

## REPORT ON CORPORATE GOVERNANCE

Mr. Thomas Kipp has been a member of the divisional board for Post - eCommerce - Parcel since 2006 when he joined the Group as Head of the Mail division's Large Business Customers department. In this position, he was responsible for developing and marketing tailored customer solutions in Dialog Marketing and Corporate Information Solutions.

### Directorship in Other Companies

NIL

Mr. Thomas Kipp, Director, is not a member of any committee as contemplated under Regulation 26 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations") and does not hold any shares in the Company.

Mr. Kipp and any of the other Directors of the Company do not have any inter-se relationship.

All key decisions are taken only after detailed deliberations and discussions by the Board. The Board of Directors possesses adequate experience, expertise and skills necessary to manage affairs of the Company in the most efficient manner. The Board acts with autonomy and independence in the strategic decision-making process and in discharging its fiduciary responsibilities.

The DHL nominee Directors hold the firm belief that DHL's best interests are aligned with the continued growth and success of the Company.

As regards appointment and tenure of Independent Directors, following Policy is adopted by the Board:

- i) Company has adopted the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013.
- ii) The Independent Directors would serve a maximum of two terms of five years each.
- iii) In transition to the Companies Act, 2013, which is effective April 1, 2014, those Independent Directors who have already served for ten or more years will serve for a maximum period of one term of five years.
- iv) With aforesaid changes, the Company would not have any upper age limit of retirement of Independent Directors from the Board and their appointment and tenure would be governed by the provisions of the Companies Act, 2013.

### Board Independence

The definition of 'Independence' of Directors is derived from Regulation 16 of the Listing Regulations and Section 149(6) of the Companies Act, 2013. Based on the confirmation/ disclosures received from the Directors and on evaluation of the relationships disclosed, Mr. Sharad Upasani, Chairman, Mr. Narendra Sarda and Air Marshal M. McMahon (Retd.), Directors are Independent in terms of the Provisions of Regulation 16 of the Listing Regulations and Section 149(6) of the Companies Act, 2013.

The Company has issued formal letter of appointment to Independent Directors in the manner as provided in the Companies Act, 2013. The terms and conditions of the said appointment are disclosed on the website of the Company.

### Board Procedure

The Board of Directors is presented with all the relevant information on vital matters which may impact working of the Company as well as those which require deliberations at the highest level. It is ensured that information, as required under Regulation 17(7) and Part A of Schedule II of the Listing Regulations is made available to the Board of Directors to enable them to discharge their functions effectively.

There is no relationship between the Directors inter-se.

### Composition of the Board

The size and composition of the Board conforms to the requirements of Corporate Governance norms as stipulated under the provisions of the Listing Regulations.

### Information to the Board

The meetings of the Board of Directors are scheduled well in advance and generally held at the Company's Registered Office in Mumbai. The Notice of the Board Meeting and Board Agenda with detailed enclosures are sent in advance to all Directors.

### Number of Board Meetings

During the year under review, six Board Meetings were held, viz; April 15, 2016, July 28, 2016, October 12, 2016, November 16, 2016, December 15, 2016 and February 7, 2017.

## REPORT ON CORPORATE GOVERNANCE

The details of attendance of each Director at the Board Meetings, last Annual General Meeting, and number of other directorship and membership in the Committees thereof, are as under:

Name of Director	Position	Designation	Attendance Particulars		Directorship in Other Indian Companies	Committee Membership in Other Indian Companies	
			Board Meetings	Last AGM		Member	Chairman
Mr. Sharad Upasani DIN : 01739334	Independent & Non-Executive Director	Chairman	6	Yes	5	2	Nil
Mr. Anil Khanna DIN : 01334483	Executive Director	Managing Director	6	Yes	Nil	1	Nil
Mr. Malcolm Monteiro DIN : 00089757	Non-Independent & Non-Executive Director	Director	6	Yes	1	2	Nil
Mr. Surendra Sheth* DIN : 00089981	Independent & Non-Executive Director	Director	1	NA	2	3	2
Mr. Thomas Kipp DIN : 06921955	Non-Independent & Non-Executive Director	Director	5	Yes	Nil	Nil	Nil
Mr. Narendra Sarda** DIN : 03480129	Independent & Non-Executive Director	Director	6	Yes	1	1	Nil
Ms. Bettina Staffa DIN : 06963668	Non-Independent & Non-Executive Director	Director	3	No	Nil	Nil	Nil
Air Marshal M McMahon*** DIN : 00234293	Independent & Non-Executive Director	Director	-	NA	1	Nil	1

Notes :

- \*1) Mr. Surendra Sheth, Director resigned from the Company with effect from May 12, 2016.
- \*\*2) Mr. Narendra Sarda has been re-appointed as an Independent Director of the Company for another term of five years with effect from March 28, 2017 after complying with postal ballot procedure in accordance with the provisions of Companies Act, 2013.
- \*\*\*3) Air Marshal M. McMahon (Retd.) has been appointed as an Independent Director of the Company with effect from February 10, 2017 for a term of five years after complying with postal ballot procedure in accordance with the provisions of Companies Act, 2013.
- 4) The Directorships held by Directors as mentioned above, includes Directorships in the Private Limited Companies and Companies registered under Section 8 of the Companies Act, 2013, but do not include Directorships in Foreign Companies. The Committee membership and chairpersonship includes membership of the Audit Committee and Stakeholders' Relationship Committee of Indian public Companies.

### 3. Audit Committee

The Audit Committee of the Board deals with all matters relating to financial reporting, internal controls, risk management etc. and reports to the Board from time to time. The Board of Directors of the Company constituted an Audit Committee at its Board Meeting held on May 8, 2001 and reconstituted from time to time.

#### Composition

The Composition of Audit Committee is as per the requirements of Companies Act, 2013 and Listing Regulations. As on March 31, 2017, the Audit Committee comprises of two Independent Non-Executive Directors, viz. Mr. Sharad Upasani and Mr. Narendra Sarda and one Non-Independent and Non-Executive Director,

Mr. Malcolm Monteiro. The Chairman of the Committee is Mr. Sharad Upasani. Mr. Tushar Gunderia, Company Secretary, acts as Secretary to the Audit Committee.

Mr. Anil Khanna, Managing Director; Mr. Yogesh Dhingra, CFO & COO, the Statutory Auditors and Internal Auditor are the permanent invitees to the Audit Committee Meetings. Mr. Tushar Gunderia acts as secretary to the Committee.

In the meeting of Board of Directors of the Company held on May 5, 2017, Mr. Yogesh Dhingra has been appointed as Group CFO & Chief Strategy Officer (CSO) and Mr. Aneel Gambhir has been appointed as CFO with effect from May 8, 2017. Mr. Aneel Gambhir, CFO is also permanent invitee to the Audit Committee Meetings.

## REPORT ON CORPORATE GOVERNANCE

The Chairman of the Audit Committee, Mr. Sharad Upasani was present at the last Annual General Meeting of the Company held on July 28, 2016.

The powers, role and terms of reference of the Audit Committee are in accordance with the provisions of Regulation 18 of the Listing Regulations, 2015 and Section 177 of the Companies Act, 2013.

### **The terms of reference of the Audit Committee, inter-alia include the following :-**

1. Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of Statutory Auditors of the Company;
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
4. Reviewing with the management, the annual financial statements and auditor's report thereon, before submission to the Board for approval, with particular reference to:
  - a. Matters required to be incorporated in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
  - b. Changes, if any, in the accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by the management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Modified opinion(s) in the draft audit report.
5. Reviewing with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing with the management the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for the purposes other than those stated in the offer document / prospectus / notice and report submitted by the monitoring agency, monitoring utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with the related parties;
9. Scrutiny of the inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing with the management, performance of statutory and internal auditors and adequacy of the internal control systems;
13. Reviewing adequacy of internal audit function, if any, including structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
14. Discussion with the internal auditors of any significant findings and follow up thereon;
15. Reviewing findings of any internal investigations by the internal auditors into matters where there is a suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussions with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussions to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background etc. of the candidate;
20. Carrying out any other function as stipulated in terms of reference of the Audit Committee.

