlisted subsidiary' during FY 2023-24 and for which Secretarial Audit shall be applicable from FY 2024-25. Accordingly, the Secretarial Audit Report of Deepak Chem Tech Limited is not required to be annexed to this Report.

COST AUDITORS

As per Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the Company is required to prepare, maintain as well as have the audit of its cost records conducted by a Cost Accountant and accordingly, it has made and maintained such cost accounts and records. The Board, on the recommendation of the Audit Committee, has appointed B. M. Sharma & Co., Cost Accountants (Firm Registration No. 00219) as the Cost Auditors of the Company for FY 2024-25 at a remuneration of ₹ 8,50,000 (Rupees Eight Lakhs Fifty Thousand only) plus applicable taxes and out of pocket expenses. As required under provisions of the Act, the remuneration of Cost Auditors as approved by the Board of Directors is subject to ratification by the Members at the ensuing Annual General Meeting. An Ordinary Resolution for the ratification of remuneration of Cost Auditors for FY 2024-25 is provided in the Notice convening 53rd Annual General Meeting for approval by the Members. Your Directors recommend the same for approval by the Members.

The Cost Auditors have confirmed that they are free from disqualification specified under Section 148(5) read with Section 141(3) of the Act and that the appointment meets the requirements of the Act. They have further confirmed their independent status and an arm's length relationship with the Company.

The Cost Audit Report for FY 2023-24 will be filed within the prescribed period of 180 days from the close of the Financial Year.

INTERNAL AUDITORS

Upon recommendation of the Audit Committee, the Board of Directors of the Company has re-appointed Sharp & Tannan Associates, Chartered Accountants, as Internal Auditors of your Company to conduct the Internal Audit for FY 2024-25. The Internal Auditors reports their findings and status thereof to the Audit Committee on a quarterly basis.

REPORTING OF FRAUD BY AUDITORS

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit

Committee under Section 143(12) of the Act and the Rules made thereunder, details of which needs to be mentioned in this Report.

RISK MANAGEMENT

The Board of Directors of the Company has formed a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The Risk Management Committee has designated the Chief Financial Officer of the Company as the Chief Risk Officer who is responsible for identifying, measuring, monitoring, mitigating and reporting on risk exposures to the Risk Management Committee. The details about the Risk Management Committee have been provided in the Corporate Governance Report which forms part of this Annual Report.

The objective of Risk Management process in the Company is to enable value creation in an uncertain environment, promote good governance, address stakeholder expectations proactively and improve organisational resilience and sustainable growth. In compliance with the requirement of Regulation 21 of the Listing Regulations, your Company is having a duly constituted Risk Management Committee. The Risk Management Committee of the Company has been entrusted by the Board with the responsibility of reviewing the risk management process in the Company and to ensure that key strategic and business risks are identified and addressed by the management. The Committee evaluates the performance of the Company against perceived risks, develops methods to classify potential and evolving risk that may adversely impact overall risk exposure of the Company and determines the strategic plan and framework of Risk Management.

The Committee is responsible for monitoring and reviewing the Risk Management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

Your Company also adopted a comprehensive Enterprise Risk Management ('ERM') framework and Policy that is implemented across the organization. The ERM framework and Policy is developed by incorporating the best practices based on COSO and ISO 31000 and then tailored to suit your Company's unique business requirements. The ERM framework encompasses all the Company's risks, such as strategic, operational and legal & compliance risks. Any of these categories can have internal or external dimensions. Hence, appropriate risk indicators are used to identify these risks proactively. Your Company take cognizance of risks faced by its key stakeholders and their cumulative impact while framing its risk responses.

Your Company understand importance of Enterprise Risk Management (ERM) and its function enables the achievement of the Company's strategic objectives by identifying, analyzing, assessing, mitigating, monitoring and governing any risk or potential threat to these objectives. The Company is having a

disciplined process for continuously assessing risks, in the internal and external environment along with minimising the impact of risks. The Company incorporates the risk mitigation steps in all its strategy and operating plans. While this is the key driver, your Company's values, culture and commitment to stakeholders, employees, customers, investors, regulatory bodies, partners and the community around it – are the foundation for your Company's ERM framework.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has an Internal Controls system in accordance with Section 134(5)(e) of the Act, commensurate with the size, scale and complexity of its operations. The Audit Committee comprising of professionally qualified Directors, interacts with the Statutory Auditors, Internal Auditors and the management to review the adequacy of Internal Controls system on a regular basis.

These controls ensure transactions are authorized, recorded and reported correctly and assets are safeguarded and protected against loss from unauthorized use or disposition. In addition, there are Operational Controls and Fraud Risk Controls, covering the entire spectrum of Internal Financial Controls. An extensive program of internal audits and management reviews supplement the process of Internal Financial Controls framework. Documented policies, guidelines and procedures are in place for effective management of Internal Financial Controls.

The Internal Financial Controls framework ensures that financial and other records are reliable for preparing financial and other statements. In addition, the Company has identified and documented the key risks and controls for each process that has a relationship to the financial operations and reporting. At regular intervals, internal teams test the identified key controls. The Internal Auditors also perform an independent check of effectiveness of key controls in identified areas of Internal Financial Controls reporting. The Statutory Auditor's Report include a Report on the Internal Financial Controls over Financial Reporting.

To maintain objectivity and independence, Internal Auditors reports to the Chairperson of Audit Committee of the Board. The Audit Committee defines the scope and authority of the Internal Auditors. Internal Auditors monitors and evaluates the efficacy and adequacy of Internal Controls systems in the Company, its compliance with the operating systems, accounting procedures and policies at all locations of the Company and its subsidiaries.

Based on the report of the Internal Auditors, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and necessary corrective actions are presented to the Audit Committee on a regular basis.

VIGIL MECHANISM

Pursuant to provisions of Section 177(9) of the Act, read with Regulation 22(1) of the Listing Regulations, your Company

has adopted a Whistle Blower Policy, to provide a formal vigil mechanism to the Directors and employees to report their concerns about unethical behaviour, including actual or suspected leak of unpublished price sensitive information, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy.

The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in certain cases. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

The Whistle Blower Policy is available on the Company's website at https://www.godeepak.com/wp-content/uploads/2023/11/DNL_Whistle-Blower-Policy.pdf.

DEPOSITS FROM PUBLIC

During the year under review, the Company has not accepted any deposits from public and as such no amount on account of principal or interest on deposits from public was outstanding as on March 31, 2024.

INVESTOR EDUCATION AND PROTECTION FUND

The details on transfer of unclaimed/unpaid dividends/shares to Investor Education and Protection Fund are provided in the Corporate Governance Report under para 'Transfer of unclaimed / unpaid dividends / shares to the Investor Education and Protection Fund.

RELATED PARTY TRANSACTIONS

The Company has a well-defined process of identification of Related Parties including transactions with Related Parties, its approval and review process. The Policy on Related Party Transactions as formulated by the Audit Committee and approved by the Board is placed on the Company's website and can be assessed at www.godeepak.com.

As required under Regulation 23 of the Listing Regulations, the Audit Committee has also defined the material modifications to the Related Party Transactions and has been included in the said Policy.

All Related Party transactions entered by the Company with Related Parties during FY 2023-24 (including any material modifications thereof), were on an arm's length basis and most of such transactions were in the ordinary course of business and were carried out with prior approval of the Audit Committee. Prior approval of the Audit Committee was obtained periodically for the transactions which were planned and/or repetitive in nature and omnibus approvals were also taken as per the policy laid down for unforeseen transactions. All Related Party Transactions that were approved by the Audit Committee were periodically reviewed by the Audit Committee.

All Related Party Transactions are also subjected to independent review by the Internal Auditors of the Company to ensure compliance with the requirement of Related Party Transactions under the Act and Listing Regulations.

There was no material significant Related Party Transactions during FY 2023-24 and hence no information is required to be provided as prescribed under Section 134(3) (h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC-2. The details of the transactions with Related Parties during FY 2023-24 are provided in the accompanying Financial Statements.

As required under the provisions of Listing Regulations, the Company submits details of all Related Party Transactions in the prescribed format to the Stock Exchanges on a half-yearly basis.

SUBSIDIARY / ASSOCIATE COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

As required under Rule 8(1) of the Companies (Accounts) Rules, 2014, the Board's Report has been prepared on a Standalone basis. Pursuant to requirement of Section 136 of the Act, which has exempted companies from attaching the financial statements of the subsidiary companies along with the Annual Report of the company, your Company will make available the Annual Financial Statements of subsidiary companies and the related detailed information to any Member of the Company on receipt of a written request from them at the Registered Office of the Company. The Annual Financial Statements of subsidiary companies will also be kept open for inspection at the Registered Office of the Company on any working day during business hours. These are also available on the website of your Company at www.godeepak.com. The Consolidated Financial Statements of the Company and its subsidiaries, prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS'), forms part of the Annual Report and are reflected in the Consolidated Financial Statements of the Company.

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

During FY 2023-24, Deepak PMC Limited was incorporated on December 2, 2023 as a wholly owned subsidiary of your Company. Further, during FY 2023-24, Deepak Oman Industries LLC (SFZ) became subsidiary of your Company by investing into 51% of total share capital of Deepak Oman Industries LLC (SFZ). There was no company which has ceased to be subsidiary or associate of your Company during the year ended March 31, 2024.

Accordingly, the Consolidated Financial Statements include the operations of following subsidiaries:

- Deepak Phenolics Limited
- Deepak Chem Tech Limited
- Deepak Nitrite Corporation Inc.
- Deepak PMC Limited
- Deepak Oman Industries LLC (SFZ)

Your Company has adopted a Policy for determining Material Subsidiaries in terms of Regulation 16(1)(c) of the Listing Regulations duly approved by the Board of Directors and can be accessed on the Company's website at www.godeepak.com.

PERFORMANCE OF SUBSIDIARIES

(a) Deepak Phenolics Limited

Deepak Phenolics Limited ('DPL'), is a wholly owned material subsidiary of your Company. DPL is engaged in the business of manufacture of Phenol, Acetone and Iso Propyl Alcohol at its state-of-the-art facility at Dahej in the state of Gujarat. The detailed performance of DPL is provided under the section Performance Review of this Report.

(b) Deepak Chem Tech Limited

Deepak Chem Tech Limited ('DCTL'), a wholly owned material subsidiary of your Company is implementing projects for manufacturing various intermediate chemical products. The detailed performance of DCTL is provided under the section Performance Review of this Report.

(c) Deepak PMC Limited

Pursuant to the approval granted by the Board on October 4, 2023 for incorporation of a new wholly owned subsidiary of the Company, Deepak PMC Limited ('DPMCL') was incorporated on December 2, 2023 as a wholly owned subsidiary of your Company. An initial investment of ₹ 5 Crores was made by way of subscription of Equity Shares of DPMCL during FY 2023-24. This subsidiary has been incorporated and will be engaged in the business of inter alia providing Project Engineering, Procurement, Construction, Commissioning, Management and Consultancy Services.

(d) Deepak Nitrite Corporation Inc. (USA)

Deepak Nitrite Corporation Inc. ('DNC') is a wholly owned subsidiary based in the United States. This Company was established to support your Company's marketing needs in North and South America. During FY 2023-24, DNC generated Total Revenue of USD 19,690 and achieved a Net Income of USD 400.

(e) Deepak Oman Industries LLC (SFZ)

Deepak Oman Industries LLC (SFZ) ('DOIL'), incorporated in Oman, became subsidiary of your Company during FY 2023-24. The Board of Directors of your Company at their meeting held on January 8, 2024 approved acquiring further 495,824 equity shares of DOIL through acquisition as well as by way of subscription of new shares, worth around USD 1.29 million, raising your Company's stake from 31.72% to 51%, making DOIL a subsidiary. Additionally, the Board of Directors of your Company also approved providing a Corporate Guarantee for securing the Term Loan of approximately USD 49 million to be obtained by DOIL from the Export-Import Bank of India and interest and other charges thereon.

Presently, DOIL has not started commercial business operations and is setting up a greenfield project to manufacture Sodium Nitrite, Sodium Nitrate, in Salalah Free Zone, Sultanate of Oman which benefits from low cost inputs of raw materials and energy and plans to serve global customers. During FY 2023-24, DOIL generated Total Income of Omani Riyal 5,271 and achieved a Net Profit of Omani Riyal 3,874.

