

# Report On Corporate Governance for the year ended March 31, 2015

## 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 of Board

The Board of Directors is headed by the Non-Executive Chairman. As on March 31, 2015, the strength of the Board was eleven members comprising of three Executive Directors and eight Non-Executive Directors. Out of Eight Non-Executive Directors, Seven are Independent Directors including Prof. Indira Parikh. Accordingly, the composition of Board is in conformity with the code of Corporate Governance under the Listing Agreement with the Stock Exchanges. 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, 2015 is as under:

Sr. No.	Category	Name of Director
I.	Promoter and Non-Executive Director	Shri Chimanlal K. Mehta <i>Chairman</i>
II.	Promoter and Executive Directors	Shri Deepak C. Mehta <i>Vice Chairman &amp; Managing Director</i>  Shri Ajay C. Mehta <i>Managing Director</i>
III.	Executive Director	Shri Umesh Asaikar
IV.	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

### Board Meetings

During the year under review, six Board Meetings were held on May 2, 2014, June 23, 2014, August 7, 2014, November 7, 2014, January 22, 2015 and March 4, 2015. The maximum time gap between the two Board Meetings was not more than one hundred twenty days as prescribed under the Listing Agreement with the Stock Exchanges.

Attendance of Directors at the Board Meetings, last Annual General Meeting and their directorship, chairmanship and membership in committees of other Companies as on March 31, 2015:

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 C. K. Mehta	6	5	YES	1	-
Shri D. C. Mehta	6	6	YES	2	1 (C)
Shri A. C. Mehta	6	6	YES	2	1 (C) & 1 (M)
Shri Nimesh Kampani	6	5	YES	7	2 (C) & 3 (M)
Shri Sudhin Choksey	6	6	YES	2	1 (C) & 1 (M)
Shri Sudhir Mankad	6	6	YES	9	2 (C) & 3 (M)
Dr. R. H. Rupp	6	3	YES	-	-
Shri S. K. Anand	6	6	YES	2	-
Dr. S. Sivaram	6	5	NO	4	2 (M)
Shri Umesh Asaikar	6	6	YES	-	-
Prof. Indira Parikh*	3	2	NA	8	6 (M)

\* Prof. Indira Parikh was appointed as Additional Director w.e.f. August 9, 2014.

Note:

- (1) Number of 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 Clause 49 of the Listing Agreement, 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.

### 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](http://deepaknitrite.com/pdf/investor/DNL_Familiarisation%20program.pdf).

### Performance Evaluation

A duly constituted 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

A separate meeting of Independent Directors was held on March 4, 2015, 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.

All Independent Directors were present at the meeting.

### 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 Clause 49 of the Listing Agreement. 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 8, 2014.

The Company Secretary acts as Secretary to the Committee.

##### Terms of Reference

The terms of reference of the Audit Committee are wide enough to cover the matters prescribed under provisions of section 177(4) and clause 49(III)(D) of the Listing Agreement 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 utilized 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 up steps in this matter; Review and monitor 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 thereof

Four meetings of the Audit Committee were held during the year under review. The meetings of the Audit Committee were held on May 1, 2014, August 7, 2014, November 6, 2014 and January 21, 2015.

Attendance of each Director at the Audit Committee Meetings were 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

The Committee's composition meets with the requirements of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

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 Agreement with the Stock Exchanges.

**Meetings and Attendance thereof**

During the financial year 2014-15, the Nomination and Remuneration Committee met on May 1, 2014, August 7, 2014, January 22, 2015 and March 4, 2015 and all the Members of the Committee were present at the said meetings. Shri Sudhir Mankad, Chairman of the Nomination and Remuneration Committee, was present at the previous Annual General Meeting of the Company held on August 8, 2014.

**(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 A. 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 more expeditiously redressed to the satisfaction of the investors.

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

The details of complaints received and resolved during the Financial Year ended March 31, 2015 were as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
Nil	1	1	Nil

**(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 D. C. Mehta	Member	Vice Chairman & Managing Director
Shri Umesh Asaikar	Member	Executive Director

**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, 2015 is annexed to the Directors' Report.

**(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. R. H. Rupp	Member	Independent Director
Dr. S. Sivaram	Member	Independent Director

Shri Sudhir Mankad ceased to be a member of the Project Committee w.e.f. November 7, 2014.

