

## REPORT ON CORPORATE GOVERNANCE

A Report pursuant to Regulation 34(3) read with of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') in compliance with the Corporate Governance requirements is set out below.

### 1) COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company is committed to implement sound corporate governance practices with a view to promote transparency and to create value for consumers, shareholders employees and national economy. The Company's philosophy on the code of Corporate Governance is to ensure fair and transparent business practices, compliance of applicable statutes, effective management control and ethical and responsible conduct throughout the organization.

### 2) BOARD OF DIRECTORS

#### a) Composition of Board of Directors -

As on 31st March 2018, in compliance with the Listing Regulations, the Company's Board of Directors headed by Executive Chairman, Shri Pradip Kumar Daga, comprised 4 other Directors, out of which 3 are Independent Non-executive Directors, including a woman director. In compliance with Listing Regulations, 50% of the total number of Directors is Independent Directors.

The information with regard to Composition and attendance of Board of Directors in Board Meetings and the last Annual General Meeting, outside Directorships and other Memberships of Board Committees as on 31st March 2018 as applicable is given hereunder –

Director	DIN	Category	No. of Board Meetings attended	Attendance at the last AGM on 31.08.2018	*Number of Directorships in other Indian public limited companies	**Committee(s) positions in other Companies	
						As Member	As Chairman
Shri Pradip Kumar Daga (Chairman and Managing Director)	00040692	Promoter/ Executive	3	Yes	4	3	--
Shri Yashwant Kumar Daga	00040632	Promoter / Non-Executive	3	No	6	8	--
Shri Vikram Prakash #	00027732	Non-Executive Independent	1	No	--	--	
Shri Pradeep Kumar Drolia	00291966	Non-Executive Independent	4	No	2	--	---
Smt Nilu Agrawal	03107052	Non-Executive Independent	4	No	--	--	----
Shri Binod Kumar Agrawal	00515967	Non-Executive Independent	4	Yes	--	--	--

• Excludes Directorships in Private Limited Companies, Foreign companies and Section 8 Companies.

\*\* Committee positions only of the Audit Committee and Stakeholders Relationship Committee have been considered.

# Shri Vikram Prakash expired on 10th August 2017.

None of the Independent Directors of the Company serve as Independent Director in more than 7 listed companies and none of the Independent Directors is serving as Whole Time Director in any listed Company.

Membership of the Directors in various committees is within the permissible limits of the Listing Regulations. None of the Directors of the Company was a member of more than ten Board level Committees, or a Chairman of more than five such Committees across all listed companies, in which he was a Director.

All the Independent Directors have been issued letters of appointment as per Schedule IV to the Companies Act, 2013 and the terms and conditions of their appointment have been disclosed on the website of the Company.(weblink-[http://www.dsl-india.com/wp-content/uploads/2014/10/Term\\_Cond\\_App\\_Ind\\_Dir.pdf](http://www.dsl-india.com/wp-content/uploads/2014/10/Term_Cond_App_Ind_Dir.pdf))

**b) Familiarisation Programmes for Independent Directors**

Under Familiarisation Programmes, Independent Directors are familiarized about the Company, its product, the industry, legal environment and business model of the Company, etc.. In addition, the Independent Directors are briefed on the regulatory changes and their specific responsibilities and duties that may arise from time to time. The details of Familiarisation Programme is available on the website of the Company (weblink : <http://www.dsl-india.com/wp-content/uploads/2014/12/FPI-Directors-DSL.pdf> ).

**c) Relationships of Directors interse**

Shri Pradip Kumar Daga, Chairman and Managing Director and Shri Yashwant Kumar Daga are related to each other. Shri Yashwant Kumar Daga is son of Shri Pradip Kumar Daga.

**d) Shareholdings of Non Executive Directors in the Company as on 31st March, 2018:-**

<b>Non-Executive Directors</b>	<b>No. of ordinary shares @ Rs.10/-</b>
Shri Yashwant Kumar Daga	259425

The Company does not have any Stock Option Scheme.