The Audited Consolidated Financial Statements of the Company for the year ended March 31, 2024 together with the Auditor's Report, constitute part of this Annual Report in compliance with the provisions of the Act, Regulation 33 of the Listing Regulations and relevant Accounting Standards. Additionally, Form No. AOC - I, detailing the salient features of the Company's subsidiaries companies, is attached to the Financial Statements.

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

The particulars of loans given, investments made, guarantees given and securities provided in accordance with the provisions of Section 186 of the Act are provided in the Standalone Financial Statements.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments affecting the financial position of your Company since the close of the Financial Year i.e. since March 31, 2024 and the date of this Report. Further, it is hereby confirmed that there has been no change in the nature of business of your Company.

LEGAL COMPLIANCE MANAGEMENT TOOL

The Company has in place an online legal compliance management tool, which has been devised to ensure and monitor compliance with all applicable laws that impact the Company's business. System-based alerts are generated until the user successfully submits the compliances, with provision for escalation to the

higher-ups in the hierarchy. The compliance owners certify the compliance status which is reviewed by compliance approvers and a consolidated dashboard is presented to the respective functional heads and the Compliance Officer. A certificate by Key Managerial Personnel of your Company regarding compliance of all applicable laws and regulations is placed before the Board of Directors of your Company on a quarterly basis.

DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of Internal Financial Controls established and maintained by the Company, work performed by the Internal, Statutory, Secretarial and Cost Auditors and external agencies including audit of Internal Financial Controls over Financial Reporting by the Statutory Auditors and reviews performed by the management and relevant Board Committees, including Audit Committee, the Board is of the opinion that your Company's Internal Financial Controls were adequate and effective during FY 2023-24. Accordingly, pursuant to Section 134(5) of Act, the Board of Directors, to the best of their knowledge and ability confirm that:

- (a) In the preparation of the Annual Accounts for the Financial Year ended March 31, 2024, the applicable accounting standards have been followed and there are no material departures;
- (b) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year ended March 31, 2024 and of the profit of the Company for the year ended on that date;
- (c) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) They have prepared the Annual Accounts on a going concern basis;
- (e) They have laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and are operating effectively; and
- (f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE GOVERNANCE

Your Company follows the best governance practices to boost long-term shareholder value and is committed to maintain the highest standards of Corporate Governance. Your Company adheres to the Corporate Governance requirement set out by Securities and Exchange Board of India and considers the same as its inherent

responsibility to disclose timely and accurate information to its stakeholders regarding its operations and performance, as well as the leadership and governance of your Company.

A Certificate by the Chief Executive Officer and the Chief Financial Officer of the Company in terms of Listing Regulations, inter alia confirming the correctness of the Financial Statements are placed before the Audit Committee and Board of Directors of the Company on quarterly basis.

A separate Corporate Governance Report is provided together with a Certificate from the Secretarial Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under the Listing Regulations, which forms part of the Annual Report.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

In accordance with Regulation 34(2)(f) of the Listing Regulations, the Business Responsibility and Sustainability Report ('BRSR') forms part of this Integrated Annual Report. The report describes initiatives undertaken by the Company from an environmental, social and governance perspective. Further, Securities and Exchange Board of India vide its Circular No. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated July 12, 2023, updated the format of BRSR to incorporate BRSR core, a subset of BRSR, indicating specific Key Performance Indicators (KPIs) under nine ESG attributes which are subject to mandatory reasonable assurance by an independent assurance provider, by top 150 listed entities by market capitalization for FY 2023-24 and by top 250 listed entities by market capitalization for FY 2024-25. For the year ended March 31, 2024, your Company stands at 232 and 230 by market capitalization in BSE Limited and National Stock Exchange Limited, respectively. Although for FY 2023-24, reasonable assurance of BRSR core is not mandatory for the Company, on a voluntary basis, the Company has appointed TÜV SÜD South Asia Private Limited as the assurance provider. The BRSR is attached to the Board's Report as Annexure - C.

INTEGRATED REPORTING

The Integrated Report of the Company is prepared in accordance with the International Integrated Reporting (IR) framework published by the Value Reporting Foundation (VRF) which reflects the integrated thinking of the Company and its approach to its value creation. This Integrated Report aims to provide a holistic view of the Company's strategy, governance and performance and how they work together to create value over the short, medium and long term for its stakeholders. The narrative section of the Integrated Report is guided by the Integrated Reporting (IR) framework outlined by the International Integrated Reporting Council (IIRC). The Integrated Report is a part of this Annual Report, which provides a clear, concise and comprehensive vision of the Company's business model.

MANAGEMENT DISCUSSION AND ANALYSIS

In terms of Regulation 34(2)(e) of Listing Regulations, read with other applicable provisions, the detailed review of the operations, performance and future outlook of the Company and its business is given in the Management Discussion and Analysis Report which forms part of this Annual Report and is incorporated herein by reference and forms an integral part of this Report.

CORPORATE SOCIAL RESPONSIBILITY

Your Company is having duly constituted Corporate Social Responsibility ('CSR') Committee comprised of four (4) members out of which, two (2) are Independent Directors.

The details about CSR Committee, its Terms of Reference, meetings held and attendance of members are provided in the Corporate Governance Report. There have been no instances during the year when recommendations of the CSR Committee were not accepted by the Board.

Your Company has also in place a CSR policy duly approved by the Board of Directors that provides guidelines for conducting its CSR activities and can be accessed at Company's website at https://www.godeepak.com/wp-content/uploads/2023/11/DNL_Corporate-Social-Responsibility-Policy.pdf.

During FY 2023-24, your Company has spent ₹ 12.45 Crores on CSR activities, against the requirement of ₹ 11.69 Crores, being 2% of average of the net profits for the preceding three (3) years as per requirement under Section 135(5) of the Act. Accordingly, the Company has spent excess amount of ₹ 0.76 Crores during FY 2023-24 on the CSR activities undertaken in accordance with the CSR Policy of the Company. This excess amount can be set off against CSR obligation of succeeding three (3) Financial Years i.e. FY 2024-25, 2025-26 and 2026-27. Further, an amount of ₹ 0.70 Crores, remained unspent against CSR obligations for FY 2022-23, was transferred to a separate bank account in compliance with requirements of Section 135(6) of the Act. The said unspent amount of ₹ 0.70 Crores, has also been spent on the respective ongoing CSR projects during FY 2023-24. Thus, the aggregate amount spent on CSR activities during FY 2023-24 is ₹ 13.15 Crores.

Your Company has been undertaking CSR initiatives through Deepak Foundation, which is the Group's CSR arm, focusing on social interventions in areas like education, health and livelihood. Through the years, the Company has worked closely with the communities surrounding their facilities and even beyond to improve their livelihood and society.

The Company, through its CSR activities has a positive impact on society, particularly in the areas of skill development, environment, sustainability, education, healthcare and women's empowerment etc. Your Company has initiated several flagship projects for the services to reach the remote areas and cater to the people in need. These initiatives have aided in uplifting the quality of life of communities and has resulted in better living conditions.

Initiatives such as Mobile Health Units have ensured provision of healthcare services at people's doorstep. Additionally, the Palliative Care Services have helped the people coming from all over the country for dignified treatment while fighting cancer.

The Laboratory and Diagnostic Services at Dahej region have helped the villagers in getting diagnosis on time. The Adolescent Anaemia Identification program has helped hundreds of children in improving their diet for a healthier future.

The Mobile Library project provides the students an opportunity to venture in the world of literature other than their curriculum which help in improving their cognitive abilities. It also cultivates the habit of reading and generates better results. The Integrated Child Development Services (ICDS) program focuses on cognitive development of young children by providing them pre-primary education and strengthening the Anganwadi centres. Science, Technology, English and Mathematics (STEM) classes have enabled the students at primary schools to get hands on experience in science and maths subjects and has improved school results. The Remedial Classes helped the children who need special attention while studying in strengthening their base and has helped them in improving their grades and confidence. Along with mainstream educational practices, the Smart Class setup has helped the children in learning digitally and has opened several avenues for students to widen their horizon for modern educational techniques.

Further, Samaj Suraksha Sankul has provided safe environment to all kinds of children to thrive in and bring the best out in them by providing the platform to learn. Samaj Suraksha Sankul has been serving the needs of visually impaired children, orphan, destitute children and senior citizens towards living a healthy, happy, empowered, dignified and self-reliant life along with strong social and inter-generational bonding.

Your Company's CSR also focuses on environment and sustainability by delving into initiatives like Animal Health Care Centre and supporting Jal Sanchay Yojana (Farm Pond Construction) and use of Sexed Semen Technology to benefit dairy farmers. The focus on cattle health has benefitted the communities in yielding maximum benefits and has also educated them in maintaining the cattle health. This has immensely influenced the income of the beneficiaries' households and has improved their standard of living.

Your Company also provide contribution to technology business incubators through Atal Innovation Centre (AIC) Indian Institute of Science Education and Research IISER Pune SEED Foundation ('AIC-SEED'). AIC-SEED is supported by the Atal Innovation Mission, NITI Aayog, Govt. of India. AIC-SEED's objective is to stimulate and encourage the growth of deep science-based startup companies by providing an enabling eco-system in an academic and knowledge driven research environment.

Project Sangaath has impacted the lives of thousands of underprivileged community members by providing them the benefits of various schemes. The main objective of the project is to empower villagers by facilitating them to access their documents that would further facilitate their linkage with various government schemes. Through Sangaath, the eligible beneficiaries were facilitated by a cadre of trained facilitators in applying for Pre-Requisite Documents (PRDs), updating PRDs and applying for government schemes.

DNL also supported SVADES (Society for Village Development in Petrochemicals Area) which is a collective endeavour that binds the industry and rural community together towards effective socioeconomic development in the rural areas of surrounding industries. DNL partnered with SVADES for construction of community hall in Radhiyapura village at Nandesari.

As a part of CSR activities DNL also contributed towards construction of new building and renovation of existing buildings of Kashiben Gordhandas Patel Children Hospital situated at Vadodara, Gujarat, conceived by Medical Care Centre Trust, as a service for the children with focus on the poor and the deprived section of the society. The Children's Hospital is a tertiary care paediatric hospital serving the underprivileged people of Vadodara, Central Gujarat and neighbouring states of Madhya Pradesh, Rajasthan, Maharashtra. For the past four decades, it has provided medical care to more than 2.5 million children, either free or at very subsidised rates. The Hospital offers several medical facilities including Paediatric Cancer Department, Paediatric Intensive Care Unit, Neonatal Intensive Care Unit, Apang Shishu Kendra (specially-abled children centre), Shri Jalaram Blood Centre - regional blood transfusion centre, Cleft Lip and Palate Restoration Centre under 'Smile Train Project'.

NOMINATION AND REMUNERATION POLICY

Your Company has adopted a Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and other employees pursuant to the requirement of Section 178 of the Act and the Listing Regulations. The Nomination and Remuneration Policy of your Company is annexed as Annexure - E and is also available on the Company's website on www.godeepak.com.

PARTICULARS OF EMPLOYEES

Disclosures with respect to the remuneration of Directors and employees as required under Section 197(12) of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('Rules') are annexed to this Report as Annexure - F.

The statement containing particulars of employee remuneration as required under provisions of Section 197(12) of the Act and Rule 5(2) and 5(3) of the Rules forms part of this Report. However, in accordance with the provisions of the second proviso to Section 136(1) of the Act, the Annual Report is being sent to the Members of the Company excluding the aforesaid information. The aforesaid information is available for inspection by the Members upto the date

of the ensuing Annual General Meeting on all working days, except Saturdays and Sundays, during working hours at the Registered Office of the Company. Any Member interested in obtaining such information may write to the Company Secretary.

ANNUAL RETURN

Pursuant to Section 134(3)(a) of the Act, the Annual Return of the Company prepared as per Section 92(3) of the Act in Form MGT - 7 for FY 2023-24, is available on the Company's website and can be accessed on the website of the Company at www.godeepak.com.

In terms of Rules 11 and 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return shall be filed with the Ministry of Corporate Affairs, within the prescribed timelines.

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

The particulars relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo as required to be disclosed pursuant to the provisions of Section 134 of the Act read with the Companies (Accounts) Rules, 2014 are provided in Annexure - G forming part of this Report.

