

REPORT ON CORPORATE GOVERNANCE

1. Blue Dart's philosophy on Corporate Governance

Blue Dart has been practicing the principles of good corporate governance over the years. Since inception, Blue Dart has inculcated and maintained a strong culture of values, ethics and integrity.

Blue Dart's philosophy on Corporate Governance is embedded in the rich legacy of ethical governance practices, most of which were implemented before they were mandatorily prescribed. 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.

Over the years, Companies which have demonstrated adherence to corporate governance in spirit, more than letter, have reaped benefits. 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.

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. Blue Dart has established systems and procedures to ensure that its Board of Directors is well informed and well equipped to fulfill its overall responsibilities and to provide management with the strategic direction needed to create long-term shareholders' value. Effective and transparent corporate governance would support Blue Dart to function in a responsible manner focused on value creation.

The Board of Directors of the Company continues to accord its highest priority for adherence to the 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. Blue Dart is conscious of its responsibility to establish a culture that creates an atmosphere of trust amongst all its stakeholders.

2. Board of Directors

During the year, Mr. Thomas Kipp, CEO of DHL eCommerce and a nominee of DHL Express (Singapore) Pte. Ltd. was appointed as an Additional Director with effect from October 14, 2014.

Mr. Kipp is responsible for International Mail and parcel business of Deutsche Post DHL. Mr. Kipp is a Member of the divisional Board of DHL Global Mail since 2006. Prior to assuming his current position, Mr. Kipp served as CEO Global Mail - Europe and was responsible for European sales and operational activities of DHL Global Mail.

Mr. Kipp has also been Head of DHL Mail Division's Large Business Customers department. In the said role and position, he was responsible for developing and marketing tailored Customer solutions in Dialog Marketing and Corporate Information Solutions.

In the Board Meeting of the Company held on February 20, 2015, the Board of Directors approved the re-appointment of Mr. Anil Khanna as Managing Director of the Company for a further period of three years with effect from February 21, 2015 to February 20, 2018, subject to approval of the members of the Company.

Mr. Anil Khanna is a graduate from St. Stephen's College, Delhi and holds an MBA degree in Marketing and Finance from UBS, Chandigarh. Mr. Khanna has 35 years of experience in various industries and has been with Blue Dart for over 23 years.

Mr. Anil Khanna took over as Managing Director in 2007 and since then has led the organisation successfully with clear strategic vision, focus on customers and inclusive execution of customer centric value propositions, thereby consolidating Blue Dart's leadership position in the market place.

Under his leadership, Blue Dart increased its market share in the Air and Ground Express and broadened its strategic focus from being an air express company since inception to being a company that straddles customer offerings across time definite, priority, deferred as well as focused on industry specific solutions in the air and ground express segments. The Company has also expanded its e-commerce business under the leadership of Mr. Anil Khanna. He also possesses varied experience in the paints and varnishes, consumers' durables, auto components and construction chemical industries.

During the year under review, Mr. Narendra P. Sarda was appointed as an Independent Director on the Board with effect from March 28, 2015 for a term of two years through Postal Ballot process.

Mr. Narendra P. Sarda was President of The Institute of Chartered Accountants of India (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 Stock Exchange, Mumbai, (BSE) during 1999 to 2001. He was a member on the Board of the erstwhile International Accounting Standards Committee, London from 1993 to 1995.

Mr. Sarda has delivered lectures for 22 years (1968 to 1990) for CA exams conducted by ICAI and he was the Chairman of the Western India Regional Council of ICAI from 1978-1979. He has also delivered lectures on professional subjects at several seminars and conferences of ICAI, Bombay Chartered Accountants Society, other Professional Institutes and various Chambers of Commerce.

During the year under review, Ms. Bettina Staffa, CFO of DHL eCommerce and a nominee of DHL Express (Singapore) Pte. Ltd. was appointed as an Additional Director with effect from March 28, 2015.

Ms. Bettina Staffa is responsible for all planning and forecast processes as well as monthly reporting process for DHL

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eCommerce. In her role as CFO, she provides business critical transparency to ensure future relevant business decisions. She is a member of DHL eCommerce Management Board. Prior to assuming her current role, Ms. Staffa assumed the position of CFO DHL Global Mail. In that position, she supported CEO DHL Global Mail with her finance expertise.

