

# Corporate Governance

The Company firmly believes that business is built on ethical values and principles of transparency. Good Governance is an essential ingredient of any business, a way of life rather than a mere legal compulsion. The Company's philosophy of good Corporate Governance aims at establishing a system which will assist the management to fulfill its corporate objectives as well as to serve the best interest of the stakeholders at large viz. Shareholders, Customers, Employees, Society, Suppliers, Lenders etc.

## ■ BOARD OF DIRECTORS

Composition and Category of Directors as on 31<sup>st</sup> March, 2018

| Sr. No. | Category                                  | Name of Director  |                      |
|---------|---|---|----------------------|
| I.      | Promoter and Executive Director           | Shri S. C. Mehta, Chairman & Managing Director                            |                      |
|         | Promoter and Non-Executive Director       | Smt. Parul S. Mehta   |                      |
|         | Non Executive & Non Independent Directors | Shri R. A. Shah<br>Shri Partha Sarathi Bhattacharyya<br>Shri M. P. Shinde |                      |
| II.     | Independent Directors                     | Shri U. P. Jhaveri  | Shri Ashok Purwaha   |
|         |   | Shri S. R. Wadhwa   | Shri Mahesh Chhabria |
|         |   | Shri Pranay Vakil   | Shri Berjis Desai    |
|         |   | Shri Anil Sachdev   | Shri Anil Singhvi    |
|         |   |   |                      |

Attendance of Directors at the Meetings of Board of Directors held during the Financial Year 2017-18 and the Annual General Meeting (AGM) held on 21<sup>st</sup> September, 2017 are as follows:

Eight Board Meetings were held during the Financial Year 2017-18. These meetings were held on 6<sup>th</sup> April, 2017, 8<sup>th</sup> May, 2017, 30<sup>th</sup> June, 2017, 10<sup>th</sup> August, 2017, 21<sup>st</sup> September, 2017 (adjourned to 22<sup>nd</sup> September, 2017), 2<sup>nd</sup> November, 2017, 8<sup>th</sup> February, 2018 and 28<sup>th</sup> March, 2018.

### **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 S. C. Mehta                  | 7                              | Yes                   | 4  | 1   | -   |
| Shri Partha Sarathi Bhattacharyya | 5                              | Yes                   | 6  | -   | 1   |
| Shri D. Basu @                    | 1                              | No                    | 1  | 1   | -   |
| Shri N. C. Singhal@@              | 1                              | No                    | 4  | 2   | 2   |
| Shri U. P. Jhaveri                | 8                              | Yes                   | 1  | 1   | -   |
| Shri S. R. Wadhwa                 | 8                              | Yes                   | 1  | -   | 1   |
| Smt. Parul S. Mehta               | 7                              | Yes                   | 2  | 1   | -   |
| Dr. S. Rama Iyer @@@              | 1                              | No                    | 1  | 1   | 0   |
| Shri Anil Sachdev                 | 5                              | Yes                   | 1  | -   | -   |
| Shri Pranay Vakil                 | 7                              | Yes                   | 2  | 2   | -   |
| Shri R. A. Shah                   | 7                              | Yes                   | 9  | 4   | 4   |
| Shri M. P. Shinde                 | 8                              | Yes                   | 1  | -   | -   |
| Shri Ashok Purwaha*               | 5                              | Yes                   | -  | -   | -   |
| Shri Mahesh Chhabria*             | 5                              | Yes                   | 4  | 1   | -   |
| Shri Berjis Desai*                | 4                              | Yes                   | 9  | 4   | 2   |
| Shri Anil Singhvi*                | 4                              | No                    | 5  | 2   | 2   |

\$ Excludes alternate directorships / directorships of private companies, foreign companies and companies under Section 8 of the Companies Act, 2013.

# Includes only Audit Committee and Stakeholders' Relationship Committee.

@ Resigned as a director w.e.f. 8<sup>th</sup> June 2017

@@ Resigned as a director w.e.f. 7<sup>th</sup> May 2017

@@@ Resigned as a director w.e.f. 2<sup>nd</sup> June 2017.