**e) Board Meetings held during the year**

During the financial year ended 31st March 2018, four meetings of the Board of Directors were held on 22nd May 2017, 14th Sept 2017, 13th December 2017 and 13th February 2018. The maximum gap between any two consecutive Board Meetings was less than 120 days.

Dates for the Board Meetings are decided well in advance and communicated to the Directors. All material information was circulated to the Directors before the meeting or was placed at the meeting, including minimum information required to be made available to the Board as prescribed under Part A of Schedule II of Regulation 17(7) of the Listing Regulations.

The Board periodically reviews Compliance Report of all laws applicable to the Company. Steps are taken by the Company to rectify instances of non-compliance, if any.

**f) Code of Conduct :**

The Company has adopted Code of Conduct for Directors and Senior Management Personnel of the Company. The Company has received confirmations from the Directors as well as Senior Management Personnel regarding compliance of the Code during the year under review. The declaration by Shri P. K. Daga, Chairman and Managing Director of the Company in this regard is given as '**Annexure A**' to this report. The Code is posted on the website of the Company.

**g) Independent Directors' Meeting –**

During the year, a separate meeting of the Independent Directors was held on 13th February 2018 without the attendance of Non-independent Directors and members of the management to discuss -

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole.

- Evaluation of the performance of the Chairman of the Company taking into account, the views of other Non-independent Directors.
- Evaluation of the quality, content and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All Independent Directors attended the said meeting.

### 3) AUDIT COMMITTEE

The powers, role and terms of reference of the Audit Committee cover the matters specified for Audit Committees under Regulation 18 of the Listing Regulations as well as Section 177 of the Companies Act, 2013.

The Audit Committee comprised of three Non - Executive Directors namely Shri Binod Kumar Agrawal, Chairman and Shri Yashwant Kumar Daga, and Shri Pradeep Kumar Drolia as members. The Members have adequate knowledge of accounts and financial matters. Shri Pradeep Kumar Drolia and Shri Binod Kumar Agrawal have accounting and related financial management expertise. Smt. Puneeta Arora, Company Secretary is Secretary to the Committee. During the year, Shri Binod Kumar Agrawal was appointed as member of Audit Committee with effect from 1st June 2017. After death of Shri Vikram Prakash on 10th August 2017, Shri Binod Kumar Agrawal was appointed as Chairman of the Audit Committee.

The powers of Audit Committee include investigating into any activity within its terms of reference as specified by Board and seeking information from any employee, obtaining professional advice from external sources, securing attendance of outsiders with relevant expertise, if required and having full access to information contained in the records of the Company.

The role of Audit Committee includes –

- oversight of Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
- recommending the appointment, re-appointment, remuneration and terms of appointment of auditors and approval of payment for any other services rendered by statutory auditors ;
- reviewing with the management quarterly results and annual financial statements before submission to the Board for approval;
- approval or any subsequent modification of any transactions of the Company with related parties;
- review and monitoring the auditor's independence and performance and effectiveness of audit process;
- evaluation of internal financial controls and risk management system; scrutiny of inter corporate loans and investments, if any and
- reviewing of functioning of Vigil Mechanism.

During the year, Committee met four times, as on 22nd May 2017, 14th Sept 2017, 13th December 2017 and on 13th February 2018. The maximum gap between any two consecutive meetings was less than 120 days. The Composition of the Audit Committee as at 31st March 2018 and the details of Members' participation at the meetings of the Committee are as under:-

Name of the Member	Status	Category	No. of Meetings attended
Shri Vikram Prakash	Chairman till 10.8.2017	Non-Executive Independent	1
Shri Binod Kumar Agrawal	Chairman	Non-Executive Independent	3
Shri Yashwant Kumar Daga	Member	Non-Executive	3
Shri Pradeep Kumar Drolia	Member	Non-Executive Independent	4

The necessary quorum was present at the meetings. At the invitation of the Company, representatives from various divisions of the Company, Internal Auditors, Cost Auditors, Statutory Auditors are invited to attend the Meeting to respond to queries raised at the Committee meetings. The Chief Financial Officer is the permanent invitee to the meetings of the Audit Committee.