**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.

**(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 D. C. Mehta	Chairman	Vice Chairman & Managing Director
Shri S. K. Anand	Member	Independent Director
Shri Umesh Asaikar	Member	Executive Director
Shri Sanjay Upadhyay	Member	Chief Financial Officer
Shri P. K. Garg	Member	President - BCC

### 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.

#### 4. REMUNERATION TO 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 Remuneration for the Financial Year 2014-15 are as under:

Name	Salary & Allowances	Perquisites	Retirement Benefits	Commission / Variable Pay	(₹ in Lacs)
					Total
Shri D. C. Mehta	48.55	20.16	11.45	188.17	268.33
Shri A. C. Mehta	35.34	14.98	9.33	188.17	247.82
Shri Umesh Asaikar	170.37	28.15	26.02	75.00	299.54

Service contracts with Vice 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 is for a period of five years from the date of his appointment with notice period of 3 months. Shri A. C. Mehta and Shri Umesh Asaikar 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 Director comprises 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 his 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 2014-15 are as under:

	Sitting Fees	Commission	Total
Shri C. K. Mehta	1,40,000	3,00,000	4,40,000
Shri Nimesh Kampani	1,85,000	3,50,000	5,35,000
Shri Sudhin Choksey	3,77,000	5,50,000	9,27,000
Shri Sudhir Mankad	4,19,000	5,50,000	9,69,000
Dr. R. H. Rupp	1,10,000	3,00,000	4,10,000
Shri S. K. Anand	4,22,000	5,50,000	9,72,000
Dr. S. Sivaram	2,27,000	3,00,000	5,27,000
Prof. Indira Parikh	90,000	1,00,000	1,90,000

The details of Equity Shares of the Company held by Non-Executive Directors as on March 31, 2015 are as under:

Sr. No.	Name of Non-Executive Director	No. of shares held
1	Shri C. K. Mehta	86430*
2	Shri Nimesh Kampani	Nil
3	Shri Sudhin Choksey	Nil
4	Dr. R. H. Rupp	Nil
5	Shri Sudhir Mankad	Nil
6	Shri S. K. Anand	Nil
7	Dr. S. Sivaram	Nil
8	Prof. Indira Parikh	Nil

\* Includes 8040 shares held as a Karta of HUF

## 5. GENERAL BODY MEETINGS :

Details of last three Annual General Meetings held:

Meeting	Date	Time	Venue	No. of Special Resolution Passed
41 <sup>st</sup> AGM	August 4, 2012	10:30 A.M.	Hotel Surya Palace, Sayajigunj, Vadodara 390 005	-
42 <sup>nd</sup> AGM	August 2, 2013	10:30 A.M.	Hotel Surya Palace, Sayajigunj, Vadodara 390 005	-
43 <sup>rd</sup> AGM	August 8, 2014	10:30 A.M.	Hotel Surya Palace, Sayajigunj, Vadodara 390 005	4

Postal Ballot conducted during the year and procedure thereof:

During the year under review and upto the date of this Report, two Postal Ballot exercises were undertaken. The first one was undertaken in the month of May 2014 and result of the Postal Ballot was declared on June 11, 2014. The details and voting pattern of the Resolutions 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	Sub-division of Equity Shares of ₹ 10/- each into 5 Equity Shares of ₹ 2/- each.	Ordinary	7393420	7393304 (99.999%)	116 (0.001%)
2	Amendment to Clause V of Memorandum of Association of the Company.	Special	7384495	7383663 (99.988%)	832 (0.012%)
3	Issue of Bonus Shares by capitalization of Reserves/ Securities Premium Account.	Special	7376935	7376910 (99.999%)	25 (0.001%)
4	Authorisation for Borrowings under section 180(1) (c) of the Companies Act, 2013	Special	7385535	7383703 (99.98%)	1832 (0.02%)
5	Creation of Security under section 180(1)(a) of the Companies Act, 2013	Special	7383842	7382518 (99.98%)	1324 (0.02%)

