

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Forty Seventh Annual Report together with the Audited Statement of Accounts for the Financial Year (FY) ended March 31, 2018.

FINANCIAL RESULTS

(₹ In Crores)

Particulars	STANDALONE RESULTS		CONSOLIDATED RESULTS	
	2017-18	2016-17	2017-18	2016-17
Revenue from Operations	1,479.23	1,315.27	1,676.18	1,454.71
Other Income	11.70	9.15	12.40	10.91
Total Revenue (Gross)	1,490.93	1,324.42	1,688.58	1,465.62
Less : Excise Duty on sale of Goods	24.25	82.57	24.73	84.00
Total Revenue (Net)	1,466.68	1,241.85	1,663.85	1,381.62
Less : Operating and Administrative expenses	1,252.31	1,089.44	1,455.25	1,235.24
Operating Profit before Depreciation, Finance Cost, Exceptional Item and Tax	214.37	152.41	208.60	146.38
Less : Depreciation and Amortization expenses	51.95	47.60	52.60	48.04
Less : Finance Cost	40.34	30.89	45.15	34.12
Profit before Exceptional Items & Tax	122.08	73.92	110.85	64.22
Add : Exceptional Items	-	74.97	-	70.48
Profit Before Tax	122.08	148.89	110.85	134.70
Less : Tax expenses	38.62	38.25	31.83	38.24
Net Profit for the Year	83.46	110.64	79.02	96.46
Share of Loss from Associate	-	-	-	0.14
Other Comprehensive Income	0.86	(2.41)	0.86	(2.41)
Total Comprehensive Income for the Year	84.32	108.23	79.88	93.90
Surplus brought forward from Previous Year	342.02	250.59	324.76	247.65
Balance available for Appropriation	426.20	358.82	404.49	341.55

PERFORMANCE REVIEW

In FY 2017-18, Total Revenue including Other Income stood at ₹1466.68 Crores as against ₹1,241.85 Crores in FY 2016-17.

EBITDA came in at ₹214.37 Crores in FY 2017-18, higher by 41% as compared to ₹152.40 Crores in FY 2016-17. Raw material costs stood at ₹843.82 Crores as against ₹706.44 Crores in FY 2017, up by 19%.

Profit Before Tax excluding exceptional items stood at ₹122.08 Crores as compared to ₹73.92 Crores in FY 2016-17. The Profit after Tax excluding exceptional items came in at ₹83.46 Crores as compared to ₹51.94 Crores in FY 2016-17. Full resumption of normal operations and favourable shift in product mix led to better PAT performance. The depreciation and finance costs during the year stood at ₹51.95 Crores and ₹40.34 Crores respectively.

The domestic revenues stood at ₹968.38 Crores from ₹847.29 Crores in FY 2016-17, representing a growth of 14% owing to strong demand trends from local customers who are benefitting from supply disruption in China. The revenue from exports stood at

₹510.85 Crores compared to ₹467.98 Crores last year. The export performance was driven by encouraging trends in key geographies in the Basic Chemicals ('BC') segment as well as higher product realisation and improved performance of the Performance Products ('PP') segment.

As you may recall, your Company had faced an accidental fire last year at one of the distillation columns of the manufacturing facility at Roha, which had impacted the performance. During the year under review, all the units at Roha resumed full operations which enabled your Company to deliver balanced growth with contribution from all the three Strategic Business Units (SBUs), thereby recovering from the one-off events that occurred last year. In spite of several challenges in the form of volatility in prices of inputs and finished goods as well as fluctuations in the Foreign Exchange rates, your Company was able to pursue opportunities in the domestic and export markets, thereby recording a sharp growth.

With respect to fire in October, 2016, your Company had lodged insurance claims, both for replacement value of the damaged facilities

and loss of profits due to business interruption. The financial results for FY 2017-18 includes ₹ 18.33 Crores (Net of loss on account of fire) against expected settlement under Fine & Speciality Chemicals ('FSC') segment. Remaining balance shall be accounted upon final settlement of claims. During FY 2017-18, your Company has already received ₹ 7.50 Crores as an interim payment against the above claims.

During the year under review, your Company undertook several initiatives to fortify its offerings by increasing integration of manufacturing process for select high value products in the FSC segment and has received regulator's clearances for commencing operations, which will enable your Company to further enhance profitability. In addition, your Company is expanding capacity of couple of its existing products which shall further augment growth prospects.

Your Company is favorably positioned to capture opportunities emerging across the chemicals and speciality chemicals value-chain. More importantly, China, which is the world's largest supplier for multiple chemicals, has enhanced its focus on environmental protection and sustainable manufacturing processes. As a result, local Chinese producers are faced with higher cost of operations which will increase the landed cost of chemicals. This has improved the competitiveness of alternate suppliers, opening up opportunities for established players like us with proven capabilities and abundant capacities.

ISSUE OF SHARES

During FY 2017-18, your Company, offered Equity Shares to the Qualified Institutional Buyers ("QIBs") on private placement basis through Qualified Institutions Placement ("QIP"), in accordance with Chapter VIII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. Accordingly, 56,81,775 Equity Shares of ₹ 2/- each were allotted to QIBs on January 30, 2018 at an issue price of ₹ 264/- per Equity Share (including share premium of ₹ 262/- per Equity Share). The QIP issue proceeds aggregating to ₹ 150.00 Crores will be utilized in accordance with the objects stated in the offer document. Pending utilisation, the unutilised amount of issue proceeds have been parked in Liquid Mutual Funds.

Post issuance of Equity Shares under QIP, the issued, subscribed and paid-up capital of your Company has increased from ₹ 26.14 Crores in FY 2016-17 to ₹ 27.27 Crores in FY 2017-18.

DIVIDEND

The Board of Directors of your Company are pleased to recommend a dividend of ₹ 1.30 (Rupee One and Paise Thirty only) per Equity Share for the year ended March 31, 2018 on 13,63,93,041 Equity Shares of ₹ 2/- each, as against ₹ 1.20 (Rupee One and Paise Twenty only) per Equity Share in the previous year.

The dividend, as recommended above, if declared by the Members at the Annual General Meeting ('AGM'), the total outflow towards dividend on Equity Shares for the year would be ₹ 21.38 Crores, including corporate dividend tax (Previous Year ₹ 18.88 Crores).

DIVIDEND DISTRIBUTION POLICY

Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') requires top 500 listed entities, based on market capitalization calculated as on March 31 of every Financial Year, to formulate a Dividend Distribution Policy and disclose the same in their Annual Report and on their websites.

Accordingly, the Board of Directors of your Company has adopted a Dividend Distribution Policy, which aims to ensure fairness, sustainability and consistency in distributing profits to the Shareholders. The Policy is attached as Annexure - A and is also available on the website of your Company under the "Investors Relation" section.

TRANSFER TO RESERVES

Your Company proposes to transfer ₹ 5 Crores to the General Reserves out of the amount available for appropriation.

UPDATE ON PHENOL AND ACETONE PROJECT

The Members are aware that your Company, through its wholly owned subsidiary, Deepak Phenolics Limited ('DPL'), is setting up a state-of-the-art plant to manufacture 200,000 MTPA of Phenol and 120,000 MTPA of its co-product Acetone. This will be supported by manufacturing 260,000 MT of Cumene, which is a feedstock for manufacturing Phenol and Acetone. This Greenfield project is expected to be commissioned in the first half of FY 2018-19 at Dahej in the State of Gujarat. The overall capital outlay for this project is ₹ 1,400.00 Crores, which is being funded through a combination of debt and equity. The entire debt portion of ₹ 840.00 Crores and equity funds of ₹ 560.00 Crores have already been tied up.

With this, your Company will address the opportunity offered by the supply deficit in the domestic market which is majorly being met by imports. In addition to competitiveness on cost due to supplying the domestic markets from a plant located in India, your Company will leverage on the latest manufacturing technologies in its state-of-the-art plant which will reduce wastage and is more efficient in utilisation of inputs and energy.

With an objective of developing working relationships with major clients across India as well as establishing strong marketing and distribution channels, DPL has been doing seed marketing of Phenol to understand and penetrate in the market. Additionally, availability of benzene, a key raw material has improved significantly in the domestic market thereby enhancing the prospects for the mega Phenol project further. DPL is also in the process of setting up distribution channels and has also tied for transportation and other logistics requirements.

FINANCE

Your Company tries to strike a balance in its capital structure on a consolidated level while following strict guidelines to efficiently manage its working capital, thereby maintaining its debt at a

reasonable level. During the year under review, the total debt of your Company decreased due to scheduled repayments and improved working capital management. However, as your Company commissions its expansion projects, on a consolidated level the total debt will enhance. These levels would normalise as your Company generate revenues from the new projects.

Interest costs increased during the year due to repayment of low cost foreign currency debt, increase in the Libor and market rate in rupee borrowing. Depreciation increased due to regular growth and maintenance Capex. Your Company has an active team to manage its foreign exchange exposures to minimise risk arising out of imports and due to availing foreign currency loans. Due to prudent management, your Company has been able to effectively manage its cash flows. There is always an effort to reduce the overall interest costs. Debt : Equity as on March 31, 2018 reduced to 0.49 compared to 0.78 as on March 31, 2017, however, on a consolidated level, Debt : Equity ratio stood at 1.07 times.

ICRA Limited re-affirmed the long-term rating of [ICRA] A+ and Short Term rating of [ICRA] A1+ assigned to the fund based limits and non-fund based limits of your Company. ICRA also re-affirmed the short-term rating of [ICRA] A1+ assigned to the Commercial Paper programme.

DIRECTORS

Mr Ajay C. Mehta (DIN:00028405) resigned from the position of Managing Director of the Company effective from December 1, 2017. He shall remain on the Board of your Company as a Non-Executive Non-Independent Director.

As required under the provisions of Section 152 of the Companies Act, 2013, Mr Maulik Mehta (DIN:05227290), Whole-time Director, liable to retire by rotation, will be retiring at the ensuing Annual General Meeting. He is eligible for re-appointment at the ensuing Annual General Meeting and has offered himself for re-appointment.

The Board of Directors at their meeting held on May 4, 2018, subject to the approval of shareholders, re-appointed Mr Umesh Asaikar as Whole - time Director designated as Executive Director & CEO of your Company for a period from May 9, 2018 to May 31, 2020 .

KEY MANAGERIAL PERSONNEL

Mr Deepak. C. Mehta, Chairman & Managing Director, Mr Umesh Asaikar, Executive Director & CEO, Mr Sanjay Upadhyay, Director-Finance & CFO, Mr Maulik Mehta, Whole-time Director and Mr Arvind Bajpai, Company Secretary are the Key Managerial Personnel of your Company.

MEETINGS OF THE BOARD

During FY 2017-18, 6 (six) Board Meetings were held. The details of the Board Meetings with regard to their dates and attendance of each of the Directors thereat have been set out in the Report on Corporate Governance, which forms part of this Report.

INDEPENDENT DIRECTORS

The Independent Directors of your Company have furnished the declaration that they meet the criteria of independence as provided in Section 149 (6) of the Companies Act, 2013.

PERFORMANCE EVALUATION

Pursuant to the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Board of Directors have carried out annual evaluation of its own performance, Board Committees and individual Directors.