The Audit Committee shall also mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.

## REPORT ON CORPORATE GOVERNANCE

### 6. Statement of deviations:

- Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
- Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

The Audit Committee of the Company meets and interacts periodically with the Senior Management Personnel which gives the Audit Committee a deeper insight into the workings of major departments and regions.

During the year under review, eight Audit Committee Meetings were held, viz; April 15, 2016, July 28, 2016 (two meetings, one of which was with the Senior Management of the Company), October 12, 2016, November 16, 2016, December 15, 2016 (two meetings, one of which was with the Senior Management of the Company) and February 7, 2017.

The details of attendance of each Member at the Audit Committee Meeting held during the year ended March 31, 2017 are as under:

Names of Director	Position	No. of Meetings	
		Held	Attended
Mr. Sharad Upasani	Chairman	8	8
Mr. Surendra Sheth*	Member	1	1
Mr. Malcolm Monteiro	Member	8	8
Mr. Narendra Sarda*	Member	7	7

\*Consequent to resignation of Mr. Surendra Sheth on May 12, 2016, Mr. Narendra Sarda was inducted as Member of Audit Committee with effect from May 25, 2016.

### 4. Nomination & Remuneration Committee

The Board of Directors of the Company constituted the Compensation Committee of Directors at the Board Meeting of the Company held on May 7, 2002. In the Board Meeting of the Company held on February 5, 2014, the Board of Directors approved re-structuring of the Committee and the nomenclature of the Committee was changed to 'Nomination and Remuneration Committee'.

As on March 31, 2017 The 'Nomination & Remuneration Committee' comprises two Independent Non-Executive Directors viz. Mr. Narendra Sarda and Mr. Sharad Upasani, and a Non-Independent and Non-Executive Director, Mr. Malcolm Monteiro. The Committee is chaired by Mr. Narendra Sarda, Independent Director.

Mr. Anil Khanna, Managing Director and Mr. Yogesh Dhingra, Group CFO & CSO are permanent invitees to the Nomination & Remuneration Committee.

Mr. Tushar Gunderia, Company Secretary, acts as Secretary to the Nomination & Remuneration Committee.

The Chairman of the Nomination & Remuneration Committee, Mr. Narendra Sarda was present at the last Annual General Meeting of the Company held on July 28, 2016.

During the year under review, four Nomination & Remuneration Committee Meetings were held viz; April 15, 2016, July 28, 2016, December 15, 2016 and February 7, 2017.

The details of attendance of each Member at the Nomination & Remuneration Committee Meeting held during the year ended March 31, 2017 are as under:

Names of Director	Position	No. of Meetings	
		Held	Attended
Mr. Surendra Sheth*	Chairman	1	1
Mr. Narendra Sarda*	Chairman	3	3
Mr. Sharad Upasani	Member	4	4
Mr. Malcolm Monteiro	Member	4	4

\*Consequent to resignation of Mr. Surendra Sheth on May 12, 2016, Mr. Narendra Sarda was inducted as Member/ Chairman of Nomination & Remuneration Committee with effect from May 25, 2016.

The Executive Director is paid remuneration in terms of a resolution passed by the members at the General Meetings.

The Nomination & Remuneration Committee ensures transparent nomination process for Directors with diversity of thought, experience, knowledge, perspective and gender in the Board.

The terms of reference of the 'Nomination & Remuneration Committee' inter-alia include the following:

- Formulation of criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a Policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a Policy on diversity of Board of Directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management roles in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

Non-Executive Directors are paid sitting fees of ₹ 30,000/- for attending each meeting of the Board, Audit Committee,

## REPORT ON CORPORATE GOVERNANCE

Nomination & Remuneration Committee, CSR Committee and Risk Management Committee attended by them. DHL nominated Directors do not accept any sitting fees as per their internal guidelines.

Mr. Sharad Upasani, Independent Director, holds a Masters in Commerce and an LLB degree from the Mumbai University, besides an MBA degree from USA. He is now a consultant on Corporate Law and acts as an Arbitrator in corporate disputes.

Mr. Narendra Sarda was President of ICAI in 1993-1994. He was Chairman of Deloitte Haskins Sells & Affiliates, India from 2007 to 2011. Mr. Sarda was a Public Representative Director on the Board of The Bombay Stock Exchange (now BSE Limited) from 1999 to 2001. He was a member on the Board of the erstwhile International Accounting Standards Committee, London from 1993 to 1995.

Air Marshal M. McMahon (Retd.) aged 72 years has wide experience in the Aviation Industry.

Air Marshal McMahon (Retd.) was commissioned as a fighter pilot and served in the IAF for 42 years. On graduating, he stood first in Flying. He underwent the T - 33 / F- 86 Advanced Gunnery Course in the USA and was awarded certificates for standing first in Low Level Strafe and Low Angle Bombing. He was an A2 Qualified Flying Instructor and was winner of the Chief's of Air Staff trophy for standing first in flying during the QFI course. His important staff appointments were Director, Air Staff Requirements, Asst. Chief of Air Staff (Operations), Inspector General of the IAF and Vice Chief of Air Staff. He is a recipient of the Param Vishist Seva Medal, Ati Vishist Seva Medal and Vishist Seva Medal.

In the Annual General Meeting of the Company held on July 28, 2016, Shareholders of the Company had approved payment of commission to the Non-Executive Directors, not exceeding 1% of Net Profit of the Company in accordance with the provisions of the Companies Act, 2013 for a period of 5 years. The Commission payable to the Independent Directors is determined by the Board within the aforesaid limit of 1% of the net profits after taking into account their attendance and roles and responsibilities in various committees of the Board. For their valuable contribution by way of advice for various project work from time to time, the Company pays commission to Non-Executive Directors, at such rate as determined by the Board of Directors of the Company and within the ceiling as prescribed under the provisions of the Companies Act, 2013.

### Details of remuneration paid to Directors

Non-Executive Directors are paid sitting fees of ₹ 30,000/- for attending each meeting of the Board, Audit Committee, Nomination & Remuneration Committee, CSR Committee and Risk Management Committee attended by them. DHL nominated Directors do not accept any sitting fees as per their internal guidelines.

During the year, the Company paid commission to Mr. Sharad Upasani, Mr. Surendra Sheth and Mr. Narendra Sarda, Non-Executive Directors, aggregating to Rs. 45 lakhs for the financial year ended March 31, 2016.

In ₹

Sr. No.	Name of the Director	Sitting fees (for the financial year ended March 31, 2017)	Commission (paid for the financial year March 2016)
1.	Mr. Sharad Upasani	7,50,000	15,00,000
2.	Mr. Surendra Sheth	1,50,000	15,00,000
3.	Mr. Narendra Sarda	6,00,000	15,00,000

Mr. Anil Khanna has been re-appointed as the Managing Director of the Company with effect from February 21, 2015 to February 20, 2018. In terms of Agreement executed with the Company, details of terms of remuneration paid to the Managing Director are as under:

### Mr. Anil Khanna, Managing Director

(for period from April 1, 2016 to March 31, 2017)

Basic	- ₹ 16.62 Lakhs per month
House Rent Allowance	- ₹ 0.932 Lakhs per month
Special Allowance	- ₹ 2.361 Lakhs per month
Sr. Management Allowance	- ₹ 0.968 Lakhs per month

In addition to the above amount, Mr. Anil Khanna shall be entitled to the following:

- The Company's contribution to Provident Fund, in accordance with the Rules and Regulations of the Company.
- Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- Encashment of unavailed leave at the end of each year.
- Re-imbursement of telephone expenses at residence for official purpose.
- A chauffeur – driven vehicle.
- Coverage under Company's Group Insurance Cover.
- Fees of club, subject to a maximum of one club. This will not include admission and life membership fees.
- Subscription and Annual fees for the Corporate Credit Card.
- The Managing Director shall be entitled to an incentive payment based on achievement of profitability levels and other parameters as determined by the Board of Directors for the calendar year ended December 31, 2016, upto a maximum of ₹ 158.18 lakhs.



