

REPORT ON CORPORATE GOVERNANCE

1. Blue Dart's philosophy on Corporate Governance

Corporate Governance is the mechanism by which the values, principles, policies and procedures of the Organisation are inculcated and manifested. The essence of good corporate governance lies in promoting and maintaining integrity, transparency and accountability across the organisation.

Since inception, Blue Dart has inculcated and maintained a strong culture of values, ethics and integrity. The basic philosophy of Corporate Governance at Blue Dart is to achieve business service excellence and to create and enhance value for its Shareholders, Customers, Employees, Society and Business Associates thereby making a significant contribution to the economy.

The Board of Directors of the Company continues to accord the highest priority to the broad principles of Corporate Governance. It believes in upholding the highest standards of accountability and actively participates in overseeing risks and strategic management. The Board of Directors has the basic responsibility to ensure sustainable improvement in corporate valuations by providing strategic guidance regarding management decisions which reflect the highest adherence to Corporate Governance Standards. Blue Dart is very conscious of its responsibility to establish a culture that creates an atmosphere of 'trust' amongst all its stakeholders.

For Blue Dart, Corporate Governance is a continuous journey, seeking to provide an enabling environment to harmonise the goals of maximising stakeholder value and maintaining a customer-centric focus. Effective and transparent corporate governance guarantees that Blue Dart is managed and monitored in a responsible manner focused on value creation.

2. Board of Directors

During the period under review, Mr. Jerry Hsu, CEO, DHL Express Asia Pacific and a member of the DHL Express Global Management Board and a nominee Director of DHL Express (Singapore) Pte. Ltd. who was appointed as an Additional Director with effect from June 30, 2011 was regularised as a Director of the Company in the Annual General Meeting of the Company held on April 24, 2012.

Mr. Hsu is based at Hong Kong and is responsible for China, Japan, Korea, Hong Kong, Taiwan, South East Asia, India and South Asia, Oceania and other markets and territories in the region.

In his former role as the President of DHL Express Greater China, Mr. Jerry Hsu supported to guide DHL's Greater China Area to strong double-digit growth and consistent generation of more than US\$1.5 billion sales turnover over the last few years. He was instrumental in developing DHL Express market leadership position in the area's key markets of Hong Kong and Taiwan, as well as China, the Company's fastest-growing markets.

Mr. Hsu joined DHL Express in January 2001 as Area Director responsible for Newly Industrialized Economies (NIE) which included Hong Kong, Singapore, South Korea and Taiwan. In September 2002, he was appointed Regional Director responsible for Greater China, Korean Peninsula and Mongolia before being named President for the Greater China Area. Prior to joining DHL Express, Mr. Jerry Hsu held various senior positions at U.S.-based Chrysler Corporation including Vice Chairman of Beijing Jeep Corporation, Vice President of Sales and Marketing Asia Pacific and General Manager of Japan, Taiwan and China subsidiaries.

Mr. Hsu graduated from the National Chengchi University in Taiwan, and holds a Master's degree in International Economics and Politics from the University of Detroit.

Mr. Jerry Hsu, Director, is not a member of any other committees, as contemplated under Clause 49 of the Listing Agreement and does not hold any shares in the Company.

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

Consequent to the presence of Mr. Jerry Hsu, Director, at the Board Meetings of the Company held on January 31, 2012 and January 29, 2013, Mr. George Berczely, an Alternate Director to Jerry Hsu had ceased to be a Director under the statutory provisions of the Companies Act, 1956 and was re-appointed by the Board as an Alternate Director to Mr. Jerry Hsu with effect from February 6, 2012 and January 31, 2013, respectively.

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Sharad Upasani, Chairman, retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

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Mr. Sharad Upasani holds a Masters in Commerce and an LLB degree from Mumbai University, besides an MBA degree from USA. He has varied experience in Administration and had the opportunity to work both in the State and Central Government and Public Sector Corporations. He has worked as a Secretary of Industry Department, Maharashtra State and as a Managing Director of Maharashtra State Finance Corporation, Chairman of Maharashtra State Textile Corporation and Vice – Chairman of Maharashtra State Road Transport Corporation. He retired as Chief Secretary, Government of Maharashtra.

At the Central level, he has worked in the Finance Ministry, Industry Ministry and Information & Broadcasting Ministry.

He was also Chairman of the Company Law Board and Chairman of the Bureau of Costs and Prices, New Delhi. He was also Chairman of the Film Certification Board, Mumbai and Vice-Chancellor of Agricultural University, Akola, Maharashtra.

Mr. Upasani was also on deputation to International Monetary Fund, Washington from 1974 to 1978. He is a member of Bar Council of Maharashtra and Goa. After retirement from Government Service as Chief Secretary, Government of Maharashtra, he is now consulting on matters related to Corporate Law and acts as an Arbitrator in corporate disputes.