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

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

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

Your Directors have expressed their satisfaction to the evaluation process.

AUDIT COMMITTEE

The Audit Committee consists of all Independent Directors with Mr Sudhin Choksey as the Chairman of the Committee. The other members of the Audit Committee are Mr Sudhir Mankad and Mr S. K. Anand. The terms of reference of the Audit Committee, details of meetings held during the year and attendance of members are set out in the Report on Corporate Governance, which forms part of this Report.

STATUTORY AUDITOR'S REPORT

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

REPORTING OF FRAUD BY AUDITORS

There is no instance of fraud reported by the Auditors during the FY 2017-18.

SECRETARIAL AUDITOR'S REPORT

The Members are informed that the name of the Secretarial Auditors which was formerly known as M/s. KANJ & Associates, Company Secretaries, Pune, has been changed to M/s. KANJ & Co. LLP, Company Secretaries, Pune, consequent to their conversion into a Limited Liability Partnership.

The Secretarial Audit Report of M/s. KANJ & Co. LLP, Company Secretaries, Pune, for the Financial Year ended March 31, 2018 does not contain any qualification, reservation, adverse remark or disclaimer by the Secretarial Auditors.

The Secretarial Audit Report in Form MR-3 is annexed as Annexure - B, which forms part of this Report.

AUDITORS

(A) Statutory Auditors:

In compliance with the Companies (Audit and Auditors) Rules, 2014, the Members, at the 46th Annual General Meeting of the Company held on June 26, 2017, appointed M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, (Firm Registration No.: 117366W/W-100018), as Statutory Auditors of your Company for a term of 5 (five) years up to the conclusion of the 51st Annual General Meeting of the Company.

As required under the provisions of Section 139 of the Companies Act, 2013, their appointment as Statutory Auditors is subject to ratification by the Members at every Annual General Meeting. Accordingly, Members are requested to ratify their said appointment at the ensuing Annual General Meeting of your Company.

(B) Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit for the year ended March 31, 2018 was carried out by the Secretarial Auditors, M/s. KANJ & Co. LLP, Company Secretaries, Pune. The Board of Directors of your Company has appointed M/s. KANJ & Co. LLP, Company Secretaries, Pune to carry out Secretarial Audit of your Company for FY 2018-19.

(C) Cost Auditors:

The Board of Directors of your Company has appointed M/s. B. M. Sharma & Company, Cost Accountants, to conduct audit of your Company's cost records for FY 2018-19 at a remuneration of ₹ 7,50,000/- (Rupees Seven Lakhs Fifty Thousand only) plus out of pocket expenses. As required under the provisions of Companies Act, 2013, the remuneration of Cost Auditors as approved by the Board of Directors is subject to ratification by the shareholders at the ensuing Annual General Meeting.

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

(D) Internal Auditors:

The Board of Directors has appointed M/s. Sharp & Tannan Associates, Chartered Accountants as Internal Auditors of your Company to conduct the Internal Audit for FY 2018-19.

FIXED DEPOSITS

During FY 2017-18, your Company has not accepted or renewed any Fixed Deposits.

As on March 31, 2018, 39 warrants aggregating to ₹ 7,83,507 issued by your Company to the respective deposit holders towards compulsory repayment of deposits and interest thereon in accordance with the provisions of Section 74 of the Companies Act, 2013, remained uncleared. There has been no default in repayment of deposits or interest thereon during the year and there are no deposits outstanding as on March 31, 2018.

VIGIL MECHANISM

Your Company has adopted a Whistle Blower Policy, to provide a formal vigil mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of your Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimisation of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

RELATED PARTY TRANSACTIONS

All Related Party Transactions that were entered into during the Financial Year were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013 ('the Act') and the Listing Regulations. There were no materially significant Related Party Transactions entered into by the Company during the year that would have required Shareholders' approval under the Listing Regulations.

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

In line with the requirements of the Act and Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is also available on your Company's website at www.deepaknitrite.com.

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



SUBSIDIARY / ASSOCIATE COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

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

During FY 2017-18, Deepak Gulf LLC, a limited liability company incorporated in the Sultanate of Oman ceased to be Associate of your Company.

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

The annual Financial Statements of the subsidiaries and related detailed information will be kept at the Registered Office of your Company, as also at the Registered Offices of the respective Subsidiary Companies and will be available to investors seeking information at any time. They are also available on the website of your Company. The consolidated financial results reflect the operations of the following subsidiaries: Deepak Phenolics Limited and Deepak Nitrite Corporation Inc. Your Company has adopted a Policy for determining Material Subsidiaries in terms of Regulation 16(1)(c) of the Listing Regulations. The Policy, as approved by the Board, is uploaded on your Company's website.

PERFORMANCE OF SUBSIDIARIES

(a) Deepak Phenolics Limited

Your Company's Phenol and Acetone Project is being undertaken through Deepak Phenolics Limited ('DPL'), a wholly owned subsidiary of your Company. The construction and erection activity with respect to the project is almost completed and is at trial run stage and commercial production has not yet started.

During FY 2017-18, DPL has been doing seed marketing of Phenol/Acetone and the revenue from operations of DPL was ₹ 199.86 Crores for the period ended March 31, 2018 and Net loss for the period was ₹ 4.84 Crores.

(b) Deepak Nitrite Corporation Inc. (USA)

Deepak Nitrite Corporation Inc. ('DNC') is a wholly owned subsidiary company incorporated in the United States of America to cater to the marketing requirements of your Company in North and South American region. DNC actively does market research and scouts for market and potential customers for your Company's products in the North and South American region.

During FY 2017-18 the total revenue of DNC was USD 572,264 and the net loss for the period was USD 2,376.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements

of your Company's subsidiaries in Form AOC-1 is attached to the Financial Statements.

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

During the year under review, your Company sold 77,500 shares held in Deepak Gulf LLC ('DGL'), a limited liability company incorporated in the Sultanate of Oman, being 31% of total share capital of DGL. Post the said transaction, the shareholding of your Company in DGL is 45,000 shares, representing 18% total share capital of DGL. Consequently, DGL ceased to be Associate of your Company with effect from March 16, 2018.

The Particulars of Loans granted and Investments made by your Company have been disclosed in the Financial Statements.

MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitments affecting the financial position of your Company since the close of Financial Year i.e. since March 31, 2018 and the date of this Report. Further, it is hereby confirmed that there has been no change in the nature of business of your Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 134(5) of the Companies Act, 2013 ("the Act"), the Board of Directors of your Company, to the best of their knowledge and ability, confirm that:

- (a) in the preparation of the Annual Accounts, the applicable accounting standards have been followed and there are no material departures;
- (b) they have selected accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the Financial Year and of profits of your Company for that period;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- (d) they have prepared the Annual Accounts on a going concern basis;
- (e) they have laid down internal financial controls to be followed by your Company and that such internal financial controls are adequate and are operating effectively;
- (f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE GOVERNANCE

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

BUSINESS RESPONSIBILITY REPORT

As stipulated under Regulation 34 of the Listing Regulations, the Business Responsibility Report on your Company's business as required by Regulation 34(2) of the Listing Regulations, initiatives on environmental, social and governance aspects forming part of this Report is annexed as Annexure - C.

CORPORATE SOCIAL RESPONSIBILITY

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

During FY 2017-18, your Company has spent ₹225 Lakhs on CSR activities, against the requirement of ₹178.92 Lakhs, being 2% of average of the net profits for the preceding three years.

The brief outline of the CSR policy of your Company, composition of the Committee and report on initiatives undertaken by your Company on CSR activities during the year are set out in Annexure - D of this Report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

NOMINATION AND REMUNERATION POLICY

Your Company has adopted a Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and other employees pursuant to the requirement of Section 178 of the Companies Act, 2013 and Listing Regulations.

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

EXTRACTS OF ANNUAL RETURN

The extract of Annual Return in Form MGT-9 as required under Section 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, forms part of this Report and annexed as Annexure - F.

PARTICULARS OF EMPLOYEES

Disclosures with respect to the remuneration of Directors and employees as required under section 197 of the Companies Act, 2013 and Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is set out in the Annexure-G to this report.

Details of employee remuneration as required under provisions of Section 197 of the Companies Act, 2013 and Rule 5(2) and 5(3) of the (Appointment and Remuneration of Managerial Personnel) Rules,

2014 are available at the Registered Office of the Company during working hours, 21 days before the Annual General Meeting and shall be made available to any shareholder on request. Such details are also available on your company's Website www.deepaknitrite.com.

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

Pursuant to the requirement of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, the relevant data pertaining to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are provided in Annexure - H of this Report.

STATE OF COMPANY'S AFFAIRS

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

SIGNIFICANT OR MATERIAL ORDERS PASSED AGAINST THE COMPANY

Pursuant to the requirement of Section 134(3)(q) of the Companies Act, 2013 read with Rule 8(5)(vii) of the Companies (Accounts) Rules, 2014, it is confirmed that during FY 2017-18 there were no significant or material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and your Company's operations in future.

SECRETARIAL STANDARDS OF ICSI

Your Company is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS - 1) and General Meetings (SS - 2) issued by The Institute of Company Secretaries of India and approved by the Central Government.

INTERNAL CONTROL SYSTEMS

Your Company has put in place adequate internal control systems including internal financial controls, commensurate with size, scale and complexity of its operations, to ensure compliance with policies and procedures. Your Company has also adopted policies and procedures for ensuring the orderly and efficient conduct of its business, safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures. The internal control mechanism comprises a well-defined organisation, which undertakes time bound audits and reports its findings to the Audit Committee, documents policy guidelines and determines authority levels and processes.

With a view to ensure and review the effectiveness and implementation of the systems and operations, the Audit Committee regularly reviews them. The Internal Auditors and Statutory Auditors regularly attend Audit Committee meetings and convey their views on the adequacy of internal control systems as well as financial disclosures. The Audit Committee is briefed about the corrective

actions taken by the management on the audit observations. The Audit scope is regularly reviewed by the Audit Committee for enhancement/ modification of scope and coverage of specific areas.

RISK MANAGEMENT

Your Company has in place a Risk Management framework to identify, evaluate and monitor business risks and challenges across your Company. The Risk Management Policy, pursuant to Section 134 of the Companies Act, 2013 has been adopted based on this framework. The Risk Management Policy provides for creation of a Risk Register, identification of risks and formulating mitigation plans. The enterprise risks for your Company are identified by the respective Risk Managers and presented to the Board for review. The Board of Directors reviews the risk assessment and minimization procedures regularly. The Risk Register gets updated periodically, to ensure that the risks remain relevant at any point in time and corresponding mitigation measures are effective. This provides a proactive and value adding review process which enables maintaining the risk profile at an acceptable level in a rapidly changing environment.

Your Company has constituted a Risk Management Committee. The Committee reviews your Company's performance against identified risks, formulates strategies towards identifying new and emergent risks that may materially affect your Company's overall risk exposure and reviews the Risk Management Policy and structure.

RESEARCH & DEVELOPMENT

Your Company has a Research & Development (R&D) facility at Nandesari, Gujarat with pilot plants at Roha, Maharashtra and Nandesari, Gujarat. The Department of Scientific and Industrial Research (DSIR), New Delhi, on behalf of Government of India vide letter August 10, 2017 has recognised your Company's in-house R&D facilities for further period of 3 years i.e. upto March 31, 2020.