STATE OF COMPANY'S AFFAIRS

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

SIGNIFICANT OR MATERIAL ORDERS PASSED AGAINST THE COMPANY

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

SECRETARIAL STANDARDS

During FY 2023-24, your Company is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India, with respect to meetings of Board and its Committees and General Meetings, respectively. The Directors have devised proper systems and processes for complying with the requirements of applicable Secretarial Standards issued by The Institute of Company Secretaries of India, as amended and such systems were adequate and operating effectively.

RESEARCH & DEVELOPMENT

Your Company's innovation infrastructure consists of centralised Research and Development ('R&D') facility, Deepak Research and Development Centre ('DRDC') at Nandesari, Gujarat. DRDC has been approved by the Department of Scientific & Industrial Research, Government of India since 1977 and is ISO certified. It has a dedicated team of 100+ professionals, working on

various molecules and chemicals which are under patenting process. Your Company has cumulatively filed around 68 patent applications and 24 patents have already been granted. Your Company's R&D facility is crucial to its success with its ability to develop advanced intermediates which requires complex chemistry and engineering.

The R&D facility is equipped with the modern instruments and equipment for developing cutting edge technology. The Company's R&D team comprises of highly qualified and experienced team members, who bring in the best practises in the industry.

The R&D remain focussed on:

- New product development
- New technology platform development
- Improvement of productivity as well as yield in existing products
- Reduction in water, waste, energy etc. and using green technology, wherever possible.

DRDC also houses a state-of-the-art Process Engineering Lab, Kilo lab and Process Intensification Lab. Mentioned setups help in generating scale-up related data for all the products, which are developed in DRDC. The speed of lab scale development is increased with the application of Design of Experiments methodology, using a specialised software for screening as well as optimisation.

To aid in new technology platforms and continuous process development, your Company has invested in flow reactor, flow meters etc. under Process Engineering Research & Innovation (PERI).

Analytical Team plays a crucial role in supporting synthetic chemistry at every stage of the product/ process development. The team is strengthened by inducting skilled man-power and analytical tools such as Gas Chromatography (GC), Gas Chromatography/Mass Spectrometry (GCMS), High Performance Liquid Chromatography (HPLC), Liquid Chromatography/Mass Spectrometry (LCMS), Ultra Performance Liquid Chromatography (UPLC) and Ion Chromatography (IC), UV, IR etc. Analytical lab also takes help from third party analytical labs for generating data (like PSD, S-analysis, NMR etc.) for which DRDC currently does not have the facilities.

Process Safety Activities

DRDC has a dedicated process safety team, which analyses the chemical processes for their safe operations based on in-house Accelerated Reaction Calorimeter (ARC), Differential Scanning Calorimeter (DSC), Reaction Calorimeter with gas evolution analysis (RC). Also, the team takes help from third party labs for other safety data generation e.g. powder safety data.

Technology

Your Company's R&D team is working on various new technology platform developments such as Fluorination and Photo Chlorination chemistries, high pressure Oxidation Reactions (both chemical and catalytic) and Gas Solid Reactions etc. A pilot facility for Vapor Phase Process has also been installed.

Lab scale Continuous Stirred Tank Reactor (CSTR) set-ups are used for converting batch mode reactions into continuous mode to achieve better yield, quality, better throughput, reduction in the cost of operations, along with increasing the safety norms of the process.

State-of-the-art pilot plants

Your Company is having two state-of-the-art pilot facilities, one each at Roha, Maharashtra and Nandesari, Gujarat. The pilot plants act as link between R&D and commercial production of various intermediates used in Agrochemicals, Dyes, Pharmaceuticals etc., thereby allowing your Company to deliver quality products seamlessly. The pilot facility boasts of stainless steel and glass lined reactors along with distillation columns, handling systems for gas and liquid raw materials. The pilot facilities are fully-equipped with advanced instruments, Distributed Control system (DCS) and utilities like brine, low pressure steam, cooling water, – etc.

Development of idea to plant process (ITP)

The Technical Organisation is responsible for generating ideas, developing sustainable processes and moving them to commercial production. With this in mind, the team conducts critical review of the process from idea generation to technical development to production (ITP process). The activities are mapped and relevant documents are formalised. The ITP project is targeted to finalize the technical process, the infrastructure required and supporting documents. This also include in-depth safety analysis reports for the chemicals and the processes.

The overall ITP process flow includes:

- Idea collection and assessment of right-to-win.
- Responsible team identification
- Responsibility matrix assignment
- R&D process to finalize the route of synthesis and/or processes
- Process optimization
- Technology transfer including Basic Engineering Package (BEP) and all relevant documents (LDR, TTR1 and TD).
- A highly secure web-based suite of tools has been deployed to manage all data of ITP. The system stores data in a structured format making it searchable. It also prevents knowledge loss while controlling information flow.

Benefits of ideas to plant trials

- Documentation of the Lab Records are all digitized and in the on-line mode.

- Specific formats designed to extract data/information.
- Reports and presentations are created by the system through aggregation.
- Ensures data integrity, data security and data traceability.
- Helps in significant reduction of time spent by scientists in making reports for reviews.
- Making fortnightly reports which reduce the time of technical reviews.
- Complete audit trail and traceability.

Training of technical team

Workshops on process safety and scale up, DoE, ASPEN, Flow Chemistry etc. were organised. The participants came from cross functional teams across Deepak Group. These workshops introduced the salient feature of the process scale-up and process safety enhancing the competency of participants.

NEW R&D CENTRE AT SAVLI, VADODARA

Your Company is also building a new state-of-the-art Research & Development Centre in Savli, Vadodara. The new R&D centre is expected to be operational by March 2025.

SAFETY, HEALTH & ENVIRONMENT

Your Company ensures Safety, Health and Environment (SHE) in relation to all its manufacturing processes, products and services. It consistently takes various measures to develop and adopt safer process technologies, unit operations and sustainable systems from conceptualization stage.

Investments are being made in various areas considering benefits of all stakeholders such as Process Automation to enhance safety and minimize human error, extensive training on process and behavior-based safety, implementation of safe and environment friendly production processes, upgrades to effluent treatment facilities, Reverse Osmosis plants, Multiple Effect Evaporators etc., to reduce effluent discharge. Waste Heat recovery systems are being commissioned to promote the reduction, recovery and reuse of effluents and other utilities.

A systematic and well-documented scale-up procedure is in place for the development of products, starting from Research & Development to Pilot to Commercial scale. This includes risk assessment and process safety studies at each stage to ensure inherently safe processes. DNL have inhouse facilities at our R&D to carry out various thermal studies like RC, DSC, ARC for pre thermal hazard screening.

Your Company has established policies and systems to adhere internationally recognized guidelines, such as the principles of the United Nations Global Compact, the International Labour Organization (ILO) conventions and the Responsible Care Initiative.

Measures are taken to ensure social compliance regarding human rights, labour and social standards, anti-discrimination, conflict of interest and anti-corruption. Health and safety remain a significant focus for your Company, aiming to achieve an accident-free workplace. Your Company firmly believes that all injuries, occupational illnesses, as well as safety and environmental incidents, can be prevented. This mindset encourages all employees to strive for personal safety excellence and the safety of others, including employees, contractors, customers and the surrounding communities.

Your Company follows a systematic incident reporting system, where all incidents, including near misses, are logged into the safety Management Information System (MIS). The corrective and preventive actions are tracked through internally developed software based on these reports. Each incident is investigated by a cross functional team to determine its root causes and necessary precautions are taken to prevent their recurrence. Before implementation, all technological changes and projects undergo various safety study such as Facility Siting, HAZOP Assessment and Quantitative Risk Assessment. Additionally, all changes in plant settings are approved through the Management of Change procedure and undergo pre-startup safety reviews. Your Company continuously strengthen workplace safety and Process Safety Management through employee engagement initiatives.

The Group has embarked on the safety and sustainability journey with a vision of “Zero Incident”. Towards safety transformation and with the aim of driving safety upgradation with respect to systems, processes and continuous culture improvement across all the sites, safety diagnostic assessment was carried out through an external agency and their findings enabled the leadership to take decisions on the transformation roadmap. Safety assessment report included observations highlighting strengths and opportunities on the defined areas of focus and prioritized recommendation.

All manufacturing units, including the Corporate Office, are certified with the latest standards of ISO 9001, ISO 14001 and ISO 45001 and holder of Responsible Care Logo. The scheduled safety awareness programs are carried out across plants to achieve continuous improvement in terms of process safety, workplace safety and behavioural transformation. Formalized procedure exists which promotes rewards & recognition based on the safety performance of the individual and of each site. Employee engagement has been 100% in participation in various safety initiatives and activities.

At DNL, we have a robust OHS governance system headed by the Corporate Safety and dedicated teams responsible for OHS across all our sites and offices. Our HSE Policy guides the safety practices at DNL and is communicated to all our employees, contractors, customers, community, business associates and interested parties

Logistic Safety Management System

Together with its peers, your Company has established Nicer Globe, an independent platform that enables real-time monitoring

of the movement of hazardous materials throughout India. This platform helps monitor any deviations in speed, route, or driving time restrictions, thereby minimizing transport-related incidents. Transportation of raw materials and products are ensured within its supply chain framework, utilizing GPS for real-time monitoring to ensure the safety of its customers, carriers, suppliers, distributors and contractors.

Environment

Your Company’s commitment to environmental protection goes beyond fulfilling legal requirements. Your Company has implemented the chemical industry’s Responsible Care system and has established fundamental principles fully aligned with the UN Sustainable Development Goals. Various initiatives have been undertaken to conserve resources, reduce energy consumption, promote recycling and reuse and minimize pollution. Constant efforts are being made to reduce the environmental footprint and find innovative solutions that benefit the environment.

KEY INITIATIVES DURING FY 2023-24

Emission Management

Your Company is strategically enhancing its energy efficiency by equipping its plants with modern, energy-efficient equipment and technology. These initiatives help minimize emissions and energy consumption while boosting plant efficiency. The R&D team at DNL continuously works to improve product yield. Additionally, the Company is engaged in carbon offsetting efforts, such as tree planting and installing advanced equipment, as part of its commitment to achieving carbon neutrality.

Water Management

Your Company adopts a holistic approach to water management, focusing on conservation principles of reduce, reuse and recycle to achieve water positivity. The goal is to make operations more water-efficient, reduce reliance on freshwater and aim for zero-liquid discharge at its facilities. A Zero Liquid Discharge (ZLD) system is implemented at the Hyderabad unit and in Roha and Dahej units. Approximately 60% of treated water is recovered through Reverse Osmosis systems.

Waste Management

Efficient natural resource use and minimizing environmental impact are crucial to your Company. The Company responsibly disposes of manufacturing waste in compliance with regulatory requirements under the Hazardous and Other Waste (Management and Transboundary Movement) Rules, 2016. Your Company adheres to air emission standards set by the Pollution Control Board and avoids using ozone-depleting substances (ODS). All plastic waste is recycled through processors registered with Central Pollution Control Board and post-consumer waste is managed via Extended Producer Responsibility (EPR). Fly ash is fully handed over to brick and tile manufacturers. DNL’s commitment to sustainability is recognized by EcoVadis, with its Dahej plant achieving a perfect score of 100 out of 100 in the Together for Sustainability (Tfs) audit, reflecting its dedication to sustainable development.

HUMAN RESOURCES

During FY 2023-24, your Company has been actively engaged in various activities to ensure the smooth functioning of the Company's Human Resource Management system. This has an objective of ensuring a strong, skillful & trained workforce availability for the Company all the time. Every year the Company hires fresh Graduate Engineer Trainees from Tier 1, Tier 2, Tier 3 institutes. Your Company continues its endeavour of investing in Human Talent and Talent Management process through its various interventions and programmes to improve and enhance competencies, capabilities, skills and potentials of its workforce. Every year your Company train 100+ employees in emerging and advance technologies in chemical and engineering industry. During FY 2023-24, recognising the significance of identifying high-potential employees to ensure a robust talent pipeline, the Company carried out competency assessment through a renowned agency to identify training needs of high potential performing teams for career development. The Company's Human Resources initiatives and engagement activities have enabled the Company not only to sail through the challenging times, witnessed recently, but has helped the Company in attracting, developing, nurturing & retaining right talent and keeping them motivated. Employee touch points and communication was kept live through Virtual Town Halls wherein Executive Director & CEO, Director (Finance) & Group CFO address all the employees thereby establishing a strong sense of bonding between the Company's management and employees. The Company has come up with dedicated Diversity Equity and Inclusion Policy to encourage inclusive work environment where members from diverse backgrounds can grow together and thrive.

