

Independent Auditor’s Report

To The Members of Deepak Nitrite Limited

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying consolidated financial statements of Deepak Nitrite Limited (“the Parent”) and its subsidiaries, (the Parent and its subsidiaries together referred to as “the Group”), which comprise the Consolidated Balance Sheet as at March 31, 2024 and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended on that date and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements of the subsidiaries referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, (“Ind AS”) and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024 and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (“SAs”) specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (“ICAI”) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. we have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor’s Response
1	<p>Revenue Recognition</p> <p>Revenue recognition is significant audit risk across the Group. Risk exists that revenue is recognized without substantial transfer of control and is not in accordance with Ind AS-115 “Revenue from Contracts with Customers”.</p>	<p>Our audit consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> We evaluated the design and performed walkthrough of internal controls relating to revenue recognition. We selected sample of Sales transactions and tested the operating effectiveness of the internal control relating to revenue recognition. We carried out a combination of procedures involving enquiry and observation, reperformance and/or inspection. We have tested sample of Sale transactions to their respective customer contracts, underlying invoices and related documents. We have performed cut-off procedures for revenue transactions at year-end in order to conclude on whether they were recognized in accordance with Ind-AS 115.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' report and annexure thereto, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intend to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets of ₹ 104.51 Crores as at March 31, 2024, total revenues of ₹ 0.21 Crores and net cash inflows amounting to ₹ 6.48 Crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law maintained by the Group, including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, except not complying with the requirement of audit trail as stated in (i) (vi) below.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Parent Company as on March 31, 2024 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) The modification relating to the maintenance of accounts and other matters connected therewith, is as stated in paragraph (b) above.
 - g) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent company, subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the auditor's reports of subsidiary companies incorporated in India, the remuneration paid by the Parent Company and such subsidiary companies to their respective directors during the year is in accordance with the provisions of section 197 of the Act.
 - i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 37 to the consolidated financial statements;
 - ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies incorporated in India.
 - iv) (a) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors respectively that, to the best of their knowledge and belief, other than as disclosed in the note 47 (v) (a) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiaries to

or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, other than as disclosed in the note 47(vi)(a) to the consolidated financial statements, no funds have been received by the Parent or any of such subsidiaries from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor’s notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v) The final dividend proposed in the previous year, declared and paid by the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, where applicable, during the year is in accordance with section 123 of the Act, as applicable.

As stated in note 49 to the consolidated financial statements, the Board of Directors of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, where applicable, have proposed final dividend for the year which is subject to the approval of the members of the Parent and such subsidiaries at the ensuing respective Annual General Meetings. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

- vi) Based on our examination which included test checks and based on the other auditor’s reports of its subsidiary companies incorporated in India whose financial statements have been audited under the Act, except for instance mentioned below, the Parent and two of its subsidiaries incorporated in India have used accounting softwares for maintaining their respective books of account for the year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software(s). Further, during the course of audit, we and respective other auditors, whose reports have been furnished to us by the Management of the Parent, have not come across any instance of the audit trail feature being tampered with.

In respect one subsidiary, as reported by the other auditor,

- i) The Company has used an accounting software(s) for maintaining its books of account for the period April 1, 2023 to October 31, 2023 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the said period for all relevant transactions recorded in the software(s). Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with, in respect of accounting software for the period for which the audit trail feature was operating.
- ii) The Company has migrated to another accounting software on November 1, 2023 which has a feature of recording audit trail (edit log) facility and the same was operational for all relevant transactions recorded in the software, except that, audit trail feature is not enabled for privileged access users as described in note 47 (viii) to the consolidated financial statements.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No.117366W/W-100018)

(Kartikeya Raval)

(Partner)

(Membership No. 106189)

(UDIN: 24106189BKFGVE4518)

Place: Vadodara

Date: May 20, 2024

Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 7(g) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (“THE ACT”)

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as at and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated financial statements of Deepak Nitrite Limited (hereinafter referred to as “Parent”) and its subsidiary companies, which are companies incorporated in India, as of that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Parent, its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal control with reference to consolidated financial statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Parent, its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Parent, its subsidiary companies, which are companies incorporated in India.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

A company’s internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

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

OPINION

In our opinion to the best of our information and according to the explanations given to us, the Parent, its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to consolidated financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No.117366W/W-100018)

(Kartikeya Raval)

(Partner)

(Membership No. 106189)

(UDIN: 24106189BKFGVE4518)

Place: Vadodara

Date: May 20, 2024

Consolidated Balance Sheet

as at March 31, 2024

Corporate Identification Number: L24110GJ1970PLC001735

		₹ in Crores	
		As at	As at
		March 31, 2024	March 31, 2023
	Notes		
I. ASSETS			
Non-Current Assets			
(a)	Property, Plant and Equipment	2,243.11	1,913.53
(b)	Capital Work-in-Progress	773.51	282.59
(c)	Intangible Assets	49.61	28.08
(d)	Intangible Assets Under Development	-	18.24
(e)	Financial Assets		
	Investments	2.69	2.48
	Loans	2.09	0.70
	Other Financial Assets	28.60	10.78
(f)	Non-Current Tax Assets (Net)	4.86	6.16
(g)	Deferred Tax Assets	2.17	0.15
(h)	Other Non-Current Assets	147.98	126.96
	Total Non-Current Assets	3,254.62	2,389.67
Current Assets			
(a)	Inventories	759.91	893.07
(b)	Financial Assets		
	Investments	119.16	376.87
	Trade Receivables	1,298.35	1,309.52
	Cash and Cash Equivalents	237.97	37.64
	Bank Balances Other than Cash and Cash Equivalents above	227.49	2.31
	Loans	1.11	0.43
	Other Financial Assets	62.21	39.60
(c)	Other Current Assets	135.40	79.63
	Total Current Assets	2,841.60	2,739.07
	TOTAL ASSETS	6,096.22	5,128.74
II. EQUITY AND LIABILITIES			
Equity			
(a)	Equity Share Capital	27.28	27.28
(b)	Other Equity	4,769.34	4,062.68
(c)	Non-Controlling Interest	26.06	-
	Total Equity	4,822.68	4,089.96
Liabilities			
Non-Current Liabilities			
(a)	Financial Liabilities		
	Borrowings	216.95	43.02
	Lease Liabilities	62.28	15.41
(b)	Provisions	35.63	29.97
(c)	Deferred Tax Liabilities (Net)	173.62	156.62
	Total Non-Current Liabilities	488.48	245.02
Current Liabilities			
(a)	Financial Liabilities		
	Borrowings	-	11.46
	Lease Liabilities	6.85	2.97
	Trade Payables		
	Total outstanding dues of		
	a) Micro Enterprises and Small Enterprises	32.77	26.61
	b) creditors other than Micro Enterprises and Small Enterprises	549.49	635.15
	Other Financial Liabilities	127.59	55.65
(b)	Other Current Liabilities	43.49	47.55
(c)	Provisions	17.43	14.37
(d)	Current Tax Liabilities (Net)	7.44	-
	Total Current Liabilities	785.06	793.76
	TOTAL Liabilities	1,273.54	1,038.78
	TOTAL EQUITY AND LIABILITIES	6,096.22	5,128.74
	Material Accounting Policies	1	

The accompanying Notes form an integral part of the Consolidated Financial Statements.

As per our report of even date

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

Kartikeya Raval
Partner

Vadodara: May 20, 2024

For and on behalf of the Board

DEEPAK C. MEHTA
Chairman & Managing Director
DIN: 00028377

SANJAY UPADHYAY
Director (Finance) & Group CFO
DIN: 01776546

SOMSEKHAR NANDA
Chief Financial Officer
ICAI Membership .no - 49831

Vadodara: May 20, 2024

MAULIK MEHTA
Executive Director & CEO
DIN: 05227290

DILEEP CHOKSI
Director
DIN: 00016322

ARVIND BAJPAI
Company Secretary
Membership No.: F6713

Consolidated Statement of Profit and Loss

for the Year ended March 31, 2024

Corporate Identification Number: L24110GJ1970PLC001735

₹ in Crores

	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
I. Revenue from Operations	27	7,681.83	7,972.06
II. Other Income	28	76.10	47.58
III. Total Income (I+II)		7,757.93	8,019.64
IV. Expenses:			
(a) Cost of Materials Consumed	29	5,056.09	5,394.56
(b) Purchases of Stock-in-Trade		77.02	144.06
(c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	30	102.99	(191.11)
(d) Employee Benefits Expense	31	351.05	318.25
(e) Power & Fuel Expenses	32	457.12	541.93
(f) Finance Costs	33	11.83	24.78
(g) Depreciation and Amortisation Expense	34	165.66	166.30
(h) Other Expenses	35	514.28	474.99
Total Expenses (IV)		6,736.04	6,873.76
V. Profit before share of profit of an Associate and Exceptional Items (III-IV)		1,021.89	1,145.88
VI. Profit before Tax from Associate		0.03	-
VII. Profit before Exceptional Items and Tax (V+VI)		1,021.92	1,145.88
VIII. Exceptional Items	49	79.80	-
IX. Profit before tax (VII+VIII)		1,101.72	1,145.88
X. Tax Expense:			
(a) Current Tax		273.10	258.63
(b) Deferred Tax		17.73	35.25
XI. Profit for the Year (IX-X)		810.89	852.00
XII. Other Comprehensive Income:			
Items that will not be Reclassified to Profit and Loss:			
(a) Remeasurement of Defined Benefit Obligations (Net)		(2.78)	(6.89)
(b) Tax Effect on remeasurement of Defined Benefit obligations (Net)		0.71	1.73
(c) Fair Value gains on Investments		0.16	0.22
(d) Tax effect of Fair Value Gains on Investments		(0.04)	(0.06)
Total Other Comprehensive Income for the Year (XII)		(1.95)	(5.00)
XIII. Total Comprehensive Income for the year (XI+XII)		808.94	847.00
XIV. Profit attributable to:			
Owners of the Company		810.90	852.00
Non-Controlling Interest		(0.01)	-
XV. Other Comprehensive Income attributable to:			
Owners of the Company		(1.95)	(5.00)
Non-Controlling Interest		-	-
XVI. Total Comprehensive Income attributable to:			
Owners of the Company		808.95	847.00
Non-Controlling Interest		(0.01)	-
Earnings Per Equity Share			
(a) Basic (Nominal Value per share ₹ 2)	44	59.45	62.46
(b) Diluted (Nominal Value per share ₹ 2)	44	59.45	62.46

The accompanying Notes form an integral part of the Consolidated Financial Statements.

As per our report of even date

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

Kartikeya Raval
Partner

For and on behalf of the Board

DEEPAK C. MEHTA
Chairman & Managing Director
DIN: 00028377

SANJAY UPADHYAY
Director (Finance) & Group CFO
DIN: 01776546

SOMSEKHAR NANDA
Chief Financial Officer
ICAI Membership .no - 49831

MAULIK MEHTA
Executive Director & CEO
DIN: 05227290

DILEEP CHOKSI
Director
DIN: 00016322

ARVIND BAJPAI
Company Secretary
Membership No.: F6713

Vadodara: May 20, 2024

Vadodara: May 20, 2024

Consolidated Cash Flow Statement

for the Year ended March 31, 2024

Corporate Identification Number: L24110GJ1970PLC001735

₹ in Crores

	For the year ended March 31, 2024	For the year ended March 31, 2023
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	1,101.72	1,145.88
Adjustments for :		
1. Depreciation and Amortisation Expense	165.66	166.30
2. Loss on Sale of Property, Plant and Equipment	(0.86)	1.15
3. Gain on disposal/modification of RTU assets	(1.56)	-
4. Provision/(Reversal) for Doubtful Debts	(27.62)	(0.48)
5. Provision/(Reversal) for Inventory Obsolescence	(0.07)	(1.76)
6. Bad Debts (net of recovery)	1.69	-
7. Gain on Redemption of Current Investment including gain on fair valuation	(31.03)	(22.26)
8. Finance Costs	11.83	30.86
9. Interest Income	(4.35)	(3.21)
10. Unrealised Foreign Exchange Loss/(Gain) net	1.08	1.99
Operating Profit Before Change in Operating Assets and Liabilities	1,216.49	1,318.47
Movements in Working Capital :		
1. (Increase)/Decrease in Inventories	133.23	(306.77)
2. (Increase)/Decrease in Trade Receivables	13.35	(193.65)
3. (Increase)/Decrease in Other Assets	(137.30)	(57.17)
4. Increase/(Decrease) in Trade Payables	(80.81)	162.96
5. Increase/(Decrease) in Other Liabilities	(0.45)	(13.90)
Cash Generated from Operations	1,144.51	909.94
Less: Income tax paid (net of refund)	266.45	260.02
Net Cash Inflow from Operating Activities (A)	878.06	649.92
(B) CASH FLOW FROM INVESTING ACTIVITIES		
1. Purchase of Property, Plant and Equipment, including Capital Work-in-Progress, Capital Advances & Payable for Capital Expenditure	(742.39)	(358.13)
2. Purchase of Intangible Assets	(29.32)	(2.72)
3. Proceeds from Sale of Property, Plant and Equipment	3.25	0.93
4. Payment for acquisition of subsidiaries (refer note 3 below)	(27.24)	-
5. Net Proceeds/(Purchase) from Redemption of Current Investments	288.70	82.15
6. Deposit with Bank	(218.80)	(0.52)
7. Interest Received	3.96	2.24
Net Cash Outflow from Investing Activities (B)	(721.84)	(276.05)

Consolidated Cash Flow Statement (Contd.)