## REPORT ON CORPORATE GOVERNANCE

- (x) Increment for each year shall be determined by the 'Nomination & Remuneration Committee' and which shall be subject to approval of the Board of Directors and members of the Company at the General Meeting of members.

During the term of employment of Managing Director, if in any financial year, the Company does not earn any profit or earns inadequate profit as contemplated under the provisions of Schedule V of the Companies Act, 2013, unless otherwise approved by such Statutory Authority, remuneration shall be paid as per the conditions and monetary ceiling prescribed in Schedule V to the Companies Act, 2013 or any re-enactment thereof. Severance term agreed between the Company and Managing Director is six months notice or payment of six months' salary in lieu thereof. The Board of Directors of the Company in its meeting held on February 10, 2016, approved, subject to shareholders' approval, LTI upto a maximum of 20% of total direct compensation to Mr. Anil Khanna, Managing Director, for each year, based on targets set for each Calendar year effective January 1, 2016 to December 31, 2019.

The shareholders approval through postal ballot process was sought to vary/amend terms of payment of remuneration of Mr. Anil Khanna, Managing Director (DIN 01334483) by amending criteria for payment of LTI and LTI would be paid after 4 years based on achievements of targets set viz; EBIT instead of earlier laid down criteria viz; EBIT, Market share growth, etc. as decided by the Board of Directors from time to time.

The remuneration policy of the Company is performance-driven and structured to motivate the employees, recognise their merits and achievements and promote excellence in their performance.

The Nomination & Remuneration Committee and Board of Directors of the Company are authorised to decide remuneration of Whole-Time Directors, subject to approval of Members and Central Government, if required.

The Non-Executive Directors are paid remuneration by way of sitting fees and commission except DHL-nominated Directors who are not paid any sitting fees or commission, as per their internal guidelines.

None of the Directors hold any shares of the Company.

The Company does not have any 'stock options' scheme.

### 5. Board Evaluation

Pursuant to provisions of the Companies Act, 2013, Schedule IV of Companies Act, 2013 and Regulation 17 and Schedule II of Listing Regulations, the Board has carried out an Annual Performance Evaluation of its own performance, the Directors individually, the Chairperson as well as the evaluation of the functioning of its Committees.

In line with effective governance requirements, the Board reviews its own performance annually using a pre-determined

template designed as a tool to facilitate the evaluation process. The assessment is built around the functioning of the Board as a whole, its Committees and also evaluation of individual Directors. The self-assessment format considered performance effectiveness with regard to the Board composition, expertise, dynamics, strategic oversight, risk management and internal control, succession planning and leadership.

While the individual directors' performance is reviewed by the Chairperson and the rest of the Board, the Chairperson's and Non-Independent Directors performance is appraised through feedback from Independent Directors.

### 6. Stakeholders Relationship Committee

As on March 31, 2017 the 'Stakeholders Relationship Committee' consists of Mr. Malcolm Monteiro, Non-Executive Director acting as Chairman of the Committee and Mr. Anil Khanna as member of the Committee.

The Chairman of the Stakeholders Relationship Committee, Mr. Monteiro was present at the last Annual General Meeting of the Company held on July 28, 2016.

The 'Stakeholders Relationship Committee' approves and monitors transfers and transmission of shares/ debentures and replacement, split and consolidation of share certificates/ debenture certificates. The Committee also monitors redressal of complaints received from the shareholders/ debentureholders relating to transfers/transmission of shares/ debentures, non-receipt of annual reports and transfer of credit of shares to demat accounts, non-receipt of declared dividend/ interest and other investor-related matters. The Stakeholders Relationship Committee Meetings are held once in a fortnight to consider matters placed before it.

Mr. Tushar Gunderia, Company Secretary, has been designated as 'Compliance Officer' under the provisions of Listing Regulations.

During the period under review, three hundred and thirty correspondences were received from the investors. These include five complaints received and disposed off during the year ended March 31, 2017. All Investors correspondence were attended expeditiously. There were no investors' complaints pending as on March 31, 2017.

All valid share transfers/transmissions and other requests received during the period were approved and attended to by the Committee. There were no pending requests for transfer of Equity Shares as on March 31, 2017.

The details of Investors' Correspondence received during the year ended March 31, 2017 are as under:

## REPORT ON CORPORATE GOVERNANCE

Nature of Correspondence	No. of Correspondence received	No. of Correspondence resolved/attended
Revalidation / Duplicate / Non-Receipt of Dividend / Interest Warrants	62	62
Non-Receipt of Share certificates / Transfers / Transmissions	15	15
Change of Address	33	33
Request for loss / duplicate/ replacement of Share Certificates	43	43
Others*	177	177
<b>Total</b>	<b>330</b>	<b>330</b>

\*Others include correspondence pertaining to updating new signatures, non-receipt of rejected dematerialisation request forms, registration of Power of Attorneys, procedure for transmission of shares/ debentures, dividend mandate instructions, request for Annual Reports, letters from SEBI and Stock Exchanges and such other administrative matters.

The Company and the Registrar & Transfer Agent have attended to most of the investors' correspondence within a period of 8 days from the date of receipt of correspondence during the year ended March 31, 2017.

M/s. Link Intime India Pvt. Limited acts as the Registrar and Share Transfer Agent of the Company.

In terms of SEBI Notification dated January 15, 2015, new 'Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders' and 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' has been made applicable to all designated employees and other connected persons with effect from May 15, 2015.

The Stakeholders Relationship Committee monitors compliance of the provisions of 'Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders' and 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information'.

### 7. Unclaimed Dividend/Shares

As on date, the Company has transferred unclaimed dividend declared for the financial years 1995-96, 1996-97, 1998-99, 1999-2000 (interim and final dividend), 2000-2001, 2001-2002, 2002-2003, 2003-2004, 2004-2005, December 2005, December 2006, December 2007, December 2008 and December 2009 to "The Investors Education and Protection Fund" established by the Central Government.

In accordance with the provisions of Regulation 39 and Schedule V of Listing Regulations, 2015, the details of the shares lying in the "Blue Dart Express Ltd. – Unclaimed Suspense Account" maintained with the Stock Holding Corporation of India Ltd. are as under:

Type of Security	As on April 1, 2016		Applied for transfer and whose shares were transferred during the year from the suspense account		Balance as on March 31, 2017	
	Number of		Number of		Number of	
	Share-holders	Shares	Share-holders	Shares	Share-holders	Shares
Equity Shares	110	11,702	3	400	107	11,302

The voting rights on these equity shares retained as outstanding in the 'suspense account' as on March 31, 2017 would remain frozen till the rightful owner claims these shares.

### 7.2 Transfer of Unclaimed Equity Shares to Investor Education and Protection Fund (IEPF) Account

Pursuant to provisions of Section 124 and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit and Transfer and Refund) Rules, 2016, as amended, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to an IEPF Account. The Company has sent notice to all the members whose Dividends are lying unpaid / unclaimed against their names for seven consecutive years or more and has also uploaded the details of such shareholders on its website and necessary steps will be initiated by the Company to transfer shares held by the members to IEPF in accordance with the Investor Education and Protection Fund Authority (Accounting, Audit and Transfer and Refund) Rules, 2016.

### 8. Corporate Social Responsibility Committee

The Company constituted a Corporate Social Responsibility Committee (CSR Committee) on February 5, 2014. The CSR Committee of the Company comprises of Mr. Sharad Upasani as Chairman of the Committee and Mr. Anil Khanna and Mr. Malcolm Monteiro as members of the Committee.

The permanent invitee to the CSR Committee is Mr. Yogesh Dhingra, Group CFO & CSO.

The role of CSR Committee is as under:

- Formulating and recommending to the Board, CSR Policy and the activities to be undertaken by the Company.
- Recommending amount of expenditure to be incurred on activities undertaken.
- Implementation and execution of CSR initiatives/ activities.
- Reviewing performance of the Company in the areas of CSR.
- Monitoring CSR Policy from time to time.

