

Directors' Report

Dear Shareholders,

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

FINANCIAL RESULTS

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

(₹ in Crores)

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

PERFORMANCE REVIEW

Standalone

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

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

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

to benefit from improved realisations, further strengthening its leadership position in the market. The Depreciation and Finance Costs during the year stood at ₹ 77.93 Crores and ₹ 20.32 Crores, respectively.

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

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

Consolidated

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

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

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

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

DIVIDEND

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

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

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

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

SHARE CAPITAL:

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

TRANSFER TO RESERVES

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

UPDATE ON DEEPAK PHENOLICS LIMITED

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

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

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

FINANCE

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

Interest costs sharply decreased during the year due to repayment of debt, efficient management of working capital as well as borrowing basket and marginally due to decrease in the Libor in offshore borrowing and decrease in market rate in rupee borrowing. Depreciation increased owing to

change in estimate of useful life of certain Property, Plant and Equipment. Your Company has a dynamic team to manage its foreign exchange exposures to minimize risk arising out of imports and exports. Due to prudent management, your Company has been able to effectively manage its cash flows. There is always an effort to reduce the overall interest costs. Debt: Equity as on March 31, 2020 reduced to 0.14 compared to 0.31 as on March 31, 2019.

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

DIRECTORS

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

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

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

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

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

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

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

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

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

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

KEY MANAGERIAL PERSONNEL

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

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

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

MEETINGS OF THE BOARD

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

INDEPENDENT DIRECTORS

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

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

PERFORMANCE EVALUATION

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

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

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

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

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

Your Directors have expressed their satisfaction to the evaluation process.

AUDIT COMMITTEE

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

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

STATUTORY AUDITORS' REPORT

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

REPORTING OF FRAUD BY AUDITORS

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

SECRETARIAL AUDITORS' REPORT

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

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

AUDITORS

(A) Statutory Auditors:

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

(B) Secretarial Auditors:

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

(C) Cost Auditors:

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

The Board of Directors on the recommendation of the Audit Committee appointed M/s. B. M. Sharma & Company, Cost Accountants, to conduct audit of your Company's cost records for FY 2020-21 at a remuneration of ₹ 7,50,000/- (Rupees Seven Lakhs Fifty Thousand only) plus applicable taxes and out of pocket expenses. As

required under the provisions of the Act, the remuneration of Cost Auditors as approved by the Board of Directors is subject to ratification by the shareholders at the ensuing Annual General Meeting. A Resolution for the ratification of remuneration of Cost Auditors for FY 2020-21 is provided in the Notice. Your Directors recommend the same for approval by the Members.

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

(D) Internal Auditors:

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

FIXED DEPOSITS

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

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

VIGIL MECHANISM

As per provisions of Section 177 (9) of the Act read with Regulation 22(1) of the Listing Regulations, your Company has adopted a Whistle Blower Policy, to provide a formal vigil mechanism to the Directors and employees to report their concerns about unethical behaviour, including actual or suspected leak of unpublished price sensitive information, actual or suspected fraud or violation of your Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimisation of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in certain cases. It is affirmed that no personnel of your Company has been denied access to the Audit Committee.

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

RELATED PARTY TRANSACTIONS

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

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

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

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

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

SUBSIDIARY / ASSOCIATE COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

The Consolidated Financial Statements reflect the operations of following subsidiaries:

Deepak Phenolics Limited; and

Deepak Nitrite Corporation Inc.

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

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

PERFORMANCE OF SUBSIDIARIES

(a) Deepak Phenolics Limited

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

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

(b) Deepak Nitrite Corporation Inc. (USA)

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

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

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

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

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

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) in the preparation of the Annual Accounts for the Financial Year ended March 31, 2020, the applicable accounting standards have been followed and there are no material departures;
- (b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the Financial Year ended March 31, 2020 and of the profit of your Company for the year ended on that date;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- (d) they have prepared the Annual Accounts on a going concern basis;
- (e) they have laid down Internal Financial Controls to be followed by your Company and that such Internal Financial Controls are adequate and are operating effectively; and
- (f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE GOVERNANCE

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

BUSINESS RESPONSIBILITY REPORT

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

CORPORATE SOCIAL RESPONSIBILITY

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

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

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

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

NOMINATION AND REMUNERATION POLICY

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

The Nomination and Remuneration Policy of your Company is annexed as Annexure - D.