\* Appointed as an Additional Director w.e.f. 7<sup>th</sup> July 2017

## COMMITTEES OF BOARD OF DIRECTORS

### AUDIT COMMITTEE

#### Brief description of terms of reference:

The terms of reference of Audit Committee is in accordance with Regulation 18 of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 and Section 177 of Companies Act, 2013 which, inter alia, includes 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 and independence of statutory and internal auditors, reports of the Company's internal auditors, cost auditor and financial statements audited by the statutory auditors and also to review the information relating to Management Discussion and Analysis of financial statements and results of operations, statement of significant related party transactions and internal control systems.

- Constitution : Constituted By The Board Of Directors Of The Company At Its Meeting Held On 24<sup>th</sup> January, 2000.
- Composition, Names Of Members And Record of attendance during the year : Comprises of Independent Directors and details as provided under:

During the year, twelve Committee Meetings were held on 6<sup>th</sup> April, 2017, 8<sup>th</sup> May, 2017, 29<sup>th</sup> June, 2017, 24<sup>th</sup> July, 2017, 10<sup>th</sup> August, 2017, 22<sup>nd</sup> September, 2017, 2<sup>nd</sup> November, 2017, 18<sup>th</sup> December, 2017, 19<sup>th</sup> December, 2017, 8<sup>th</sup> February, 2018, 19<sup>th</sup> March, 2018 and 27<sup>th</sup> March, 2018. The attendance of the Members was as follows :

| Name of Director                         | No. of Meetings entitled to attend | No. of Meetings attended |
|--|------------------------------------|--------------------------|
| Shri N. C. Singhal, Chairman*            | 1                                  | 1                        |
| Shri S. R. Wadhwa, Chairman <sup>#</sup> | 12                                 | 12                       |
| Shri Pranay Vakil <sup>^</sup>           | 11                                 | 10                       |
| Shri U. P. Jhaveri <sup>^</sup>          | 4                                  | 4                        |
| Shri Mahesh Chhabria <sup>##</sup>       | 7                                  | 7                        |
| Dr. S. Rama Iyer <sup>**</sup>           | 2                                  | 1                        |

\* Shri N.C.Singhal has ceased to be the committee Chairman & member w.e.f. 7<sup>th</sup> May 2017

\*\* Dr. S.Rama Iyer has ceased to be the committee member w.e.f. 2<sup>nd</sup> June 2017

<sup>#</sup> Shri S.R.Wadhwa has been appointed as a Chairman of the Committee w.e.f 8<sup>th</sup> May 2017.

<sup>^</sup> Shri Pranay Vakil and Shri.U.P.Jhaveri have been inducted as the Committee members w.e.f 8<sup>th</sup> May 2017 and Shri U. P. Jhaveri ceased to be the committee member w.e.f. 10<sup>th</sup> August, 2017

<sup>##</sup> Shri Mahesh Chhabria has been appointed as the Member of the Committee w.e.f. 10<sup>th</sup> August 2017.

Besides the above, Chairman and Managing Director and CFO are permanent invitees to Audit Committee Meeting. The representatives of Statutory Auditor, Internal Auditor and Cost Auditor attend such meeting of the Audit Committee where matters concerning them are discussed at length.

The Chairman of the Audit Committee was present at the Annual General Meeting held on 21<sup>st</sup> September, 2017.

### STAKEHOLDERS RELATIONSHIP COMMITTEE

#### Brief description of terms of reference:

To specifically look into redressal of complaints related to transfer of shares, non-receipt of dividends, non-receipt of annual report, etc. received from shareholders and improve the efficiency in service to shareholders.