The second Postal Ballot exercise was undertaken in the month of March 2015 and result of the Postal Ballot was declared on April 28, 2015. The details and voting pattern of the Resolutions 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 of face value of ₹ 2/- each for an aggregate amount not exceeding ₹ 200 crores through Qualified Institutional Placement	Special	71482795	71440050 (99.94%)	42,745 (0.06%)
2	Re-appointment of Shri Ajay C. Mehta as Managing Director for further period of 5 years with effect from December 1, 2014 and remuneration payable to him.	Special	71622720	71608464 (99.98%)	14,256 (0.02%)

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 both the Postal Ballot exercises.

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

## 6. DISCLOSURE:

### Related Party Transactions

There are no materially significant Related Party Transactions of the Company which have potential conflict with the interests of the Company at large. However, normal trade transactions, in the ordinary course of business and on arm's length basis or for which shareholders' approval were obtained, 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, 2015.

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](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 in 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 employee 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](http://deepaknitrite.com/pdf/investor/DNL_Whistle%20Blower%20Policy.pdf)

### Adoption of Mandatory and Non-mandatory requirements of Clause 49

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement. The Company has adopted Non-Mandatory requirements to the extent that it has separate posts of Chairman and CEO.

### Disclosure of relationships between Directors inter-se

Shri C. K. Mehta is the father of Shri D. C. Mehta and Shri A. C. Mehta. None of the other Directors have any relationships inter-se.

### Policy for Material Subsidiaries

In accordance with the provisions of Clause 49 of the Listing Agreement, the Company has formed 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](http://deepaknitrite.com/pdf/investor/DNL_Policy%20on%20Material%20Subsidiaries.pdf)

### Details of Directors seeking appointment or re-appointment:

The details of Directors seeking appointment or re-appointment form part of Notes to the Notice convening the ensuing Annual General Meeting.

### Unclaimed Share Certificates

In terms of the provisions of Clause 5A of the Listing Agreement, the Company is required to transfer the shares issued pursuant to the public issues or any other issue, the certificates of which remained unclaimed, to an Unclaimed Suspense Account to be opened by the Company for this purpose. However, before transferring the Shares to the Unclaimed Suspense Account, the Company is required to send three reminders to the concerned shareholders.

The Company has initiated the process and two reminders to the Shareholders have been sent. All the corporate benefits accruing on such Shares viz. bonus, share splits etc. shall be credited to such Unclaimed Suspense Account. The voting rights on such Shares shall remain frozen till the rightful owner 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](http://www.deepaknitrite.com)

No presentations were made to the institutional investors; however, presentations were made to Analysts and Brokerage Firms 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 Clause 49 of the Listing Agreement. 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](http://www.deepaknitrite.com). The Code lays 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 Vice Chairman & Managing Director is given below:

DECLARATION	
As per Clause 49 of the Listing Agreement with Stock Exchanges, 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 2014-15.	
Mumbai May 13, 2015	<b>D. C. Mehta</b> Vice Chairman & Managing Director

## 9. MANAGEMENT DISCUSSION AND ANALYSIS:

This Annual Report contains a report on Management Discussion and Analysis.

## 10. CEO / CFO CERTIFICATION

The Vice Chairman & Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Clause 49 of the Listing Agreement. The Vice Chairman & Managing Director and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Clause 41 of the Listing Agreement.

## 11. GENERAL SHAREHOLDER INFORMATION:

### Annual General Meeting:

Day & Date	: Friday, August 7, 2015
Time	: 10:30 a.m.
Venue	: Hotel Surya Palace, Opp. Parsi Agiyari, Sayajigunj, Vadodara 390 005.
Date of Book Closure	: Saturday, August 1, 2015 to Friday, August 07, 2015 (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, 2015	On or before August 14, 2015
September 30, 2015	On or before November 14, 2015
December 31, 2015	On or before February 14, 2016
Audited Annual Accounts for the year ended March 31, 2016	On or before May 30, 2016