In FY 2023-24 industrial relations across the Company in multiple demographics remained harmonious and issues were discussed and resolved by bilateral dialogues and zero man-days were lost.

EMPLOYEE STOCK OPTION PLAN (ESOP)

The Board of Directors of your Company at their meeting held on February 13, 2024 approved Deepak Nitrite Limited Employee Stock Option Scheme 2024 ("Scheme 2024").

The Scheme 2024 was approved by the Shareholders of the Company through Postal Ballot on April, 19, 2024 by way of Special Resolution. The Shareholders of the Company also, by way of Special Resolution, approved extending the Scheme 2024 to the eligible employees of your Company's subsidiaries.

As required under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the Nomination and Remuneration Committee has been designated as the Compensation Committee for the purpose of administration and superintendence of the Scheme 2024.

INSURANCE

All the insurable interests of your Company including inventories, buildings, plant and machinery are adequately insured against risk of fire and other risks. The Company has in place Directors, Officers, Liability Insurance (D&O) for all its Directors (including Independent Directors) and members of the Senior Management Team for such quantum and risks as determined by the Board in line with the requirement of Regulation 25(10) of the Listing Regulations. With respect to fire incident occurred during June 2022 in warehouse areas at the Company's Nandesari plant, there was damage to certain properties, plant, equipment and inventory as well as loss of profit due to business interruption, for which the Company had filed the insurance claim with insurance companies. Upon pursuing the insurance claim rigorously, the Company has received ₹ 127 Crores towards final settlement of insurance claim from insurance companies.

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

The Company has adopted zero tolerance for sexual harassment at the workplace and has formulated a policy on prevention, prohibition and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. To build awareness in this regard, your Company has been conducting various programs on a continuous basis.

The Company has complied with provisions relating to the constitution of Internal Committee (IC) under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company have setup ICs for its various locations to redress complaints on sexual harassment. The Internal Committee is empowered to look into all complaints of sexual harassment and facilitate free and fair enquiry process with clear timelines.

No complaints were pending at the beginning of the year and no complaints were received during FY 2023-24 from any employee and accordingly, no complaint was pending as on March 31, 2024, for redressal.

GREEN INITIATIVES

Climate change has become an established reality, intricately linked with human activities and industrial operations. Addressing this pressing issue is a paramount priority for the Company and DNL has set ambitious targets to reduce greenhouse gas (GHG) emissions while fostering resilience in its business operations, value chain and local communities.

DNL is actively pursuing strategies to diminish GHG emissions, including sourcing power from renewable energy, deploying

cutting-edge equipment to enhance energy efficiency and leveraging AI-driven solutions to achieve sustainable reductions in energy consumption across its operations.

Furthermore, the Company has implemented various environmental protection measures, such as the installation of an online continuous monitoring system (OCEMS) for air emission monitoring and control. Additionally, DNL has successfully converted canteen waste into biofertilizer, utilized for green belt development and initiated trials to use ETP sludge and agro waste as fuel in boilers to reduce coal consumption and manage waste effectively.

In a significant initiative, DNL has partnered with the Forest Department to conduct a large-scale tree plantation drive in Village Shelavali, Taluka: Shahapur Dist.: Thane, State: Maharashtra. Over 55,000 trees of local species have been planted across 50 hectares of land, yielding positive environmental outcomes such as carbon offsetting, biodiversity conservation, improved air quality, soil erosion prevention and water management. Moreover, this initiative provides employment opportunities to local residents and contributes to afforestation efforts.

In adherence to Section 20 of the Act and as part of our ongoing commitment to environmental sustainability, the Company is distributing electronic copies of the Notice of the 53rd Annual General Meeting, along with the Annual Report for FY 2023-24, to all Members registered with the Company/Depository Participant(s). This initiative reflects our dedication to the 'Go Green' initiative and our continuous efforts to minimize our ecological footprint.

AWARDS AND RECOGNITION

In a bid to keep ensuring its relentless quest for growth and excellence, the Company continues to be committed towards maintaining the highest standards of corporate governance and sustainable practices. As a recognition for our unconventional innovations and focussed drive to achieve best-in-class operations, the Company has been winning a multitude of accolades at various forums while acquiring plaudits as the recipient of numerous prestigious awards for demonstrating its business ethos. These embellishments to Deepak's cognizant candidature deliver a testament to the progress made by the Company and honor its diligent efforts towards delivering value for the welfare of all stakeholders and the society as a whole. The details of the key recognitions secured by the Company have been highlighted in a separate section in the Annual Report.

INDUSTRIAL RELATIONS

During the year under review, industrial relations remained harmonious at all our offices and establishments.

GENERAL DISCLOSURES

The Board of Directors state that no disclosure or reporting is required in respect of the following matters as there is no transaction on these items during the year under review:

- i. Issue of equity shares with differential rights as to dividend, voting or otherwise.
- ii. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- iii. The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- iv. There is no Corporate Insolvency Resolution Process initiated under the Insolvency and Bankruptcy Code, 2016.

REGISTERED OFFICE

During the year under review, the Registered Office of your Company has been shifted within the city limits of Vadodara in the state of Gujarat from Aaditya-I, Chhani Road, Vadodara-390024 to 2nd Floor, Fermenter House, Alembic City, Alembic Avenue Road, Vadodara – 390 003 w.e.f. November 10, 2023.

ACKNOWLEDGEMENT

The Board of Directors place on record their deep appreciation to all employees for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to remain an industry leader.

The Board of Directors also take this opportunity to thank all Shareholders, Business Partners, Government and Regulatory Authorities and Stock Exchanges, for their continued support.

For and on behalf of the Board

Deepak C. Mehta

Chairman & Managing Director
(DIN: 00028377)

Place: Vadodara
Date: May 20, 2024

Annexure-A

FORM NO. MR 3

SECRETARIAL AUDIT REPORT

For the Financial Year ended March 31, 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

**To,
The Members,
Deepak Nitrite Limited,
2nd Floor, Fermenter House, Alembic City,
Alembic Avenue Road,
Vadodara, Gujarat 390003**

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

Based on our verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2024, complied with the Statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2024, according to the provisions of:

- i. The Companies Act, 2013 ('the Act') and Rules made thereunder;
- ii. The Securities Contract (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; No event occurred during the period under review which attracted provisions of these Regulations hence, not applicable;
- d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; No event occurred during the period under review which attracted provisions of these Regulations hence, not applicable.
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; No event occurred during the period under review which attracted provisions of these Regulations hence, not applicable.
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; No event occurred during the period under review which attracted provisions of these Regulations hence, not applicable; and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; No event occurred during the period under review which attracted provisions of these Regulations hence, not applicable.
- vi. Other laws as applicable specifically to the Company:
 - a) The Environment (Protection) Act, 1986,
 - b) The Water (Prevention & Control of Pollution) Act, 1974,
 - c) The Air (Prevention & Control of Pollution) Act, 1981,
 - d) Public Liability Insurance Act, 1991,

- e) Explosives Act, 1884,
- f) Hazardous Wastes (Management, Handling and Trans-Boundary Movement) Rules, 2008,
- g) Petroleum Act, 1934 and Rules made thereunder.

We have also examined compliance with applicable clause of the following:

- I. Secretarial Standards issued by The Institute of Company Secretaries of India;
- II. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the review period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. The Company has complied with the Secretarial Standard in general.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were changes in the composition of the Board of Directors during the period under review and all changes were carried out in accordance with the applicable provisions of the Companies Act, 2013.

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

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

We further report that there are adequate systems and processes in the Company, commensurate with the size and operations of the Company, to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

We further report that during the audit period, the Company does not have any event having a major bearing on its affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards except the following, for which necessary approvals were obtained:

- a) Appointment of Shri Girish Raghunath Satarkar as a Whole-Time Director designated as Executive Director of the Company for a term of three (3) years with effect from August

4, 2023 (approved by Members of the Company in the Annual General Meeting held on August 4, 2023).

- b) Re-Appointment of Shri Dileep Choksi as Independent Director for second term of 3 (Three) consecutive years with effect from August 7, 2023, as well as to continue to hold the position of Independent Non-Executive Director of the Company, beyond the age of 75 (Seventy Five) years (approved by Members of the Company by way of Special Resolution in the Annual General Meeting of the Company held on August 4, 2023).
- c) Re-appointment of Shri Deepak C. Mehta as the Chairman & Managing Director of the Company for further period of 5 (Five) years with effect from December 14, 2023 and to continue holding office of the Managing Director beyond the age of 70 (Seventy) years (approved by Members of the Company by way of Special Resolution in the Annual General Meeting of the Company held on August 4, 2023).
- d) Declaration of Dividend of ₹ 7.50 (Rupees Seven and Paise Fifty only), being 375%, per equity share of face value of ₹ 2.00 (Rupees Two only) each for the Financial Year ended March 31, 2023 (approved by Members of the Company by way of Ordinary Resolution in the Annual General Meeting of the Company held on August 4, 2023).
- e) Investment by the Company on August 11, 2023 upto 31.72% equity of Deepak Oman Industries LLC (SFZ) a company incorporated in Sultanate of Oman, to set up chemical manufacturing plant in Sultanate of Oman by way of acquisition of 7,70,000 shares equivalent to USD 20,00,000 which was approved in the Board Meeting held on November 9, 2022 and necessary Form FC has been filed with the Reserve Bank of India (RBI) on August 8, 2023 i.e. before remittance of funds as per the requirements under Foreign Exchange Management (Overseas Investment) Directions, 2022 and necessary disclosure to BSE & NSE has been made on August 11, 2023.
- f) Incorporation of a wholly owned subsidiary of the Company was approved in the Meeting of Board of Directors held on October 4, 2023 and necessary disclosure of the same has been given to BSE and NSE on the same day i.e. October 4, 2023.
- g) Shifting of Registered Office of the Company from Aaditya-I, Chhani Road, Vadodara -390024, Gujarat, India to 2nd Floor, Fermenter House, Alembic City, Alembic Avenue Road, Vadodara - 390003, Gujarat, India i.e. within the local limits of Vadodara (approved in the meeting of Board of Directors of the Company held on November 7, 2023), with effect from November 10, 2023 and necessary disclosure of the same has been made to BSE and NSE on the same day.i.e. November 7, 2023.

- h) Deepak PMC Limited (“DPMCL”), has been incorporated on December 2, 2023 as a wholly owned subsidiary of the Company. The Authorised and Paid-up Equity Share Capital of DPMCL shall be ₹ 5 Crores and necessary disclosure of the same has been made to BSE and NSE on December 3, 2023.
- i) Approval by Board of Directors of Deepak Phenolics Limited (material subsidiary of the Company) for entering into binding Term Sheet with Petronet LNG for off-take of 250 KTPA of Propylene and 11 KTPA of Hydrogen. The disclosure of the same has been given by the Company to BSE and NSE on same day i.e. December 19, 2023.
- j) Further investment in Deepak Oman Industries LLC (SFZ) by way of acquisition of 4,95,824 shares equivalent to USD 12,87,853 out of which (a) 4,40,924 Shares equivalent to USD 11,45,256 acquired from Deepak Gulf LLC; and (b) the remaining 54,900 shares equivalent to USD 1,42,597 acquired through fresh issue, at par. Such investment was approved in the Board Meeting held on January 8, 2024. Necessary intimation has been given to BSE and NSE on same day and necessary Form FC-1 has been filed with the Reserve Bank of India.
- k) Execution of Memorandum of Understanding with Government of Gujarat by Deepak Chem Tech Limited, a wholly owned subsidiary of the Company - (a) on May 23, 2023 about its intention of investing around ₹ 5,000 Crores and (b) on January 31, 2024 about its intention of investing around ₹ 9,000 Crores and the intimations in respect of the same were given to BSE and NSE in accordance with Regulation 30 of the Listing Regulations, on May 24, 2023 and January 31, 2024, respectively.
- l) The “Deepak Nitrite Limited Employee Stock Option Scheme 2024” was approved by the Board of Directors at their meeting held on February 13, 2024. Subsequently, it was approved by the Members of the Company by way of Special Resolution passed through Postal Ballot on April 19, 2024.
- m) Commencement of manufacturing operations by Deepak Chem Tech Limited, Wholly Owned Subsidiary of the Company of Fluorination Plant on March 21, 2024 and necessary intimation & disclosures has been made to BSE and NSE within time limit.
- n) Payment of penalty imposed by Gujarat Industrial Development Corporation for non-utilization of the plots, while approving application for amalgamation two newly acquired industrial plots vide its order dated December 28, 2023 and received by the Company on December 29, 2023. The Company has made necessary disclosures to BSE and NSE on December 29, 2023.

