

DEEPAK PHENOLICS LIMITED



RESPONSIBLE
CHEMISTRY



12th Annual Report 2022-23

Contents

Corporate Information	01
Profile of Directors	02
Notice of 12 th Annual General Meeting	08
Report of Board of Directors and Annexures thereto	13
Independent Auditors' Report	31
Financial Statements	40
Proxy Form	84
Attendance Slip	85

Twelfth Annual General Meeting

Day & Date : Wednesday, July 26, 2023

Time : 10.30 A.M.

Venue : First Floor, Aaditya - II,
National Highway No.8,
Chhani Road, Vadodara - 390 024.

Cautionary Statement Regarding Forward-Looking Statement

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



Corporate Information

BOARD OF DIRECTORS

Shri Deepak C. Mehta
Chairman & Managing Director

Shri Meghav Mehta
Executive Director

Shri Kishor Jhalaria
Executive Director & CEO

Shri Maulik Mehta
Non-Executive Director
(w.e.f. June 6, 2022)

Smt. Ila D. Mehta
Non-Executive Director

Shri Sanjay Upadhyay
Non-Executive Director

Shri Sandesh Kumar Anand
Non-Executive Director

Shri Shripad Gumaste
Non-Executive Director

Shri Rajeev Pandia
Independent Director
(upto June 20, 2022)

Shri Prem Kumar Taneja
Independent Director

Shri Milin Mehta
Independent Director

Shri Sanjay Asher
Independent Director

Shri Ashok Balasubramanian
Independent Director
(w.e.f. June 6, 2022)

KEY MANAGERIAL PERSONNEL

Shri Ajay Jajoo
Chief Financial Officer

Shri Arvind Bajpai
Company Secretary
(upto July 26, 2022)

Shri Chirag K. Shukla
Company Secretary
(w.e.f. July 27, 2022)

STATUTORY COMMITTEES

AUDIT COMMITTEE

Shri Milin Mehta
Chairman

Shri Sanjay Upadhyay
Member

Shri Sanjay Asher
Member

NOMINATION & REMUNERATION COMMITTEE

Shri Sanjay Asher
Chairman

Shri Deepak C. Mehta
Member

Shri Sanjay Upadhyay
Member

Shri Milin Mehta
Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Smt. Ila D. Mehta
Chairperson

Shri Sanjay Upadhyay
Member

Shri S. K. Anand
Member

Shri P. K. Taneja
Member

RISK MANAGEMENT COMMITTEE

Shri S. K. Anand
Chairman

Shri Meghav Mehta
Member

Shri Ashok Balasubramanian
Member

Shri Kishor Jhalaria
Member

BANKERS

Axis Bank Limited
Bank of Baroda
RBL Bank Ltd
State Bank of India
ICICI Bank Limited

AUDITORS

Deloitte Haskins & Sells,
Chartered Accountants

SECRETARIAL AUDITORS

Samdani Shah & Kabra
Company Secretaries

COST AUDITORS

Y. S. Thakar & Co.
Cost Accountants

INTERNAL AUDITORS

Sharp & Tannan Associates
Chartered Accountants

REGISTERED OFFICE

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

CORPORATE IDENTITY NUMBER

U24100GJ2011PLC064669

PLANT LOCATION

Plot No. 12/B-1, GIDC,
Dahej, Dist. Bharuch,
Gujarat - 392 130

REGISTRAR AND SHARE TRANSFER AGENT

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



Shri Deepak C. Mehta

Chairman & Managing Director

Shri Deepak C. Mehta is a Science graduate from the University of Bombay. With a career spanning almost five decades, Shri Deepak C. Mehta has been at the forefront of India's emergent Chemicals Industry, steering Deepak Group into a market leading player in the Chemical Intermediates sector.

Under his dynamic leadership, Deepak Group has undergone revolutionary expansion & strategic diversification, foraying into new products and segments, augmenting existing capabilities and an ever-increasing geographic penetration, both international & pan-national.

Today, Deepak Group is a recognized leader in the Chemicals Industry with marquee customers over 45 countries.

Shri Mehta is deeply passionate about the development of India's industrial prowess. He has regularly chaired & steered committees at industry fervently striving to propel the nation on a global leadership stage. He is the Chairman of the National Chemicals Committee-FICCI, and the Sector Skills Council, FICCI.

He has served as a President at the Indian Chemicals Council (ICC) and been a member of 'Task Force on Chemicals Industry' constituted by the Government of India, to increase the competitiveness of India's Chemicals Industry.



Shri Meghav D. Mehta

Executive Director

Shri Meghav Mehta is a Mechanical Engineering from the Rochester Institute of Technology (New York, USA) with a specialization in Material Science Technology and Alternative Energy. He joined Deepak Group in 2009, where he successfully initiated and completed multi-million dollar EPCm projects. Meghav is an astute strategist and was instrumental in commissioning the Phenol plant of the Company.

He has spearheaded multiple digital transformation initiatives in Deepak Group. Meghav is an adventure sports enthusiast and a certified deep sea diver.



Shri Kishor Jhalaria

Executive Director & CEO

Shri Kishor Jhalaria, is a Chemical Engineer from Indian Institute of Technology, Kanpur. He has more than 4 decades of experience in Petrochemical Industry including 2 years at an Agrochemical manufacturing plant. He has been with Deepak Phenolics Limited since June-2020. Prior to joining Deepak Phenolics, Shri Jhalaria was with Reliance Industries Limited (RIL) for around 23 years and prior to that with NOCIL for around 18 years.

At Reliance, he was responsible for new project development and new capex initiatives. Earlier, he was in-charge of Olefins and Chemicals Business of RIL, comprising lower olefins, and various other chemicals / synthetic rubbers. He was team leader for the petrochemical feedstock procurement, with an annual procurement budget of over US\$1bn. He also held Board positions as RIL nominee on various Companies including at Gujarat Chemical Port Limited and Reliance Sibur Elastomers Private Limited.



Shri Maulik D. Mehta

Non-Executive Director

Shri Maulik Mehta is a Bachelor of Business Administration from the University of Liverpool, UK. He holds a master's degree in Industrial and Organisational Psychology from Columbia University, USA.

Shri Maulik Mehta is the Executive Director & Chief Executive Officer of Deepak Nitrite Limited, since June, 2020.

He has 14 years of experience in the areas of business development, strategy, human resources, external relations, patent and product development



Smt. Ila D Mehta

Non-Executive Director

Smt. Ila D. Mehta, is a Bachelor in Home Science. She also holds diploma in Interior Designing from Nirmala Niketan, Mumbai and Diploma in Textile Designing from Rachana Sansad, Mumbai. She has been the President of Innerwheel Club Pune Riverside during 1995-1996 and 2003-2004. She is actively involved in development of

Sankul, School for the Differently abled with Deepak Foundation. She has promoted the 'Heroes of Vadodara' initiative and is actively involved in city development projects in Vadodara, Gujarat.



Shri Sanjay Upadhyay

Non-Executive Director

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

Shri Sanjay Upadhyay has over 40 years of experience in the areas of Finance, Treasury, Taxation, Commercial, Secretarial and Corporate Restructuring. He oversees Risk Management, Governance, Investor Relation, and

IT functions. Apart from these, he also has expertise in growth strategy, acquisitions, restructuring, etc.

Shri Sanjay Upadhyay joined the Deepak Nitrite Limited in 1994. During the span of his career, he has held important positions in Deepak Nitrite Limited and is currently Director - Finance & Group Chief Financial Officer.



Shri Sandesh Kumar Anand

Non-Executive Director

Shri Sandesh Kumar Anand is a Bachelor of Engineering (Chemical) from Delhi University and has done a Petrochemical Course from I.I.P., Dehradun. He has completed an Advanced Management course from IIM Ahmedabad.

He has a rich experience of more than 50 years in the field of Project Management, Operations, Corporate Planning, Quality Management, Health, Safety and Environment Management, Energy Management, and Strategic

Planning in petrochemicals, refining, and other allied Industries.

He was also Member of various committees of State and Central Government and also the advisor of Government on Chemical Weapons Convention.



Shri Shripad Gumaste

Non-Executive Director

Shri Shripad Gumaste has completed his Bachelors and Masters in Chemical Engineering from University of Bombay (UDCT). He is proficient in macro as well as micro level company and sector analysis, due diligence processes, business valuations and deal structuring. Shri Gumaste has over 25 years professional experience

with unique mix of implementation of projects, venture capital / private equity investments, M & A and company building and mentoring background. He has represented the private equity fund where he served in the past as a Director on a few publicly listed as well as non-listed companies.

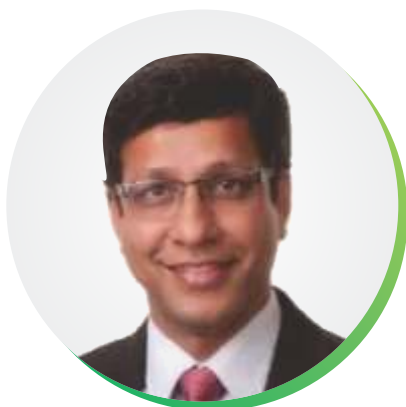


Shri Prem Kumar Taneja

Independent Director

Shri P. K. Taneja, IAS (Retd.) is a Bachelor of Technology in Electronics and Communication Engineering from University of Roorkee, now IIT Roorkee. He is presently Director General of Gujarat Institute of Disaster Management, Gandhinagar under the General Administrative Department, Government of Gujarat. He has held various important positions in Government of Gujarat including Acting Chief Secretary of Government of Gujarat, Additional Chief Secretary of various departments including Industries & Mines Department, Home Department, Finance Department, Forest

Department and that he has also held various senior positions in the Corporate PSUs of Gujarat like Joint Managing Director of Sardar Sarovar Nigam Limited, Managing Director of Gujarat State Fertilizers Corporation (GSFC), Director (Finance) of Gujarat Electricity Board, Managing Director of Gujarat Alkalies and Chemicals Limited, Managing Director of Gujarat State Electricity Corporation (GSECL) and Managing Director of Gujarat Water Infrastructure Limited.



Shri Milin Mehta

Independent Director

Shri Milin Mehta is a Chartered Accountant and a senior partner at K. C. Mehta & Co. LLP Chartered Accountants. He is a fellow member of the Institute of Chartered Accountants of India and a Law Graduate. He has a rich experience in the field of strategy, taxation, mergers, acquisitions, joint ventures, etc. He was also member of the Committee set up by the Central Board of

Direct Taxes for framing “Income-tax Computation and Disclosure Standards”. Presently he is member of the Committee appointed by the Finance Minister under the CBDT for considering the MAT Impact on introduction of IndAS and also to notify further ICDS due to introduction of IndAS.



Shri Sanjay Asher

Independent Director

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

law firm, established in 1830. He specialises in the fields of corporate law and commercial law, cross-border M&A, joint ventures, and capital markets.



Shri Ashok Balasubramanian

Independent Director

Shri Ashok Balasubramanian is Alumnus of the College of Engineering, Madras University, majored in Mechanical Engineering in 1979. He has studied management from MDI-Gurgaon in 1992. Shri Ashok Balasubramanian is a retired Chairman of Indian Oil Corporation Limited and has a vast experience of over four decades in the downstream oil and gas sector.

He has spoken at various national and international forums on the subject.

Notice

NOTICE is hereby given that the Twelfth Annual General Meeting of the Company will be held at the Registered Corporate Office of the Company at **First Floor, Aaditya-II, National Highway No. 8, Chhani Road, Vadodara - 390 024, Gujarat** on **Wednesday, July 26, 2023 at 10:30 A.M.** to transact the following businesses:

ORDINARY BUSINESS :

1. To receive, consider, approve and adopt the audited Balance Sheet as at, and Statement of Profit and Loss, Cash Flow Statement and Statement of Changes in Equity for the financial year ended March 31, 2023, together with the Directors' Report and the Auditors' Report thereon.

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

"RESOLVED THAT the Audited Financial Statements of the Company including Balance Sheet, Statement of Profit and Loss, Cash Flow Statement and Statement of Changes in Equity for the Financial Year ended March 31, 2023 along with the Directors' Report and the Auditor's Report thereon be and are hereby received, considered, approved and adopted."

2. To declare dividend of ₹ 2.70 (Rupees Two and Paisa Seventy only), being 27%, per equity share of face value of ₹ 10.00 (Rupees Ten only) each for the Financial Year ended March 31, 2023.

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

"RESOLVED THAT the dividend of ₹ 2.70 (Rupees Two and Paisa Seventy only) being 27% per equity share of face value of ₹10.00 (Rupees Ten only) each amounting to ₹ 75,60,00,000/- (Rupees Seventy Five Crores Sixty Lakhs only), for the Financial Year ended March 31, 2023, as recommended by the Board of Directors, be and is hereby approved."

3. To appoint a Director in place of Smt. Ila D. Mehta [DIN: 00230412] who retires by rotation and being eligible, offers herself for re-appointment.

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

"RESOLVED THAT Smt. Ila D. Mehta [DIN: 00230412] who retires by rotation at this Annual General Meeting, in terms of Section 152(6) of the Companies Act, 2013 and being eligible, who has offered herself for re-appointment, be and is hereby re-appointed as Director of the Company, liable to retire by rotation."

4. To appoint a Director in place of Shri S. K. Anand [DIN: 00001792] who retires by rotation and being eligible, offers himself for re-appointment.

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

"RESOLVED THAT Shri S. K. Anand [DIN: 00001792] who retires by rotation at this Annual General Meeting, in terms of Section 152(6) of the Companies Act, 2013 and being eligible, who has offered himself for re-appointment, be and is hereby re-appointed as Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS:

5. **RATIFICATION OF REMUNERATION OF COST AUDITORS OF THE COMPANY.**

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

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration payable to M/s. Y. S. Thakar & Co., Cost Accountants, (Firm Registration No. 000318), Cost Auditors appointed by Board of Directors of the Company to conduct the audit of the cost records of the Company for Financial Year ending March 31, 2024, amounting to ₹ 1,50,000/- (Rupees One Lakh Fifty Thousand Only) plus applicable taxes, travelling and other out-of-pocket expenses incurred by them in connection with aforesaid audit, be and is hereby ratified and approved.

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

Place: Vadodara
Date: May 9, 2023

By Order of the Board of Directors of
DEEPAK PHENOLICS LIMITED

Registered Office:
First Floor, Aaditya-II, Chhani Road,
Vadodara - 390024
Tel: +91-265-276 5500 Fax : +91 - 265 - 2765 557
Website : www.godeepak.com Email : chirag.shukla@godeepak.com
CIN : U24100GJ2011PLC064669

Chirag K. Shukla
Company Secretary
Membership No: A20568

Notes

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

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

3. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. Members / Proxies are requested to bring duly filled Attendance Slip to attend the Meeting, along with their copy of Annual Report.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

6. The relevant documents referred to in this Notice requiring the approval of the Members at the Meeting shall be available for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays from 10:00 a.m. to 2:00 p.m. upto the date of the Meeting.
7. The route map showing directions to reach the venue of the Meeting is provided in the Notice after the Explanatory Statement.

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

ITEM NO.5

The Board of Directors, upon recommendation of the Audit Committee, has appointed M/s. Y. S. Thakar & Co., Cost Accountants (Firm Registration No. 000318) as the Cost Auditors of the Company to conduct the Audit of the Cost Records of the Company for the Financial Year 2023-24 at a remuneration of ₹ 1,50,000/- (Rupees One Lakh Fifty Thousand only), plus applicable tax, travelling and other out-of-pocket expenses incurred by them in connection with aforesaid audit.

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

Accordingly, approval of the Members is sought for the Ordinary Resolution as set out at Item No.5 of the Notice for ratification of the remuneration payable to the Cost Auditor for the Financial Year ending March 31, 2024.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution set out at Item No. 5 of the Notice.