#### 4) **NOMINATION AND REMUNERATION COMMITTEE**

The powers, role and terms of reference of the Nomination and Remuneration Committee cover the matters specified under Regulation 19 of the Listing Regulations as well as Section 178 of the Companies Act, 2013. The role includes –

- Formulation of criteria for determining qualifications, positive attributes and independence of a Director ;
- Recommending to the Board a policy relating to the remuneration for Directors, Key Managerial Personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on diversity of Board of Directors;
- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of their appointment and removal.

During the year, Shri Binod Kumar Agrawal was appointed as member of Nomination and Remuneration Committee with effect from 1st June 2017. After death of Shri Vikram Prakash on 10th August 2017, Shri Pradeep Kumar Drolia was appointed as Chairman of the Nomination and Remuneration Committee.

During the year, the Committee met on 22nd May 2017. The Composition of the Nomination and Remuneration Committee as at 31st March 2018 and the details of Members' participation at the meetings of the Committee are as under:-

<b>Name of the Member</b>	<b>Status</b>	<b>Category</b>	<b>No. of Meetings attended</b>
Shri Vikram Prakash	Chairman till 10.8.2017	Non-Executive Independent	1
Shri Pradeep Kumar Drolia	Chairman	Non-Executive Independent	1
Shri Yashwant Kumar Daga	Member	Non-Executive	1
Shri Binod Kumar Agrawal	Member	Non-Executive Independent	Nil

Commission to Non-Executive Directors is decided by Board of Directors, every year, subject to maximum limit of one percent of the net profits of the Company. The members of the Company have by special resolution passed through Postal Ballot, result of which was declared on 22nd January 2014, authorised the Board of Directors of the Company to pay commission to Non-Executive Directors with in the limit of one percent of net profits of the Company. The Board of Directors of the Company determines the quantum of commission payable to Non-Executive Directors considering the performance of the Company for the said year.

Details of remuneration paid to Whole Time Director and other Directors are given below: -

**Particulars of remuneration paid/payable to Directors during 2017-18:-**

Name of the Director	Salary	Perquisites/LTA	Company's Contribution to Provident Fund	Commission **	Sitting Fee *	Total
Sh.P.K.Daga (Chairman and Managing Director)	68,64,000	15,000	8,23,680	-	-	77,02,680
Sh.Yashwant Kumar Daga	-	-	-	2,00,000	1,05,000	3,05,000
Sh.Vikram Prakash	-	-	-	2,00,000	45,000	2,45,000
Sh.Pradeep Kumar Drolia	-	-	-	2,00,000	1,32,500	3,32,500
Smt. Nilu Agrawal	-	-	-	2,00,000	65,000	2,65,000
Sh. Binod Kumar Agrawal	-	-	-	-	1,02,500	1,02,500

Sitting fees for attending meetings of the Board and / or Committee thereof. The Company pays sitting fees of Rs. 15,000/- per meeting to the Non-Executive Directors for attending the meetings of the Board and Rs. 7,500/- per meeting for attending the meeting of the Committees of the Board. The Independent Directors were paid ₹ 5000/- each as sitting charges for meeting of Independent Director.

\*\* Commission to Non-Executive Directors including Independent Directors will be paid after the accounts are approved by the share holders at the ensuing Annual General Meeting.

Directors' Commission amount is exclusive of applicable Service Tax which shall be born by the Company.

The Company does not have any stock option scheme.