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

Dinesh Joshi

Designated Partner
Membership No.: F3752
CP No.: 2246

Date: May 20, 2024
Place: Pune

UDIN: F003752F000407641
Peer Review Certificate No.: 1331/2021

**To,
The Members,
Deepak Nitrite Limited,
2nd Floor, Fermenter House, Alembic City,
Alembic Avenue Road, Gorwa, Vadodara, Gujarat 390003**

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. We have not verified the correctness and appropriateness of the financial records and books of accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on a test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Dinesh Joshi

Designated Partner

Membership No.: F3752

CP No.: 2246

UDIN: F003752F000407641

Peer Review Certificate No.: 1331/2021

Date: May 20, 2024

Place: Pune

Annexure-B

SECRETARIAL AUDIT REPORT

for the Financial Year ended March 31, 2024
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9
of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

The Members,

Deepak Phenolics Limited

4th Floor, Fermenter House, Alembic City,
Alembic Avenue Road,
Vadodara - 390003,
Gujarat, India.

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

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2024 ("review period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board-Processes and Compliance-Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company for the review period, according to the provisions of:

- i. The Companies Act, 2013 ("Act") and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Securities and Exchange Board of India ("SEBI") (Depositories and Participants) Regulations, 1996 / 2018, to the extent applicable;
- v. SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client, to the extent applicable;
- vi. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- vii. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 are not applicable to the Company being an Unlisted Public Company.

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

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

We further report that;

- A. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. During the period under review there was no change in the composition of the Board of Directors;

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

S. Samdani

Partner

Samdani Shah & Kabra

Company Secretaries

FCS No. 3677; CP No. 2863

PR# 1079/2021

ICSI UDIN: F003677F000342721

Date: May 10, 2024

Place: Vadodara

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

Appendix A

The Members,

Deepak Phenolics Limited

4th Floor, Fermenter House, Alembic City,
Alembic Avenue Road,
Vadodara - 390003,
Gujarat, India.

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

- i. Maintenance of Secretarial records and compliance of the provisions of corporate and other applicable Laws, Rules, Regulations, Standards are the responsibility of the management of the Company. Our examination was limited to the verification and audit of procedures and records on test basis. Our responsibility is to express an opinion on these Secretarial records and compliances based on such verification and audit.
- ii. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
- iii. Wherever required, we have obtained the management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
- iv. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

S. Samdani

Partner

Samdani Shah & Kabra

Company Secretaries
FCS No. 3677; CP No. 2863
PR# 1079/2021
ICSI UDIN: F003677F000342721

Date: May 10, 2024

Place: Vadodara

Annexure-C

Business Responsibility & Sustainability Report

At Deepak Nitrite Limited ('DNL'), sustainability is deeply embedded in our core business, operation strategies and decision-making processes. In line with our commitment to responsible business practices, we are dedicated to realizing our Environmental, Social and Governance (ESG) objectives. We focus on conducting our business in a manner that protects the environment, contributes positively to society and generates long-term value for all stakeholders.

Every year we enhance our ESG strategies and collaborate with our stakeholders to achieve mutually beneficial ESG objectives. Our environmental initiatives are centred on reducing our environmental impact through strategic measures such as increasing the share of renewable energy in our total energy mix and lower carbon emissions. We have implemented advanced technologies such as Mechanical Vapor Recompression (MVR) for water recycling and recovering raw materials from effluent streams to promote resource efficiency. Additionally, we have taken proactive measures to reduce our GHG emissions by substituting conventional fuels with alternative sources in our boilers. These initiatives align with circular economy principles and promote sustainable waste management practices, ensuring that our operations are environmentally sound.

Our dedication extends to cultivate a safe, inclusive and enriching work environment for our employees and communities alike. Upholding stringent ethical standards and prioritizing the development of high-quality products, our efforts transcend mere compliance. Beyond mandatory trainings, we implement comprehensive human rights education and skill enhancement programs, recognizing that effective human capital management is pivotal to our ongoing success. Our policies are focused on enhancing community well-being and ensuring a supportive workplace environment. Our employees being our most valuable asset, we work towards their welfare through robust programs covering health, wellness, work-life balance and rigorous safety measures. Continuous learning and development are central to our HR policies, with a range of training programs designed to enhance technical skills, leadership capabilities and personal growth. Committed to creating an equitable workplace, we promote diversity, inclusion and equal opportunities, striving to eliminate all forms of discrimination.

Our community development efforts aim to generate value by focusing on education, healthcare and skills development to empower marginalized communities. Our approach involves closely engaging with stakeholders to comprehend their needs and ambitions and promote resilience among marginalized communities. Through these efforts, we strive to create a lasting positive impact that supports inclusive growth for all members of society.

The foundation of DNL's governance framework is built on the principles of integrity, transparency and accountability. We adhere to the highest standards of corporate governance, ensuring that our operations are conducted ethically and transparently. Our robust code of conduct outlines ethical behaviour expectations for all employees, with regular training on ethical practices and mechanisms in place for reporting and addressing any unethical behaviour. Transparency is central to our sustainability efforts at DNL. As a practice, we publicly report on our ESG initiatives, including sustainable sourcing. Additionally, we actively collaborate with industry peers, government and non-governmental organisations. These partnerships drive sustainable solutions, knowledge sharing and the adoption of best practices, amplifying our impact and advancing global sustainability goals. By working together strategically, we aim to create lasting positive change in both environmental stewardship and societal well-being.

DNL is dedicated to continuously enhancing our sustainability performance through adopting a comprehensive approach to sustainability. By integrating ESG principles into our environmental, social and governance strategies, we ensure that our efforts not only drive economic growth but also create positive and lasting impacts on the environment and society, setting new standards for excellence in sustainability.

For Deepak Nitrite Limited

Maulik Mehta

Executive Director & CEO

Date: May 20, 2024

Place: Vadodara

SECTION A: GENERAL DISCLOSURES

I. Details of the Listed Entity

1	Corporate Identity Number (CIN) of the Listed Entity	L24110GJ1970PLC001735
2	Name of the Listed Entity	Deepak Nitrite Limited
3	Year of incorporation	1970
4	Registered Office address	2 nd Floor, Fermenter House, Alembic City, Alembic Avenue Road, Vadodara - 390003
5	Corporate Office address	2 nd Floor, Fermenter House, Alembic City, Alembic Avenue Road, Vadodara - 390003
6	E-mail	investor@godeepak.com
7	Telephone	+91 2652765200
8	Website	www.godeepak.com
9	Financial Year for which reporting is being done	2023-24
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited and National Stock Exchange of India Limited
11	Paid-up Capital	₹ 27,27,86,082
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Shri Arvind Bajpai, Company Secretary Email: investor@godeepak.com Telephone: +91 2652765200
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	This report is prepared on standalone basis
14	Name of assurance provider	TÜV SÜD South Asia Private Limited
15	Type of assurance obtained	Reasonable Assurance for BRSR Core and Limited Assurance for BRSR Report

II. Products/Services

16. Details of business activities (accounting for 90% of the Turnover):

S. No	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing of Chemicals	Manufacturing, Trading of Chemicals.	100

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No	Product/Service	NIC Code	% of total Turnover contributed
1	Nitro Toluidine	24119	17.47
2	Sodium Nitrite	24117	17.25
3	Optical Brightening Agents	24298	12.54
4	MAHCL	24119	9.13
5	TFMAP	24119	7.68
6	4 NOX	24119	7.33
7	EHN	24119	7.28
8	Sodium Nitrate	24119	4.67
9	Para Cumidines	24117	4.01
10	DASDA	24297	3.53

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

S. No	Location	Number of plants	Number of offices	Total
1	National	5	3	8
2	International	0	0	0

19. Markets served by the entity:**a. Number of locations**

S. No	Locations	Number
1	National (No. of states)	24
2	International (No. of countries)	39

b. What is the contribution of exports as a percentage of the total turnover of the entity?

47%

c. A brief on types of customers

- Manufactures of Chemicals
- Manufactures of Products where chemicals produced by the Company are used as inputs

IV. Employees**20. Details as at the end of Financial Year:****a. Employees and workers (including differently abled):**

S. No	Particulars	Total (A)	Male		Female	
			No.(B)	%(B/A)	No.(C)	%(C/A)
Employees						
1	Permanent (D)	1503	1457	96.94	46	3.06
2	Other than Permanent (E)	46	43	93.48	3	6.52
3	Total employees (D + E)	1549	1500	96.84	49	3.16
Workers						
4	Permanent (F)	217	217	100	0	0
5	Other than Permanent (G)	2304	2253	97.79	51	2.21
6	Total workers (F + G)	2521	2470	97.98	51	2.02

b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No.(B)	%(B/A)	No.(C)	%(C/A)
Differently-abled Employees						
1	Permanent (D)	1	1	100	0	0
2	Other than Permanent (E)	0	0	0	0	0
3	Total differently abled employees (D + E)	1	1	100	0	0
Differently-abled Workers						
4	Permanent (F)	1	1	100	0	0
5	Other than Permanent (G)	7	7	100	0	0
6	Total differently abled workers (F + G)	8	8	100	0	0

21. Participation/Inclusion/Representation of women:

Particulars	Total (A)	No. and percentage of Females	
		No.(B)	%(B/A)
Board of Directors	12	1	8.33
Key Management Personnel	2	0	0

22. Turnover rate for permanent employees and workers:

(Disclose trends for the past 3 years)

	FY 2023-24 (Turnover rate in current FY)			FY 2022-23 (Turnover rate in previous FY)			FY 2021-22 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	13.60	31.11	14.32	14.23	19.05	14.37	13.55	8.82	13.43
Permanent Workers	3.16	0	3.16	2.63	0	2.63	5.06	0	5.06

V. Holding, Subsidiary and Associate Companies (including joint ventures)
23. Names of holding / subsidiary / associate companies / joint ventures:

S. No	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ subsidiary/ associate/ joint venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Deepak Phenolics Limited	Subsidiary	100	Yes
2	Deepak Chem Tech Limited	Subsidiary	100	Yes
3	Deepak Nitrite Corporation Inc.	Subsidiary	100	Yes
4	Deepak PMC Limited	Subsidiary	100	Yes
5	Deepak Oman Industries LLC (SFZ)	Subsidiary	51	Yes

VI. CSR Details
24. i. Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)

Yes

ii. Turnover

₹ 2,724.35 Crores

iii. Net worth

₹ 2,954.54 Crores

VII. Transparency and Disclosures Compliances
25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/ No) (If Yes, then provide web-link for grievance redress policy)	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	No	0	0		0	0	
Investors (other than shareholders)	No	0	0		0	0	
Shareholders	Yes https://www.godeepak.com/wp-content/uploads/2023/11/Investors-Grievance-redressal-policy-1.pdf	4	0		18	0	
Employees and workers	Yes https://www.godeepak.com/wp-content/uploads/2023/11/DNL_Whistle-Blower-Policy.pdf	0	0		0	0	
Customers	Yes Customer Complaints are received by the relevant Sales team and thereafter, the same are entered into dedicated software for the same and processed as per the Standard Operating Procedure https://www.godeepak.com/wpcontent/uploads/2021/05/Policy-on-Stakeholder-Engagement-1-9-2020.pdf	60	0	Complaints received were related to delivery, packing, handling etc. All the complaints received during the year have been resolved.	28	0	Complaints received were related to delivery, packing, handling etc. All the complaints received during the year have been resolved.
Value Chain Partners	No	0	0		0	0	

