

REPORT ON CORPORATE GOVERNANCE

FOR THE YEAR ENDED MARCH 31, 2017

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Your Company's philosophy on Corporate Governance envisages the attainment of a high level transparency and accountability in the functioning of the Company and the efficient conduct of its business, including its interaction with employees, shareholders, depositors, creditors, consumers, financial institutions and other lenders. Accountability improves decision making and transparency helps to explain the rationale behind decisions which in turn helps in building confidence in the Company.

Your Company firmly believes that for a Company to succeed on a sustained basis, it must maintain global standards of Corporate Conduct. It also believes that Corporate Governance is not simply a matter of creating checks and balances; it is about creating an outperforming organisation, which leads to increasing employee and customer satisfaction.

2. BOARD OF DIRECTORS:

Composition and Category of Directors

As on March 31, 2017, the strength of the Board was eleven members comprising of four Executive Directors and seven Non-Executive Directors. Accordingly, the composition of Board is in conformity with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR' or 'Listing Regulations'). The Directors of the Company are highly experienced professionals in their fields and brings in a wide range of skills and experience to the Board.

The composition of the Board of Directors of the Company as on March 31, 2017 is as under:

Sr. No.	Category	Name of Director
I.	Promoter and Executive Directors	Shri Deepak C. Mehta <i>Chairman & Managing Director*</i> Shri Ajay C. Mehta <i>Managing Director</i>
II.	Executive Director	Shri Umesh Asaikar <i>Executive Director & CEO</i> Shri Maulik D. Mehta** <i>Whole-time Director</i>
III.	Non-Executive and Independent Directors	Shri Nimesh Kampani Shri Sudhin Choksey Shri Sudhir Mankad Dr. Richard H. Rupp Shri Sandesh Kumar Anand Dr. Swaminathan Sivaram Prof. Indira Parikh

* Elevated as Chairman & Managing Director w.e.f. August 5, 2016.

** Appointed as Whole-time Director w.e.f. May 9, 2016.

Board Meetings

During the year under review, five Board Meetings were held on May 9, 2016, August 4, 2016, October 26, 2016, February 14, 2017 and March 14, 2017. The maximum time gap between the two Board Meetings was not more than one hundred twenty days as prescribed under the Listing Regulations.

Attendance of Directors at the Board Meetings held during the year ended March 31, 2017, and at the last Annual General Meeting and the directorship, chairmanship and membership in committees of the Directors in other Companies as on March 31, 2017:

Name of the Director	No. of Board Meetings held during the year/ tenure of Director	No. of Board Meetings Attended	Attendance at Last AGM	No. of other Directorship Held	No. of Committee position in other Public Companies [Member (M)/ Chairman (C)]
Shri Deepak C. Mehta	5	5	YES	2	1(C) & 1(M)
Shri Ajay C. Mehta	5	4	NO	2	1(C) & 1(M)
Shri Maulik D. Mehta*	5	4	YES	-	-
Shri Nimesh Kampani	5	4	NO	7	1(C) & 6(M)
Shri Sudhin Choksey	5	5	YES	2	1(C) & 1(M)
Shri Sudhir Mankad	5	4	YES	8	1(C) & 4 (M)
Dr. Richard H. Rupp	5	2	YES	-	-
Shri S. K. Anand	5	5	YES	3	1(C) & 1(M)
Dr. S. Sivaram	5	5	YES	4	1(M)
Shri Umesh Asaikar	5	5	YES	-	-
Prof. Indira Parikh	5	4	NO	8	7(M)

* Appointed as Whole-time Director w.e.f. May 9, 2016.

- (1) Number of other directorships held by Directors as mentioned above excludes directorships in Private Limited Companies, Section 8 companies, Foreign Companies, Membership of Managing Committee of various chambers/bodies and alternate directorships.
- (2) In accordance with the provisions of the Listing Regulations, Memberships / Chairmanships of only Audit Committee and Stakeholders' Relationship Committee in all public limited companies (excluding Deepak Nitrite Limited) have been considered.

Selection of Independent Directors

The selection of eminent people for appointment as Independent Directors on the Board is considered by the Nomination and Remuneration Committee. The Committee, *inter alia*, considers qualification, positive attributes, area of expertise and number of Directorships and Memberships held in various committees of other companies by such person and recommend the same to the Board. The Board considers the Committee's recommendation and takes appropriate decision.