₹ in Crores

	For the year ended March 31, 2024	For the year ended March 31, 2023
(C) CASH FLOW FROM FINANCING ACTIVITIES		
1. Proceeds from Non-Current Borrowings	216.95	-
2. Repayment of Non-Current Borrowings	(49.02)	(215.75)
3. Net (Proceeds)/Borrowings from Current Borrowings	(5.46)	(36.53)
4. Interest paid	(9.82)	(23.31)
5. Dividend paid on Equity Shares	(102.29)	(95.48)
6. Margin Money Deposit	(0.01)	17.33
7. Principal repayment of Lease Liability	(4.34)	(3.36)
8. Interest cost of Lease	(2.48)	(1.98)
Net Cash Outflow from Financing Activities (C)	43.53	(359.08)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	199.75	14.79
Cash and Cash Equivalents at the Beginning of the Financial Year	37.64	22.85
Cash and Cash Equivalents on acquisition of subsidiaries (refer note 3 below)	0.58	-
Cash and Cash Equivalents at the End of the Financial Year	237.97	37.64
Reconciliation of Cash and Cash Equivalents		
Balances with Banks:		
In Current Accounts	9.01	0.35
In Cash Credit Accounts	19.83	23.17
Deposit with banks with maturity less than 3 months from the date of acquisition	209.01	14.01
Cash on Hand	0.12	0.11
Total Cash and Cash Equivalents as per note 13.	237.97	37.64

Notes:

- The Consolidated Cash Flow Statement has been prepared under the 'Indirect Method' set out in Ind AS 7 'Cash Flow Statement'.
- Disclosure with regards to changes in liabilities arising from Financing activities as set out in Ind AS 7 'Cash Flow Statement' is presented under note 41.7.
- On August 11, 2023, Deepak Nitrite Limited acquired 31.72% equity stake in DOIL by subscribing to 7,70,000 equity shares of OMR 1 each for the consideration of ₹ 16.55 Crores. Further, on March 20, 2024, Deepak Nitrite Limited acquired, through acquisition as well as by way of subscription, additional 19.28% equity stake in DOIL i.e. 4,95,824 equity shares of OMR 1 each for the consideration of ₹ 10.69 Crores. Cumulative holding as on March 31, 2024 is 51%.

Thereby, DOIL has been treated as an Associate up to March 19, 2024 and Subsidiary thereafter during the period ended March 31, 2024.

The accompanying Notes form an integral part of the Consolidated Financial Statements.

As per our report of even date

For and on behalf of the Board

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants**DEEPAK C. MEHTA**
Chairman & Managing Director
DIN: 00028377**MAULIK MEHTA**
Executive Director & CEO
DIN: 05227290**Kartikeya Raval**
Partner**SANJAY UPADHYAY**
Director (Finance) & Group CFO
DIN: 01776546**DILEEP CHOKSI**
Director
DIN: 00016322**SOMSEKHAR NANDA**
Chief Financial Officer
ICAI Membership .no - 49831**ARVIND BAJPAI**
Company Secretary
Membership No.: F6713

Vadodara: May 20, 2024

Vadodara: May 20, 2024

Consolidated Statement of Changes in Equity

for the Year ended March 31, 2024

Corporate Identification Number: L24110GJ1970PLC001735

(A) EQUITY SHARE CAPITAL (REFER NOTE 17)

	₹ in Crores
	Amount
As at April 01, 2022	27.28
Changes in Equity Share Capital during the year	-
As at March 31, 2023	27.28
Changes in Equity Share Capital during the year	-
As at March 31, 2024	27.28

(B) OTHER EQUITY (REFER NOTE 18)

	Reserves and Surplus					Other Comprehensive Income	Total	Non-controlling Interests	Total
	Retained Earnings	Capital Reserve	General Reserve	Capital Redemption Reserve	Securities Premium				
Balance as at April 01, 2022	2,776.96	0.71	98.90	0.15	434.17	0.27	3,311.16	-	3,311.16
Profit for the year	852.00	-	-	-	-	-	852.00	-	852.00
Other Comprehensive income (net of taxes)	(5.16)	-	-	-	-	0.16	(5.00)	-	(5.00)
Dividend	(95.48)	-	-	-	-	-	(95.48)	-	(95.48)
Balance as at March 31, 2023	3,528.32	0.71	98.90	0.15	434.17	0.43	4,062.68	-	4,062.68
Transactions with Non-controlling Interests	-	-	-	-	-	-	-	26.07	26.07
Profit for the year	810.90	-	-	-	-	-	810.90	(0.01)	810.89
Other Comprehensive income (net of taxes)	(2.07)	-	-	-	-	0.12	(1.95)	-	(1.95)
Dividend	(102.29)	-	-	-	-	-	(102.29)	-	(102.29)
Balance as at March 31, 2024	4,234.86	0.71	98.90	0.15	434.17	0.55	4,769.34	26.06	4,795.40

The accompanying Notes form an integral part of the Consolidated Financial Statements.

As per our report of even date

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

Kartikeya Raval
Partner

Vadodara: May 20, 2024

For and on behalf of the Board

DEEPAK C. MEHTA
Chairman & Managing Director
DIN: 00028377

SANJAY UPADHYAY
Director (Finance) & Group CFO
DIN: 01776546

SOMSEKHAR NANDA
Chief Financial Officer
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Vadodara: May 20, 2024

MAULIK MEHTA
Executive Director & CEO
DIN: 05227290

DILEEP CHOKSI
Director
DIN: 00016322

ARVIND BAJPAI
Company Secretary
Membership No.: F6713

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

GROUP OVERVIEW

Deepak Nitrite Limited ('DNL' or 'the Company') is a prominent chemical manufacturing public limited company incorporated and domiciled in India. Its registered office is located at 2nd Floor, Fermenter House, Alembic City, Alembic Avenue Road, Vadodara – 390 003, Gujarat, India and its manufacturing facilities are located in the states of Gujarat, Maharashtra and Telangana.

The Company with its five subsidiaries namely Deepak Phenolics Limited, Deepak Nitrite Corporation Inc., Deepak Chem Tech Limited, Deepak Oman Industries LLC (SFZ) (with effect from March 20, 2024) and Deepak Project Management Company Limited (incorporated on December 02, 2023) are referred to as the Group here under.

The Group manufactures Advanced Intermediates and Phenolics.

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended March 31, 2023, except for amendments to the existing Indian Accounting Standards (Ind AS). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. The Company applies, for the accounting periods beginning on or after April 1, 2023, that do not have material impact on the financial statements of the Company.

Ind AS 1 - Presentation of Financial Statements:

This amendment requires the entities to disclose their material accounting policies rather than their material accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the Consolidated Financial Statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors:

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2023. The Company has evaluated the amendment and there is no material impact on its Consolidated Financial Statements.

Ind AS 12 - Income taxes:

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2023. The Company has evaluated the amendment and there is no material impact on its Consolidated Financial Statements.

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

1. Material Accounting Policies

This Note provides a list of the material Accounting Policies adopted by the Group in the preparation of these Consolidated Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The Financial Statements are for the Group consisting of the Company and its subsidiary companies.

(a) I. Basis of preparation

(i) Compliance with Ind AS

The Consolidated Financial Statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The Consolidated Financial Statements have been prepared on a historical cost basis except for the following assets and liabilities which have been measured at fair value or revalued amount:

- (a) Certain financial assets and financial liabilities measured at fair value
- (b) Derivative Financial instruments
- (c) Defined benefit plan – plan assets measured at fair value

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if the market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value measurement and/or disclosure purposes in the financial statements is determined on such a basis except for leasing transactions that are within the scope of Ind AS 116 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

(ii) Functional and Presentation Currency

Items included in the Consolidated Financial Statements of the Group are measured using the currency of the primary economic environment in which the Group operates ('functional currency'). The Consolidated Financial Statements of the Group are presented in Indian currency (₹), which is also the functional and presentation currency of the Group.

(iii) Use of estimates

Preparation of the Consolidated Financial Statements requires use of accounting estimates which, by definition, will be equal to the actual results. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Useful lives and residual value of property, plant and equipment : The Group reviews the useful life and residual value of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods. (Refer Note 2)

Allowance for expected credit losses: The expected credit allowance is based on the ageing of the days receivables which are past due and the rates derived based on past history of defaults in the provision matrix. (Refer Note 41.5)

Fair value of investments: The Group has invested in the equity instruments of various companies. However, the percentage of shareholding of the Group in such investee companies is very low and hence, it has not been provided with future projections including projected statement of profit and loss by those investee companies. Hence, the valuation exercise carried out by the Group with the help of an independent valuer has estimated fair value at each reporting period based on available historical annual reports and other information in the public domain. (Refer Note 41.1)

Income taxes : Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. (Refer Note 38)

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

(a) II. Principles of Consolidation :

The Consolidated Financial Statements (CFS) comprise the Financial Statements of Deepak Nitrite Limited and its subsidiaries as at March 31, 2024. The consolidated financial statements of the Group have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013. The basis for preparing the consolidated financial statements is given below:

Subsidiary companies are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group combines the Financial Statements of the parent and its subsidiary companies line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances, cashflows and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting Policies of subsidiary companies are consistent with the policies adopted by the Group.

In case of foreign subsidiary revenue items are consolidated at the average rate that approximates the actual rate at the date of transaction. All monetary items are translated into Consolidated financial statements at exchange rate in effect at the balance sheet date. Any exchange difference arising on consolidation is recognised in the Consolidated Statement of Profit and Loss.

Profit or Loss and each component of Other Comprehensive Income are attributed to the owners of the Group and to the non-controlling interests. Total Comprehensive Income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Name of Entity	Ownership in % either directly or through subsidiaries		Nature	Country of Incorporation
	2023-24	2022-23		
Deepak Phenolics Limited	100%	100%	Subsidiary	India
Deepak Chem Tech Limited	100%	100%	Subsidiary	India
Deepak Nitrite Corporation, Inc.	100%	100%	Subsidiary	United States of America
Deepak Oman Industries LLC (SFZ)	51%	0%	Subsidiary	Sultanate of Oman
Deepak Project Management Company Limited	100%	100%	Subsidiary	India

Changes in ownership interest

When the Group ceases to consolidate or equity account for an investment because of a loss of significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purpose of subsequently accounting for the retained interest as an associate company or financial asset.

(b) Current versus non-current classification

Assets and liabilities are classified as Current or Non-Current as per the provisions of the Schedule III notified under the Companies Act and the Group's normal operating cycle.

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

An asset is treated as current when it is:

- (i) Expected to be realised or intended to be sold or consumed in normal operating cycle;
- (ii) Held primarily for the purpose of trading;
- (iii) Expected to be realised within twelve months after the reporting period, or
- (iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- (i) It is expected to be settled in normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting period, or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Based on the nature of business and its activities, the Group has ascertained its operating cycle as twelve months for the purpose of Current & Non-Current classification of assets and liabilities.

(c) Revenue Recognition

Sale of Goods:

Revenue from the sale of goods is only recognized – net of Goods & Service Tax, trade discounts and rebates – if the following conditions are met:

- The control of the goods have been transferred to the buyer.
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits associated with the transaction will flow to the Group.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from Services is recognised in the accounting period in which the services are rendered.

Interest Income:

Interest income from Financial Assets is recognised when it is probable that the economic benefits will flow to the Group and the amount of income is measured reliably. Interest income is accrued on time basis, by reference to the principle outstanding and using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Eligible export incentives are recognised in the year in which the conditions precedent is met and there is no significant uncertainty about the collectability.

Revenue in respect of other income is recognised to the extent that the Group is reasonably certain of its ultimate realisation.

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

(d) Leasing

As a Lessee

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The ROU are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the incremental borrowing rates.

As a Lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

(e) Foreign Currency Transactions

In preparing the Consolidated Financial Statements of the Group, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in Consolidated Statement of profit and loss in the period in which they arise.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Consolidated Statement of Profit and Loss, within finance costs.

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and option contracts.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Consolidated Statement of profit and loss immediately.

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

(f) Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are recognised in the Consolidated Statement of Profit and Loss in the period in which they are incurred.