26. Overview of the entity's material responsible business conduct issues:

S. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Water Use & Effluent Management	Opportunity	Access to clean and safe water is a fundamental human right and is aligned with the United Nations' Sustainable Development Goal 6, which aims to be achieved by 2030. As a responsible corporate citizen, we are committed to ensuring that our operations do not negatively impact the quality or supply of water resources, thereby protecting the ecosystem and society at multiple levels.	NA	Positive - Effective water use and effluent management can drive significant positive financial outcomes for businesses. By optimizing water usage and managing effluent responsibly, companies can reduce operational costs, enhance resource efficiency and mitigate regulatory risks.
2	Climate Change & Emissions	Risk	Climate change & Emissions stands as one of the most critical challenges confronting our planet today. Given the energy and water-intensive nature of chemical production, our failure to reduce our environmental footprint can have significant repercussions on our standing within the industry and our relationships with customers, investors and society as a whole.	We have embraced environmental consciousness through our commitment to sustainable manufacturing practices. This commitment is evident in our focus on reducing utility consumption, extracting value from waste and adopting clean technologies. We are continuously striving to enhance our energy efficiency. Additionally, we ensure that the effluents, emissions and waste generated at our manufacturing facilities remain within the permissible limits set by the respective Pollution Control Boards.	Negative - Climate change & Emissions related issues, if not addressed, would result in negative financial implications in long run. Climate related risks including physical as well as transition risk are directly associated with disruptions to our business operations as well as those of our value chain partners. Financial implications of mitigation efforts are well within our considerations while planning our business strategy
3	Occupational Health & Safety	Risk	Given the inherent nature of our operations, our employees face a range of operational and safety hazards. It is crucial to address any process safety gaps and prevent occupational health and safety (OHS) incidents that could potentially harm our employees. Neglecting employee well-being and safety not only jeopardises their physical welfare but also poses risks to achieving production targets and can have adverse effects on our assets, environment and overall business reputation.	We prioritise continuous safeguarding of occupational health, safety and employee well-being. Stringent safety measures are implemented at all our sites, including regular safety audits and the provision of appropriate personal protective equipment to our employees. We actively promote safety awareness through campaigns and training initiatives.	Negative - Employee health and safety issues, if not addressed, would result in negative financial implications.

S. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4	Community Involvement	Opportunity	Engaging with the community in its development not only uplifts the community's standard of living but also cultivates future workers and consumers for businesses associated with the end products. This proactive involvement also enhances the Company's reputation by fostering goodwill as a benefactor within the community.	NA	Positive - The benefits to the community provided by CSR activities develop goodwill and boost the Company's brand, which has long-term financial benefits.
5	Growth & Profitability	Opportunity	The Company's capacity to deliver substantial value to all stakeholders hinges on its robust financial foundation. In light of escalating input and energy costs and enduring volatility in foreign exchange rates, maintaining a secure financial position is imperative. This stability not only fortifies its market position but also strengthens relationships with clients, investors and the broader public.	The Company strategically allocates financial resources in adherence to governance standards and best business practices to ensure sustainable profitability. It prioritizes disciplined investments within a robust framework and employs structured cost management to optimize financial outcomes. By consistently exploring opportunities along the value chain and maintaining agility in response to evolving market dynamics, the Company sustains its performance and enhances its competitive edge.	Positive - A planned and methodical approach to investments and cost management will be determining factor to the success of the Company in the short run as well as in the long run.

S. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6	Corporate Governance	Risk	Amid the dynamic landscape of the chemical industry, which is characterised by escalating macro-economic volatility, robust governance practices play a pivotal role in upholding ethical and transparent business operations. Meeting regulatory compliance requirements and effectively managing risks are paramount in ensuring responsible conduct and long-term sustainability.	Our governance practices have been established by our competent and esteemed Board of Directors, comprising members with relevant industry expertise, independent thinking and extensive global exposure. Aided by practice transparency in financial reporting, sustainability efforts and other relevant disclosures and ethical decision-making processes, bolstered by effective risk management, serve as the foundation of our governance framework. We have instilled a culture of accountability and integrity across the Company, recognising its vital role in promoting good governance practices. We implement and enforce a robust code of conduct and ethical standards to guide the behaviour and actions of employees at all levels. Our Board and management prioritise health, safety and environmental considerations by implementing robust safety protocols, promoting sustainable practices and minimising environmental impact. We have a comprehensive risk management framework to identify, assess and mitigate risks associated with operations, safety, environmental impact and compliance to solidify our governance approach. We ensure strict adherence to all applicable laws, regulations and industry standards to maintain compliance and mitigate legal and reputational risks. We have established Board Committees, such as Audit, Risk Management, Nomination and Remuneration, CSR, Sustainability Committees and more to provide focussed oversight in critical areas. We regularly evaluate our governance practices, identify areas for improvement and implement necessary changes to enhance effectiveness and relevance and build trust with all stakeholders in line with global standards of ESG.	Negative - Corporate Governance is increasingly the parameter for evaluation by external stakeholders and are likely to amplify competitive advantage relating to business sustainability. In case of their failure, it would have severe financial implications.

S. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7	Business Ethics & Compliance	Opportunity	Success in business depends on creating and sustaining a culture of ethics and integrity. It supports daily decision-making by providing employees and partners with a useful reference.	NA	Positive - Prioritizing business ethics and compliance can lead to significant financial benefits for organizations. By adhering to ethical standards and regulatory requirements, companies mitigate legal risks and avoid costly fines and penalties. A strong ethical culture also fosters trust and credibility with stakeholders, enhancing customer loyalty, investor confidence and employee morale.
8	Business Continuity	Opportunity	Risk management and ethics are interconnected. A company faces lower risks to its business when it adheres to ethical standards. Aligning business ethics with risk management is crucial for ensuring continuity and resilience during disruptive incidents.	NA	Positive - Business continuity ensures resilience against disruptions, minimizing revenue loss, operational downtime and reputational damage. This proactive approach helps maintain customer trust, preserves market position and reduces recovery costs, ultimately safeguarding profitability and sustaining long-term financial health.
9	Product Stewardship	Risk and Opportunity	Risk: Reputational damage, negative impact on market share, Opportunity: Reduction in environmental impact and increased stakeholder trust and in revenue	DNL has established a protocol to assess the ESG (Environmental, Social and Governance) impacts of products during their development stages. These impacts are carefully considered in our decision-making processes. We have calculated the carbon footprint for most of our products and planning to conduct Life Cycle Assessments (LCA) for few of our existing products in the fiscal year 2023-24.	Positive - Increased circularity will result in decreased cost of materials, increased productivity and greater profitability. Such operational practices also cater to the customers preferences; aligned to responsibly sourced /manufactured products.
10	Sustainable Supply Chain	Risk	Having a sustainable supply chain is critical for Company's operations and business continuity Considering the size of Company's operations, the Company can influence the ESG priorities for their suppliers It will have a high impact on stakeholders as well.	We maintain a robust logistics and distribution network using secure transportation with GPS tracking to monitor raw materials and finished goods in real-time. Our organised warehousing ensures prompt customer deliveries. Leveraging our manufacturing expertise, integrated facilities and agile operations, we consistently deliver reliable and steady performance.	Negative - Any disruption in Supply Chain would adversely affect the business continuity and hence would jeopardise sustainability of business.

S. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
11	Waste Management	Opportunity	The production and use of agrochemicals generate hazardous waste, necessitating a focus on reducing waste generation, as well as recycling and reusing waste wherever possible.	NA	Positive - Implementing effective waste management strategies can lead to substantial financial benefits for businesses. By reducing waste generation, companies can lower disposal costs and improve resource efficiency.
12	Energy Management	Opportunity	Recognizing the importance of energy efficiency in all business activities, we actively monitor our performance using systems installed across multiple locations to track daily energy consumption. Our energy conservation strategy aligns with our commitment in achieving established sustainability goals and targets.	NA	Positive - Effective energy management practices can yield substantial financial benefits for businesses. By optimizing energy use, operational costs associated with utilities, such as electricity and fuel can be reduced.
13	Employee Engagement	Opportunity	Skilled and proficient employees execute their responsibilities with effectiveness and efficiency, contributing to a capable workforce that drives internal growth. This enhances product quality and ultimately, boosts revenue for the Company.	NA	Positive- Efforts in ensuring the skill development of the workforce will lead to a more efficient workforce and improved productivity of the Company.
14	Human Rights	Risk and Opportunity	<p>Human rights significantly influence business operations both internally and externally, spanning from raw material procurement to distribution and disposal. They also play a crucial role in shaping the company's reputation throughout the entire value chain.</p> <p>Risk: Potential regulatory non-compliance and reputational damage.</p> <p>Opportunity: Upholding employees' and workers' rights through collective action.</p>	<p>We have implemented a robust Human Rights due diligence framework to systematically assess our operations. This includes conducting human rights vulnerability assessments at our operational sites to identify and mitigate risks, as well as monitoring and reporting our performance. We are committed to upholding human rights across all aspects of our business operations.</p> <p>Our commitment to respecting human rights extends to our business partners through alignment with our policies and contractual agreements. In the fiscal year 2023-24, no incidents of human rights violations were reported, demonstrating our dedication to maintaining ethical standards throughout our operations.</p>	<p>Positive- Implications of non-compliance to social adherence norms related to human rights will have reputation impact for any company. The mitigation of such risks requires investment in human rights vulnerability assessment and actions. Proactive and regular compliance by the workforce is imperative to ensure business continuity in the long run.</p>

S. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
15	Customer Relationships	Opportunity	In a rapidly evolving and highly competitive operating environment, the growth of our business is intricately tied to our customer base. Strengthening our relationships with customers is, therefore, a crucial aspect that can profoundly influence our value-creation capabilities.	We are dedicated to providing innovative and cost-effective products to retain and attract customers. We place significant emphasis on actively engaging with them and comprehending their needs to enhance the overall customer experience. This customer-centric approach has proven instrumental in fostering customer loyalty, which stands as one of our most prominent strengths in driving profitable growth.	Positive - A structured and transparent relationship with customers has the potential to expand business in both the short and long run, resulting in a sustainable business model.
16	Diversity, Equity & Inclusion	Opportunity	At DNL, our focus is on creating value through the continuous expansion of our workforce and fostering agility. Our team comprises individuals from diverse educational, cultural and demographic backgrounds. We are committed to upholding principles of inclusion and diversity in our employment practices, ensuring they remain inclusive of all ages and genders.	NA	Positive - Investing in Diversity, Equity and Inclusion (DEI) initiatives can lead to significant financial benefits for organizations. By fostering a diverse workforce that includes individuals from various backgrounds, genders, ages and cultures, companies can enhance innovation and creativity. This diversity of thought often leads to better problem-solving and decision-making processes, which can drive operational efficiency and productivity.
17	Product Innovation	Opportunity	As our products are utilized across diverse manufacturing sectors, the demand for advanced compatibility with upgraded technologies is crucial. Emphasizing product innovation through enhanced technologies and processes will position us for a broader market in the future.	NA	Positive - Better products and the introduction of new products into the market will generate more revenue through greater business with existing customers and the addition of new clients.
18	Digitalization, IT Security & Data Privacy	Opportunity	As demonstrated during recent global disruptions, adopting digital modes of operation is crucial. These methods can greatly influence customer relationships, product launches, workforce productivity and operational efficiency.	NA	Positive - The integration of digital technologies within operations has been demonstrated across industries to alleviate operational efficiency and robustness of business output. It also allows the Company to realize strategy automation and business intelligence in the wake of competitive agility.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Policy and Management Processes

1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)

P1	P2	P3	P4	P5	P6	P7	P8	P9
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

b. Has the policy been approved by the Board? (Yes/No)

P1	P2	P3	P4	P5	P6	P7	P8	P9
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

c. Web Link of the Policies, if available

P1	https://www.godeepak.com/wp-content/uploads/2024/01/DNL_Sustainability_policy.pdf
P2	https://www.godeepak.com/wp-content/uploads/2024/01/DNL_Sustainability_policy.pdf
P3	https://www.godeepak.com/wp-content/uploads/2024/01/DNL_Sustainability_policy.pdf
P4	https://www.godeepak.com/wp-content/uploads/2024/01/DNL_Sustainability_policy.pdf
P5	https://www.godeepak.com/wp-content/uploads/2024/01/DNL_Sustainability_policy.pdf
P6	https://www.godeepak.com/wp-content/uploads/2024/01/DNL_Sustainability_policy.pdf
P7	https://www.godeepak.com/wp-content/uploads/2024/01/DNL_Sustainability_policy.pdf
P8	https://www.godeepak.com/wp-content/uploads/2024/01/DNL_Sustainability_policy.pdf
P9	https://www.godeepak.com/wp-content/uploads/2024/01/DNL_Sustainability_policy.pdf

2. Whether the entity has translated the policy into procedures. (Yes / No)

P1	P2	P3	P4	P5	P6	P7	P8	P9
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

3. Do the enlisted policies extend to your value chain partners? (Yes/No)

P1	P2	P3	P4	P5	P6	P7	P8	P9
No	No	No	No	No	No	No	No	No

4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.