Mr. Sharad Upasani is Vice Chairman and Member of Council of Management of M.Visvesvaraya Industrial Research & Development Centre, World Trade Centre, Mumbai.

Directorship in Other Companies

1. Indoco Remedies Limited – Independent and Non-Executive Director.
2. M. Visvesvaraya Industrial Research & Development Centre, Vice Chairman and Member.

Mr. Sharad Upasani, Chairman is not a member of any other Committees, as contemplated under Clause 49 of the Listing Agreement, other than a member of Audit Committee and Compensation Committee of Blue Dart Express Ltd. and does not hold any shares in the Company.

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

As on March 31, 2013, composition of the Board of Directors comprises of one Executive Director and five Non-Executive Directors. 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 the affairs of the Company in the most efficient manner. The Board acts with autonomy and independence in the strategic decision-making process and 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.

Board Procedure

The Board of Directors is presented with all the relevant information on vital matters that affect the working of the Company as well as those which require deliberations at the highest level. It is ensured that information, as required under Annexure I A to the provisions of Clause 49 of the Listing Agreement, is made available to the Board of Directors enabling them to discharge their functions effectively.

There is no relationship between the Directors inter-se.

The size and composition of the Board conforms to the requirements of Corporate Governance norms as stipulated under the provisions of the Listing Agreements entered into with the Stock Exchanges.

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 the Board Agenda with detailed enclosures are sent in advance to all the Directors.

During the period under review, six Board Meetings were held, viz; January 31, 2012, April 24, 2012, July 24, 2012, October 30, 2012, December 6, 2012 and January 29, 2013.

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The details of attendance of each Director at the Board Meetings, last Annual General Meeting, and number of other directorship and membership in 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	Independent & Non-Executive Director	Chairman	6	Yes	2	Nil	Nil
Mr. Anil Khanna	Executive Director	Managing Director	6	Yes	Nil	1	Nil
Mr. Malcolm Monteiro	Non-Independent & Non-Executive Director	Director	6	Yes	1	1	Nil
Mr. Clyde Cooper	Non-Independent & Non-Executive Director	Director	2	No	1	1	Nil
Mr. Suresh G Sheth	Independent & Non-Executive Director	Director	6	Yes	2	Nil	Nil
Mr. Jerry Hsu *	Non-Independent & Non-Executive Director	Director	2	No	Nil	Nil	Nil
Mr. George Berczely **	Non-Independent & Non-Executive Director	Alternate Director	3	Yes	Nil	Nil	Nil

- *1) Mr. Jerry Hsu, CEO, DHL Express Asia Pacific, a member of the DHL Express Global Management Board and a Nominee Director of DHL Express (Singapore) Pte. Ltd, appointed as an Additional Director with effect from June 30, 2011, was regularised as a Director in the Annual General Meeting of the Company held on April 24, 2012.
- **2) Mr. George Berczely ceased to be an Alternate Director to Mr. Jerry Hsu on January 31, 2012 and January 29, 2013 and was re-appointed by the Board as an Alternate Director to Mr. Jerry Hsu with effect from February 6, 2012 and January 31, 2013, respectively.
- 3) The Directorships held by Directors as mentioned above, includes Directorships in Private Limited Companies and Companies registered under Section 25 of the Companies Act, 1956, but do not include Directorships in Foreign Companies.

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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 had constituted an Audit Committee at its Board Meeting held on May 8, 2001.

Composition

The Audit Committee comprises two Independent Non-Executive Directors, viz; Mr. Sharad Upasani and Mr. Suresh Sheth 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 the Secretary to the Audit Committee.

The permanent invitees to the Audit Committee Meetings are Mr. Anil Khanna, Managing Director; Mr. Yogesh Dhingra, Finance Director & Chief Operating Officer; the Statutory Auditors and the Internal Auditor.

The powers, role and terms of reference of the Audit Committee are in accordance with the provisions of Clause 49 of the Listing Agreement entered into with the Stock Exchanges and Section 292A of the Companies Act, 1956.

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

- (a) Overseeing the financial reporting process and ensuring correct disclosure of financial information.
- (b) Reviewing with the management, the annual financial statements that specially emphasise on accounting policies and practices, compliance with the accounting standards, qualifications, if any, in the draft audit report and other legal requirements concerning the financial statements.
- (c) Reviewing the Company's financial and risk management policies.
- (d) Reviewing the adequacy of the internal audit function including their policies, procedures, techniques and other regulatory requirements and reporting the matter to the Board.
- (e) Recommending appointment and removal of Statutory and Internal Auditors and recommending their fees.
- (f) Reviewing the findings of any internal investigation by the Internal Auditors into matters where there is a suspected fraud or irregularities or a failure of internal control systems of a material nature and reporting the matter to the Board.