(g) Government Grants

- (i) Grants from the Government are not recognised until there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.
- (ii) Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited in the Consolidated Statement of Profit and Loss in proportion to fulfilment of associated export obligations and presented within other income.
- (iii) Government grants relating to income are recognised in the Consolidated Statement of Profit and Loss on a Systematic basis over the period necessary to match them with the costs that they are intended to compensate or when the performance obligations are met.

(h) Employee Benefits

(i) Retirement Benefit Costs and Termination Benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit plans in respect of an approved gratuity plan, the cost of providing benefits is determined using projected unit credit method, with actuarial valuations being carried out at the end of each reporting period.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income is reflected in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to Consolidated Statement of Profit and Loss.

Past service cost is recognised in Consolidated Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and curtailments and settlements);
- net interest expense or income; and
- remeasurement

The first two components of defined benefit costs are recognised in the Consolidated Statement of Profit and Loss in the line item 'Employee benefits expense'. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

(ii) Short-Term and Other Long-Term Employee Benefits

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

Liabilities recognised in respect of other long-term employee benefits are measured at the Present value of the estimated future cash outflows expected to be made in respect of services provided by employees up to the reporting date.

(iii) **Compensated Absence and Earned Leaves**

The Group's current policy permits eligible employees to accumulate compensated absences up to a prescribed limit and receive cash in lieu thereof in accordance with the terms of the policy. The Group measures the expected cost of accumulating compensated absences as the additional amount that the Group expects to pay as a result of unused entitlement that has accumulated as at the reporting date. The expected cost of these benefits is calculated using the projected unit credit method by qualified actuary every year. Actuarial gains and losses arising from experience adjustment and changes in actuarial assumptions are recognised in the Consolidated Statement of Profit and Loss in the period in which they arise.

(i) **Income Taxes**

The Company and its Subsidiary, Deepak Phenolics Limited, has elected to exercise option available under section 115BAA of the Income Tax Act, 1961.

Deepak Chem Tech Limited, wholly owned subsidiary, shall be eligible to claim benefit of lower rate of tax under section 115BAB of the Income Tax Act, 1961.

The income tax expense represents the sum of the tax currently payable and deferred tax.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax is recognised in the Consolidated Statement of Profit and Loss, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity. In this case, the tax is also recognised in Other Comprehensive Income or directly in equity, respectively.

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profits.

However, deferred tax liabilities are not recognised if they arise from the initial recognition of Goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit/(tax loss).

Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the Balance Sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

(j) Property, Plant and Equipment

Property, plant and equipment held for use in the production or supply of goods or services are stated at cost less accumulated depreciation and accumulated impairment losses if any.

Subsequent costs are included in the carrying amount of asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the Consolidated Statement of Profit and Loss during the period in which they are incurred.

Spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment if they are held for use in the production or supply of goods or services and are expected to be used during more than one period.

Property, plant and equipment which are not ready for intended use as on the date of Consolidated Balance Sheet are disclosed as 'Capital Work-in-Progress'.

Depreciation Methods, Estimated Useful Lives and Residual Value:

Depreciation on all tangible assets is provided at the rates and in the manner prescribed by Schedule II to the Companies Act, 2013 and certain components of plant & equipment such as Reactors, Centrifuge, Cooling towers, Air Compressor etc. which are depreciated over its useful life as technically assessed by Independent/ Internal Technical Personnel after taking into consideration past experience of the group, chemical process & chemical industry norms.

Asset Category	Estimated Useful Life
Building	30 years
Plant & Equipment	3 to 40 years
Furniture & Fixture	5 to 10 years
Vehicle	8 years
Office Equipment	2 to 5 years
Road	2 to 10 years

Freehold land is stated at historical cost and is not depreciated.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Consolidated Statement of Profit and Loss.

In respect of depreciable assets for which Impairment Loss is recognised, depreciation/amortisation is charged on the revised carrying amount over the remaining useful life of the assets computed on the basis of the life prescribed in schedule II to the Companies Act, 2013.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

Assets held for disposal are classified as Current Assets at lower of its carrying amount and fair value less costs to sell, difference being recognised in the Consolidated Statement of Profit and Loss.

(k) Intangible Assets

Intangible assets are stated at their original cost of acquisition, less accumulated amortisation and impairment losses, if any. An Intangible Asset is recognised, where it is probable that the future economic benefits attributable to the Asset will flow to the enterprise and where its cost can be reliably measured.

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

The cost of intangible assets is amortised over the estimated useful life, in any case, not exceeding ten years, on a straight-line basis. A detail of estimated useful life is given below:

Asset Category	Estimated Useful Life
Computer Software and related implementation costs	2 to 6 years
Rights to use facilities	5 years
Technical Know How	10 years

(l) Impairment of Tangible and Intangible Assets

The carrying amount of cash generating units/assets is reviewed at the Consolidated Balance Sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount is estimated as the fair value less cost of disposal or value in use, whichever is higher. While assessing value in use, the estimated future cash flows are discounted to the present value by using pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset. Impairment loss, if any, is recognised whenever carrying amount exceeds the recoverable amount. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

(m) Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, demand deposits with bank and other short-term deposits (3 months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

(n) Inventories

Raw materials and components, stores and spares are valued at cost determined on period-moving weighted average basis and are net of Cenvat, VAT & GST. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to the present location and condition. Due allowances are made for slow moving and obsolete inventories based on estimates made by the Group. Items such as spare parts, stand-by equipment and servicing equipment which is not plant and equipment gets classified as inventory.

Finished Goods and Work-in-progress are valued at cost of purchase of raw materials and conversion thereof, including the cost incurred in the normal course of business in bringing the inventories up to the present condition or at the net realisable value, whichever is lower. The inventories of joint products are valued by allocating the costs to the joint products by 'Relative Sales Value' method. By-products are valued at net realisable value.

(o) Financial Instruments

Financial Assets and Financial Liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial Assets and Financial Liabilities are initially measured at Fair Value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Consolidated Statement of Profit and Loss.

Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

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All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(i) Classification of Financial Assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition)

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition)

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in Consolidated Statement of Profit and Loss and is included in the "Other Income" line item.

(iii) Investments in Equity Instruments

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'.

The cumulative gain or loss is not reclassified to Consolidated Statement of Profit and Loss on disposal of the investments.

Dividends on these investments in equity instruments are recognised in Consolidated Statement of Profit and Loss when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery a part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in Consolidated Statement of Profit and Loss are included in the 'Other income' line item.

(iv) Financial Assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

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Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in Consolidated Statement of Profit and Loss. The net gain or loss recognised in Consolidated Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset and is included in the Other income or Other expenses line item. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

(v) Impairment of Financial Assets

The Group recognises a loss allowance for Expected Credit Losses (ECL) on investments in debt instruments that are measured at amortised cost or at FVTOCI, trade receivables and contract assets, financial guarantee contracts and certain other financial assets measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

(vi) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in Consolidated Statement of Profit and Loss if such gain or loss would have otherwise been recognised in Consolidated Statement of Profit and Loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between

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the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in Consolidated Statement of Profit and Loss if such gain or loss would have otherwise been recognised in Consolidated Statement of Profit and Loss on disposal of that financial asset.

A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part it continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

(vii) Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in Consolidated Statement of Profit and Loss.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange difference on amortised cost are recognised in Consolidated Statement of Profit and Loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

(p) Financial Liabilities and equity instruments

(i) Classification as Debt and Equity

Debt and Equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(ii) Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Consolidated Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

(iii) Financial Liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

a) Financial Liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or it is designated as at FVTPL.

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A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Consolidated Statement of Profit and Loss. The net gain or loss recognised in Consolidated Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the 'Other income' or 'Other expenses' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in Consolidated Statement of Profit and Loss, in which case these effects of changes in credit risk are recognised in Consolidated Statement of Profit and Loss. The remaining amount of change in the fair value of liability is always recognised in Consolidated Statement of Profit and Loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to Consolidated Statement of Profit and Loss.

b) Financial Liabilities subsequently measured at Amortised Cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amount of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

c) Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income' or 'Other expenses'.

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The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses.

d) Derecognition of financial liabilities

The Group derecognises financial liabilities when and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability and the consideration paid and payable is recognised in Consolidated Statement of Profit and Loss.

(q) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the Consolidated Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(r) Provisions, Contingent Assets and Contingent Liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These are reviewed at each year end and reflect the best current estimate. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of best estimate of the Management of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

(s) Research and Development Expenditure

Research and Development expenditure is charged to revenue under the natural heads of account in the year in which it is incurred. Research and Development expenditure on property, plant and equipment is treated in the same way as expenditure on other property, plant and equipment.

(t) Earnings Per Share

Basic Earnings per share (EPS) is calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of Equity shares outstanding during the period. Diluted Earnings per Equity Share are computed by dividing net income by the weighted average number of Equity Shares adjusted for the effects of all dilutive

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potential Equity Shares. Earnings considered in ascertaining the EPS is the net profit for the period after attributable tax thereto for the period.

(u) Segment Reporting - Basis of Information

The Group has determined 2 (two) reporting Segments, based on the information reviewed by Chief Operating Decision Maker (CODM) as primary segments viz. (i) Advanced Intermediates and (ii) Phenolics.

Inter segment transfer prices are normally negotiated amongst the segments with reference to the costs, market prices and business risks, within an overall optimisation objective of the Group.

Revenue and expenses have been accounted on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segments on reasonable basis, have been included under "Other unallocable". Assets and liabilities which relate to the enterprise as a whole but are not allocable to segments on a reasonable basis, have been included under "Unallocable Assets/Liabilities".

Secondary segment have been identified with reference to geographical location of external customers. Composition of secondary segment is as follows:

- (i) India and
- (ii) Outside India.

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2. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Leasehold Land	Building	Plant and Equipment	Furniture and Fixture	Vehicle	Office Equipment	Road	Total	Capital Work-in-Progress
Gross Carrying Amount as at April 01, 2022	24.10	180.73	189.17	2,067.26	11.83	14.00	7.18	23.11	2,517.38	103.69
Additions during the year 2022-23	-	-	27.08	114.42	1.62	4.33	1.36	0.85	149.66	323.89
Deductions during the year 2022-23	-	-	(0.97)	(10.09)	(0.15)	(0.60)	(0.21)	-	(12.02)	(144.99)
Gross Carrying Amount as at March 31, 2023	24.10	180.73	215.28	2,171.59	13.30	17.73	8.33	23.96	2,655.02	282.59
Additions during the year 2023-24	18.10	18.41	134.55	302.73	14.85	4.74	5.62	12.21	511.22	962.73
Deductions during the year 2023-24	-	-	(7.98)	(7.28)	(3.23)	(5.02)	(0.53)	-	(24.04)	(471.81)
Gross Carrying Amount as at March 31, 2024	42.20	199.14	341.85	2,467.04	24.93	17.45	13.42	36.17	3,142.20	773.51
Depreciation Amortisation as at April 01, 2022	-	5.70	42.52	501.77	6.88	6.13	5.12	16.59	584.70	-
Depreciation for the year 2022-23	-	2.08	10.57	145.35	1.27	1.85	0.98	0.99	163.09	-
Depreciation on disposal during the year 2022-23	-	-	(0.39)	(5.34)	(0.09)	(0.30)	(0.18)	-	(6.30)	-
Depreciation Amortisation as at March 31, 2023	-	7.78	52.70	641.78	8.06	7.68	5.92	17.58	741.49	-
Depreciation for the year 2023-24	-	2.30	22.29	138.66	2.36	2.13	1.87	1.18	170.78	-
Depreciation on disposal during the year 2023-24	-	-	(3.17)	(4.39)	(2.19)	(2.93)	(0.50)	-	(13.18)	-
Depreciation Amortisation as at March 31, 2024	-	10.08	71.82	776.05	8.23	6.88	7.28	18.75	899.09	-
Net Carrying Amount as at March 31, 2023	24.10	172.94	162.59	1,529.81	5.24	10.05	2.42	6.38	1,913.53	282.59
Net Carrying Amount as at March 31, 2024	42.20	189.05	270.04	1,690.99	16.69	10.57	6.14	17.42	2,243.11	773.51

Notes:

1 Capital work-in-progress mainly comprises addition/expansion projects in progress.

The following table provides CWIP Aging Schedule as at March 31, 2024

	Amount in CWIP for a period of			Total
	Less than 1 year	1-2 years	2-3 years More than 3 years	
Projects in progress	636.10	74.91	24.87	773.51

The following table provides CWIP Aging Schedule as at March 31, 2023

	Amount in CWIP for a period of			Total
	Less than 1 year	1-2 years	2-3 years More than 3 years	
Projects in progress	236.81	37.91	7.87	282.59

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2 Right -to-use assets included in Property, Plant and Equipment