Disclosure of relationships between Directors inter-se

Shri Deepak C. Mehta and Shri Ajay C. Mehta are brothers. Shri Maulik D. Mehta is son of Shri Deepak C. Mehta, Chairman and Managing Director and nephew of Shri Ajay C. Mehta, Managing Director of the Company.

Familiarisation program for Independent Directors

The Company has conducted a Familiarisation Program for Independent Directors. The details for the same have been disclosed on the website of the Company at http://deepaknitrite.com/pdf/investor/DNL_Familiarisation%20program.pdf.

Performance Evaluation

The Nomination and Remuneration Committee of Directors has laid down criteria for performance evaluation of Independent Directors and the same has been approved by the Board of Directors. The criteria for performance evaluation of Independent Directors has been disclosed in the Directors' Report.

Separate Meeting of Independent Directors

As per requirements of the Secretarial Standard-1 on Meetings of Board of Directors, the Separate Meeting of Independent Directors is required to be held once in a Calendar Year.

The separate meeting of Independent Directors was held on August 5, 2016, *inter alia* to:

- Review performance of Non-Independent Directors and the Board of Directors as a whole;
- Review performance of the Chairman, taking into account the views of the Executive and Non-Executive Directors;
- Assess the quality, quantity and timelines of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

3. COMMITTEES OF BOARD OF DIRECTORS:

(i) Audit Committee:

Composition of Audit Committee

The Audit Committee comprises of the following members:

Name of Member	Designation	Category
Shri Sudhin Choksey	Chairman	Independent Director
Shri Sudhir Mankad	Member	Independent Director
Shri S. K. Anand	Member	Independent Director

The Committee's composition meets with requirements of Section 177 of the Companies Act, 2013 and Listing Regulations. All members of the Audit Committee are financially literate and Shri Sudhin Choksey possesses financial / accounting expertise.

The Statutory Auditors, Internal Auditors and other relevant Senior Management persons are invited to attend the meetings of Audit Committee. Shri Sudhin Choksey, Chairman of the Audit Committee, was present at the last Annual General Meeting held on August 5, 2016.

The Company Secretary acts as Secretary to the Committee.

Brief Description of Terms of Reference of the Audit Committee

The terms of reference of the Audit Committee are wide enough to cover the matters prescribed under the provisions of Section 177(4) and under Part C of Schedule II of the Listing Regulations viz. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company; Approval and subsequent modification of transactions of the Company with related parties; Scrutiny of Inter-Corporate Loans and Investments; Evaluation of Internal Financial Control and Risk Management Systems; Oversee the Vigil Mechanism; Monitoring the end use of funds raised through public offers and related matters; Recommend remuneration of Cost Auditor of the Company; Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible; Approval of payment to statutory auditors for any other services rendered by the statutory auditors; Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to: (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013; (b) Changes, if any, in accounting policies and practices and reasons for the same (c) Major accounting entries involving estimates based on the exercise of judgment by management (d) Significant adjustments made in the financial statements arising out of audit findings (e) Compliance with listing and other legal requirements relating to financial statements; (f) Qualifications in the draft audit report; Reviewing, with the management, the quarterly financial statements before submission to the Board for approval; Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take steps in this matter; Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process; Valuation of undertakings or assets of the Company, wherever it is necessary; Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems; Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit; Discussion with internal auditors of any significant findings and follow up thereon; Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board; Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to

ascertain any area of concern; To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors; To review the functioning of the Whistle Blower mechanism; Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.

Meetings and Attendance thereat

Four meetings of the Audit Committee were held during the year under review on May 9, 2016, August 4, 2016, October 25, 2016 and February 14, 2017.

Attendance at the Audit Committee Meetings was as under:

Name of Member	No. of Audit Committee Meetings held	No. of Audit Committee Meetings attended
Shri Sudhin Choksey	4	4
Shri Sudhir Mankad	4	4
Shri S. K. Anand	4	4

(ii) Nomination and Remuneration Committee:

Composition

The Nomination and Remuneration Committee comprises of the following members:

Name of Member	Designation	Category
Shri Sudhir Mankad	Chairman	Independent Director
Shri S. K. Anand	Member	Independent Director
Shri Sudhin Choksey	Member	Independent Director
*Prof. Indira Parikh	Member	Independent Director

* Prof. Indira Parikh was inducted as member of the Nomination and Remuneration Committee w.e.f. May 9, 2016.