- (g) Reviewing with the Management the quarterly financial statements before their submission to the Board for its approval.
- (h) Reviewing related - party transactions.
- (i) Approval for payment to the Statutory Auditors for any other services rendered by the Statutory Auditors.
- (j) Reviewing with the Management, performance of Statutory and Internal Auditors, and adequacy of internal control systems.
- (k) Reviewing the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of the internal audit.
- (l) Discussions with internal auditors on any significant findings and follow-ups thereof.
- (m) Discussions with Statutory Auditors before the audit commences, about the nature and scope of the audit, as well as post-audit discussion, to ascertain areas of concern, if any.
- (n) Approval of the 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.

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

During the period under review, nine Audit Committee Meetings were held, viz; January 31, 2012 (two meetings, one of which was with the Senior Management of the Company), April 24, 2012, July 24, 2012 (two meetings, one of which was with the Senior Management of the Company), October 30, 2012, December 6, 2012 and January 29, 2013 (two meetings, one of which was with the Senior Management of the Company).

The constitution of the Audit Committee and other related information as on March 31, 2013, is as under :

Names of Director	Position	No. of Meetings Held	
		Held	Attended
Mr. Sharad Upasani	Chairman	9	9
Mr. Suresh G Sheth	Member	9	9
Mr. Malcolm Monteiro	Member	9	9

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4. Compensation Committee

The Board of Directors of the Company had constituted a Compensation Committee of the Directors at the Board Meeting of the Company held on May 7, 2002. The Compensation Committee comprises two Independent Non-Executive Directors, viz; Mr. Suresh Sheth and Mr. Sharad Upasani, and a Non-Independent and Non-Executive Director, Mr. Malcolm Monteiro. The Committee is chaired by Mr. Suresh Sheth, Director.

The details of attendance of each Member at the Compensation Committee Meetings held during the period ended March 31, 2013 are as under:

Names of Director	Position	No. of Meetings Held	
		Held	Attended
Mr. Suresh G Sheth	Chairman	1	1
Mr. Sharad Upasani	Member	1	1
Mr. Malcolm Monteiro	Member	1	1

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

The terms of reference of the Compensation Committee inter-alia includes review and recommendation to the Board of Directors on remuneration payable to the Executive Director.

The Ministry of Finance, Department of Company Affairs, had vide its notification dated GSR 580(E) dated July 24, 2003, permitted companies to pay sitting fees up to a maximum of ₹ 20,000/- per meeting. The Board of Directors of the Company at its Meeting held on October 14, 2003, decided to pay sitting fees of ₹ 20,000/- per meeting to Non-Executive Directors for each meeting of the Board, Audit Committee and Compensation Committee attended by them. DHL nominated Directors do not accept any sitting fees as per their internal guidelines.

In terms of the provisions of Clause 49 of the Listing Agreement, the Board is required to have at least one third of the members of the Board as Independent Directors, if the Chairman is Non-Executive. The Company's present Board comprises Mr. Sharad Upasani and Mr. Suresh Sheth, who are Independent Directors on the Board of the Company.

Mr. Sharad Upasani, the Independent Director, holds a Masters in Commerce and an LLB degree from Mumbai University, besides an MBA degree from USA.

He is now consulting on matters related to Corporate Law and acts as an Arbitrator in corporate disputes. Mr. Suresh Sheth, the Independent Director, is a Commerce graduate from Sydenham College of Commerce and Economics, Mumbai and a Fellow Chartered Accountant (FCA) and has been a Member of the Institute of Chartered Accountants of India (ICAI) for the past 42 years. Mr. Sheth is a partner in M/s. Sheth & Company, a firm of Chartered Accountants. His areas of specialisation include Audit, Taxation and Financial Consultancy.

In the Annual General Meeting of the Company held on April 26, 2011, shareholders of the Company had approved the payment of commission to Non-Executive Directors, not exceeding 1% of the Net Profit of the Company in accordance with the provisions of the Companies Act, 1956. For their valuable contribution by way of advice for various project works from time to time, the Company pays a commission to Mr. Sharad Upasani and Mr. Suresh Sheth, 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, 1956.

During the period, the Company paid commission to Mr. Sharad Upasani and Mr. Suresh Sheth, Non-Executive Directors, aggregating to ₹ 20 lacs for the year ended December 31, 2011.

The Compensation Committee Meeting of the Company was held on January 31, 2012.