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

Place: Vadodara
Date: May 9, 2023

By Order of the Board of Directors of
DEEPAK PHENOLICS LIMITED

Registered Office:

First Floor, Aaditya-II, Chhani Road,
Vadodara - 390024
Tel: +91-265-276 5500 Fax : +91 - 265 - 2765 557
Website : www.godeepak.com Email : chirag.shukla@godeepak.com
CIN : U24100GJ2011PLC064669

Chirag K. Shukla
Company Secretary
Membership No: A20568

Annexure to the Notice :

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

Name of the Director	Smt. Ila D. Mehta		Shri S.K. Anand	
Date of Birth	December 21, 1958		December 10, 1942	
Age	65 Years		80 Years	
Director Identification Number	00230412		00001792	
Brief Resume covering Expertise in specific functional areas and Experience	<p>Smt Ila D. Mehta, is a Bachelor in Home Science. She also holds diploma in Interior Designing from Nirmala Niketan, Mumbai and Diploma in Textile Designing from Rachana Sansad, Mumbai. She has been the President of Innerwheel Club Pune Riverside during 1995-1996 and 2003-2004. She is actively involved in development of Sankul, School for the Differently abled with Deepak Foundation. She has promoted the 'Heroes of Vadodara' initiative and is actively involved in city development projects in Vadodara, Gujarat</p>		<p>Shri S.K Anand has done Bachelor of Engineering (Chemical) from Delhi University and has done a Petrochemical Course at IIP, Dehradun. He has also done an advanced management course at IIM, Ahmedabad. Shri S.K. Anand has a rich experience of 50 years in the field of Project Management, Operations, Corporate Planning, Quality Management, Health, Safety and Environment Management, Energy Management and Strategic Planning in petrochemicals, refining and other allied Industries.</p> <p>Shri S. K. Anand was also Member of various committees of State and Central Government and also advisor of Government on chemical weapons convention.</p>	
Terms and Conditions of appointment or re-appointment	She is liable to retire by rotation.		He is liable to retire by rotation.	
Remuneration Paid / Payable for the Financial Year 2022-23	Sitting Fees	₹ 1,55,000	Sitting Fees	₹ 2,25,000
	Commission	₹ 15,00,000	Commission	₹ 30,00,000
	Total	₹ 16,55,000	Total	₹ 32,25,000
Details of remuneration sought to be paid	Fees for attending Meetings of Board of Directors and Committees of Directors of the Company and Profit related commission.		Fees for attending Meetings of Board of Directors and Committees of Directors of the Company and Profit related commission.	
Date of first appointment on the Board	April 25, 2017		August 6, 2015	
Shareholdings in the Company	1 Equity Share held on behalf of Deepak Nitrite Limited.		Nil.	
Disclosure of relationships between directors inter-se.	Wife of Shri Deepak C. Mehta and Mother of Shri Meghav Mehta and Shri Maulik Mehta.		Not related to any of the Directors or Key Managerial Personnel of the Company.	
The number of Meetings of the Board attended during the F.Y. 2022-23	Number of Meetings held	Board Meetings Attended	Number of Meetings held	Board Meetings Attended
	4	4	4	4

Name of the Director	Smt. Ila D. Mehta	Shri S.K. Anand
Directorship in other companies	Listed Companies Nil	Listed Companies Deepak Nitrite Limited
	Non-Listed Companies Checkpoint Credits and Capital Private Limited Stigma Credits and Capital Private Limited Stepup Credits and Capital Private Limited Stiffen Credits and Capital Private Limited Sundown Finvest Private Limited Pranawa Leafin Private Limited Forex Leafin Private Limited Hardik Leafin Private Limited Skyrose Finvest Private Limited Greypoint Investment Private Limited Deepak Novochem Technologies Limited Voidcoin Software Private Limited Storewell Credits and Capital Private Limited Deepak Phenolics Limited Deepak Medical Foundations	Non-Listed Companies Deepak Chem Tech Limited Deepak Phenolics Limited Sunrise Industries (India) Limited Optimum Diagnostics and Research Private Limited

ROUTE MAP TO THE 12TH ANNUAL GENERAL MEETING OF DEEPAK PHENOLICS LIMITED:



Landmark: Beside Deepak Nitrite Limited

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the Twelfth Annual Report together with the Audited Financial Statements for the Financial Year ('FY') ended March 31, 2023.

FINANCIAL RESULTS

	(₹ In Crores)	
	FY 2022-23	FY 2021-22
Revenue from Operations	4,970.49	4,303.42
Other Income	15.26	14.93
Total Income	4,985.75	4,318.35
Profit before Finance Cost, Tax, Depreciation & Amortization	712.17	974.28
Finance Cost	23.21	32.45
Depreciation / Amortization	90.07	105.48
Profit Before Tax	598.89	836.35
Tax	153.56	211.99
Profit after Tax	445.33	624.36
Basic Earnings Per Share	15.90	22.30
Diluted Earnings Per Share	15.90	22.30

PERFORMANCE REVIEW AND STATE OF COMPANY'S AFFAIRS

Your Company is engaged in the business of manufacture of Phenol, Acetone and Iso Propyl Alcohol ('IPA'). Acetone is a co-product of the production process for Phenol and IPA is on purpose produced from Acetone - IPA produced by your Company is via hydrogenation of Acetone.

Phenol is a versatile industrial organic chemical and is used for manufacture of various chemical intermediates. Phenol is consumed in a broad spectrum of end-user segments, including ply, laminates, foundry, paints, rubber, surfactants, pharmaceuticals, and agro-chemicals. Acetone and IPA are mainly used in pharmaceutical end use and also in paints, adhesives, and thinners amongst many others.

Your Company entered the FY 2022-23 amidst a robust business environment as global recovery took root after the Covid-19 related concerns and restrictions were slowly withdrawn globally, including in India. At the same time, events in Europe and Ukraine caused a major spike in energy prices, including for household use, which resulted in a marked shift in consumer spends towards basic essentials like food and energy. An unusual pull from transport fuels caused Benzene prices to spike to unprecedented levels in the middle of the year. However, the market witnessed a steady decline thereafter as global consumption declined, new capacities of Phenol came on-stream in China, and downstream BisPhenol-A and Polycarbonates lost their luster. A continuous bear phase in Phenol caused chain margins to shed nearly 25% from the previous year.

Your Company stabilised its operations of second IPA plant, second Boiler as well as the captive power plant in the initial months of the year and consequently, improved the operational reliability of the Company significantly. Your Company could avoid at least ten to twelve power disturbances related plant stoppages thanks to operating the power plant on an islanded mode. Despite the challenges and while the Asian producers were struggling to keep operating rates above 75%, your Company created new benchmark in terms of volumes of production and sales. Your company was awarded the prestigious Responsible Care certification by ICC during the year. Your company's IPA product was also certified to be meeting the quality requirement of Indian, British and American (US) Pharmacopeia, reflecting the commitment of your Company to produce world class quality products. Your Company also commenced debottlenecking its Phenol production capacity by 10% which is expected to be operational by the end of H1 of FY 2023-24.

Your Company also started trials of using bio fuels in its boilers to reduce its usage of fossil fuels and it is planned to further scale it up during the FY 2023-24.

Revenues increased to ₹ 4,986 crores in FY 2022-23 from ₹ 4,318 crores in FY 2021-22. However, the Profit After Tax reduced to ₹ 445 crores in FY 2022-23 as against ₹ 624 crores in FY 2021-22. Revenue growth was linked to enhanced volumes of production and sales, while PAT reduction, despite revenue growth was largely due to drop in chain margins.

Your Company continued to remain the largest producer of Phenol and Acetone in India with a market share of ~56%. Further with expanded capacity of IPA Plant, your company is able to reduce import dependency of IPA. During the year under review, your Company successfully placed its volumes in the domestic market to reflect its commitment towards Aatmanirbhar Bharat.

OTHER PROJECTS

Your Company is implementing a project to recover Acetophenone from one of its low value bye product streams, which is expected to be commissioned in Q4 of FY-2024-25.

FINANCE

During the year under review, your Company has generated cash profits out of its operations and is nearly debt free as it largely paid off (including pre-payment) its long term debt with internal accruals. Better working capital management and reduction in total debt resulted in lower interest cost for your Company. Total Debt to Equity as on March 31, 2023 was 0.03 times compared to 0.20 times as on March 31, 2022.

Further, ICRA has reaffirmed the long term credit rating of the Company at “ICRA AA/Positive”.

SHARE CAPITAL

The Authorised Share Capital of the Company as on March 31, 2023 is ₹ 560 crores and the paid up capital as on March 31, 2023 is ₹ 280 crores comprising of 28,00,00,000 Equity Shares of ₹ 10/- each.

During the FY 2022-23 there has been no change in the Authorised or Paid up Capital of the Company.

DIVIDEND AND TRANSFER TO RESERVES

Considering the performance of your Company, your Directors have recommended dividend at the rate of 27% i.e. ₹ 2.70 (Rupees Two and Paisa Seventy only) per Equity Share of ₹ 10 each for the financial year ended March 31, 2023. It is not proposed to transfer any amount to Reserves.

DIRECTORS

The Members of the Company at their Extraordinary General Meeting held on June 6, 2022, approved:

- (a) appointment of Shri Kishor Jhalaria as a Director, liable to retire by rotation as well as a Whole-time Director, designated as Executive Director & CEO of the Company for a period of three years effective from April 26, 2022 upto April 25, 2025;
- (b) re-appointment of Shri Sanjay Asher as an Independent Director of your Company for a second term of three (3) consecutive years effective from June 8, 2022 upto June 7, 2025.
- (c) appointment of Shri Ashok Balasubramanian as an Independent Director of your Company for a term of three (3) consecutive years effective from June 6, 2022 upto June 5, 2025;
- (d) appointment of Shri Maulik Mehta as a Non-Executive Director, of your Company, liable to retire by rotation, effective from June 6, 2022.

Shri Rajeev Pandia, Independent Director of the Company, completed his term of appointment as Independent Director on June 20, 2022 and accordingly ceased to be Director of your Company w.e.f. June 21, 2022. The Board of Directors of your Company, expresses its appreciation for the contribution made by Shri Rajeev Pandia during his tenure as Director of the Company.

As required under the provisions of Section 152 of the Companies Act, 2013, Smt. Ila D. Mehta and Shri Sandesh Kumar Anand will be retiring at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommends their re-appointment for approval by the Members.

In compliance with provisions of Section 197(14) of the Companies Act, 2013, it is hereby disclosed that Shri Deepak C. Mehta, the Chairman & Managing Director of the Company is also the Chairman & Managing Director of Deepak Nitrite Limited, the holding Company of Deepak Phenolics Limited. Further, Shri Deepak C. Mehta, who is entitled for payment of Commission from the Company as the Chairman & Managing Director, also draws remuneration from Deepak Nitrite Limited, in the form of Salary and Perquisites, as Chairman & Managing Director of Deepak Nitrite Limited.

KEY MANAGERIAL PERSONNEL

During the year under review and as on date of this report, your Company has following Key Managerial Personnel of the Company:

1. Shri Deepak C. Mehta as the Chairman & Managing Director;
2. Shri Meghav Mehta as the Executive Director;
3. Shri Kishor Jhalaria as the Executive Director & Chief Executive Officer;
4. Shri Ajay Jajoo as the Chief Financial Officer; and
5. Shri Chirag K. Shukla as the Company Secretary of the Company.

Shri Arvind Bajpai relinquished the position of Company Secretary of the Company w.e.f. July 27, 2022, accordingly, he ceased to be Company Secretary and Key Managerial Personnel of the Company from that Date. Upon recommendation of the Nomination and Remuneration Committee, the Board of Directors of your Company has appointed Shri Chirag K. Shukla as the Company Secretary of the Company w.e.f. July 27, 2022.

MEETINGS OF THE BOARD

During the year under review, four (4) meetings of Board of Directors of your Company were held on April 26, 2022, July 27, 2022, October 14, 2022 and January 31, 2023.

INDEPENDENT DIRECTORS

Shri P. K. Taneja, Shri Milin Mehta, Shri Sanjay Asher and Shri Ashok Balasubramanian are Independent Directors of your Company. The Independent Directors of your Company have given the declaration that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and have furnished the declaration as required under the Companies Act, 2013.

PERFORMANCE EVALUATION

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

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

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

SEPARATE MEETING OF INDEPENDENT DIRECTORS

As per requirements of the Companies Act, 2013, a separate meeting of the Independent Directors without presence of members of management of the Company, was held on March 10, 2023 to evaluate the performance of the Chairman, Non-Independent Directors and the Board as a whole and also to assess the quality, quantity and timeliness of flow of information between the management of the Company and the Board. The Independent Directors have expressed their satisfaction over the performance and flow of information, so assessed.

INTERACTION OF INDEPENDENT DIRECTORS WITH AUDITORS

As a good Corporate Governance practice, a separate interaction of the Independent Directors with Statutory Auditors and Internal Auditors, without presence of members of management of the Company, was held on March 10, 2023.

AUDIT COMMITTEE

Your Company has a duly constituted Audit Committee as required under the provisions of Companies Act, 2013. The Audit Committee consists of Shri Milin Mehta as the Chairman of the Committee, Shri Sanjay Upadhyay and Shri Sanjay Asher as the members.

Shri Rajeev Pandia ceased to Director of the Company w.e.f. June 21, 2022 and consequently, ceased to be member of the Audit Committee of the Company. The Board of Directors of your Company, reconstituted the Audit Committee w.e.f. July 22, 2022 and thereby Shri Sanjay Asher was inducted as a member of the Audit Committee.

During the year under review, four (4) meetings of the Audit Committee were held on April 26, 2022, July 27, 2022, October 14, 2022 and January 31, 2023.

VIGIL MECHANISM

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

INTERNAL FINANCIAL CONTROLS

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

RISK MANAGEMENT

The Board of Directors of your Company has a duly constituted Risk Management Committee. The Risk Management Committee consists of Shri Sandesh Kumar Anand as the Chairman of the Committee and Shri Meghav D. Mehta, Shri Ashok Balasubramanian and Shri Kishor Jhalaria as members of the Committee.

During the year under review, the Risk Management Committee was reconstituted effective from June 6, 2022, whereby Shri Ashok Balasubramanian and Shri Kishor Jhalaria were inducted as Members of the Risk Management Committee and Shri Ajay Jajoo ceased to member of the Risk Management Committee.

Shri Rajeev Pandia ceased to be member of the Risk Management Committee, upon his cessation as a Director of the Company w.e.f. June 21, 2022.

Your Company has in place a Comprehensive Enterprise Risk Management Framework and Policy. The Risk Management Committee reviews the status of all Risks identified and their mitigation measures, on a half yearly basis.

During the year under review, Two (2) meetings of Risk Management Committee were held on April 25, 2022 and October 13, 2022.

STATUTORY AUDITORS

At the 10th Annual General Meeting held on June 25, 2021, the members approved the appointment of M/s. Deloitte Haskins and Sells, Chartered Accountants (FRN:117365W), as the Statutory Auditors of the Company to hold Office for a period of Five (5) years from the conclusion of that Annual General Meeting till the Conclusion of 15th Annual General Meeting of the Company.

STATUTORY AUDITORS' REPORT

The observations made in the Auditors Report read together with relevant notes thereon, are self-explanatory and hence do not call for any comments. There is no qualification, reservation, adverse remark or disclaimer by the Statutory Auditors in their Report. There is no instance of fraud reported by the Auditors during the Financial Year 2022-23.

MAINTENANCE OF COST RECORDS

Your Company is required to maintain cost records under Section 148(1) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014. Accordingly, cost records have been maintained by the Company.

COST AUDITORS

Pursuant to Sub Section (3) of Section 148 of Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and upon the recommendation of Audit Committee, the Board of Directors of your Company at their meeting held on May 9, 2023 re-appointed M/s. Y. S. Thakar & Co. (Firm Registration No. 000318), as the Cost Auditors for auditing your Company's Cost Accounting Records for the Financial Year 2023-24, at a remuneration of ₹ 1,50,000 (Rupees One Lakh Fifty Thousand only) plus applicable taxes travelling and out of pocket expenses, subject to ratification by Members at the ensuing Annual General Meeting.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit for the year ended March 31, 2023 was carried out by the Secretarial Auditor, M/s. Samdani Shah & Kabra, Company Secretaries. The Board of Directors of your Company has re-appointed M/s. Samdani Shah & Kabra, Company Secretaries to carry out Secretarial Audit of your Company for the Financial Year 2023-24.

SECRETARIAL AUDITORS' REPORT

The Secretarial Audit Report of M/s. Samdani Shah & Kabra, Company Secretaries, for the Financial Year ended March 31, 2023 does not contain any qualification, reservation, adverse remark or disclaimer by the Secretarial Auditors. The Secretarial Audit Report in Form No. MR-3 is annexed here with as Annexure-A, which forms part of this Report.

INTERNAL AUDITORS

Upon the recommendation of the Audit Committee, the Board of Directors of your Company at their meeting held on May 9, 2023 has appointed M/s. Sharp & Tannan Associates, Chartered Accountants, as Internal Auditors of your Company to conduct the Internal Audit for Financial Year 2023-24.

DEPOSITS

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

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the year ended March 31, 2023 were on arm's length basis and most of such transactions were in the ordinary course of business. There was no material significant related party transaction entered into by your Company during the year and hence no information is required to be provided as prescribed under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014.

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

Your Company has not granted any loans or guarantees during the Financial Year ended March 31, 2023. The details of investments made by the Company during the Financial Year 2022-23 have been disclosed in the Financial Statements of your Company.

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

CORPORATE SOCIAL RESPONSIBILITY

Your Company has a duly constituted Corporate Social Responsibility ('CSR') Committee as required under the provisions of Companies Act, 2013.

The CSR Committee consists of Smt. Ila D. Mehta as the Chairperson, Shri Sanjay Upadhyay, Shri S. K. Anand and Shri P. K. Taneja as the members. During the year under review, five (5) meetings of the CSR Committee were held on April 25, 2022, July 26, 2022, October 13, 2022, January 30, 2023 and February 21, 2023.

CSR activities of your Company are being implemented through Deepak Foundation, the group's charitable trust and various other charitable organisations as well as directly by the Company. The CSR activities are focused on social interventions in various developmental domains such as Health, Education, Livelihood, etc.

During Financial Year 2022-23, your Company has spent ₹ 902.13 Lakhs on CSR activities, against the requirement of ₹ 1,001.61 Lakhs, being 2% of average of the net profits for the preceding three years.

In compliance with the provisions of the Companies Act, 2013 and rules made thereunder, the unspent amount of ₹ 99.48 Lakhs, which pertains to ongoing projects, have been transferred to Special Bank Account i.e. DPL-CSR Unspent Account 2022-23 on April 25, 2023.

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

Reason for amount remaining unspent:

Your Company has undertaken a major CSR Project for supporting Medical Care Centre Trust (CSR Registration No.: CSR00003940) in construction of a new Hospital Building and renovation of their existing hospital buildings at Vadodara. The construction of new hospital building required various government approvals for commencement of work. There was a delay in receipt of the necessary approvals for commencement of Construction work of the new Hospital building, which resulted in delay in execution of the Project. Accordingly, the amount which was envisaged to be spent during the year, could not be spent. Further, a Skill Upgradation Centre ('SUC') building at Dahej, has been allotted to Deepak Foundation during the year, for imparting Courses for Skill upgradation to youth in vicinity, in collaboration with Centre for Entrepreneurship Development ('CED'), Government of Gujarat. Your Company has taken up the Project Akanksha for sponsoring the operations of the SUC for imparting skill upgradation trainings to youth. However, there was delay in implementing the said Project because designing of courses, approvals for the course designs from CED, recruitment of manpower and admission of eligible young persons as trainees from vicinity took some more time than envisaged. Thus, it resulted in spending less amount than originally estimated.