₹ in Crores

	Building	Plant and Equipment	Furniture	Vehicle	Total
Gross Carrying Amount as at April 01, 2022	15.35	1.39	1.75	4.53	23.02
Additions during the year 2022-23	7.39	-	-	-	7.39
Deductions during the year 2022-23	-	-	-	-	-
Gross Carrying Amount as at March 31, 2023	22.74	1.39	1.75	4.53	30.41
Additions during the year 2023-24	55.90	-	12.82	-	68.72
Deductions during the year 2023-24	(7.64)	(1.39)	(1.75)	(4.53)	(15.31)
Gross Carrying Amount as at March 31, 2024	71.00	-	12.82	-	83.82
Depreciation Amortisation as at April 01, 2022	7.37	1.01	0.48	1.65	10.51
Depreciation for the year 2022-23	2.67	0.38	0.20	0.72	3.97
Depreciation on disposal during the year 2022-23	-	-	-	-	-
Depreciation Amortisation as at March 31, 2023	10.04	1.39	0.68	2.37	14.48
Depreciation for the year 2023-24	12.75	-	1.19	0.18	14.12
Depreciation on disposal during the year 2023-24	(2.99)	(1.39)	(0.80)	(2.55)	(7.73)
Depreciation Amortisation as at March 31, 2024	19.80	-	1.07	-	20.87
Net Carrying Amount as at March 31, 2023	12.70	-	1.06	2.16	15.92
Net Carrying Amount as at March 31, 2024	51.20	-	11.74	-	62.94

- 3 The parent company has availed deemed cost approach in relation to the property, plant and equipment on the date of transition to IND-AS i.e. 1 April 2016, hence the net block carrying amount has been considered as the gross block carrying amount on that date. Additions to the property, plant and equipment after the said date have been recorded on historical cost basis.
- 4 Refer note 19 and 22 for hypothecation / mortgage created on assets of the Group.
- 5 Building includes ₹ 10.80 Crores (₹ 10.80 Crores) in respect of ownership of premises in a co-operative housing society by way of 10 Shares.
- 6 The Group does not have any projects which are temporarily suspended.
- 7 Out of the total depreciation, ₹ 3.83 Crores (Previous year ₹ 2.15 Crores) in Deepak Chem Tech Limited, a wholly owned subsidiary and ₹ 9.07 (Previous year ₹ Nil) Crores in Deepak Oman Industries LLC (SFZ), a subsidiary has been allocated to Capital Work-in-Progress.

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3. INTANGIBLE ASSETS

	₹ in Crores		
	Computer Software	Others	Total
Gross Carrying Amount as at April 01, 2022	9.31	40.16	49.48
Additions during the year 2022-23	2.72	-	2.72
Deductions during the year 2022-23	(0.04)	-	(0.04)
Gross Carrying Amount as at March 31, 2023	11.99	40.16	52.16
Additions during the year 2023-24	1.42	27.90	29.31
Deductions during the year 2023-24	(0.14)	-	(0.14)
Gross Carrying Amount as at March 31, 2024	13.27	68.06	81.33
Depreciation Amortisation as at April 01, 2022	6.46	12.27	18.73
Depreciation for the year 2022-23	1.18	4.20	5.38
Depreciation on disposal during the year 2022-23	(0.04)	-	(0.04)
Depreciation Amortisation as at March 31, 2023	7.60	16.47	24.07
Depreciation for the year 2023-24	1.23	6.55	7.78
Depreciation on disposal during the year 2023-24	(0.13)	-	(0.13)
Depreciation Amortisation as at March 31, 2024	8.70	23.02	31.72
Net Carrying Amount as at March 31, 2023	4.39	23.69	28.08
Net Carrying Amount as at March 31, 2024	4.57	45.04	49.61

Intangible Assets Under Development was Nil as at March 31, 2024.

The table below provides aging of Intangible Assets Under Development as at March 31, 2023

Intangible Assets Under Development	Amount for a period of				₹ in Crores
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress	-	4.56	13.68	-	18.24

4. NON-CURRENT INVESTMENTS

	As at March 31, 2024	As at March 31, 2023
(a) Investments in Equity Instruments of other companies measured at Fair Value Through Profit or Loss (FVTPL)	0.14	0.09
(b) Investments in Equity Instruments of other companies measured at Fair Value Through Other Comprehensive Income (FVTOCI)	2.55	2.39
(c) Investments in Government or Trust Securities measured at amortised cost (Refer Note (b) below)	0.00	0.00
Total	2.69	2.48

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₹ in Crores

	Face Value	As at Mar 31, 2024		As at Mar 31, 2023	
		No. of shares	Amount	No. of shares	Amount
(a) Investment in Equity Instruments (fully paid-up)					
(i) Other Companies measured at FVTPL					
Quoted					
IDBI Bank	₹ 10/-	6,240	0.05	6,240	0.03
Bank of Baroda	₹ 2/-	3,234	0.09	3,234	0.05
Unquoted					
Nandesari Environment Control Limited (represents ₹ 8,000)	₹ 10/-	800	0.00	800	0.00
Baroda Co-operative Bank Ltd. (represents ₹ 500)	₹ 50/-	10	0.00	10	0.00
Shamrao Vitthal Co-op Bank Ltd.	₹ 25/-	2,000	0.01	2,000	0.01
New India Co-op Bank Ltd. (represents ₹ 7,980)	₹ 10/-	798	0.00	798	0.00
(ii) Other Companies measured at FVOCI					
Unquoted					
Jeedimetla Effluent Treatment Ltd.	₹ 100/-	52,342	0.80	52,342	0.68
Deepak International Limited	GBP 1/-	73,706	0.77	73,706	0.75
Deepak Gulf LLC	Omani Riyal 1/-	45,000	0.97	45,000	0.96
(b) Investments in Government or Trust Securities measured at amortised cost					
Unquoted					
National Savings Certificate (represents ₹ 1,000)			0.00		0.00
Total		1,84,130	2.69	1,84,130	2.48

1.

₹ in Crores

	As at March 31, 2024	As at March 31, 2023
(a) Aggregate amount of Unquoted Investments	2.56	2.40
(b) Aggregate amount of Quoted Investments	0.14	0.08

5. LOANS

₹ in Crores

	As at March 31, 2024	As at March 31, 2023
Non-current		
Loans to Employees		
Unsecured, considered good	2.09	0.70
Total-Non-Current	2.09	0.70
Current		
Loans to Employees		
Unsecured, considered good	1.11	0.43
Total Current	1.11	0.43

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

6. OTHER NON-CURRENT FINANCIAL ASSETS

	As at March 31, 2024	As at March 31, 2023
Security Deposits		
Unsecured, considered good	9.35	10.78
Advance for Shares Acquisition*	19.25	-
Total	28.60	10.78

*Advance paid by one of the subsidiary of the Group to the share holders of Narmada Thermal Power Private Limited for acquisition of shares.

7. NON-CURRENT TAX ASSETS

	As at March 31, 2024	As at March 31, 2023
Non-Current Tax Assets		
Advance Income Tax (Net of provisions)	4.86	6.16
Total	4.86	6.16

8. DEFERRED TAX ASSETS

	As at March 31, 2024	As at March 31, 2023
Deferred Tax Assets		
Carry Forward of Business Losses	2.17	0.15
Total	2.17	0.15

9. OTHER NON-CURRENT ASSETS

	As at March 31, 2024	As at March 31, 2023
(a) Capital Advances	39.89	79.05
(b) Prepaid Expenses	0.70	0.32
(c) Advance against Salary	1.28	1.21
(d) Balance with Government Authorities	106.11	46.38
Total	147.98	126.96

10. INVENTORIES [AT LOWER OF COST AND NET REALISABLE VALUE]

	As at March 31, 2024	As at March 31, 2023
(a) Raw materials and components	209.63	262.26
Goods-in-transit	98.53	73.27
	308.16	335.53
(b) Stores and Spares	52.98	55.85
Sub-Total	361.14	391.38
(c) Work-in-progress	108.22	103.83
(d) Finished goods	290.07	312.99
Provision for obsolescence	(0.83)	(0.90)
(e) Stock in trade	1.31	85.77
Sub-Total	398.77	501.69
Total	759.91	893.07

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

In previous year, inventories amounting to ₹ 35.70 Crores has been charged to the Statement of Profit and Loss on account of damage due to occurrence of fire incident around the warehouse section of Group's one of the manufacturing sites located at Nandesari, Gujarat. (Refer Note 48)

Refer note 19 and 22 for hypothecation / mortgage created on assets of the Group.

11. CURRENT INVESTMENTS

	As at March 31, 2024	As at March 31, 2023
₹ in Crores		
Investments measured at FVTPL (Quoted)		
Investments in Mutual Funds	119.16	376.87
Total	119.16	376.87

12. TRADE RECEIVABLES

	As at March 31, 2024	As at March 31, 2023
₹ in Crores		
Unsecured, Considered Good		
(i) Trade Receivables - Others	1,297.34	1,338.04
(ii) Related Parties (Refer Note 36.12)	8.79	6.87
Allowance for credit losses (Refer Note 41.5)	(7.78)	(35.39)
Total	1,298.35	1,309.52

The credit period on sales of goods varies with business segments/ markets and generally ranges between 7 to 180 days. For financial risk and ageing related to Trade Receivables refer note 41.5 and 41.6.

There is no amount due from directors or other officers of the group or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member should be separately stated.

Refer note 19 and 22 for hypothecation / mortgage created on assets of the Group.

13. CASH AND CASH EQUIVALENTS

	As at March 31, 2024	As at March 31, 2023
₹ in Crores		
(a) Cash on hand	0.12	0.11
(b) Balances with banks		
In Current accounts	9.01	0.35
In Cash Credit Accounts	19.83	23.17
Deposit with banks with maturity less than 3 months from the date of acquisition	209.01	14.01
Total	237.97	37.64

14. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS ABOVE

	As at March 31, 2024	As at March 31, 2023
₹ in Crores		
(a) Earmarked unpaid dividend accounts	1.67	1.60
(b) Deposits with banks with maturity more than 3 months but less than 12 months	225.62	0.71
(c) Margin Money Deposits		
- Maturity less than 3 months	0.20	-
Total	227.49	2.31

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

15. OTHER CURRENT FINANCIAL ASSETS

	₹ in Crores	
	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
(a) Interest Receivable	1.02	0.63
(b) Insurance Claim Receivable (Refer Note 48)	54.90	35.97
(c) Security Deposits	5.46	1.64
(d) Earnest Money	0.18	0.20
(e) Others	0.65	1.16
Total	62.21	39.60

16. OTHER CURRENT ASSETS

	₹ in Crores	
	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
(a) Balance with Government Authorities	93.24	50.71
(b) Prepaid Expenses	11.43	10.20
(c) Advances to Suppliers	30.16	18.47
(d) Other Receivables	0.57	0.25
Total	135.40	79.63

17. EQUITY SHARE CAPITAL

	₹ in Crores	
	As at March 31, 2024	As at March 31, 2023
Authorised:		
15,00,00,000 Equity shares of ₹ 2 each	30.00	30.00
20,00,00,000 Preference shares of ₹ 100 each	20.00	20.00
Total	50.00	50.00
Issued, Subscribed and fully paid up:		
13,63,93,041 Equity shares of ₹ 2 each	27.28	27.28
Total	27.28	27.28

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

	As at March 31, 2024		As at March 31, 2023	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
Equity Shares				
Shares outstanding at the beginning of the year	13,63,93,041	27.28	13,63,93,041	27.28
Shares outstanding at the end of the year	13,63,93,041	27.28	13,63,93,041	27.28

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

(b) Shares: Terms/Rights

- (i) The Company has Authorised capital of Equity and Preference shares.
- (ii) Each holder of the Equity Share is entitled to one vote per Share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders at the ensuing Annual General Meeting.
- (iii) In the event of liquidation of the Company, the holders of Equity Shares shall be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the Shareholders. No preferential amounts exist as on the Balance Sheet date.

