

Corporate Governance Report

for the year ended March 31, 2019

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:

(i) Composition and Category of Directors

The Board of Directors of the Company comprises of an optimum combination of executive and non-executive directors, which is in conformity with the requirements of SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015 ('LODR or Listing Regulations'). As of the year ended March 31, 2019, the Board consisted of twelve (12) Directors comprising of four (4) Executive Directors, one (1) Non-Executive Director and seven (7) Independent Directors. The Chairman of the Board is an Executive Director.

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.

During the year under review:

- (1) Shri Umesh Asaikar (DIN: 06595059) was re-appointed as a Whole-time Director designated as the Executive

Director & CEO of the Company for a period from May 9, 2018 to May 31, 2020. The said re-appointment was approved by the Members at the 47th Annual General Meeting of the Company held on August 3, 2018.

- (2) Shri Deepak C. Mehta (DIN: 00028377) was re-appointed as the Chairman & Managing Director of the Company w.e.f. December 14, 2018 for a period of five (5) years, subject to the approval of Members of the Company.

The composition of the Board of Directors of the Company as on March 31, 2019 was as under:

Sr. No.	Category	Name of Director
I.	Promoter and Executive Director	Shri Deepak C. Mehta
II.	Promoter and Non-Executive Director	Shri Ajay C. Mehta
III.	Executive Directors	Shri Umesh Asaikar Shri Maulik D. Mehta Shri Sanjay Upadhyay
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

(ii) Board Meetings

During the Financial Year 2018-19, four (4) Board Meetings were held on May 4, 2018, August 2, 2018, October 26, 2018 and February 1, 2019. The maximum time gap between the two Board Meetings was not more than one hundred twenty (120) days as prescribed under the ('Listing Regulations').

The attendance of Directors at the Board Meetings held during the year ended March 31, 2019, 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, 2019:

Name of the Director	Director Identification Number (DIN)	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 (including listed entities)	No. of Committee position in other Public Companies [Chairman (C)/ Member (M)]
Shri Deepak C. Mehta	00028377	4	4	YES	2	2(M)
Shri Ajay C. Mehta	00028405	4	4	YES	2	1(C) & 2(M)
Shri Maulik D. Mehta	05227290	4	4	YES	-	-

Name of the Director	Director Identification Number (DIN)	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 (including listed entities)	No. of Committee position in other Public Companies [Chairman (C)/ Member (M)]
Shri Nimesh Kampani	00009071	4	4	YES	7	6(M)
Shri Sudhin Choksey	00036085	4	3	YES	2	1(C)
Shri Sudhir Mankad	00086077	4	3	YES	6	1(C) & 2(M)
Dr. Richard H. Rupp	02205790	4	2	NO	-	-
Shri S. K. Anand	00001792	4	4	YES	2	2(C)
Dr. S. Sivaram	00009900	4	4	YES	6	2(C)
Shri Umesh Asaikar	06595059	4	4	YES	-	-
Prof. Indira Parikh	00143801	4	1	NO	7	4(M)
Shri Sanjay Upadhyay	01776546	4	4	YES	2	1(C)

Note:

- (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.

As required under the Listing Regulations as amended w.e.f. April 1, 2019, the names of the listed entities (Including Deepak Nitrite Limited) where the Director of the Company is a director and the category of directorship as on March 31, 2019 is provided hereunder:

Name of Director	Name of Listed Entity	Category of Directorship
Shri Deepak C. Mehta	Deepak Nitrite Limited	Chairman & Managing Director
Shri Ajay C. Mehta	Deepak Nitrite Limited Tribhovandas Bhimji Zaveri Limited	Non-Executive Director Independent Director
Shri Umesh Asaikar	Deepak Nitrite Limited	Executive Director & CEO
Shri Sanjay Upadhyay	Deepak Nitrite Limited	Director -Finance & CFO
Shri Maulik D. Mehta	Deepak Nitrite Limited	Executive Director
Shri Nimesh Kampani	Deepak Nitrite Limited Britannia Industries Limited Chambal Fertilisers and Chemicals Limited Apollo Tyres Limited JM Financials Limited	Independent Director Independent Director Independent Director Independent Director Non-Executive Chairman
Shri Sudhin Choksey	Deepak Nitrite Limited Gujarat Ambuja Exports Limited GRUH Finance Limited	Independent Director Independent Director Managing Director
Shri Sudhir Mankad	Deepak Nitrite Limited Navin Fluorine International Limited Swaraj Engines Limited GRUH Finance Limited	Independent Director Independent Director Non-Executive Chairman Independent Director
Dr. Richard H. Rupp	Deepak Nitrite Limited	Independent Director
Shri S. K. Anand	Deepak Nitrite Limited	Independent Director
Dr. S. Sivaram	Deepak Nitrite Limited Supreme Petrochem Limited Asian Paints Limited GMM Pfudler Limited APCOTEX Industries Limited	Independent Director Independent Director Independent Director Independent Director Independent Director
Prof. Indira Parikh	Deepak Nitrite Limited Johnson Controls- Hitachi Air-conditioning India Limited Force Motors Limited	Independent Director Independent Director Independent Director

(iii) Board Procedure

The Board meets at regular intervals to discuss and decide various business items. The tentative annual calendar of the Board meetings is circulated to the Directors, well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business needs, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which is noted and confirmed at the subsequent board meeting. The agenda is circulated well in advance to the Board members, along with comprehensive back-ground information on items in the agenda to enable the Board members to take informed decisions. The Agenda and related information are circulated in electronic form through a highly secured web-based application, which is available to the Board members through iPad/laptop. The information as required under Part A of Schedule II to the Listing Regulations is also made available to the Board, wherever applicable, for their consideration. The Board also reviews the declarations made by the Chairman & Managing Director, Executive Director & CEO, Director - Finance & CFO and Company Secretary of the Company regarding compliance with all applicable laws, on a quarterly basis.

(iv) Disclosure of relationships between Directors inter-se

Shri Maulik D. Mehta, Whole-time Director is son of Shri Deepak C. Mehta, Chairman & Managing Director and nephew of Shri Ajay C. Mehta, Non-Executive Director of the Company. Shri Deepak C. Mehta, Chairman & Managing Director and Shri Ajay C. Mehta, Non-Executive Director of the Company are brothers.

No other Director of the Company is related to each other.

(v) Independent Directors

The Independent Directors of the Company have been appointed in terms of requirements of the Companies Act, 2013 and Listing Regulations. 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. Formal letters of appointment have been issued to the Independent Directors and the terms and conditions of their appointment are disclosed on the Company's website at www.godeepak.com. No Independent Director has resigned during the Financial Year 2018-19.

(vi) Declaration of Independence

The Company has received declarations on criteria of independence as prescribed in Section 149(6) of the Companies Act, 2013 ("Act") and Regulation 16 (1) (b) of the Listing Regulations from the Directors of the Company who have been classified as Independent Directors as on March 31, 2019.

The Board confirms that the Independent Directors fulfill the conditions specified in Section 149 of the Act and Regulation 16(1)(b) of the Listing Regulations and are independent of the management.

(vii) Familiarisation program for Independent Directors

The Board members are from time to time provided with necessary documents/brochures, reports and internal policies to enable them to familiarize themselves with the Company's procedures and practices. Periodic presentations are made at the Board and the committee meetings on business and performance updates of the Company, global business environment, business strategy and risks involved.

Web link giving the details of familiarisation program imparted to Independent Directors is <https://www.godeepak.com/investor-compliances/>

(viii) Skills / Expertise / Competencies of the Board of Directors

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

- (a) Knowledge on Company's businesses (Chemical Intermediates), policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities and knowledge of the industry in which the Company operates;
- (b) Behavioral skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company;
- (c) Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making;
- (d) Financial and Management skills;
- (e) Legal expertise
- (f) Technical / Professional skills and specialized knowledge in relation to Company's business.