In terms of the Agreements executed with the Company, Mr. Anil Khanna, has been appointed as Managing Director of the Company with effect from February 21, 2012 to February 20, 2015 and the details of the terms of remuneration payable to the Managing Director are as under:

1 a) Mr. Anil Khanna, Managing Director

(with effect from April 1, 2011 to March 31, 2012)

Basic Salary - ₹ 5.71 lacs per month

House Rent Allowance - ₹ 0.825 lacs per month

Special Allowance - ₹ 2.09 lacs per month

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

- (i) Company's contribution to Provident Fund, in accordance with the Rules and Regulations of the Company.
- (ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

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- (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-imburement 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) The Managing Director shall be entitled to an incentive payment based on achievement of profitability levels for the year ended December 31, 2011, upto a maximum of ₹ 73 lacs, as may be decided by the Board of Directors from time to time.
- (xi) Increment for each year shall be determined by the 'Compensation Committee' and which shall be subject to approval of the Board of Directors and members of the Company at the General Meeting of members.
- (xii) Such other benefits in accordance with the schemes and rules as applicable from time to time and not exceeding the sum of ₹ 3.5 lacs per annum.

1 b) Mr. Anil Khanna, Managing Director

(with effect from April 1, 2012 to March 31, 2013)

Basic	- ₹ 7.06 lacs per month
House Rent Allowance	- ₹ 0.825 lacs per month
Special Allowance	- ₹ 2.09 lacs per month
Sr. Management Allowance	- ₹ 0.856 lacs per month

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

- (i) The Company's contribution to Provident Fund, in accordance with the Rules and Regulations of the Company.
- (ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

- (iii) Encashment of an unavailed leave at the end of each year.
- (iv) Re-imburement of telephone expenses at residence for official purpose.
- (v) A chauffeur – driven vehicle.
- (vi) Coverage under Company's Group Insurance Cover.
- (vii) Fees of club, subject to a maximum of one club. This will not include admission and life membership fees.
- (viii) Subscription and Annual fees for the Corporate Credit Card.
- (ix) The Managing Director shall be entitled to an incentive payment based on achievement of profitability levels for the year ended December 31, 2012, upto a maximum of ₹ 73 lacs, as may be decided by the Board of Directors from time to time.
- (x) Increment for each year shall be determined by the 'Compensation Committee' and which shall be subject to approval of the Board of Directors and members of the Company at the General Meeting of members.
- (xi) Such other benefits in accordance with the schemes and rules as applicable from time to time and not exceeding the sum of ₹ 3.5 lacs per annum.

During the term of employment of the Managing Director, if in any financial year, the Company does not earn any profits or earns inadequate profits as contemplated under the provisions of Schedule XIII of the Companies Act, 1956, unless otherwise approved by such Statutory Authority, as may be required, remuneration shall be paid as per the conditions and monetary ceiling prescribed in Schedule XIII to the Companies Act, 1956, or any re-enactment thereof.

1 c) Mr. Anil Khanna, Managing Director

(with effect from April 1, 2013 to March 31, 2014)

Basic	- ₹ 8.18 lacs per month
House Rent Allowance	- ₹ 0.825 lacs per month
Special Allowance	- ₹ 2.09 lacs per month
Sr. Management Allowance	- ₹ 0.856 lacs per month

The Managing Director shall be entitled to an incentive payment based on the achievement of profitability levels for the calendar year ended December 31, 2013 upto a maximum of ₹ 75 lacs, as may be decided by the Board of Directors from time to time.

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Save and except as indicated hereinabove, other remuneration terms of Mr. Anil Khanna, Managing Director, remain the same as indicated hereinabove in 1 (b).

During the term of employment of the Managing Director, if in any financial year, the Company does not earn any profits or earns inadequate profits as contemplated under the provisions of Schedule XIII of the Companies Act, 1956, unless otherwise approved by such Statutory Authority, as may be required, remuneration shall be paid as per the conditions and monetary ceiling prescribed in Schedule XIII to the Companies Act, 1956, or any re-enactment thereof. Severance term agreed between the Company and the Managing Director is six months notice or payment of six months' salary in lieu thereof.

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

The Compensation Committee of Directors and the 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. Change of Financial year

As a progressive and proactive compliance to the proposed Companies Bill, 2012 and as a good corporate citizen, the Company changed its accounting / financial year from 31st December to 31st March and extended its current accounting/ financial year by a period of (3) months. Accordingly, Annual Accounts are prepared for the period of 15 (fifteen) months commencing from January 1, 2012 to March 31, 2013.

6. Investors' Grievance Committee

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

The Committee consists of Mr. Suresh Sheth, Non-Executive Director, acting as Chairman of the Committee and Mr. Anil Khanna, Managing Director.

Mr. Tushar Gunderia, Company Secretary, has been designated as Compliance Officer under the provisions of the Listing Agreements entered into with the Stock Exchanges.

During the period under review, 185 correspondence were received from the investors. These include 11 complaints received and disposed off during fifteen months period ended March 31, 2013. All Investor correspondence were attended expeditiously. There were no investors' complaints pending as on March 31, 2013.