However, the said Projects being ongoing projects, in compliance with the provisions of the Companies Act, 2013 and rules made thereunder, the unspent amount has been transferred to Unspent CSR Account and the same shall be utilized on CSR activities.

NOMINATION AND REMUNERATION COMMITTEE

In accordance with the provisions of the Companies Act, 2013, your Company has a duly constituted Nomination and Remuneration Committee comprising Shri Sanjay Asher as the Chairman of the Committee and Shri Deepak C. Mehta, Shri Sanjay Upadhyay and Shri Milin Mehta as members of the Committee. During the year under review, two (2) meetings of Nomination and Remuneration Committee were held on April 25, 2022 and July 26, 2022.

NOMINATION AND REMUNERATION POLICY

Your Company has adopted a Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and other employees pursuant to the requirement of Section 178 of the Companies Act, 2013.

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

- A. Objectives :** The key objectives of the NR Policy include:
 - (i) Guiding the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management employees.
 - (ii) Evaluating the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
 - (iii) Recommending to the Board the remuneration payable to the Directors and setting forth a policy for determining remuneration payable to Key Managerial Personnel and Senior Management employees.
- B. Applicability :** The Policy is applicable to Directors, Key Managerial Personnel ('KMP'), Senior Management Employees and Other Employees.
- C. Role, Composition etc. of the Nomination and Remuneration Committee and meetings thereof :** The Policy describes the role, composition requirements, frequency of meetings and quorum and voting etc. at the Meetings of the Nomination and Remuneration Committee.
- D. Appointment and Removal of Directors, KMPs and Senior Management Employees :** The Policy provides in detail, the criteria for appointment of Directors (Executive, Non-Executive and Independent Directors), Key Managerial Personnel and Senior Management Employees of the Company. It also provides for Term / tenure of Independent Directors and Executive Directors, their evaluation, removal and retirement.
- E. Remuneration :** The NR Policy provides for Remuneration of Managing Director, Executive Directors including ratio of Fixed and Variable pay portions of their respective costs to the Company. It also provides for manner in which remuneration shall be paid to Independent Directors i.e. by way of payment of fees for attending meetings of the Company and payment of profit related commission. The NR Policy also provides procedure for determining and revision in Remuneration of Key Managerial Personnel, Senior Management Employees and other Employees by the Company.
- F. Review and Amendments to the Policy :** The policy provides for periodical review of the Policy by the Board and procedure for carrying out amendments to the Policy.

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

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

ANNUAL RETURN

The Annual Return of the Company is available on the website of the Company at <https://www.godeepak.com/dpl-policies/>

PARTICULARS OF EMPLOYEES

The disclosures pertaining to remuneration and other details of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1), 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Directors' Report Rules, 2014, forms part of this Report and the same is enclosed as Annexure-C.

SECRETARIAL STANDARDS OF ICSI

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

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

Your Company has in place an Anti-Discrimination and Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Internal Complaints Committee has been set up, to redress the complaints received regarding sexual harassment at workplace. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaint was received from any employee during FY 2022-23 under the said policy and hence no complaint is outstanding as on March 31, 2023 for redressal.

MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitments affecting the financial position of your Company since the close of Financial Year i.e. since March 31, 2023 and upto the date of this Report. Further, it is hereby confirmed that there has been no change in the nature of business of your Company.

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

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

SUBSIDIARY, ASSOCIATE AND JOINT VENTURE

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

ORDERS PASSED BY THE REGULATORS OR THE COURTS OR THE TRIBUNALS

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

ACKNOWLEDGEMENT

Your Directors place on record their appreciation for co-operation and support from various Government authorities. Your Directors acknowledge the support of Customers, Suppliers, Bankers and all other business associates. Your Directors also appreciate the dedicated efforts and hard work of all the employees of your Company.

For and on behalf of the Board

Place : Vadodara
Date : May 9, 2023

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

Annexure-A

Form No. MR-3 Secretarial Audit Report

for the Financial Year ended March 31, 2023

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

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

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

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2023 ("review period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board-Processes and Compliance-Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- i. The Companies Act, 2013 ("Act") and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Securities and Exchange Board of India ("SEBI") (Depositories and Participants) Regulations, 2018, to the extent applicable;
- v. SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client, to the extent applicable;
- vi. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- vii. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 are not applicable to the Company being an Unlisted Public Company.
- viii. Other sector specific laws as follows:
 - a. The Environment (Protection) Act, 1986;
 - b. The Water (Prevention & Control of Pollution) Act, 1974;
 - c. The Air (Prevention & Control of Pollution) Act, 1981;
 - d. Public Liability Insurance Act, 1991;
 - e. Explosives Act, 1884;
 - f. Hazardous Wastes (Management, Handling, and Transboundary Movement) Rules, 2008;
 - g. Petroleum Act, 1934 and Rules made thereunder.

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

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

We further report that;

- A. The Board of Directors of the Company is duly constituted with proper balance of executive directors, non-executive directors and independent directors. The changes in the composition of the Board of Directors that took place during the review period, were carried out in compliance with the provisions of the Act;
- B. Adequate notice is given to all the Directors to schedule the Board Meetings, Agenda and detailed notes on Agenda were sent at least seven days in advance and a system exists for Directors seeking and obtaining further information and clarification on the Agenda items before the meeting and for meaningful participation at the meeting;
- C. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded;
- D. There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with all the applicable laws, rules, regulations and guidelines;
- E. During the review period there were no specific instances / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc., having a major bearing on the affairs of the Company.

Place: Vadodara
Date: May 9, 2023

S. Samdani
Partner
Samdani Shah & Kabra
Company Secretaries
FCS No. 3677; CP No. 2863
PR# 1079/2021
ICSI UDIN: F003677E000275630

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

Appendix A

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

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

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

Place: Vadodara
Date: May 9, 2023

S. Samdani
Partner
Samdani Shah & Kabra
Company Secretaries
FCS No. 3677; CP No. 2863
PR# 1079/2021
ICSI UDIN : F003677E000275630

Annexure-B

REPORT ON CORPORATE SOCIAL RESPONSIBILITY

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2022-23

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

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Smt. Ila D. Mehta	Chairperson - NE-NID	5	5
2.	Shri S. K. Anand	Member - NE-NID	5	5
3.	Shri P. K. Taneja	Member - ID	5	5
4.	Shri Sanjay Upadhyay	Member - NE-NID	5	5

Abbreviations : NE-NID: Non-Executive Director Non Independent Director; ID: Independent Director

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company. : **www.godeepak.com**

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable. : **NA**

5. (a) Average net profit of the company as per section 135(5) : ₹ 50,791.00 Lakhs
 (b) Two percent of average net profit of the company as per section 135(5) : ₹ 1,016.00 Lakhs
 (c) Surplus arising out of the CSR projects or programs or activities of the previous financial years : Nil
 (d) Amount required to be set off for the financial year, if any : ₹ 14.39 Lakhs
 (e) Total CSR obligation for the financial year [(b)+(c)-(d)] : ₹ 1001.61 Lakhs

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project). : ₹ 902.13 Lakhs
 (b) Amount spent in Administrative Overheads. : Nil
 (c) Amount spent on Impact Assessment, if applicable. : Nil
 (d) Total amount spent for the Financial Year [(a)+(b)+(c)] : ₹ 902.13 Lakhs

(e) CSR Amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (₹ in Lakhs)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
902.13	99.48 Lakhs	25-04-2023	NA	Nil	NA

(f) Excess amount for set off, if any : Nil

Sl. No.	Particular	Amount (₹ in Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	NA
(ii)	Total amount spent for the Financial Year	NA
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NA
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NA
(v)	Amount available for set off in succeeding financial years[(iii)-(iv)] (including set off of previous year(s))	NA

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years : NA

Sr. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount spent in the Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)	Deficiency, if any
					Name of the Fund	Amount (in ₹).	Date of transfer.		
1.	FY-1	NA	NA	NA		NA		NA	NA
2.	FY-2	NA	NA	NA		NA		NA	NA
3.	FY-3	NA	NA	NA		NA		NA	NA

8. Whether any capital assets have been created or acquired through CSR spent in the financial year : Yes

If yes, enter the number of capital assets created/acquired : 94

Furnish the details relating to such asset(s) so created or acquired through CSR spent in the financial year:

Sr. No.	Short particulars of the property or asset(s)[including complete address and location of the property]	Pin code of the property or Asset(s)	Date of Creation	Amount of CSR spent	Details of entity / Authority / beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
1	Project Mobile Health Unit Anurag Niwas, Ground Floor, Near Jawhar Phata, Telipada, Block Mokhada, Dist- Palghar Furniture & Fixture	401102	31.03.2023	4900/-	CSR 00000353	Deepak Foundation	Nijanand Ashram Premises, Adjoining L&T Knowledge City, On NH-8, Vadodara - 390019, Gujarat, India
2	SSD Hard Disk		14.12.2022	900/-			
3	Medical Equipment		31.12.2022	4319/-			
4	Medical Equipment		15.03.2023	549/-			
5	Furniture & Fixture		31.03.2023	4800/-			
6	Project Aarogya Seva Kendra Beside Urban Haat, Birangara, Opp- Police Station, Madhuban, Shikharjee, Dist- Giridih CCTV Camera	825329	28.07.2022	14709/-			
7	Medical Equipment		25.08.2022	1750/-			
8	Medical Equipment		19.11.2022	2030/-			
9	Medical Equipment		30.11.2022	380/-			
10	Medical Equipment		31.01.2023	595/-			
11	Mobile Phone		20.09.2022	1500/-			

Sr. No.	Short particulars of the property or asset(s)[including complete address and location of the property]	Pin code of the property or Asset(s)	Date of Creation	Amount of CSR spent	Details of entity / Authority / beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
12	Project Mobile Health Unit Pilvavadu Fadiyu, At-Vadiya, Taluka-Savli Dist-Vadodara Computer	388710	25.1.2023	47200/-	CSR 00000353	Deepak Foundation	Nijanand Ashram Premises, Adjoining L&T Knowledge City, On NH-8, Vadodara - 390019, Gujarat, India
13	UPS Battery		15.2.2023	800/-			
14	Tablet		31.3.2023	34700/-			
15	Medical Equipment		16.5.2022	10546/-			
16	Medical Equipment		15.2.2023	3154/-			
17	Project for Elimination of Tuberculosis by the year 2025 Within Nijanand Ashram, Near Laxmi Studio, Adjoining L&T Knowledge City, On NH-8, Ta & Dist Vadodara Computer	390019	23.3.2023	34250/-			
18	UPS with Battery		28.3.2023	55000/-			
19	Generator		29.3.2023	129001/-			
20	Revolving Stool		30.3.2023	11328/-			
21	Refurbishment of Vehicle		21.3.2023	143500/-			
22	X-Ray Machine		17.3.2023	1140000/-			
23	Stand for X-Ray Machine		31.3.2023	17360/-			
24	Project Sangath Bungalow No-46, Sarjan Villa Society, Village, Bhensali, Dahej Computer	392130	27.12.2022	41831/-			
25	Computer & Printer		29.12.2022	79000/-			
26	Tablet		18.11.2022	34400/-			
27	Project Sangath House No-1, Vikas Nagar, Sarojini Colony, Yamunanagar Furniture & Fixture	135001	21.09.2022	8652/-			
28	Furniture & Fixture		28.12.2022	11100/-			
29	Lamination Machine		22.06.2022	4000/-			
30	Printer		29.06.2022	15900/-			

Sr. No.	Short particulars of the property or asset(s)[including complete address and location of the property]	Pin code of the property or Asset(s)	Date of Creation	Amount of CSR spent	Details of entity / Authority / beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
31	Project Sangath Amarnath Society -2 Nearby Taluka Panchayat, Wankaner, Ta- Wankaner, Dist- Morbi Camera	363621	09.01.2023	77500/-	CSR 00000353	Deepak Foundation	Nijanand Ashram Premises, Adjoining L&T Knowledge City, On NH-8, Vadodara - 390019, Gujarat, India
32	Computer		31.08.2022	41000/-			
33	Computer		31.12.2022	37200/-			
34	Furniture & Fixture		28.12.2022	83076/-			
35	Lamination Machine		13.10.2022	4800/-			
36	Furniture & Fixture		31.03.2023	8024/-			
37	Projector		31.03.2023	41549/-			
38	RO Water Purifier		31.03.2023	7850/-			
39	Tablet		31.12.2022	101400/-			
40	Project Neem Sattva Office at M/s Mahakali Swasahay Juth, Verai Mata Temple Compound, Near Verai Mata Chowk, Village Suva, Tal. Vagra, Dist. Bharuch Mixer Machine	392130	30.01.2023	29500/-			
41	Project Abhivruddhi Within Nijanand Ashram, Near Laxmi Studio, Adjoining L&T Knowledge City, On NH-8, Ta & Dist Vadodara Furniture & Fixture	390019	31.01.2023	28674/-			
42	Furniture & Fixture		23.03.2023	4000/-			
43	Furniture & Fixture		31.03.2023	15694/-			
44	Computer & Printer		11.01.2023	75500/-			
45	Project Samanvay Pilvavadu Fadiyu, At-Vadiya, Taluka - Savli , Dist-Vadodara CCTV	388710	30.03.2023	33359/-			
46	Computer		10.06.2022	82000/-			
47	Laptop		22.07.2022	49500/-			
48	Computer		19.12.2022	37200/-			
49	UPS		31.12.2022	2300/-			
50	Computer		25.01.2023	47200/-			
51	Air Cooler		30.09.2022	21000/-			
52	Furniture & Fixture		30.09.2022	31978/-			
53	Aquaguard		25.01.2023	18590/-			

Sr. No.	Short particulars of the property or asset(s)[including complete address and location of the property]	Pin code of the property or Asset(s)	Date of Creation	Amount of CSR spent	Details of entity / Authority / beneficiary of the registered owner					
					CSR Registration Number, if applicable	Name	Registered address			
54	Furniture & Fixture		06.02.2023	48852/-	CSR 00000353	Deepak Foundation	Nijanand Ashram Premises, Adjoining L&T Knowledge City, On NH-8, Vadodara - 390019, Gujarat, India			
55	Furniture & Fixture		15.02.2023	1500/-						
56	Inverter with Battery		11.11.2022	40700/-						
57	Furniture & Fixture		10.06.2022	43001/-						
58	Furniture & Fixture		27.12.2022	51802/-						
59	Furniture & Fixture		31.12.2022	1800/-						
60	Furniture & Fixture		09.01.2023	53690/-						
61	Furniture & Fixture		31.01.2023	800/-						
62	Furniture & Fixture		15.02.2023	350/-						
63	Furniture & Fixture		28.02.2023	580/-						
64	Lamination Machine		18.10.2022	23100/-						
65	Printer		20.06.2022	14700/-						
66	Printer		30.09.2022	148800/-						
67	Printer		10.10.2022	24800/-						
68	Projector		18.10.2022	25800/-						
69	Tablet		30.09.2022	189200/-						
	Project Akanksha Skill Upgradation Centre Dahej - 2, Plot No. D-2/CH-48, Dahej 2, Near Nikhil Adhesive, Dahej	392130								
70	Computer		04.02.2023	348100/-						
71	Computer		09.12.2022	179360/-						
72	CCTV & IT Rack		30.01.2023	350383/-						
73	LED TV		27.12.2022	147000/-						
74	Printer		28.02.2023	25200/-						
75	Projector		27.12.2022	11520/-						
76	Tablet		27.12.2022	60711/-						
	Project Fly Ash Bricks Bungalow No-46, Sarjan Villa Society, Village, Bhensali, Dahej	392130								
77	Computer		29.12.2022	37200/-						
78	Win Pro 10		16.01.2023	9000/-						
	Project on Health & Education Flat No-4, Prasad Apartment, 425/42 Gultekdi, Meenatai Thakare Road, Near TMV College, Pune	411037								
79	Laptop		20.01.2023	43850/-						
80	Tablet & Power Bank		31.01.2023	139205/-						
81	Tablet		31.01.2023	174000/-						
82	Laptop		24.03.2023	96700/-						
83	Printer		31.03.2023	15635/-						

Sr. No.	Short particulars of the property or asset(s)[including complete address and location of the property]	Pin code of the property or Asset(s)	Date of Creation	Amount of CSR spent	Details of entity / Authority / beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
84	Project Vivek Vidya Bungalow No-46, Sarjan Villa Society, Village, Bhensali, Dahej Laptop	392130	27.12.2022	47000/-	CSR 00000353	Deepak Foundation	Nijanand Ashram Premises, Adjoining L&T Knowledge City, On NH-8, Vadodara - 390019, Gujarat, India
85	Computer		20.02.2023	43070/-			
96	Vehicle		31.12.2022	527349/-			
87	Furniture & Fixture		06.01.2023	20324/-			
88	Printer		20.02.2023	14800/-			
89	Tablet		29.12.2022	169000/-			
90	Tablet		30.01.2023	34800/-			
91	Tablet		31.03.2023	104100/-			
	Total			60,04,830/-			
92	New Hospital Building Medical Care Centre Trust, Jalaram Marg, Karelibaug, Vadodara, Revenue Survey No 694 paiki, Moje : Kashba		390018	01.03.2023			
93	Project Roshni Rewa Sujani Centre Furja Road, Katopor Bazar, Bharuch, Gujarat. Handloom for Sujani	392001	12.03.2023	88,000/-	E/10213/ RAJKOT	Shri Mahakal Education and Charitable Trust, Rajkot	Kanakbhai B. Vyas, Office No. 1, 1st Floor, Ahya Commercial Centre, Gondal Road, Nr Swamin- arayan Gurukul, Rajkot.
94	Visitor Chair-4 nos and Office Table-1 Nos		07.03.2023	15,340/-			
	Total			1,03,340/-			
	Grand Total			1,52,84,951/-			

(All the fields should be captured as appearing in the revenue record, flat no. house no. Municipal Office / Municipal Corporation / Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) :

Your Company has undertaken a major CSR Project for supporting Medical Care Centre Trust (CSR Registration No.: CSR00003940) in construction of a new Hospital Building and renovation of their existing hospital buildings at Vadodara. The construction of new hospital building required various government approvals for commencement of work. There was a delay in receipt of the necessary approvals for commencement of Construction work of the new Hospital building, which resulted in delay in execution of the Project. Accordingly, the amount which was envisaged to be spent during the year, could not be spent. Further, a Skill Upgradation Centre ('SUC') building at Dahej, has been allotted to Deepak Foundation during the year, for imparting Courses for Skill upgradation to youth in vicinity, in collaboration with Centre for Entrepreneurship Development ('CED'), Government of Gujarat. Your Company has taken up the Project Akanksha for sponsoring the operations of the SUC for imparting skill upgradation trainings to youth. However, there was delay in implementing the said Project because designing of courses, approvals for the course designs from CED, recruitment of manpower and admission of eligible young persons as trainees from vicinity took some more time than envisaged. Thus, it resulted in spending less amount than originally estimated.