**Performance Evaluation Criteria for Independent Directors**

The Nomination and Remuneration Committee lays down the framework for performance evaluation of Independent Directors. The framework used for performance evaluation of the Independent Directors covers the areas relevant to their functioning as Independent Directors and is based on the expectation that they are performing their duties in a manner which should create and continue to build sustainable value for shareholders and in accordance with the duties and obligations imposed upon them.

The performance evaluation of Independent Directors was done by the entire Board of Directors and in the evaluation of the Directors, the Director subject to evaluation, had not participated.

**5) STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Stakeholders Relationship Committee oversees redressal of shareholder and investor grievances, transfer / transmission of shares, issue of duplicate shares, recording of dematerialization / rematerialisation of shares and related matters.

Smt. Puneeta Arora, Company Secretary is designated as the Compliance Officer by the Board.

During the financial year ended 31st March 2018, 2 complaints were received and all were satisfactorily disposed off. As on 31.03.2018, pendency of complaints was Nil. There were no pending requests for Share transfers as on 31st March 2018.

During the year, Shri Binod Kumar Agrawal was appointed as member of Stakeholders Relationship Committee with effect from 1st June 2017. After death of Shri Vikram Prakash on 10th August 2017, Shri Binod Kumar Agrawal was appointed as Chairman of the said Committee.

During the year, Committee met two times, as on 22nd May 2017 and on 13th December 2017. The Composition of the Stakeholders Relationship Committee as at 31st March 2018 and the details of Members' participation at the meetings of the Committee are as under:-

Name of the Member	Status	Category	No. of Meetings attended
Shri Vikram Prakash	Chairman till 10.8.2017	Non-Executive Independent	1
Shri Binod Kumar Agrawal	Chairman	Non-Executive Independent	1
Shri Yashwant Kumar Daga	Member	Non-Executive	2
Shri Pradeep Kumar Drolia	Member	Non-Executive Independent	2

#### 6) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Committee oversees Corporate Social Responsibility (CSR) and other related matters and discharges the roles as prescribed under Section 135 of the Act which includes –

- formulation and review of CSR Policy and to make it comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- to ensure adherence to CSR Policy; and
- to provide guidance on various CSR activities to be undertaken by the Company
- recommending the amount of expenditure to be incurred on CSR and
- to monitor the progress of CSR activities.

Shri Binod Kumar Agrawal was appointed as member of CSR Committee with effect from 1st June 2017.

During the year, the Committee meeting was held on 22nd May 2017 and on 13th February 2018. The composition of the Corporate Social Responsibility Committee as at 31st March 2018 and the details of Members' participation at the meetings of the Committee are as under:-

Name of the Member	Status	Category	No. of Meetings attended
Shri Yashwant Kumar Daga	Chairman	Non-Executive	1
Shri Vikram Prakash	Member till 10.08.2017	Non-Executive Independent	1
Shri Pradeep Kumar Drolia	Member	Non-Executive Independent	2
Shri Binod Kumar Agrawal	Member w.e.f 01.06.2017	Non-Executive Independent	1

#### 7) GENERAL BODY MEETINGS.

a) Location, date and time of last three Annual General Meetings is as follows: -

Particulars	Location	Date	Time	Whether any Special Resolution passed
33rd AGM	- do -	23-09-2015	02.30 P.M.	Nil
34th AGM	- do -	28.09.2016	02.00 P.M.	1
35th AGM	- do -	31.08.2017	02.00 P.M.	2

#### 34th AGM held on 28.09.2016

As required, voting was conducted electronically with M/s. Central Depository Services (India) Limited facilitating the e-voting and also by physical ballot and all the resolutions were passed with requisite

majority except the following special resolution which was proposed but could not be effected as requisite votes in favour of the resolution were not received –

1. For keeping registers under Section 88 of the Companies Act, 2013 at a place other than at Registered Office of the Company.