Your Company's R&D center at Vadodara focuses on Import substituted pharmaceutical and agrochemical intermediate, development of speciality chemicals and value added products from by-products.

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

SAFETY, HEALTH & ENVIRONMENT

Your Company believes in responsible chemistry for sustainable future through its commitment to the principles of Responsible

Care®. The continual improvement of safety, health, environment protection, energy and resources efficiency and social responsibility is inbuilt in the strategy of your Company.

Your Company has laid down policies, principles and standards that all its manufacturing sites must adhere to. It aims to achieve excellence in environment protection, health management and safety across its businesses. Your Company's Environment, Health and Safety (EHS) Policy also specifies the EHS requirements to be observed by its suppliers, contractors & others.

Your Company has adopted global principles of sustainable development, Responsible Care® and management system standards. It has undertaken several environmental initiatives in the areas of reduction in greenhouse gases and energy efficiency programs.

Your Company has system to ensure compliance to the requirements of applicable laws and regulations. Manufacturing locations of your Company has facilities for the proper treatment of effluents. Your Company's emissions, effluents and wastes are within the permissible limits.

Employees' health and safety is accepted as a core business value at your Company. The top management of your Company continuously works towards establishing, sustaining and improving the safety culture.

All manufacturing plants and corporate office of your Company has Quality, Environment & Occupational Health & Safety Management Systems as per revised standards for ISO 9001, ISO 14001 & OHSAS 18001.

Your Company has Process Safety Management (PSM) system at all manufacturing locations. It has carried out Safety Integrity Level (SIL) based HAZOP studies and Layer of Protection Analysis (LOPA) study for existing and new processes and products. The outcomes of these studies are being used to enhance Process Automation in all the Units, which in turn improves process safety at the sites.

Your Company had zero lost time incidents during the year. Good engineering practices, preventive checking systems, safety awareness and training has helped your Company in maintaining its operations and workplace free from incidents.

Your Company regularly monitors the occupational health of employees working in designated hazardous areas with respect to exposure to hazardous chemicals and processes. It also monitors employees for any indications of lifestyle or work-style related diseases and provides counseling. Well-equipped Occupational Health Centers are in place at all manufacturing locations to monitor health of employees on regular basis.

Your Company has accepted and implemented the principles of Together for Sustainability (TfS) and has fetched the prestigious 75% score in Together for Sustainability (TfS) Audit by Intertek.

Your Company is founder member of Nicer Globe initiative. It takes utmost care during transportation and ensures compliance with all checks and measures for a safe and secured delivery. All raw materials and products within supply chain framework of your Company are transported in a secure manner, for the safety of its customers, carriers, suppliers, distributors and contractors.

Your Company proactively fulfills the environmental requirements of customers by delivering products that match international standards.

HUMAN RESOURCES

Your Company considers its employees as most valuable resource and ensures strategic alignment of Human Resource practices to business priorities and objectives. Your Company's constant endeavour is to invest in people and processes to improve human capital for the organisation and service delivery to its customers. Attracting, developing and retaining the right talent will continue to be a key strategic initiative and the organisation continues to be focussed on building up the capabilities of its people. Given growth plans of your Company, an important strategic focus of your Company is to continue to not only nurture its human capital, but also proactively focus on preparing all employees for the challenges of the future. Your Company strives to provide a healthy, conducive and competitive work environment to enable the employees excel and create new benchmarks of productivity, efficiency and customer delight. Your Company always believes in maintaining mutually beneficial industrial relations with the Union, which are of paramount importance for success of any organisation and hence the industrial relations have always been smooth, cordial and trusting.

INSURANCE

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

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

Your Company has in place an Anti-Discrimination and Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress the complaints received regarding sexual harassment at workplace. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaint was received from any employee during FY 2017-18 and hence no complaint is outstanding as on March 31, 2018 for redressal.

ACKNOWLEDGEMENT

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

For and on behalf of the Board

D. C. MEHTA

Chairman & Managing Director
(DIN: 00028377)

Place: Mumbai

Date: May 4, 2018

ANNEXURE – A

DIVIDEND DISTRIBUTION POLICY

1. INTRODUCTION

The Securities and Exchange Board of India (SEBI) on July 8, 2016 has notified the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulation, 2016.

Vide these Regulations, SEBI has inserted Regulation 43A after Regulation 43 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, which requires top five hundred listed entities (based on market capitalization calculated as on March 31 of every Financial Year) to formulate a Dividend Distribution Policy, which shall be disclosed its Annual Report.

Deepak Nitrite Limited ('the Company'), being one of the five hundred companies as per the criteria mentioned above; the Board of Directors approved and adopted this Dividend Distribution Policy at their meeting held on May 4, 2018, being the effective date of the Policy.

2. OBJECTIVES AND SCOPE

This Policy lays down the broad framework which will act as a guiding principle for the purpose of declaring or recommending Dividend during or for any Financial Year, by the Company.

The intent of the Policy is to broadly specify the external and internal factors including financial parameters that shall be considered while declaring Dividend and the circumstances under which shareholders of the Company may or may not expect Dividend and how the retained earnings shall be utilized etc.

The Policy, however, is not an alternative to the decision making process of the Board for recommending Dividend and the Board may take into consideration other factors as well in addition to those numerated in this Policy.

3. APPLICABILITY

This Policy shall apply to the Dividend on the Equity Shares of the Company. Presently, the Company has only one class of Equity Shares.

This Policy shall not apply to determination and declaration of Dividend on preference shares, as and when issued by the Company, as the same will be as per the terms of issue of such preference shares, approved by the shareholders.

4. DEFINITIONS

- 4.1. **“Board of Director”** or **“Board”** shall mean the Board of Directors of the Company, as constituted from time to time.
- 4.2. **“Companies Act”** or **“Act”** shall mean the Companies Act, 2013 and Rules framed thereunder, including any amendments, modifications, clarifications or re-enactment thereof, for the time being in force.

- 4.3. **“Dividend”** includes any interim dividend.
- 4.4. **“Financial Year”** a consecutive period of 12 months ending March 31.
- 4.5. **“Policy”** means this Dividend Distribution Policy.
- 4.6. **“Regulations”** shall mean SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, including any amendments, modifications, clarifications or re-enactment thereof, for the time being in force.

5. DECLARATION OF DIVIDEND

- 5.1 Subject to provisions of the Act, Dividend may be declared and paid out of:
 - (a) Profits of the Company for the Financial Year for which the Dividend is to be paid after setting off carried over losses of the previous Financial Year and depreciation not provided in the previous Financial Year(s);
 - (b) Undistributed profits of the previous Financial Years remaining undistributed after providing for depreciation in accordance with the Act and/or Regulations; or
 - (c) Out of (a) and (b) both.
- 5.2 Before declaration of Dividend, the Company may transfer a portion of its profits to reserves of the Company as may be considered appropriate by the Board at its discretion.

6. PARAMETERS FOR DECLARATION OF DIVIDEND

- 6.1 The Board of Directors may consider the following financial parameters, internal and external factors while recommending or declaration of the Dividend:

A. Financial Parameters / Internal Factors

- Operating cash flow of the Company
- Profit earned during the Financial Year and available for distribution
- Earnings Per Share (EPS)
- Gross Dividend payout ratio
- Financial Ratios
- Business expansion and growth
- Company's liquidity position and future cash flow need
- Stipulation / covenants in loan agreements
- Such other factors as the Board may deem fit from time to time

B. External Factors

- Economic environment
- Capital markets
- Global conditions
- Industry outlook and growth rate
- Economic and regulatory framework
- Governmental policies

6.2 While recommending or declaring Dividend, the Board will consider adequacy of profit calculated in accordance with the applicable provisions of the Act and Indian Accounting Standards. The Board of Directors may, in exceptional circumstances, consider utilising retained earning for declaration of Dividend subject to the provisions of the Act and/or Regulations.

7. CIRCUMSTANCES UNDER WHICH SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

Dividend payout is a crucial decision as it determines the share of profit to be distributed amongst the shareholders and share of profit to be retained in the business. The decision seeks to balance the dual objectives of appropriately rewarding shareholders through Dividends and retaining profits in order to maintain a healthy capital adequacy ratio to support future growth. The shareholders of the Company may not normally expect Dividend in the following circumstances, subject to discretion of Board of Directors:

- In case Company has incurred losses or inadequacy of profit
- It would be in the interest of the Company to re-invest / plough back the profits of the Company for major expansion / diversification requiring major funding
- Any other unforeseen event which would restrict ability to recommend Dividend

8. UTILISATION OF RETAINED EARNINGS

The Board of Directors may retain its earnings in order to make better use of available funds and increase the value of the stakeholders in the long run. The decision of utilisation of the retained earnings of the Company shall be based on the following:

- Market expansion plan
- Product expansion plan
- Increase in production capacity
- Replacement of capital assets
- Diversification of business
- Long term strategic plans
- Dividend payment
- Such other criteria as the Board may deem fit from time to time

- Such purpose as may be permitted under the Act and/or Regulations

9. PROCEDURE

- 9.1 Pursuant to provisions of the Act, the Regulations and the Policy, interim Dividend approved by the Board of Directors will be confirmed by the shareholders and final Dividend, if any, recommended by the Board of Directors, will be subject to shareholders' approval, at the ensuing Annual General Meeting of the Company.
- 9.2 The Members, whose name appears in the Register of Member as on Record Date/Book Closure, as may be decided by the Board of Directors, shall be entitled for Dividend.
- 9.3 The Dividend shall be paid to the Members within the limit prescribed under the Act and/or Regulations.
- 9.4 The Company shall ensure compliance of provisions of the Act and/or Regulations and this Policy in relation to Dividend declared by the Company.

10. PARAMETERS WITH REGARD TO VARIOUS CLASSES OF SHARES

Since the Company has issued only one class of Equity Shares with equal voting rights, all the Members of the Company are entitled to receive the same amount of Dividend per Equity Share. The Policy shall be suitably revised at the time of issue of any new class of shares depending upon the nature and guidelines thereof.

11. DISCLOSURES

The Dividend Distribution Policy shall be disclosed in the Annual Report and on the website of the Company.

12. REVIEW AND AMENDMENTS

- 12.1 This Policy will be reviewed by the Board of Directors of the Company as they deem necessary.
- 12.2 The Board of Directors on its own can amend this Policy, as and when deem fit.
- 12.3 In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

For and on behalf of the Board

D. C. MEHTA

Place: Mumbai
Date: May 4, 2018

Chairman & Managing Director
(DIN: 00028377)

ANNEXURE – B

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

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

To,
The Members,
Deepak Nitrite Limited,
9/10, Kunj Society, Alkapuri,
Vadodara – 390 007,
Gujarat.

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

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit. We hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign

Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) Securities And Exchange Board of India (Prohibition Of Insider Trading) Regulations, 2015.;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014: There were no events occurred during the period which attracts provisions of these regulations, hence not applicable.
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008: There were no events occurred during the period which attracts provisions of these regulations, hence not applicable.
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client: There were no events occurred during the period which attracts provisions of these regulations, hence not applicable.
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: There were no events occurred during the period which attracts provisions of these regulations, hence not applicable. and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998: There were no events occurred during the period which attracts provisions of these regulations, hence not applicable.