(ix) Performance Evaluation

The Nomination and Remuneration Committee has specified the criteria for performance evaluation of the directors, the Board and its committees. The Board is committed to evaluate its own performance as a Board and also the performance of individual directors, in order to identify strengths and areas in which it may improve functioning.

(x) Separate Meeting of Independent Directors

During the year, a separate meeting of Independent Directors was held on March 15, 2019 without the presence of other directors or management representatives, to review the performance of Non-Independent Directors, the Board and

the Chairperson of the Company and to assess the quality, quantity and timeliness of flow of information between the management and the Board.

3. COMMITTEES OF BOARD OF DIRECTORS:

The Board committees are set up to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. Minutes of proceedings of committee meetings are circulated to the directors and placed before Board meetings for noting. The Board has currently established the following Committees:

(A) Audit Committee:

(i) 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 3, 2018.

The Company Secretary acts as a Secretary to the Committee.

(ii) Brief Description of Terms of Reference of the Audit Committee

In accordance with the provisions of the Companies Act, 2013 and Listing Regulations, the terms of reference for the Audit Committee of Directors are as under:

- 1) 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;
- 2) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- 3) Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- 4) Reviewing, with the management, the annual financial statements and Auditor's report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the director's responsibility statement to 76 be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the Financial Statements arising out of Audit findings;
 - Compliance with listing and other legal requirements relating to Financial Statements;
 - Disclosure of any Related Party Transactions; and
 - Modified opinion(s) in the draft Audit Report.
- 5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- 6) Reviewing and monitoring, 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;
- 7) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- 8) Approval or any subsequent modification of transactions of the Company with related parties;
- 9) Scrutiny of inter-corporate loans and investments;
- 10) Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- 11) Evaluation of internal financial controls and risk management systems;
- 12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 13) 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;

- 14) Discussion with internal auditors of any significant findings and follow up there on;
- 15) 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;
- 16) 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;
- 17) 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;
- 18) To review the functioning of the Whistle Blower Mechanism;
- 19) Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- 20) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
- 21) Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹ 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/ investments existing as on the date of coming into force of this provision; and
- 22) Such other terms as may be prescribed under the Companies Act, 2013 or The SEBI (LODR) Regulations, 2015.

(iii) Meetings of Audit Committee and Attendance thereat

Four (4) meetings of the Audit Committee were held during the financial year 2018-19 on May 3, 2018, August 2, 2018, October 25, 2018 and January 28, 2019.

The attendance at the Audit Committee meetings held during financial year 2018-19 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

All the recommendations of the Audit Committee were accepted by the Board of Directors of the Company.

(B) Nomination and Remuneration Committee:

(i) Composition of Nomination and Remuneration Committee

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

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

The Company Secretary acts as a Secretary to the Committee.

(ii) Terms of Reference

In accordance with the provisions of the Companies Act, 2013 and Listing Regulations, the terms of reference for the Nomination and Remuneration Committee of Directors are as under:

- 1) Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to the remuneration of the directors, key managerial personnel and senior management.
- 2) specify the manner for effective evaluation of performance of Board, its Committee and individual Directors;
- 3) Devising a policy on diversity of Board of Directors;
- 4) Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- 5) Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
- 6) To recommend to the Board, all remuneration, in whatever form, payable to senior management; and
- 7) Such other terms as may be required under the Companies Act, 2013 or the Listing Regulations.

(iii) Meetings and Attendance thereat

Two (2) meetings of the Nomination and Remuneration Committee were held during the Financial Year 2018-19 on May 4, 2018 and October 25, 2018.

The attendance at the Nomination and Remuneration Committee meetings held during financial year 2018-19 was as under:

Name of Member	No. of Nomination and Remuneration Committee Meetings held	No. of Nomination and Remuneration Committee Meetings attended
Shri Sudhin Choksey	2	2
Shri Sudhir Mankad	2	2
Shri S. K. Anand	2	2
Prof. Indira Parikh	2	0

Shri Sudhir Mankad, Chairman of the Nomination and Remuneration Committee, was present at the last Annual General Meeting of the Company held on August 3, 2018.