- Constitution : Constituted by the Board of Directors of the Company at its meeting held on 22<sup>nd</sup> January, 2001.
- Composition, Names of Members and record of attendance during the year : Comprises of Directors and details as provided under:

During the year, one Committee Meeting was held on 7<sup>th</sup> February, 2018. The attendance of the Members was as follows:

| Name of Director                   | No. of Meetings entitled to attend | No. of Meetings attended |
|------------------------------------|------------------------------------|--------------------------|
| Shri R. A. Shah, Chairman*         | 1                                  | 1                        |
| Shri Partha Sarathi Bhattacharyya* | 1                                  | 1                        |
| Shri U. P. Jhaveri*                | 1                                  | 1                        |

Shri D. Basu ceased to be the Chairman & member w.e.f 8<sup>th</sup> June 2017 and Shri S. C. Mehta and Shri S. R. Wadhwa ceased to be the member w.e.f 10<sup>th</sup> August 2017.

\* Shri R. A. Shah was appointed as a Chairman and Shri Partha Sarathi Bhattacharyya and Shri U. P. Jhaveri were appointed as the Members of the Committee w.e.f. 10<sup>th</sup> August 2017

Details of complaints received during the financial year 2017-18 :

| Nature of complaints   | No. of complaints received | No. of complaints not solved to the satisfaction of shareholders | No. of pending complaints |
|--|----------------------------|--|---------------------------|
| Transfer of shares   | 2                          | Nil  | Nil                       |
| Non-receipt of annual report   | 0                          | Nil  | Nil                       |
| Non-receipt of dividend warrants   | 4                          | Nil  | Nil                       |
| Issue of duplicate share certificate   | 1                          | Nil  | Nil                       |
| Others (relates to non-receipt of shares, demat, change of address, Bank details, signature, correction of name etc) | 11                         |  | Nil                       |

## ■ NOMINATION AND REMUNERATION COMMITTEE

### Brief description of terms of reference:

The terms of reference of Nomination and Remuneration Committee is in accordance with Section 178 of Companies Act, 2013 and Regulation 19 of SEBI(Listing Obligation and Disclosure Requirement) Regulations 2015 which, inter alia, includes to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board of Directors their appointment/removal and shall carry out evaluation of every director's performance and to formulate the criteria for determining qualifications, positive attributes and independence of directors and recommend to the Board of Directors policy relating to remuneration for the directors, key managerial personnel and other senior officials.

- Constitution : Constituted by the Board of Directors of the Company at its meeting held on 31<sup>st</sup> July, 2014.
- Composition, Names of Members and record of attendance during the year : Comprises of Independent Directors and details as provided under :

During the year, Five Committee Meetings were held on 29<sup>th</sup> June, 2017, 9<sup>th</sup> August, 2017, 1<sup>st</sup> November, 2017, 3<sup>rd</sup> January, 2018 and 4<sup>th</sup> January, 2018. The attendance of the Members was as follows:

| Name of Director              | No. of Meetings entitled to attend | No. of Meetings attended |
|-------------------------------|------------------------------------|--------------------------|
| Shri R. A. Shah, Chairman*    | 2                                  | 2                        |
| Shri Berjis Desai, Chairman** | 3                                  | 0                        |
| Shri Pranay Vakil             | 5                                  | 5                        |
| Shri Anil Sachdev             | 5                                  | 4                        |

Shri D. Basu ceased to be the Chairman of the Committee w.e.f 8<sup>th</sup> June 2017.

\* Shri R. A. Shah was inducted as the Chairman of the Committee w.e.f.12<sup>th</sup> June 2017 and ceased to be the Chairman and member w.e.f 10<sup>th</sup> August 2017.

\*\*Shri Berjis Desai was appointed as the Chairman of the Committee w.e.f 10<sup>th</sup> August 2017.

Shri S. C. Mehta ceased to be the committee member w.e.f. 12<sup>th</sup> June 2017.

Nomination and Remuneration Policy is available on the website of the Company [www.dfpcl.com](http://www.dfpcl.com).