- (vi) Other laws as applicable specifically to the Company;
- a) The Environment (Protection) Act, 1986,
 - b) The Water (Prevention & Control of Pollution) Act, 1974,
 - c) The Air (Prevention & Control of Pollution) Act, 1981,
 - d) Public Liability Insurance Act, 1991,
 - e) Explosives Act, 1884
 - f) Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008,
 - g) Petroleum Act, 1934 and Rules made thereunder.

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

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

During the period under review the Company has generally complied with the provisions of the mentioned Acts, Rules, Regulations, Guidelines, Standards, etc.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

We further report that:

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

We further report that during the audit period the Company has following events having a major bearing on the it's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

- The Company has issued and allotted 56,81,775 Equity Shares at a price of ₹ 264/- per Equity Share (including premium of ₹ 262/- per Equity Share) to the Qualified Institutional Buyers.
- Mr Ajay C. Mehta, has resigned from the position of Managing Director of the Company with effect from December 1, 2017. He continued to be Non-Executive Director on the Board of the Company.

Dinesh Joshi

Designated Partner,
KANJ & CO. LLP,
Company Secretaries
FCS No: 3752
C P No: 2246

Place: Pune
Date: May 3, 2018



**To,
The Members,
Deepak Nitrite Limited,
9/10, Kunj Society, Alkapuri,
Vadodara - 390 007,
Gujarat.**

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Pune
Date: May 3, 2018

Dinesh Joshi
Designated Partner,
KANJ & CO. LLP,
Company Secretaries
FCS No:3752
C P No: 2246

ANNEXURE – C

BUSINESS RESPONSIBILITY REPORT

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

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	:	L24110GJ1970PLC001735
2	Name of the Company	:	Deepak Nitrite Limited
3	Registered Office Address*	:	9/10, Kunj Society, Alkapuri, Vadodara -390 007, Gujarat, India
4	Website	:	www.deepaknitrite.com
5	E-mail -Id	:	investor@deepaknitrite.com
6	Financial Year reported	:	April 1, 2017 to March 31, 2018
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	:	Commodity Chemicals NIC Code: 24121
8	List of three key products/services that the Company manufactures/provides (as per Balance sheet)	:	1) Sodium Nitrite 2) 2 Ethyl Hexyl Nitrate 3) Optical Brightening Agent
9	Total number of locations where business activity is undertaken by the Company	:	(a) Number of International Locations - 01 [#] (b) Number of National Locations - 07 [#] through wholly-owned subsidiary
10	Markets served by the Company	:	National and International

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

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital (INR)	:	₹ 2727.86 Lakhs
2	Total Turnover (INR)	:	₹ 1,47,922.97 Lakhs
3	Total profit after taxes (INR)	:	₹ 8345.50 Lakhs
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	:	Company's total spending on CSR for the Financial Year 2017-18 is ₹ 225.00 Lakhs which is 2.70% of PAT.
5	List of activities in which expenditure in 4 above has been incurred:-		
	A. Health Care		
	<input type="checkbox"/> Comprehensive Emergency Obstetric Newborn Care Unit (CEmONC)		
	<input type="checkbox"/> Mobile Health Unit		
	<input type="checkbox"/> Help Desk Project		
	<input type="checkbox"/> Integrated Child Development Area (ICD)		
	<input type="checkbox"/> Deepak Occupational Health Center		
	<input type="checkbox"/> Setting up a De-addiction and Counseling Center		
	B. Skill Development/ Education		
	<input type="checkbox"/> Nandesari Vidyalay		
	<input type="checkbox"/> Home Health Aid Course		
	<input type="checkbox"/> Mobile Library		

SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company/ Companies?	:	Yes. The Company has 2 wholly owned subsidiaries.
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	:	The subsidiary companies participate in the BR initiatives of the Company by following the basic principles and practices of the Parent Company, to the extent applicable.

3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities?	:	The Company encourages its Business Associates to support Company's BR initiatives, to the extent feasible.
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SECTION D: BR INFORMATION

1	Details of Director/Directors responsible for Business Responsibility		
a	Details of the Director/Director responsible for implementation of the BR policy/policies	a	DIN Number : 06595059
		b	Name : Mr Umesh Asaika
		c	Designation : Executive Director & CEO
b	Details of the BR head	a	DIN Number : 06595059
		b	Name : Mr Umesh Asaika
		c	Designation : Executive Director & CEO
		d	Telephone Number : 0265-3960200
		e	E Mail ID : umesh@deepaknitrite.com

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

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

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

(a) Details of Compliances

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

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

3. Governance related to BR

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

SECTION E: PRINCIPLE-WISE PERFORMANCE

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

1.	Does the policy relating to ethics, bribery and corruption cover only the company? Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?	The Company strives to adhere to the highest standards of integrity and behaviour and ensure compliance and adherence to law and internal policies through its compliance systems. The Board of Directors of the Company has also adopted a Code of Conduct ('Code') which applies to the Directors, Key Managerial Personnel and the senior management of the Company. The Company obtains an annual confirmation affirming compliance with the Code from the Directors, Key Managerial Personnel and the senior management every year.								
2.	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	The Company has not received any complaint from any stakeholders relating to ethics, bribery and corruption during the Financial Year 2017-18.								

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

1.	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	Sodium Nitrite 2 Ethyl Hexyl Nitrate Optical Brightening Agent								
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2.	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):	The Company is in process to establish the procedures for sustainable sourcing including transportation. Currently, the Company expects its suppliers to abide by Responsible Care, ISO 9001 and ISO 14001 standards.
a.	Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?	
b.	Reduction during usage by consumers (energy, water) has been achieved since the previous year?	
3.	Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?	While the Company has long term relationships and understandings with several suppliers, the Company do not have long term contractual agreements with majority of its suppliers. Raw material price fluctuations are mitigated through formula based pricing which typically have a fixed and a variable price component. The variable component is linked to the price of commodity in international markets.
4.	Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	The Company gives preference to the manufacturers and service providers located near-by. It provides feedback to them to improve their capacity and capability particularly in the areas of manufacturing, health, safety and environment.
5.	Does the Company have a mechanism to recycle products and waste?	The Company has taken initiatives to recycle its wastes and is continuously striving to minimise the same. At present, it is recycling its wastes, wherever feasible. It also coordinates with various agencies for using such wastes as their inputs.

Principle 3: Businesses should promote the wellbeing of all employees

1.	Total number of Employees	There were 1392 permanent employees as on March 31, 2018.		
2.	Total number of employees hired on temporary/contractual/casual basis	There were 1408 employees hired on temporary/contract/casual basis as on March 31, 2018.		
3.	Number of permanent women employees.	There were 25 permanent women employees as on March 31, 2018.		
4.	Number of permanent employees with disabilities	There were 10 permanent employees with disabilities as on March 31, 2018.		
5.	Do you have an employee association that is recognized by management	Yes, The Company has recognised unions in Nandesari, Roha, Taloja and Hyderabad.		
6.	What percentage of your permanent employees is members of this recognized employee association?	All the workmen comprising 24% of the total permanent employees are members of recognised union.		
7.	Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.			
	S. No.	Category	No. of Complaints filed during the Financial Year	No of Complaints pending as on end of Financial Year
	1	Child Labour / Forced Labour / Involuntary Labour	Nil	Nil
	2	Sexual Harassment	Nil	Nil
	3	Discriminatory Employment	Nil	Nil
8.	Percentage of under mentioned employees who were given safety & skill up-gradation training in the last year?			
	S. No.	Employees Category	Employee imparted safety training	Employees imparted skill up - gradation training
	a.	Permanent Employees	90.88%	22.70%
	b.	Permanent Women Employees	100.00%	20.00%
	c.	Casual/Temporary/Contractual Employees	97.16%	39.99%
	d.	Employees with Disabilities	100.00%	100.00%

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

1.	Has the Company mapped its internal and external stakeholders?	The Company has mapped its internal and external stakeholders. They are community, consumers, employees, Government, lenders, NGOs and the Shareholders.
2.	Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.	The Company has identified poor, tribals, women and children as marginalized and disadvantaged groups through needs assessment and engagement with local communities in and around the Company's manufacturing sites under its Corporate Social Responsibility (CSR) initiatives. The Company has undertaken various programmes under its CSR Policy in the areas of health, education and livelihood for such marginalized and disadvantaged groups.
3.	Special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders.	The initiatives undertaken by the Company for the disadvantaged, vulnerable and marginalized stakeholders are elaborated in Principle 8 and in the Annexure – D of the Directors' Report.

Principle 5: Businesses should respect and promote human rights

1.	Does the policy of the Company on Human Rights cover only the company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?	The Company follows its policy on Human Rights which are applicable to the Company, its Subsidiary and Contractors.
2.	How many stakeholder complaints have been received in the past Financial Year and what percent was satisfactorily resolved by the management?	The Company has not received any stakeholder complaints in the Financial Year 2017-18 related to Human Rights.

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

1.	Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others?	The policy related to Principle 6 covers the Company and its Subsidiaries.
2.	Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? If yes, please give hyperlink for webpage etc.	The Company believes in responsible chemistry for a sustainable future through its commitment to the principles of Responsible Care®. The focus is on continuous improvement of safety, health, environment protection, energy and resources efficiency and social responsibility.
3.	Does the Company identify and assess potential environmental risks?	Yes. The Company has integrated Management System and Risk Management Committee to identify and assess potential environmental risks.
4.	Does the Company have any project related to Clean Development Mechanism? If Yes, whether any environmental compliance report is filed?	The Company does not have any Clean Development Mechanism Project.
5.	Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. If yes, please give hyperlink for web page etc.	The Company is continuously improving its environmental performance for its existing products and do thorough analysis for new products.
6.	Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB/SPCB for the Financial Year being reported?	Yes. The effluents, emissions and wastes generated by the manufacturing facilities of the Company are within the permissible limits given by SPCB.
7.	Number of show cause / legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as at the end of Financial Year.	There are no show cause / legal notices received from Central and State Pollution Control Boards which are pending as at the end of Financial Year 2017-18.

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

1. Is the Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.	As on March 31, 2018, your Company is a Member of the following trade associations: a. FICCI: The Federation of Indian Chambers of Commerce and Industry b. FGI: Federation of Gujarat Industries c. GEO: Gujarat Employees Organisation d. ICC: Indian Chemical Council
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? If yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).	The Company supports the initiatives taken by above association in their endeavor for the advancement or improvement of public good.

Principle 8 : Businesses should support inclusive growth and equitable development

1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8?	The Company takes up programme/ initiatives/ projects in pursuit of the principle of inclusive growth and equitable development in pursuance of its Corporate Social Responsibility ('CSR') Policy. Detailed information about the specified programme and initiatives undertaken during the Financial Year 2017-18 in pursuit of the CSR Policy has been given in Annexure - D to the Directors' Report.
2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?	The programmes/projects are undertaken through Implementing Agency, Deepak Foundation and Deepak Medical Foundation.
3. Have you done any impact assessment of your initiative?	The CSR programmes and their impacts/ outcomes are monitored and reviewed by the CSR Committee of the Board and management periodically, to understand the impact of these programmes.
4. What is your Company's direct contribution to community development projects.	During the Financial Year 2017-18, the Company spent ₹ 225 Lakhs on various CSR initiatives, detailed in Annexure - D to the Directors' Report.
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?	Implementation of the CSR programmes/projects is ensured through site visits, obtaining periodic progress reports from Implementing Agency.