### Listing on Stock Exchanges:

The Company's Equity Shares are listed on the following Stock Exchanges:  
BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).  
Listing fees for financial year 2015-16 has been paid to both the exchanges.  
Stock Code for Equity Shares (BSE) : 506401  
Stock Symbol for Equity Shares (NSE) : DEEPAKNTR  
ISIN Number for Equity Shares (NSDL & CDSL) : INE288B01029

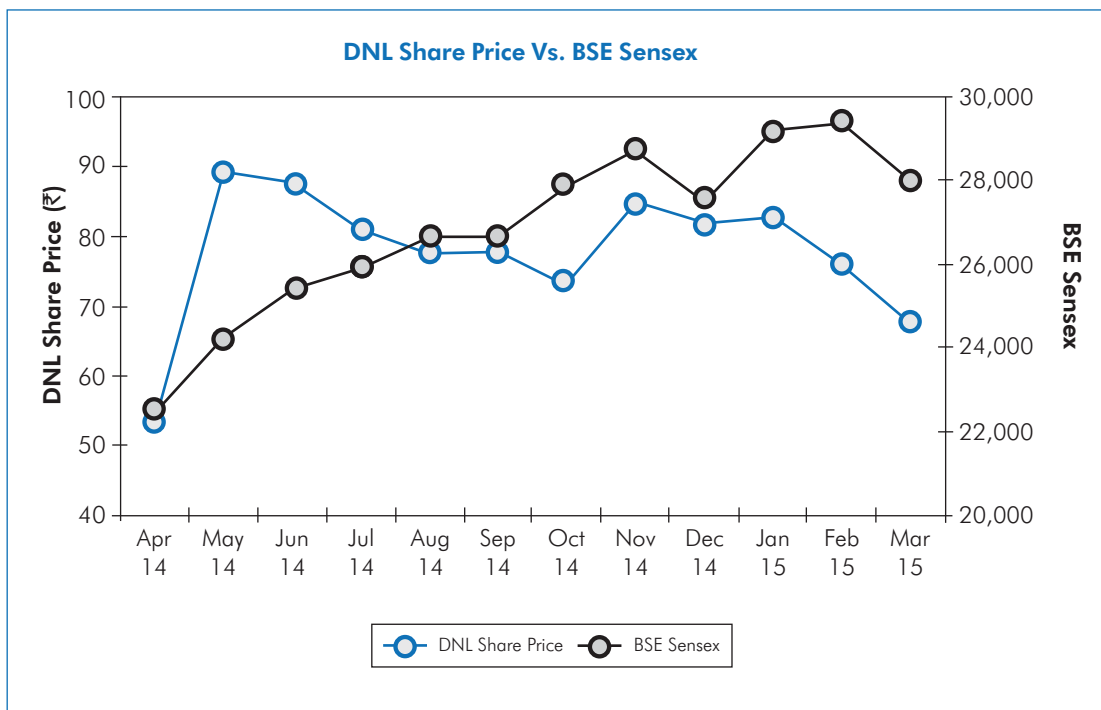
**Market Price Data of Equity Shares:**

Monthly high & low during the year 2014-15 at BSE and NSE:

Month	Bombay Stock Exchange		National Stock Exchange	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2014	553.55	431.40	548.60	425.05
May, 2014	925.00	530.10	922.40	530.20
June, 2014	975.00	*82.50	975.10	*82.90
July, 2014	92.90	78.25	92.90	78.10
August, 2014	85.00	68.80	84.90	68.50
September, 2014	89.80	71.80	88.20	70.00
October, 2014	79.60	68.00	80.00	67.65
November, 2014	91.45	73.15	91.65	73.35
December, 2014	90.60	79.65	90.50	79.00
January, 2015	86.90	79.15	87.55	79.50
February, 2015	85.75	74.00	86.00	73.60
March, 2015	76.75	64.00	77.00	63.00

Source: Respective Websites of BSE and NSE.