During the year under review, three CSR Committee Meetings were held, viz; April 15, 2016, October 12, 2016 and February 7, 2017.

## REPORT ON CORPORATE GOVERNANCE

The details of attendance of each Member at the CSR Committee Meetings held during the year ended March 31, 2017 are as under:

Names of Director	Designation	No. of Meetings	
		Held	Attended
Mr. Sharad Upasani	Chairman	3	3
Mr. Anil Khanna	Member	3	3
Mr. Malcolm Monteiro	Member	3	3

### 9. Risk Management Committee

The Board of Directors at its meeting held on June 11, 2014 approved constitution of the 'Risk Management Committee' as per the requirements of the Companies Act, 2013 and Regulation 21 of Listing Regulations. In the Board Meeting of the Company held on October 12, 2016, the Risk Management Committee was reconstituted. As on March 31, 2017, the 'Risk Management Committee' comprises of Mr. Narendra Sarda, Mr. Sharad Upasani, Independent Directors, Mr. Anil Khanna, Managing Director, Mr. Malcolm Monteiro, Director, Mr. Yogesh Dhingra, Group CFO & CSO, Mr. Aneel Gambhir, CFO and Mr. Tushar Gunderia, Company Secretary. The Committee is chaired by Mr. Narendra Sarda, Independent Director.

During the year under review, two Risk Management Committee Meetings were held, viz; April 15, 2016 and October 12, 2016.

The details of attendance of each Member at the Risk Management Committee Meetings held during the year ended March 31, 2017 are as under:

Names of Director	Designation	No. of Meetings	
		Held	Attended
Mr. Narendra Sarda	Chairman	2	2
Mr. Sharad Upasani	Member	2	2
Mr. Surendra Sheth*	Member	1	1
Mr. Anil Khanna	Member	2	2
Mr. Yogesh Dhingra	Member	2	2
Mr. Aneel Gambhir	Member	2	2
Mr. Tushar Gunderia	Member	2	2
Mr. Malcolm Monteiro*	Member	-	-

\*Consequent to resignation of Mr. Surendra Sheth on May 12, 2016, Mr. Malcolm Monteiro was inducted as Member of Risk Management Committee with effect from October 12, 2016.

### 10. Independent Directors' Meeting

As per the requirements of Schedule IV the Companies Act, 2013 and Regulation 25 of Listing Regulations, during the year under

review, Independent Directors met on April 15, 2016 and October 12, 2016, without presence of Managing Director, Non-Executive Directors, Non-Independent Directors and Management Team. The meeting was attended by all Independent Directors and it was convened to enable Independent Directors to discuss matters pertaining to the Company's affairs, performance of Non-Independent Directors and Board of Directors pursuant to requirements of Companies Act, 2013 and Listing Regulations and put forth their views to the Board of Directors of the Company.

### 11. Policy for Selection and Appointment of Directors and their Remuneration

The Company has formulated Nomination & Remuneration Policy pursuant to requirements of the Companies Act, 2013 and Listing Regulations. The criterion for selection, appointment and remuneration of Directors has been stated in the policy.

#### Criteria for selection of Executive Director / Managing Director

For a person to be appointed as Managing Director ("Candidate"), he/she should fulfill/meet the following criteria:

- The Candidate should have been allotted a director's identification number.
- The Candidate should not be below the age of 21 years. If the Candidate has completed 70 years of age, then the Candidate may be appointed after complying with the relevant provisions of the Companies Act, 2013.
- The Candidate should not be an undischarged insolvent or should not have, at any time, been adjudged as an insolvent.
- The Candidate should not have, at any time, suspended payment to his/her creditors or should not be a person who makes, or has at any time made, a composition with them.
- The Candidate should not have, at any time, been convicted by a court of an offence and sentenced for a period of more than 6 months.
- The Candidate should not be disqualified to act as a director pursuant to the provisions of the Companies Act, 2013.
- If the Candidate is already holding the office of Managing Director, then his/her current tenure should be expiring within a period of not more than 1 year.
- The Candidate should not be a director, who has been at any time removed from directorship by the Company in accordance with the provisions of the Companies Act, 2013.
- The Candidate should not have been sentenced to imprisonment for any period, or to a fine exceeding ₹ 1,000, for the conviction of an offence under any of the specified statutes.
- The Candidate should not have been detained for any period under the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974 (52 of 1974).



## REPORT ON CORPORATE GOVERNANCE

- (k) If the Candidate is a managerial person in more than 1 company, then the remuneration which he/she draws from 1 or more companies should be within the ceiling provided in section V of Part II of Schedule V of the Companies Act, 2013.
- (l) The Candidate should be a 'resident of India' as per Schedule V of the Companies Act, 2013.
- (m) The Candidate should not be holding office as a director or any other office in a competing firm/entity.
- (n) The Candidate should possess requisite qualifications and experience as may be decided by the Board of Directors.

### Remuneration of Executive Director/ Managing Director

1. The Nomination & Remuneration Committee to recommend remuneration of the Managing Director to the Board for its approval.
2. Such remuneration shall be subject to approval of the shareholders of the Company, in the next general meeting.
3. If proposed remuneration is at variance to the conditions specified in Schedule V of the Act, then such remuneration will also be subject to the approval of the Central Government.
4. The terms of the remuneration of the Managing Director shall be as under:
  - (a) The remuneration of the Managing Director shall consist of the following:
    - (i) Basic Salary
    - (ii) House Rent Allowance
    - (iii) Special Allowance
  - (b) In addition to the above, the Managing Director shall be entitled to the following:
    - (i) Company's contribution to the provident fund as per The Employees' Provident Funds and Miscellaneous Provisions Act, 1952.
    - (ii) Gratuity at a rate not exceeding half a month's salary for each completed year of service.
    - (iii) Superannuation contribution subject to a maximum ceiling of 15% of basic salary by way of contribution to a fund or an allowance in lieu thereof or a combination of both.
    - (iv) Encashment of an unavailed leave at the end of each year.
    - (v) Re-imbursement of telephone expenses at residence for official purpose.
    - (vi) A chauffeur – driven vehicle.

- (vii) Coverage under Company's Group Insurance Cover.
- (viii) Fees of club, subject to a maximum of one club. This will not include admission and life membership fees.
- (ix) Subscription and Annual fees for Corporate Credit Card.
- (x) An incentive payment based on achievement of profitability levels for the year ended, upto such amount, as may be decided by the Board and approved by the shareholders from time to time.
- (xi) Increment for each year will be determined by the Nomination & Remuneration Committee based on the performance evaluation report and which will be subject to approval of the Board and shareholders, and of the Central Government, if applicable.
- (xii) Such other benefits and upto such amount, as may be decided by the Board and the shareholders, from time to time.
- (c) The Managing Director is currently not entitled to any stock options.

### Criteria for selection of Non-Executive Directors:

1. For a person to be appointed as a Non-Executive Director ("Candidate"), he/she should fulfill/meet the following criteria:
  - (a) The Candidate should have been allotted a director's identification number.
  - (b) The number of companies in which such Candidate may be holding office as a director or a chairman or committee member should not exceed the limit stipulated by the Companies Act, 2013.
  - (c) The Candidate should not be disqualified to act as a director pursuant to the provisions of the Companies Act, 2013.
  - (d) The Candidate should not be holding office as a director or any other office in a competing firm/entity.
  - (e) The Candidate should possess requisite qualification and experience as may be decided by the Board of Directors.

### Remuneration of Non-Executive Directors

1. The Nomination & Remuneration Committee to recommend the remuneration of Non - Executive Directors excluding sitting fees to the Board for its approval, and it will be subject to approval of the shareholders of the Company.
2. The terms of the remuneration of the Non - Executive Directors shall be as under:

## REPORT ON CORPORATE GOVERNANCE

- (a) An incentive payment based on achievement of profitability levels for the year ended, upto such amount, as may be decided by the Board and the shareholders, from time to time.
- (b) Sitting fees of such amounts as may be determined from time to time and upto such amount, as may be decided by the Board and the shareholders, if required.
- (c) Increment for each year will be determined by the Committee based on the performance evaluation report and which will be subject to approval of the Board and the shareholders.
- (d) The Non-Executive Directors are currently not entitled to any stock options.