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

1. What percentage of customer complaints/consumer cases are pending as on the end of Financial Year.	There were no customer complaints / consumer cases pending as at the end of Financial Year 2017-18.
2. Does the Company display product information on the product label, over and above what is mandated as per local laws?	Yes, the Company adheres to all the applicable statutory laws regarding product labeling and displays relevant information on product label.
3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as at end of Financial Year.	There have been no cases relating to unfair trade practices, irresponsible advertising and/or anti-competitive behavior against the Company during the last five years and as at the end of Financial Year 2017-18.
4. Did the Company carry out any consumer survey/ consumer satisfaction trends?	Customer satisfaction surveys are being conducted frequently for betterment of the products, feedback and improving delivering mechanism.

For and on behalf of the Board

D. C. MEHTA

Chairman & Managing Director
(DIN: 00028377)

Place: Mumbai
Date: May 4, 2018

ANNEXURE – D

REPORT ON CORPORATE SOCIAL RESPONSIBILITY

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

Outline of Company's CSR Policy:

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

Overview of Projects or programs undertaken:

Various projects and programs are being undertaken as per the CSR policy of the Company. The major Programs are CEmONC, Mobile Health Unit, Help Desk Project, ICDS, Deepak Occupational Health Centre, Setting up a De-addiction and Counselling Centre in the field of healthcare. The details of these programs undertaken by the Company during the Financial Year 2017-18 are provided in a separate section on CSR in the Annual Report.

Weblink to the CSR Policy of the Company:

http://deepaknitrite.com/pdf/investor/DNL_Corporate%20Social%20Responsibility%20Policy.pdf

2. The Composition of CSR Committee: The CSR Committee comprises of Mr Sudhir Mankad as Chairman and Dr. S. Sivaram, Mr D. C. Mehta and Mr Umesh Asaikar as Members.
3. Average Net Profit of the Company for the last three Financial Years: ₹ 8946.24 Lakhs
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹ 178.92 Lakhs.
5. Details of CSR Spent during the Financial Year
 - (a) Total amount to be spent for the Financial Year: ₹ 178.92 Lakhs
 - (b) Amount unspent, if any: NIL
 - (c) Manner in which the amount was spent during the Financial Year is detailed below:

(₹ In Lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and District Where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads 1. Direct Expenditure On projects or programs 2. Overheads	Cumulative expenditure upto the reporting period ⁴	Amount Spent: Direct or through Implementing Agency
1	CEmONC ¹	Health Care	Jabugam Dist.: Vadodara State: Gujarat	30.00	35.22 0.12 35.34	88.49 (29.80)	Implementing Agency
2	Nandesari Vidyalay	Skill Development/ Education	Nandesari Dist: Vadodara State: Gujarat	-	1.02	1.02	Implementing Agency
3	Mobile Health Unit	Health Care	Dahej Dist: Bharuch State: Gujarat	26.51	23.68 2.33 26.01	101.54 (25.86)	Implementing Agency

(₹ In Lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and District Where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads 1. Direct Expenditure On projects or programs 2. Overheads	Cumulative expenditure upto the reporting period ⁴	Amount Spent: Direct or through Implementing Agency
4	Help Desk Project	Health Care	Vadodara Dist: Vadodara State: Gujarat	13.45	13.42 1.40 14.82	36.39 (13.82)	Implementing Agency
5	Mobile Health Unit	Health Care	Roha Dist: Raigad State: Maharashtra	22.70	31.26 1.61 32.87	61.68 (20.35)	Implementing Agency
6	ICDS ²	Health Care	Nandesari Dist: Vadodara State: Gujarat	29.00	24.47 1.99 26.46	81.79 (30.66)	Implementing Agency
7	DOHC ³	Health Care	Nandesari Dist: Vadodara State: Gujarat	16.65	15.91 0.74 16.65	74.15 (19.07)	Implementing Agency
8	Home Health Aid Course	Skill Development/ Education	Vadodara Dist: Vadodara State: Gujarat Hyderabad Dist: Hyderabad State: Telangana	45.00	29.65 3.42 33.07	77.14 (26.11)	Implementing Agency
9	Mobile Library	Skill Development/ Education	Roha Dist: Raigad State: Maharashtra	13.28	10.15 1.00 11.15	24.27 (10.95)	Implementing Agency
10	Setting up a De-addiction and counseling center	Health Care	Hyderabad Dist: Hyderabad State: Telangana	17.70	15.34 1.56 16.90	29.77 (12.87)	Implementing Agency
11	Management Cost	-	NA	10.71	10.71	32.82 (9.74)	Implementing Agency
TOTAL				225.00	225.00		

1. Comprehensive Emergency Obstetric Newborn Care Unit.

2. Integrated Child Development Scheme.

3. Deepak Occupational Health Centre.

4. Figures in Brackets are of previous Financial Year i.e. 2016-17.

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

D. C. Mehta

Chairman & Managing Director
(DIN: 00028377)

Sudhir Mankad

Chairman of CSR Committee
(DIN: 00086077)

ANNEXURE – E

NOMINATION AND REMUNERATION POLICY

(Adopted by the Board of Director on May 2, 2014)

1. INTRODUCTION

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

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

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

2. OBJECTIVE OF THE POLICY

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

The key objectives of this Policy include:

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

2.2. While determining the remuneration for the Directors, Key Managerial Personnel and Senior Management employees,

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

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

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

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

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

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

3. EFFECTIVE DATE

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

4. DEFINITIONS

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

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

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

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

5. APPLICABILITY

This Policy is applicable to:

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

6. NOMINATION AND REMUNERATION COMMITTEE

6.1. Role of the Committee:

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

6.2. Composition of the Committee

- (a) The Committee shall comprise of at least three (3) Directors, all of whom shall be non-executive Directors and at least half shall be Independent Directors.
- (b) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Act and/or the Listing Regulations.
- (c) Membership of the Committee shall be disclosed in the Annual Report.
- (d) Term of the Committee shall continue unless terminated by the Board of Directors.

6.3. Chairman of the Committee

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

6.4. Frequency of the Meetings of the Committee

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

6.5. Committee Member's Interest

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

6.6. Quorum

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

6.7. Voting at the Meeting

- (a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of members present. Any such decision shall for all purposes be deemed a decision of the Committee.

- (b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

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

- 7.1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as a Director, KMP and Senior Management employee.
- 7.2. A person should possess adequate qualifications, expertise and experience for the position he/ she is considered for appointment as a Director, Key Managerial Personal or Senior Management employee.
- 7.3. The Company shall not appoint or continue the employment of any person as Managing Director / Executive Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for such appointment.
- 7.4. The appointment as recommended by the Committee to the Board shall be subject to the approval of the Board.

7.5. Criteria for appointment of Independent Director:

- 7.5.1. The proposed appointee shall comply with the criteria specified in the relevant provisions of the Act and/or the Listing Regulations. He or she shall not, directly or indirectly, represent the interest of any specific vendor or customer or stakeholder and shall have business reputation and strong ethical standards and possess leadership skills and business experience including board procedures.
- 7.5.2. The Independent Director shall fulfill the qualification and requirements specified under the Act and Listing Regulations.
- 7.5.3. He or she shall also declare his or her independent status prior to their appointment to the Board and maintain the same during his or her tenure as an Independent Director. Being a Director of the Company, he or she shall adhere to the Code of Conduct stipulated for the Director.

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

- 7.6.1. The Company can have more than one Managing Director or Executive Director.
- 7.6.2. The appointee(s) shall have good educational background, preferably with specialization in the field.

He shall have exemplary skills and leadership qualities to lead the Company or as the case may be the function assigned to him.

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

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

7.7. Criteria for appointment of KMPs:

7.7.1. Pursuant to the requirement of Section 203 of the Act, the Company is required to appoint a Managing Director/ Manager / Chief Executive Officer and in their absence an Executive Director as Whole Time KMP.

7.7.2. The Company may also appoint a Chief Executive Officer (CEO) who may or may not be a Director. The qualification, experience and stature of the CEO could be in line with that of the Executive Director. Where the CEO is designated as KMP, he shall act subject to the superintendence and control of the Board.

7.7.3. The Company is also required to appoint a Chief Financial Officer (CFO) as KMP as per the requirement of the Act. The CFO shall preferably be a Chartered Accountant or a Cost & Management Accountant or holds an equivalent qualification and have relevant work experience. He shall be well versed with finance function including but not limited to funding, taxation, forex and other core matters. As required under the Listing Regulations, the appointment of CFO shall be subject to approval of the Audit Committee.

7.7.4. As required under the said Section of the Act, a Company Secretary (CS) is also required to be appointed by the Company as a KMP. The CS shall have the prescribed qualification and requisite experience to discharge the duties specified in law and as may be assigned by the Board / Managing Director / Executive Director from time to time.

7.7.5. KMPs, other than Managing Director and/or Executive Director shall adhere to the Code of Conduct stipulated for the Senior Management.

7.8. Criteria for appointment of Senior Management employees:

7.8.1. Senior Management employees shall possess the requisite qualifications, expertise and experience depending upon the requirement of the relevant position.

7.8.2. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.

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

7.9. Term / Tenure

7.9.1. Managing Director and Executive Director

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

7.9.2. Independent Director

(a) An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

(b) No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

(c) The Independent Director shall comply with the requirement of number of directorships he or she can hold as prescribed under the provisions of the Act or the Listing Regulations including any amendment thereto from time to time.

7.10. Familiarization Programme for Independent Directors

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

7.11. Evaluation

7.11.1. Subject to Schedule IV of the Companies Act, 2013 and Listing Regulations, the Committee shall carry out the evaluation of Directors periodically.

7.11.2. The performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated.

7.11.3. The Independent Directors at their separate meeting shall review, on yearly basis, the performance of Non-Independent Directors and the Board as a whole.

7.11.4. The Independent Directors at their separate meeting shall also review, on yearly basis, the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors.

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

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

7.12. Removal

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

7.13. Retirement

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

8. REMUNERATION

8.1. Remuneration to Managing Director:

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

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

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

- (i) Housing – Rent free furnished residential accommodation. In case no accommodation is provided by the Company, Managing Director shall be paid house rent allowance as may be decided by the Board of Directors.
- (ii) Re-imbursment of gas, electricity, water charges and furnishings.
- (iii) Re-imbursment of medical expenses incurred for self and members of his family, as per rules of the Company.
- (iv) Leave travel concession for self and members of his family, as per rules of the Company.
- (v) Fees of clubs subject to maximum of two clubs.
- (vi) Medical insurance, as per rules of the Company.
- (vii) Personal Accident Insurance, as per rules of the Company.
- (viii) Provision of car and telephone at residence.
- (ix) Company's contribution to provident fund, superannuation fund or annuity fund, gratuity and encashment of leave, as per rules of the Company.
- (x) Retirement and other benefits, as per rules of the Company.