The Committee's composition meets with the requirements of Section 178 of the Companies Act, 2013 and requirements of the Listing Regulations.

The Company Secretary acts as Secretary to the Committee.

Terms of Reference

The terms of reference of the Nomination and Remuneration Committee are as under:

- to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and carry out evaluation of every Director's performance.
- to formulate 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 other employees.
- such other functions as may be prescribed under the Companies Act, 2013 and Rules made thereunder and the Listing Regulations.

Meetings and Attendance thereat

During the financial year 2016-17, the Nomination and Remuneration Committee met on May 9, 2016 and all the Members of the Committee as on that date, were present at the said meeting.

Shri Sudhir Mankad, Chairman of the Nomination and Remuneration Committee, was present at the previous Annual General Meeting of the Company held on August 5, 2016.

(iii) Stakeholders' Relationship & Investors Grievance Committee:

Composition

The Stakeholders' Relationship & Investors Grievance Committee comprises of the following Directors:

Name of Member	Designation	Category
Shri S. K. Anand	Chairman	Independent Director
Shri Ajay C. Mehta	Member	Managing Director
Shri Umesh Asaikar	Member	Executive Director

Shri Arvind Bajpai, Company Secretary, is the Compliance Officer.

Terms of Reference

The brief terms of reference of the Committee are to look into redressal of complaints like transfer of shares, non receipt of dividends, non-receipt of Annual Report etc. received from Shareholders/Investors, and improve the efficiency in stakeholders and investors services, wherever possible.

Investors Grievance

Continuous efforts are being made to ensure that investor's grievances are expeditiously redressed to the satisfaction of the investors.

The Company and Link Intime India Pvt. Ltd. (Registrar & Share Transfer Agent) attend to all the grievances of the investors promptly on their receipt, whether received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs etc.

Status of Shareholders' Complaints during the Financial Year 2016-17:

Number of Pending Complaints at the beginning of the Financial Year	Nil
Number of Complaints received during the Financial Year	07
Number of Complaints resolved during the Financial Year	06
Number of Complaints not solved to the satisfaction of Shareholders	Nil
Number of Complaints pending at the end of the Financial Year	01

Meetings and Attendance thereat

During the financial year 2016-17, no meeting of the Stakeholders' Relationship & Investors Grievance Committee was held.

(iv) Corporate Social Responsibility Committee:

Composition

Pursuant to the requirement of Section 135 of the Companies Act, 2013, a duly constituted Corporate Social Responsibility Committee is in place.

The Corporate Social Responsibility Committee comprises of the following members:

Name of Member	Designation	Category
Shri Sudhir Mankad	Chairman	Independent Director
Dr. S. Sivaram	Member	Independent Director
Shri Deepak C. Mehta	Member	Chairman & Managing Director
Shri Umesh Asaikar	Member	Executive Director & CEO

Terms of Reference

The terms of reference of Corporate Social Responsibility Committee are as under:

- To formulate and recommend to the Board a Corporate Social Responsibility Policy ("CSR Policy").
- Recommend the amount of expenditure to be incurred on the activities listed in CSR Policy.
- Monitor the CSR Policy of the Company from time to time.



- Such other roles and functions as may be prescribed in the Companies Act, 2013 and Rules made thereunder.

Report on CSR activities

As required under the Companies Act, 2013 and Rules made thereunder, the information on the CSR activities undertaken by the Company during the year ended March 31, 2017 is annexed to the Directors' Report.

Meetings and Attendance thereat

During the financial year 2016-17, the Corporate Social Responsibility Committee met on May 5, 2016 and all the Members of the Committee, were present at the said meeting. Presentations on progress of the approved CSR activities were made regularly to the Chairman & Managing Director and to the CEO of the Company.

(v) Project Committee:

Composition

A Project Committee has been constituted by the Board which meets from time to time to review projects.

The Project Committee comprises of the following Directors:

Name of Member	Designation	Category
Shri S. K. Anand	Chairman	Independent Director
Dr. Richard H. Rupp	Member	Independent Director
Dr. S. Sivaram	Member	Independent Director

Terms of Reference

The Project Committee is constituted *inter alia* to evaluate the proposed projects / expansion plans and recommend them to the Board for approval and also to review the progress of ongoing projects.