However, the said Projects being ongoing projects, in compliance with the provisions of the Companies Act, 2013 and rules made thereunder, the unspent amount has been transferred to Unspent CSR Account and the same shall be utilized on CSR activities.

Place : Vadodara
Date : May 9, 2023.

Deepak C. Mehta
Chairman & Managing Director

Ila D. Mehta
Chairperson, CSR Committee

Information as per Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the Financial Year ended on March 31, 2023

(a) Details of Top Ten Employees in terms of remuneration drawn during the Financial Year ended March 31, 2023:										
Sr. No.	Name of Employee	Designation	Remuneration Received	Nature of Employment	Qualifications	Experience (in years)	Date of commencement of Employment	Age	The Last Employment held before joining the Company	% of Equity shares held
1	Shri Deepak C. Mehta	Chairman & Managing Director	180,000,000	Permanent	B. Sc.	45	29/12/2015	67	-	0%*
2	Shri Kishor Jhalaria	Executive Director & CEO	28,043,744	Permanent	B.Tech Chemicals	43	01/06/2020	65	Reliance Industries Limited	Nil
3	Shri Meghav Mehta	Executive Director	22,122,564	Permanent	B.Tech Mechanical	13	02/05/2019	36	A.Live.Mind-Software Pvt Ltd	0%*
4	Shri Ajay Jajoo	Chief Financial Officer	15,496,838	Permanent	C.A.	21	26/02/2018	43	Vedanta Aluminium	Nil
5	Shri Vijay Menon	Vice President- CTS	9,208,941	Permanent	BE Chemical	40	01/02/2021	64	Reliance Industries Limited	Nil
6	Shri Girija Shanker Paliwal	President - Marketing	8,039,572	Permanent	M.Sc Chemistry	28	19/05/2022	52	Gujarat Alkalies and Chemicals	Nil
7	Shri Mahesh Barve	Senior GM - Marketing	6,908,611	Permanent	PGD- Piping Design & Engineering	27	01/04/2016	47	Kinetic Engineering Limited	Nil
8	Shri Rajesh Gaurishankar Prasad	AVP - Marketing	6,799,207	Permanent	Masters in Administrative Management	37	23/05/2022	60	Reliance Industries Limited	Nil
9	Shri Dinesh Dusane	Senior GM - Projects	6,310,680	Permanent	Master of Management Studies - MMS	20	10/09/2018	44	H-Energy Gateway Private	Nil
10	Shri Vijaykumar Kanagasabai	DGM - Integrated Planning Cell	6,223,939	Permanent	Diploma - Industrial Safety	23	04/09/2017	44	Reliance Industries Limited	Nil

(b) Details of every employee, who was employed throughout the Financial Year, was in receipt of remuneration for that year which, in the aggregate, was not less than One Crore Two lakh Rupees:										
Sr. No.	Name of Employee	Designation	Remuneration Received	Nature of Employment	Qualifications	Experience (in years)	Date of commencement of Employment	Age	The Last Employment held before joining the Company	% of Equity shares held
1	Shri Deepak C. Mehta	Chairman & Managing Director	180,000,000	Permanent	B. Sc.	45	29/12/2015	67	-	0%*
2	Shri Kishor Jhalaria	Executive Director & CEO	28,043,744	Permanent	B.Tech Chemicals	43	01/06/2020	65	Reliance Industries Limited	Nil
3	Shri Meghav Mehta	Executive Director	22,122,564	Permanent	B.Tech Mechanical	13	02/05/2019	36	A.Live.Mind-Software Pvt Ltd	0%*
4	Shri Ajay Jajoo	Chief Financial Officer	15,496,838	Permanent	C.A.	21	26/02/2018	43	Vedanta Aluminium	Nil

(c) Details of every employee, who was employed for a part of the Financial Year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than Eight lakh fifty thousand Rupees per Month:										
Sr. No.	Name of Employee	Designation	Remuneration Received	Nature of Employment	Qualifications	Experience (in years)	Date of commencement of Employment	Age	The Last Employment held before joining the Company	% of Equity shares held
1	Shri Sanjay Sudhakar Borwankar	Vice President	3,249,972	Permanent	B.Tech Chemicals	33	06/12/2022	55	Gujarat Fluorochemicals Limited	Nil

(d) Details of every employee, who was employed throughout the Financial Year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the Equity Shares of the Company:										
Sr. No.	Name of Employee	Designation	Remuneration Received	Nature of Employment	Qualifications	Experience (in years)	Date of commencement of Employment	Age	The Last Employment held before joining the Company	% of Equity shares held
-	NA	-	-	-	-	-	-	-	-	-

(e) Details of employees posted and working in a country outside India, not being directors or their relatives, drawing more than Sixty lakh rupees per Financial Year or Five lakh rupees per month, as the case may be during the Financial Year 2022-23:										
Sr. No.	Name of Employee	Designation	Remuneration Received	Nature of Employment	Qualifications	Experience (in years)	Date of commencement of Employment	Age	The Last Employment held before joining the Company	% of Equity shares held
-	NA	-	-	-	-	-	-	-	-	-

* 1 Equity Share of the Company held on behalf of Deepak Nitrite Limited.

Note : Shri Deepak C. Mehta is Husband of Smt. Ila D. Mehta and father of Shri Meghav Mehta and Shri Maulik Mehta.

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

Place: Vadodra
 Date: May 9, 2023.

Annexure-D

(A) Conservation of Energy

(i) Steps taken or impact on conservation of energy:

- Modification in AMS purification section to stop two pumps resulted in power saving of 45 Kwh.
- Installation of Jokey pump in Emergency quench water system resulted In power saving of 32 kwh.
- Retrofitting of existing high pressure cooling water supply pump with low pressure and high flow resulted saving of 600 kwh.
- Migrating to 21 tonner Propylene tankers (from 18 tonners) has reduced overall HSD consumption of around 58,000 liters.
- 9.5 kw/hr saving by implementing Smart PO in ETP , Admin HVAC and chiller unit.
- Commissioning of 0.5 MW roof top solar power plant.

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

- Use of biofuel/ Agro waste in boiler.

(iii) Capital Investment on energy conservation equipment : 0.5 MW roof top solar power plant installed.

(B) Technology Absorption:

(i) Efforts made towards technology absorption:

- Increase in Oxygen utilization in phenol plant Oxidizers by reducing Oxygen content in spent air from 4 mole% to 1.5 mole% resulted in increase in plant capacity by 12%.
- Optimization of (AMS) product column bottom purge and reduction of AMS recycle increased AMS (Alpha Methyl Styrene) product recovery.
- Development of Indigenous catalyst re-generation vendor to regenerate cumene catalyst results in saving of time and capex.
- Installation of IPA recovery unit in IPA plant to increase IPA yield.
- Resizing nitrogen RO on flare unit reduces nitrogen consumption by 200 nm³/hr.

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

- Product improvement;
- Cost reduction;
- Import substitution;
- Plant energy Index reduced to 2.04 mmkcal/MT from 3.06 mmkcal/MT by operating plant at high throughput and implementation of energy saving measures.

(iii) Information regarding technology imported during the last 3 years: NIL.

(iv) Expenditure incurred on Research and Development: ₹ 4.34 Crores.

(C) Foreign exchange earnings and Outgo:

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

	(₹ in Crores)	
	2022-23	2021-22
Total Foreign Exchange Earned	248.38	473.15
Total Foreign Exchange Outgo	574.14	166.59

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

Place : Vadodara
 Date : May 9, 2023

INDEPENDENT AUDITOR'S REPORT

To The Members of Deepak Phenolics Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Deepak Phenolics Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the 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 Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board report, including annexures thereto, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates

that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143 (3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 48 (v) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The Management has represented, that, to the best of it's knowledge and belief, as disclosed in the note 48 (vi) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- iv. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.
- As stated in note 49 to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with section 123 of the Act, as applicable.
- v. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells

Chartered Accountants
(Firm's Registration No. 117365W)

(Kartikeya Raval)

(Partner)

(Membership No. 106189)

(UDIN : 23106189BGVOQC9914)

Place : Vadodara

Date : May 09, 2023

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Deepak Phenolics Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to standalone financial statements

A company's internal financial control with reference to 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 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 financial statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Vadodara
Date: May 09, 2023

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 117365W)
(Kartikeya Raval)
(Partner)
(Membership No. 106189)
(UDIN:23106189BGVOQC9914)

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Deepak Phenolics Limited of even date)

To the best of our information and according to the explanation provided to us by the Company and the books of accounts and records examined by us in the normal course of audit, we state that:

- (i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work-in-progress and relevant details of right-of-use assets.
 - (B) The Company has maintained proper records showing full particulars of intangible assets and intangible assets under development.
 - (b) The Company has a program of verification of property, plant and equipment, capital work-in-progress and right-of-use assets so as to cover all the items on alternate year basis which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, all Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) The Company does not have any freehold land or acquired buildings. Immovable properties of leasehold land and buildings whose title deeds have been pledged as security for loans, guarantees, letter of credits etc., are held in the name of the Company based on the confirmations directly received by us from lenders / custodians.
 - (d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.
 - (e) No proceedings have been initiated during the year or are pending against the Company as at 31 March 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories except for goods-in-transit were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. For goods in transit, the goods have been received subsequent to the year end or confirmations have been obtained from the parties. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.
 - (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising stock statements, book debt statements, credit monitoring arrangement reports, statements on ageing analysis of the debtors/other receivables, and other stipulated financial information filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed. The Company is yet to submit the final return/ statement for the quarter ended March 31, 2023 with the banks or financial institutions.
- (iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause (iii) of the Order is not applicable.
 - (iv) According to information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees or securities that are covered under the provisions of sections 185 or 186 of the Companies Act, 2013, and hence reporting under clause (iv) of the Order is not applicable.
 - (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
 - (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies

Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Sales Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities. We have been informed that the provisions of the Employees' State Insurance Act, 1948 are not applicable to the Company.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(b) There are no statutory dues referred in sub-clause (a) above which have not been deposited on account of disputes as on March 31, 2023.

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained, other than temporary deployment pending application.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.

(f) The Company has not raised any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.

(x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed

- in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and upto the date of this report.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto December 2022 and the draft of the internal audit reports where issued after the balance sheet date covering the period January 2023 to March 2023 for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
- (b) The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause (xx)(a) of the Order is not applicable for the year.
- (b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount, to a Special account before the date of this report and within a period of 30 days from the end of the financial year in compliance with the provision of section 135(6) of the Act.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 117365W)
Kartikeya Raval
(Partner)
(Membership No. 106189)
(UDIN:23106189BGVOQC9914)

Place : Vadodara
Date : May 09, 2023

Balance Sheet as at March 31, 2023

₹ in Crores

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
I. ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	2	1,063.36	1,139.57
(b) Capital Work-in-Progress	2	31.10	1.88
(c) Other Intangible Assets	3	24.85	28.86
(d) Intangible Assets Under Development	3	18.24	18.54
(e) Financial Assets			
(i) Other Non-Current Financial Assets	4	4.30	3.80
(f) Non - Current Tax Assets (Net)	10	3.39	0.99
(g) Other Non-Current Assets	5	0.18	3.37
Total Non-Current Assets		1,145.42	1,197.01
Current assets			
(a) Inventories	6	445.60	246.04
(b) Financial Assets:			
(i) Investments	7	8.00	-
(ii) Trade Receivables	8	719.34	580.16
(iii) Cash and Cash Equivalents	9	13.13	0.08
(iv) Bank Balances other than (iii) above	9A	-	17.34
(c) Current Tax Assets (Net)	12	-	6.16
(d) Other Current Assets	11	21.26	26.58
Total Current Assets		1,207.33	876.36
TOTAL ASSETS		2,352.75	2,073.37
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	13	280.00	280.00
(b) Other Equity	14	1,475.20	1,091.49
Total Equity		1,755.20	1,371.49
Non-Current liabilities			
(a) Non-Current Financial Liabilities:			
(i) borrowings	15	43.02	187.49
(ia) Lease Liabilities	16	3.01	3.27
(b) Provisions	17	2.62	2.78
(c) Deferred Tax Liabilities (Net)	18	100.30	71.63
Total Non-Current Liabilities		148.95	265.17
Current liabilities			
(a) Current Financial Liabilities:			
(i) Borrowings	19	11.46	99.21
(ia) Lease Liabilities	20	2.28	1.07
(ii) Trade Payables :			
- Total outstanding dues of Micro Enterprises and Small Enterprises	21	12.31	4.10
- Total outstanding dues of Creditors other than Micro Enterprises and Small enterprises	21	368.55	250.76
(iii) Other Financial Liabilities	22	19.39	25.68
(b) Other Current Liabilities	23	34.09	55.27
(c) Provisions	17	0.52	0.62
Total Current Liabilities		448.60	436.71
Total Liabilities		597.55	701.88
TOTAL EQUITY AND LIABILITIES		2,352.75	2,073.37

The accompanying 1 to 50 notes form an integral part of the Financial Statements.

As per our report of even date

For and on behalf of the Board

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

Deepak Mehta
Chairman & Managing Director
DIN:00028377

Sanjay Upadhyay
Director
DIN:01776546

Milin Mehta
Director
DIN:01297508

Kartikeya Raval
Partner

Kishor Jhalaria
Executive Director & Chief Executive Officer
DIN :02373095

Ajay Jajoo
Chief Financial Officer

Chirag Shukla
Company Secretary
Membership No : A20568

Vadodara : May 9, 2023

Vadodara : May 9, 2023

Statement of Profit and Loss for the year ended March 31, 2023

₹ in Crores

Particulars	Notes	For the Year ended March 31, 2023	For the Year ended March 31, 2022
I Revenue From Operations	24	4,970.49	4,303.42
II Other Income	25	15.26	14.93
III Total Income (I+II)		4,985.75	4,318.35
IV Expenses:			
(a) Cost of Materials Consumed	26	3,674.91	2,904.22
(b) Purchase of Stock-In-Trade	27	144.06	5.65
(c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	28	(135.62)	(11.11)
(d) Employee Benefits Expense	29	87.45	77.33
(e) Power & Fuel Expenses	30	325.55	239.10
(f) Finance Costs	31	23.21	32.45
(g) Depreciation and Amortisation Expense	32	90.07	105.48
(h) Other Expenses	33	177.23	128.88
Total Expenses (IV)		4,386.86	3,482.00
V Profit before tax (III-IV)		598.89	836.35
VI Tax expense:			
(a) Current Tax	35A	124.90	200.27
(b) Deferred Tax	35C	28.66	11.72
VII Profit for the year (V-VI)		445.33	624.36
VIII Other comprehensive income:			
(A) Items that will not be reclassified to profit and loss :			
(a) Remeasurement of defined benefit obligations		(0.02)	0.13
(b) Tax Effect on remeasurement of Defined Benefit obligations		0.00	(0.03)
* (Represent Rs. 59057/- as at March 31, 2023)			
Total Other Comprehensive (loss)/income for the year (VIII)		(0.02)	0.10
IX Total Comprehensive income for the year (VII+VIII)		445.31	624.46
Earnings per equity share (In Rs.)			
(i) Basic (Face Value per share Rs.10 each)	41	15.90	22.30
(ii) Diluted (Face Value per share Rs.10 each)	41	15.90	22.30

The accompanying 1 to 50 notes form an integral part of the Financial Statements.
As per our report of even date