All the recommendations of the Nomination and Remuneration Committee were accepted by the Board of Directors of the Company.

(iv) Performance evaluation criteria for Independent Directors

The criteria for performance evaluation of Independent Directors has been disclosed in the Directors' Report.

(v) Remuneration Policy

The Company has adopted a Nomination and Remuneration Policy for Directors, Key Managerial Personnel and Senior Management and is annexed 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 key factors considered in formulating the Policy are as under:

- a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors to run the Company successfully;
- b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c) Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The Company does not have any Employee Stock Option Scheme.

(C) Stakeholders' Relationship & Investors Grievance Committee:

(i) 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	Non-Executive Director
Shri Umesh Asaikar	Member	Executive Director & CEO
Prof. Indira Parikh*	Member	Independent Director

*Prof. Indira Parikh inducted as a member with effect from February 1, 2019.

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

(ii) Terms of Reference

In accordance with the provisions of the Companies Act, 2013 and Listing Regulations, the terms of reference for the Stakeholder's Relationship & Investors' Grievances Committee of Directors are as under:

- 1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
- 2) Review of measures taken for effective exercise of voting rights by shareholders;
- 3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
- 4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company; and
- 5) Such other terms as may be required under the Companies Act, 2013 or Listing Regulations.

(iii) 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.

Details of shareholders' complaints received during the Financial Year 2018-19 and status thereof:

Number of pending complaints at the beginning of the Financial Year	00
Number of complaints received during the Financial Year	03
Number of complaints resolved during the Financial Year	03
Number of complaints pending at the end of the Financial Year	00
Number of complaints not solved to the satisfaction of shareholders	00

(D) Corporate Social Responsibility Committee:

(i) 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

(ii) 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.

(iii) 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, 2019 is annexed to the Directors' Report.

All the recommendations of the Corporate and Social Responsibility Committee were accepted by the Board of Directors of the Company.

(E) Project Committee:

(i) Composition

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

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

(ii) 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.

(F) Risk Management Committee:

(i) 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:

Name of Member	Designation	Category
Shri Deepak C. Mehta	Chairman	Chairman & Managing Director
Shri S. K. Anand	Member	Independent Director
Dr. Swaminathan Sivaram	Member	Independent Director
Shri Umesh Asaikar	Member	Executive Director & CEO
Shri Sanjay Upadhyay	Member	Director-Finance & CFO
Shri Maulik Mehta	Member	Whole-time Director

(ii) Terms of Reference

In accordance with the provisions of Listing Regulations, the terms of reference for the Risk Management Committee of Directors are as under:

- To ensure that appropriate methodology, processes and systems are in place to monitor, evaluate and report risks associated with the business of the Company;

- 2) To review the adequacy of the existing measures to mitigate risks covering various functions of the Company;
- 3) 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 on-going basis;
- 4) To review and recommend to the Board, amendment of any of the provisions of the Risk Management Framework;
- 5) Monitoring and reviewing the risk mitigation plan related to cyber security; and
- 6) Such other terms as may be required under the Listing Regulations.

All the recommendations of the Risk Management Committee were accepted by the Board of Directors of the Company.

4. REMUNERATION OF DIRECTORS:

(A) Chairman & Managing Director / Executive Directors

The remuneration of Chairman & Managing Director comprises of salary, allowances, perquisites and other benefits. In addition, the Chairman & Managing Director is 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 which ranges from 0% to 20% of their respective costs to company 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 details of remuneration of Chairman & Managing Directors and Executive Directors for the Financial Year 2018-19 are as under:

(₹ In Lakhs)

Name	Salary & Allowances	Perquisites	Retirement Benefits	Commission / Variable Pay	Total
Shri Deepak C. Mehta	236.83	31.60	38.17	600.00	906.60
Shri Umesh Asaikar	365.70	55.71	53.83	113.62	588.86
Shri Maulik D. Mehta	74.81	16.90	13.47	65.88	171.06
Shri Sanjay Upadhyay	158.57	31.61	24.89	79.33	294.40

Shri Ajay C. Mehta, Shri Umesh Asaikar, Shri Sanjay Upadhyay and Shri Maulik Mehta are liable to retire by rotation.