**35th AGM held on 31.08.2017**

As required, voting was conducted electronically with M/s. Central Depository Services (India) Limited facilitating the e-voting and also by physical ballot and all the resolutions were passed with requisite majority. The following special resolutions were passed :-

1. Re-appointment of Shri Pradip Kumar Daga as Managing Director of the Company.  
However, the following special resolution which was proposed but could not be effected as requisite votes in favour of the resolution were not received –
2. For keeping registers under Section 88 of the Companies Act, 2013 at a place other than at Registered Office of the Company.

**b) Extra Ordinary General Meeting**

No Extra Ordinary General Meeting was held during the year.

**c) Postal Ballot**

- i) Whether any special resolution passed last year through postal ballot and details of voting pattern –  
Special Resolution passed at the Annual General Meeting of the Company held last year was not put through postal ballot.
- ii) Person who conducted the postal ballot exercise - Not applicable.
- iii) Whether any special resolution is proposed to be conducted through postal ballot?  
Special Resolutions to be passed at the ensuing Annual General meeting of the Company are not proposed to be put through postal ballot. However, for other special resolutions, if any, in the future, the same will be decided at the relevant time.
- iv) Procedures for Postal Ballot  
The procedure for postal ballot, if any, will be as per the provisions of the Companies Act, 2013 and rules made there under.

**8) MEANS OF COMMUNICATION**

Quarterly/ Half Yearly Financial Results are published in leading newspapers such as Aaj Samaj(regional newspapers) and Financial Express (National - English) and are also displayed at the Company's **website [www.dsl-india.com](http://www.dsl-india.com)**

Official press releases, presentations to analysts and institutional investors, if any and other general information about the Company, in addition to uploading the same on the website of the Company are also sent to Stock Exchanges for dissemination.

## 9) GENERAL SHAREHOLDER INFORMATION –

### Annual General Meeting

Day, Date and Time	: Wednesday, 29th August, 2018 at 2.00 p.m.
Venue	: 121, Industrial Area, Baddi, Tehsil Nalagarh, Dist – Solan 173205 (HP)
Dates of Book closure	: From Saturday 25th August, 2018 to Wednesday, 29th August, 2018 (both days inclusive)

### Financial Calendar 2018-19 (Tentative)

First Quarter Results	: On or before 14th August 2018
Second Quarter Results and Half yearly Results	: On or before 14th November 2018
Third Quarter Results	: On or before 14th February 2019
Annual Results	: On or before 30th May 2019
Financial Year	: 1st April to 31st March

### Listing on Stock Exchanges :

Name & address of the Stock Exchanges	Stock Code / Scrip Code	ISIN no. for NSDL / CDSL
BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400001	514030	INE272C01013

Annual listing fees for 2018-19 has been paid to the Stock Exchange.

### Market Price Data

The details of monthly highest and lowest closing quotations of the equity shares of the Company during financial year 2017-18 are as under :- (in ₹ per share)

Month	BSE Limited		Month	BSE Limited	
	High	Low		High	Low
April 2017	100.00	88.20	October 2017	89.90	77.00
May 2017	100.00	82.15	November 2017	90.25	80.10
June 2017	87.40	78.00	December 2017	93.90	85.00
July 2017	92.00	79.00	January 2018	114.15	92.00
August 2017	97.00	77.10	February 2018	104.90	80.20
September 2017	82.00	76.10	March 2018	100.00	80.00

(Source : www.bseindia.com)

The performance of the Company's shares cannot be compared to BSE Sensex for reasons of low liquidity.

### Registrars & Transfer Agents in Physical and Electronic (DEMAT) Mode.

M/S Maheshwari Datamatics Private Limited, 23, R.N Mukherjee Road, 5th Floor, Kolkata - 700001. Telephone : (033)22435029, (033)22433809, (033) 22482248.

### Share Transfer System

Physical Share transfers are processed and the share certificates are returned to the shareholders within a maximum period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects.