### Criteria for selection of Independent Directors:

For a person to be appointed as an Independent Director ("Candidate"), he/she should fulfill/meet the following criteria:

- (a) If the Candidate is already an Independent Director, then his tenure and term will be as per the Companies Act, 2013 and Listing Regulations.
- (b) The Candidate should have been allotted a director's identification number.
- (c) The number of companies in which such Candidate may be holding office as an independent director or a chairman or committee member should not exceed the limit stipulated by the Companies Act, 2013 and Listing Regulations.
- (d) The Candidate should not be disqualified to act as a director pursuant to the provisions of the Companies Act, 2013.
- (e) The Candidate should not be holding office as a director or any other office in a competing firm/entity.
- (f) The Candidate should, in the opinion of the Board, be a person of integrity and possess relevant expertise and experience.
- (g) The Candidate should not be or should not have been a promoter of the Company or its holding, subsidiary or associate company.
- (h) The Candidate should not be related to promoters or directors in the Company, its holding, subsidiary or associate company.
- (i) The Candidate should not have or should not have had any pecuniary relationship with the Company, its holding, subsidiary or associate company, or their promoters, or directors, during the 2 immediately preceding financial years or during the current financial year.
- (j) None of the Candidate's relatives should have or should have had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company, or

their promoters, or directors, amounting to 2% or more of its gross turnover or total income or Rs. 50 lakhs or such higher amount as may be prescribed, whichever is lower, during two immediately preceding financial years or during current financial year.

- (k) Neither himself/herself nor any of his/her relatives:
  - (i) should hold or should have held the position of a 'key managerial personnel' or should be or should have been an employee of the Company or its holding, subsidiary or associate company in any of the 3 financial years immediately preceding the financial year in which he/she is proposed to be appointed.
  - (ii) should be or should have been an employee or proprietor or a partner, in any of the 3 financial years immediately preceding the financial year in which he/she is proposed to be appointed, of:
    - a firm of auditors or company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate company; or
    - any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
  - (iii) should hold together with his/her relatives 2% or more of the total voting power of the Company;
  - (iv) should be a Chief Executive or director, by whatever name called, of any non-profit organisation that receives 25% or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the Company; or
  - (v) should be a material supplier, service provider or customer or a lessor or lessee of the Company.
- (l) The Candidate should not be less than 21 years of age.
- (m) The Candidate should possess requisite qualification and experience as may be decided by the Board of Directors.

### Remuneration of Independent Directors

1. The Nomination & Remuneration Committee to recommend remuneration of the Independent Directors excluding sitting fees to the Board for its approval and will be subject to approval of the shareholders of the Company.
2. The terms of the remuneration of the Independent Directors shall be as under:
  - (a) Sitting fees of such amounts as may be determined from time to time and upto such amount, as may be decided by the Board and the shareholders, if required.

## REPORT ON CORPORATE GOVERNANCE

- (b) Commission subject to a ceiling based on profitability for the year ended upto such amount, as may be decided by the Board and approved by the shareholders of the Company, from time to time.
- 3. The Independent Directors will not be entitled to any stock options.

### Remuneration of Key Managerial Personnel:

- 1. The Nomination & Remuneration Committee to recommend remuneration of Managing Director, Company Secretary and Chief Financial Officer to the Board for its approval.
- 2. Increment for each year will be determined by the Committee based on performance evaluation report.
- 3. Such increment will be subject to approval of the Board.
- 4. The Key Managerial Personnel will not be entitled to any stock options.

### Remuneration of Employees:

- 1. The Nomination & Remuneration Committee to determine remuneration of employees of the Company, other than whole time key managerial personnel.
- 2. Increment for each year will be determined by the Committee based on the performance evaluation.
- 3. The employees are currently not entitled to any stock options.

## 12. Vigil Mechanism/Whistle Blower Policy

At Blue Dart, we value high ethical standards of behavior and expect honesty, openness and integrity in whatever we do. In terms of provisions of Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations, the Company has formalized the process and institutionalized the 'Whistle Blower Policy' within the Organisation.

The Whistle Blower Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern. Pursuant thereto, a dedicated helpline viz; [bluedart@ethicshelpline.in](mailto:bluedart@ethicshelpline.in) has been set up which is managed by an independent professional entity.

The Policy is applicable to all employees, directors, officers, customers, vendors and/or third party intermediaries such as agents and consultants whether appointed on a permanent, temporary, full time, part-time, contractual, probation or on a retainer basis who are engaged to conduct business on behalf of the Company and its Subsidiary Companies. The Policy provides for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. No personnel have been denied access to the Audit Committee pertaining to the Whistle Blower Policy.

The Company has posted "Whistle Blower Policy" on the website of the Company viz; [www.bluedart.com](http://www.bluedart.com).

The web link of the Whistle Blower Policy is <http://www.bluedart.com/WhistleBlowerPolicy>.

## 13. Policy for prevention of Sexual Harassment of Women

The Company values dignity of individuals and strives to provide a safe and respectable work environment for all its employees. The Company is committed to providing an environment which is free of discrimination, intimidation and abuse. Pursuant to requirements of 'Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013' and rules made thereunder, the Company has formulated a Policy for Prevention of Sexual Harassment of Women in the Company. During the financial year 2016-17, there was one complaint which was received, investigated and resolved and no complaint is outstanding as on March 31, 2017 for redressal.

## 14. Familiarization Programme for Independent Directors

Pursuant to requirements of Regulation 25 of Listing Regulations, the Company has a familiarization programme for the Independent Directors with regard to their role, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc. The Board Members are provided with all the necessary documents/ reports and internal policies to enable them to familiarise with the Company's procedures and practices.

Periodic presentations are made at the Board and Board constituted Committee Meetings pertaining to business and performance updates of the Company, global business environment, business strategies and risks involved.

Directors attend training programmes/ conferences on relevant subject matters and keep themselves abreast of the latest corporate, regulatory and industry developments.

The same has been posted on the website of the Company viz; [www.bluedart.com](http://www.bluedart.com).

The weblink of familiarization programme is [http://www.nseprimeir.com/\\_BlueDart/files/FamiliarisationProgramme.pdf](http://www.nseprimeir.com/_BlueDart/files/FamiliarisationProgramme.pdf)

## 15. General Body Meetings

- a) The details of Annual General Meetings held during the last three years are as under:

## REPORT ON CORPORATE GOVERNANCE

AGM for Financial Year ended	Day & Date	Time	Location
March 31, 2014	Wednesday 23.07.14	4:30 p.m.	Hotel Hilton Mumbai International Airport, Chancellor I, Sahar Airport Road, Andheri (East), Mumbai – 400 099.
March 31, 2015	Wednesday 29.07.15	4:30 p.m.	Hotel Hilton Mumbai International Airport, Chancellor I, Sahar Airport Road, Andheri (East), Mumbai – 400 099.
March 31, 2016	Wednesday 28.07.16	4:30 p.m.	Hotel Hilton Mumbai International Airport, Chancellor I, Sahar Airport Road, Andheri (East), Mumbai – 400 099.

All resolutions set out in the respective notices were passed by the Members.