Meetings and Attendance thereat

During the financial year 2016-17, no meeting of the Project Committee was held. The Company undertook several initiatives of De-bottlenecking and small capacity additions during the year. However the same were below the threshold limit defined in the terms of reference of the Project Committee. These capexes are approved by Chairman & Managing Director, CEO and CFO of the Company.

(vi) Risk Management Committee:

Composition

The Company has a comprehensive Risk Management Framework and the same is periodically reviewed by the Board of Directors of the Company. A Risk Management Committee has been constituted by the Board to monitor and review the Risk Management Framework of the Company.

The Risk Management Committee comprises of the following Directors & Officers:

Name of Member	Designation	Category
Shri Deepak C. Mehta	Chairman	Chairman & Managing Director
Shri S. K. Anand	Member	Independent Director
Shri Umesh Asaikar	Member	Executive Director & CEO
Shri Sanjay Upadhyay	Member	Chief Financial Officer
Dr. P. K. Garg	Member	President – BC

Terms of Reference

The terms of reference of the Risk Management Committee are *inter alia* to ensure that appropriate methodology, processes and systems are in place to monitor, evaluate and report risks associated with the business of the Company; to review the adequacy of the existing measures in place to mitigate risks covering various functions of the Company; to evaluate and approve mitigation measures that may be recommended by the Risk Manager(s) in respect of any function and review the action taken for its implementation on an ongoing basis; to review and recommend to the Board, amendment of any of the provisions of the Risk Management Framework.

(vii) Project Funding Committee:

A Project Funding Committee of Directors has been constituted to review and evaluate the proposals for funding of the Phenol Project as may be submitted to the Committee from time to time and recommend the same for approval of the Board. The Project Funding Committee comprises of the following Directors:

Name of Member	Designation	Category
Shri Nimesh Kampani	Chairman	Independent Director
Shri S. K. Anand	Member	Independent Director
Shri Sudhin Choksey	Member	Independent Director
Shri Deepak C. Mehta	Member	Chairman & Managing Director
Shri Umesh Asaikar	Member	Executive Director & CEO

Meetings and Attendance thereat

Four meetings of the Project Funding Committee were held during the year under review, two meetings on February 28, 2017 and one each on March 4, 2017 and March 7, 2017.

Attendance at the Project Funding Committee Meetings were as under:

Name of Member	No. of Project Funding Committee Meetings held	No. of Committee Meetings attended
Shri Nimesh Kampani	4	0
Shri S. K. Anand	4	4
Shri Sudhin Choksey	4	0
Shri Deepak C. Mehta	4	4
Shri Umesh Asaikar	4	4

4. REMUNERATION OF DIRECTORS:

The Company's Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other employees is annexed as Annexure D to the Directors' Report. The said Policy is directed towards rewarding performance based on review of achievements periodically and is in consonance with the existing industry practice.

The details of Managing Directors', Executive Director's and Whole-time Director's Remuneration for the Financial Year 2016-17 are as under:

(Figures ₹ in Lakhs)

Name	Salary	Perquisites & Allowances	Retirement Benefits	Commission / Variable Pay	Total
Shri Deepak C. Mehta	236.83	31.11	38.17	26.00	332.11
Shri Ajay C. Mehta	43.32	17.40	11.45	26.00	98.17
Shri Umesh Asaikar	228.37	43.42	43.90	72.13	387.82
Shri Maulik D. Mehta*	41.73	8.17	7.31	18.14	75.35

* Appointed as Whole-time Director w.e.f. May 9, 2016.

Service contracts with Chairman & Managing Director and Managing Director are for a period of five years from the date of their respective appointments sans notice period. The appointment of Executive Director and Whole-time Director are for a period of five years from the date of their respective appointments with notice period of 3 months. Shri Ajay C. Mehta, Shri Umesh Asaikar and Shri Maulik D. Mehta are liable to retire by rotation.

There is no provision for payment of severance fees.

The Company does not have any Stock Options Scheme.

The remuneration of Managing Directors comprises of salary, allowances, perquisites and other benefits. In addition, the Managing Directors are also 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 Companies Act, 2013.



The remuneration of Executive Directors comprise of fixed pay and variable pay. The variable pay ranges from 80% to 125% of the variable pay fixed for a particular Financial Year based on the performance rating depending upon their individual and also the Company's performance as per policy of the Company.