P1	
P2	
P3	
P4	
P5	ISO 45001 Certification
P6	ISO 14001, Responsible Care logo
P7	
P8	ISO 9001
P9	

5. Specific commitments, goals and targets set by the entity with defined timelines, if any.

P1	The Company has not set any specific goals with timeline. However, it is endeavor of the Company to ensure implementation of Principles of NGRBC. The Company will carefully assess its strategic position and develop specific goals targets and commitments with time lines in due course.
P2	The Company has not set any specific goals with timeline. However, it is endeavor of the Company to ensure implementation of Principles of NGRBC. The Company will carefully assess its Strategic position and develop specific goals targets and Commitments with time lines in due course.
P3	The Company has not set any specific goals with timeline. However, it is endeavor of the Company to ensure implementation of Principles of NGRBC. The Company will carefully assess its Strategic position and develop specific goals targets and Commitments with time lines in due course.
P4	The Company has not set any specific goals with timeline. However, it is endeavor of the Company to ensure implementation of Principles of NGRBC. The Company will carefully assess its Strategic position and develop specific goals targets and Commitments with time lines in due course.
P5	The Company has not set any specific goals with timeline. However, it is endeavor of the Company to ensure implementation of Principles of NGRBC. The Company will carefully assess its Strategic position and develop specific goals targets and Commitments with time lines in due course.
P6	The Company has not set any specific goals with timeline. However, it is endeavor of the Company to ensure implementation of Principles of NGRBC. The Company will carefully assess its Strategic position and develop specific goals targets and Commitments with time lines in due course.
P7	The Company has not set any specific goals with timeline. However, it is endeavor of the Company to ensure implementation of Principles of NGRBC. The Company will carefully assess its Strategic position and develop specific goals targets and Commitments with time lines in due course.
P8	The Company has not set any specific goals with timeline. However, it is endeavor of the Company to ensure implementation of Principles of NGRBC. The Company will carefully assess its Strategic position and develop specific goals targets and Commitments with time lines in due course.
P9	The Company has not set any specific goals with timeline. However, it is endeavor of the Company to ensure implementation of Principles of NGRBC. The Company will carefully assess its Strategic position and develop specific goals targets and Commitments with time lines in due course.

6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.

P1	The performance against the goals and targets will be assessed in the subsequent Financial Years.
P2	The performance against the goals and targets will be assessed in the subsequent Financial Years.
P3	The performance against the goals and targets will be assessed in the subsequent Financial Years.
P4	The performance against the goals and targets will be assessed in the subsequent Financial Years.
P5	The performance against the goals and targets will be assessed in the subsequent Financial Years.
P6	The performance against the goals and targets will be assessed in the subsequent Financial Years.
P7	The performance against the goals and targets will be assessed in the subsequent Financial Years.
P8	The performance against the goals and targets will be assessed in the subsequent Financial Years.
P9	The performance against the goals and targets will be assessed in the subsequent Financial Years.

Governance, Leadership & Oversight
7. Statement by Director responsible for the Business Responsibility Report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

Please refer to Statement of Shri Maulik Mehta at the beginning of this Report.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).

During FY 2023-24, Shri Maulik Mehta, Executive Director & CEO of the Company was responsible for implementation and oversight of the Business Responsibility policy (ies). However, the Board of Directors on February 13, 2024 have constituted the Sustainability Committee inter alia to review and implement the Business Responsibility policy (ies).

9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.

Yes. The Company has constituted a Sustainability Committee of Directors for decision making on Substantially related issues.

10. Details of Review of NGRBCs by the Company

	Principles	Performance against above policies and follow up action	Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances
Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee	P1	Yes	Yes
	P2	Yes	Yes
	P3	Yes	Yes
	P4	Yes	Yes
	P5	Yes	Yes
	P6	Yes	Yes
	P7	Yes	Yes
	P8	Yes	Yes
	P9	Yes	Yes
Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)	P1	Annually	Annually
	P2	Annually	Annually
	P3	Annually	Annually
	P4	Annually	Annually
	P5	Annually	Annually
	P6	Annually	Annually
	P7	Annually	Annually
	P8	Annually	Annually
	P9	Annually	Annually

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

P1	No
P2	No
P3	No
P4	No
P5	No
P6	No
P7	No
P8	No
P9	No

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

Not applicable

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

● PRINCIPLE 1

Businesses should conduct and govern themselves with integrity and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the Financial Year:

S. No	Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
1	Board of Directors	4	Business Sustainability	100
2	Key Managerial Personnel	4	Business Sustainability	100
3	Employees other than BoD and KMPs	48	Business Sustainability	63
4	Workers	6	Business Sustainability	72

2. Details of fines / penalties / punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the Financial Year, in the following format

(Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/fine	Principle 4	Gujarat Industrial Development Corporation	₹ 2,62,842	Gujarat Industrial Development Corporation, while approving the application of the Company for amalgamation of two newly acquired industrial plots admeasuring 2508 sq. mtr. each, situated at Nandesari Industrial Estate, vide provisional amalgamation order dated 28 th December, 2023 received by the Company on 29 th December, 2023, imposed a Non-Utilization penalty of ₹ 2,62,842 (inclusive of 18% GST). The Company has made payment of the said penalty.	No

Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
-	-	-	-	-	-

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed:

Not applicable as no appeal has been filed.

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes. The Code of Conduct of the Company, which is applicable to all the employees, covers the Anti-Corruption and Anti-Bribery Policy of the Company. The weblink of the same is as under:

https://www.godeepak.com/wp-content/themes/twentyxixteen/companyfiles/corporate_governance_report/Code%20of%20Conduct_Senior%20Management.pdf

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Particulars	FY 2023-24 (Current Financial Year)		FY 2022-23 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Directors	0		0	
KMPs	0		0	
Employees	0		0	
Workers	0		0	

6. Details of complaints with regard to conflict of interest:

Particulars	FY 2023-24 (Current Financial Year)		FY 2022-23 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	Not Applicable	0	Not Applicable
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	Not Applicable	0	Not Applicable

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Since there were no such matters, no corrective actions are required to be taken.

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

Particulars	FY 2023-24 (Current Financial Year)		FY 2022-23 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of days of accounts payables	61		63	

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-24 (Current Financial Year)		FY 2022-23 (Previous Financial Year)	
		Value	Value	Value	Value
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	19.81%		14.52%	
	b. Number of trading houses where purchases are made from	21		20	
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	93.40%		90.90%	
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	0		8.00%	
	b. Number of dealers / distributors to whom sales are made	23		25	
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	87.00%		86.00%	
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	7.83%		9.80%	
	b. Sales (Sales to related parties / Total Sales)	1.13%		0.74%	
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	99.53%		0	
	d. Investments (Investments in related parties / Total Investments made)	90.00%		65.00%	

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the principles during the Financial Year:

S. No.	Total number of awareness programmes held	Topics/ principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
-	-	-	-

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes. As per the Code of Conduct applicable to the Board of Directors, Directors must avoid any conflicts of interests with the Company. Directors will not enter into, without the prior approval of the disinterested members of the Board, any transaction or relationship with the Company in which they have a financial or personal interest, either directly or indirectly, such as through any relative (as defined under Section 2(77) of the Companies Act, 2013 or any statutory modification or re-enactment thereof), or an organisation with which the Director is affiliated, or any transaction or situation which otherwise involves a conflict of interest.

The link to the Code of Conduct for Directors is https://www.godeepak.com/wp-content/themes/twenty sixteen/companyfiles/corporate_governance_report/Code_of_Conduct_for_Director.pdf.

● PRINCIPLE 2

Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively

Particulars	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)	Details of improvements in environmental and social impacts
R&D	6%	6%	Efficiency improvement, emission reduction, energy conservation, improved effluent treatment.
Capex	5%	5%	Reduction in usage of non-renewable energy, increased water recovery recycling capacity, improved organic reduction efficiency.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes

b. If yes, what percentage of inputs were sourced sustainably?

20% of the inputs were sourced sustainably.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for:

a. Plastics (including packaging)

All plastic waste generated was given to Extended Producer's Responsibility ('EPR') registered plastic waste processor.

b. E-waste

All e-waste generated was given to recycler registered with Pollution Control Board.

c. Hazardous waste

All hazardous waste generated was disposed to PCB-registered, TSDF, CHWIF, Co-processing facility, Pre-processing facility & Recyclers facility.

d. Other waste

Not applicable

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same**

Yes. The waste collection is in line with the EPR plan submitted to Pollution Control Boards.

Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format.**

LCA was not conducted for any products.

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

There are no significant social or environmental concerns and/or risks arising from production or disposal of products.

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

No recycled materials have been used in the production.

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled and safely disposed, as per the following format:**

	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	0	1501	0	0	202.27	0
E-waste	0	0	0	0	0	0
Hazardous waste	0	0	0	0	0	0
Other waste	0	0	0	0	0	0

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Not applicable

● PRINCIPLE 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	Number (C)	Number (D)	Number (E)	Number (F)	%(B/A)	%(C/A)	%(D/A)	%(E/A)	%(F/A)
Permanent employees											
Male	1457	1457	100	1457	100	0	0	1457	100	0	0
Female	46	46	100	46	100	46	100	0	0	0	0
Total	1503	1503	100	1503	100	46	100	1457	100	0	0
Other than Permanent employees											
Male	43	43	100	43	100	0	0	0	0	0	0
Female	3	3	100	3	100	3	100	0	0	0	0
Total	46	46	100	46	100	3	100	0	0	0	0

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	%(B/A)	Number (C)	%(C/A)	Number (D)	%(D/A)	Number (E)	%(E/A)	Number (F)	%(F/A)
Permanent workers											
Male	217	217	100	217	100	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	217	217	100	217	100	0	0	0	0	0	0
Other than Permanent workers											
Male	2253	2253	100	2253	100	0	0	0	0	0	0
Female	51	51	100	51	100	51	100	0	0	0	0
Total	2304	2304	100	2304	100	51	100	0	0	0	0

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Cost incurred on wellbeing measures as a % of Total Revenue of the Company	0.20	0.08

2. Details of retirement benefits, for current Financial Year and previous Financial Year.

S. No	Benefits	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
		No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
1	PF	100	100	Yes	100	100	Yes
2	Gratuity	100	100	Yes	100	100	Yes
3	ESI	100	100	Yes	100	100	Yes

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Our premises have facilities of ramps, lifts, bars and handles, dedicated washroom for the differently-abled employee.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, it is displayed on employee portal.