All valid share transfers/transmissions and other requests received during the period were approved and attended by the Committee. There were no pending requests for transfer of Equity Shares as on March 31, 2013.

The details of Investors' Correspondence received during the period ended March 31, 2013 were as under:

Nature of Correspondence	No. of Correspondence received	No. of Correspondence resolved/attended
Revalidation / Duplicate / Non-Receipt of Dividend Warrants	41	41
Non-Receipt of Share certificates / Transfers / Transmissions	6	6
Change of Address	26	26
Request for loss / duplicate/ replacement of Share Certificates	33	33
Others*	79	79
Total	185	185

* 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, dividend mandate instructions, request for Annual Reports, letters from SEBI and Stock Exchanges and such other administrative matters.

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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 period ended March 31, 2013.

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

In accordance with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended, the Company has formulated, adopted and implemented the 'Blue Dart Code of Conduct for Prevention of Insider Trading' and the 'Code for Corporate Disclosure Practices' and it is strictly adhered to by all the designated personnel notified for the purpose of application of the aforesaid Codes.

The Investors' Grievance Committee monitors the compliance of the provisions of the 'Blue Dart Code of Conduct for Prevention of Insider Trading' and the 'Code for Corporate Disclosure Practices'.

7. Unclaimed Dividend/ Shares

Pursuant to the provisions of the Companies Act, 1956, dividends which are unclaimed for a period of seven years statutorily get transferred to the Investors Education and Protection Fund (IEPF) administered by the Central Government and thereafter cannot be claimed by investors. In order to ensure maximum disbursement of an unclaimed dividend, the Company sends periodic reminders to the concerned shareholders prior to transfer of dividend to the IEPF. As on date, the Company has transferred an 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 and 2004-2005 to "The Investors Education and Protection Fund" established by the Central Government. All Members who have either not received or have not yet encashed their dividend warrant(s) for the financial year December 2005 till the period ended December 31, 2011 are requested to write to the Company's Registrar and Share Transfer Agent for obtaining duplicate dividend warrant without any further delay. The unclaimed dividend of December 2005 is due for transfer to IEPF in May, 2013.

In accordance with the provisions of Clause 5A (II) of the Listing Agreement, the Company has dematerialised and transferred 12,602 nos. of unclaimed equity shares pertaining to 119 shareholders in favour of "Blue Dart Express Ltd. – Unclaimed Suspense Account" maintained with the Stock Holding Corporation of India Ltd. The voting rights on these equity shares retained as outstanding in the suspense account

as on March 31, 2013 would remain frozen till the rightful owner of such shares claims these shares. The Company has not received any request from shareholder for transfer of shares from the 'Unclaimed Suspense Account' during the period from 01.01.2012 to 31.03.2013.

8. General Body Meetings

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

AGM for Financial Year ended	Day & Date	Time	Location
December 31, 2009	Tuesday 13.04.10	4:30 p.m.	Hotel Le Royal Meridien, Sahar Airport Road, Andheri (East), Mumbai – 400 099.
December 31, 2010	Tuesday 26.04.11	4:30 p.m.	Hotel Hilton Mumbai International Airport, Sahar Airport Road, Andheri (East), Mumbai – 400 099.
December 31, 2011	Tuesday 24.04.12	3:30 p.m.	Hotel Hilton Mumbai International Airport, Victoria Suite, Sahar Airport Road, Andheri (East), Mumbai – 400 099.

b) All the resolutions set out in the respective Notices were passed by the Members. No Postal Ballot was conducted during the period under review. None of the resolutions are proposed to be passed by the Postal Ballot method.

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

At the Annual General Meeting held on April 13, 2010:

No Special Resolution was passed.

At the Annual General Meeting held on April 26, 2011:

To approve mode of payment of remuneration to Non-Executive Directors of the Company in the form of commission for a period of five years from August 1, 2011.

At the Annual General Meeting held on April 24, 2012:

No Special Resolution was passed.

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9. Subsidiary Company

The Company does not have any material non-listed Indian subsidiary Company whose turnover or net worth (i.e. paid-up Capital and Free Reserves) exceed 20% of the consolidated turnover or Net Worth of the Company and its subsidiary in the immediately preceding accounting year.

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

- The Financial Highlights of the unlisted subsidiary company are reviewed by the Audit Committee of the Company.
- The Minutes of the Board Meetings of the subsidiary company are placed before the Board Meeting of the Company.
- The details of any significant transactions and arrangements entered into by the unlisted subsidiary company are placed before the Board of the Company.
- The Company has its Senior Management personnel on the Board of Directors of its subsidiary company.

10. Disclosures

Transactions with 'related parties' as per the requirements of the Accounting Standard 18 on "Related Party Disclosures" have been disclosed elsewhere in the Annual Report.

Financial Statements of the Company are prepared in compliance with Accounting Standards notified under sub-section 3(C) of Section 211 of the Companies Act, 1956.