**Pattern of Shareholding as on 31.03.2018.**

Sr. No.	Category	No. of Shares held	% of Paid up Share Capital
1	Promoters	30,49,144	42.41
2	Mutual Funds and Insurance Companies	9,100	0.13
3	Financial Institutions and Banks	3,19,780	4.45
4	Bodies Corporates	2,44,747	3.40
5	NRIs and OCBs	1,34,330	1.87
6	Other Resident Individuals	34,32,267	47.74
	<b>Total</b>	<b>71,89,368</b>	<b>100.00</b>

**Distribution of Shareholding as on 31.03.2018**

From – To	No. of Shares held	% of total paid Up Capital	No. of Share holders	% of total No. of Shareholders
Upto – 500	10,63,717	14.80	7,650	92.62
501-1000	2,51,805	3.50	325	3.93
1001-10000	6,92,870	9.63	232	2.81
10001 & above	51,80,976	72.07	53	0.64
<b>Total</b>	<b>71,89,368</b>	<b>100</b>	<b>8260</b>	<b>100</b>

**Dematerialisation of shares and liquidity**

The equity shares of the Company are under compulsory Demat trading for all categories of investors. The Company's shares are available for Demat trading with both the depositories i.e. CDSL and NSDL. Requests for dematerialization of shares are processed and confirmation thereof is given to the respective depositories within the statutory time limit from the date of receipt of share certificates, if the documents are complete in all respects. As on 31st March 2018, 90.56% equity shares of the Company stood dematerialized.

**Commodity price risk or foreign exchange risk and hedging activities**

The Company has reasonable exposure to foreign exchange and there is a natural hedging partly available in terms of exports made by the Company.

In respect of price risk of raw materials used for manufacturing purpose, the same is taken care of as per industry requirement.

**Plant locations**

- i) 121, Industrial Area, Baddi, Tehsil Nalagarh, District Solan 173205 ( HP )
- ii) Village Pagara, Tehsil & District Guna - 473001 (MP)

**Address for correspondence**

Deepak Spinners Limited  
 Share Department, S.C.O. 16, 2nd Floor, Sector - 26, Chandigarh - 160019.  
 Telephone: (0172)2790974, (0172)2790973.

**Designated email-id for investor servicing :**

The e-mail ids designated exclusively for investor servicing—mdpldc@yahoo.com and share@dsl-india.com

#### 10) CEO/CFO CERTIFICATION

As required by Regulation 17(8) of the Listing Regulations, the Chairman and Managing Director [CEO] and CFO of the Company have certified to the Board about accuracy of the financial statements, maintenance of code of conduct of the Company and adequacy of the internal control systems for the financial year ended on 31st March 2018.

#### 11) SUBSIDIARY COMPANIES - The Company does not have any subsidiary Company.

#### 12) OTHER DISCLOSURES

- a) **RELATED PARTY TRANSACTIONS** - All related party transactions have been entered into in the ordinary course of business and are transactions for which omnibus approval of the Audit Committee was taken. There were no materially significant transactions with related parties during the financial year which were not in the normal course of business and which may have conflict with the interest of the Company. All individual transactions with related parties or others were on arms length basis. Suitable disclosures as required by the IND AS 24 – ‘Related Party Disclosures’ have been made in the notes to the Financial Statements.

The Board has formulated a Policy for Related Party Transactions which is available on the Company’s website.

(weblink: [http://www.dsl-india.com/wp-content/uploads/2014/11/Policy\\_on\\_Related\\_Party\\_Transactions.pdf](http://www.dsl-india.com/wp-content/uploads/2014/11/Policy_on_Related_Party_Transactions.pdf))