For and on behalf of the Board

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

Kartikeya Raval
Partner

Deepak Mehta
Chairman & Managing Director
DIN:00028377

Kishor Jhalaria
Executive Director & Chief Executive Officer
DIN :02373095

Sanjay Upadhyay
Director
DIN:01776546

Ajay Jajoo
Chief Financial Officer

Milin Mehta
Director
DIN:01297508

Chirag Shukla
Company Secretary
Membership No : A20568

Vadodara : May 9, 2023

Vadodara : May 9, 2023

Statement of Cash Flow for the year ended March 31, 2023

₹ in Crores

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	598.89	836.35
Adjustments for :		
1 Depreciation and amortisation Expense	90.07	105.48
2 Loss/(Gain) on Sale of Property, Plant and Equipments and Discard of RTU Assets (Net)	0.10	(0.26)
3 (Reversal)/Provision for Allowance for Credit Losses	(3.02)	2.24
4 Gain on Redemption of Investment	(0.41)	(1.65)
5 Finance Costs	29.30	36.76
6 Interest Income	(1.39)	(1.67)
7 Unrealised Foreign Exchange Loss (net)	0.88	0.34
8 Provision for Inventory Obsolescence	2.57	-
9 Foreign exchange Loss from Forward Contracts	-	2.29
10 Fair Value Gain on Mutual Funds	0.00	-
Operating Profit before change in Operating Assets and Liabilities	716.99	979.88
Movements in working capital :		
1 (Increase)/Decrease in Inventories	(202.14)	(73.51)
2 (Increase)/ Decrease in Trade Receivables	(136.18)	(180.21)
3 (Increase)/Decrease in Other Financial Assets	(0.50)	0.04
4 (Increase)/Decrease in Other Assets	6.28	10.37
5 Increase/ (Decrease) in Trade Payables	125.13	37.32
6 Increase/(Decrease) in Other Financial Liabilities	(0.97)	8.80
7 Increase/(Decrease) in Other Liabilities	(21.19)	42.44
8 Increase/(Decrease) in Provisions	(0.26)	1.40
Net Cash generated from operations	487.14	826.53
Less: Income Tax paid (net of refund)	(121.14)	(201.73)
Net Cash Inflow from Operating Activities	366.00	624.80
(B) CASH FLOW FROM INVESTING ACTIVITIES		
1 Purchase of Property, Plant & Equipment, including Capital Work in Progress, Capital Advances & Payable for Capital Expenditure	(38.43)	(51.27)
2 Proceeds from Sale of Property, Plant & Equipment	0.07	0.04
3 Interest Received	0.44	1.67
4 Purchase of Current Investments net of redemption	(7.59)	62.85
Net Cash (used in)/generated from Investing Activities	(45.51)	13.29
(C) CASH FLOW FROM FINANCING ACTIVITIES		
1 Proceeds from Long-Term Borrowings	-	15.00
2 Repayment of Long-Term Borrowings	(215.75)	(335.06)
3 (Repayment)/Proceeds from Working Capital Borrowings (Net)	(22.54)	24.91
4 Redemption of Preference Shares	-	(280.00)
5 Derivative Financial Liability	-	(0.58)
6 Foreign Exchange (Loss) from Forward Contracts	-	(2.28)
7 Interest Paid	(23.10)	(31.60)
8 Fixed Deposit Redeemed (with DSRA)	17.34	5.82
9 Principal Repayment of Lease Liability	(1.32)	(0.25)
10 Interest cost of Lease	(0.47)	(0.55)
11 Dividend Paid on Equity Shares and Preference Shares	(61.60)	(39.20)
Net Cash (Used in) Financing Activities	(307.44)	(643.79)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	13.05	(5.70)
Cash and Cash Equivalents at the beginning of the financial year	0.08	5.78
Cash and Cash Equivalents at the end of the year	13.13	0.08
Reconciliation of Cash and Cash Equivalents		
(i) Cash on hand	0.06	0.07
(ii) Balances with banks	7.07	0.01
(ii) Deposit with banks with Original maturity less than 3 months from the date of acquisition	6.00	-
Total Cash and cash equivalents	13.13	0.08

The accompanying 1 to 50 notes form an integral part of the Financial Statements.

Note : The Cash Flow Statement is prepared by the indirect method set out in Ind AS 7.

Refer Note 38.6 for change in liabilities during the year.

For and on behalf of the Board

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

Deepak Mehta
Chairman & Managing Director
DIN:00028377

Sanjay Upadhyay
Director
DIN:01776546

Milin Mehta
Director
DIN:01297508

Kartikeya Raval
Partner

Kishor Jhalaria
Executive Director & Chief Executive Officer
DIN :02373095

Ajay Jajoo
Chief Financial Officer

Chirag Shukla
Company Secretary
Membership No : A20568
Vadodara : May 9, 2023

Vadodara : May 9, 2023

Statement of Changes in Equity for the year ended March 31, 2023

(A) EQUITY SHARE CAPITAL (Refer Note 13)

REPORTING PERIOD: YEAR ENDED MARCH 31, 2022

₹ in Crores

Balance at the beginning of the year	Changes in equity share capital during the year	Balance at the end of the year
560.00	(280.00)	280.00

REPORTING PERIOD: YEAR ENDED MARCH 31, 2023

₹ in Crores

Balance at the beginning of the year	Changes in equity share capital during the year	Balance at the end of the year
280.00	0.00	280.00

Note : 2,80,00,000 number of preference shares @ Rs.100/- each outstanding as at March 31, 2021 were redeemed in full at par during FY 2021-22.

(B) OTHER EQUITY (Refer Note 14)

₹ in Crores

	Reserves and Surplus		Total
	Retained Earnings	Capital Redemption Reserve	
Balance as at April 1, 2021	506.23	-	506.23
Profit for the year	624.36	-	624.36
Payment of Equity Dividend	(19.60)	-	(19.60)
Payment of Preference Dividend	(19.60)	-	(19.60)
Other Comprehensive income (Net of taxes)	0.10	-	0.10
Transfer from Retained Earnings / to Capital Redemption Reserve	(280.00)	280.00	-
Balance as at March 31, 2022	811.49	280.00	1,091.49

₹ in Crores

	Reserves and Surplus		Total
	Retained Earnings	Capital Redemption Reserve	
Balance as at April 1, 2022	811.49	280.00	1,091.49
Profit for the year	445.33	-	445.33
Dividend	(61.60)	-	(61.60)
Other Comprehensive income (net of taxes)	(0.02)	-	(0.02)
Balance as at March 31, 2023	1,195.20	280.00	1,475.20

The accompanying 1 to 50 notes form an integral part of the Financial Statements.

As per our report of even date

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

Kartikeya Raval
Partner

Deepak Mehta
Chairman & Managing Director
DIN:00028377

Kishor Jhalaria
Executive Director & CEO
DIN :02373095

For and on behalf of the Board

Sanjay Upadhyay
Director
DIN:01776546

Ajay Jajoo
Chief Financial Officer

Milin Mehta
Director
DIN:01297508

Chirag Shukla
Company Secretary
Membership No : A20568

Vadodara : May 9, 2023

Vadodara : May 9, 2023

Notes forming part of the Financial Statements as at and for the year ended March 31, 2023

Company Overview

Deepak Phenolics Limited, Company formed under Companies Act, 1956, CIN : U24100GJ2011PLC064669 is a wholly owned subsidiary of Deepak Nitrite Limited (along with nominees) having its Registered Office at First Floor, Aaditya-II, Chhani Road, Vadodara. It is formed for manufacturing for Phenol, Acetone and their downstream products.

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, 2022, 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, 2022, that do not have material impact on the financial statements of the Company.

1. Accounting for proceeds before intended use (Ind AS 16, Property, Plant and Equipment)

The excess of net sale proceeds of items produced over the cost of testing, if any, should not be recognised in the statement of profit and loss but deducted from the directly attributable costs considered as part of cost of an item of Property, Plant and Equipment.

2. Determining costs to fulfil a contract (Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets)

The 2022 amendments clarify the types of costs a company can include as the 'costs of fulfilling a contract' while assessing whether a contract is onerous as under :

The incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

3. Reference to the Conceptual Framework for Financial Reporting (Ind AS 103, Business Combinations)

The 2022 amendments have substituted the reference to the Framework for Preparation and Presentation of Financial Statements with Indian Accounting Standards with the reference to the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework), without changing the accounting requirements for business combinations.

4. Subsidiary as a first-time adopter of Ind AS (Ind AS 101, First-time Adoption of Indian Accounting Standards)

If a subsidiary, joint venture of associate (together termed as subsidiary) adopts Ind AS later than its parent and applies paragraph D16(a) of Ind AS 101, then the subsidiary may elect to measure cumulative translation differences for all foreign operations at amounts included in the consolidated financial statements of the parent, based on the parent's date of transitions to Ind AS.

5. Fees in the '10 per cent test' for derecognition of financial liabilities (Ind AS 109, Financial Instruments)

For the purpose of performing the '10 per cent test' for derecognition of financial liabilities, in determining fees paid, the borrower includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

6. Taxation in fair value measurements (Ind AS 41, Agriculture)

The amendment removes the requirement to exclude cash flows for taxation when measuring fair value and thereby aligns the fair value measurement requirements in Ind AS 41 with those in Ind AS 113, Fair Value Measurement.

Recent accounting pronouncements effective from April 01, 2023

The Ministry of Corporate Affairs (MCA) notifies new standards/amendments to the existing standards under the Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, the MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, that do not have material impact on the financial statements of the Company

Ind AS 1 - Presentation of Financial Statements :

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

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

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

Notes forming part of the Financial Statements as at and for the year ended March 31, 2023

Ind AS 12 - Income taxes :

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2023. The Company has evaluated the amendment and there is no material impact on its Standalone Financial Statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

1. Significant Accounting Policies

This Note provides a list of the significant Accounting Policies adopted by the Company in the preparation of these Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

(i) Compliance with Ind AS

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

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

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

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

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

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

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

(ii) Functional and Presentation Currency

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

(iii) Use of Estimates and Critical accounting judgements

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

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

Notes forming part of the Financial Statements as at and for the year ended March 31, 2023

Critical judgements in applying accounting policies.

The following are the critical judgements, apart from those involving estimations that the management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

(a) Useful lives and residual value of property, plant and equipment and Intangible Assets :

The Company reviews the useful life and residual value of property, plant and equipment and Intangible assets on regular basis. This reassessment may result in change in depreciation expense in future periods.

During the current Financial Year the company has internally and with the help of a Chartered Engineer carried out useful life of the assets. Based on the internal recommendations vis-a-vis recommendations of the expert the company has revised life of the assets as mentioned in Note -2 of the financial statements.

(b) Allowance for Expected Credit Losses:

The company has expected credit allowance policy in line with Ind AS 109. The company has recognised Expected Credit Loss in the Financial Statement based on the Policy adopted on the basis of Matrix. (Refer Note 08)

(c) Fair value of investments :

The Company has invested in the equity instruments of various companies. However, the percentage of share holding of the Company in such investee companies is very low and hence, it has not been provided with future projections including projected statement of profit and loss by those investee companies. Hence, the valuation exercise carried out by the Company with the help of an independent valuer has estimated fair value at each reporting period based on available historical annual reports and other information in the public domain. (Refer No 07)

(d) 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 10)

(b) Current/ Non-Current Classification

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

An asset is treated as current when it is :

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

All other assets are classified as non-current.

A liability is current when :

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

All other liabilities are classified as non-current.

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

Notes forming part of the Financial Statements as at and for the year ended March 31, 2023

(c) Revenue recognition

Sale of Goods :

Revenue from the sale of goods is only recognized – net of Goods & Service Tax, sales discounts, discounts and rebates – if the following conditions are met as per Ind AS-115 :

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

Revenue from Services

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

Interest income :

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

Export Incentive :

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

Other Income :

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

(d) Leasing

As a Lessee

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

The Company at the time of new lease agreement evaluates materiality of creating ROU. After applying due estimates and judgements, the company may create an ROU assets.

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

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

As a Lessor

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

Notes forming part of the Financial Statements as at and for the year ended March 31, 2023

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

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

(e) Foreign Currency Transactions

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

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

Borrowing Cost includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the finance cost.

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

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

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

(f) Borrowing Costs

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

(g) Government Grants

Grants from the Government are not recognised until there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited in the Standalone Statement of Profit and Loss in proportion to fulfilment of associated export obligations and presented within other income.

Government grants relating to income are recognised in the Standalone Statement of Profit and Loss on a Systematic basis over the period necessary to match them with the costs that they are intended to compensate or when the performance obligations are net.

(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.

Notes forming part of the Financial Statements as at and for the year ended March 31, 2023

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

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

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

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

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

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

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

(iii) Compensated Absence and Earned Leaves

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

(i) Income Taxes

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

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

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

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

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively 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.

Notes forming part of the Financial Statements as at and for the year ended March 31, 2023

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.

(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 losses if any.

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

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

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

Depreciation Methods, Estimated Useful Lives and Residual Value :

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

Subsequent costs are depreciated over the remaining useful life of the asset.

Asset Category	Estimated Useful Life
Factory Building	30 years
Plant & Equipment	2 to 35 years
Furniture & Fixture	5 to 10 years
Vehicle	8 years
Office Equipment	2 to 5 years
Road	2 to 10 years

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

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

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

(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.

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

Notes forming part of the Financial Statements as at and for the year ended March 31, 2023

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

Software and related implementation costs	2 to 6 years
Technical Know How	10 years
Rights to use facilities	2 to 5 years

(l) Impairment of Tangible and Intangible Assets

The carrying amount of cash generating units/assets is reviewed at the Balance Sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount is estimated as the net selling price or value in use, whichever is higher. While assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. 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 and GST. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to the present location and condition. Due allowances are made for slow moving and obsolete inventories based on estimates made by the Company. Items such as spare parts, stand-by equipment and servicing equipment which is not plant and equipment gets classified as inventory.

Finished Goods and Stock-in-process are valued at cost of purchase of raw materials and conversion Cost (Net of realization of by product) 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 produced out of manufacturing process are valued at Nil.

(o) Financial Instruments

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

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

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

Financial Assets

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

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

Notes forming part of the Financial Statements as at and for the year ended March 31, 2023

(i) Classification of Financial Assets

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

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

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

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

(ii) Effective interest method

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

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

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

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

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

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

(iv) Impairment of Financial Assets

The Company applies the expected credit loss model for recognising impairment loss on financial contractual rights to receive cash or other financial asset, and financial guarantees not designated as at assets at amortised cost, debt instruments at FVTOCI lease receivables, trade receivables, other contractual rights to receive cash or other financial assets.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment extension, call and similar options) through the expected life of that financial instrument.

Notes forming part of the Financial Statements as at and for the year ended March 31, 2023

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses, 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company can again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without cost or effort that is indicative of significant increases in credit risk since initial recognition.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on nature of trade receivable and Matrix based Policy.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

(v) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in Statement of Profit and Loss if such gain or loss would have otherwise been recognised in Statement of Profit and Loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety, the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in Statement of Profit and Loss if such gain or loss would have otherwise been recognised in Statement of Profit and Loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part it continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

(vi) Foreign exchange gains and losses

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

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

Notes forming part of the Financial Statements as at and for the year ended March 31, 2023

(p) Financial Liabilities and equity instruments

(i) Classification as Debt and Equity

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

(ii) Equity Instruments

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

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

(iii) Financial Liabilities

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

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

a) Financial Liabilities at FVTPL

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

A financial liability is classified as held for trading if :

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

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

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

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

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

b) Financial Liabilities subsequently measured at Amortised Cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amount of financial liabilities that are subsequently measured at amortised

Notes forming part of the Financial Statements as at and for the year ended March 31, 2023

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) Derecognition of financial liabilities

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

(q) Offsetting Financial Instruments

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

(r) Provisions, Contingent Assets and Contingent Liabilities

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

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

(s) Earnings Per Share

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

(t) Rounding Off Amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crores as per the requirement of Schedule III, unless otherwise stated.

(u) Cash Flow Statement

The Cash Flow Statement is prepared by the indirect method set out in Ind AS 7 on Cash Flow Statements and presents cash flows by operating, investing and financing activities of the Company.

Notes forming part of the Financial Statements as at and for the year ended March 31, 2023

2. PROPERTY, PLANT AND EQUIPMENT

₹ in Crores

	Leasehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Others (Roads)	Total	Capital work-in-progress
Gross Carrying amount as at April 1, 2021	21.28	43.55	1,141.10	3.16	2.21	2.72	19.53	1,233.55	138.00
Additions during the year	-	15.01	159.92	0.12	0.01	0.17	-	175.23	46.10
Deductions during the year	-	-	(1.40)	-	(0.10)	(0.01)	-	(1.51)	(182.22)
Gross Carrying Amount as at March 31, 2022	21.28	58.56	1,299.62	3.28	2.12	2.88	19.53	1,407.27	1.88
Additions during the year	-	2.37	4.64	0.05	1.20	0.68	0.64	9.58	36.52
Deductions during the year	-	-	(0.18)	(0.00)	(0.11)	(0.05)	-	(0.34)	(7.30)
Gross Carrying Amount as at March 31, 2023	21.28	60.93	1,304.08	3.33	3.21	3.51	20.17	1,416.51	31.10
Depreciation/Amortisation									
As at April 01, 2021	(1.35)	(4.69)	(148.72)	(1.64)	(0.57)	(1.29)	(8.00)	(166.26)	-
For the year 2021-22	(0.49)	(2.50)	(92.09)	(0.46)	(0.27)	(0.48)	(5.57)	(101.86)	-
Disposal and adjustments	-	-	0.35	-	0.07	0.01	-	0.42	-
As at March 31, 2022	(1.84)	(7.19)	(240.46)	(2.10)	(0.77)	(1.77)	(13.57)	(267.70)	-
For the year 2022-23	(0.26)	(3.13)	(80.23)	(0.31)	(0.27)	(0.53)	(0.91)	(85.64)	-
Disposal and adjustments	-	-	0.09	0.00	0.05	0.04	-	0.18	-
As at March 31, 2023	(2.10)	(10.32)	(320.60)	(2.41)	(0.99)	(2.26)	(14.48)	(353.16)	-
Net Carrying Amount									
As at March 31, 2022	19.44	51.37	1,059.16	1.18	1.35	1.11	5.96	1,139.57	-
As at March 31, 2023	19.18	50.61	983.48	0.92	2.22	1.25	5.70	1,063.36	-

Notes :

- With effect from April 1, 2021, the Company has changed the useful life of certain Property, Plant & Equipment based upon the technical evaluation conducted by the management. Accordingly, change in useful life of the Property, Plant & Equipment is being applied prospectively in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.
- Refer note 15 and 19 for Security / charges created on Assets on the Company.