Ms. Staffa joined Deutsche Post DHL in the year 2000 and covered several positions in Accounting and Control Functions.

In accordance with the provisions of Companies Act, 2013 and Articles of Association of the Company, Mr. Clyde Cooper, Director, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Mr. Clyde Cooper is one of the founding members of Blue Dart. He was instrumental in drawing the vision that differentiated Blue Dart from other companies and set it on the path of definitive success. He charted the turnaround strategy of the Company in the year 1997 and transformed Blue Dart into a consistently profitable Company within two years, propelling Blue Dart into a dominant leadership position in the Express Industry in the South Asian - Region. Mr. Cooper has over 34 years of experience in the Air Cargo, Aviation and Express Industry, and has been instrumental in leading several initiatives in the express industry in India viz; the concept of 'On Board Couriers', setting up the logistics for the Hub-and-Spoke system and launching India's first and, till date, only express airline.

Mr. Clyde Cooper is a graduate in Economics from Mumbai University.

Directorship in Other Companies

1. Blue Dart Aviation Ltd.

Mr. Clyde Cooper, Director, is not a member of any other committee, as contemplated under clause 49 of the Listing Agreement, other than a member of the Audit Committee and Nomination & Remuneration Committee of Blue Dart Aviation Ltd. and does not hold any shares in the Company.

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

As on March 31, 2015, composition of the Board of Directors comprises of one Executive Director and seven 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 affairs of the Company in the most efficient manner. The Board acts with an 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.

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 the 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 above 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 provisions of the Companies Act, 2013.

Board Independence

Our definition of 'Independence' of Directors is derived from Clause 49 of the Listing Agreement with the Stock Exchanges 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. Suresh Sheth and Mr. Narendra P. Sarda, Directors are Independent in terms of the Provisions of Clause 49 of the Listing Agreement 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 appointment have been disclosed on the website of the company.

Board Procedure

The Board of Directors is presented with all the relevant information on vital matters that affect working of the Company as well as those which require deliberations at the highest level. It is ensured that information, as required under Annexure X to the provisions of Clause 49 of the Listing Agreement 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.

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

During the year under review, nine Board Meetings were held, viz; May 9, 2014, June 11, 2014, June 21, 2014, July 23, 2014, October 14, 2014, December 17, 2014, January 29, 2015, February 20, 2015 and March 28, 2015.

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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 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 | Independent & Non-Executive Director | Chairman | 9 | Yes | 2 | 1 | Nil |
| Mr. Anil Khanna | Executive Director | Managing Director | 9 | Yes | Nil | 1 | Nil |
| Mr. Malcolm Monteiro | Non-Independent & Non-Executive Director | Director | 9 | Yes | 1 | 2 | Nil |
| Mr. Clyde Cooper | Non-Independent & Non-Executive Director | Director | 1 | No | 1 | 1 | Nil |
| Mr. Suresh G. Sheth | Independent & Non-Executive Director | Director | 9 | Yes | 2 | 3 | 2 |
| Mr. Thomas Kipp * | Non-Independent & Non-Executive Director | Additional Director | 1 | No | Nil | Nil | Nil |
| Mr. Narendra P. Sarda ** | Independent & Non-Executive Director | Director | 1 | No | 1 | 1 | Nil |
| Ms. Bettina Staffa*** | Non-Independent & Non-Executive Director | Additional Director | Nil | No | Nil | Nil | Nil |

*1) Mr. Thomas Kipp, a Nominee Director of DHL Express (Singapore) Pte. Ltd. was appointed as an Additional Director of the Company with effect from October 14, 2014.

**2) Mr. Narendra P. Sarda was appointed as an Independent Director of the Company with effect from March 28, 2015 through Postal Ballot process.

***3) Ms. Bettina Staffa, a Nominee Director of DHL Express (Singapore) Pte. Ltd. was appointed as an Additional Director of the Company with effect from March 28, 2015.

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.

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.

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 Secretary to the Audit Committee.

Mr. Anil Khanna, Managing Director, Mr. Yogesh Dhingra, CFO

& COO; the Statutory Auditors and the Internal Auditor are permanent invitees to the Audit Committee Meetings.

The Chairman of the Audit Committee, Mr. Sharad Upasani was present at the last Annual General Meeting of the Company held on July 23, 2014.

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 177 of the Companies Act, 2013.