- b) The Company has fully complied with all the applicable requirements of regulatory authorities on Capital Markets and consequently, no penalties / strictures have been imposed on the Company by Stock Exchange, SEBI or any other statutory authority on any matter relating to the capital markets, during the last three years, other than the penalty paid for late filing of Annual Report during the year due to unavoidable reasons.
- c) **VIGIL MECHANISM** - The Company has a Vigil Mechanism to provide an avenue for Directors and employees to raise concerns of any fraud, mismanagement, negligence, violations of legal or regulatory requirement. The Policy on Vigil Mechanism is also posted on the website of the Company. The Audit Committee periodically reviews the functioning of the Vigil Mechanism.
- The mechanism provides for adequate safeguards against victimization of personnel, who avail of the mechanism. Although no personnel was denied access to the Vigil Officer and the Audit Committee, no complaints were received during 2017-18.
- d) All Accounting Standards mandatorily required to be followed, have been followed without exception in preparation of the financial statements.
- e) Procedures for assessment of risk and its minimization have been laid down by the Company and reviewed by the Board. These procedures are periodically reassessed to ensure that management can control risks.
- f) No money was raised by the Company through any public issue, rights issue, preferential issue, etc. during the financial year 2017-18.
- g) Management Discussion and Analysis forms part of the Annual Report to the shareholders and it includes discussion on matters as required under Schedule V of the Listing Regulations.
- h) As per Regulation 26(5) of Listing Regulations, there were no material financial and commercial transactions by Senior Management, where they have personal interest that may have a potential conflict with the interest of the Company at large requiring disclosure by them to the Board of Directors of the Company.

#### 13) The Company has complied with all the mandatory requirements of Corporate Governance specified in Regulation 17 to 27 and clauses (b) to (f) of Regulation 46(2) of Listing Regulations.

- 14) The Corporate Governance Report of the Company for the year ended on 31st March 2018 is in compliance with the requirements of Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. There is no non-compliance of any of the requirements of Corporate Governance Report as required under the Listing Regulations
- 15) The status of adoption of the discretionary requirements of as specified in Regulation 27(1) of the Listing Agreement are as follow :-
1. **The Board** – The Chairman of the Company is Executive Chairman.
  2. **Shareholders’ Rights** Quarterly and Half yearly financial results are published in newspapers and uploaded on Company’s website but are not being sent to each household of shareholders of the Company.
  3. **Modified opinion(s) in audit report** - The Auditors have raised no qualification on the financial statements.
  4. **Separate posts of Chairman and CEO** - The posts of Chairman and CEO are held by a single individual.
  5. **Reporting of Internal Auditor** - The Internal Auditors are invited to the meetings of Audit Committee wherein they report directly to the Audit Committee.

**16) Disclosure of Compliances –**

The Company has disclosed about the compliance of regulations in respect of Corporate Governance as per Listing Regulations on its website [www.dsl-india.com](http://www.dsl-india.com)

**17) Reconciliation of Share Capital Audit**

As stipulated by the Securities and Exchange Board of India (SEBI) a qualified practicing Chartered Accountant carries out Reconciliation of Share Capital Audit. This Audit is carried out for every quarter and the report thereon is submitted to Stock Exchange and is placed before the Board.

**18) Compliance Certificate**

Compliance Certificate for Corporate Governance from Auditors of the Company is given as ‘**Annexure-B**’ to this report.

**19) Filing of Cost Audit Report**

As per Section 148 of the Companies Act, 2013, read with Rule 6 of the Companies (Cost Records and Audit) Rules, 2014, Cost Auditors have to forward Cost Audit Report to the Board of Directors of the Company within a period of 180 days from the closure of financial year and the said report is required to be filed within a period of 30 days from the date of receipt with the Ministry of Corporate Affairs.

In compliance with the requirements under General Circular 15/2011 dated 11 April, 2011 of Ministry of Corporate affairs, the details of Cost Audit Report filed with Ministry of Corporate Affairs during the year is as below –

Financial Year	Name of Cost Auditor	Date of Filing
2016-17	M/s. Shakti K. & Associates, Cost Accountants,	23.09.2017

The above report was adopted by the Board of Directors at its meeting held on 28th May 2018.