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

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

197 and other applicable provisions of the Act read with Schedule V of the Act.

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

8.2. Remuneration to Executive Director:

8.2.1. Fixed Pay

- (a) Executive Director shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the provisions of the Act and rules made thereunder for the time being in force.
- (b) The Fixed Pay of Executive Director shall comprise of salary, perquisites, allowances and other benefits. The perquisites, allowances and other benefits to the Executive Director shall include but not be limited to the following:
 - (i) Re-imbursement of medical expenses incurred for self and members of his family, as per policy of the Company.
 - (ii) Leave travel concession for self and members of his family, as per policy of the Company.
 - (iii) Medical and other insurances, as per policy of the Company.
 - (iv) Company Car with Driver.
 - (v) Company's contribution to provident fund, superannuation fund or annuity fund, gratuity and encashment of leave, as per the policy of the Company.
 - (vi) Retirement and other benefits, as per policy of the Company.
 - (vii) Hardship Allowance as applicable in accordance with the policy of the Company.
- (c) The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

8.2.2. Variable Pay

In addition to the salary, perquisites, allowances and other benefits as mentioned above, Executive Director will also be entitled to a Variable Pay by way

of Performance Linked Incentive. This amount shall be paid annually after the end of each Financial Year. The Performance Linked Incentive shall be in the range of 0% to 20% of cost to the Company, which will be entirely based on the individual's performance and Company's performance as per policy of the Company.

8.2.3. Loyalty Bonus

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

8.2.4. Payment of Variable component / Increments

- (a) Payment of Variable component of the remuneration of the Executive Director for a particular Financial Year and increments to the existing remuneration structure of Executive Director shall be recommended by the Chairman & Managing Director of the Company to the Committee based upon the individual performance and also the Company's performance as per policy of the Company.
- (b) The Committee shall review the payment of Variable component of the remuneration of the Executive Director for a particular Financial Year and increments to the existing remuneration structure of Executive Director as recommended by the Chairman & Managing Director of the Company and recommend the same to the Board for its approval. Such Variable component and proposed enhanced remuneration as recommended by the Committee to the Board should be within the overall limits of managerial remuneration as prescribed under the Act and rules made thereunder.
- (c) The Executive Director shall also be entitled to reimbursement of all legitimate expenses incurred by him while performing his duties and such reimbursement will not form part of his remuneration.

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

8.3. Minimum Remuneration

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

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

8.4.1. Sitting Fees

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

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

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

8.4.2. Commission on the Net Profits

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

8.4.3. Stock Options

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

8.5. Provisions for excess remuneration

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

8.6. Remuneration to KMP and Senior Management employees:

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

8.6.2. The Committee may authorize the Managing Director/ Executive Director to determine from time to time the remuneration payable to KMP and Senior Management

employee including their increments. The powers of the Committee in this regard may be delegated to the Managing Director / Executive Director.

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

8.6.4. Fixed Pay

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

8.6.5. Variable Pay

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

8.6.6. Hardship Allowance and Loyalty Bonus

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

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

8.8 Loans and Advances to Employees

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

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

9. BOARD DIVERSITY

- 9.1. The Board of Directors shall have the optimum combination of Directors from the different areas / fields like operations, projects, production, management, quality assurance, finance, legal, sales and marketing, research and development, human resources etc. or as may be considered appropriate.
- 9.2. The Board shall have at least one Director who has accounting or related financial management expertise.

10. DISCLOSURE

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

11. REVIEW OF THE POLICY

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

12. AMENDMENTS TO THE POLICY

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

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

For and on behalf of the Board

D. C. MEHTA

Chairman & Managing Director

(DIN: 00028377)

Place: Mumbai

Date: May 4, 2018

ANNEXURE – F

FORM NO. MGT - 9

EXTRACT OF ANNUAL RETURN

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

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

I. REGISTRATION AND OTHER DETAILS:

i) CIN	L24110GJ1970PLC001735
ii) Registration Date	June 6, 1970
iii) Name of the Company	Deepak Nitrite Limited
iv) Category/Sub-Category of the Company	Public Company/Limited by Shares
v) Address of the Registered Office and Contact Details*	9/10, Kunj Society, Alkapuri, Vadodara- 390 007 Tel: +91-265-235 1013, 233 4481 Fax No. : +91-265-233 0994
vi) Whether listed Company	Yes
vii) Name, Address and Contact Details of Registrar and Share Transfer Agent	Link Intime India Private Limited C-101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai – 400 083. Tel: 022 - 4918 6270 Toll free number: 1800 1020 878 Email: rnt.helpdesk@linkintime.co.in

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

II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

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

Sr. No.	Name and Description of main Products/Services	NIC Code of the Product/ Service	% to Total Turnover of the Company
1.	Sodium Nitrite	24121	19%
2.	Optical Brightening Agent	24121	12%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1.	Deepak Phnolics Limited (Registered Office at First Floor, Aaditya-II, Chhani Road, Vadodara - 390024, Gujarat, India)	U24100GJ2011PLC064669	Subsidiary	100%	2(87)(ii)
2.	Deepak Nitrite Corporation Inc. 10801, Johnston Road, Suit 204, Charlotte, NC 28226, USA	NA	Subsidiary	100%	2(87)(ii)

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAK UP AS PERCENTAGE OF TOTAL EQUITY)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the Beginning of the year				No. of Shares held at the End of the year				% change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A. Promoters¹ Indian									
Individuals/H.U.F	22867361	-	22867361	17.49	22867361	-	22867361	16.77	-0.72
Central/State Government(s)	-	-	-	-	-	-	-	-	-
Financial Institutions/Banks	-	-	-	-	-	-	-	-	-
Bodies Corporate	37945000	-	37945000	29.03	38031106	-	38031106	27.88	-1.15
Any Other (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1)	60812361		60812361	46.52	60898467		60898467	44.65	-1.87
Foreign									
Non Resident Individuals/Foreign Nationals	-	-	-	-	-	-	-	-	-
Bodies Corporate	-	-	-	-	-	-	-	-	-
Institutions	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Any Other (specify)	-	-	-	-	-	-	-	-	-
Sub Total (A)(2)	-	-	-	-	-	-	-	-	-
Total holding of Promoter (A)=(A)(1)+(A)(2)	60812361	-	60812361	46.52	60898467	-	60898467	44.65	-1.87
B. Public Shareholding									
Non- Institutions									
Mutual Fund/UTI	14339243	18000	14357243	10.99	17051856	9000	17060856	12.51	1.52
Financial Institutions/Banks	785824	1100	786924	0.60	731449	1100	732549	0.54	-0.06
Central/State Government(s)	-	-	-	-	-	-	-	-	-
Venture Capital Funds	-	-	-	-	-	-	-	-	-
Alternate Investment Funds	-	-	-	-	905651	-	905651	0.66	0.66
Insurance Companies	-	-	-	-	132575	-	132575	0.10	0.10
Foreign Institutional Investors ²	18840153	-	18840153	14.41	15199212	-	15199212	11.14	-3.27
Foreign Venture Cap. Inv	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Any Other (specify)	-	-	-	-	-	-	-	-	-
Foreign Banks	1350	-	1350	0.00	1350	-	1350	0.00	0.00
Sub-Total (B)(1)	33966570	19100	33985670	26.00	34022093	10100	34032193	24.95	-1.05
Central Government/ State Government(s)/ President of India	-	-	-	-	-	-	-	-	-
Central Government / State Government(s)	-	-	-	-	225040	-	225040	0.16	0.16
Sub Total (B)(2)	-	-	-	-	225040	-	225040	0.16	0.16
Non Institutions									
Bodies Corporate	13023178	-	13023178	9.97	13184875	-	13184875	9.67	-0.30
Individuals									
i) Holding nominal share capital upto ₹ 1 lakh	15429382	1577950	17007332	13.01	19236371	1439780	20676151	15.16	2.15
ii) Holding nominal share capital in excess of ₹ 1 lakh	4022767	251140	4273907	3.27	4732438	158540	4890978	3.59	0.32
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Any Other(specify)	-	-	-	-	-	-	-	-	-
Trusts	4225	-	4225	0.00	1292	-	1292	0.00	0.00
Hindu Undivided Family	949713	-	949713	0.73	1458508	-	1458508	1.07	0.34
Individual NRI- Rep.- Non Rep.	403444	6050	409494	0.31	759718	6050	765768	0.56	0.25
Clearing Member	245386	-	245386	0.19	259769	-	259769	0.19	-
Sub-Total (B)(3)	34078095	1835140	35913235	27.48	39632971	1604370	41237341	30.24	2.76
Total Public shareholding (B)=(B)(1)+(B)(2)+(B)(3)	68044665	1854240	69898905	53.48	73880104	1614470	75494574	55.35	1.87
TOTAL (A)+(B)	128857026	1854240	130711266	100.00	134778571	1614470	136393041	100.00	-
Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A)+(B)+(C)	128857026	1854240	130711266	100.00	134778571	1614470	136393041	100.00	-

¹ Includes Shareholding of Promoter Group.

² Includes Foreign Portfolio Investor (FPI).

(ii) Shareholding of Promoters

A. Details of Shareholding of Promoters and Promoters group

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the Year
		No. of Shares	% of Total Shares of the Company	% Shares Pledged/ Encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	% Shares Pledged/ Encumbered to Total Shares	
1.	C. K. Mehta	86430*	0.07	-	86430*	0.07	-	-
2.	Deepak Chimanlal Mehta	21236331	16.25	-	21236331	15.57	-	-
3.	A. C. Mehta	-	-	-	-	-	-	-
4.	Stiffen Credits And Capital Pvt. Ltd.	8379940	6.41	-	8379940	6.14	-	-
5.	Checkpoint Credit And Capital Pvt. Ltd.	7206050	5.51	-	7206050	5.28	-	-
6.	Stepup Credits And Capital Pvt. Ltd.	6915580	5.29	-	6915580	5.07	-	-
7.	Stigma Credits And Capital Pvt. Ltd.	6178100	4.73	-	6178100	4.53	-	-
8.	Skyrose Finvest Pvt. Ltd.	3691250	2.82	-	3777356	2.77	-	0.05
9.	Pranawa Leafin Pvt. Ltd.	2246000	1.72	-	2246000	1.65	-	-
10.	Forex Leafin Pvt. Ltd.	2169780	1.66	-	2169780	1.59	-	-
11.	Kantaben Chimanlal Mehta	970000	0.74	-	970000	0.71	-	-
12.	Sundown Finvest Pvt. Ltd.	812300	0.62	-	812300	0.60	-	-
13.	Ila Deepak Mehta	396010	0.30	-	396010	0.29	-	-
14.	Maulik Deepak Mehta	131300	0.10	-	131300	0.10	-	-
15.	Meghav Deepak Mehta	47290	0.04	-	47290	0.03	-	-
16.	Hardik Leafin Pvt. Ltd.	346000	0.26	-	346000	0.25	-	-

* Include 8040 shares held as the Karta of HUF.