There is no provision for payment of severance fees.

(B) Independent Director and Non-Independent Non-Executive Directors

The Independent Director and Non-Independent Non-Executive Directors of the Company are paid sitting fees for attending meetings of the Board and of Committees of which they are members. Apart from the sitting fees, the Independent Director and Non-Independent Non-Executive Directors are also paid commission not exceeding 1% of the Net Profits of the Company for a particular year, computed in accordance with the provisions of Companies Act, 2013.

The amount of Commission to Independent Director and Non-Independent Non-Executive Directors is determined on the basis of the attendance of respective 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 Independent Director and Non-Independent Non-Executive Directors for the Financial Year 2018-19 are as under:

(₹ In Lakhs)

Name	Sitting Fees	Commission	Total
Shri Nimesh Kampani	1.50	8.00	9.50
Shri Sudhin Choksey	2.70	10.00	12.70
Shri Sudhir Mankad	2.85	10.00	12.85
Dr. R. H. Rupp	1.20	10.00	11.20
Shri S. K. Anand	3.60	25.00	28.60
Dr. S. Sivaram	1.80	8.00	9.80
Prof. Indira Parikh	0.60	4.00	4.60
Shri Ajay C. Mehta	1.20	-	1.20

The details of Equity Shares of the Company held by Non-Executive Directors as on March 31, 2019 are as under:

Sr. No.	Name of Non-Executive Director	No. of shares held
1	Shri Ajay C. Mehta	Nil
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

The Company has no pecuniary relationship or transactions with its Non-Executive and Independent Directors other than payment of sitting fees to them for attending Board and Committee meetings and commission as approved by the Members for their invaluable services to the Company.

5. GENERAL BODY MEETINGS:

(i) Details of last three Annual General Meetings held:

Meeting	Date	Time	Venue	No. of Special Resolution Passed
45 th AGM	August 5, 2016	10.30 A.M.	Hotel Surya Palace, Sayajigunj, Vadodara 390 020	-
46 th AGM	June 26, 2017	10.30 A.M.	Hotel Surya Palace, Sayajigunj, Vadodara 390 020	-
47 th AGM	August 3, 2018	10.00 A.M.	Grand Mercure Vadodara Surya Palace, Opp. Parsi Agiyari, Sayajigunj, Vadodara – 390 020	-

(ii) 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 by the Company in the month of March 2019 and result of the Postal Ballot was declared on April 1, 2019. The details and voting pattern of the Special 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	Approval for continuation of Shri Sandesh Kumar Anand (DIN: 00001792) as Non- Executive and Independent Director, who has attained the age of seventy five (75) years.	Special	99041139	99034953 (99.99%)	6186 (0.01%)
2	Approval for continuation of Prof. Indira Parikh (DIN: 00143801) as Non- Executive and Independent Director, who has attained the age of seventy five (75) years.	Special	99041141	97991148 (98.94%)	1049993 (1.06%)

Shri Dinesh Joshi, Practicing Company Secretary, Designated Partner of M/s. KANJ & Co., LLP, Company Secretaries, Pune was appointed as the Scrutinizer for carrying out the above Postal Ballot process in a fair and transparent manner.

The Company has followed the procedure prescribed for conducting Postal Ballot under the provisions of the Companies Act, 2013 and rules made thereunder read with Listing Regulations.

No Special Resolution is proposed to be conducted through Postal Ballot

6. MEANS OF COMMUNICATION:

The Quarterly and Half yearly results are published in widely circulating national and local dailies such as, The Business Standard (English); 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.godeepak.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.