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

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.

11. 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 an integrated transportation and distribution industry in the country. The cornerstone of its success has been our 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 the goodwill of its customers and enhance its reputation.

All the Board Members and members of Senior Management have affirmed compliance with the provisions of "Code of Conduct" for the period ended March 31, 2013. A certificate from Mr. Anil Khanna, Managing Director confirming compliance on 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, 1992, as amended, the Company has adopted "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 Investors Grievance Committee. This Code of Conduct is applicable to all Directors and designated employees of the Company who are expected to have access to an unpublished price-sensitive information relating to the Company.

12. Auditor's Certificate on Corporate Governance

As required by the provisions of Clause 49 of the Listing Agreement, the Auditor's Certificate is given as an Annexure to the Directors' Report.

13. CEO and CFO Certification

As required by Clause 49 V of the Listing Agreement, the CEO and CFO certification on Financial Statements, Cash Flow Statement and Internal Control Systems for financial reporting for the fifteen months period ended March 31, 2013, has been obtained from Mr. Anil Khanna, Managing Director and Mr. Yogesh Dhingra, Finance Director and Chief Operating Officer and it has been incorporated in the Company's Annual Report.

14. Means of Communication

The Quarterly, Half-yearly and Yearly 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.

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For information of investors, the Company also publishes Notice of the Board Meeting in which financial results are proposed to be approved by the Board in the national newspaper, at least seven days in advance.

The Quarterly, Half-yearly and Yearly results are published in the newspapers with adequate disclosures for information/knowledge of shareholders/Public at large. The Company do not have a system of intimating shareholders individually about financial results, but queries, if any, are replied to, immediately.

The Company also uploads "Investors Presentation" on the Company's website viz; www.bluedart.com and the said "Investors Presentation" is updated every quarter.

Management Discussion and Analysis Report forms an integral part of the Directors' Report.

15. Details of compliance with mandatory requirements and adoption of non-mandatory requirements

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement with the Stock Exchanges and compliance with the non-mandatory requirements of clause 49 is detailed hereunder:

1. The Company has in place the Compensation Committee, details of which are provided in this Report under section viz; "Compensation Committee".
 2. The Company always endeavours to present an unqualified financial statements. There are no audit qualifications in the Company's financial statements for the period under review.
 3. 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.
4. Directors attend training programmes / conferences on relevant subject matters and keep themselves abreast of the latest corporate, regulatory and industry developments.
 5. Directors are completely briefed on all business related matters, risk assessment and new initiatives proposed to be adopted by the Company.
 6. The Company is committed to maintaining the highest standards of integrity, transparency and accountability. It acknowledges that each employee of the Company has a key role to achieve an Organisational goals. Hence, it is policy of the Company to encourage employees to report on any grievances or concerns to the Company Management, as and when they have any reasons to suspect or question certain practices.
 7. The Company has in place the Grievance Redressal Program (GRP). The GRP can be availed by all the employees The GRP affirms an employee's right to appeal on any issue through a process of a systematic review by progressively higher levels of Management. This process guarantees that any grievance or issue raised by an employee is reviewed and addressed and results into a decision on the grievance raised in accordance with the guidelines and processes prescribed. Since existing GRP has proved to be quite effective, the formal 'Whistle Blower Policy' is not contemplated. No personnel of the Company has been denied an access to the Audit Committee.

REPORT ON CORPORATE GOVERNANCE

16. General Shareholders Information

Annual General Meeting : Tuesday, July 23, 2013 at 4:30 p.m. at Hotel Hilton Mumbai International Airport, Chancellor I, Sahar Airport Road, Andheri (East), Mumbai – 400 099.

Financial Year **April 1 to March 31 (effective April 1, 2013)**

Financial Calendar (tentative and subject to change)	: Schedule of Board Meetings	Date
	First Quarter ending June 30, 2013	July 23, 2013
	Second Quarter & Half-year ending September 30, 2013	October 22, 2013
	Third Quarter ending December 31, 2013	January 28, 2014
	Last Quarter & Year ending March 31, 2014	April 29, 2014

Financial Calendar (tentative and subject to change)	: Schedule of Audit Committee Meetings	Date
	First Quarter ending June 30, 2013	July 23, 2013
	Second Quarter & Half-year ending September 30, 2013	October 22, 2013
	Third Quarter ending December 31, 2013	January 28, 2014
	Last Quarter & Year ending March 31, 2014	April 29, 2014

Book Closure period July 16, 2013 to July 23, 2013 (both days inclusive)

Dividend Payment Date : July 25, 2013

Listing on Stock Exchanges : 1. BSE Limited.
2. The National Stock Exchange of India Limited.