EXTRACTS OF ANNUAL RETURN

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

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

PARTICULARS OF EMPLOYEES

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

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

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

STATE OF COMPANY'S AFFAIRS

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

SIGNIFICANT AND MATERIAL ORDERS PASSED AGAINST THE COMPANY

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

SECRETARIAL STANDARDS OF ICSI

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

INTERNAL CONTROL SYSTEMS

Your Company has sufficient Internal Control mechanisms in place including Internal Financial Controls. The Internal Control Framework is implemented by written policies, rules, and protocols to maintain adherence with laws and regulations, processes, and legislation, and that all resources are secured

and protected against loss from unlawful use or disposal, and that such transactions are appropriately permitted, registered, and documented.

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

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

RISK MANAGEMENT

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

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

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

RESEARCH & DEVELOPMENT

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

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

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

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

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

SAFETY, HEALTH & ENVIRONMENT

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

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

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

Your Company has policy and system in place to deploy internationally recognized guidelines, such as the principles of the United Nations' Global Compact, the International Labour Organization ("ILO") conventions and the topic areas of the Responsible Care® Initiative. The Code of Conduct, inter alia,

covers compliance with human rights, labor & social standards, anti-discrimination, conflict of interest and anti corruption policies in addition to protecting the environment, health and safety. This is being audited by third party and customers as a part of Together for Sustainability ("TfS") system.

Logistic Safety Management System:

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

Environment:

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

HUMAN RESOURCES

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

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

INSURANCE

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



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

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

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

ACKNOWLEDGEMENT

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

For and on behalf of the Board

Deepak C. Mehta

Chairman & Managing Director
(DIN: 00028377)

Place: Vadodara
Date: May 26, 2020

Annexure - A

Form No. MR-3

Secretarial Audit Report

For the Financial year ended March 31, 2020

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit. We hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 2018, and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; There were no events occurred during the period which attracts provisions of these guidelines, hence not applicable.
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014: There were no events occurred during the period which attracts provisions of these guidelines, hence not applicable.
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008: There were no events occurred during the period which attracts provisions of these regulations, hence not applicable.
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993: There were no events occurred during the period which attracts provisions of these regulations, hence not applicable.
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: There were no events occurred during the period which attracts provisions of these regulations, hence not applicable; and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 : There were no events occurred during the period which attracts provisions of these regulations, hence not applicable.
- (vi) Other laws as applicable specifically to the Company;
 - a) The Environment (Protection) Act, 1986,
 - b) The Water (Prevention & Control of Pollution) Act, 1974,
 - c) The Air (Prevention & Control of Pollution) Act, 1981,
 - d) Public Liability Insurance Act, 1991,
 - e) Explosives Act, 1884,
 - f) Hazardous Wastes (Management, Handling and Trans-boundary Movement) Rules, 2008,
 - g) Petroleum Act, 1934 and Rules made thereunder.

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

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

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

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were changes in

the composition of the Board of Directors during the period under review in accordance with the applicable provisions of Companies Act, 2013 and other applicable legislation(s).

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

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

We further report that:

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

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

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

Dinesh Joshi

Designated Partner

Membership No: FCS- 3752

CP No: 2246

UDIN: F003752B000386123

Place: Pune

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

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

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

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

Dinesh Joshi

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

Place: Pune

Annexure - B

Business Responsibility Report

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

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

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

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital (INR)	:	₹ 27.28 Crores
2	Total Turnover (INR)	:	₹ 2,229.66 Crores
3	Profit After Taxes (INR)	:	₹ 544.04 Crores
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit After Tax (%)	:	Company's total spending on CSR for the Financial Year 2019-20 is ₹ 3.48 Crores which is 0.64% of Profit After Tax.
5	List of activities in which expenditure in 4 above has been incurred:-		
	A. Health Care		
	<ul style="list-style-type: none"> Comprehensive Emergency Obstetric Newborn Care Unit (CEmONC) Mobile Health Unit Citizen's Help Desk De-addiction and Counseling Center USG Machine & other Equipment for Hospital 		
	B. Skill Development/ Education		
	<ul style="list-style-type: none"> Home Health Aid Course Vocational Training at Samaj Suraksha Sankul Entrepreneurial Activities through SHG Housekeeping and Cookery Course Integrated Child Development Scheme Remedial Education for English & Maths at Nandesari School Mobile Library 		