## PROJECT & FUNDING COMMITTEE

### Brief description of terms of reference:

The nomenclature of 'Project Committee' has been changed to Project & Funding Committee w.e.f. 10<sup>th</sup> August, 2017. The terms of reference of Project & Funding Committee, inter alia, includes, to evaluate periodically projects proposed to be taken up by the Company, to review ongoing projects, consider proposals for funding of the projects and recommend to the Board of Directors for consideration and approval of new projects.

- Constitution : Constituted by the Board of Directors of the Company with effect from 15<sup>th</sup> July, 2003.
- Composition, Names of Members and record of attendance during the year : Comprises of Directors and details as provided under:

During the year, the Committee Meeting was held on 20<sup>th</sup> September, 2017. The attendance of the Members was as follows:

| Name of Director                                | No. of Meetings entitled to attend | No. of Meetings attended |
|---|------------------------------------|--------------------------|
| Shri Partha Sarathi Bhattacharyya,<br>Chairman* | 1                                  | 1                        |
| Shri Ashok Purwaha**                            | 1                                  | 1                        |
| Shri Anil Singhvi**                             | 1                                  | 0                        |

Shri D. Basu ceased to be the Committee Chairman and member w.e.f. 8<sup>th</sup> June 2017.

Shri N. C. Singhal ceased to be the committee member w.e.f. 7<sup>th</sup> May 2017

Dr. S. Rama Iyer ceased to be the Committee member w.e.f. 2<sup>nd</sup> June 2017.

Shri S. C. Mehta ceased to be the committee member w.e.f. 10<sup>th</sup> August 2017.

\* Shri Partha Sarathi Bhattacharyya was appointed as the Chairman of the Committee w.e.f 10<sup>th</sup> August 2017

\*\*Shri Ashok Kumar Parwaha and Shri Anil Singhvi were appointed as the member of the Committee w.e.f. 10<sup>th</sup> August 2017.

## ■ MANUFACTURING OPERATIONS REVIEW COMMITTEE

### Brief description of terms of reference:

The terms of reference of Manufacturing Operations Review Committee, inter alia, includes, to periodically review factory operations, safety, hazard and pollution / emissions, to suggest initiatives for improving efficiencies and standards, to review internal audit reports pertaining to factory operations and to suggest corrective actions to take care of observations of the Internal Auditors.

- Constitution : Constituted by the Board of Directors of the Company with effect from 10<sup>th</sup> April, 2009.
- Composition, Names of Members and record of attendance during the year : Comprises of Directors and details as provided under:

During the year, one Committee Meeting was held on 28<sup>th</sup> March, 2018. The attendance of the Members was as follows:

| Name of Director                                | No. of Meetings entitled to attend | No. of Meetings attended |
|---|------------------------------------|--------------------------|
| Shri Partha Sarathi Bhattacharyya,<br>Chairman* | 1                                  | 1                        |
| Shri U. P. Jhaveri                              | 1                                  | 1                        |
| Shri M. P. Shinde**                             | 1                                  | 1                        |

Dr. S. Rama Iyer ceased to be the committee member w.e.f. 2<sup>nd</sup> June 2017. Shri. S. C. Mehta ceased to be the committee member w.e.f. 10<sup>th</sup> August 2017.

\*Shri Partha Sarathi Bhattacharyya was appointed as the Chairman of the Committee w.e.f 10<sup>th</sup> August 2017

\*\*Shri M. P. Shinde was appointed as the member of the Committee w.e.f 10<sup>th</sup> August 2017.

## ■ CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

### Brief description of terms of reference:

The terms of reference of Corporate Social Responsibility Committee (CSR), inter alia, includes, formulation and recommendation to the Board of Directors, CSR Policy which shall indicate the activities to be undertaken by the Company as per the provisions of the Companies Act, 2013, approve and recommend to the Board of Directors the CSR budget for the activities referred in CSR Policy of the Company and monitor the mechanism for CSR projects or programmes or activities undertaken by the Company and monitor the CSR Policy of the Company from time to time.