(iii) Change in Shareholding of Promoters group

Sr. No.	Name	Shareholding at the beginning of the Financial Year 2017-18		Transactions during the year		Shareholding at the end of the Financial Year 2017-18	
		No. of Shares	% of Total Shares of the Company	Date	Increase/ (Decrease) in shareholding	No. of Shares	% of Total Shares of the Company
1	Skyrose Finvest Pvt. Ltd.	3691250	2.82	18-08-2017	86106	3777356	2.77

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

Sr. No.	Name & reason of increase/decrease	Shareholding at the beginning of the Financial Year - 2017-18		Transactions during the year		Cumulative shareholding at the end of the Financial Year - 2017-18	
		No of shares held	% of Total Shares of the Company	Date	Increase / (Decrease)	No of shares held	% of Total Shares of the Company
1	Reliance Capital Trustee Co. Ltd- A/C Eliancesmall Cap Fund	7,128,333	5.45			7,128,333	5.45
	Market Sale			21 Apr 2017	(27545)	7,100,788	5.43
	Market Sale			28 Apr 2017	(6080)	7,094,708	5.43
	Market Sale			12 May 2017	(54916)	7,039,792	5.39
	Market Sale			23 Jun 2017	(413947)	6,625,845	5.07
	Market Sale			30 Jun 2017	(771)	6,625,074	5.07
	Market Sale			07 Jul 2017	(158000)	6,467,074	4.95
	Market Sale			14 Jul 2017	(149030)	6,318,044	4.83
	Market Sale			21 Jul 2017	(154819)	6,163,225	4.72
	Market Sale			28 Jul 2017	(164206)	5,999,019	4.59
	Market Sale			04 Aug 2017	(121000)	5,878,019	4.50
	Market Sale			11 Aug 2017	(200000)	5,678,019	4.34
	Market Purchase			29 Dec 2017	175000	5,853,019	4.48
	Market Purchase			02 Feb 2018	568180	6,421,199	4.71
	At the end of the year					6,421,199	4.71

Sr. No.	Name & reason of increase/decrease	Shareholding at the beginning of the Financial Year – 2017-18		Transactions during the year		Cumulative shareholding at the end of the Financial Year – 2017-18	
		No of shares held	% of Total Shares of the Company	Date	Increase / (Decrease)	No of shares held	% of Total Shares of the Company
2	Franklin India Smaller Companies Fund	7,199,495	5.51			7,199,495	5.51
	Market Sale			07 Apr 2017	(50000)	7,149,495	5.47
	Market Sale			05 May 2017	(17883)	7,131,612	5.46
	Market Sale			12 May 2017	(32167)	7,099,445	5.43
	Market Sale			19 May 2017	(149950)	6,949,495	5.32
	Market Sale			09 Jun 2017	(93616)	6,855,879	5.25
	Market Sale			16 Jun 2017	(206384)	6,649,495	5.09
	Market Sale			23 Jun 2017	(300000)	6,349,495	4.86
	Market Sale			07 Jul 2017	(100000)	6,249,495	4.78
	Market Sale			01 Sep 2017	(200000)	6,049,495	4.63
	Market Sale			22 Sep 2017	(100000)	5,949,495	4.55
	Market Sale			29 Sep 2017	(34077)	5,915,418	4.53
	Market Sale			06 Oct 2017	(40923)	5,874,495	4.49
	Market Sale			13 Oct 2017	(75000)	5,799,495	4.44
	Market Sale			12 Jan 2018	(380927)	5,418,568	4.15
	Market Sale			19 Jan 2018	(49584)	5,368,984	4.11
	Market Sale			26 Jan 2018	(124813)	5,244,171	4.01
	Market Purchase			02 Feb 2018	378780	5,622,951	4.12
	At the end of the year					5,622,951	4.12
3	L&T Mutual Fund Trustee Limited-L&T Emerging Businesses Fund	2,925,669	2.24			2,925,669	2.24
	Market Purchase			07 Apr 2017	100000	3,025,669	2.31
	Market Purchase			14 Apr 2017	123820	3,149,489	2.41
	Market Purchase			19 May 2017	881	3,150,370	2.41
	Market Purchase			26 May 2017	194729	3,345,099	2.56
	Market Purchase			23 Jun 2017	106094	3,451,193	2.64
	Market Purchase			30 Jun 2017	10000	3,461,193	2.65
	Market Sale			07 Jul 2017	(55948)	3,405,245	2.61
	Market Sale			14 Jul 2017	(61410)	3,343,835	2.56
	Market Sale			21 Jul 2017	(182072)	3,161,763	2.42
	Market Sale			28 Jul 2017	(134963)	3,026,800	2.32
	Market Sale			04 Aug 2017	(23500)	3,003,300	2.30
	Market Purchase			27 Oct 2017	98800	3,102,100	2.37
	Market Purchase			03 Nov 2017	117700	3,219,800	2.46
	Market Purchase			17 Nov 2017	111222	3,331,022	2.55
	Market Purchase			24 Nov 2017	10	3,331,032	2.55
	Market Purchase			08 Dec 2017	2033	3,333,065	2.55
	Market Purchase			15 Dec 2017	255692	3,588,757	2.75
	Market Purchase			22 Dec 2017	120390	3,709,147	2.84
	Market Purchase			05 Jan 2018	53388	3,762,535	2.88
	Market Purchase			02 Feb 2018	757570	4,520,105	3.31
	Market Purchase			09 Feb 2018	181100	4,701,205	3.45
	Market Purchase			16 Feb 2018	150000	4,851,205	3.56
	Market Purchase			02 Mar 2018	131695	4,982,900	3.65
	Market Purchase			09 Mar 2018	179459	5,162,359	3.78
	Market Purchase			23 Mar 2018	177411	5,339,770	3.91
	At the end of the year					5,339,770	3.91

Sr. No.	Name & reason of increase/decrease	Shareholding at the beginning of the Financial Year – 2017-18		Transactions during the year		Cumulative shareholding at the end of the Financial Year – 2017-18		
		No of shares held	% of Total Shares of the Company	Date	Increase / (Decrease)	No of shares held	% of Total Shares of the Company	
4	DCS Infotech Pvt. Ltd.	4,648,720	3.56			4,648,720	3.56	
	At the end of the year					4,648,720	3.41	
5	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Pure Value Fund	2,314,582	1.77			2,314,582	1.77	
	Market Purchase			07 Apr 2017	44600	2,359,182	1.80	
	Market Purchase			14 Apr 2017	20000	2,379,182	1.82	
	Market Purchase			19 May 2017	37000	2,416,182	1.85	
	Market Purchase			02 Jun 2017	23000	2,439,182	1.87	
	Market Purchase			09 Jun 2017	73100	2,512,282	1.92	
	Market Purchase			07 Jul 2017	85000	2,597,282	1.99	
	Market Purchase			14 Jul 2017	10000	2,607,282	1.99	
	Market Purchase			18 Aug 2017	50000	2,657,282	2.03	
	Market Purchase			22 Sep 2017	700000	3,357,282	2.57	
	Market Sale			29 Sep 2017	(79000)	3,278,282	2.51	
	Market Purchase			03 Nov 2017	65300	3,343,582	2.56	
	Market Purchase			24 Nov 2017	175100	3,518,682	2.69	
	Market Purchase			01 Dec 2017	100000	3,618,682	2.77	
	Market Sale			22 Dec 2017	(40000)	3,578,682	2.74	
	Market Sale			29 Dec 2017	(200000)	3,378,682	2.58	
	Market Sale			05 Jan 2018	(137000)	3,241,682	2.48	
	Market Purchase			02 Feb 2018	643930	3,885,612	2.85	
	Market Sale			09 Feb 2018	(102000)	3,783,612	2.77	
	Market Purchase			09 Mar 2018	119186	3,902,798	2.86	
Market Purchase			16 Mar 2018	186000	4,088,798	3.00		
At the end of the year					4,088,798	3.00		
6	ICICI Lombard General Insurance Company Ltd.	4,682,559	3.58			4,682,559	3.58	
	Market Sale			13 Oct 2017	(96924)	4,585,635	3.51	
	Market Sale			20 Oct 2017	(125810)	4,459,825	3.41	
	Market Sale			27 Oct 2017	(306500)	4,153,325	3.18	
	Market Sale			03 Nov 2017	(301325)	3,852,000	2.95	
	Market Sale			10 Nov 2017	(152000)	3,700,000	2.83	
	Market Purchase			02 Feb 2018	303030	4,003,030	2.93	
	At the end of the year					4,003,030	2.93	
	7	IDFC Sterling Equity Fund	2,788,461	2.13			2,788,461	2.13
		Market Purchase			12 May 2017	19230	2,807,691	2.15
Market Purchase				30 Jun 2017	20782	2,828,473	2.16	
Market Purchase				07 Jul 2017	29199	2,857,672	2.19	
Market Sale				28 Jul 2017	(4981)	2,852,691	2.18	
Market Purchase				11 Aug 2017	50000	2,902,691	2.22	
Market Purchase				18 Aug 2017	50000	2,952,691	2.26	
Market Sale				29 Sep 2017	(45000)	2,907,691	2.22	
Market Sale				10 Nov 2017	(76)	2,907,615	2.22	
Market Sale				12 Jan 2018	(148333)	2,759,282	2.11	
Market Sale				19 Jan 2018	(83623)	2,675,659	2.05	
Market Purchase				02 Feb 2018	510215	3,185,874	2.34	
Market Sale				02 Mar 2018	(8385)	3,177,489	2.33	
Market Purchase				09 Mar 2018	50000	3,227,489	2.37	
At the end of the year						3,227,489	2.37	