The Non-Executive Directors of the Company are paid sitting fees for attending the meetings of the Board or Committees thereof. Apart from the sitting fees, the Non-Executive Directors are also paid commission not exceeding 1% of the Net Profits of the Company for the particular year, computed in accordance with the provisions of Companies Act, 2013. The amount of Commission is determined on the basis of the attendance of the Non-Executive Director at the Board, Committee or General Meeting(s) of the Company during the particular year, the number of memberships/chairmanships held of Committees of the Board and the time devoted on various matters of the Company.

The details of remuneration paid/payable to Non-Executive Directors for the Financial Year 2016-17 are as under:

(Figures in ₹)

	Sitting Fees	Commission	Total
Shri C. K. Mehta*	60,000	1,00,000	1,60,000
Shri Nimesh Kampani	1,20,000	4,00,000	5,20,000
Shri Sudhin Choksey	3,15,000	6,00,000	9,15,000
Shri Sudhir Mankad	3,00,000	6,00,000	9,00,000
Dr. Richard H. Rupp	90,000	5,00,000	5,90,000
Shri S. K. Anand	3,90,000	6,00,000	9,90,000
Dr. S. Sivaram	1,95,000	3,50,000	5,45,000
Prof. Indira Parikh	1,20,000	2,50,000	3,70,000

* Retired from Directorship of the Company w.e.f. August 5, 2016.

The details of Equity Shares of the Company held by Non-Executive Directors as on March 31, 2017 are as under:

Sr. No.	Name of Non-Executive Director	No. of shares held
1	Shri Nimesh Kampani	Nil
2	Shri Sudhin Choksey	Nil
3	Shri Sudhir Mankad	Nil
4	Dr. Richard H. Rupp	Nil
5	Shri S. K. Anand	Nil
6	Dr. S. Sivaram	Nil
7	Prof. Indira Parikh	Nil

5. GENERAL BODY MEETINGS :

Details of last three Annual General Meetings held:

Meeting	Date	Time	Venue	No. of Special Resolution Passed
43 rd AGM	August 8, 2014	10:30 A.M.	Hotel Surya Palace, Sayajigunj, Vadodara 390 005	4
44 th AGM	August 7, 2015	10:30 A.M.	Hotel Surya Palace, Sayajigunj, Vadodara 390 005	-
45 th AGM	August 5, 2016	10:30 A.M.	Hotel Surya Palace, Sayajigunj, Vadodara 390 005	-

Postal Ballot conducted during the year and procedure thereof:

During the year under review and upto the date of this Report, Postal Ballot exercise was undertaken in the month of September 2016 and result of the Postal Ballot was declared on October 7, 2016. The details and voting pattern of the Resolution(s) passed through the said Postal Ballot exercise are as under:

Sr. No.	Resolution	Special / Ordinary	No. of Valid votes received	No. and % of Votes in Favour	No. and % of Votes Against
1	Issue of Equity shares through QIP for an aggregate amount not exceeding ₹ 150 crores.	Special	81935008	81910376 (99.97%)	24,632 (0.03%)

The Company had provided e-voting facility as an alternate, to its Members to enable them to cast their vote electronically. Shri Dinesh Joshi, Practicing Company Secretary, Partner of M/s. KANJ & Associates, Company Secretaries, Pune was the Scrutinizer for the Postal Ballot exercise.

No Special Resolution is proposed to be conducted through Postal Ballot.

6. DISCLOSURE:

Related Party Transactions

During the year, there were no materially significant Related Party Transactions of the Company which have potential conflict with the interests of the Company at large. However, some transactions on arm's length basis were entered into by the Company with the Related Parties. Disclosure on Related Party Transactions as per Accounting Standard 18 issued by The Institute of Chartered Accountants of India, are given in Note No. 32 in the Notes to the Financial Statements for the year ended March 31, 2017.

The Board has approved a policy on materiality of Related Party Transactions which has been uploaded on the Company's website.

The weblink to the said policy is as under:

http://deepaknitrite.com/pdf/investor/DNL_Policy%20on%20Materiality%20of%20Related%20Party%20Transactions.pdf

Details of non-compliance

There is no non-compliance by the Company nor any penalty or stricture imposed on the Company by any Stock Exchanges, SEBI or any other statutory authority on any matter relating to capital markets during the last three years.

Whistle Blower Policy

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has established a vigil mechanism for Directors and employees to report concern about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. During the year under review, no personnel was denied access to the Audit Committee.