- Constitution : Constituted by the Board of Directors of the Company at its meeting held on 21<sup>st</sup> March, 2014.
- Composition, Names of Members and record of attendance during the year : Comprises of Directors and details as provided under:

During the year, one Committee Meetings was held on 27<sup>th</sup> March, 2018. The attendance of the Members was as follows:

| Name of Director            | No. of Meetings entitled to attend | No. of Meetings attended |
|-----------------------------|------------------------------------|--------------------------|
| Shri Pranay Vakil, Chairman | 1                                  | 1                        |
| Smt. Parul Mehta            | 1                                  | 1                        |
| Shri S. R. Wadhwa           | 1                                  | 1                        |

CSR Policy is available on the website of the Company [www.dfpc.com](http://www.dfpc.com).

## ■ RISK MANAGEMENT COMMITTEE:

### Brief description of terms of reference:

The terms of reference of Risk Management Committee, inter alia, includes, to assess risks in the operations of business units of the Company, to mitigate and minimise risks assessed in the operations of business units, periodic monitoring of risks in the operations of business units and other matters delegated to the Committee by Board of Directors of the Company from time to time.

- Constitution : Constituted by the Board of Directors of the Company at its meeting held on 4<sup>th</sup> November, 2014.
- Composition, Names of Members and record of attendance during the year : Comprises of Directors and details as provided under

| Name of Director                | Designation |
|---------------------------------|-------------|
| Shri Mahesh Chhabria, Chairman* | Chairman    |
| Shri M. P. Shinde*              | Member      |
| Shri U. P. Jhaveri*             | Member      |

Shri S.R.Wadhwa ceased to be the Chairman & member w.e.f. 10<sup>th</sup> August 2017 and Shri Partha Sarathi Bhattacharyya and Shri Vipin Agarwal ceased to be the member w.e.f. 10<sup>th</sup> August 2017.

\*Shri Mahesh Chhabria was appointed as the Chairman and Shri M. P. Shinde and Shri U. P. Jhaveri were appointed as the members of the Committee w.e.f. 10<sup>th</sup> August 2017.

During the year, no meeting of the Committee was held.

Shri K. Subharaman, Executive Vice President (Legal) & Company Secretary acts as Secretary to all the Committees of the Board of Directors.

## ■ SHARE AND DEBENTURE TRANSFER COMMITTEE

The composition of the Share and Debenture Transfer Committee consists of a) Shri S.C. Mehta b) Smt. Parul S. Mehta c) Shri Amitabh Bhargava\*; d) Shri K.Subharaman\* and e) Shri Pranav Thakkar. The Committee has been constituted for considering the proposals of transfers, transmissions, transposition of names, issue of split, consolidated share certificates, rematerialisation of shares etc. During the year under review, 43 meetings of Share and Debenture Transfer Committee were held.

Shri Vipin Agarwal ceased to be the Committee member w.e.f. 31<sup>st</sup> January 2018.

\* Shri Amitabh Bhargava and Shri K. Subharaman were inducted as the committee members w.e.f 28<sup>th</sup> March 2018.

Shri Amitabh Bhargava, Shri K. Subharaman and Shri Pranav Thakkar are not directors of the Company but are members of the Committee.

## ■ PERFORMANCE EVALUATION OF BOARD, COMMITTEES AND DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015, the Board has carried out the annual performance evaluation of the Chairman, Individual Directors, Board as well as its Committees for FY 2017-18. The Board at its Meeting held on 30<sup>th</sup> May, 2018, reviewed the reports on performance assessment of the Board, its Committees and individual directors.