Notes forming part of the Financial Statements as at and for the year ended March 31, 2023

Particulars	Amount in CWIP at March 31, 2023				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	30.99	0.11	-	-	31.10
Total	30.99	0.11	-	-	31.10

Particulars	Amount in CWIP at March 31, 2022				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1.88	-	-	-	1.88
Total	1.88	-	-	-	1.88

Note : There are no projects which were overdue as at March 31, 2023.

For Capital Work in Progress the details of Projects that were overdue at March 31, 2021, were completed and capitalized in FY. 2021-22.

Particulars	To be Completed in			Total
	Less than 1 year	1-2 years	2-3 years	
- Projects in progress Captive Power Plant	111.49	-	-	111.49
Total	111.49	-	-	111.49

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

Particulars	To be Completed in			Total
	Land	Building	Total	
Gross Carrying Amount as at March 31, 2021	0.70	5.76	6.46	
Add : During Year 2021-22	-	0.89	0.89	
Gross Carrying Amount as at March 31, 2022	0.70	6.64	7.35	
Add : During Year 2022-23	-	2.27	2.27	
Gross Carrying Amount as at March 31, 2023	0.70	8.92	9.62	
Depreciation Amortisation as at March 31, 2021	0.47	1.78	2.25	
Depreciation for the year 2021-22	0.23	1.04	1.27	
Depreciation Amortisation as at March 31, 2022	0.70	2.82	3.52	
Depreciation for the year 2022-23	-	1.39	1.39	
Depreciation Amortisation as at March 31, 2023	0.70	4.20	4.90	
Net Carrying Amount as at March 31, 2022	-	3.83	3.83	
Net Carrying Amount as at March 31, 2023	-	4.71	4.71	

3. INTANGIBLE ASSETS

₹ in Crores

INTANGIBLE ASSETS	Computer Software	Others (Technical Know how)	Total	Intangible Asset under Development
Gross Carrying amount as at April 01, 2021	1.61	30.94	32.55	13.68
Additions during the year 2021-22	0.81	6.18	6.99	4.86
Deductions during the year 2021-22	-	-	-	-
Gross Carrying Amount as at March 31, 2022	2.42	37.12	39.54	18.54
Additions during the year 2022-23	0.42	-	0.42	0.12
Deductions during the year 2022-23	-	-	-	(0.42)
Other adjustments	-	-	-	-
Gross Carrying Amount as at March 31, 2023	2.84	37.12	39.96	18.24
Depreciation/Amortisation				
As at April 01, 2021	(0.63)	(6.44)	(7.07)	-
For the year 2021-22	(0.30)	(3.31)	(3.61)	-
Disposal and adjustments	-	-	-	-
As at March 31, 2022	(0.93)	(9.75)	(10.68)	-
For the year 2022-23	(0.41)	(4.02)	(4.43)	-
Disposal and adjustments	-	-	-	-
As at March 31, 2023	(1.34)	(13.77)	(15.11)	-
As at March 31, 2022	1.49	27.37	28.86	18.54
As at March 31, 2023	1.50	23.35	24.85	18.24

3A. Intangible Asset under Development

₹ in Crores

Intangible Assets under Development	Amount in Intangible Asset under Development as at March 31, 2023				TOTAL
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
- Intangible Assets under development	-	4.56	13.68	-	18.24
Total	-	4.56	13.68	-	18.24

₹ in Crores

Intangible Assets under Development	Amount in Intangible Asset under Development as at March 31, 2022				TOTAL
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
- Intangible Assets under development	4.86	13.68	-	-	18.54
Total	4.86	13.68	-	-	18.54

Notes forming part of the Financial Statements as at and for the year ended March 31, 2023

4. OTHER NON-CURRENT FINANCIAL ASSETS

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
a) Security Deposits		
(i) Lease Deposit	1.49	0.92
(ii) Other Deposits	2.81	2.88
Total	4.30	3.80

5. OTHER NON-CURRENT ASSETS

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Capital Advances	0.18	3.37
Total	0.18	3.37

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

Rs. in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Raw materials and components	132.12	88.28
Add: Goods-in-transit	32.89	20.41
	165.01	108.69
(b) Work-in-progress	35.26	53.60
(c) Finished goods	127.51	59.47
Less : Provision for obsolescence	-	(0.04)
	127.51	59.43
(d) Stock in Trade	85.92	-
(e) Stores and Spares	31.90	24.32
Total	445.60	246.04

Refer note 19 for Security/charges Created on Assets of the Company.

7. CURRENT INVESTMENTS

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Investments measured at FVTPL (Un Quoted)		
(a) Investments in Mutual Funds	8.00	-
Total	8.00	-

8. TRADE RECEIVABLES

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Unsecured, Considered Good		
i) Trade Receivables	732.90	602.47
ii) Related Parties (Refer Note 45)	6.83	1.10
Less : Allowance for credit losses (Refer Note 38.4)	(20.39)	(23.41)
Total	719.34	580.16

- (a) The credit period on sales of goods varies between 7 to 180 days.
- (b) For Financial Risk Related to Trade Receivable refer Note : 38.4
- (c) Refer note 19 for Security/charges Created on Assets of the Company.

Notes forming part of the Financial Statements as at and for the year ended March 31, 2023

9. CASH AND CASH EQUIVALENTS

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Cash on hand	0.06	0.07
(b) Balances with banks	7.07	0.01
(c) Deposit with banks with Original maturity less than 3 months from the date of acquisition	6.00	-
Total	13.13	0.08

9A. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENT ABOVE

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Deposit with banks with maturity less than 3 months (Refer below note)	-	17.34
Total	-	17.34

The Deposits of ₹ 17.34 Crores placed with Bank for Debt Service Reserve Account for Term Loans.

10. NON-CURRENT TAX ASSETS

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Advance Income Tax (Net Provision)	3.39	0.99
Total	3.39	0.99

11. OTHER CURRENT ASSETS

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
(a) GST Recoverable and Balance with Government Authorities	10.53	5.73
(b) Prepaid Expenses	6.44	6.15
(c) Advances to Suppliers	4.28	14.60
(d) Advance to Employees	0.01	0.10
Total	21.26	26.58

12. CURRENT TAX ASSETS

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Current Tax Assets		
(a) Total Current Tax Assets (Advance Tax & TDS) (Net of Provisions)	-	6.16
Total	-	6.16

13. EQUITY SHARE CAPITAL

₹ in Crores

Particulars	₹ in Crores	
	As at March 31, 2023	As at March 31, 2022
(A) Authorised:		
28,00,00,000 Equity shares of ₹ 10 each	280.00	280.00
2,80,00,000 Preference shares of ₹ 100 each	280.00	280.00
Total	560.00	560.00
(B) Issued, Subscribed and fully paid up:		
28,00,00,000 Equity shares of ₹ 10 each	280.00	280.00
Total	280.00	280.00

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
Equity Shares				
Shares outstanding at the beginning of the year	280,000,000	280.00	280,000,000	280.00
Shares outstanding at the end of the year	280,000,000	280.00	280,000,000	280.00

(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 ₹ 10 each fully paid in the Company :

Name of the Shareholder	As at March 31, 2023		As at March 31, 2022	
	No.	% holding	No.	% holding
Deepak Nitrite Limited & it's Nominees				
Equity Shares of ₹ 10 each	280,000,000	100	280,000,000	100
Shares outstanding at the end of the year	280,000,000	100	28,000,000	100

Shares held by promoters	As at March 31, 2023		As at March 31, 2022		% Change during the year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
Promoter Name					
Deepak Nitrite Limited & it's Nominees	280,000,000	100	280,000,000	100	0.00%

Notes forming part of the Financial Statements as at and for the year ended March 31, 2023

14. OTHER EQUITY

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Reserves & Surplus		
(a) Retained Earnings	1195.20	811.49
(b) Capital Redemption Reserve*	280.00	280.00
Total	1475.20	1,091.49

*Capital Redemption Reserve is created from repayment of Preference share Capital as per the requirement of Companies Act, 2013. (Refer note 13).

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Retained Earnings		
Balance at beginning of year	811.49	506.23
Profit for the year	445.33	624.36
Remeasurment of defined benefits obligation (Net of Tax)	(0.02)	0.10
Payment of Dividend on Equity Shares	(61.60)	(19.60)
Payment of Dividend on Preference Shares	-	(19.60)
Transferred to Capital Redemption Reserve	-	(280.00)
Balance at end of year	1195.20	811.49

15. NON-CURRENT BORROWING

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Secured Loans		
Term Loans from Banks		
Loans from Banks	49.02	205.13
Loan from Bank - FCNR	-	53.56
Less - Current maturity of Term Loan	(6.00)	(71.20)
Total	43.02	187.49

Secured Term Loans:

Term Loans from Bank consists of Term loan amounting Rs.49.02 Cr availed from State Bank of India for setting up Boiler and Captive Power plant. The said loan is secured by an exclusive charge by way of hypothecation of all the movables including movable plant and machinery pertaining to the Captive power plant & Boiler Project.

Term Loans as at March 31, 2022 amounting of Rs. 205.13 cr pertained to loan availed by the Company for setting up Phenol/Acetone / Cumene Manufacturing plant. This term loan was secured by way of first charge on fixed assets. The said loan has been repaid in full during the current year and charge against the same has been released in the month of March 2023.

Repayment Schedule:

- The company has repaid entire Phenol Project Term Loan of Rs. 205.13 Cr Outstandings at the beginning of the year.
- Term loan availed from State Bank of India for Captive Power Plant is repayable on quarterly basis starting from May, 2022.

Interest Rate Condition

Interest Rate of Secured Term Loan for Captive Power Plant project is linked with MCLR.

16. NON-CURRENT LEASE LIABILITIES

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
a) Lease Liability (Refer Note 39)	3.01	3.27
Total	3.01	3.27

Notes forming part of the Financial Statements as at and for the year ended March 31, 2023

17 PROVISIONS

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
(a) Provision for Employee benefit obligations		
Provision for Leave benefits (Refer Note 36 (B))	2.62	2.78
Total-Non-Current	2.62	2.78
Current		
(a) Provision for Employee benefit obligations		
Provision for Leave benefits (Refer Note 36 (B))	0.12	0.05
Provision for Gratuity (Refer Note 36 A (iii))	0.40	0.57
Total-Current	0.52	0.62
Total	3.14	3.40

18. DEFERRED TAX ASSETS / LIABILITY (NET)

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Break up of deferred tax liability as at year end:		
Nature of timing difference		
Property Plant and Equipment	108.36	79.76
Total Deferred Tax Liability	108.36	79.76
(ii) Break up of deferred tax asset as at year end:		
Nature of timing difference		
Disallowance u/s 43B, Provisions and Others	7.91	8.00
Effect on IND AS Adjustment	0.15	0.13
Total Deferred Tax Asset	8.06	8.13
Deferred tax (Assets) / Liability (net) :	100.30	71.63

Refer note 35 for Movement in Deferred Tax Liabilities and Assets

19. CURRENT BORROWING

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
a) Loans repayable on demand from Banks :		
(i) Secured	5.46	28.01
b) Current maturities of Long term Borrowings	6.00	71.20
Total	11.46	99.21

a) Interest Rate of Working Capital Loan from Bank is linked with Marginal Cost of Landing Rate.

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

20. CURRENT LEASE LIABILITIES

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Lease Liability (Refer Note 39)	2.28	1.07
Total	2.28	1.07

21. TRADE PAYABLES

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Total outstanding dues of Micro Small and Medium Enterprises (Refer Note 42)	12.31	4.10
(b) Total outstanding dues of creditors other than Micro Enterprises and Small enterprises	368.55	250.76
Total	380.86	254.86

(i) The average credit period on goods purchased or services received ranges between Advance to 180 days.

(ii) Refer note no 38.4 for Trade Payable Aging

Notes forming part of the Financial Statements as at and for the year ended March 31, 2023

22. OTHER CURRENT FINANCIAL LIABILITIES

Particulars	₹ in Crores	
	As at March 31, 2023	As at March 31, 2022
(a) Security Deposits		
i) Dealers	2.31	2.36
ii) Others	0.19	0.22
(b) Interest accrued but not due on Borrowings	-	0.35
(c) Retention Money & Others	10.55	10.78
(d) Creditors for Capital Goods	5.99	10.96
(e) Others	0.35	1.01
Total	19.39	25.68

23. OTHER CURRENT LIABILITIES

Particulars	₹ in Crores	
	As at March 31, 2023	As at March 31, 2022
(a) Advances received from Customers	8.67	25.69
(b) Statutory Dues	25.41	29.58
Total	34.08	55.27

24. REVENUE FROM OPERATIONS

Particulars	₹ in Crores	
	As at March 31, 2023	As at March 31, 2022
(a) Sale of Products	4,903.66	4,294.19
(b) Other Operating Revenues	66.83	9.23
Total	4,970.49	4,303.42

Reconciliation of revenue from sale of products with the contracted price

Particulars	₹ in Crores	
	As at March 31, 2023	As at March 31, 2022
(a) Revenue from contracts with customers	4,980.41	4,343.12
(b) Adjustments made to contract price on account of discounts, rebates and provisional price	(76.75)	(48.93)
Total	4,903.66	4,294.19

Refer Note 8 Trade Receivables to the Financial Statements for the amount of contract assets outstanding as at March 31, 2023 and refer to details of Advance received from Customers in Note 23 Other Current Liabilities to the Financial Statements for the contract liabilities outstanding as at March 31, 2023.

Note: Other Operating Revenues includes government incentive income recognized amounting to ₹ 59.28 Crores during the year ended March 31, 2023, while ₹ 1.63 Crores were recognised for year ended March 31, 2022.

25. OTHER INCOME

Particulars	₹ in Crores	
	As at March 31, 2023	As at March 31, 2022
(a) Interest Income	1.39	1.67
(b) Profit on sale of Investments	0.41	1.65
(c) Foreign Exchange Gain	-	1.03
(d) Profit on sale of Fixed Assets	-	0.26
(e) Reversal of Allowance for credit losses (Refer Note 8)	3.02	-
(e) Other non operating income	10.44	10.32
Total	15.26	14.93

26. COST OF RAW MATERIAL AND COMPONENTS CONSUMED

₹ in Crores

Particulars	For the Year March 31, 2023	For the Year March 31, 2022
Raw Material and Components Consumed	3,674.91	2,904.22
Total	3,674.91	2,904.22

27. PURCHASE OF STOCK-IN-TRADE

₹ in Crores

Particulars	For the Year March 31, 2023	For the Year March 31, 2022
(a) Purchase of Traded Goods	144.06	5.65
Total	144.06	5.65

28. (INCREASE)/ DECREASE IN INVENTORIES

₹ in Crores

Particulars	For the Year March 31, 2023	For the Year March 31, 2022
Inventories at the beginning of the year		
Stock in Process	53.60	33.40
Finished Goods	59.47	68.55
	113.07	101.95
Less:		
Inventories at the end of the year		
Stock in Process	35.26	53.60
Finished Goods	127.51	59.47
Stock in Trade	85.92	-
	248.69	113.07
Total	(135.62)	(11.11)

29. EMPLOYEE BENEFITS EXPENSE

₹ in Crores

Particulars	For the Year March 31, 2023	For the Year March 31, 2022
(a) Salaries & Wages*	80.71	71.62
(b) Contribution to provident fund and other funds (Refer Note 36 C)	2.27	2.02
(c) Gratuity Expenses (Refer Note 36A(iv))	0.73	0.76
(d) Staff Welfare Expenses	3.74	2.93
Total	87.45	77.33

*The Salaries & Wages consist of Rs. 4.34 cr. Towards Research and Development viz Rs. 1.92 Cr. In previous year as reimbursement of Research and Development expenses carried out by parent company.