(c) Details of shares held by each shareholder holding more than 5% Equity shares of ₹ 2 each fully paid in the Company:

Name of the Shareholder	As at March 31, 2024		As at March 31, 2023	
	No.	% holding	No.	% holding
Shri Deepak Chimanlal Mehta	2,25,35,241	16.52	2,18,52,531	16.02
Stiffen Credits & Capital Pvt. Ltd.	84,37,840	6.19	84,37,840	6.19
Checkpoint Credits & Capital Pvt. Ltd.	72,06,050	5.28	72,06,050	5.28
Stepup Credits & Capital Pvt. Ltd.	69,15,580	5.07	69,15,580	5.07

(d) Details of shares held by Promoters

Promoter Name	As at March 31, 2024		As at March 31, 2023		% Change during the year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
Late. Shri Chimanlal K. Mehta	-	-	6,97,090	0.51	-0.51%
Shri Deepak Chimanlal Mehta	2,25,35,241	16.52	2,18,52,531	16.02	0.50%
Shri Maulik Mehta	1,31,300	0.10	1,31,300	0.10	0.00%

18. OTHER EQUITY

₹ in Crores

	As at March 31, 2024	As at March 31, 2023
Reserves & Surplus		
(a) Retained Earnings	4,234.86	3,528.32
(b) General Reserve	98.90	98.90
(c) Capital Reserve	0.71	0.71
(d) Capital Redemption Reserve	0.15	0.15
(e) Securities Premium	434.17	434.17
Reserves representing Unrealised Gains/(Losses)		
(f) Equity instruments through other comprehensive income	0.55	0.43
Total	4,769.34	4,062.68

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

	As at March 31, 2024	As at March 31, 2023
₹ in Crores		
(a) Retained Earnings		
Balance at beginning of year	3,528.32	2,776.96
Add: Profit for the year	810.90	852.00
Add: Remeasurement of Defined Benefit Obligation (Net of tax)	(2.07)	(5.16)
Less: Payment of Dividend on Equity Shares	102.29	95.48
Balance at end of year	4,234.86	3,528.32
Retained earnings represents the Group's undistributed earnings after taxes.		
(b) General Reserve		
Balance at beginning of year	98.90	98.90
Balance at end of year	98.90	98.90
The general reserve is used for purposes as specified under the Companies Act, 2013. Items included in the general reserve will not be reclassified subsequently to the statement of profit and loss as the general reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income.		
(c) Capital Reserve		
Balance at beginning of year	0.71	0.71
Balance at end of year	0.71	0.71
(d) Capital Redemption Reserve		
Balance at beginning of year	0.15	0.15
Balance at end of year	0.15	0.15
Capital redemption reserve has been created pursuant to the requirements of the Act under which the Group is required to transfer certain amounts on redemption of the debentures. The Group has redeemed the underlying debentures in the earlier years. The capital redemption reserve can be utilised for issue of bonus shares.		
(e) Securities Premium		
Balance at beginning of year	434.17	434.17
Balance at end of year	434.17	434.17
Securities premium represents the amount received in excess of the face value of the equity shares. The utilisation of the securities premium is governed by the Section 52 of the Companies Act, 2013.		
(f) Reserve for equity instruments through other comprehensive income		
Balance at beginning of year	0.43	0.27
Add: Gain / (Loss) on revaluation of Equity Instruments (Net of tax)	0.12	0.16
Balance at end of year	0.55	0.43
This reserve represents the cumulative gains and losses arising on the fair valuation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed off.		

19. NON-CURRENT BORROWINGS

	As at March 31, 2024	As at March 31, 2023
₹ in Crores		
Term Loans from Banks at amortised cost		
Secured	216.95	49.02
Sub-Total	216.95	49.02
Less:		
Current maturities of Non-Current Borrowings (Refer Note 22)	-	6.00
Total	216.95	43.02

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

Secured Term Loans:-

Term loan from Banks are secured by an exclusive charge by way of hypothecation of all the movables including movable plant and machinery pertaining to the Project.

The assets stated herein are disclosed under note 2, 10 and 12.

Repayment Schedule:-

Term loan availed is repayable on quarterly basis starting from June, 2026.

Interest Rate Condition:-

Interest rate of secured term loan is linked with MCLR.

20. PROVISIONS

	As at March 31, 2024	As at March 31, 2023
₹ in Crores		
Non-current		
Provision for Employee benefit obligations		
Provision for leave benefits (Refer Note 39 (B))	34.24	29.44
Provision for Gratuity (Refer Note 39 (A)(iii))	1.39	0.53
Total-Non-Current	35.63	29.97
Current		
Provision for Employee benefit obligations		
Provision for leave benefits (Refer Note 39 (B))	7.71	6.75
Provision for Gratuity (Refer Note 39 (A)(iii))	9.72	7.62
Total-Current	17.43	14.37

21. DEFERRED TAX LIABILITY (NET)

	As at March 31, 2024	As at March 31, 2023
₹ in Crores		
(a) Break up of deferred tax liability as at year end:		
Nature of temporary difference		
Property, Plant and Equipment	187.66	170.32
Insurance claim receivable on account of loss of inventory	-	8.10
Unrealised Gain on Investments	0.02	2.28
Total Deferred Tax Liability (a)	187.68	180.70
(b) Break up of deferred tax asset as at year end:		
Nature of temporary difference		
Disallowances u/s 43B, Provisions and Others	14.06	24.08
Total Deferred Tax Asset (b)	14.06	24.08
Deferred Tax Liability (Net) (a-b)	173.62	156.62

Refer note 38C for movement in Deferred Tax Assets and Liabilities.

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

22. CURRENT BORROWINGS

	As at March 31, 2024	As at March 31, 2023
₹ in Crores		
Working Capital Borrowings from Banks		
(a) Secured	-	5.46
(b) Current maturities of Long term Borrowings (Refer Note 19)	-	6.00
Total	-	11.46

- (i) Working Capital borrowings from banks represent Cash Credit and Working Capital Demand Loan with rate of interest as MCLR of respective banks plus spread ranging from 0% to 1.25% p.a. These borrowings are repayable on demand.
- (ii) Working Capital borrowings are secured by way of first Hypothecation charge over Group's Raw Materials, Semi-Finished and Finished Goods, Consumable Stores and Book Debts. The assets stated herein are disclosed under note no. 10 and 12.

23. TRADE PAYABLES

	As at March 31, 2024	As at March 31, 2023
₹ in Crores		
(a) To outstanding dues of Micro Enterprises and Small Enterprises	32.77	26.61
(b) To outstanding dues of creditors other than Micro Enterprises and Small Enterprises	549.49	635.15
Total	582.26	661.76

The average credit period on goods purchased or services received ranges between 30 days to 180 days. For ageing related to Trade Payables refer note 41.5.

24. OTHER CURRENT FINANCIAL LIABILITIES

	As at March 31, 2024	As at March 31, 2023
₹ in Crores		
(a) Security Deposits	8.31	9.44
(b) Investor Education and Protection Fund will be credited by following amounts (as and when due)		
Unpaid Dividend	1.67	1.60
(c) Payable for capital expenditure	106.83	44.26
(d) Others	10.78	0.35
Total	127.59	55.65

There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group, except for, in previous year amounts of ₹ 2,74,000, ₹ 20,390 & ₹ 3,80,117 pertaining to unclaimed deposits of Parent Company of FY 2014-15 which were due to be transferred on April 11, 2022, April 17, 2022 & April 26, 2022 respectively and the same were transferred on May 03, 2022.

25. OTHER CURRENT LIABILITIES

	As at March 31, 2024	As at March 31, 2023
₹ in Crores		
(a) Advances received from Customers	20.17	15.92
(b) Statutory Dues	23.32	31.63
Total	43.49	47.55

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

26. CURRENT TAX LIABILITIES

	As at March 31, 2024	₹ in Crores As at March 31, 2023
Current Tax Liabilities		
Provision for Tax (Net of Advances)	7.44	-
Total	7.44	-

27. REVENUE FROM OPERATIONS

	For the year ended March 31, 2024	₹ in Crores For the year ended March 31, 2023
(a) Sale of Products	7,603.11	7,873.88
(b) Sale of Services	6.81	8.70
(c) Other Operating Revenue		
Export Incentives	19.09	18.76
Scrap Sale	7.70	7.87
Others	45.12	62.85
Total	7,681.83	7,972.06

Reconciliation of sales of products

	For the year ended March 31, 2024	₹ in Crores For the year ended March 31, 2023
Revenue from contracts with customer	7,674.26	7,952.36
Adjustments made to contract price on account of discounts and rebates	71.15	78.48
	7,603.11	7,873.88

Refer Note 12 - Trade Receivables to the Consolidated Financial Statements for the amount of contract assets outstanding as at March 31, 2024 and refer to details of Advance received from Customers in Note 25 - Other Current Liabilities to the Consolidated Financial Statements for the contract liabilities outstanding as at March 31, 2024.

28. OTHER INCOME

	For the year ended March 31, 2024	₹ in Crores For the year ended March 31, 2023
(a) Foreign Exchange Gain	0.29	1.94
(b) Cash Discount	3.63	16.06
(c) Gain on redemption of Investments	30.89	12.80
(d) Interest Income	4.35	3.21
(e) Rent	0.05	0.05
(f) Fair Value Gains on Financial Assets	0.14	9.46
(g) Gain on sale of Property, Plant and Equipment	2.42	-
(h) Writebacks and Other Recoveries	27.69	3.97
(i) Other Non-Operating Revenue	6.64	0.09
Total	76.10	47.58

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

29. COST OF RAW MATERIAL AND COMPONENTS CONSUMED

	₹ in Crores	
	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Cost of Raw Material and Components Consumed	5,009.94	5,351.00
(b) Cost of Packing Material Consumed	46.15	43.56
Total	5,056.09	5,394.56

30. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	₹ in Crores	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventories at the beginning of the year		
Work-in-Progress	103.83	91.90
Finished Goods	312.99	234.65
Traded Goods	85.77	-
	502.59	326.55
Less:		
Inventories at the end of the year		
Work-in-Progress	108.22	103.83
Finished Goods	290.07	312.99
Stock-in-Trade	1.31	85.77
	399.60	502.59
Less:		
Loss of inventory due to fire disclosed separately under exceptional items (Refer Note 48)	-	15.07
Total	102.99	(191.11)

31. EMPLOYEE BENEFITS EXPENSE

	₹ in Crores	
	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Salaries & Wages	312.13	281.07
(b) Contribution to Provident Fund and other funds (Refer Note 39C)	17.19	15.52
(c) Gratuity Expenses (Refer Note 39A(iv))	4.64	3.46
(d) Staff Welfare Expenses	17.09	18.20
Total	351.05	318.25

32. POWER & FUEL EXPENSES

	₹ in Crores	
	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Consumption of Power	172.99	178.93
(b) Consumption of Fuel and other utilities	284.13	363.00
Total	457.12	541.93

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

33. FINANCE COSTS

	₹ in Crores	
	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Interest on Borrowings	9.74	22.96
(b) Interest cost on lease liabilities	2.01	1.82
(c) Interest on Income Tax	0.08	-
Total	11.83	24.78

34. DEPRECIATION AND AMORTISATION EXPENSES

	₹ in Crores	
	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Depreciation on Property, Plant and Equipment	153.91	157.37
(b) Depreciation on Right-of-use Assets	4.37	3.71
(c) Amortisation of Intangible Assets	7.38	5.22
Total	165.66	166.30

35. OTHER EXPENSES

	₹ in Crores	
	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Conversion Charges	15.50	9.51
(b) Other Manufacturing Expenses	16.36	18.30
(c) Rent	7.56	5.39
(d) Repairs & Maintenance		
Repairs to Building	1.91	2.56
Repairs and maintenance to Plant and Equipment	74.59	62.61
Repairs and maintenance to Others	2.89	1.47
(e) Consumption of stores & spare parts	20.93	20.69
(f) Insurance	32.20	19.70
(g) Rates & taxes	3.71	3.43
(h) Bank Charges	3.27	1.90
(i) Travelling & Conveyance	7.44	6.20
(j) Freight & Forwarding Charges	179.93	195.99
(k) Loss on Sale of Property, Plant and Equipment	-	1.15
(l) Commission on sales	4.57	6.10
(m) CSR Expenses (Refer note 46)	26.19	22.66
(n) Donation	10.71	-
(o) Bad Debts written off	1.69	-
(p) Vehicle Expenses	8.34	7.28
(q) Legal & Professional Expenses	16.23	27.17
(r) General Expenses	74.93	55.78
(s) Payment to Auditor	1.19	1.19
(t) Director's Sitting Fees	0.57	0.52
(u) Other Directors Commission	3.57	3.67
(v) Provision for Inventory Obsolescence	-	1.72
Total	514.28	474.99

Note: Donation includes contribution to a political party amounting to ₹ 10 crores.