### b) Postal Ballot

Sr. No.	Date of Declaration of Postal Ballot Results	Description	Votes in favour of the Resolution		Votes against the Resolution	
			No. of Votes	% to total votes	No. of Votes	% to total votes
1.	February 14, 2017	Special Resolution for re-appointment of Mr. Narendra P. Sarda (DIN-03480129) as an Independent Director of the Company	20763376	99.99%	497	0.01%
2.	February 14, 2017	Ordinary Resolution for appointment of Air Marshal M. McMahon (Retd.) (DIN 00234293) as an Independent Director	20386943	98.25%	364143	1.75%

Sr. No.	Date of Declaration of Postal Ballot Results	Description	Votes in favour of the Resolution		Votes against the Resolution	
			No. of Votes	% to total votes	No. of Votes	% to total votes
3.	February 14, 2017	Ordinary Resolution for Amendment in terms of remuneration of Mr. Anil Khanna (DIN – 01334483) Managing Director	20763440	99.99%	370	0.01%

Person who conducted the Postal Ballot exercise

Mr. Nilesh Shah, Practicing Company Secretary, Mumbai was appointed to act as scrutinizer for conducting the postal ballot and E-voting.

Procedure for Postal Ballot

- The Board of Directors vide resolution dated December 15, 2016 had appointed Mr. Nilesh Shah to act as the scrutinizer.
- The dispatch of the postal ballot Notice dated December 15, 2016 together with the Explanatory statement was completed on January 11, 2017 along with the forms and postage prepaid business envelopes to all the shareholders whose names appeared on the Register of Members/ List of beneficial owners as on December 30, 2016. The Company had also published a notice in the newspapers declaring the details of completion of dispatch and such other requirements as mandated under the Act and applicable rules.
- The voting for postal ballot was kept open from January 12, 2017 to February 10, 2017 for both physical and electronic mode
- Particulars of postal Ballot forms received from the Members using electronic platform of CDSL were entered in a separate register maintained for the purpose.
- All Postal Ballot forms received by the Scrutinizer upto 5 p.m. on February 10, 2017 were considered for scrutiny. Postal Ballot forms received after the date had not been considered.

The scrutinizer submitted his report to the Chairman, after the completion of the scrutiny, and the consolidated results of the voting by postal ballot, were then announced on February 14, 2017 by Mr. Sharad Upasani, Chairman as per the Scrutinizer's Report. The results were displayed on the Company's website viz; [www.bluedart.com](http://www.bluedart.com) and were put on the notice board of the Company besides being

## REPORT ON CORPORATE GOVERNANCE

communicated to the stock exchanges, depositories and Registrar and Share Transfer Agent.

None of the business proposed to be transacted at the ensuing Annual General Meeting require passing of a resolution through Postal Ballot process.

- c) The following Special Resolution was passed by the Members during the previous three Annual General Meetings.

At the Annual General Meeting held on July 23, 2014:

Approval for Adoption of new set of the Articles of Association of the Company pursuant to the Companies Act, 2013.

At the Annual General Meeting held on July 29, 2015:

Approval for Material Related Party Transactions

At the Annual General Meeting held on July 28, 2016:

No Special Resolution was passed

### 16. Subsidiary Companies

As a good Corporate governance practice and as stipulated under the Listing Regulations, in the Meeting of the Board of Directors of the Company held on February 10, 2016, the Board of Directors had nominated Mr. Surendra Sheth, an Independent Director of the Company on the Board of its Wholly Owned Subsidiary Company viz; Blue Dart Aviation Ltd. Consequent to resignation of Mr. Surendra Sheth with effect from May 12, 2016, the Board of Directors in its Meeting held on July 28, 2016 nominated Mr. Sharad Upasani, an Independent Director of the Company on the Board of its Wholly Owned Subsidiary Company, Blue Dart Aviation Limited (BDAL). Accordingly, BDAL, an Unlisted Subsidiary of the Company made an application on August 22, 2016 to the Ministry of Civil Aviation for induction of Mr. Sharad Upasani on the Board of BDAL. The approval of the Ministry of Civil Aviation was received on February 28, 2017 and Mr. Sharad Upasani has been appointed as Director on the Board of Blue Dart Aviation Ltd. with effect from March 15, 2017.

The Company monitors performance of its subsidiaries, inter-alia, by the following means:

- The Financial Statements, in particular, the investments made by the 'unlisted subsidiary companies' are reviewed by the Audit Committee of the Company.
- The Minutes of the Board Meetings of the subsidiary companies are placed before the Board Meeting of the Company.
- The details of any significant transactions and arrangements entered into by the unlisted subsidiary companies are placed before the Board Meeting of the Company.
- The Company has its Senior Management personnel on the Board of Directors of its subsidiary company, viz: Concorde Air Logistics Ltd.

As required under Regulation 16 of the Listing Regulations, the Company has formulated a Policy for determining 'material subsidiary'.

The Company has posted "Policy for determining 'material subsidiary'" on the website of the Company viz; [www.bluedart.com](http://www.bluedart.com).

The web link of Policy for determining 'material subsidiary' is [http://www.nseprimeir.com/z\\_BlueDart/files/Bluedart\\_PolicyonMaterialSubsidiary.pdf](http://www.nseprimeir.com/z_BlueDart/files/Bluedart_PolicyonMaterialSubsidiary.pdf)

### 17. Related Party Transactions

All Related Party Transactions which were entered into during the Financial Year were on an arm's length basis and in the ordinary course of business. There are no materially significant related party transactions made by the Company with the Promoters, Directors, Key Managerial Personnel or any related party which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee and the Board for approval.

None of the Directors have any pecuniary relationships or transactions vis-à-vis the Company.

The particulars of contracts or arrangements with the related parties as required under Section 134(3)(h) have been provided in the Directors' Report.

The 'Policy on Related Party Transactions/ Disclosures' approved by the Board of Directors as required under Regulation 23 of the Listing Regulations is posted on the Company's website viz [www.bluedart.com](http://www.bluedart.com).

The web link of 'Policy on Related Party Transactions/ Disclosures' is [http://www.nseprimeir.com/z\\_BlueDart/files/Bluedart\\_RelatedPartyDisclosures final.pdf](http://www.nseprimeir.com/z_BlueDart/files/Bluedart_RelatedPartyDisclosures final.pdf).

### 18. Disclosures

The financial results are prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) as prescribed under section 133 of the Companies Act, 2013 and other recognised accounting practices and policies as applicable. Beginning April 1, 2016, the Company has adopted Ind AS for the first time with a transition date of April 1, 2015.

The Company has not entered into any transaction of a material nature with the Promoters, Directors, its Management, relatives or with its subsidiaries or any related party which may have a potential conflict with the interests of the Company at large.

The Company has not received any disclosure from the senior management in relation to material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the Company at large as stated in the Regulation 26 (5) of Listing Regulations.



## REPORT ON CORPORATE GOVERNANCE

No penalties or strictures were imposed on the Company during the last three years by any Stock Exchanges, SEBI or any other statutory authorities on any matters related to capital markets.

The Company has in place a mechanism to inform the Board on risk assessment and minimisation procedures and periodic review is conducted in order to ensure that Management controls risk through a properly defined framework.

### 19. Code of Conduct

Blue Dart has always adhered to the highest standards of quality and ethics while maintaining its leadership position in the express air and integrated transportation and distribution industry in the country. The cornerstone of our success has been the Company's people who are guided by the Company's 'Guiding Principles'.

The Board of Directors of the Company has laid down a Code of Conduct for the Board Members and Senior Management Team of the Company. The same has been posted on the website of the Company.

The Code of Conduct is a comprehensive document which articulates the Company's expectations from its people, to reflect the ethics and values of the organisation and resultantly earn goodwill of its customers and enhance its reputation.

All the Board Members and members of Senior Management have affirmed compliance with the provisions of the 'Code of Conduct' for the year ended March 31, 2017. As per the requirements of Schedule V of the Listing Regulations, a certificate from Mr. Anil Khanna, Managing Director confirming compliance to the 'Blue Dart Code of Conduct' has been attached to this Report.

Pursuant to the requirements of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted the 'Blue Dart Code of Conduct for Prevention of Insider Trading' in the Equity Shares of the Company. Mr. Tushar Gunderia, the Company Secretary, acts as 'Compliance Officer' for administration of the Code in consultation with the Company's Stakeholders Relationship Committee. This Code of Conduct is applicable to all Directors and designated employees of the Company who are expected to have access to unpublished price-sensitive information relating to the Company.