Pursuant to the provisions of Section 177 of the Companies Act, 2013 which is notified and effective from April 1, 2014, the Board of Directors of the Company in its meeting held on May 9, 2014 enhanced terms of reference and scope of the Audit Committee to align with the new requirements of the Companies Act, 2013 and amended norms of Listing Agreement.

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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. Qualifications 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. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of the inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever 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 the 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 on any significant findings and follow up thereon;
15. Reviewing the 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 the functioning of 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 mentioned in the terms of reference of the Audit Committee.

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 year under review, ten Audit Committee Meetings were held, viz; May 9, 2014, June 11, 2014, June 21, 2014, July 23, 2014 (two meetings, one of which was with the Senior Management of the Company), October 14, 2014, December 17, 2014, January 29, 2015 (two meetings, one of which was with the Senior Management of the Company) and March 28, 2015.

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The constitution of the Audit Committee and other related information as on March 31, 2015, is as under:

| Names of Director | Position | No. of Meetings | |
|----------------------|----------|-----------------|----------|
| | | Held | Attended |
| Mr. Sharad Upasani | Chairman | 10 | 10 |
| Mr. Suresh G. Sheth | Member | 10 | 10 |
| Mr. Malcolm Monteiro | Member | 10 | 10 |

4. Nomination & Remuneration Committee

The Board of Directors of the Company had constituted Compensation Committee of Directors at the Board Meeting of the Company held on May 7, 2002.

The Board of Directors at its meeting held on February 5, 2014 approved constitution of the 'Nomination & Remuneration Committee' (by re-aligning/ renaming existing Compensation Committee) under the Companies Act, 2013. The 'Nomination & Remuneration 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, Independent Director.

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

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

The details of attendance of each Member at the Nomination & Remuneration Committee Meeting held during the year ended March 31, 2015 are as under:

| Names of Director | Position | No. of Meetings | |
|----------------------|----------|-----------------|----------|
| | | Held | Attended |
| Mr. Suresh G. Sheth | Chairman | 9 | 9 |
| Mr. Sharad Upasani | Member | 9 | 9 |
| Mr. Malcolm Monteiro | Member | 9 | 8 |

During the year under review, nine Nomination & Remuneration Committee Meetings were held, viz; May 9, 2014, June 11, 2014, June 21, 2014, July 23, 2014, October 14, 2014, January 16, 2015, January 29, 2015, February 20, 2015 and March 28, 2015.

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

The Nomination & Remuneration Committee ensures a transparent nomination process for Directors with the diversity of

thought, experience, knowledge, perspective and gender in the Board.

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

- Formulation of the 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 Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.

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 Nomination & Remuneration Committee attended by them. The Board of Directors of the Company at its Meeting held on May 9, 2014, further decided to pay sitting fees of ₹ 20,000/- per meeting to Non-Executive Directors for each Corporate Social Responsibility (CSR) Committee Meeting attended by them. Further, the Board of Directors of the Company at its Meeting held on October 14, 2014, decided to enhance sitting fees to ₹ 30,000/- per meeting to Non-Executive Directors for each meeting of the Board, Audit Committee, Nomination & Remuneration Committee and CSR 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, Mr. Suresh Sheth and Mr. Narendra P. Sarda 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 the USA. He is now a consultant on Corporate Law and acts as an Arbitrator in corporate dispute.

Mr. Suresh Sheth, Independent Director, is a Commerce graduate from the 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 43 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.

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Mr. Narendra P. Sarda was President of The Institute of Chartered Accountants of India (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 from 1999 to 2001. He was a member on the Board of the erstwhile International Accounting Standards Committee, London from 1993 to 1995.

In the Annual General Meeting of the Company held on April 26, 2011, 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, 1956 for a period of 5 years. 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, 2013.

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 March 31, 2014.

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 Agreements executed with the Company, the details of the terms of remuneration paid/ payable to the Managing Director are as under:

1 a) Mr. Anil Khanna, Managing Director

(with effect from April 1, 2014 to February 20, 2015)

| | |
|--------------------------|--------------------------|
| Basic | - ₹ 12.35 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 unavailed leave at the end of each year.
- (iv) Re-imbursement 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 calendar year ended December 31, 2014, upto a maximum of ₹ 75 lacs, as may be decided by the Board of Directors from time to time.

(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.

(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.