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

36. RELATED PARTIES DISCLOSURES

A) Name of Related Party and nature of relationship

(i) Key Management Personnel

Shri Deepak C. Mehta	Chairman & Managing Director
Shri Maulik Mehta	Executive Director & Chief Executive Officer
Shri Sanjay Upadhyay	Director (Finance) & Group CFO
Shri Girish Satarkar	Executive Director
Shri Somsekhar Nanda	Chief Financial Officer

(ii) Entities over which key managerial personnel or their relatives are able to exercise significant Influence

Check Point Credits & Capital Private Limited * Deepak Cybit Private Limited * Deepak Fertilizers and Petrochemicals Corporation Limited * Deepak Gulf LLC, Sultanate of Oman * Deepak Foundation * Deepak International Limited * Deepak Medical Foundation * Deepak Research and Development Foundation * Deepak Novochem Technologies Limited. * Forex Leafin Private Limited * Hardik Leafin Private Limited * Mahadhan Agritech Limited * Pranawa Leafin Private Limited * Performance Chemiserve Limited * Skyrose Finvest Private Limited * Stepup Credits & Capital Private Limited * Stiffen Credits and Capital Private Limited * Stigma Credits & Capital Private Limited * Storewell Credits and Capital Private Limited * Sundown Finvest Private Limited

(iii) Others (common directors)

Arvind Envisol Limited

(iv) Relative of Key Management Personnel

Late. Shri Chimanlal K. Mehta
 Shri Meghav Mehta
 Smt. Ila D. Mehta

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

B) Transactions with the Related Parties

Sr. No.	Nature of Transaction	31 st March, 2024			31 st March, 2023		
		Key Management Personnel	Entities over which key managerial personnel or their relatives are able to exercise significant influence	Relative of Key Management Personnel	Key Management Personnel	Entities over which key managerial personnel or their relatives are able to exercise significant influence	Relative of Key Management Personnel
1	Purchase of Goods						
	Deepak Fertilisers & Petrochemicals Corporation Limited	-	56.19	-	-	168.72	-
	Deepak Novochem Technologies Limited	-	0.05	-	-	-	-
	Arvind Envisol Limited	-	1.36	-	-	-	-
	Performance Chemiserve Limited	-	21.75	-	-	-	-
	Mahadhan Agritech Limited	-	5.27	-	-	-	-
2	Sale of Goods / Services						
	Deepak Novochem Technologies Limited	-	21.88	-	-	13.30	-
3	Conversion Charges Received						
	Deepak Novochem Technologies Limited	-	6.81	-	-	8.70	-
4	Rendering of Services / Reimbursement of Expenses						
	Deepak Novochem Technologies Limited	-	0.05	-	-	0.04	-
	Deepak Foundation	-	0.04	-	-	-	-
5	Receiving of services / Reimbursement of Expenses						
	Deepak Fertilisers & Petrochemicals Corporation Limited	-	0.37	-	-	0.18	-
	Deepak Foundation	-	0.06	-	-	0.06	-
	Deepak Medical Foundation	-	0.19	-	-	0.23	-
	Deepak Cybit Private Limited	-	1.88	-	-	1.35	-
	Stepup Credits And Capital Private Limited	-	0.36	-	-	0.37	-
	Arvind Envisol Limited	-	0.11	-	-	-	-
	Smt. Ila D. Mehta	-	-	0.05	-	-	-
	Sara Consultants	-	0.36	-	-	0.48	-
	Checkpoint Credit & Capital Private Limited	-	0.22	-	-	0.23	-
6	Security Deposit Given						
	Deepak Fertilisers & Petrochemicals Corporation Limited	-	-	-	-	0.03	-
7	Managerial Remuneration						
	Shri Deepak C. Mehta	25.53	-	-	24.99	-	-
	Shri Maulik Mehta	4.24	-	-	3.79	-	-
	Shri Sanjay Upadhyay	5.33	-	-	4.93	-	-
	TOTAL		56.19		168.72		168.72
			0.05		-		-
			1.36		-		-
			21.75		-		-
			5.27		-		-
			21.88		13.30		13.30
			6.81		8.70		8.70
			0.05		0.04		0.04
			0.04		-		-
			0.37		0.18		0.18
			0.06		0.06		0.06
			0.19		0.23		0.23
			1.88		1.35		1.35
			0.36		0.37		0.37
			0.11		-		-
			0.05		-		-
			0.36		0.48		0.48
			0.22		0.23		0.23
			-		0.03		0.03
			25.53		24.99		24.99
			4.24		3.79		3.79
			5.33		4.93		4.93

₹ in Crores

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₹ in Crores

Sr. No.	Nature of Transaction	31 st March, 2024			31 st March, 2023			
		Key Management Personnel	Entities over which key managerial personnel or their relatives are able to exercise significant influence	Relative of Key Management Personnel	Key Management Personnel	Entities over which key managerial personnel or their relatives are able to exercise significant influence	Relative of Key Management Personnel	TOTAL
	Shri Meghav Mehta	2.96	-	-	-	-	2.35	2.35
	Shri Girish Satarkar	1.45	-	-	-	-	-	-
	Shri Somekhar Nanda	1.84	-	-	1.11	-	-	1.11
8	Dividend Paid							
	Checkpoint Credits & Capitals Private Limited	-	5.40	-	-	5.04	-	5.04
	Stigma Credits & Capital Private Limited	-	4.64	-	-	4.33	-	4.33
	Stiffen Credits & Capital Private Limited	-	6.33	-	-	5.91	-	5.91
	Stepup Credits & Capital Private Limited	-	5.19	-	-	4.84	-	4.84
	Skyrose Finvest Private Limited	-	2.87	-	-	2.68	-	2.68
	Pranawa Leafin Private Limited	-	1.73	-	-	1.61	-	1.61
	Forex Leafin Private Limited	-	1.63	-	-	1.52	-	1.52
	Sundown Finvest Private Limited	-	0.62	-	-	0.58	-	0.58
	Storewell Credits and Capital Private Limited	-	0.67	-	-	0.62	-	0.62
	Hardik Leafin Private Limited	-	0.26	-	-	0.24	-	0.24
	Deepak Novochem Technologies Limited	-	3.49	-	-	-	-	-
	Shri Deepak C. Mehta	16.39	-	-	15.29	-	-	15.29
	Late. Shri Chimanlal K. Mehta	-	-	0.53	-	-	0.49	0.49
	Shri Maulik Mehta	0.10	-	-	0.09	-	-	0.09
	Shri Meghav Mehta	-	-	0.04	-	-	0.03	0.03
	Smt Ila D. Mehta	-	-	0.30	-	-	0.28	0.28
	Others	-	-	0.08	-	-	0.08	0.08
9	Donation / CSR Activity							
	Deepak Foundation	-	19.61	-	-	16.51	-	16.51
	Deepak Medical Foundation	-	0.84	-	-	0.74	-	0.74
10	Deposit Paid							
	Smt. Ila D. Mehta	-	0.18	-	-	-	-	-
11	Deposit Received							
	Stepup Credits & Capital Private Limited	-	0.18	-	-	-	-	-
	Deepak Novochem Technologies Limited	-	0.01	-	-	-	-	-

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₹ in Crores

Sr. No.	Nature of Transaction	31 st March, 2024			31 st March, 2023		
		Key Management Personnel	Entities over which key managerial personnel or their relatives are able to exercise significant influence	Relative of Key Management Personnel	Key Management Personnel	Entities over which key managerial personnel or their relatives are able to exercise significant influence	Relative of Key Management Personnel
12	Net Accounts Receivable incl advance / (Payable)			TOTAL			TOTAL
	Deepak Fertilisers & Petrochemicals Corporation Limited	-	(4.93)	-	-	(27.26)	-
	Deepak Novochem Technologies Limited	-	8.79	-	-	6.87	-
	Arvind Envisol Limited	-	(0.12)	-	-	-	-
	Mahadhan Agritech Limited	-	(0.82)	-	-	-	-
	Shri Deepak C. Mehta	-	-	-	(18.00)	-	-
	Shri Maulik Mehta	(0.84)	-	-	(0.72)	-	-
	Shri Sanjay Upadhyay	(1.02)	-	-	(0.95)	-	-
	Shri Girish Satarkar	(0.21)	-	-	-	-	-
	Shri Somsekhar Nanda	(0.25)	-	-	(0.14)	-	-
	Shri Meghav Mehta	-	-	-	-	-	(0.41)
	Smt. Ila D. Mehta	-	(0.02)	-	-	-	-
	Deepak Medical Foundation	-	-	-	-	(0.01)	-
	Deepak Cybit Private Limited	-	(0.12)	-	-	(0.04)	-
	Sara Consultants	-	-	-	-	(0.10)	-
	Deepak Foundation	-	0.01	-	-	0.03	-
							0.01
							(27.26)
							6.87
							(18.00)
							(0.72)
							(0.95)
							-
							(0.14)
							(0.41)
							-
							(0.01)
							(0.04)
							(0.10)
							0.03
							0.01

The amounts outstanding are current, unsecured and will be settled in cash or cash equivalents, for which no guarantees have been given or received. No expense has been recognised in current or previous year for bad or doubtful debts in respect of the amounts owed by related parties.

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37. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

	As at March 31, 2024	As at March 31, 2023
₹ in Crores		
I. Claims against the Group not acknowledged as debts in respects of		
(a) Matters relating to Sales Tax/VAT from FY 2010-11 to FY 2014-15 is being contested at various level of Indirect Tax authorities	0.53	0.53
(b) Matters relating to Goods and Service Tax is being contested at various level of Indirect Tax authorities	4.61	-
(c) Bank Guarantees:		
Financial	50.74	62.30
Performance	15.91	14.34
(d) Disputed Labour Matters	Amount not ascertainable	
Management is not expecting any future cash outflow in respect of (a), (b) & (d).		
Total (I)	71.79	77.17
II. Commitments		
Capital Commitments (Net of Advances: Refer Note 9 (a))	603.79	416.84
Total (II)	603.79	416.84

38. TAX EXPENSE

A. Income Tax Expense Recognised in the Consolidated Statement of Profit and Loss

	For the year ended March 31, 2024	For the year ended March 31, 2023
₹ in Crores		
I. Expense / (Benefit) recognised in the consolidated statement of profit and loss		
Current tax on profit for the year	273.10	258.63
Increase in deferred tax liabilities	17.73	35.25
Total	290.83	293.88
II. Expense / (Benefit) recognised in consolidated statement of other comprehensive income		
Re-measurement gains / (losses) on defined benefit plans	(0.71)	(1.73)
Equity instruments through other comprehensive income	0.04	0.06
Total	(0.67)	(1.67)

B. The reconciliation between the provision of income tax and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows

	For the year ended March 31, 2024	For the year ended March 31, 2023
₹ in Crores		
Profit before taxes	1,101.72	1,145.88
Enacted income tax rate in India	25.17%	25.17%
Computed expected tax expense	277.28	288.40
Effect of:		
Donations and CSR Expenses	9.53	5.73
Others (Net)	4.02	(0.25)
Total income tax expense	290.83	293.88

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forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

C. Deferred Tax Liabilities (Net)

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

	As at March 31, 2024	Recognised in standalone statement of profit and loss /OCI	As at March 31, 2023	Recognised in standalone statement of profit and loss /OCI	As at April 01, 2022
Property, plant and equipment	187.66	17.34	170.32	35.54	134.78
Insurance claim receivable on account of loss of inventory	-	(8.10)	8.10	8.10	-
Unrealised Gain on Investments	0.02	(2.26)	2.28	1.35	0.93
Total deferred tax liabilities (a)	187.68	6.98	180.70	44.99	135.71
Disallowances u/s 43B, Provision and Others	17.97	(6.26)	24.23	11.39	12.84
Transferred from Income Tax Provision	(1.74)	(1.74)	-	-	-
Total deferred tax assets (b)	16.23	(8.00)	24.23	11.39	12.84
Net deferred tax (asset)/liabilities (a-b)	171.45	14.98	156.47	33.60	122.87

₹ in Crores

39. EMPLOYEE BENEFIT OBLIGATIONS

A. Gratuity

The Group has covered its Gratuity Liability by a Group Gratuity Policy named 'Employee Group Gratuity Assurance Scheme' issued by Life Insurance Corporation of India except Deepak Chem Tech Limited, a wholly owned Subsidiary, which has unfunded gratuity plan. Under these plans, an employee at retirement is eligible for benefit, which will be equal to 15 days salary for each completed year of service. Thus, it is a defined benefit plan and the aforesaid insurance policy is the Plan Asset.

(i) Reconciliation of opening and closing balances of Defined Benefit Obligation

	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	48.97	37.67
Current Service Cost	4.70	3.29
Interest Cost	3.67	2.73
Actuarial (gain)/losses	2.49	6.83
Benefits Paid	(2.41)	(1.56)
Liability Transferred In	0.31	0.40
Liability Transferred Out	(0.26)	(0.39)
Balance at the end of the year	57.47	48.97

₹ in Crores

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

	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	40.82	35.22
Interest Income	3.06	2.55
Return on Plan Assets	(0.28)	(0.07)
Contribution by the Group	5.17	4.68
Benefits Paid	(2.41)	(1.56)
Balance at the end of the year	46.36	40.82
Actual Return on Plan Assets	7.21% to 7.23%	7.47% to 7.52%

₹ in Crores

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

(iii) Assets and Liabilities Recognised in the Consolidated Balance Sheet

	₹ in Crores	
	As at March 31, 2024	As at March 31, 2023
Present Value of Defined Benefit Obligation	57.47	48.97
Less: Fair Value of Plan Assets	46.36	40.82
Amounts recognised as liability	11.11	8.15
Recognised under:		
Current Provision (Refer Note 20)	9.72	7.62
Non-Current Provision (Refer Note 20)	1.39	0.53
Total	11.11	8.15

(iv) Expenses recognised in the Consolidated Statement of Profit and Loss

	₹ in Crores	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Current Service Cost	4.70	3.29
Net Interest Cost	0.61	0.17
Project related transferred to CWIP	(0.66)	-
Total Expenses (Refer Note 31)	4.64	3.46

(v) Expenses recognised in the Other Comprehensive Income

	₹ in Crores	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Actuarial gain/(losses) on Obligation for the year	(2.49)	(6.83)
Return on Plan assets excluding Interest Income	(0.28)	(0.07)
Total Expenses recognised in OCI	(2.78)	(6.90)

(vi) Major Category of Plan Assets

	As at March 31, 2024		As at March 31, 2023	
	₹ in Crores	%	₹ in Crores	%
Insurance Policies	46.36	100.00	40.82	100.00

Risk exposure

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

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

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

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

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

(vii) Actuarial Assumptions

	As at March 31, 2024	As at March 31, 2023
Discount Rate	7.23%	7.52%
Expected Return on Plan Assets	7.23%	7.52%
Salary Growth Rate	8.00%	8.00%
Attrition Rate	2.00%	2.00%

(viii) Sensitivity Analysis

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

	Change in assumptions		Impact on defined benefit obligation			
			Increase		Decrease	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
	%	%	₹ in Crores	₹ in Crores	₹ in Crores	₹ in Crores
Discount Rate	1.00%	1.00%	(3.84)	(3.24)	4.50	3.78
Salary Growth Rate	1.00%	1.00%	4.38	3.70	(3.82)	(3.24)
Attrition Rate	1.00%	1.00%	(0.34)	(0.20)	0.38	0.22

In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the defined benefit liability as recognised in the Balance Sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change as compared to the prior year.