30. POWER & FUEL EXPENSES

₹ in Crores

Particulars	For the Year March 31, 2023	For the Year March 31, 2022
(a) Consumption of Gas	0.89	1.02
(b) Consumption of Coal & Coke	218.55	142.33
(c) Electricity Expenses	95.48	87.99
(d) Water Charges	10.63	7.76
Total	325.55	239.10

31. FINANCE COSTS

₹ in Crores

Particulars	For the Year March 31, 2023	For the Year March 31, 2022
(a) Interest on Borrowings	22.74	31.90
(b) Interest on Leased Liabilities (Refer Note 39 (A))	0.47	0.55
Total	23.21	32.45

32. DEPRECIATION AND AMORTISATION EXPENSE

₹ in Crores

Particulars	For the Year March 31, 2023	For the Year March 31, 2022
(a) Depreciation on Property, Plant and Equipments	84.25	100.60
(b) Amortisation of Intangible assets	4.43	3.61
(c) Depreciation on Right of Use Assets	1.39	1.27
Total	90.07	105.48

33. OTHER EXPENSES

₹ in Crores

Particulars	For the Year March 31, 2023	For the Year March 31, 2022
(a) Conversion Charges	1.07	1.21
(b) Rent	2.32	1.58
(c) Repairs to Buildings	0.34	0.07
(d) Repairs and maintenance(Plant and Equipments)	25.60	17.52
(e) Repairs and maintenance (Others)	0.23	0.15
(f) Insurance	9.55	9.22
(g) Rates & taxes	1.37	0.57
(h) Bank Charges	0.92	1.18
(i) Gain/Loss from Foreign exchange forward contracts	-	2.28
(j) Travelling & Conveyance	1.30	0.60
(k) Freight & Forwarding Charges	77.95	60.08
(l) Loss on sale of Asset	0.10	-
(m) Commission on sales	-	0.24
(n) Allowance for credit losses (Refer Note 8)	-	2.24
(o) Vehicle Expenses	3.63	3.66
(p) Legal & Professional Fees	9.12	5.39
(q) General Expenses	23.26	14.24
(r) Payment to Auditor *	0.30	0.28
(s) Director's Sitting Fees	0.16	0.12
(t) Other Director Fees	1.72	1.44
(u) Manufacturing Expenses	3.30	1.76
(v) CSR Expenses (Refer Note 44)	10.02	5.05
(w) Foreign Exchange Loss	4.97	-
Total	177.23	128.88

*Note : Payment to Auditor is as under

₹ in Crores

Particulars	For the Year March 31, 2023	For the Year March 31, 2022
(i) As Auditor:		
Audit fees	0.15	0.15
Tax Audit fees	0.01	0.01
Limited Review - Quarterly	0.09	0.09
(ii) Reimbursement of Expenses	0.03	0.02
(ii) In Other Capacity:		
Other Services (Certification fees)	0.02	0.01
Total	0.30	0.28

34. CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
I. Commitments		
Capital Commitments (Net of Advances)	31.15	19.03
Total	31.15	19.03

35. TAX EXPENSES

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

₹ in Crores

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
i) Current Tax		
Current tax on profit for the year	124.90	200.27
Decrease/(Increase) in deferred tax assets	28.66	11.72
Total Current tax expense	153.56	211.99
ii) Expense / (Benefit) Recognised in Statement of Other Comprehensive Income		
Re-measurement gains / (losses) on defined benefit plans	0.00	(0.03)
Total	0.00	(0.03)

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

₹ in Crores

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Profit before taxes	598.89	836.35
Enacted income tax rate in India	25.17%	25.17%
Computed expected tax expense	150.73	210.51
Effect of:		
CSR Expenses	2.52	1.27
Others (net)	0.32	0.21
Total income tax expense	153.57	211.99

C. Deferred Tax Liabilities (Net)

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

₹ in Crores

Particulars	As at March 31, 2023	Recognised in Statement of Profit and Loss/OCI	As at March 31, 2022	Recognised in Statement of Profit and Loss/OCI	As at March 31, 2021
Property, Plant and Equipment	108.36	28.60	79.76	12.46	67.30
Total deferred tax liabilities	108.36	28.60	79.76	12.46	67.30
Disallowance u/s 43B, Provisions and Others	7.91	(0.09)	8.00	0.69	7.32
Unabsorbed Depreciation and Losses	-	-	-	-	-
Others	0.15	0.02	0.13	0.03	0.11
Total deferred tax assets	8.06	(0.07)	8.13	0.72	7.43
Net deferred tax (asset)/liabilities	100.30	28.67	71.63	11.74	59.87

36. EMPLOYEE BENEFIT OBLIGATIONS

A. Gratuity

The Company has covered its Gratuity Liability by a Group Gratuity Policy named 'Employee Group Gratuity Assurance Scheme' issued by Life Insurance Corporation of India. Under this plan, an employee at retirement is eligible for benefit, which will be equal to 15 days salary for each completed year of service. Thus, it is a defined benefit plan and the aforesaid insurance policy is the Plan Asset.

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

₹ in Crores

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Balance at the beginning of the year	2.46	1.89
Current Service Cost	0.69	0.68
Interest Cost	0.18	0.13
Actuarial (gain)/losses	0.01	(0.13)
Benefits Paid	(0.27)	(0.11)
Liability Transferred Out	(0.37)	-
Liability Transferred In	0.01	-
Balance at the end of the year	2.71	2.46

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

₹ in Crores

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Balance at the beginning of the year	1.89	1.54
Interest Income	0.14	0.11
Contribution by the Company	0.57	0.35
Benefits Paid	(0.27)	(0.11)
Return on Plan Assets excluding interest income	(0.01)	(0.00)
Balance at the end of the year	2.32	1.89
Actual Return on Plan Asset	7.50%	7.37%

iii) Assets and Liabilities Recognised in the Balance Sheet:

₹ in Crores

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Present Value of Defined Benefit Obligation	2.71	2.46
Less: Fair Value of Plan Assets:	(2.31)	(1.89)
Amounts recognised as liability	0.40	0.57
Recognised under:		
Short Term provision (Refer Note 17)	0.40	0.57
Total	0.40	0.57

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

₹ in Crores

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Current Service Cost	0.69	0.68
Net Interest Cost	0.04	0.02
Provision of Gratuity Expenses	-	0.06
Total Expenses (Refer Note 29 C)	0.73	0.76

v) Expenses recognised in the Other Comprehensive Income:

₹ in Crores

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Actuarial gain/(losses) on Obligation for the period	(0.01)	0.13
Return on Plan assets, Excluding Interest Income	(0.01)	(0.00)
Gratuity recognised through Other Comprehensive Income	(0.02)	0.13
Total Expenses recognised in OCI	(0.02)	0.13

vi) Major Category of Plan Assets

Particulars	As at March 31, 2023		As at March 31, 2022	
	₹ in Crores	%	₹ in Crores	%
Contribution to LIC	2.32	100	1.89	100

Notes forming part of the Financial Statements as at and for the year ended March 31, 2023

Risk exposure

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

Interest rate risk :

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

Salary Risk :

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

Investment Risk:

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

Asset Liability Matching Risk:

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

Mortality risk:

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

Concentration Risk:

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

vii) Actuarial Assumptions

Particulars	₹ in Crores	
	As at March 31, 2023	As at March 31, 2022
Discount Rate	7.50%	7.37%
Expected Return on Plan Assets	7.50%	7.37%
Salary Growth Rate	8.00%	8.00%
Attrition rate	2.00%	2.00%

viii) Sensitivity Analysis

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

Particulars	Change in assumptions		Impact on defined benefit obligation			
			Increase in assumptions		Decrease in assumptions	
	As at March 31, 2023 %	As at March 31, 2022 %	As at March 31, 2023 ₹ in Crores	As at March 31, 2022 ₹ in Crores	As at March 31, 2023 ₹ in Crores	As at March 31, 2022 ₹ in Crores
Discount Rate	1.00%	1.00%	(0.38)	(0.35)	0.47	0.43
Salary Growth Rate	1.00%	1.00%	0.47	0.42	(0.39)	(0.35)
Attrition rate	1.00%	1.00%	(0.04)	(0.05)	0.04	0.05

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

Notes forming part of the Financial Statements as at and for the year ended March 31, 2023

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

₹ in Crores

Particulars	₹ in Crores	
	As at March 31, 2023	As at March 31, 2022
Present Value of Benefit Obligation at the Beginning of the Period	2.46	1.89
Interest Cost	0.18	0.13
Current Service Cost	0.69	0.68
Liability Transferred In/ Acquisitions	0.01	-
(Liability Transferred Out / Divestments)	(0.37)	-
(Benefit Paid from the Fund)	(0.27)	(0.11)
Acturial (Gains) / Losses on Obligations - Due to Change in Demographic Assumptions	-	0.00
Acturial (Gains) / Losses on Obligations - Due to Change in Financial Assumptions	(0.06)	(0.16)
Acturial (Gains) / Losses on Obligations - Due to Change in Experience	0.07	0.03
Present Value of Benefit Obligation at the End of the Year	2.71	2.46

x) Maturity profile of defined benefit obligation :

₹ in Crores

Particulars	₹ in Crores	
	As at March 31, 2023	As at March 31, 2022
1st Following Year	0.04	0.03
2nd Following Year	0.05	0.04
3rd Following Year	0.06	0.05
4th Following Year	0.09	0.06
5th Following Year	0.10	0.17
Sum of Years 6 to 10	0.55	0.48
Sum of Years 11 and above	10.39	9.15

B. Leave Benefits

- The Leave Encashment Benefit Scheme is wholly unfunded. Hence, there are no plan assets attributable to the obligation.
- The accumulated balance of Leave Benefits (unfunded) provided in the books as at March 31, 2023, is ₹ 2.74 Crore (Previous Year ₹ 2.83 Crore), which is determined on actuarial basis using Projected Unit Credit Method. (Refer Note 17)

C. Defined Contribution Plan

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

₹ in Crores

Particulars	₹ in Crores	
	As at March 31, 2023	As at March 31, 2022
Employer's Contribution to Provident Fund & other fund (other than superannuation) [(Refer Note 29 (b))]	2.27	2.02

37. CAPITAL MANAGEMENT

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

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

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

Notes forming part of the Financial Statements as at and for the year ended March 31, 2023

The capital structure as of March 31, 2023 and 2022 was as follows:

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Total Equity (A)	1,755.20	1,371.49
Current Borrowings	11.46	99.21
Non-Current Borrowings	43.02	187.49
Total Borrowings (B)	54.48	286.70
Total Capital (A+B)	1,809.68	1,658.19
Total Borrowings as % of total equity	3.10	20.90
Total Borrowings as % of total capital	3.01	17.29

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

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
A. EBITDA (Excluding Other Income)	696.44	958.80
B. Interest (Excluding Interest on Lease Liability)	22.74	31.90
Interest Coverage Ratio (A/B)	30.62	30.06

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

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
A. PAT (Excluding Other Income)	541.58	745.54
B. Interest on borrowing	22.74	31.90
Repayment of Non-Current Borrowings	54.40	50.40
Total interest and repayment of Non - Current Borrowing	77.14	82.30
Debt Service Coverage Ratio (A/B)	7.02	9.06

38. FINANCIAL INSTRUMENTS

38.1. Categories of financial instruments

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

₹ in Crores

Particulars	Fair Value through Other Comprehensive Income	Fair value through profit or loss	Amortised Cost	Total
Financial Assets				
Cash and Cash Equivalents	-	-	13.13	13.13
Other Balances with Banks	-	-	-	-
Investments in Un Quoted Debt instruments	-	-	-	-
Quoted investments (Level 1)	-	8.00	-	8.00
Trade receivables	-	-	719.34	719.34
Other financial asset	-	-	4.30	4.30
Total	-	8.00	736.77	744.77
Financial Liabilities				
Current Borrowings	-	-	11.46	11.46
Non-Current Borrowings	-	-	43.02	43.02
Trade Payables	-	-	380.86	380.86
Lease Liability	-	-	5.29	5.29
Other financial liabilities	-	0.35	19.03	19.39
Total	-	0.35	459.67	460.02

Notes forming part of the Financial Statements as at and for the year ended March 31, 2023

The carrying value of financial instruments by categories as of March 31, 2022 is as follows :

₹ in Crores

Particulars	Fair Value through Other Comprehensive Income	Fair value through profit or loss	Amortised Cost	TOTAL
Financial Assets				
Cash and Cash Equivalents	-	-	0.08	0.08
Other Balances with Banks (including Debt Service Reserve Account FD))	-	-	17.34	17.34
Trade receivables	-	-	580.16	580.16
Other financial asset	-	-	3.80	3.80
Total	-	-	601.38	601.38
Financial Liabilities				
Current Borrowings	-	-	99.21	99.21
Non-Current Borrowings	-	-	187.49	187.49
Trade Payables	-	-	254.86	254.86
Lease Liability	-	-	4.34	4.34
Other financial liabilities	-	1.01	24.67	25.68
Total	-	1.01	570.57	571.58

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

38.2. Financial Risk Management objectives

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

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

Item	Primarily effected by	Risk management policies	Reference
Market risk - currency risk	Foreign Currency balances and exposure towards trade payables and trade receivables	Mitigating foreign currency risk using foreign currency forward contracts	Note 38.3.1
Market risk - interest rate risk	Change in market interest rates	Maintaining a combination of fixed and floating rate debt; cash management policies	Note 38.3.2
Credit risk	Ability of customers or counterparties to financial instruments to meet contractual obligations.	Credit approval and monitoring practices; counterparty credit policies and limits;	Note 38.4
Liquidity risk	Fluctuations in cash flows	Preparing and monitoring forecasts of cash flows; cash management policies; multiple credit and banking facilities	Note 38.5

38.3 Market Risk

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

- Foreign currency risk
- Interest rate risk

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

Notes forming part of the Financial Statements as at and for the year ended March 31,2023

38.3.1 Foreign Currency Risk management

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

1. Imports of raw materials and services.
2. Exports of finished goods.
3. Foreign Currency Non Resident Borrowing.

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

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

Currency	Liabilities		Assets	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
USD (Crores) (Previous year liability represents USD 17,804)	1.66	1.56	0.09	0.23
INR (Crores)	136.49	118.50	7.66	17.25

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

b. Foreign currency forward outstanding as at the Balance Sheet date:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Buy	Sell	Buy	Sell
Forward Contracts (USD in Crores)	0.88	-	1.27	-

The above forward contract includes Spot and Tom Rates contracts and it has 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, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
USD (Crores)	0.78	0.30	0.09	0.23

d. Foreign currency sensitivity analysis

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

Currency USD Impact on profit or loss	2022-23 ₹ in Crores	2021-22 ₹ in Crores
Impact of INR 1 strengthening against US Dollar	0.69	0.07
Impact of INR 1 weakening against US Dollar	(0.69)	(0.07)

Notes forming part of the Financial Statements as at and for the year ended March 31, 2023

38.3.2 Interest Rate Risk management

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

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

A. Interest rate sensitivity analysis

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

If interest rate had been 25 basis points higher/ lower in case of rupee borrowings and all other variables were held constant, the Company's profit for the year ended 31 March 2023 would decrease/ increase by ₹ 0.12 Crores (March 31, 2022: ₹ 0.73 Crores)

38.4 Credit Risk management

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

Customer credit risk is managed by the Company's established policy, procedures and control relating to the customer credit risk management. The Company uses financial information and past experience to evaluate credit quality of majority of its customers and individual credit limits are defined in accordance with this assessment through financial institutions. Outstanding receivables and the credit worthiness of its counterparties are periodically monitored and taken upon case to case basis. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions representing large number of minor receivables operating in independent markets.

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

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

The financial instruments of the company mainly consist of trade receivables carried at amortised cost after providing for expected credit loss based on historical credit loss experience and adjusted for forward looking information.

Age of receivables

The table below provides aging of trade receivables as at March 31, 2023 and March 31, 2022

₹ in Crores

Particulars	As at March 31, 2023		As at March 31, 2022	
	Undisputed Trade receivables - considered good	Total	Undisputed Trade receivables - considered good	Total
Less than 6 months	33.18	33.18	1.93	1.93
6 months - 1 year	0.21	0.21	-	-
1 - 2 years	-	-	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
Total	33.39	33.39	1.93	1.93
Unbilled	-	-	-	-
Not Due	706.34	706.34	601.64	601.64
Allowance for credit losses	(20.39)	(20.39)	(23.41)	(23.41)
Grand Total	719.34	719.34	580.16	580.16

Notes forming part of the Financial Statements as at and for the year ended March 31, 2023

Reconciliation of loss allowance provision - Trade receivables

Particulars	₹ in Crores
Loss allowance on April 01, 2021	21.17
Changes in loss allowance	2.24
Loss allowance on March 31, 2022	23.41
Changes in loss allowance	(3.02)
Loss allowance on March 31, 2023	20.39

The table below provides aging of Trade Payables as at March 31, 2023

Outstanding for following periods from due date of payment	₹ in Crores				Total
	MSME (Undisputed)	Others (Undisputed)	Disputed MSME	Disputed Others	
Unbilled	-	46.71	-	-	46.71
Not Due	12.31	313.53	-	-	325.84
Less than 1 year	-	7.31	-	-	7.31
1 to 2 years	-	1.00	-	-	1.00
2 to 3 years	-	-	-	-	-
More than 3 year	-	-	-	-	-
Total	12.31	368.55	-	-	380.86

The table below provides aging of Trade Payables as at March 31, 2022

Outstanding for following periods from due date of payment	₹ in Crores				Total
	MSME (Undisputed)	Others (Undisputed)	Disputed MSME	Disputed Others	
Unbilled	-	44.48	-	-	44.48
Not Due	4.10	201.62	-	-	205.72
Less than 1 year	-	4.63	-	-	4.63
1 to 2 years	-	0.03	-	-	0.03
2 to 3 years	-	-	-	-	-
More than 3 year	-	-	-	-	-
Total	4.10	250.76	-	-	254.86

38.5 Liquidity Risk management

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

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

Particulars	₹ in Crores				Total cash flows
	Carrying amount	upto 1 year	1-3 year	More than 3 year	
Accounts payable	(380.85)	(380.85)	-	-	(380.85)
Borrowings *	(54.49)	(15.38)	(23.02)	(28.06)	(66.46)
Other Financial Liabilities	(19.39)	(19.39)	-	-	(19.39)
Total	(454.72)	(415.62)	(23.02)	(28.06)	(466.70)

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

Notes forming part of the Financial Statements as at and for the year ended March 31, 2023

The table below provides details of financial Liabilities as at March 31, 2023

₹ in Crores

Particulars	Carrying amount
Borrowings	54.49
Trade Payables	380.86
Other Financial Liabilities	19.38
Total	454.74

Table showing details regarding the contractual maturities at financial liabilities payments as at March 31, 2022

The table below provides details regarding the contractual maturities of financial liabilities payments as at March 31, 2022 :

₹ in Crores

Particulars	Carrying amount	upto 1 year	1-3 year	More than 3 year	Total cash flows
Accounts payable	(254.86)	(254.86)	-	-	(254.86)
Borrowings	(286.70)	(112.92)	(168.23)	(34.45)	(315.60)
Other Financial Liabilities	(25.68)	(25.68)	-	-	(25.68)
Total	(567.24)	(393.46)	(168.23)	(34.45)	(596.14)

The table below provides details of financial Liabilities as at March 31, 2022

₹ in Crores

Particulars	Carrying amount
Borrowings	286.70
Trade Payables	254.86
Other Financial Liabilities	25.68
Total	567.24

Refer to note 39(B) for contractual maturity of Lease Liabilities.