1 b) Mr. Anil Khanna, Managing Director

(for period from February 21, 2015 to March 31, 2016)

| | |
|--------------------------|--------------------------|
| Basic | - ₹ 14.58 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 the 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 unavailed leave at the end of each year.
- (iv) Re-imbursement 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 and other parameters as determined by the Board of Directors for the calendar year ended December 31, 2015, upto a maximum of ₹ 140 lacs.
- (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.
- (xi) Such other benefits in accordance with the schemes and

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rules as applicable from time to time and not exceeding the sum of ₹ 3.5 lacs per annum.

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 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 of Directors 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 and Clause 49 of the Listing Agreement, the Board has carried out an Annual Performance Evaluation of its own performance, the Directors individually as well as the evaluation of the working 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 was 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 was reviewed by the Chairperson and the rest of the Board, the Chairperson's and Non-Independent Directors performance were appraised through feedback from Independent Directors.

6. Stakeholders Relationship Committee

The Board of Directors had at its meeting held on February 5, 2014 approved constitution of 'Stakeholders Relationship

Committee' (by re-aligning/ renaming existing Investors Grievance Committee) under the New Companies Act, 2013 consisting of Mr. Suresh Sheth, Non-Executive Director acting as Chairman of the Committee and Mr. Anil Khanna as member of the Committee.

The 'Stakeholders Relationship Committee' 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/transmission of shares, non-receipt of annual reports and transfer of credit of shares to demat accounts, dividend 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 Agreements entered into with the Stock Exchanges.

During the period under review, two hundred and fifty correspondences were received from the investors'. These include five complaints received and disposed off during the year ended March 31, 2015. All Investors' correspondence were attended expeditiously. There were no investors' complaints pending as on March 31, 2015.

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, 2015.

The details of Investors' Correspondence received during the year ended March 31, 2015 were as under:

| Nature of Correspondence | No. of Correspondence received | No. of Correspondence resolved/attended |
|---|--------------------------------|---|
| Revalidation / Duplicate / Non-Receipt of Dividend Warrants | 60 | 60 |
| Non-Receipt of Share certificates / Transfers / Transmissions | 12 | 12 |
| Change of Address | 40 | 40 |
| Request for loss / duplicate/ replacement of Share Certificates | 22 | 22 |
| Others* | 116 | 116 |
| Total | 250 | 250 |

*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.

The Company and the Registrar & Transfer Agent have attended

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most of the investors' correspondence within a period of 8 days from the date of receipt of correspondence during the year ended March 31, 2015.

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

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

Consequent to the recent notification dated January 15, 2015 issued by Securities and Exchange Board of India (SEBI), the Company has adopted 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' at its Board Meeting held on May 7, 2015 and said new code would be 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 'Blue Dart Code of Conduct for Prevention of Insider Trading' and 'Code for Corporate Disclosure Practices'.

7. Unclaimed Dividend/Shares

Pursuant to provisions of the Companies Act, 1956, (now Companies Act, 2013) 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 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 amount 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 and December 2006 to "The Investors Education and Protection Fund" established by the Central Government. The Unclaimed dividend for the year December 2007 would be transferred to IEPF by May 20, 2015. All Members who have either not received or have not yet encashed their dividend warrant(s) for the financial year December 2008 till the year ended March 31, 2014 are requested to write to the Company's Registrar and Share Transfer Agent for obtaining duplicate dividend warrant without any further delay.

In accordance with the provisions of Clause 5A (II) of the Listing Agreement, the Company has dematerialized and transferred 12,502 nos. of unclaimed equity shares pertaining to 118 shareholders in favour of "Blue Dart Express Ltd. – Unclaimed

Suspense Account' maintained with the Stock Holding Corporation of India Ltd. The details of the shares held in the aforesaid demat account are as under:

| Type of Security | As on April 1, 2014 | | Shares transferred during the year | | Balance as on March 31, 2015 | |
|------------------|---------------------|--------|------------------------------------|--------|------------------------------|--------|
| | Number of | | Number of | | Number of | |
| | Cases | Shares | Cases | Shares | Cases | Shares |
| Equity Shares | 118 | 12,502 | 3 | 300 | 115 | 12,202 |

The voting rights on these equity shares retained as outstanding in the 'suspense account' as on March 31, 2015 would remain frozen till the rightful owner claims these shares.

8. Corporate Social Responsibility Committee

As a progressive and pro-active compliance to the requirements of Companies Act, 2013, 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, CFO and COO.