7. GENERAL SHAREHOLDER INFORMATION:

(i) Annual General Meeting:

Day & Date : Friday, June 28, 2019
 Time : 10:30 a.m.
 Venue : Grand Mercure Vadodara Surya Palace, Opp. Parsi Agiyari, Sayajigunj, Vadodara 390 020
 Financial Year : April 1 to March 31
 Date of Book Closure : Friday, June 21, 2019 to Friday, June 28, 2019
 Dividend Payment Date : Within the statutory time limit of 30 days, subject to Members' approval

(ii) Financial Calendar:

Results for the Quarter ending	Tentative Time of Reporting
June 30, 2019	On or before August 14, 2019
September 30, 2019	On or before November 14, 2019
December 31, 2019	On or before February 14, 2019
Audited Annual Accounts for the year ended March 31, 2020	On or before May 30, 2020

(iii) Listing on Stock Exchanges:

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

Name: BSE Limited (BSE)

Address: Pheroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001.

Name: National Stock Exchange of India Limited (NSE)

Address: Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra (E) Mumbai- 400 051.

Listing fees for Financial Year 2019-20 has been paid to both the exchanges.

The Securities of the Company have not been suspended from trading during the Financial Year 2018-19.

Stock Code for Equity Shares (BSE): 506401

Stock Symbol for Equity Shares (NSE): DEEPAKNTR

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

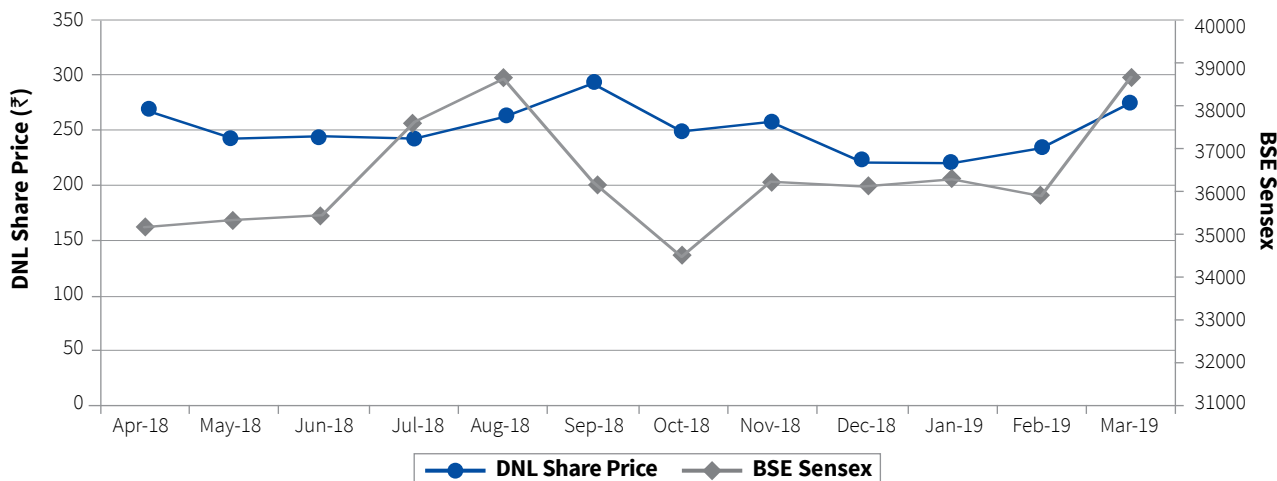
(iv) Market Price Data of Equity Shares:

Monthly High & Low during the financial year 2018-19 at BSE and NSE:

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2018	281.50	245.00	281.85	244.10
May, 2018	273.65	235.00	273.40	238.75
June, 2018	258.00	215.00	258.60	215.50
July, 2018	252.65	216.00	253.30	215.50
August, 2018	292.50	233.30	292.00	232.40
September, 2018	305.00	250.00	305.00	249.00
October, 2018	292.35	225.00	289.20	212.50
November, 2018	285.85	241.65	286.50	245.50
December, 2018	262.95	204.60	263.20	205.05
January, 2019	233.00	206.05	232.50	206.00
February, 2019	235.00	211.00	235.20	211.40
March, 2019	282.70	232.25	282.50	233.05

Source: Respective Websites of BSE and NSE.

