



Corporate Governance

Long-term shareholders' value is inextricably linked to good corporate governance, which, in turn is linked to transparency and accountability. The Company remains committed to good corporate governance and has been consistently improving transparency and accountability to all its stakeholders. The Company's policies and practices are also unequivocally targeted towards this aim.

■ BOARD OF DIRECTORS

Composition and category of Directors

Sr. No.	Category	Name of Director
I.	Promoter and Executive Director Promoter and Non-Executive Directors	Shri S. C. Mehta, Vice-Chairman & Managing Director Shri C. K. Mehta, Chairman Smt. Parul S. Mehta, Director
II.	Independent and Non-Executive Directors	Shri R. A. Shah Shri D. Basu Shri N. C. Singhal Shri U. P. Jhaveri Shri S. R. Wadhwa Dr. S. Rama Iyer Dr. Manu Seth Shri Anil Sachdev

Attendance of Directors at the Meetings of Board of Directors held during financial year 2008-09 and the Annual General Meeting (AGM) held on 29th July, 2008 are as follows :

Five Board Meetings were held during the year. These meetings were held on 30th May, 2008; 29th July, 2008; 23rd October, 2008; 21st January, 2009 and 26th March, 2009. The maximum time gap between two Board Meetings was not more than four calendar months.

The record of attendance of Directors and Directorships of Public Limited Companies and Membership / Chairmanship of Board Committees :

Name of Director	No. of Board Meetings attended	Attendance at the AGM	No. of Directorships of other Companies \$	No. of Membership of other Board Committees #	No. of Chairmanship of other Board Committees #
Shri C. K. Mehta	5	Present	2	-	-
Shri S. C. Mehta	5	Present	4	-	-
Shri S. S. Marathe *	2	Present	N.A.	N.A.	N.A.
Shri R. A. Shah	3	Absent	14	10	4
Shri D. Basu	4	Absent	8	4	2
Shri N. C. Singhal	5	Present	9	4	3
Shri U. P. Jhaveri	5	Present	-	-	-
Shri S. R. Wadhwa	5	Present	1	1	-
Smt. Parul S. Mehta	3	Present	1	-	-
Dr. S. Rama Iyer	4	Present	5	-	-
Dr. Manu Seth @	2	N.A.	1	1	-
Shri Anil Sachdev @	2	N.A.	-	-	-

* Deceased on 28th September, 2008.

@ Appointed as Additional Director on 23rd October, 2008.

\$ Excludes alternate directorships / directorships of private companies, foreign companies and companies under Section 25 of the Companies Act, 1956.

Includes only Audit Committee and Shareholders'/Investors' Grievance Committee.

COMMITTEES OF BOARD OF DIRECTORS

■ AUDIT COMMITTEE

Brief description of Terms of Reference :

To oversee the Company's financial reporting process, to review Directors' Responsibility Statement, changes, if any, in accounting policies and reasons for the same, qualifications in the draft audit report, performance of statutory and internal auditors, reports of the Company's internal auditors, cost auditors and financial statements audited by the statutory auditors and also to review the information relating to Management Discussion and Analysis of financial conditions and results of operations, statement of significant related party transactions, management letter(s) of internal control weaknesses, if any, issued by statutory auditors.

- Constitution : Constituted by the Board of Directors at its meeting held on 24th January, 2000.
- Composition, Names of Members and record of attendance during the year : Consists of Independent Directors as under :

During the year the Committee met 6 times on 30th May, 2008; 28th July, 2008; 23rd October, 2008; 3rd December, 2008; 20th January, 2009 and 25th March, 2009. The attendance of the Members was as follows :

Name of Director	No. of Meetings attended
Shri S. S. Marathe, Chairman *	2
Shri N. C. Singhal @	6
Shri S. R. Wadhwa	6
Dr. Manu Seth #	2

* Deceased on 28th September, 2008.

@ Designated as Chairman w.e.f. 23rd October, 2008.

Co-opted as a Member w.e.f. 23rd October, 2008.

■ SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

Brief description of Terms of Reference :

To specifically look into redressal of complaints like transfer of shares, non-receipt of dividends, non-receipt of annual report etc. received from shareholders / investors and improve the efficiency in investors' service, wherever possible.

- Constitution : Constituted by the Board of Directors at its meeting held on 22nd January, 2001.
- Composition, Names of Members and record of attendance during the year : Consists of Directors as under :

During the year the Committee met twice on 23rd October, 2008 and 25th March, 2009. The attendance of the Members was as follows :

Name of Director	No. of Meetings attended
Shri D. Basu, Chairman	2
Shri S. C. Mehta	2
Shri S. R. Wadhwa	2

- Name & designation of Compliance Officer : Shri R. Sriraman, Sr. Vice-President (Legal) & Company Secretary
- Name & designation of Second Compliance Officer : Shri V. Sesha Sayee, Assistant Company Secretary

Details of Complaints / queries received etc. during the year 2008-09 :

Nature of complaints / queries	No. of complaints/ queries received	No. of complaints/queries not solved to the satisfaction of shareholders
Transfer of shares	47	Nil
Non-receipt of annual report	35	Nil
Non-receipt of dividend warrants	6	Nil
Pending share transfers	Nil	Nil

■ REMUNERATION COMMITTEE

Brief description of Terms of Reference :

To determine on behalf of the Board and shareholders with agreed terms of reference, the Company's policy on specific remuneration packages for Executive Directors including pension rights and any compensation payments and such other matters concerning remuneration as may be referred to by the Board from time to time.