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.
- To constitute Management Committee for implementation and execution of CSR initiatives/ activities.
- Reviewing performance of the Company in the areas of CSR.
- Monitoring CSR Policy from time to time.

The details of attendance of each Member at the CSR Committee Meetings held during the year ended March 31, 2015 are as under:

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

During the year under review, three CSR Committee Meetings were held, viz; May 9, 2014, June 11, 2014 and October 14, 2014.

REPORT ON CORPORATE GOVERNANCE

9. Allotment Committee

During the year, Allotment Committee of the Board of Directors was constituted for allotment of unsecured, redeemable, non-convertible, fully paid up Bonus Debentures aggregating to ₹ 332,19,10,760 (Rupees Three Hundred Thirty Two Crore Nineteen Lacs Ten Thousand Seven Hundred and Sixty Only).

Allotment Committee comprised of Mr. Suresh Sheth, Director, Mr. Anil Khanna, Managing Director and Mr. Malcolm Monteiro, Director.

Allotment Committee Meeting was held on November 21, 2014 for allotment of Bonus Debentures to those Shareholders who held Equity shares of the Company on Record Date viz; Tuesday, November 18, 2014.

10. Independent Directors' Meeting

During the year under review, Independent Directors met on December 17, 2014, without presence of the Managing Director, Non-Executive, Non-Independent Directors and Management Team. The meeting was attended by all Independent Directors and was convened to enable the Independent Directors to discuss matters pertaining to the Company's affairs 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 Agreement. 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:

- (a) The Candidate should have been allotted a director's identification number.
- (b) 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 Act.
- (c) The Candidate should not be an undischarged insolvent or should not have, at any time, been adjudged as an insolvent.
- (d) 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.

- (e) 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.
- (f) The Candidate should not be disqualified to act as a director pursuant to the provisions of the Act.
- (g) 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.
- (h) 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 Act.
- (i) 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.
- (j) 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).
- (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 Act.
- (l) The Candidate should be a 'resident of India' as per Schedule V of the Act.
- (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:

REPORT ON CORPORATE GOVERNANCE

- (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 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 fulfil/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 Act.
 - (c) The Candidate should not be disqualified to act as a director pursuant to the provisions of the Act.
 - (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 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:
3. 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.
 - (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.
 - (b) 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.

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- (c) 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 fulfil/meet the following criteria:

- (a) If the Candidate is already an Independent Director, then his tenure and term will be as per the Act and the listing agreement.
- (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 Act and the Listing Agreement.
- (d) The Candidate should not be disqualified to act as a director pursuant to the provisions of the Act.
- (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 ₹ 50 lacs or such higher amount as may be prescribed, whichever is lower, during the 2 immediately preceding financial years or during the 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 the remuneration of the Independent Directors 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.

- (b) An incentive payment / commission 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 of the Company, from time to time.
 - (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 of the Company.
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.

Remuneration of Employees:

1. The 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 Clause 49 of the Listing Agreement, 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 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 Company. The Policy provides for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases.

The contact details for 'Blue Dart Ethics Hotline' are as follows:

| Sr. No. | Reporting Channel | Contact Information | Availability |
|---------|-------------------|--|---------------------------|
| 1. | Phone (Toll Free) | 1800 200 1072 | 7 AM to 11 PM on weekdays |
| 2. | Email | bluedart@ethicshelpline.in | 24 hours a day |
| 3. | Fax | Dial Toll Free No. - 1800 200 1072 and select option 2 on IVR | 24 hours a day |
| 4. | Post | PO Box No. 71, DLF Phase 1, Qutub Enclave, Gurgaon – 122002 | 24 hours a day |
| 5. | Web | www.in.kpmg.com/ethicshelpline | 24 hours a day |

The Company has posted "Whistle Blower Policy" on the website of the Company viz; www.bluedart.com.

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

13. Policy for prevention of Sexual Harassment in the Company

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 the 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 in the Company. There was no complaint received from any employee during the financial year 2014-15 and hence no complaint is outstanding as on March 31, 2015 for redressal.

14. Familiarisation Programme for Independent Directors

Pursuant to requirements of Clause 49 of the Listing Agreement, 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 website of the Company viz; www.bluedart.com.