SECTION C: OTHER DETAILS

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

SECTION D: BR INFORMATION**1 Details of Director/Directors responsible for Business Responsibility**

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

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

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

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

(a) Details of Compliances

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

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

3. Governance related to BR

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

SECTION E: PRINCIPLE-WISE PERFORMANCE

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

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

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

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

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

Principle 3: Businesses should promote the wellbeing of all employees

1.	Total number of Employees	There were 1,472 permanent employees as on March 31, 2020.		
2.	Total number of employees hired on temporary/contractual/casual basis	There were 1,573 employees hired on temporary/contract/casual basis as on March 31, 2020.		
3.	Number of permanent women employees.	There were 31 permanent women employees as on March 31, 2020.		
4.	Number of permanent employees with disabilities	There were 12 permanent employees with disabilities as on March 31, 2020.		
5.	Do you have an employee association that is recognized by management	Yes. The Company has recognised unions at Nandesari, Roha, Taloja and Hyderabad.		
6.	What percentage of your permanent employees is members of this recognized employee association?	18% of the total permanent employees are members of recognised union.		
7.	Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the Financial Year.			
	S. No.	Category	No. of Complaints filed during the Financial Year	No of Complaints pending as at the end of Financial Year
	1	Child Labour / Forced Labour / Involuntary Labour	Nil	Nil
	2	Sexual Harassment	Nil	Nil
	3	Discriminatory Employment	Nil	Nil
8.	Percentage of under mentioned employees who were given safety & skill up-gradation training in the last year?			
	S. No.	Employees Category	Employees imparted safety training	Employees imparted skill up-gradation training
	a.	Permanent Employees	79.60%	62.43%
	b.	Permanent Women Employees	70.00%	93.55%
	c.	Casual/Temporary/Contractual Employees	94.36%	40.00%
	d.	Employees with Disabilities	91.67%	90.00%

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

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

Principle: 5 Businesses should respect and promote human rights

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

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

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

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

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

Principle: 8 Businesses should support inclusive growth and equitable development

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

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

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

For and on behalf of the Board

Place : Vadodara
Date: May 26, 2020**Deepak C. Mehta**
Chairman & Managing Director
(DIN: 00028377)

Annexure - C

Report on Corporate Social Responsibility

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

Outline of Company's CSR Policy:

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

Overview of Projects or programs undertaken:

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

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

2. The Composition of CSR Committee: As on March 31, 2020, the CSR Committee comprises of Shri Sudhir Mankad as Chairman Dr. Swaminathan Sivaram, Shri Deepak C. Mehta and Shri Umesh Asaikar as Members.
3. Average Net Profit of the Company for the last three Financial Years: ₹ 151.44 Crores
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹ 3.03 Crores
5. Details of CSR spent during the Financial Year
 - (a) Total amount to be spent for the Financial Year: ₹ 3.03 Crores
 - (b) Amount unspent, if any: NIL
 - (c) Manner in which the amount was spent during the Financial Year is detailed below:

(₹ in Crores)

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

(₹ in Crores)

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

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

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

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

Sudhir Mankad
Chairman of CSR Committee
(DIN: 00086077)

Place : Vadodara
Date: May 26, 2020

Annexure - D

Nomination and Remuneration Policy

1. INTRODUCTION

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

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

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

2. OBJECTIVE OF THE POLICY

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

- (i) guiding the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management employees.
- (ii) evaluating the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- (iii) recommending to the Board the remuneration payable to the Directors and setting forth a policy for determining remuneration payable to Key Managerial Personnel and Senior Management employees.

2.2. While determining the remuneration for the Directors, Key Managerial Personnel and Senior Management employees, regard should be given to prevailing

market conditions, business performance and practices in comparable companies, also to financial and commercial health of the Company as well as prevailing laws and government/other guidelines, to ensure that pay structures are appropriately aligned and the levels of remuneration remain appropriate.