(The Company has paid its Annual Listing fees to the above Stock Exchanges for the Financial Year 2012-2013 and 2013-2014)

Stock market Performance

Stock Code/Symbol	: BSE	:	526612
	NSE	:	Symbol - BLUEDART Series – EQ

ISIN : INE233B01017

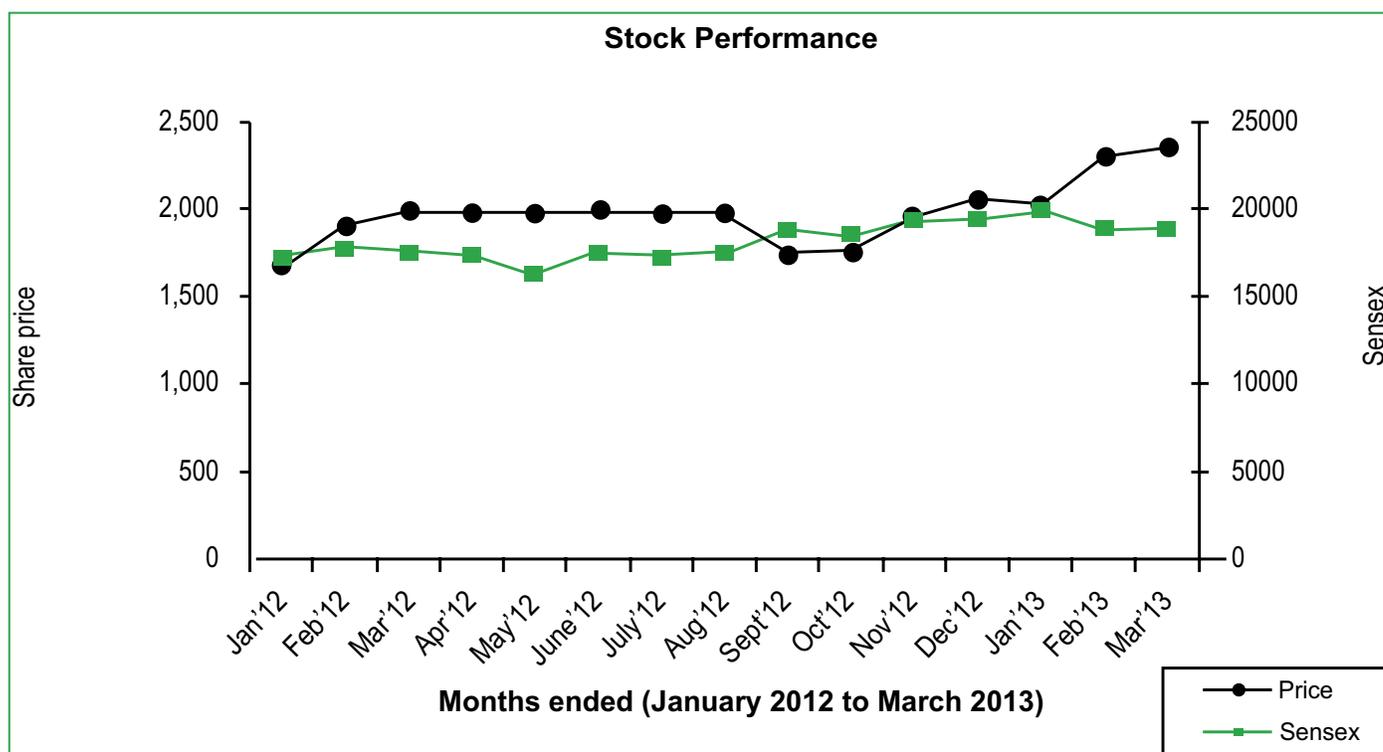
REPORT ON CORPORATE GOVERNANCE

Stock Market Data:

High and Low quotations of shares at Bombay & National Stock Exchange

Period (2012-2013)			BSE		NSE	
			High	Low	High	Low
January	-	2012	1,777.00	1,525.00	1,770.00	1,554.60
February	-	2012	2,038.00	1,590.00	2,035.00	1,602.25
March	-	2012	2,040.00	1,855.00	2,044.00	1,851.10
April	-	2012	2,205.00	1,911.15	2,210.00	1,962.00
May	-	2012	2,148.00	1,886.00	2,164.70	1,881.00
June	-	2012	2,031.40	1,860.00	2,040.00	1,853.25
July	-	2012	2,149.95	1,862.00	2,165.00	1,900.00
August	-	2012	2,084.00	1,931.25	2,083.95	1,927.15
September	-	2012	1,985.00	1,530.75	1,985.00	1,383.00
October	-	2012	1,795.00	1,667.00	1,794.00	1,670.00
November	-	2012	2,101.00	1,605.00	2,091.40	1,600.00
December	-	2012	2,144.60	1,896.00	2,139.95	1,910.00
January	-	2013	2,300.00	1,811.30	2,149.00	1,925.50
February	-	2013	2,315.00	1,820.00	2,309.95	1,959.95
March	-	2013	2,548.65	2,249.05	2,630.00	2,251.75

Stock Price Performance in comparison to the BSE Sensex:



REPORT ON CORPORATE GOVERNANCE

Registrar & Share Transfer Agent : M/s. Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mill Compound, L.B.S. Marg,
Bhandup (W), Mumbai 400 078.