The Whistle Blower Policy is placed on the website of the Company and weblink to the same is as under:

http://deepaknitrite.com/pdf/investor/DNL_Whistle%20Blower%20Policy.pdf

Details of Compliance with Mandatory requirements and adoption of Non-mandatory / discretionary requirements:

The Company has complied with all the mandatory requirements of the Listing Regulations.

Policy for Material Subsidiaries

In accordance with the provisions of the Listing Regulations, the Company has framed a policy for Material Subsidiaries in order to determine the Material Subsidiaries and to provide governance framework for such subsidiaries. The said policy has been placed on the website of the Company and weblink to the same is as under:

http://deepaknitrite.com/pdf/investor/DNL_Policy%20on%20Material%20Subsidiaries.pdf

Disclosure of Commodity price risks and commodity hedging activities:

Please refer to Management Discussion & Analysis report

The Company has complied with the Corporate Governance Requirements specified in Regulations 17 to 27 and Regulation 46.

Details of Directors seeking appointment or re-appointment:

The details of Directors seeking appointment or re-appointment forms part of Notes to the Notice convening the 46th Annual General Meeting of the Company.



Demat Suspense Account – Unclaimed Share Certificates

In terms of the provisions of the Listing Regulations, the Company has transferred the shares issued pursuant to the public issues or any other issue, the certificates of which remained unclaimed, to an Unclaimed Suspense Account and these shares are being held by the Company in Demat form on behalf of the beneficial owners of the said shares.

The disclosures with respect to the Demat Suspense Account are as under:

Particulars	Number of Shareholders	Number of Shares
Aggregate Number of Shareholders and the outstanding shares in the suspense account lying at the beginning of the year:	314	342940
Number of Shareholders who approached the Company for transfer of shares from suspense account during the year	2	2900
Number of Shareholders to whom shares were transferred from suspense account during the year	2	2900
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	312	340040

The voting rights on these shares shall remain frozen till rightful owner of such shares claims the shares.

7. MEANS OF COMMUNICATION:

The Quarterly and Half yearly results are published in widely circulating national and local dailies such as, The Economic Times (English and Gujarati); The Indian Express and The Financial Express (English and Gujarati). These are not sent individually to the shareholders.

The Company's results are displayed on the Company's website at www.deepaknitrite.com. The website also displays official news releases.

Presentation(s) were made to the institutional investors and to the Analysts during the year under review.

8. CODE OF CONDUCT:

The Company has framed and adopted a Code of Conduct for the members of the Board and the Senior Management ("the Code") in terms of requirements of the Listing Regulations. The Code has been circulated to all the members of the Board and Senior Management and the same is also posted on the Company's website at www.deepaknitrite.com. The Code lays down the general principles designed to guide all Directors and members of the Senior Management for ethical conduct of business and compliance of laws.

All Directors and members of the Senior Management have affirmed their adherence to the provisions of the Code. A declaration to that effect signed by the Chief Executive Officer is given below:

DECLARATION

As per requirements of the Listing Regulations, this is to confirm that all the members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the financial year 2016-17.

Mumbai
April 28, 2017

Umesh Asaikar
Chief Executive Officer

9. CEO / CFO CERTIFICATION:

The Chief Executive Officer and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of requirements of the Listing Regulations. The Chief Executive Officer and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board.

10. GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting:

Day & Date	: Monday, June 26, 2017
Time	: 10:30 a.m.
Venue	: Hotel Surya Palace, Opp. Parsi Agiyari, Sayajigunj, Vadodara 390 005.
Financial Year	: April 1 to March 31
Date of Book Closure	: Monday, June 19, 2017 to Friday, June 23, 2017 (both days inclusive)
Dividend payment date	: Within the statutory time limit of 30 days, subject to Shareholders' approval.

Financial Calendar:

Results for the Quarter ending	Tentative Time of Reporting
June 30, 2017	On or before August 14, 2017
September 30, 2017	On or before November 14, 2017
December 31, 2017	On or before February 14, 2018
Audited Annual Accounts for the year ended March 31, 2018	On or before May 30, 2018

Listing on Stock Exchanges:

The Company's Equity Shares are listed on the following Stock Exchanges:

Name: BSE Limited (BSE)

Address: 25th Floor, P J Tower, Dalal Street, Mumbai - 400 001.