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

- (i) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate person, to ensure the quality required to run the Company successfully.
- (ii) Remuneration to Directors, Key Managerial Personnel and Senior Management employees involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

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

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

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

3. EFFECTIVE DATE

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

4. DEFINITIONS

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

- (i) **"Act"** means The Companies Act, 2013 and rules made thereunder.
- (ii) **"Board of Directors"** or **"Board"** means the Board of Directors of the Company.
- (iii) **"Committee"** means Nomination and Remuneration Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Act and the Listing Regulations.

- (iv) **“Company”** means “Deepak Nitrite Limited.”
- (v) **“Director”** shall mean a member of the Board of Directors of the Company appointed from time to time in accordance with the Articles of Association of the Company and provisions of the Act.
- (vi) **“Employees’ Stock Option”** means the option given to the Directors, other than Independent Directors, officers or employees of a Company or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the company at a future date at a pre-determined price.
- (vii) **“Executive Director”** shall mean a Director who is in the whole-time employment of the Company other than Managing Director.
- (viii) **“Financial Year”** shall mean the period ending on the 31st day of March every year.
- (ix) **“Independent Director”** shall mean a Director referred to in Section 149 (6) of the Act read with the Listing Regulations.
- (x) **“Key Managerial Personnel”** or **“KMP”** shall have the meaning ascribed to it in the Act.
- (xi) **“Listing Regulations”** shall mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and for the time being in force.
- (xii) **“Managing Director”** means a Director who, by virtue of the Articles of Association of the Company or an agreement with the Company or a resolution passed in its general meeting, or by its Board of Directors, is entrusted with substantial powers of management of the affairs of the Company and includes a Director occupying the position of Managing Director, by whatever name called.
- (xiii) **“Policy”** or **“this Policy”** means, “Nomination and Remuneration Policy.”
- (xiv) **“Remuneration”** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.
- (xv) **“Senior Management”** means officers/personnel of the Company who are members of its core management team excluding Board of Directors and shall comprise all members of management one level below Chief Executive Officer / Managing Director / Whole-time Director including Chief Executive Officer and shall specifically include Chief Financial Officer and Company Secretary.

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

5. APPLICABILITY

This Policy is applicable to:

- (i) Directors (Managing Director, Executive Director, Independent Director and Non-Independent Director)
- (ii) Key Managerial Personnel
- (iii) Senior Management employees
- (iv) Other Employees

6. NOMINATION AND REMUNERATION COMMITTEE

6.1. Role of the Committee:

- (a) Identifying persons who are qualified to become Director and who may be appointed in Senior Management cadre in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director’s performance.
- (b) Formulating the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board, a policy, relating to the remuneration for the Directors, Key Managerial Personnel and Senior Management employees.
- (c) Formulating the criteria for evaluation of Independent Directors and the Board.
- (d) Devising a policy on Board diversity.
- (e) Ensuring that the Board comprises of a balanced combination of Executive Directors and Non-Executive Directors.
- (f) The Committee shall take into consideration and ensure the compliance of provisions under Schedule V of the Companies Act, 2013 for appointing and fixing remuneration of Managing Directors / Executive Directors.
- (g) While approving the remuneration, the Committee shall take into account financial position of the Company, trend in the industry, qualification, experience and past performance of the appointee.
- (h) any other role as may be specified by the Board.

6.2. Composition of the Committee

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

- (b) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Act and/or the Listing Regulations.
- (c) Membership of the Committee shall be disclosed in the Annual Report.
- (d) Term of the Committee shall continue unless terminated by the Board of Directors.

6.3. Chairman of the Committee

- (a) Chairman of the Committee shall be an Independent Director.
- (b) Chairman of the Company (whether Executive or non-Executive) may be appointed as a member of the Committee but shall not Chair the Committee.
- (c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- (d) Chairman of the Committee shall be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

6.4. Frequency of the Meetings of the Committee

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

6.5. Committee Member's Interest

- (a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- (b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

6.6. Quorum

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

6.7. Voting at the Meeting

- (a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of members present. Any such decision shall for all purposes be deemed a decision of the Committee.
- (b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

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

7.1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the

person for appointment as a Director, KMP and Senior Management employee.