Phone: +9122-2596 3838
Fax : +9122-2594 6969
Email : 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 Investors' Grievance Committee Meeting which is held once in a fortnight.

Distribution of Shareholding as on March 31, 2013

No of Shares	No. of Shareholders	% of Share Holders	Shares held	% of shares
1 - 500	4,447	93.37	393,463	1.66
501 - 1000	123	2.58	96,872	0.41
1001 - 2000	64	1.34	96,614	0.41
2001 - 3000	22	0.46	55,703	0.24
3001 - 4000	7	0.15	24,895	0.10
4001 - 5000	21	0.44	100,554	0.42
5001 - 10000	19	0.40	134,981	0.57
10001 - above	59	1.26	22,824,852	96.19
	4,762	100.00	23,727,934	100.00

Categories of shareholders as on March 31, 2013

Category	No. of Shareholders	No of Shares held	Voting Strength %
Promoter*	1	17,795,950	75.0000
Foreign Body Corporate	1	100	0.0004
Banks, Financial Institutions and Mutual Funds	32	2,069,245	8.7207
Individuals	4,392	986,998	4.1596
Companies	181	1,620,042	6.8276
NRIs and FIIs	114	1,246,943	5.2552
Clearing Member	41	8,656	0.0365
Total	4,762	23,727,934	100.000

* under two demat accounts

REPORT ON CORPORATE GOVERNANCE

Offer for Sale (OFS) by M/s. DHL Express (Singapore) Pte. Ltd.- Promoter.

During the period under review, the promoter shareholder M/s. DHL Express (Singapore) Pte. Ltd., came out with an 'Offer for Sale (OFS)' to divest its shareholding from 81.03% to 75% to comply with the SEBI norms on "Minimum Public Shareholding".

OFS was successfully made on November 23, 2012. Consequently, the Company is in compliance with the SEBI norms on "Minimum Public Shareholding" with effect from November 23, 2012, well ahead of the due date of June 3, 2013.

Dematerialisation of Shares and Liquidity:

Trading in the Company's equity shares is compulsory in the dematerialised mode for all investors with effect from August 28, 2000. As on March 31, 2013, 23,597,115 Equity Shares of the Company representing 99.45% of Paid-up Equity Share Capital of the Company are in dematerialised mode.

As Shareholders may be aware, dematerialisation of shares offers various advantages which inter-alia includes the following:

1. No scope for any risk of loss, theft, or fraud with regard to share certificates.
2. Bad deliveries are almost eliminated.
3. Shorter settlements thereby enhancing liquidity.
4. No stamp duty on transfer of securities held in demat mode.
5. No concept of Market Lots.
6. No requirement for lodging transfer deeds and lodging/dispatching transfer documents with the Company, thus avoiding a lot of paperwork.

In view of above advantages of dematerialisation of shares, shareholders who still hold their equity shares in the physical form are kindly requested to get their shares dematerialised as soon as possible.

Outstanding GDR/ADR	:	NIL
Plant Location	:	The Company do not conduct any manufacturing activities. The Company offers its existing range of integrated transportation and distribution of shipments through its network of 413 offices spread across India.
Address for communication	:	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:

Mr. Dnyanesh Gharote, Assistant Vice President – Corporate Registry

Mr. Joy Varghese, Officer – Corporate Registry

Mr. Tushar Ghodke, Supervisor – Corporate Registry

Investors may also contact Ms. Prabha Singh, Sr. Manager - Secretarial, or Ms. Aarti Falorh, Manager - Secretarial, at the Registered Office of the Company for any assistance and guidance in connection with investors' matters.

Telephone : +9122 2839 6444

Ext. Nos. : 33422 or 33451

Email : PrabhaS@bluedart.com

AartiF@bluedart.com

Analyst Contact	:	Mr. Yogesh Dhingra - Finance Director and Chief Operating Officer Mr. Rajesh Joshi, General Manager – Finance and Treasury
General Information Contact	:	Mr. Ketan Kulkarni, Head - Marketing, Corp. 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 (the "Company"), for the fifteen months period ended March 31, 2013, as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchanges in India.

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 (as stipulated in Clause 49 of the Listing Agreement), 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 above mentioned Listing Agreements.

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

Neeraj Gupta
Partner
Membership No. 055158

Place: Mumbai
Date : May 2, 2013