Name: National Stock Exchange of India Limited (NSE)

Address: Exchange Plaza, Bandra Kurla Complex, Bandra (E) Mumbai - 400 051.

Listing fees for Financial Year 2017-18 have been paid to both the Exchanges. The Securities of the Company have not been suspended from trading during the Financial Year.

Stock Code for Equity Shares (BSE): 506401

Stock Symbol for Equity Shares (NSE): DEEPAKNTR

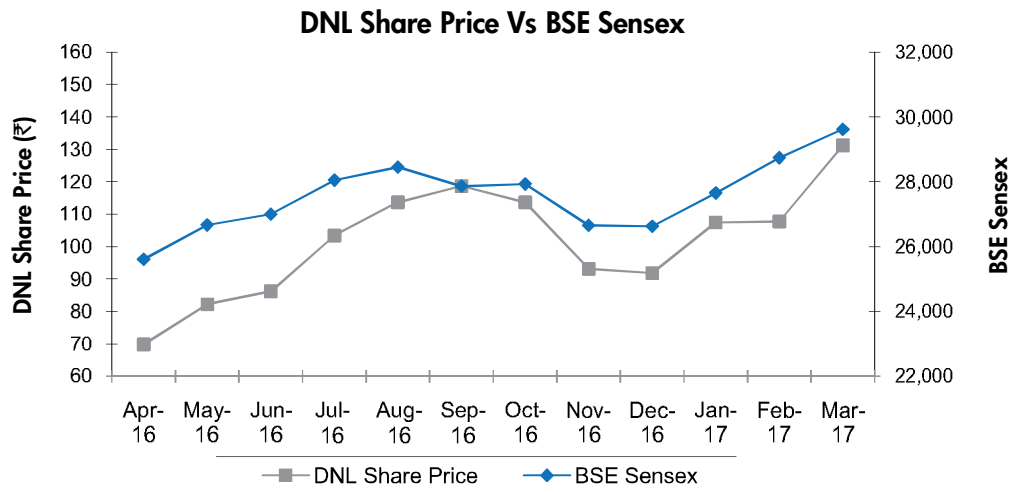
ISIN Number for Equity Shares (NSDL & CDSL): INE288B01029

Market Price Data of Equity Shares:

Monthly High & Low during the Financial Year 2016-17 at BSE and NSE:

Month	Bombay Stock Exchange		National Stock Exchange	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2016	72.30	65.00	72.20	65.10
May, 2016	88.65	68.75	90.00	69.00
June, 2016	89.50	80.00	89.50	80.20
July, 2016	106.50	86.10	106.65	85.45
August, 2016	117.80	98.55	117.00	98.80
September, 2016	134.25	108.70	134.00	108.35
October, 2016	131.90	107.65	131.90	108.00
November, 2016	116.00	88.20	117.90	87.00
December, 2016	108.00	75.80	109.40	75.75
January, 2017	113.80	90.00	113.90	90.20
February, 2017	112.70	97.00	113.00	96.90
March, 2017	132.00	107.00	132.45	107.10

Source: Respective Websites of BSE and NSE.



Distribution of Shareholding as on March 31, 2017:

Range	No. of Holders	%	No. of Shares	%
1 – 500	11239	67.12	1820840	1.39
501 – 1000	1918	11.45	1625972	1.24
1001 – 5000	2689	16.06	6466606	4.95
5001 – 10000	522	3.12	3657967	2.80
10001 & above	376	2.25	117139881	89.62
TOTAL	16744	100.00	130711266	100.00

Shareholding Pattern as on March 31, 2017:

Category of Shareholders	No. of Shares	% to Equity Capital
Promoter & Promoter Group	60812361	46.52
Mutual Funds	14357243	10.98
Financial Institutions, Banks	786924	0.60
Foreign Portfolio Investors	18840153	14.41
Bodies Corporate	13023178	9.97
Non Resident Individuals	409494	0.31
Resident Individuals	21281239	16.28
Others	1200674	0.93
TOTAL	130711266	100.00

The Company has not issued any GDRs/ADRs.

Dematerialisation of Equity Shares:

Electronic holding by Members comprises 98.58 % of the paid up Equity Capital of the Company as on March 31, 2017 held through National Securities Depository Limited and Central Depository Services (India) Limited.

Share Transfer System:

Share transfers are processed and Share Certificates duly endorsed are delivered within a period of 15 days from the date of receipt, subject to documents being valid and complete in all respects. All requests for dematerialisation of securities are processed and the confirmation is given to the depositories within 15 days.