<https://www.godeepak.com/wp-content/uploads/2021/05/Diversity-Equal-Opportunity-and-Freedom-of-Association-1-9-2020-.pdf>

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100	100	0	0
Female	50	100	0	0
Total	50	100	0	0

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No	Details
Permanent Workers	Yes	Each recognised union have their Grievances Committee covering all permanent workers. These committees approach the management for grievances and grievances are resolved judiciously.
Other than Permanent Workers	Yes	Periodic Meetings of representatives of Human Resources Department are held with other than permanent Workers to resolve their grievances, if any.
Permanent Employees	Yes	Grievance Committees are in place to redress the grievances.
Other than Permanent Employees	Yes	Periodic Meetings of representatives of Human Resources Department are held with other than permanent employees to resolve their grievances, if any.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total employees / workers in respective category(A)	No. of employees / workers in respective category, who are part of association(s) or Union(B)	% (B / A)	Total employees / workers in respective category(C)	No. of employees / workers in respective category, who are part of association(s) or Union(D)	% (D / C)
Total Permanent Employees	1503	0	0	1469	0	0
Male	1457	0	0	1425	0	0
Female	46	0	0	44	0	0
Total Permanent Workers	217	217	100	225	225	100
Male	217	217	100	225	225	100
Female	0	0	0	0	0	0

8. Details of training given to employees and workers:

Category	FY 2023-24 (Current Financial Year)					FY 2022-23 (Previous Financial Year)				
	Total (A)	On Health and Safety measures		On Skill upgradation		Total (D)	On Health and Safety measures		On Skill upgradation	
		No.(B)	% B/A	No.(C)	% C/A		No.(E)	% E/D	No.(F)	% F/D
Permanent Employees										
Male	1457	1457	100	320	21.96	1425	989	69.40	752	52.77
Female	46	46	100	6	13.04	44	18	40.91	23	52.27
Total	1503	1503	100	326	21.69	1469	1007	68.55	775	52.76
Permanent Workers										
Male	217	217	100	27	12	225	225	100	27	12
Female	0	0	0	0	0	0	0	0	0	0
Total	217	217	100	0	0	225	225	100	27	12

9. Details of performance and career development reviews of employees and worker:

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total (A)	No.(B)	% B/A	Total (C)	No.(D)	% D/C
Permanent Employees						
Male	1457	1425	97.80	1425	1425	100
Female	46	44	95.65	44	44	100
Total	1503	1469	97.74	1469	1469	100
Permanent Workers						
Male	217	0	0	225	225	100
Female	0	0	0	0	0	0
Total	217	0	0	225	225	100

10. Health and safety management system:

- a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**

Yes

All locations of DNL has implemented HSE management system in line with ISO 45000 and ISO 14001. Plan-Do-Check-Act cycle is followed for the continual improvement.

Key features of HSE systems:

- 1) OH & S is considered as line-management responsibility.
 - 2) Well defined and communicated responsibility, accountability and authority of persons who identify, evaluate or control OSH hazards and risks.
 - 3) Promote cooperation and communication among members of the organization, including workers and their representatives, to implement the elements of the organization's OHS management system.
 - 4) Well established HSEQ policy and measurable objectives.
 - 5) Identification and elimination or control of work-related hazards and risks and promote health at work.
 - 6) Health promotion programmes are being organised
 - 7) Periodic review by Top leadership on the performance of the OHS management system
 - 8) DNL is Responsible logo holder Company. All sites are audited and performance is evaluated through team of auditors.
 - 9) Following seven codes of Responsible care are in practice:
 - I) Process Safety Code
 - II) Employee Health & Safety
 - III) Pollution prevention
 - IV) Distribution Safety
 - V) Product Stewardship
 - VI) Community awareness & emergency response
 - VII) Security Code
 - 10) DNL has received Ecovadis Bronze Medal in its latest assessment done in year 2023, results published in April 2024.
- b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**
Hazard Identification and Risk Assessment ('HIRA') and Hazard and Operability Study ('HAZOP').
- c. **Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Yes/ No)**
Yes
- d. **Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**
Yes

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million person-hours worked)	Employees	0.282	0.6104
	Workers	0.26	0
Total recordable work-related injuries	Employees	2	10
	Workers	9	7
No. of fatalities	Employees	0	0
	Workers	0	0
High-consequence work-related injury or ill health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy work place;

1. DNL is a Responsible Care logo holding Company. Some of the measures for safe working environment is listed below:
 - 1) Regular training on EHS related matters are provided to all employees, workers as well as to new joinees.
 - 2) Maintain an organized and orderly facility.
 - 3) Communicate hazards to everyone in the facility.
 - 4) DCS controlled processes.
 - 5) Using engineering controls.
 - 6) Treatment of waste in ETP.
 - 7) All statutory requirements are fulfilled.
 - 8) We provide PPE for everyone entering our plants.

13. Number of Complaints on the following made by employees and workers:

Benefits	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	-	0	0	-
Health & Safety	0	0	-	0	0	-

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100
Working Conditions	100

Assesments are carried out by the following parties:

- 1) Responsible Care Audit
- 2) Third Party Audits
- 3) IMS Audit
- 4) Internal Audit

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions:

There were no such significant incidents during the current Financial Year.

Leadership Indicators**1. Does the entity extend any life insurance or any compensatory package in the event of death of****a. Employees (Y/N)**

Yes

b. Workers (Y/N)

Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Standard terms of the Contracts with Value Chain partners contain clauses requiring value chain partners to comply with such legal requirements for collective/deduction of statutory dues and depositing the same with appropriate authorities. Further, the payment to such value chain partners are released upon verification of such deposition.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Employees	0	0	0	0
Workers	0	0	0	0

No such incidence of employees suffering high consequence work-related injury or ill health.

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career ending resulting from retirement or termination of employment? (Yes/ No)

No

5. Details on assessment of value chain partners:

% of value chain partners (by value of business done with such partners) that were assessed	
Health and safety practices	100
Working Conditions	100

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

We have implemented rigorous correctives measures, including enhanced safety training, regular audits and stricter compliances checks to address identified risks and improve Health and Safety practices across our Value Chain Partners.

PRINCIPLE 4

Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity:

The Company believes that the stakeholders who are affected the most by the business as well as those who affect the Company the most, are key stakeholders for the Company. The key stakeholders are identified as Customers, Investors, Community, Employees and Suppliers.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:

S. No	Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
1	Customers	No	Email Communication, Face-to face meeting, Phone calls, Virtual meetings, Exhibitions, conferences	Daily	Routine discussion like price variation, timely supply of products etc.
2	Investors	No	Annual General Meeting Investor/ analyst meetings/ conferences Annual Report Quarterly earnings concalls Media releases Company website Dedicated investor email address Individual communication channels Through Registrar and Share Transfer Agent (RTA) Social Media	Quarterly	Financial performance, Operational performance, Growth plans, challenges faced by the Company, Material information, Notices of General meeting, Board meetings.

S. No	Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
3	Community	Yes	Engaging in regular dialogues with community through meetings, visits and interactions Executing CSR initiatives to encourage community involvement Utilising demographic surveys to obtain valuable insights and feedback from the community	Monthly	Community shares their experiences, views and expectations from the Company.
4	Employees	No	Senior leadership communication sessions Performance review and appraisal meetings Union meetings for open dialogue and collaboration Wellness initiatives promoting employee well-being Employee engagement surveys to gather feedback and insights Townhall meetings for transparent communication and updates Sports events to encourage team building and physical well-being	Daily	Feedback on policies, suggestions, queries on HR policies, trainings on sustainability, health and safety, career development.
5	Suppliers	No	Advertisement, Email, Face-to-face Meetings, Newspaper, Pamphlets, Phone Calls, SMS, Website, Virtual Meetings	Daily	Quantity and quality of products and services, payment terms, deliverables.

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The process for consultation between stakeholders and the Board on economic, environmental and social topics involves both direct and delegated mechanisms. In direct consultation, stakeholders engage with the Board through structured meetings, surveys and public forums, where their inputs are systematically recorded and compiled into comprehensive reports. These reports are subsequently presented to the Board during scheduled sessions to inform decision-making. When consultation is delegated, designated representatives such as Committees or managers gather stakeholder's feedback using various methods like meetings and surveys. The collected feedback is synthesized into detailed summary reports, which are communicated to the Board through regular briefings or written submissions. This ensures that the Board is kept informed of stakeholder perspectives and can make decisions based on a broad range of inputs.

2. Whether stakeholder consultation is used to support the identification and management of environmental and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, the stakeholder consultation is used to support the identification and management of environmental and social topics.

Input from stakeholders plays a crucial role in shaping policies and activities related to these areas. For instance, in response to community concerns about environmental impacts, formal and informal feedback from stakeholders are instrumental in enhancing the Company's waste management practices, leading to the adoption of a new recycling program. Similarly, stakeholder consultation revealed the need for improved social policies, resulting in the development of a comprehensive community engagement strategy. This strategy included regular meetings and partnerships with local organizations to address social issues more effectively. These consultations ensure that stakeholder perspective are integrated into the Company's policies and activities, fostering sustainable and community-aligned decision-making.

3. Provide details of instances of engagement with and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

Based on the stakeholders consultation and baseline surveys, the CSR activities of the Company are inter alia aimed to address the concerns of vulnerable/ marginalized stakeholder groups.

Additionally, to better address the needs of marginalized groups such as indigenous communities, the organization conducted focused listening sessions to understand their unique challenges related to social and cultural preservation. This engagement led to the implementation of culturally sensitive environmental management practices and the creation of educational programs aimed at preserving local requirements. Another instance includes partnering with non-profit organizations to provide health support services to underserved populations, thereby addressing their immediate needs and fostering long-term resilience. These actions demonstrate the Company's commitment to actively engaging with and responding to the concerns of vulnerable groups, ensuring that their voices are heard and integrated into the decision-making process.

● PRINCIPLE 5

Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity:

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	1503	186	12.34	1469	1469	100
Other than permanent	46	24	52.17	91	91	100
Total Employees	1549	210	13.56	1560	1560	100
Workers						
Permanent	217	0	0	225	225	100
Other than permanent	2304	0	0	2327	2327	100
Total Workers	2521	0	0	2552	2552	100

2. Details of minimum wages paid to employees and workers:

Category	FY 2023-24 (Current Financial Year)					FY 2022-23 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No.(B)	% B/A	No.(C)	% C/A		No.(E)	% E/D	No.(F)	% F/D
Employees										
Permanent	1503	0	0	1503	100	1469	0	0	1469	100
Male	1457	0	0	1457	100	1425	0	0	1425	100
Female	46	0	0	46	100	44	0	0	44	100
Other than permanent	46	0	0	46	100	91	0	0	91	100
Male	43	0	0	43	100	91	0	0	91	100
Female	3	0	0	3	100	0	0	0	0	0
Workers										
Permanent	217	0	0	217	100	225	0	0	225	100
Male	217	0	0	217	100	225	0	0	225	100
Female	0	0	0	0	0	0	0	0	0	0
Other than permanent	2304	2304	100	0	0	2327	0	0	2327	100
Male	2253	2253	100	0	0	2327	0	0	2327	100
Female	51	51	100	0	0	0	0	0	0	0

3. a. Details of remuneration/salary/wages:

(₹ in Crores)

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD) ¹	7	0.20	1	0.30
Key Managerial Personnel ²	6	3.04	0	0
Employees other than BoD and Key Managerial Personnel	1451	0.06	46	0.06
Workers	217	0.06	0	0

Notes:

1. Consisting of Non-Executive Directors and Independent Directors.
2. Key Managerial Personnel include Chairman & Managing Director, Whole-time Directors, Chief Financial Officer and Company Secretary.

b. Gross wages paid to females as % of total wages paid by the entity:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Gross wages paid to females as % of total wages	3.21	2.72

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, Sustainability Committee has been constituted to review all Sustainability related matters of the Company including human rights impacts or issues.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Mechanism is in place for redressal of grievances related to human rights issues.

6. Number of Complaints on the following made by employees and workers:

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	0	0	0	0
Discrimination at workplace	0	0	0	0	0	0
Child Labour	0	0	0	0	0	0
Forced Labour/ Involuntary Labour	0	0	0	0	0	0
Wages	0	0	0	0	0	0
Other human rights related issues	0	0	0	0	0	0

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0	0
Complaints on POSH upheld	0	0

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has a Policy on Ethics, Human Rights and Labour, which provides anonymity to the complainant and also prevents victimisation of the complainant.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No):

Yes

10. Assessments for the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	100
Forced Labour/Involuntary Labour	100
Sexual Harassment	100
Discrimination at Workplace	100
Wages	100

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

There were no significant risks/concerns arising from the assessment. However, regular training and awareness sessions are being conducted to promote human rights.

Leadership Indicators
1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

Nil as there were no human rights grievances or complaints.

2. Details of the scope and coverage of any human rights due-diligence conducted.

While the Company is engaging new vendor or contractor it ensures that those parties are aware about human rights protection and written confirmation post due-diligence audit are taken.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	Nil
Discrimination at Workplace	Nil
Child Labour	Nil
Forced Labour/Involuntary Labour	Nil
Wages	Nil

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not applicable.