\*Share Price adjustment due to sub-division of shares from face value of ₹ 10/- each to ₹ 2/- each and Issue of Bonus Shares in the ratio of 1:1 effective June 20, 2014



The above chart is prepared, considering adjusted price for sub division and bonus. (The Ex-date for which was June 20, 2014)

**Distribution of Shareholding as on March 31, 2015:**

Range	No. of Holders	%	No. of Shares	%
1 – 500	7169	55.75	1362864	1.30
501 – 1000	1797	13.98	1530138	1.46
1001 – 5000	2711	21.08	6694611	6.40
5001 – 10000	666	5.18	4625780	4.43
10001 & above	516	4.01	90324797	86.41
<b>TOTAL</b>	<b>12859</b>	<b>100.00</b>	<b>104538190</b>	<b>100.00</b>

### Shareholding Pattern as on March 31, 2015:

Category of Shareholders	No. of Shares	% of Capital
Promoters	59884070	57.28
Mutual Fund & Unit Trust of India	18000	0.02
Financial Institutions, Banks, Insurance Companies	647349	0.62
Foreign Institutional Investor	5000000	4.78
Bodies Corporate	10220771	9.78
Non Resident Individuals	888820	0.85
Resident Individuals & Trust	27879180	26.67
<b>TOTAL</b>	<b>104538190</b>	<b>100.00</b>

The Company has not issued any GDRs/ADRs.

### Dematerialisation of Equity Shares:

Electronic holding by Members comprises 97.60 % of the paid up equity capital of the Company as on March 31, 2015 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 Clause 47(c) of the Listing Agreement with Stock Exchanges, 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:

**M/s. Sharepro Services (India) Pvt. Ltd.: Unit: Deepak Nitrite Ltd.**

#### Registered Office :

13 AB, Samhita Warehousing Complex  
2nd Floor, Near Sakinaka Telephone Exchange  
Andheri – Kurla Road, Sakinaka, Andheri (East)  
Mumbai – 400 072  
Telephone Numbers :  
(022) 67720300, 67720400  
Fax Number: (022) 28591568, 28508927  
E-mail : sharepro@shareproservices.com

#### Investor Relation Centre :

912, Raheja Centre  
Free Press Journal Road  
Nariman Point  
Mumbai – 400 021  
Telephone Numbers :  
(022) 2282 5163, 22881569  
(022) 66134700,  
Fax Number: (022) 22825484  
E-mail : sharepro@shareproservices.com

### Address for Correspondence and Investor Assistance:

Deepak Nitrite Limited  
9/10, Kunj Society  
Alkapuri  
Vadodara – 390 007  
Contact Person: Mr. Shailesh Vaidya  
Corporate Identity Number : L24110GJ1970PLC001735

Telephone Numbers:  
(0265) 235 1013, 233 4481  
Fax No. : (0265) 233 0994  
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 205C of the Companies Act, 1956, 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*
2007-2008	August 18, 2008	August 17, 2015
2008-2009	August 3, 2009	August 2, 2016
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

\* Indicative dates, actual date may vary.

**Plant Locations:**

<b>1. Nitrite &amp; Nitroaromatics Division</b> 4/12 GIDC Chemical Complex Nandesari - 391 340. Dist. Vadodara	<b>3. APL Division</b> Plot Nos. 1, 2, 26 & 27 MIDC DhataV, Roha - 402 116, Dist. Raigad
<b>2. Taloja Chemical Division</b> Plot Nos. K/9-10, MIDC Taloja, Dist. Raigad - 410 208	<b>4. Hyderabad Specialities Division</b> Plot Nos. 90-F/70-A and B, Phase II, Industrial Development Area, Jeedimetla, Tal. Quthbullapur Madal, Dist. Ranga Reddy, Hyderabad 500 055
<b>5. Dahej Division:</b> 12/B, GIDC, Dahej, Dist. Bharuch, Gujarat – 392 130	

**CERTIFICATE**

We have examined the compliance of conditions of Corporate Governance by DEEPAK NITRITE LIMITED for the year ended on March 31, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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 the Corporate Governance. It is neither an audit nor an expression of opinion on the 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 Agreement.

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

For **B.K.KHARE & COMPANY**

Chartered Accountants

Firm Registration No. 105102W

**Prasad V Paranjape**

Partner

Membership No. 47296

Place: Mumbai

Date: May 13, 2015