Pursuant to Regulation 40(9) of the Listing Regulations, certificates, on half yearly basis have been issued by a Company Secretary-in-Practice for due compliance of Share transfer formalities by the Company. Pursuant to SEBI (Depositories and Participants) Regulation, 1996, certificates have been received from a Company Secretary-in-Practice for timely dematerialisation of Shares and for reconciliation of the Share Capital of the Company on a quarterly basis.

Registrar and Share Transfer Agent:**Contact details of Link Intime India Private Limited:****Mumbai Office:**

C-101, 247 Park, L.B.S. Marg,
Vikhroli (W),
Mumbai - 400078.
Tel: 022 - 49186270
Toll free number: 1800 2208 78
Email: rnt.helpdesk@linkintime.co.in

Vododara Office:

B-102-103, Shangrila Complex,
1st Floor, Opp. HDFC Bank,
Near Radhakrishna Chhar Rasta,
Akota, Vadodara 390020.
Tel: 0265 - 2356 573 / 2356 794
Fax: 0265 - 2356 791
E-mail : vadodara@linkintime.co.in

Address for Correspondence and Investor Assistance:

Deepak Nitrite Limited
9/10, Kunj Society
Alkapuri
Vadodara – 390 007
Contact Person: Mr. Shailesh Vaidya

Telephone Numbers : 0265 - 2351 013 / 2334 481
Fax No. : 0265 - 2330 994
E-mail : investor@deepaknitrite.com
Website : www.deepaknitrite.com

Shareholders holding shares in electronic mode should address all their correspondence related to change of address or bank details or NECS mandate to their respective Depository Participants.

Unclaimed/Unpaid Dividend:

As per the provisions of Section 124 of the Companies Act, 2013, the Company is required to transfer unclaimed dividends, matured deposits and interest accrued thereon remaining unclaimed and unpaid for a period of seven years from the due date to the Investor Education and Protection Fund (IEPF) set by the Central Government.

Given below are the due dates for transfer of unclaimed and unpaid dividend to the Investors Education & Protection Fund (IEPF) by the Company:

Financial Year	Dividend Payment Date	Proposed Date for transfer to IEPF*
2009-2010	August 5, 2010	August 4, 2017
2010-2011	August 10, 2011	August 9, 2018
2011-2012	August 9, 2012	August 8, 2019
2012-2013	August 5, 2013	August 4, 2020
2013-2014	August 11, 2014	August 10, 2021
2014-2015	August 10, 2015	August 9, 2022
2015-2016	August 8, 2016	August 7, 2023

* Indicative dates, actual date may vary.

Commodity Price risk or Foreign Exchange risk and hedging activities: Please refer to the Management Discussion and Analysis Report.

During the year ended March 31, 2017, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The details of foreign currency exposure are disclosed in Note No. 37 to the Annual Accounts.

**Plant Locations:**

1. Nitrite & Nitroaromatics Division 4/12 GIDC Chemical Complex Nandesari - 391 340. Dist. Vadodara	3. APL Division Plot Nos. 1, 2, 26 & 27 MIDC Dhatav, Roha - 402 116, Dist. Raigad
2. Taloja Chemical Division Plot Nos. K/9-10, MIDC Taloja, Dist. Raigad - 410 208	4. Hyderabad Specialities Division : Plot Nos. 70-A & B, 90-F/110-A & 22, Phase I, Industrial Development Area, Jedimetla, Tal. Qutbyullapur Mandal, Dist. Ranga Reddy, Hyderabad 500 055
5. Dahej Division: 12/B-2, GIDC, Dahej, Dist. Bharuch, Gujarat – 392 130	

Certificate of Compliance with the Corporate Governance Requirements

To,

The Members,
Deepak Nitrite Limited,
9/10, Kunj Society, Alkapuri,
Vadodara 390007,
Gujarat.

We have examined the compliance of conditions of Corporate Governance by DEEPAK NITRITE LIMITED ("the Company") having CIN L24110GJ1970PLC001735 for the financial year ended March 31, 2017 as per the relevant provisions of Securities And Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression on financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations, as applicable.

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Pune
Date: April 27, 2017

Dinesh Joshi
Partner,
KANJ & Associates,
Company Secretaries
FCS No: 3752
C P No: 2246