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

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

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

7.5. Criteria for appointment of Independent Director:

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

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

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

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

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

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

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

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

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

7.7. Criteria for appointment of KMPs:

- 7.7.1. Pursuant to the requirement of Section 203 of the Act, the Company is required to appoint a Managing Director / Manager / Chief Executive Officer and in their absence an Executive Director as Whole Time KMP.
- 7.7.2. The Company may also appoint a Chief Executive Officer (CEO) who may or may not be a Director. The qualification, experience and stature of the CEO could be in line with that of the Executive Director. Where the CEO is designated as KMP, he shall act subject to the superintendence and control of the Board.
- 7.7.3. The Company is also required to appoint a Chief Financial Officer (CFO) as KMP as per the requirement of the Act. The CFO shall preferably be a Chartered Accountant or a Cost & Management Accountant or holds an equivalent qualification and have relevant work experience. He shall be well versed with finance function including but not limited to funding, taxation, forex and other core matters. As required under the Listing Regulations, the appointment of CFO shall be subject to approval of the Audit Committee.
- 7.7.4. As required under the said Section of the Act, a Company Secretary (CS) is also required to be appointed by the Company as a KMP. The CS shall have the prescribed qualification and requisite experience to discharge the duties specified in law and as may be assigned by the Board / Managing Director / Executive Director from time to time.
- 7.7.5. KMPs, other than Managing Director and/or Executive Director shall adhere to the Code of Conduct stipulated for the Senior Management.

7.8. Criteria for appointment of Senior Management employees:

- 7.8.1. Senior Management employees shall possess the requisite qualifications, expertise and experience depending upon the requirement of the relevant position.
- 7.8.2. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.

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

7.9. Term / Tenure

7.9.1. Managing Director and Executive Director

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

7.9.2. Independent Director

- (a) An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- (b) No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.
- Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- (c) The Independent Director shall comply with the requirement of number of directorships he or she can hold as prescribed under the provisions of the Act or the Listing Regulations including any amendment thereto from time to time.

7.10. Familiarization Programme for Independent Directors

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

7.11. Evaluation

- 7.11.1. Subject to Schedule IV of the Companies Act, 2013 and Listing Regulations, the Committee shall carry out the evaluation of Directors periodically.
- 7.11.2. The performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated.
- 7.11.3. The Independent Directors at their separate meeting shall review, on yearly basis, the performance of Non-Independent Directors and the Board as a whole.
- 7.11.4. The Independent Directors at their separate meeting shall also review, on yearly basis, the performance of the Chairperson of the Company,

taking into account the views of Executive Directors and Non-Executive Directors.

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

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

7.12. Removal

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

7.13. Retirement

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

8. REMUNERATION

8.1. Remuneration to Managing Director:

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

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

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

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

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

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

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

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

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

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

- (viii) Provision of car and telephone at residence.

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

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

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

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

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

8.2. Remuneration to Executive Director:

8.2.1. Fixed Pay

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

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

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

- (ii) Leave travel concession for self and members of his family, as per policy of the Company.
 - (iii) Medical and other insurances, as per policy of the Company.
 - (iv) Company Car with Driver.
 - (v) Company's contribution to provident fund, superannuation fund or annuity fund, gratuity and encashment of leave, as per the policy of the Company.
 - (vi) Retirement and other benefits, as per policy of the Company.
 - (vii) Hardship Allowance as applicable in accordance with the policy of the Company.
- (c) The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

8.2.2. Variable Pay

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

8.2.3. Loyalty Bonus

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

8.2.4. Payment of Variable component / Increments

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

Board for its approval. Such Variable component and proposed enhanced remuneration as recommended by the Committee to the Board should be within the overall limits of managerial remuneration as prescribed under the Act and rules made thereunder.

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

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

8.3. Minimum Remuneration

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

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

8.4.1. Sitting Fees

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

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

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

8.4.2. Commission on the Net Profits

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

8.4.3. Stock Options

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

8.5. Provisions for excess remuneration

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

8.6. Remuneration to KMP and Senior Management employees:

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

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

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

8.6.4. Fixed Pay

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

8.6.5. Variable Pay

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

8.6.6. Hardship Allowance and Loyalty Bonus

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

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

8.8 Loans and Advances to Employees

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

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

9. BOARD DIVERSITY

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

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

10. DISCLOSURE

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

11. REVIEW OF THE POLICY

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

12. AMENDMENTS TO THE POLICY

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

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

For and on behalf of the Board

Deepak C. Mehta

Chairman & Managing Director
(DIN: 00028377)

Place : Vadodara
Date : May 26, 2020

Annexure - E

Form No. MGT - 9

EXTRACT OF ANNUAL RETURN

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

i) Category-wise Share Holding

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

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

¹ Includes Shareholding of Promoter Group.