DNL Share Price Vs BSE Sensex



(v) Distribution of Shareholding as on March 31, 2019:

Range	No. of Holders	%	No. of Shares	%
1 – 500	30973	80.57	3796771	2.78
501 – 1000	2964	7.71	2404685	1.76
1001 – 5000	3410	8.88	8012253	5.88
5001 – 10000	609	1.58	4278319	3.14
10001 & above	486	1.26	117901013	86.44
TOTAL	38442	100.00	136393041	100.00

(vi) Shareholding Pattern as on March 31, 2019:

Category of Shareholders	No. of Shares	% to Equity Capital
Promoters & Promoter Group	61172468	44.84
Mutual Fund	20393369	14.95
Financial Institutions, Banks, Insurance Companies	702324	0.51
Foreign Portfolio Investor	14023615	10.28
Bodies Corporate	9272433	6.80
Non Resident Individuals	1055365	0.77
Resident Individuals	2767859	2.29
Others	27005608	19.79
TOTAL	136393041	100.00

The Company does not have any outstanding global depository receipts or American depository receipts or warrants or any convertible instruments.

(vii) Dematerialisation of Equity Shares:

Electronic holding by Members comprises 99.02 % of the paid up Equity Capital of the Company as on March 31, 2019 held through National Securities Depository Limited and Central Depository Services (India) Limited.

(viii) 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 Regulation 76 of SEBI (Depositories and Participants) Regulation, 2018, 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.

(ix) 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 - 400 083.
 Tel: 022 - 2594 6970
 Toll free number: 1800 1020 878
 Email: rnt.helpdesk@linkintime.co.in

Investor Relation Centre :

B-102-103, Shangrila Complex, 1st Floor, Opp. HDFC Bank,
 Near Radhakrishna Chhar Rasta,
 Akota, Vadodara - 390 020.
 Tel: 0265 - 2356 573 / 2356 794
 Fax: 0265 - 2356 791
 E-mail : vadodara@linkintime.co.in

(x) Address for Correspondence and Investor Assistance:

Deepak Nitrite Limited	Telephone Numbers :	(0265) 235 1013, 233 4481
Aaditya-I, Chhani Road,	Fax No.	: (0265) 233 0994
Vadodara - 390024	E-mail	: investor@godeepak.com
Contact Person: Shri Arvind Bajpai	Website	: www.godeepak.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.

(xi) 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*
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
2016-2017	June 26, 2017	June 25, 2024
2017-2018	August 3, 2018	August 2, 2025

* Indicative dates, actual date may vary.

(xii) Commodity Price risk or Foreign Exchange risk and hedging activities:

The Company has adequate risk assessment and minimisation system in place including foreign exchange. The foreign exchange risk is managed through the hedging strategy of the Company which is reviewed periodically.

The Company does not have material exposure of any commodity and accordingly, no hedging activities for the same is carried out. Therefore, there is no disclosure to offer in terms of SEBI circular no. SEBI/HO/CFD/CMD1/ CIR/P/2018/0000000141 dated November 15, 2018.

(xiii) Plant Locations:

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

(xiv) Credit Ratings:

During the Financial Year 2018-19, ICRA Limited has re-affirmed the long-term rating of Line of credit at [ICRA] **A+** (pronounced ICRA A plus) and Short Term rating at [ICRA] **A1+** (pronounced ICRA A one plus) assigned to the fund based limits and non-fund based limits of the Company. The outlook on the long-term rating was revised from Stable to **Positive**.

ICRA has also re-affirmed the rating at [ICRA] **A1+** (pronounced ICRA A one plus) assigned to the Commercial Paper programme of DNL.

Further, CRISIL Limited has assigned the long-term rating for Bank Loan facilities of ₹ 750 crores as **CRISIL AA- Stable** and assigned Short Term rating as **CRISIL A1+** to the Company.

8. DISCLOSURE:

(i) Related Party Transactions

All transactions entered into by the Company with related parties as defined under the Companies Act, 2013 and the Listing Regulations, during the Financial Year 2018-19 were in the ordinary course of business and on arm's length pricing basis. There were no materially significant transactions with the related parties during the Financial Year which were in conflict with the interest of Company.