(ix) Maturity profile of Defined Benefit Obligation

	As at March 31, 2024	As at March 31, 2023
Within the next 12 months	13.01	10.45
From 2 to 5 years	16.61	14.04
From 6 to 10 years	20.01	19.79
Beyond 10 years	69.93	59.33

₹ in Crores

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forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

B. Leave Benefit

- (a) The Leave Benefit is wholly unfunded. Hence, there are no plan assets attributable to the obligation.
- (b) The accumulated balance of Leave Benefit (unfunded) provided in the books as at March 31, 2024 is ₹ 41.95 Crores (Previous Year ₹ 36.19 Crores), which is determined on actuarial basis using Projected Unit Credit Method.

C. Defined Contribution Plan

Contribution to Defined Contribution Plans, recognised in Consolidated Statement of Profit and Loss, for the year is as under

	₹ in Crores	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Employer's Contribution to Provident Fund and other funds except superannuation	14.46	13.00
Employer's Contribution to Superannuation Fund	2.73	2.52
Total (Refer Note 31)	17.19	15.52

40. CAPITAL MANAGEMENT

The key objective of the Group's capital management is to ensure that it maintains a stable capital structure with the focus on total equity to uphold investor, creditor and customer confidence and to ensure future development of its business.

The Group focused on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required without impacting the risk profile of the Group.

For the purpose of Capital Management, the Group considers the following components of its Balance Sheet to manage capital.

The capital structure of the Group was as follows

	₹ in Crores	
	As at March 31, 2024	As at March 31, 2023
Total Equity (A)	4,822.68	4,089.96
Non-Current Borrowings	216.95	43.02
Current Borrowings	-	11.46
Total Borrowings (B)	216.95	54.48
Total Capital (A+B)	5,039.63	4,144.44
Total Borrowings as % of Total Capital	4.30%	1.31%
Total Borrowings as % of Total Equity	4.50%	1.33%

The Interest Coverage Ratio for the reporting period was as follows

	₹ in Crores	
	For the year ended March 31, 2024	For the year ended March 31, 2023
EBITDA (excluding other income & exceptional item)	1,121.19	1,287.56
Finance Cost (excluding interest on lease)	9.74	22.96
Interest Coverage Ratio	115.11	56.08

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The Debt Service Coverage Ratio for the reporting period was as follows

	₹ in Crores	
	For the year ended March 31, 2024	For the year ended March 31, 2023
EBITDA (excluding other income & exceptional item)	1,121.19	1,287.56
Finance Cost (excluding interest on lease)	9.74	22.96
Repayment of Non-Current Borrowings	49.02	54.95
Debt Service Coverage Ratio	19.08	16.53

41. FINANCIAL INSTRUMENTS

41.1. Categories of financial instruments

The carrying value of financial instruments by categories as at March 31, 2024 is as follows

	₹ in Crores			
	Fair Value through Other Comprehensive Income	Fair value through profit or loss	Amortised Cost	Total
Financial Assets				
Cash and Cash Equivalents	-	-	237.97	237.97
Other Balances with Banks	-	-	227.49	227.49
Investments	2.55	119.30	-	121.85
Government Securities (Refer Note 4(b))	-	-	0.00	0.00
Trade receivables	-	-	1,298.35	1,298.35
Loans	-	-	3.20	3.20
Other financial assets	-	0.65	90.16	90.81
Total	2.55	119.95	1,857.17	1,979.67
Financial Liabilities				
Current Borrowings	-	-	-	-
Non-Current Borrowings	-	-	216.95	216.95
Trade Payables	-	-	582.26	582.26
Other financial liabilities	-	10.78	185.94	196.72
Total	-	10.78	985.15	995.93

The carrying value of financial instruments by categories as at March 31, 2023 is as follows

	₹ in Crores			
	Fair Value through Other Comprehensive Income	Fair value through profit or loss	Amortised Cost	Total
Financial Assets				
Cash and Cash Equivalents	-	-	37.64	37.64
Other Balances with Banks	-	-	2.31	2.31
Investments	2.39	376.96	-	379.35
Government Securities (Refer Note 4(b))	-	-	0.00	0.00
Trade receivables	-	-	1,309.52	1,309.52
Loans	-	-	1.13	1.13
Other financial assets	-	0.62	49.76	50.38
Total	2.39	377.58	1,400.36	1,780.33
Financial Liabilities				
Current Borrowings	-	-	11.46	11.46
Non-Current Borrowings	-	-	43.02	43.02
Trade Payables	-	-	661.76	661.76
Other financial liabilities	-	0.35	73.68	74.03
Total	-	0.35	789.92	790.27

The assets and liabilities which are valued at amortised cost represents Fair Value at period end.

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41.2. Fair Value Hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Fair Value Hierarchy as at March 31, 2024

	₹ in Crores			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments	119.30	-	2.55	121.85
Other financial assets	-	0.65	-	0.65

Fair Value Hierarchy as at March 31, 2023

	₹ in Crores			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments	376.96	-	2.40	379.35
Other financial assets	-	0.62	-	0.62

Reconciliation of Level 3 fair value measurements

	₹ in Crores
	Investment in unquoted shares irrevocably designated as FVTOCI
Balance as on April 01, 2022	2.17
Total gains in other comprehensive income	0.22
Balance as on March 31, 2023	2.39
Total gains in other comprehensive income	0.16
Balance as on March 31, 2024	2.55

Comparative Market Multiples method has been used for estimating the fair value of such Investment. The fair valuation estimates are based on historical annual accounts/annual reports and based on information collected from public domain. Information pertaining to future expected performance of investee companies including projections about their profitability, balance sheet status and cash flow expectations are not available.

41.3. Financial Risk Management objectives

The Group has adequate internal processes to assess, monitor and manage financial risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group seeks to minimise the effects of these risks by using financial instruments such as foreign currency forward contracts and option contracts to hedge risk exposures and appropriate risk management policies as detailed below. The use of these financial instruments is governed by the Group's policies, which outlines principles on foreign exchange risk, interest rate risk, credit risk and deployment of surplus funds.

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Item	Primarily effected by	Risk management policies	Reference
Market risk - currency risk	Foreign Currency balances and exposure towards trade payables, exports, short-term and long-term borrowings	The Group hedges its foreign currency risk using foreign exchange forward contracts and option contracts after considering the natural hedge.	Note 41.4.1
Market risk - interest rate risk	Change in market interest rates	Maintaining a combination of fixed and floating rate debt; cash management policies	Note 41.4.2
Credit risk	Ability of customers or counterparties to financial instruments to meet contractual obligations.	Credit approval and monitoring practices; counterparty credit policies and limits; arrangements with financial institutions	Note 41.5
Liquidity risk	Fluctuations in cash flows	Preparing and monitoring forecasts of cash flows; cash management policies; multiple-year credit and banking facilities	Note 41.6

41.4 Market Risk

The Group's financial instruments are exposed to market rate changes. The Group is exposed to the following significant market risks:

- Foreign currency risk
- Interest rate risk

Market risk exposures are measured using sensitivity analysis. There has been no change to the Group's exposure to market risks or the manner in which these risks are being managed and measured.

41.4.1 Foreign Currency Risk management

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

1. Imports of raw materials and services.
2. Exports of finished goods.
3. Foreign currency Non Resident borrowings availed for meeting its funding requirements.

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

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

Currency	Liabilities		Assets	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
USD (Crores)	0.76	2.45	3.63	2.30
₹ (Crores)	63.31	201.65	302.38	189.23
EURO (Crores)	0.03	0.00	0.13	0.43
		(Represents € 7,443)		
₹ (Crores)	2.79	0.07	11.76	38.18
CHF (Crores)	0.00	0.00	-	-
	(Represents CHF 14,221)	(Represents CHF 1213)		
₹ (Crores)	0.13	0.01	-	-

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The foreign currency risk on above exposure is mitigated by derivative contracts. The outstanding contracts as at the Balance Sheet date are as follows:

(b) Foreign currency forward contracts and option contracts outstanding as at the Balance Sheet date:

	As at March 31, 2024		As at March 31, 2023	
	Buy	Sell	Buy	Sell
Forward Contracts (USD Crores)	0.04	2.21	0.88	-
Forward Contracts (CHF Crores)	0.02	-	-	-
Range Forward (USD Crores)	-	0.30	-	1.48

The forward contracts and option contracts have been entered into to hedge the foreign currency risk on trade receivables and trade payables.

(c) Net open exposures outstanding as at the Balance Sheet date:

Currency	Liabilities		Assets	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
USD (Crores)	-	0.75	0.39	-
CHF (Crores)	0.02	0.00	-	-
		(Represents CHF 1213)		
EURO (Crores)	-	-	0.10	0.43

(d) Foreign currency sensitivity analysis

The Group is mainly exposed to fluctuations in US Dollar. The following table details the Group's sensitivity to a ₹ 1 increase and decrease against the US Dollar. ₹ 1 is the sensitivity used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only net outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a ₹ 1 change in foreign currency rates. A positive number below indicates an increase in profit where the Rupee strengthens by ₹ against the US Dollar. For a ₹ 1 weakening against the US Dollar, there would be a comparable impact on the profit before tax.

Currency USD Impact on profit or loss	₹ in Crores	
	As at March 31, 2024	As at March 31, 2023
Impact of ₹ 1 strengthening against US Dollar	(1.16)	0.25
Impact of ₹ 1 weakening against US Dollar	(0.12)	1.28

41.4.2 Interest Rate Risk management

The Group draws working capital demand loans, avails cash credit, foreign currency borrowings etc. for meeting its funding requirements.

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

Interest rate sensitivity analysis

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

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If interest rate had been 25 basis points higher/ lower in case of rupee borrowings and all other variables were held constant, the Group's profit for the year ended March 31, 2024 would decrease/ increase by ₹ Nil (Previous year ₹ 0.12 Crores).

41.5 Credit Risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to the customer credit risk management. The Group uses financial information and past experience to evaluate credit quality of majority of its customers and individual credit limits are defined in accordance with this assessment through third party experts. Outstanding receivables and the credit worthiness of its counterparties are periodically monitored and taken upon case to case basis.

