

ANNEXURE – C

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*	:	9/10, Kunj Society, Alkapuri, Vadodara -390 007, Gujarat, India
4	Website	:	www.deepaknitrite.com
5	Email Id	:	investor@deepaknitrite.com
6	Financial Year reported	:	April 1, 2017 to March 31, 2018
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) Sodium Nitrite 2) 2 Ethyl Hexyl Nitrate 3) Optical Brightening Agent
9	Total number of locations where business activity is undertaken by the Company	:	(a) Number of International Locations - 01 [#] (b) Number of National Locations - 07 [#] through wholly-owned subsidiary
10	Markets served by the Company	:	National and International

*Effective from June 1, 2018, the Registered Office of the Company will be shifted to Aaditya-I, Chhani Road, Vadodara – 390 024.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital (INR)	:	₹ 2,727.86 Lakhs
2	Total Turnover (INR)	:	₹ 1,47,922.97 Lakhs
3	Total profit after taxes (INR)	:	₹ 8,345.50 Lakhs
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	:	Company's total spending on CSR for the Financial Year 2017-18 is ₹ 225.00 Lakhs which is 2.70% of PAT.
5	List of activities in which expenditure in 4 above has been incurred:-		
	A. Health Care		
	<input type="checkbox"/> Comprehensive Emergency Obstetric Newborn Care Unit (CEmONC)		
	<input type="checkbox"/> Mobile Health Unit		
	<input type="checkbox"/> Help Desk Project		
	<input type="checkbox"/> Integrated Child Development Area (ICD)		
	<input type="checkbox"/> Deepak Occupational Health Center		
	<input type="checkbox"/> Setting up a De-addiction and Counseling Center		
	B. Skill Development/ Education		
	<input type="checkbox"/> Nandesari Vidyalay		
	<input type="checkbox"/> Home Health Aid Course		
	<input type="checkbox"/> Mobile Library		

SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company/ Companies?	:	Yes. The Company has 2 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.
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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 : Mr Umesh Asaikar
		c	Designation : Executive Director & CEO
b	Details of the BR head	a	DIN Number : 06595059
		b	Name : Mr Umesh Asaikar
		c	Designation : Executive Director & CEO
		d	Telephone Number : 0265-3960200
		e	Email ID : umesh@deepaknitrite.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

S. 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? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Policies mandated under the Companies Act, 2013 and 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, CSR 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 http://deepaknitrite.com/code-conduct.html . All other policies are available on the Company's internal network.								

S. No.	Question(s)	P1	P2	P3	P4	P5	P6	P7	P8	P9
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.deepaknitrite.com .								
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 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?	This is the first year of applicability of Business Responsibility Report to the Company. Henceforth, the Report shall be published annually by the Company. The Report can be viewed on the website of the Company www.deepaknitrite.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 behaviour and ensure compliance and adherence to law and internal policies through its compliance systems. The Board of Directors of the Company has also adopted a Code of Conduct ('Code') which applies to the Directors, Key Managerial Personnel and the senior management of the Company. The Company obtains an annual confirmation affirming compliance with the Code from the Directors, Key Managerial Personnel and the senior management every year.								
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 2017-18.								

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.	Sodium Nitrite 2 Ethyl Hexyl Nitrate Optical Brightening Agent								
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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 Company is in process to establish the procedures for sustainable sourcing including transportation. Currently, the Company expects its suppliers to abide by Responsible Care, ISO 9001 and ISO 14001 standards.
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?	While the Company has long term relationships and understandings with several suppliers, the Company do not have long term contractual agreements with majority of its suppliers. Raw material price fluctuations are mitigated through formula based pricing which typically have a fixed and a variable price component. The variable component is linked to the price of commodity in international markets.
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?	The Company gives preference to the manufacturers and service providers located near-by. It provides feedback to them to improve their capacity and capability particularly in the areas of manufacturing, health, safety and environment.
5.	Does the Company have a mechanism to recycle products and waste?	The Company has taken initiatives to recycle its wastes and is continuously striving to minimise the same. At present, it is recycling its wastes, wherever feasible. It also coordinates with various agencies for using such wastes as their inputs.

Principle 3: Businesses should promote the wellbeing of all employees

1.	Total number of Employees	There were 1392 permanent employees as on March 31, 2018.		
2.	Total number of employees hired on temporary/contractual/casual basis	There were 1408 employees hired on temporary/contract/casual basis as on March 31, 2018.		
3.	Number of permanent women employees.	There were 25 permanent women employees as on March 31, 2018.		
4.	Number of permanent employees with disabilities	There were 10 permanent employees with disabilities as on March 31, 2018.		
5.	Do you have an employee association that is recognized by management	Yes, The Company has recognised unions in Nandesari, Roha, Taloja and Hyderabad.		
6.	What percentage of your permanent employees is members of this recognized employee association?	24% 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 on 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	Employee imparted safety training	Employees imparted skill up - gradation training
	a.	Permanent Employees	90.88%	22.70%
	b.	Permanent Women Employees	100.00%	20.00%
	c.	Casual/Temporary/Contractual Employees	97.16%	39.99%
	d.	Employees with Disabilities	100.00%	100.00%

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?	The Company has mapped its internal and external stakeholders. They are community, consumers, customers, employees, Government, lenders, NGOs and the Shareholders.
2.	Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.	The Company has identified poor, tribals, women and children as marginalized and disadvantaged groups through needs assessment and engagement with local communities in and around the Company's manufacturing sites under its Corporate Social Responsibility (CSR) initiatives. 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 – D 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 Subsidiary and Contractors.
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 in the Financial Year 2017-18 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 and its Subsidiaries.
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 believes in responsible chemistry for a sustainable future through its commitment to the principles of Responsible Care®. The focus is on continuous improvement of safety, health, environment protection, energy and resources efficiency and social responsibility.
3.	Does the Company identify and assess potential environmental risks?	Yes. The Company has integrated Management System and Risk Management Committee to identify and assess potential environmental risks.
4.	Does the Company have any project related to Clean Development Mechanism? If Yes, whether any environmental compliance report is filed?	The Company does not have any Clean Development Mechanism Project.
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 environmental performance for its existing products and do thorough analysis for new products.
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 by the manufacturing facilities of the Company are within the permissible limits given by SPCB.
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 2017-18.

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, 2018, 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
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? If yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).	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?	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 2017-18 in pursuit of the CSR Policy has been given in Annexure - D 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, Deepak Foundation and Deepak Medical 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.	During the Financial Year 2017-18, the Company spent ₹ 225.00 Lakhs on various CSR initiatives, detailed in Annexure - D to the Directors' Report.
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?	Implementation of the CSR programmes/projects is ensured through site visits, obtaining periodic progress reports from Implementing Agency.

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 2017-18.
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 labeling 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 2017-18.
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

D. C. MEHTA

Chairman & Managing Director
(DIN: 00028377)

Place: Mumbai
Date: May 4, 2018