38.6 CHANGE IN LIABILITIES

Table showing Changes in Liabilities as at March 31, 2023

₹ in Crores

Particulars	Long term borrowing (including Current Maturities of Long term Debt)	Short Term Borrowing	Interest Accrued But Not Due	Lease Liabilities
As at April 1, 2022	258.69	28.01	0.35	4.34
Recognition during the year as per Ind AS 116	-	-	-	2.27
Cash Flows	(215.75)	(22.55)	(23.10)	(1.79)
Foreign Exchange movement	-	-	-	-
Charged to P&L during the year	6.08	-	22.74	0.47
Dividend recognised during the year	-	-	-	-
As at March 31, 2023	49.02	5.46	0.01	5.29

Table showing Changes in Liabilities as at March 31, 2022

₹ in Crores

Particulars	Long term borrowing (including Current Maturities of Long term Debt)	Short Term Borrowing	Interest Accrued But Not Due	Lease Liabilities
As at April 1, 2021	574.44	3.10	0.62	4.60
Cash Flows	(320.06)	24.91	(32.17)	(0.80)
Foreign Exchange movement	-	-	-	-
Charged to P&L during the year	4.31	-	31.90	0.54
Dividend recognised during the year	-	-	-	-
As at March 31, 2022	258.69	28.01	0.35	4.34

39. LEASES

The following is the movement in lease liabilities during the year ended March 31, 2023 :

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning	4.34	4.60
Additions	2.27	-
Finance cost accrued during the year	0.47	0.55
Deduction	-	-
Payment of Lease Liabilities (Including Finance Cost)	1.79	0.80
Balance at the end	5.29	4.34
Recognised under		
Non -Current Financial Liabilities (Refer Note 16)	3.01	3.27
Current Financial Liabilities (Refer Note 20)	2.28	1.07

The following are details regarding the contractual maturities of lease liabilities as at March 31, 2023 on an undiscounted basis:

₹ in Crores

Financial Year	Lease Payments (CY)	Lease Payments (PY)
Less than one year	2.76	1.51
One to five years	3.44	3.98
More than five years	-	-
Total	6.20	5.49

40. SEGMENT INFORMATION

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker (CODM), in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker is the managing director and the company has only one reportable business segment i.e. Phenol/ Chemical.

a. Secondary Segment Information

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

₹ in Crores

Revenue	For the Period March 31, 2023	For the Period March 31, 2022
In India	4,723.32	3,830.28
Outside India	247.17	473.15
TOTAL	4,970.49	4,303.42

₹ in Crores

Carrying Amount of Segment Assets	For the Period March 31, 2023	For the Period March 31, 2022
In India	2,345.09	2,056.12
Outside India	7.66	17.25
TOTAL	2,352.75	2,073.37

₹ in Crores

Addition to Owned Fixed Assets	For the Period March 31, 2023	For the Period March 31, 2022
In India		
- Tangible	7.31	175.23
- Intangible	0.42	6.10
Outside India		
- Tangible	-	-
- Intangible	-	-
TOTAL	7.73	181.33

Notes forming part of the Financial Statements as at and for the year ended March 31,2023

41. EARNING PER SHARE

₹ in Crores

Particulars	For the Period March 31, 2023	For the Period March 31, 2022
Basic and Diluted Earning per Share		
Number of Shares at the beginning (Nos. in Crores)	28.00	28.00
Number of Shares at the end (Nos. in Crores)	28.00	28.00
Weighted Average Number of Shares considered for Basic and Diluted Earning Per Share (Nos. in Crores)	28.00	28.00
Net Profit after Tax available for Equity Shareholders (₹ in Crores)	445.31	624.46
Basic Earning (in Rupees) Per Share of ₹ 10/- each.	15.90	22.30
Diluted Earning (in Rupees) Per Share of ₹ 10/- each.	15.90	22.30

42. DISCLOSURES UNDER MICRO, SMALL AND MEDIUM ENTERPRISE DEVELOPMENT ACT, 2006

To the extent, the company has received intimation from the "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the details are provided as under:

₹ in Crores

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
(i) Principal amount remaining unpaid as on March 31.	12.31	4.10
(ii) Interest due thereon remaining unpaid as on March 31.	-	-
(iii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
(iv) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(v) Interest accrued and remaining unpaid as at March 31 (net of tax deducted at source).	-	-
(vi) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	-

43. GLOBAL EVENTS

The Company has considered the possible effects of Russia - Ukraine Conflict in the preparation of these Financial Statements including recoverability of Trade Receivable and Inventories. The Management has considered relevant Internal and External Sources of Information, including economic forecasts as at the date of approval of these Financial Statements. The impact of the same may vary considering the prevailing uncertain situation.

44. CSR ACTIVITIES

During the F.Y.2022-2023, the Company has spent ₹ 9.03 Crores on Corporate Social Responsibility, against requirement of ₹ 10.02 Crores, being 2% of average of the net profits for the preceding three financial years.

₹ in Crores

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Amount required to be spent by the company during the year	10.02	4.94
Amount of expenditure incurred on:	-	-
(i) Construction/acquisition of any asset	1.53	0.38
(ii) On purposes other than (i) above	7.50	4.67
Shortfall at the end of the year	0.99	NIL
Total of previous years shortfall	NIL	NIL
Reason for shortfall	NA	NA
Nature of CSR activities	Health Care, Skills Building & Livelihood, Education & Research & Development	
Details of related party transactions		
Deepak Foundation	Refer note 45	
Deepak Medical Foundation		
Provision, if any	NA	NA

Notes forming part of the Financial Statements as at and for the year ended March 31,2023

45. RELATED PARTY DISCLOSURES (As attached note)

46. RATIOS FOR THE REPORTING PERIOD (As attached note)

47. RECONCILIATION OF DETAILS SUBMITTED WITH BANK

The Company has been sanctioned working capital from banks on the basis of security of current assets. Quarterly Statements of Inventory and Book Debts submitted with the Banks in this regard, are reconciling with the books of Accounts of respective period.

48. OTHER STATUTORY INFORMATION

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami Property."
- (ii) The Company does not have any transactions with companies struck off.
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,
- (iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Company has 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 Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

49. EVENTS OCCURING AFTER BALANCE SHEET DATE

The Board of Directors have recommended, subject to the Approval of Share Holders, Dividend of Rs.2.7(Two rupees seventy paise) per Equity Shares of Rs.10/- (Rupees Ten Only) each for the year ended March 31, 2022 on 28,00,00,000 equity shares amounting to Rs. 75.60. Crore

50. The Financial Statements were approved for issue by the Board of Directors on May 09, 2023.

For and on behalf of the Board

Deepak Mehta
Chairman & Managing Director
DIN:00028377

Sanjay Upadhyay
Director
DIN:01776546

Milin Mehta
Director
DIN:01297508

Kishor Jhalaria
Executive Director & Chief Executive Officer
DIN :02373095

Ajay Jajoo
Chief Financial Officer

Chirag Shukla
Company Secretary
Membership No : A20568

Vadodara : May 9, 2023

46. Ratios for the reporting period are as follows:

	Numerator	Denominator	For the Year March 31, 2023	For the Year March 31, 2022	Variance (%)	Reasons for Variance
Current Ratio	Current Assets	Current Liabilities	2.69	2.01	34.12	Due to Increase in total current assets viz current liabilities the current ratio has increased.
Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.03	0.21	-85.15	During the year, the company has repaid total Debt of Phenol Project. Hence, the ratio has improved.
Debt Service Coverage Ratio	PAT (excluding other income)	Finance Cost (excluding interest on lease) + Repayment of Non-Current Borrowings	7.02	9.06	-22.50	
Return on Equity Ratio	Profit after tax	Average Shareholder's Equity	28%	51%	-44.40	Due to decrease in Profit, the ratio has decreased.
Inventory turnover ratio	Cost of Materials Consumed + Purchase of Stock-In-Trade + Changes in Inventories of FG and WIP + Power & Fuel Expenses	Average Inventory	11.59	14.99	-22.68	
Trade Receivables turnover ratio	Revenue from Operations	Average Trade Receivables	7.65	8.76	-12.66	
Trade payables turnover ratio	Cost of Materials Consumed + Purchase of Stock-In-Trade + Power & Fuel Expenses + Closing Inventory - Opening Inventory	Average Trade Payables	13.51	13.60	-0.62	
Net capital turnover ratio	Revenue from Operations	Working Capital	6.55	9.79	-33.07	Due to increase in Sales, the Debtors have increased. Hence, Net Capital turnover ratio has increased.
Net-Profit Ratio (%)	Profit after tax	Revenue from operations	8.96%	14.51%	-38.25	The profit has normalized /decreased. Hence, the ratio has decreased.
Return on Capital employed	Earnings before Interest and Taxes (PBT + Interest on Borrowing + Amortization on Intangible Asset)	Average Capital Employed (Net worth - Intangible Assets + Total Debt + Deferred Tax Liability)	34.92%	51.60%	-32.34	Due to decrease in bottom line of the company, the Return on Capital employed has decreased.
Return on investment						
Time Deposit	Income from Investment	Time Weighted Average Investment	0.05	0.04	16.06	
Quoted	Income from Investment	Time Weighted Average Investment	0.06	0.03	68.35	The company has managed funds well. Hence, the ratio has improved.

Notes forming part of the Financial Statements as at and for the year ended March 31,2023

45 Related Party Disclosures:

A) Name of Related Party and nature of relationship

(i) Parent Company:

Deepak Nitrite Limited

(ii) Fellow Subsidiary

Deepak Chemtech Limited

(iii) Key Management Personnel

Shri Deepak C. Mehta	Chairman & Managing Director
Shri Meghav Mehta	Executive Director
Shri Kishor Jhalaria	Chief Executive Officer
Shri Ajay Jajoo	Chief Financial Officer

(iv) 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 Foundation * Deepak Medical Foundation
* Deepak Novochem Technologies Limited * Sara Consultants

(v) Relative of Key Management Personnel

Smt. Ila Mehta
Shri Maulik Mehta

Notes forming part of the Financial Statements as at and for the year ended March 31, 2023

B) Transaction with Related Parties

₹ in Crores

Sr. No.	Nature of Transaction	For the year ended 31st March, 2023					For the year ended 31st March, 2022						
		Parent Company	Key Managerial Person	Fellow Subsidiary	Entities over which key managerial personnel or their relatives are able to exercise significant influence	TOTAL	Parent Company	Key Managerial Person	Fellow Subsidiary	Entities over which key managerial personnel or their relatives are able to exercise significant influence	TOTAL		
1	Receiving of services / Reimbursement of Expenses / Purchase of Goods												
	Deepak Nitrite Limited												
	Deepak Cybit Pvt Ltd	9.03	-	-	-	-	-	-	-	9.03	7.17	-	7.17
	Sara Consultants	-	-	-	0.41	0.41	-	-	0.27	0.41	-	0.27	0.27
	Deepak Medical Foundation	-	-	-	0.48	0.48	-	-	0.33	0.48	-	0.33	0.33
	Deepak Foundation	-	-	-	0.03	0.03	-	-	0.59	0.03	-	0.59	0.59
	Deepak Chem Tech Limited	-	-	1.59	0.02	0.02	-	-	-	0.02	-	-	-
	Deepak Novochem Technologies Ltd.	-	-	-	-	1.59	-	-	-	1.59	-	-	-
2.	Dividend Paid												
	Deepak Nitrite Limited	61.60	-	-	-	-	-	-	-	61.60	39.20	-	39.20
3.	Sales of Material/Rendering of Services / Reimbursement of Expenses												
	Deepak Nitrite Ltd.	(31.22)	-	-	-	-	-	-	-	(31.22)	12.23	-	12.23
	Deepak Chem Tech Ltd	-	-	(1.64)	-	(1.64)	-	-	0.10	(1.64)	-	-	0.10
	Deepak Novochem Technologies Ltd.	-	-	-	(0.33)	(0.33)	-	-	-	(0.33)	-	1.57	1.57
4	Redemption of Preference share capital												
	Deepak Nitrite Limited	-	-	-	-	-	-	-	-	-	280.00	-	280.00
5.	Loan Taken												
	Deepak Nitrite Limited	45.00	-	-	-	-	-	-	-	45.00	-	-	-
6.	Interest Paid												
	Deepak Nitrite Limited	0.11	-	-	-	-	-	-	-	0.11	-	-	-
7.	Services Received												
	Checkpoint Credit & Capital P. Ltd	-	-	-	0.23	0.23	-	-	0.25	0.23	-	-	0.25
	- Deposit & Rent	-	-	-	-	-	-	-	-	-	-	-	-

Sr. No.	Nature of Transaction	For the year ended 31st March, 2023					For the year ended 31st March, 2022				
		Parent Company	Key Managerial Person	Fellow Subsidiary	Entities over which key managerial personnel or their relatives are able to exercise significant influence	TOTAL	Parent Company	Key Managerial Person	Fellow Subsidiary	Entities over which key managerial personnel or their relatives are able to exercise significant influence	TOTAL
8	Commission Shri Deepak Mehta	-	18.00	-	-	18.00	-	18.00	-	-	18.00
9	Managerial Remuneration Shri Meghav D. Mehta Shri Kishor Jhalaria Shri Ajay Jajoo	-	2.35 2.75 1.52	-	-	2.35 2.75 1.52	-	1.95 2.16 1.40	-	-	1.95 2.16 1.40
10	CSR / Donation Activity Deepak Medical Foundation Deepak Foundation	-	-	-	0.70 6.35	0.70 6.35	-	-	0.49 3.99	-	0.49 3.99
11	Net Accounts Receivable / (Payable) Deepak Nitrite Limited Deepak C Mehta Deepak Cybit Ltd. Deepak Chem Tech Ltd Deepak Novachem Technologies Ltd. (Represent Rs. 15066/- at March 31, 2022) Deepak Medical Foundation / Deepak Foundation Shri Meghav D. Mehta Shri Kishor Jhalaria Shri Ajay Jajoo Sara Consultants	6.83 - - - - -	(18.00) - - - -	- - - - -	- - (0.04) - 0.19	6.83 (18.00) (0.04) - 0.19	1.12 - - - -	(18.00) - - - -	- - - 0.12 0.00	- - - - -	1.12 (18.00) (0.01) 0.12 0.00
		-	(0.41) (0.45) (0.14)	- - -	- - -	(0.41) (0.45) (0.14)	- - -	(0.33) - -	(0.12) - -	- - -	(0.12) (0.33) -
		-	-	-	(0.10)	(0.10)	-	-	-	-	-



DEEPAK PHENOLICS LIMITED

Corporate Identity Number: U24110GJ2011PLC064669

Registered Office: First Floor, Aaditya-II, National Highway No. 8, Chhani Road, Vadodara - 390024

Web Site: www.godeepak.com; Tel: +91 265 276 5500 Fax: +91 265 276 5557

PROXY FORM

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

Name of Member(s) :

Registered Address :

E-mail ID :

Folio No./Client ID No : DP ID No :

I/We, being the Member(s) ofShares of Deepak Phenolics Limited ('Company'), hereby appoint

Name : E Mail ID :

Address :

.....

Signature : or failing him

Name : E Mail ID :

Address :

.....

Signature : or failing him

Name : E Mail ID :

Address :

.....

Signature :

as my/our proxy to attend and vote for me/us and on my/our behalf at the Twelfth Annual General Meeting of the Company scheduled to be held at the Registered Office of the Company at **First Floor, Aaditya-II, National Highway No. 8, Chhani Road, Vadodara - 390 024** on **Wednesday, July 26, 2023 at 10:30 A.M.** and at any adjournment thereof in respect of such Resolutions as are indicated below:

Ordinary Business:

- To receive, consider, approve and adopt the audited Balance Sheet as at, and Statement of Profit and Loss, Cash Flow Statement and Statement of Changes in Equity for the financial year ended March 31, 2023, together with the Directors' Report and the Auditors' Report thereon.
- To declare dividend of ₹ 2.70 (Rupees Two and Paise Seventy only), being 27%, per equity share of face value of ₹ 10.00 (Rupees Ten only) each for the Financial Year ended March 31, 2023.
- To appoint a Director in place of Smt. Ila D. Mehta [DIN: 00230412] who retires by rotation and being eligible, offers herself for re-appointment.
- To appoint a Director in place of Shri Sandesh Kumar Anand [DIN: 00001792] who retires by rotation and being eligible, offers himself for re-appointment.

Special Business :

- Ratification of Remuneration of Cost Auditors of the Company.

Signed thisDay of, 2023

Affix
Revenue
Stamp

Signature of Shareholder:.....

Signature of Proxy Holder:.....

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



DEEPAK PHENOLICS LIMITED

Corporate Identity Number: U24110GJ2011PLC064669

Registered Office : First Floor, Aaditya-II, National Highway No. 8, Chhani Road, Vadodara - 390024

Web Site: www.godeepak.com; Tel: +91 265 276 5500 Fax: +91 265 276 5557

ATTENDANCE SLIP

(To be presented at the entrance)

12th ANNUAL GENERAL MEETING TO BE HELD ON WEDNESDAY, JULY 26, 2023 AT 10:30 A.M.

at First Floor, Aaditya-II, National Highway No. 8, Chhani Road, Vadodara- 390 024

DP ID Client ID

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

Name of the proxy holderSignature.....

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



DEEPAK PHENOLICS LIMITED

REGISTERED & CORPORATE OFFICE

First Floor, Aaditya-II, National Highway No. 8,
Chhani Road, Vadodara - 390 024,
Gujarat, INDIA.
Tel: +91-265-276 5500
www.godeepak.com