Necessary disclosures as required under the Accounting Standards have been made in the Financial Statements. The Board has approved a policy on materiality of related party transactions and on dealing with related party transactions and the same is disclosed on the website of the Company at the link <https://www.godeepak.com/investor-compliances/>.

(ii) Details of non-compliance

There were 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.

(iii) Whistle Blower Policy

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior including actual or suspected leak of unpublished price sensitive information. The Company has established a vigil mechanism for Directors and employees to report concern about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy and also actual or suspected leak of unpublished price sensitive information. 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:

<https://www.godeepak.com/investor-compliances/>.

(iv) 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.

(v) 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:

<https://www.godeepak.com/investor-compliances/>.

(vi) 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 48th Annual General Meeting of the Company.

(vii) 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:	310	256630
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	02	3650
Number of shareholders to whom shares were transferred from suspense account during the year	02	3650
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	308	252980

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

(viii) Certificate from Company Secretary in Practice

The following certificates from Shri Dinesh Joshi, Practicing Company Secretary, Designated Partner of M/s. KANJ & Co., LLP, Company Secretaries, Pune, are enclosed to this Report:

- (a) Compliance Certificate regarding compliance of conditions of Corporate Governance; and
- (b) Certificate that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI / Ministry of Corporate Affairs or any such statutory authority.

(ix) Utilization of funds raised through Qualified Institutions Placement

The funds raised through Qualified Institutions Placement in earlier years have been utilized fully in accordance with the objects stated in the Placement Document issued to the Qualified Institutional Buyers.

(x) Total Fees to Statutory Auditors

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Deloitte Haskins & Sells, Statutory Auditor of the Company and all entities in the network firm/network entity of which the Statutory Auditor is a part is given below:

(₹ In Lakhs)

Payment to Statutory Auditors	FY 2018-19
Statutory Audit Fees	29.75
Quarterly Limited Review	21.00
Tax Audit Fees	2.00
Taxation Matters	3.75
Other Certification	2.61
Total	59.11

(xi) Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Number of complaints filed during the Financial Year 2018-19	0
Number of complaints disposed off during the Financial Year 2018-19	0
Number of complaints pending as at the end of the Financial Year 2018-19	0

(xii) Disclosure regarding adoption of discretionary requirements as specified in Part E of Schedule II of Listing Regulations

(a) The Board

The Chairman of the Company is a Non-Executive Director hence, not applicable.

(b) Shareholder Rights

The half year Financial Results are not sent individually to the shareholders and are displayed on the Company's website at www.godeepak.com.

(c) Modified Opinion(s) in Audit Report

The Auditors have issued the Audit Report of the year ended March 31, 2019 with unmodified opinion.

(d) Reporting of Internal Auditor

The Internal Auditor reports to the Audit Committee.

(xiii) The Company has complied with the Corporate Governance Requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46.

9. 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.godeepak.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 Executive Director & CEO 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 2018-19.	
Vadodara May 3, 2019	Umesh Asaikar Executive Director & CEO

10. 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.

Certificate of Compliance with the Corporate Governance Requirements

To,
The Members,
DEEPAK NITRITE LIMITED,
Aaditya-I, Chhani Road,
Vadodara – 390 024
Gujrat

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, 2019 as per the relevant provisions of the 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.

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

Dinesh Joshi

Designated Partner

Membership No: FCS- 3752 CP No: 2246

Date: May 3, 2019
Place: Pune

To,
The Members
DEEPAK NITRITE LIMITED
Aaditya-I, Chhani Road,
Vadodara -390 024
Gujarat

This is to certify that on verification of declarations made by the Directors and records maintained by DEEPAK NITRITE LIMITED (“the Company”), none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the companies by the Securities Exchange Board of India (SEBI) /Ministry of Corporate Affairs or any such Statutory Authority, as per the requirements of point 10(i) of Part C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.

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

Dinesh Joshi

Designated Partner

Membership No: FCS- 3752 CP No: 2246

Date: May 3, 2019
Place: Pune