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

The table below provides aging of trade receivables as at March 31, 2024

₹ in Crores

Particulars	Undisputed Trade Receivables – considered good	Undisputed Trade Receivables – which have significant increase in credit risk	Undisputed Trade Receivables – credit impaired	Total
Not Due	1,075.90	-	-	1,075.90
Less than 6 months	224.22	-	-	224.22
6 months - 1 year	2.41	-	-	2.41
1 - 2 years	0.48	-	-	0.48
2-3 years	0.80	-	-	0.80
More than 3 years	2.32	-	-	2.32
Sub-Total	1,306.13	-	-	1,306.13
Less: Allowance for Credit Loss	7.78	-	-	7.78
Total (Refer Note 12)	1,298.35	-	-	1,298.35

The table below provides aging of trade receivables as at March 31, 2023

₹ in Crores

Particulars	Undisputed Trade Receivables – considered good	Undisputed Trade Receivables – which have significant increase in credit risk	Undisputed Trade Receivables – credit impaired	Total
Not Due	1,196.01	-	-	1,196.01
Less than 6 months	144.04	-	-	144.04
6 months - 1 year	0.94	-	-	0.94
1 - 2 years	0.84	-	-	0.84
2-3 years	0.08	-	-	0.08
More than 3 years	3.00	-	-	3.00
Sub-Total	1,344.91	-	-	1,344.91
Less: Allowance for Credit Loss	35.39	-	-	35.39
Total (Refer Note 12)	1,309.52	-	-	1,309.52

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Reconciliation of loss allowance provision - Trade receivables

	₹ in Crores
Loss allowance as at April 01, 2022	35.88
Changes in loss allowance	(0.49)
Loss allowance as at March 31, 2023	35.39
Changes in loss allowance	(27.61)
Loss allowance as at March 31, 2024	7.78

The table below provides aging of trade payables as at March 31, 2024

	₹ in Crores				
Outstanding for following periods from due date of payment	MSME	Others	Disputed MSME	Disputed Others	Total
Unbilled	0.01	184.86	-	-	184.87
Not Due	29.83	210.65	-	-	240.44
Less than 1 year	2.93	151.89	-	-	154.82
1 to 2 years	-	1.40	-	-	1.44
2 to 3 years	-	0.42	-	-	0.42
More than 3 years	-	0.27	-	-	0.27
Total (Refer Note 23)	32.77	549.49	-	-	582.26

The table below provides aging of trade payables as at March 31, 2023

	₹ in Crores				
Outstanding for following periods from due date of payment	MSME	Others	Disputed MSME	Disputed Others	Total
Unbilled	-	125.92	-	-	125.92
Not Due	25.35	429.82	-	-	455.18
Less than 1 year	1.13	77.48	-	-	78.61
1 to 2 years	0.05	1.71	-	-	1.75
2 to 3 years	0.00	0.02	-	-	0.02
More than 3 years	0.08	0.20	-	-	0.28
Total (Refer Note 23)	26.61	635.15	-	-	661.76

41.6 Liquidity Risk management

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2024

	₹ in Crores				
	Amount	upto 1 year	1-3 year	More than 3 year	Total cash flows
Trade payable	582.26	582.26	-	-	582.26
Borrowings*	216.95	18.01	44.47	303.77	366.25
Other Financial Liabilities	127.59	127.59	-	-	127.59

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The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2023

	Amount	upto 1 year	1-3 year	More than 3 year	Total cash flows
Trade payable	661.76	661.76	-	-	661.76
Borrowings*	54.48	15.38	23.02	28.06	66.46
Other Financial Liabilities	55.65	55.65	-	-	55.65

₹ in Crores

* Includes Contractual interest payment based on interest rates prevailing at the end of the reporting period over the tenor of the borrowing.

Refer note 43B for contractual maturity of Lease Liabilities.

41.7 Changes in Liabilities arising from Financing Activities

Particulars	Non-Current Borrowings (including current maturities)	Current Borrowings	Interest Accrued But Not Due	Lease Liabilities	Unpaid dividend on equity Shares (Incl DDT)
As at April 01, 2022	258.69	41.99	0.35	14.35	1.42
Cash Flows	(215.75)	(36.53)	(23.31)	(5.34)	(95.30)
Charged to P&L during the year	6.08	-	22.96	1.82	-
Addition (net of disposals)	-	-	-	7.39	-
Dividend recognised during the year	-	-	-	-	95.48
Others	-	-	-	0.16	-
As at March 31, 2023	49.02	5.46	(0.00)	18.38	1.60
Cash Flows	167.93	(5.46)	(9.82)	(6.82)	(102.29)
Charged to P&L during the year	-	-	9.82	2.01	-
Addition (net of disposals)	-	-	-	55.75	-
Dividend recognised during the year	-	-	-	-	102.29
Others	-	-	-	(0.20)	-
As at March 31, 2024	216.95	(0.00)	(0.00)	69.13	1.60

₹ in Crores

42. SEGMENT INFORMATION

The Chief Operating Decision Maker (CODM) evaluates the performance of the Group as two business segments and allocates resources based on value generated from these segments.

Accordingly, the operations of the Group are reported under two Business Segments as per Ind AS 108- Operating Segment:

- Advanced Intermediates
- Phenolics

The accounting policies of the reportable segments are same as the Group's accounting policies. Segment profit represents the profit before interest and tax earned by each segment without allocation of central administrative costs and other income. This is the measure reported to the CODM.

Transfer prices between operating segments are on arm's length basis in a manner similar to transactions with third parties.

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	₹ in Crores	
	For the year ended March 31, 2024	For the year ended March 31, 2023
I) Segment Revenue		
(a) Advanced Intermediates	2,723.88	3,033.55
(b) Phenolics	5,003.45	4,970.49
TOTAL	7,727.33	8,004.04
Less: Inter Segment Revenue	45.50	31.98
Revenue from operations	7,681.83	7,972.06
II) Segment Results		
Profit + Loss (-) Before Tax & Interest		
(a) Advanced Intermediates	445.85	555.06
(b) Phenolics	643.92	594.46
TOTAL	1,089.77	1,149.52
Less : (i) Interest Expenses	11.83	24.77
(ii) Other un-allocable expenditure net of un-allocable Income	(23.78)	(21.13)
III) Profit Before Tax	1,101.72	1,145.88
IV) Segment Assets		
(a) Advanced Intermediates	2,599.54	1,995.25
(b) Phenolics	2,529.73	2,341.19
(c) Un- allocable	966.95	792.30
TOTAL	6,096.22	5,128.74
V) Segment Liabilities		
(a) Advanced Intermediates	487.16	416.85
(b) Phenolics	489.30	597.53
(c) Un- allocable	297.08	24.40
TOTAL	1,273.54	1,038.78
VI) Capital Expenditure (Excluding RTU assets)		
(a) Advanced Intermediates	384.74	133.79
(b) Phenolics	50.27	7.73
(c) Un- allocable	36.81	3.47
TOTAL	471.82	144.99
VII) Depreciation		
(a) Advanced Intermediates	88.06	76.15
(b) Phenolics	77.60	89.99
(c) Un- allocable	-	0.16
TOTAL	165.66	166.30

(b) Secondary Segment Information

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

	₹ in Crores	
Revenue	For the year ended March 31, 2024	For the year ended March 31, 2023
In India	6,134.39	6,410.31
Outside India	1,547.44	1,561.75
TOTAL	7,681.83	7,972.06

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₹ in Crores

Carrying Amount of Segment Assets	As at March 31, 2024	As at March 31, 2023
In India	5,653.85	4,899.14
Outside India	442.37	229.60
TOTAL	6,096.22	5,128.74

₹ in Crores

Addition to Fixed Assets	As at March 31, 2024	As at March 31, 2023
In India		
- Tangible	442.47	142.27
- Intangible	29.32	2.72
Outside India		
- Tangible	0.03	-
- Intangible	-	-
TOTAL	471.82	144.99

43. LEASES

A. The following is the movement in lease liabilities :

₹ in Crores

	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	18.38	14.35
Additions during the year	69.89	7.39
Deductions during the year	(14.14)	-
Finance cost accrued during the year*	3.83	1.98
Payment/Provision of Lease Liabilities	(8.83)	(5.34)
Balance at the end of the year	69.13	18.38
Recognised under		
Non - Current Financial Liabilities	62.28	15.41
Current Financial Liabilities	6.85	2.97
Total	69.13	18.38

*Out of Finance cost accrued during the year, ₹ 0.47 Crores (Previous year ₹ 0.16 Crores) in Deepak Chem Tech Limited, a wholly owned subsidiary and ₹ 1.35 Crores (Previous year ₹ Nil) in Deepak Oman Industries LLC (SFZ), a subsidiary has been allocated to Capital Work-in-Progress.

B. The following are details regarding the contractual maturities of lease liabilities on an undiscounted basis:

₹ in Crores

	As at March 31, 2024	As at March 31, 2023
Less than one year	11.74	5.78
One to five years	45.25	14.19
More than five years	81.98	-
Total	138.97	19.97

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forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

44. EARNINGS PER SHARE

	As at March 31, 2024	As at March 31, 2023
₹ in Crores		
Basic and Diluted Earnings per Share		
Number of Shares at the beginning (Nos. in Crores)	13.64	13.64
Number of Shares at the end (Nos. in Crores)	13.64	13.64
Weighted Average Number of Shares considered for Basic and Diluted Earnings Per Share (Nos. in Crores)	13.64	13.64
Net Profit after Tax available for Equity Shareholders (₹ in Crores)	810.89	852.00
Basic and Diluted Earnings (in Rupees) Per Share of ₹ 2/- each	59.45	62.47

45. RESEARCH AND DEVELOPMENT EXPENSES

	As at March 31, 2024	As at March 31, 2023
₹ in Crores		
(i) Capital Expenditure	9.13	4.07
(ii) Revenue Expenditure		
Materials	0.49	0.72
Utilities	0.50	0.49
Maintenance	0.68	0.46
Personnel	13.87	12.50
Others	4.27	4.19
	19.81	18.36
Depreciation	3.49	2.61
	3.49	2.61
Total Revenue Expenditure	23.30	20.97
(iii) Total Capital & Revenue Expenditure ((i)+(ii))	32.43	25.04

46. During FY 2023-24, the Group has spent ₹ 26.19 Crores (Previous year ₹ 22.66 Crores) on Corporate Social Responsibility activities.

47. OTHER STATUTORY INFORMATION

- (i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (ii) The Group does not have any transactions with struck off companies.
- (iii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.

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- (v) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vii) The Group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (viii) The Group uses an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the accounting software.

However, in respect of one subsidiary which migrated to another accounting software, the audit trail feature was not enabled for certain privileged access users for some days after the migration for smooth implementation. Subsequently, the log has been activated.

Further no instance of audit trail feature being tampered with was noted in respect of the accounting software.

- 48.** With respect to fire incident at Group's one of the manufacturing sites located at Nandesari, Gujarat in June 2022 which resulted damage to certain property, plant and equipment & inventory, the Group had recognized loss of ₹ 47.20 Crores as an exceptional item and had recognized insurance claim receivable of ₹ 47.20 Crores against the same. Consequently, the loss and insurance claim amount was shown as NIL under exceptional item for the year ended March 31, 2023.

In month of March 2024, the claim got settled at ₹ 53.91 Crores based on the reinstatement value. The group received ₹ 36.98 Crores by March 31, 2024 and ₹ 16.93 Crores after March 31, 2024.

Further, the Group has also received approval for claim of ₹ 73.09 Crores from insurance company in March 2024 towards loss of profit due to "Business Interruption". The group has received ₹ 32.89 Crores by March 31, 2024 and ₹ 40.20 Crores after March 31, 2024.

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As a result of the above, an amount of ₹ 79.80 Crores has been recognised under Exceptional items in Statement of Profit and Loss for the year ended March 31, 2024.

49. Events occurring after the balance sheet date: The Board of Directors of Parent Company have recommended, subject to the approval of shareholders, dividend of ₹ 7.50/- (Rupees Seven & Fifty Paise only) per equity share of face value of ₹ 2/- (Rupees Two only) each for the year ended March 31, 2024 on 13,63,93,041 equity shares amounting to ₹ 102.29 Crores.

50. The Consolidated Financial Statements were authorised for issue by the Board of Directors on May 20, 2024.

51. ADDITIONAL INFORMATION IN CONSOLIDATED FINANCIAL STATEMENTS AS PER SCHEDULE III OF COMPANIES ACT, 2013

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount ₹ in Crores	As % of consolidated profit or loss	Amount ₹ in Crores	As % of consolidated other comprehensive income	Amount ₹ in Crores	As % of consolidated total comprehensive income	Amount ₹ in Crores
Parent								
Deepak Nitrite Limited	51.64%	2,954.54	48.18%	433.43	85.23%	(1.66)	48.10%	431.77
Subsidiaries								
1. Deepak Phenolics Limited	37.64%	2,153.28	52.68%	473.93	12.83%	(0.25)	52.77%	473.68
2. Deepak Chem Tech Limited	9.23%	528.32	-0.85%	(7.69)	1.95%	(0.04)	-0.86%	(7.73)
3. Deepak Nitrite Corporation Inc.	0.01%	0.82	0.00%	0.00	0.00%	-	0.00%	0.00
				(represents ₹ 33,162)				(represents ₹ 33,162)
4. Deepak Oman Industries LLC (SFZ)	0.93%	53.31	0.01%	0.08	0.00%	-	0.01%	0.08
5. Deepak Project Management Company Limited	0.09%	4.92	-0.01%	(0.08)	0.00%	-	-0.01%	(0.08)
Non controlling interests in all subsidiaries	0.46%	26.12	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Sub total	100.00%	5,721.31	100.00%	899.66	100.00%	(1.95)	100.00%	897.71
CFS Adjustments and Eliminations	-	(898.63)	-	(88.77)	-	(0.00)	-	(88.76)
Total	-	4,822.68	-	810.89	-	(1.95)	-	808.94

For and on behalf of the Board

DEEPAK C. MEHTA

Chairman & Managing Director
DIN: 00028377

MAULIK MEHTA

Executive Director & CEO
DIN: 05227290

SANJAY UPADHYAY

Director (Finance) & Group CFO
DIN: 01776546

SOMSEKHAR NANDA

Chief Financial Officer
ICAI Membership .no - 49831

ARVIND BAJPAI

Company Secretary
Membership No.: F6713

DILEEP CHOKSI

Director
DIN: 00016322

Vadodara: May 20, 2024