- Constitution : Constituted by the Board of Directors at its meeting held on 29th January, 2007.
- Composition, Names of Members and record of attendance during the year : Consists of Independent Directors as under :

During the year the Committee met once on 29th May, 2008. The attendance of the Members was as follows :

Name of Director	No. of Meeting attended
Shri S. S. Marathe, Chairman *	1
Shri R. A. Shah #	1
Shri S. R. Wadhwa	1
Shri Anil Sachdev @	N.A.

* Deceased on 28th September, 2008.

Designated as Chairman w.e.f. 23rd October, 2008.

@ Co-opted as a Member w.e.f. 23rd October, 2008.

■ PROJECT COMMITTEE

Brief description of Terms of Reference :

To evaluate periodically projects proposed to be taken up by the Company, to review said projects and recommend to the Board of Directors (Board) for consideration and approval as also review progress of such approved projects and apprise the Board.

- Constitution : Constituted by the Chairman and ratified by the Board of Directors at its meeting held on 21st July, 2003.
- Composition, Names of Members and record of attendance during the year : Consists of Directors as under :



During the year the Committee met four times on 29th May, 2008; 19th June, 2008; 15th October, 2008 and 20th January, 2009. The attendance of the Members was as follows :

Name of Director	No. of Meetings attended
Shri D. Basu, Chairman	4
Shri N. C. Singhal	4
Shri S. C. Mehta	4
Dr. S. Rama Iyer	3

Details of remuneration paid to Executive Director for Financial Year 2008-09 :

(Rs. in Lacs)

Name of Director	Designation	Salary (incl. leave encashment)	Perks	Commission	Company's Contribution to PF and Super-annuation Fund	Total
Shri S. C. Mehta	Vice-Chairman & Managing Director	50.89	9.79	689.35	12.96	762.99

Details of Commission for financial year 2007-08 # and sitting fees paid to Non-Executive Directors :

Commission : Shri C. K. Mehta : Nil; Shri S. S. Marathe : Rs. 6,00,000; Shri R. A. Shah : Rs. 5,50,000; Shri D. Basu : Rs. 7,50,000; Shri N. C. Singhal : Rs. 7,50,000; Shri U. P. Jhaveri : Rs. 3,50,000; Shri S. R. Wadhwa : Rs. 5,50,000; Smt. Parul S. Mehta : Rs. 2,00,000; Dr. S. Rama Iyer : Rs. 2,00,000.

(# Remuneration for 2008-09 is yet to be paid)

Sitting Fees : The Company also pays sitting fees to Non-Executive Directors @ Rs. 10,000/- per Director for attending each meeting.

Shares held by Non-Executive Directors

Shri C. K. Mehta : 13,64,273 equity shares (1.55%); Smt. Parul S. Mehta : 10,00,100 equity shares (1.13%); Shri R. A. Shah : 7,900 equity shares (0.009%); Shri S. R. Wadhwa : 1,000 equity shares (0.001%); Dr. S. Rama Iyer : 50,000 equity shares (0.06%)

■ ANNUAL GENERAL MEETINGS

Details of last three Annual General Meetings held :

Particulars	FY 2005-06	FY 2006-07	FY 2007-08
Day	Monday	Monday	Tuesday
Date	17th July, 2006	16th July, 2007	29th July, 2008
Time	11.00 a.m.	11.00 a.m.	11.00 a.m.
Venue	Bal Gandharva Rang Mandir, Jangli Maharaj Road, Shivaji Nagar, Pune - 411 005.	Bal Gandharva Rang Mandir, Jangli Maharaj Road, Shivaji Nagar, Pune - 411 005.	Bal Gandharva Rang Mandir, Jangli Maharaj Road, Shivaji Nagar, Pune - 411 005.

No resolution was passed through Postal Ballot during the financial year 2007-08 or is being proposed at the ensuing Annual General Meeting.

■ DISCLOSURES

- Disclosure on materially significant related party transactions i.e. transactions of the Company of material nature, with its Promoters, Directors or the Management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of the Company at large :**
None of the transactions with any of the related parties were in conflict with the interests of the Company.
- Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets during the last three years :**
The Company has complied with the requirements of regulatory authorities on matters related to capital markets and no penalties/ strictures have been imposed on the Company during the last three years.
- Disclosures of the compliance with mandatory requirements and adoption / non-adoption of non-mandatory requirements :**
The Company has complied with all the mandatory requirements and adopted part of the non-mandatory requirements.
- Disclosures of relationships between Directors inter-se :**
Shri C. K. Mehta is the father and Smt. Parul S. Mehta is the wife of Shri S. C. Mehta. None of the other Directors have any relation inter-se.

■ MEANS OF COMMUNICATION

The Company publishes its financial results every quarter in leading newspapers such as The Economic Times and Maharashtra Times. The results are also displayed on the Company's website www.dfpl.com