The weblink of familiarization programme is http://www.nseprimeir.com/z_BlueDart/files/FamiliarisationProgramme.pdf

15. 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, 2011 | Tuesday 24.04.12 | 3:30 p.m. | Hotel Hilton Mumbai International Airport, Victoria Suite, Sahar Airport Road, Andheri (East), Mumbai – 400 099. |
| Fifteen Months Period Ended March 31, 2013 | Tuesday 23.07.13 | 4:30 p.m. | Hotel Hilton Mumbai International Airport, Chancellor I, Sahar Airport Road, Andheri (East), Mumbai – 400 099. |
| March 31, 2014 | Tuesday 23.07.14 | 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

| Date of Declaration on 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 |
| March 28, 2015 | Ordinary Resolution for appointment of Mr. Narendra P. Sarda as an Independent Director of the Company | 20812957 | 99.99% | 259 | 0.01% |

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

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

No Special Resolution was passed.

At the Annual General Meeting held on July 23, 2013:

No Special Resolution was passed.

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

Approval for Adoption of New Set of Articles of Association of the Company pursuant to the Companies Act, 2013.

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

16. Subsidiary Company

The Company does not have any material non-listed Indian subsidiary Company whose income or net worth (i.e. paid-up Capital and Free Reserves) exceeds 20% of the consolidated income 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.

As required under clause 49 (V) of the revised Listing Agreement, 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.

The web link of Policy for determining 'material subsidiary' is

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 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 other designated persons 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) has been provided in the Directors' Report.

The 'Policy on Related Party Transactions/Disclosures' approved by the Board of Directors is posted on the Company's website viz 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.

18. 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 Listing Agreement. In the Board Meeting of the Company held on March 28, 2015, the Risk Management Committee was reconstituted. The 'Risk Management Committee' comprises of Mr. Narendra Sarda, Mr. Sharad Upasani, Mr. Suresh Sheth, Independent Directors, Mr. Anil Khanna, Managing Director, Mr. Yogesh Dhingra, CFO & COO, Mr. Aneel Gambhir, Sr. Vice President - Internal Audit and Mr. Tushar Gunderia, Company Secretary. The Committee is chaired by Mr. Narendra Sarda, Independent Director.

19. Disclosures

Financial Statements of the Company have been prepared to comply in all material aspects with the Accounting Standards notified under Section 211 (3C) of the Companies Act, 1956, pursuant to Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

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.

20. 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, 2015. 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, 1992, as amended, 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.

21. 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.

22. CEO and CFO Certification

As required by Clause 49 (IX) of the Listing Agreement, the CEO and CFO certification on Financial Statements, Cash Flow Statement and Internal Control Systems for financial reporting for the year ended March 31, 2015, has been obtained from Mr. Anil Khanna, Managing Director and Mr. Yogesh Dhingra, Chief Financial Officer and Chief Operating Officer and it has been incorporated in the Company's Annual Report.

23. 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.

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

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

The Company's website (www.bluedart.com) contains a separate dedicated section 'Investor Relations' where shareholders' information is available.

The Company also uploads "Investors Presentation" on the Company's website viz; www.bluedart.com on a quarterly basis

Management Discussion and Analysis 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 corporates. All periodical compliance filings like shareholding pattern, corporate governance report, among others are filed electronically on NEAPS.

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

24. 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 as stated hereunder:

1. The Company always endeavours to present unqualified financial statements. There are no audit qualifications in the Company's financial statements for the year under review.
2. Directors are adequately briefed on all business related matters, risk assessment and new initiatives proposed to be adopted by the Company.

25. General Shareholders Information

Annual General Meeting : Wednesday, July 29, 2015 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**

| Financial Calendar (tentative and subject to change) | Schedule of Board Meetings | Date |
|--|--|------------------|
| | First Quarter ending June 30, 2015 | July 29, 2015 |
| | Second Quarter & Half-year ending September 30, 2015 | October 20, 2015 |
| | Third Quarter ending December 31, 2015 | January 28, 2016 |
| | Last Quarter & Year ending March 31, 2016 | May 11, 2016 |

| Financial Calendar (tentative and subject to change) | Schedule of Audit Committee Meetings | Date |
|--|--|------------------|
| | First Quarter ending June 30, 2015 | July 29, 2015 |
| | Second Quarter & Half-year ending September 30, 2015 | October 20, 2015 |
| | Third Quarter ending December 31, 2015 | January 28, 2016 |
| | Last Quarter & Year ending March 31, 2016 | May 11, 2016 |