Sr. No.	Name & reason of increase/decrease	Shareholding at the beginning of the Financial Year – 2017-18		Transactions during the year		Cumulative shareholding at the end of the Financial Year – 2017-18	
		No of shares held	% of Total Shares of the Company	Date	Increase / (Decrease)	No of shares held	% of Total Shares of the Company
8	SBI Magnum Multicap Fund	-	-			-	-
	Market Purchase			02 Feb 2018	1704540	1,704,540	1.30
	Market Purchase			23 Mar 2018	329002	2,033,542	1.49
	Market Purchase			31 Mar 2018	189452	2,222,994	1.63
	At the end of the year					2,222,994	1.63
9	Fidelity Puritan Trust-Fidelity Low-Priced Stock Fund	4,100,000	3.14			4,100,000	3.14
	Market Sale			05 May 2017	(56753)	4,043,247	3.09
	Market Sale			12 May 2017	(43247)	4,000,000	3.06
	Market Sale			19 May 2017	(48560)	3,951,440	3.02
	Market Sale			26 May 2017	(62225)	3,889,215	2.98
	Market Sale			02 Jun 2017	(54558)	3,834,657	2.93
	Market Sale			09 Jun 2017	(34657)	3,800,000	2.91
	Market Sale			14 Jul 2017	(76621)	3,723,379	2.85
	Market Sale			21 Jul 2017	(101799)	3,621,580	2.77
	Market Sale			28 Jul 2017	(121580)	3,500,000	2.68
	Market Sale			17 Nov 2017	(77513)	3,422,487	2.62
	Market Sale			24 Nov 2017	(183212)	3,239,275	2.48
	Market Sale			01 Dec 2017	(72791)	3,166,484	2.42
	Market Sale			08 Dec 2017	(87745)	3,078,739	2.36
	Market Sale			15 Dec 2017	(78739)	3,000,000	2.30
	Market Sale			09 Feb 2018	(240933)	2,759,067	2.02
	Market Sale			16 Feb 2018	(163084)	2,595,983	1.90
	Market Sale			23 Feb 2018	(66698)	2,529,285	1.85
	Market Sale			02 Mar 2018	(115914)	2,413,371	1.77
	Market Sale			09 Mar 2018	(107884)	2,305,487	1.69
	Market Sale			16 Mar 2018	(179875)	2,125,612	1.56
	Market Sale			23 Mar 2018	(325612)	1,800,000	1.32
	Market Sale			31 Mar 2018	(32741)	1,767,259	1.30
	At the end of the year					1,767,259	1.30
10	Vantage Equity Fund	-	-			-	-
	Market Purchase			12 Jan 2018	38000	38,000	0.03
	Market Purchase			19 Jan 2018	662000	700,000	0.54
	Market Purchase			26 Jan 2018	165000	865,000	0.66
	At the end of the year					865,000	0.63
11	Government Pension Fund Global	3,200,000	2.45			3,200,000	2.45
	Market Sale			01 Sep 2017	(56087)	3,143,913	2.41
	Market Sale			08 Sep 2017	(56500)	3,087,413	2.36
	Market Sale			15 Sep 2017	(79700)	3,007,713	2.30
	Market Sale			22 Sep 2017	(727824)	2,279,889	1.74
	Market Sale			29 Sep 2017	(69501)	2,210,388	1.69
	Market Sale			06 Oct 2017	(135000)	2,075,388	1.59
	Market Sale			13 Oct 2017	(255388)	1,820,000	1.39
	Market Sale			20 Oct 2017	(166000)	1,654,000	1.27
	Market Sale			24 Nov 2017	(233072)	1,420,928	1.09
	Market Sale			01 Dec 2017	(202000)	1,218,928	0.93
	Market Sale			08 Dec 2017	(44987)	1,173,941	0.90
	Market Sale			15 Dec 2017	(111709)	1,062,232	0.81
	Market Sale			22 Dec 2017	(1016420)	45,812	0.04
	Market Sale			29 Dec 2017	(45812)	-	-
	At the end of the year					-	-

Sr. No.	Name & reason of increase/decrease	Shareholding at the beginning of the Financial Year – 2017-18		Transactions during the year		Cumulative shareholding at the end of the Financial Year – 2017-18	
		No of shares held	% of Total Shares of the Company	Date	Increase / (Decrease)	No of shares held	% of Total Shares of the Company
12	Birla Sun Life Insurance Company Limited	1,653,527	1.27			1,653,527	1.27
	Market Purchase			07 Apr 2017	4480	1,658,007	1.27
	Market Purchase			21 Apr 2017	30000	1,688,007	1.29
	Market Purchase			19 May 2017	156663	1,844,670	1.41
	Market Purchase			23 Jun 2017	265786	2,110,456	1.61
	Market Sale			30 Jun 2017	(1710)	2,108,746	1.61
	Market Sale			14 Jul 2017	(121607)	1,987,139	1.52
	Market Purchase			04 Aug 2017	24000	2,011,139	1.54
	Market Sale			01 Dec 2017	(2380)	2,008,759	1.54
	Market Sale			29 Dec 2017	(100000)	1,908,759	1.46
	Market Sale			05 Jan 2018	(109000)	1,799,759	1.38
	Market Sale			12 Jan 2018	(1319793)	479,966	0.37
	Market Sale			19 Jan 2018	(479965)	1	0.00
	Market Purchase			02 Feb 2018	265150	265,151	0.19
	Market Sale			16 Feb 2018	(36000)	229,151	0.17
	Market Sale			23 Feb 2018	(40000)	189,151	0.14
	Market Sale			09 Mar 2018	(189150)	1	0.00
	Market Sale			30 Mar 2018	(1)	-	-
	At the end of the year					-	-

(v) Shareholding of Directors and Key Managerial Personnel:

None of the Directors or KMP, except Mr D. C. Mehta and Mr Maulik D. Mehta (covered under point (ii) above), hold any Shares of the Company and except as disclosed above, there has not been any change in such holdings during the Financial Year.

V. INDEBTEDNESS

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

(₹ In Lakhs)

Indebtedness at the beginning of the Financial Year 2017-18	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	40,017.39	17,362.25	-	57,379.64
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	126.85	39.04	-	165.89
Total (i+ii+iii)	40,144.24	17,401.29	-	57,545.53
Change in Indebtedness during the Financial Year 2017-18				
· Addition	6,337.63	8,066.31	-	14,403.94
· Reduction	17,606.81	8,000.00	-	25,606.81
Net Change	(11,269.18)	66.31	-	(11,202.87)
Indebtedness at the end of the Financial Year 2017-18				
i) Principal Amount	28,748.21	17,428.56	-	46,176.77
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	105.66	78.94	-	184.60
Total (i+ii+iii)	28,853.87	17,507.50	-	46,361.37

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ In Lakhs)

Sr. No	Particulars of Remuneration	Name of MD/WTD/Manager					Total Amount
		Mr D. C. Mehta	Mr A. C. Mehta*	Mr Umesh Asaikar	Mr Maulik Mehta	Mr Sanjay Upadhyay	
1	Gross Salary						
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	275.00	36.51	422.57	90.03	178.86	1002.97
	(b) Value of Perquisites u/s 17(2) Income Tax Act, 1961	30.76	36.28	48.16	12.99	26.81	155.00
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-	-	-	-
2.	Stock Option	-	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-	-
4.	Commission						
	- as % of profit	200.00	-	-	-	-	200.00
	- others	-	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-	-
	Total (A)	505.76	72.79	470.73	103.02	205.67	1357.97

Overall Ceiling as per the Act ₹ 1408.93 Lakhs (being 11% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)

B. Remuneration to other Directors:

(₹ In Lakhs)

Particulars of Remuneration	Name of Directors								Total Amount
	Non- Executive Directors								
	Mr Nimesh Kampani	Mr A. C. Mehta*	Mr Sudhin Choksey	Mr Sudhir Mankad	Dr. R. H. Rupp	Mr S. K. Anand	Dr. S. Sivaram	Prof. Indira Parikh	
Fee for attending Board/Committee Meetings	1.95	0.60	3.45	3.30	1.20	4.05	1.80	1.65	18.00
Commission	4.50	-	6.50	6.50	9.00	6.50	4.00	3.00	40.00
Total (B)	6.45	0.60	9.95	9.80	10.20	10.55	5.80	4.65	58.00

Ceiling as per the Act ₹ 128.08 Lakhs (being 1% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)

Total Managerial Remuneration ₹ 1397.96 Lakhs

Overall Ceiling as per the Act ₹ 1408.93 Lakhs (being 11% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)

*Mr A. C. Mehta resigned as Managing Director effective from December 1, 2017. He remains on the Board as Non-Executive Director.

C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD

(₹ In Lakhs)

Sr. No.	Particulars of Remuneration	Company Secretary
1	Gross Salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	42.10
	(b) Value of Perquisites u/s 17(2) Income Tax Act, 1961	0.48
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission	
	- as % of profit	-
	- others, specify	-
5.	Others, please specify	-
	Total	42.58

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board

Deepak C. MehtaChairman & Managing Director
(DIN: 00028377)Place: Mumbai
Date: May 4, 2018

ANNEXURE – G

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

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

- Ratio of remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year ended March 31, 2018 and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the Financial Year ended March 31, 2018:

Name of the Director / KMP	Remuneration# (₹ In Lakhs)	% Increase in Remuneration in the FY 2017-18	Ratio to Median Remuneration
Mr D. C. Mehta, Chairman & Managing Director	505.76	52.29	119.85
Mr Ajay C. Mehta*, Director	73.39	-25.24	23.26
Mr Maulik Mehta, Whole-time Director	103.02	36.72	17.86
Mr Nimesh Kampani, Independent Director	6.45	24.04	1.23
Mr Sudhin Choksey, Independent Director	9.95	8.74	2.17
Mr Sudhir Mankad, Independent Director	9.80	8.89	2.13
Dr. Richard H. Rupp, Independent Director	10.20	72.88	1.40
Mr S. K. Anand, Independent Director	10.55	6.57	2.35
Dr. S. Sivaram, Independent Director	5.80	6.42	1.29
Prof. Indra Parikh, Independent Director	4.65	25.68	0.88
Mr Umesh Asaikar, Executive Director & CEO	470.73	21.38	91.90
Mr Sanjay Upadhyay, Director-Finance & CFO	205.67	26.33	38.58
Mr Arvind Bajpai, Company Secretary	42.58	25.53	NA

#Including sitting fees.

*Mr Ajay C Mehta resigned as Managing Director effective from December 1, 2017. He remains on the Board as Non-Executive Director.

- In the Financial Year 2017-18, there was an increase of 4.19% in the median remuneration of employees.
- There were 1392 permanent employees on the rolls of the Company as on March 31, 2018.
- Average Percentile increase already made in the salaries of employees other than Managerial Personnel in the last Financial Year was 5 % and average percentile increase in remuneration of Managerial Personnel was 21.13 %.

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

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

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

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

For and on behalf of the Board

Deepak C. Mehta

Chairman & Managing Director
(DIN: 00028377)

Place: Mumbai
Date: May 4, 2018

ANNEXURE – H

INFORMATION REQUIRED UNDER SECTION 134(3)(M) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014 PERTAINING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

(A) Conservation of Energy

- (i) Steps taken or impact on conservation of energy:
- Improvements in - Flash stream and condensate recovery, column packings, boiler efficiency, chilling units, air compressors with high efficiency system
 - Processes improved to reduce utility and improve energy conservation.
- (ii) Steps taken for utilizing alternate sources of energy:
- Power generation by using back pressure turbine
 - Power trading through open access and bilateral agreements
- (iii) Capital Investment on energy conservation equipment: ₹45.61 Lakhs

(B) Technology Absorption:

- (i) Efforts made towards technology absorption:
- Technology developed for production of Iron Oxide Pigments employing special oxidation process.
 - Technology developed for Nitrogen Oxide utilization in chemical reactions.
- (ii) Benefits derived like product improvement, cost reduction, product development or import substitution:
- Development of Import substitute pharma intermediates in the in-house R & D
 - Improvements in chemical processes to reduce raw materials consumption norms with by-products valorization, also evaluated alternative routes to make cheaper and cleaner technologies.
- (iii) Information regarding technology imported, during the last 3 years: NIL
- (iv) Expenditure incurred on Research and Development:

(₹ In Lakhs)

Particulars	2017-18	2016-17
a) Capital	117.90	214.54
b) Recurring	701.79	709.11
c) Total	819.69	923.65
d) Total R&D expenditure as a percentage to total turnover	0.55%	0.70%

(C) Foreign Exchange Earnings and Outgo:

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

(₹ In Lakhs)

Particulars	2017-18	2016-17
Total Foreign Exchange Earned	50,902.66	46,367.64
Total Foreign Exchange Outgo	22,374.30	19,566.01

For and on behalf of the Board

Deepak C. Mehta

Chairman & Managing Director

(DIN: 00028377)

Place: Mumbai
Date: May 4, 2018