### 20. Auditor's Certificate on Corporate Governance

As required by the provisions of Schedule V of Listing Regulations, the Auditor's Certificate is given as an Annexure to the Directors' Report.

### 21. CEO and CFO Certification

As required by Regulation 17(8) of the Listing Regulations, the CEO and CFO certification on Financial Statements, Cash Flow Statement and Internal Control Systems for the financial reporting for the year ended March 31, 2017, has been obtained from Mr. Anil Khanna, Managing Director and Mr. Yogesh Dhingra,

Group CFO & CSO, and it has been incorporated in the Company's Annual Report.

### 22. Means of Communication

**Financial Results:** The Company's Quarterly, Half-yearly and Annual results are published in The Economic Times and a regional language newspaper viz; Maharashtra Times. The financial results and press releases are also immediately posted on the Company's website, viz. [www.bluedart.com](http://www.bluedart.com). For information of the investors, the Company publishes Notice of the Board Meeting in which financial results are proposed to be approved by the Board of Directors in a national newspaper, at least seven clear calendar days in advance.

The Quarterly, Half-yearly and Annual results are published in the newspapers with adequate disclosures for information and knowledge of the shareholders /public at large. As a good disclosure practice, the Company has continued publication of detailed financial results instead of publishing condensed version permitted under new Listing norms.

**Website:** The Company's website ([www.bluedart.com](http://www.bluedart.com)) contains a separate dedicated section viz; 'Investor Relations' where information for the shareholders is made available. The Company's Annual Report is also available in downloadable form on website.

**Investors' Presentation:** The Company also uploads the "Investors Presentation" on the Company's website viz; [www.bluedart.com](http://www.bluedart.com) on a quarterly basis.

**Annual Report:** The Annual Report containing inter-alia, Audited Financial Statements, Audited Consolidated Financial Statements, Directors' Report, Auditors Report and other important information is circulated to the Members and others entitled thereto. The Management Discussion and Analysis Report, Business Responsibility Report forms an integral part of the Directors' Report.

**NSE Electronic Application Processing System (NEAPS):** The NEAPS is a web-based application designed by NSE for the Corporates. All periodical compliance filings like shareholding pattern, corporate governance report, Financial Results, statement of investors complaints, among others on NSE are filed electronically on NEAPS.

**BSE Listing Centre:** The Listing Centre is a web-based application designed by BSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, Financial Results, statement of investors complaints, among others on BSE are filed electronically on Listing Centre.

**SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action

## REPORT ON CORPORATE GOVERNANCE

Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

### 23. Details of compliance with mandatory requirements and adoption of non-mandatory requirements

The Company has complied with all mandatory requirements of the Listing Regulations including compliances mentioned in sub-paragraphs (2) to (10) of Part C of Schedule V, and compliance with non-mandatory requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as stated hereunder:

1. The Company has appointed separate persons for the post of Chairman and Managing Director.
2. Directors are adequately briefed on all business related matters, risk assessment and new initiatives proposed to be adopted by the Company.

### 24. General Shareholders Information

**Annual General Meeting** : Thursday, July 27, 2017 at 4:30 p.m. at Hotel Hilton Mumbai International Airport, Chancellor II, Sahar Airport Road, Andheri (East), Mumbai – 400 099

**Financial Year** **April 1 to March 31**

<b>Financial Calendar</b> (tentative and subject to change)	<b>Schedule of Board Meetings</b>	<b>Date</b>
	First Quarter ending June 30, 2017	July 27, 2017
	Second Quarter & Half-year ending September 30, 2017	October 17, 2017
	Third Quarter ending December 31, 2017	January 30, 2018
	Last Quarter & Year ending March 31, 2018	May 8, 2018

**Book Closure period** : Thursday, July 20, 2017 to Thursday, July 27, 2017 (both days inclusive)

**Dividend Payment Date** : August 3, 2017 (if dividend payment is approved at the AGM)

**Listing of Shares and other Securities on Stock Exchanges** : The equity shares and unsecured, redeemable, non-convertible, fully paid up debentures are presently listed at the following stock exchanges.

1. BSE Limited (BSE)
2. The National Stock Exchange of India Limited (NSE)

(The Company has paid its Annual Listing fees for listed securities to the above Stock Exchanges for the Financial Year 2017-2018)

### Stock market Performance

<b>Stock Code/Symbol</b>	: BSE	: 526612
<b>Equity Shares of ₹ 10/-each</b>	NSE	: Symbol - BLUEDART Series – EQ
<b>ISIN</b>	: INE233B01017	

## REPORT ON CORPORATE GOVERNANCE

9.3% Unsecured, Redeemable, Non-convertible, Fully paid up debentures(NCD's) : BSE:  
Security ID : BLUENCDSR1  
Security Code : 935308  
NSE:  
Symbol - BLUEDART

**ISIN** INE233B01017

9.4% Unsecured, Redeemable, Non-convertible, Fully paid up debentures(NCD's) : BSE:  
Security ID : BLUENCDSR2  
Security Code : 935309  
NSE:  
Symbol - BLUEDART

**ISIN** INE233B08095

9.5% Unsecured, Redeemable, Non-convertible, Fully paid up debentures(NCD's) : BSE:  
Security ID : BLUENCDSR3  
Security Code : 935309  
NSE:  
Symbol - BLUEDART

**ISIN** INE233B08103

**Corporate Identification Number (CIN) :** L61074MH1991PLC061074

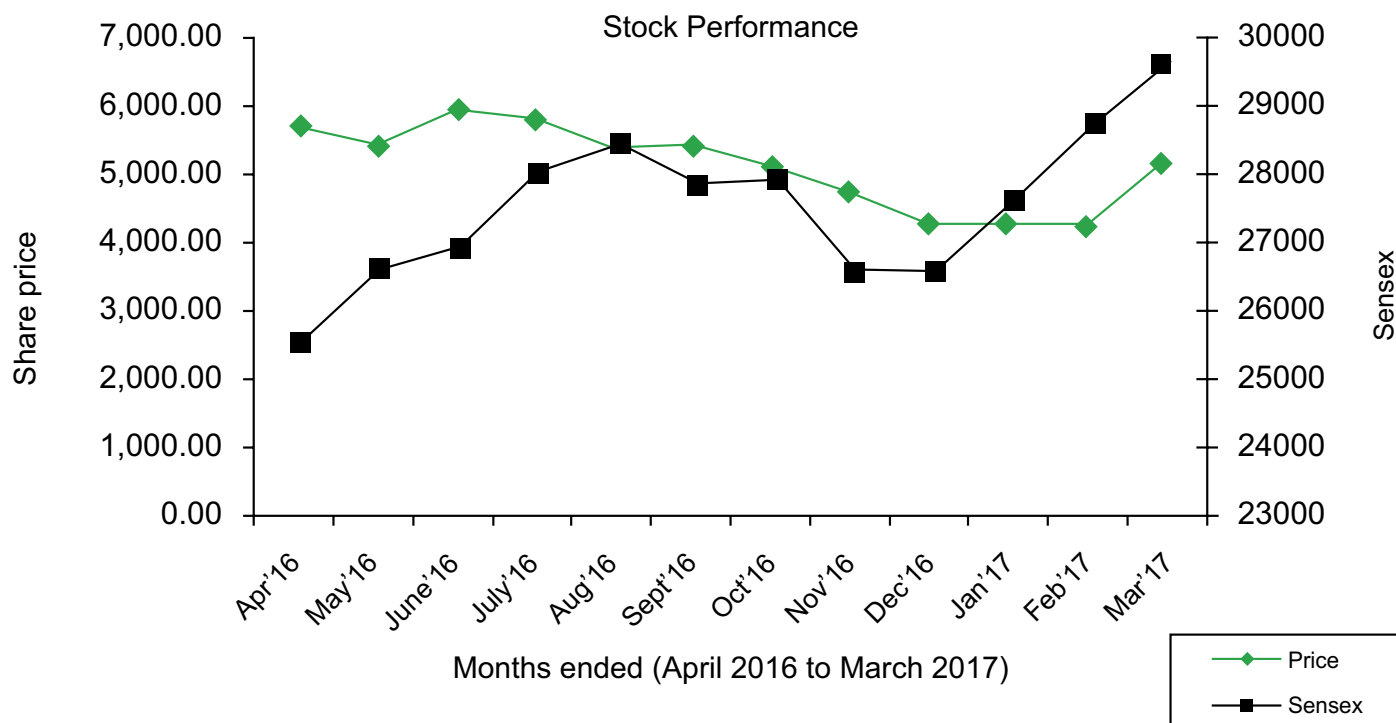
### Stock Market Data:

#### High and Low price of shares at BSE Limited & National Stock Exchange of India Limited

Year (2016-2017)			BSE		NSE	
			High	Low	High	Low
April	–	2016	6419.30	5679.00	6418.15	5657.00
May	–	2016	5699.00	5275.00	5700.00	5260.00
June	–	2016	6333.00	5425.00	6169.95	5410.50
July	–	2016	6160.00	5710.00	6116.00	5730.00
August	–	2016	5909.45	4911.10	5930.05	4888.00
September	–	2016	5690.35	5303.15	5720.00	5300.00
October	–	2016	5625.00	4969.00	5620.00	5029.00
November	–	2016	5193.80	4500.00	5175.00	4500.00
December	–	2016	4820.00	4162.10	4820.00	4170.00
January	–	2017	4612.00	4340.00	4624.50	4313.40
February	–	2017	4384.00	4165.00	4399.75	4160.65
March	–	2017	5422.00	4255.55	5300.00	4250.00

## REPORT ON CORPORATE GOVERNANCE

### Stock Price Performance in comparison to the BSE Sensex:



### Registrar & Share Transfer Agent

: M/s. Link Intime India Pvt. Ltd.  
C- 101, 1st Floor, 247 Park,  
LBS Marg, Vikhroli West, Mumbai- 400083

Phone: +91 22-49186000

Fax : +91 22-49186060

Email : [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

### Share Transfer System

: Share Transfers which are received in physical form are processed well within the statutory prescribed period from the date of receipt, subject to documents lodged being valid and complete. All share transfers are approved in the Stakeholders Relationship Committee Meeting held once in a fortnight.

### Distribution of Shareholding as on March 31, 2017

No of Shares	No. of Shareholders	% of Share Holders	Shares held	% of shares
1 - 500	18885	97.80	758,700	3.20
501 - 1000	189	0.98	141,217	0.60
1001 - 2000	94	0.49	134,852	0.57
2001 - 3000	24	0.12	59,094	0.25
3001 - 4000	9	0.05	32,701	0.14
4001 - 5000	20	0.10	93,746	0.39
5001 - 10000	29	0.15	216,439	0.91
10001 - above	58	0.31	22,291,185	93.94
	19,308	100.00	23,727,934	100.00

## REPORT ON CORPORATE GOVERNANCE

### Categories of shareholders as on March 31, 2017

Category	No. of Shareholders	No of Shares held	Voting Strength %
Promoter*	1	17,795,950	75.0000
Foreign Body Corporate and Foreign Portfolio Investor (Corporate)	78	1,300,706	5.4817
Banks, Financial Institutions and Mutual Funds	36	1,577,908	6.6500
Individuals	17,339	1,149,386	4.8440
Companies	491	1,552,622	6.5434
NRIs and FIIs	590	285,059	1.2014
Hindu Undivided Family and Trusts	583	46,494	0.1960
Clearing Member	190	19,809	0.0835
Total	19,308	23,727,934	100.000

\* under two demat accounts

### Outstanding Global Depository Receipts or American Depository Receipts or Warrants or any Convertible Instruments, Conversion Date and Likely impact on Equity

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments in the past and hence as on March 31, 2017, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

### Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

#### Commodity Price Risk :

Your Company runs a fleet of dedicated cargo aircraft for the movement of cargo between the seven airport stations it operates. Any Change in World Crude prices impacts Aviation Turbine Fuel (ATF) which has a corresponding impact on the Aircraft Operating Cost. Your Company has an internal hedging mechanism termed as Fuel Surcharge Mechanism for passing increase/decrease in ATF cost to its customers. This mechanism helps the company in protecting itself against changes in the Crude prices.

#### Foreign Exchange Risk :

Many of the Aircraft related payments are either in USD or Euro due to which the company is exposed to Exchange Fluctuations. Hedging this risk through external sources has a high cost. Your Company has put in practise an internal hedging mechanism to support in neutralising this impact by means of a Currency Adjustment Factor (CAF) which is passed on to its customers.

### 25. Bonus Debentures

During the year, the Company paid Interest on Debentures (record date March 17, 2017) on March 31, 2017 for the year ended March 31, 2017 aggregating to ₹ 3,113 lakhs (Rupees Three Thousand One Hundred Thirteen Lakhs only) on unsecured, redeemable, non-convertible, fully paid up debentures of ₹ 10/- each (Rupees Ten Only) allotted by the Company on November 21, 2014 by way of Bonus viz; 7 Debentures under Series I (9.3% p.a), 4 Debentures under Series II (9.4% p.a) and 3 Debentures under Series III (9.5 % p.a) respectively for every 1 (one) equity share of the Company. The Bonus Debentures are listed on BSE Ltd. and National Stock Exchange of India Ltd. with effect from November 28, 2014.

#### Dematerialisation of Shares and Liquidity:

Trading in the Company's equity shares is compulsory in dematerialized mode for all the investors with effect from August 28, 2000. As on March 31, 2017, 23,632,115 Equity Shares of the Company representing 99.60% of the Paid-up Equity Share Capital of the Company are in dematerialised mode.

#### Reconciliation of Share Capital Audit Report

As stipulated by SEBI, a qualified Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges where the Company's shares are listed. The audit confirms that the total paid up and listed capital is in agreement with the aggregate of the total number of shares in dematerialised form(held with NSDL and CDSL) and total number of shares in physical form.



## REPORT ON CORPORATE GOVERNANCE

<b>Plant Location</b>	:	The Company does not conduct any manufacturing activities. The Company offers its existing range of integrated transportation services and distribution of shipments through its network of 608 offices spread across India.
<b>Address for communication</b>	:	Investors should address their correspondence to the Registrar & Share Transfer Agents: M/s. Link Intime India Pvt. Ltd. at the address mentioned hereinabove.  Contact Officials:  Ms. Sharmila Amin, Assistant Vice President – Corporate Registry. Ms. Suman Shetty, Sr. Associate – Corporate Registry Ms. Ashwini Nemlekar, Associate - Corporate Registry  Investors may also contact Ms. Prabha Singh, General Manager or Ms. Aarti Falorh, Manager, at the Registered Office of the Company for any assistance and guidance in connection with investors' matters.  Telephone : +9122 2839 6444 Ext. Nos. : 33514 or 33901 Email : PrabhaS@bluedart.com AartiF@bluedart.com
<b>Debenture Trustee</b>	:	Axis Trustee Services Limited, 2nd Floor, Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai-400025. Tel. : +91-22-24255227 / 5216   Email : complaints@axistrustee.com ; debenturetrustee@axistrustee.com
<b>Analyst Contact</b>	:	Mr. Yogesh Dhingra - Group CFO & CSO Mr. Aneel Gambhir - CFO Mr. Rajesh Joshi, General Manager – Finance and Treasury
<b>General Information Contact</b>	:	Mr. Ketan Kulkarni, Head - Marketing, Corporate Communication & Sustainability.

## AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

### To the Members of Blue Dart Express Limited

We have examined the compliance of conditions of Corporate Governance by Blue Dart Express Limited for the year ended March 31, 2017, as stipulated in regulation 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015").

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

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

For Price Waterhouse  
Firm Registration Number : 301112E  
Chartered Accountants

**Mehul Desai**  
Partner  
Membership No. 103211

Place: Mumbai  
Date : May 19, 2017