Book Closure period Wednesday July 22, 2015 to Wednesday July 29, 2015 (both days inclusive)

Dividend Payment Date : August 5, 2015 (if dividend payment is approved at the AGM)

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

(The Company has paid its Annual Listing fees to the above Stock Exchanges for the Financial Year 2015-2016)

Stock market Performance

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

ISIN : INE233B01017

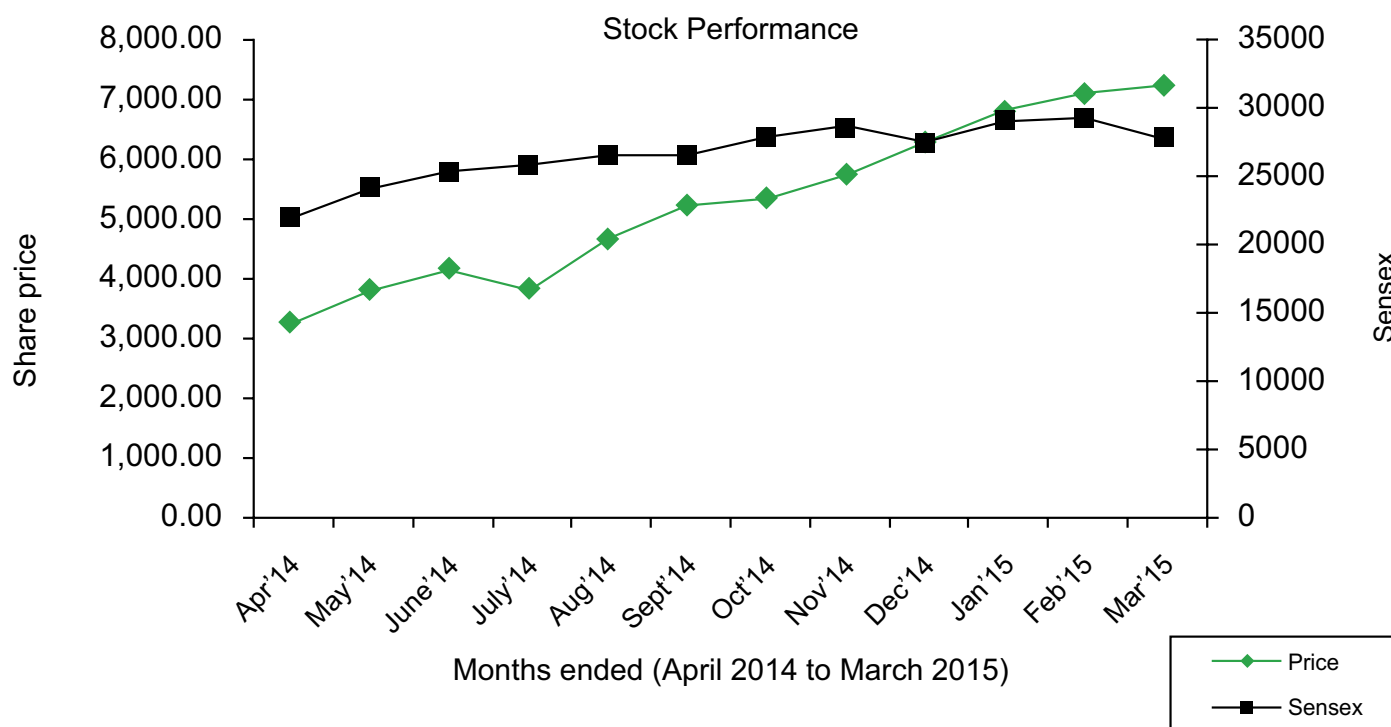
REPORT ON CORPORATE GOVERNANCE

Stock Market Data:

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

| Period (2014-2015) | | | BSE | | NSE | |
|--------------------|---|------|---------|---------|---------|----------|
| | | | High | Low | High | Low |
| April | – | 2014 | 3799.40 | 3241.00 | 3759.95 | 3190.50 |
| May | – | 2014 | 3990.00 | 3070.10 | 3999.00 | 3,065.00 |
| June | – | 2014 | 4325.00 | 3800.00 | 4345.00 | 3810.00 |
| July | – | 2014 | 4337.00 | 3850.00 | 4349.90 | 3846.50 |
| August | – | 2014 | 4750.00 | 3700.00 | 4761.90 | 3710.10 |
| September | – | 2014 | 5578.00 | 4660.00 | 5573.95 | 4296.05 |
| October | – | 2014 | 5450.00 | 4800.00 | 5462.40 | 4851.10 |
| November | – | 2014 | 6572.00 | 5321.55 | 6580.00 | 5300.05 |
| December | – | 2014 | 6390.00 | 5607.55 | 6378.80 | 5600.10 |
| January | – | 2015 | 7850.00 | 6353.05 | 7850.00 | 6311.00 |
| February | – | 2015 | 7176.25 | 6550.00 | 7180.05 | 6550.00 |
| March | – | 2015 | 7700.00 | 6950.00 | 7793.50 | 6940.85 |

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 Stakeholders Relationship Committee Meeting held once in a fortnight.

Distribution of Shareholding as on March 31, 2015

| No of Shares | No. of Shareholders | % of Share Holders | Shares held | % of shares |
|---------------|---------------------|--------------------|-------------|-------------|
| 1 - 500 | 8,634 | 95.72 | 458,127 | 1.93 |
| 501 - 1000 | 138 | 1.53 | 106,619 | 0.45 |
| 1001 - 2000 | 96 | 1.06 | 144,693 | 0.61 |
| 2001 - 3000 | 17 | 0.19 | 40,840 | 0.17 |
| 3001 - 4000 | 9 | 0.10 | 31,558 | 0.13 |
| 4001 - 5000 | 19 | 0.21 | 90,379 | 0.38 |
| 5001 - 10000 | 35 | 0.39 | 257,696 | 1.09 |
| 10001 - above | 71 | 0.80 | 22,598,022 | 95.24 |
| | 9,019 | 100.00 | 23,727,934 | 100.00 |

Categories of shareholders as on March 31, 2015

| 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) | 8 | 55,675 | 0.2346 |
| Banks, Financial Institutions and Mutual Funds | 61 | 1,348,390 | 5.6826 |
| Individuals | 8,235 | 938,274 | 3.9543 |
| Companies | 336 | 1,747,312 | 7.3639 |
| NRIs and FIIs | 296 | 1,831,847 | 7.7204 |
| Clearing Member | 82 | 10,486 | 0.0442 |
| Total | 9,019 | 23,727,934 | 100.000 |

* under two demat accounts

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26. Scheme of Arrangement / Bonus Debentures

During the year, in terms of 'Scheme of Arrangement' ('the Scheme') between the Company, its Members and Unsecured Creditors, duly approved by the Hon'ble Bombay High Court on September 19, 2014, the Company allotted unsecured, redeemable, non-convertible, fully paid up debentures of ₹ 10/- each (Rupees Ten Only) 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 on November 21, 2014 (record date November 18, 2014) aggregating to Rs 33,219 lacs. The Bonus Debentures are listed on The BSE Ltd. and National Stock Exchange of India Ltd. with effect from November 28, 2014. The Company has paid Interest on Debentures (record date March 20, 2015) on March 31, 2015 for the period from November 21, 2014 to March 31, 2015 aggregating to ₹1117.31 lacs.

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, 2015, 23,616,515 Equity Shares of

the Company representing 99.53% of the 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 of lodging transfer deeds and lodging/dispatching transfer documents with the Company, thereby avoiding a lot of paperwork.

In view of the above advantages of dematerialisation of shares, shareholders who still hold their equity shares in the physical form are 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 477 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. Ishwar Suvarna, 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, 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. : 33514 or 33901 Email : PrabhaS@bluedart.com AartiF@bluedart.com |
| Debenture Trustee | : | Axis Trustee Services Limited, 2nd Floor, Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai-400025. Tel. : +91-22-24255215 / 5216 Email : complaints@axistrustee.com ; debenturetrustee@axistrustee.com |
| Analyst Contact | : | Mr. Yogesh Dhingra - Chief Financial Officer and Chief Operating Officer Mr. Rajesh Joshi, General Manager – Finance and Treasury |
| General Information Contact | : | 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 (the "Company"), for the year ended March 31, 2015, as stipulated in Clause 49 of the Listing Agreements of the 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

Sumit Seth
Partner
Membership No. 105869

Place: Mumbai
Date : May 7, 2015