(ii) Shareholding of Promoters

Details of Shareholding of Promoters and Promoters group

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

¹ Include 8040 shares held as the Karta of HUF.

² Promoter

³ Promoter Group

(iii) Change in Promoters' and Promoter groups Shareholding

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

¹9,70,000 Equity Shares of the Company were transmitted to Shri Chimanlal K. Mehta due to sad demise of Smt. Kantaben C. Mehta.

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

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

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

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

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

(v) Shareholding of Directors and Key Managerial Personnel:

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

V. INDEBTEDNESS

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

(₹ in Crores)

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Crores)

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

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

B. Remuneration to other Directors:

(Amount in ₹)

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

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

Total Managerial Remuneration ₹ 26.62 Crores

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

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

(₹ in Crores)

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

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board

Place: Vadodara
Date: May 26, 2020

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

Annexure - F

DISCLOSURE UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013:

PART (A) – DISCLOSURE AS REQUIRED UNDER RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:

1. Ratio of remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year ended March 31, 2020 and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the Financial Year ended March 31, 2020:

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

* Excluding sitting fees.

[#] Excluding special incentive of one time in nature.

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

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

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

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

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

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

Notes:

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

Average increase in remuneration of both, managerial and non-managerial personnel were determined based on the overall performance of the Company.

Key result areas of the managerial personnel are broadly to achieve Company's growth and performance target, achieving the same against various adverse externalities globally, devising sustenance strategy to combat global forces like competition, exchange rate etc, which, in turn, enhance shareholders' value. Remuneration of the managerial personnel is based on the Nomination & Remuneration Policy as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors.

As against above, remuneration for non-managerial personnel is based on an internal evaluation of assigned target area which are broken into subsets of key result areas of the managerial personnel.

4. It is affirmed that the remuneration is as per the Nomination & Remuneration Policy of the Company.

For and on behalf of the Board

Deepak C. Mehta

Chairman & Managing Director
(DIN: 00028377)

Place : Vadodara
Date : May 26, 2020

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

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

(₹ in Crores)

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

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

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

(₹ in Crores)

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

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

(₹ in Crores)

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

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

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

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

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

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

Place: Vadodara
Date: May 26, 2020

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

Annexure - G

Information required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 pertaining to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

(A) Conservation of Energy:

- (i) Steps taken or impact on conservation of energy:
- improvements in Flash steam and condensate recovery, chilling units efficiency improvements & air leakage survey in plant.
 - Processes improved to reduce utility and improve energy conservation.
 - Implementation of BEESAS (Boiler Efficiency & Environment Safety Automation System) to improve boiler efficiency.
 - Electrical heater in (AHU) Air Heater Unit sections is replaced by recovered flash steam.
- (ii) Steps taken for utilizing alternate sources of energy:
- Power generation by using back pressure turbine.
- (iii) Capital Investment on energy conservation equipments: ₹ 2.13 Crores

(B) Technology Absorption:

- (i) Efforts made towards technology absorption:
- Technology developed for import substituted products.
 - In-house Technology development cell for converting existing batch process into continuous process.
- (ii) Benefits derived like product improvement, cost reduction, product development or import substitution:
- Processes developed for import substituted products in the in-house Research & Development facility through Process Engineering Research & Innovation (PERI) Lab.
 - Continuous chemical processes developed to reduce raw materials consumption norms and by-products formation, also evaluated alternative routes to make cheaper and cleaner technologies.
- (iii) Information regarding technology imported, during the last 3 years: Nil
- (iv) Expenditure incurred on Research and Development:

(₹ in Crores)

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

(C) Foreign Exchange Earnings and Outgo:

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

(₹ in Crores)

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

For and on behalf of the Board

Place : Vadodara
Date : May 26, 2020

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