

DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED

28TH ANNUAL REPORT 2007-2008

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
II.	Independent and Non-Executive Directors	Shri S. S. Marathe Shri N. C. Singhal Dr. S. Rama Iyer Shri R. A. Shah Shri U. P. Jhaveri Shri D. Basu Shri S. R. Wadhwa

Attendance of Directors at the Meetings of Board of Directors held during financial year 2007-08 and the Annual General Meeting (AGM) held on 16th July, 2007 are as follows :

Five Board Meetings were held during the year. These meetings were held on 18th May, 2007, 16th July, 2007, 23rd October, 2007, 31st January, 2008 and 25th March, 2008. 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	2	Present	2	-	-
Shri S. C. Mehta	5	Present	3	-	-
Shri S. S. Marathe	4	Present	9	8	1
Shri R. A. Shah	5	Present	14	10	5
Shri D. Basu	3	Present	9	3	2
Shri N. C. Singhal	5	Present	11	4	2
Shri U. P. Jhaveri	5	Present	-	-	-
Shri S. R. Wadhwa	4	Present	1	1	-
Smt. Parul S. Mehta	3	Present	1	-	-
Dr. S. Rama Iyer *	3	N.A.	4	-	-

* Appointed as an Additional Director on 23rd October, 2007.

\$ Excludes alternate directorships / additional directorships / directorships of private companies, foreign companies and associations.

@ Includes only Audit Committee and Shareholders' / Investors' Grievance Committee and excludes alternate memberships.

■ 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 :

Name of Director	No. of Meetings held	No. of Meetings attended
Shri S. S. Marathe, Chairman	6	5
Shri N. C. Singhal	6	6
Shri S. R. Wadhwa	6	5



■ 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 :

Name of Director	No. of Meetings held	No. of Meetings attended
Shri D. Basu, Chairman	2	2
Shri S. C. Mehta	2	2
Shri S. R. Wadhwa	2	1

- 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 2007-08 :

Nature of complaints / queries	No. of complaints/ queries received	No. of complaints/queries not solved to the satisfaction of shareholders
Transfer of shares	8	Nil
Non-receipt of annual report	44	Nil
Non-receipt of dividend warrants	12	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 Directors as under :

Name of Director	No. of Meetings held	No. of Meetings attended
Shri S. S. Marathe, Chairman	1	1
Shri R. A. Shah	1	1
Shri S. R. Wadhwa	1	1

■ 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 :

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Name of Director	No. of Meetings held	No. of Meetings attended
Shri D. Basu, Chairman	3	3
Shri N. C. Singhal	3	3
Shri S. C. Mehta	3	3
Dr. S. Rama Iyer *	3	1

* Co-opted as a Member w.e.f. 23rd October, 2007

Details of remuneration paid to Executive Director for Financial Year 2007-08 : (Rs. in Lacs)

Name of Director	Designation	Salary (inclusive of leave encashment)	Perks	Commission	Company's Contribution to PF and Super-annuation Fund	Total
Shri S. C. Mehta	Vice-Chairman & Managing Director	25.31	10.01	437.56	6.64	479.52

Details of commission and sitting fees paid to Non-Executive Directors for Financial Year 2006-07# :

Shri S. S. Marathe : Rs. 5,50,000; Shri R. A. Shah : Rs. 5,00,000; Shri D. Basu : Rs. 7,00,000; Shri N.C. Singhal : Rs. 7,00,000; Shri U. P. Jhaveri : Rs. 3,00,000; Shri S. R. Wadhwa : Rs. 5,00,000; Smt Parul S. Mehta : Rs. 1,55,000.
(# Remuneration for 2007-08 is yet to be paid)

Apart from the above, the Company also pays sitting fees to Non-Executive Directors @ Rs.10,000/- per Director for each meeting.

Shares held by Non-Executive Directors

Shri C.K. Mehta : 3,64,273 equity shares (0.41%); Smt. Parul S. Mehta : 10,00,100 equity shares (1.13%); Shri R. A. Shah : 7,900 equity shares (0.009%).

■ **ANNUAL GENERAL MEETINGS**

Details of last three Annual General Meetings held :

Particulars	FY 2004-05	FY 2005-06	FY 2006-07
Day	Tuesday	Monday	Monday
Date	19th July, 2005	17th July, 2006	16th July, 2007
Time	11.00 a.m.	11.00 a.m.	11.00 a.m.
Venue	S. M. Joshi Socialist Foundation Nanasaheb Gore Academy, Navi Peth, Ganjave Chowk, Opp. Patrakar Bhavan, Pune - 411 030.	Bal Gandharva Rang Mandir, Jangli Maharaj Road, Shivaji Nagar, Pune - 411 005.	Bal Gandharva Rang Mandir, Jangli Maharaj Road, Shivaji Nagar, Pune - 411 005.

■ **DISCLOSURES :**

- i. **Disclosures 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.
- ii. **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.
- iii. **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.
- iv. **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.dfpc.com