The evaluation framework for assessing the performance of Chairman, Directors, Board as well as its Committees comprises, inter-alia, of the following criteria:

- i. Directors bring an independent judgment on the Board's discussions utilizing their knowledge and experience especially on issues related to strategy, operational performance and risk management.
- ii. Directors demonstrate awareness and concerns about norms relating to Corporate Governance, disclosure and legal compliances.
- iii. Directors contribute new ideas/insights on business issues raised by Management.
- iv. Directors anticipate and facilitate deliberations on new issues that Management and the Board should consider.
- v. The Board / Committee meetings are conducted in a manner which facilitates open discussions and robust debate on all key items of the agenda.
- vi. The Board receives adequate and timely information to enable discussions/ decision making during Board meetings.
- vii. The Board addresses interests of all stakeholders of the Company.

- viii. The Committee is delivering on the defined objectives.
- ix. The Committee has the right composition to deliver its objectives.

Performance evaluation criteria for independent directors: Performance evaluation of independent directors is based on attendance in board and committee meetings, time devoted for the Company, contribution in the Board Processes and discussions and such other criteria as may be considered by the Committee from time to time.

#### ■ MEETING OF INDEPENDENT DIRECTORS

The Independent Directors met on 28<sup>th</sup> March, 2018 inter alia, to discuss:

1. The performance of Non-Independent Directors and the Board as a whole.
2. The performance of Executive Directors.
3. The quality, quantity and timeliness of flow of information between the Company Management and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

All the Independent Directors except Shri Anil Singhvi and Shri Berjis Desai were present at the Meeting.

#### ■ FAMILIARISATION PROGRAMME FOR DIRECTORS

The Directors (Independent and Non-Independent) interact with Senior Management Personnel and are provided with all the information sought by them for enabling a good understanding of the Company, its various operations and the industry of which it is a constituent.

The role, rights, duties and responsibilities of Independent Directors have been incorporated in the Letters of Appointment issued to them. The amendments / updates in statutory provisions are informed from time to time.

The information with respect to the nature of industry in which the Company operates and business model of the Company, is made known through various presentations on operational performance, strategy, budgets and business forecasts, etc. to the Board of Directors.

The Company has a practice of having an Annual Strategy Meeting where all Board Members and Senior Executives participate and work out short, medium and long term strategies after deliberations, discussion and consensus.

The above initiatives help the Directors understand the Company, its business and the regulatory framework in which the Company operates to effectively fulfill their role as Directors of the Company.

The familiarisation programme for directors are posted on the website of the Company [www.dfpl.com](http://www.dfpl.com).

#### ■ INFORMATION SUPPLIED TO THE BOARD

In advance of each meeting, the Board is presented with relevant information on various matters related to the operations of the Company, status of ongoing projects which warrant attention of the Directors. Presentations are also made to the Board by different functional heads on important matters from time to time. Directors have separate and independent access to the officers of the Company.

#### ■ BOARD DIVERSITY

The Board of Directors ensures that a transparent Board nomination process is in place. The Company has various business sectors which serve different customer segments. Having members of the Board from different fields is therefore important for sustained commercial success of the Company. While selecting the Board members, the Company shall endeavour to include and make good use of diversity in the skills, qualification, age and professional and industry experience, irrespective of race, caste, creed, religion, disability or gender.

#### ■ ORDERLY SUCCESSION TO BOARD AND SENIOR MANAGEMENT

The Board of the Company has satisfied itself that plans are in place for orderly succession for appointments to the Board and to Senior Management.

#### ■ REVIEW OF LEGAL COMPLIANCE REPORTS

During the year, the Board periodically reviewed compliance reports with respect to the various laws applicable to the Company, as prepared and placed before it by the Management.

## ■ DIVIDEND DISTRIBUTION POLICY

As mandated by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company being in the top 500 companies by market capitalization, the Board at its meeting held on 30<sup>th</sup> June, 2017 adopted a Dividend Distribution Policy for the Company. The same is placed on the Company's website www.dfpcl.com.

## ■ CODE OF CONDUCT

All Directors and Senior Management personnel have affirmed compliance with the Code of Conduct for FY 2017-18. A declaration to this effect signed by the Managing Director is given in this Annual Report.

## ■ MAXIMUM TENURE OF INDEPENDENT DIRECTORS

The maximum tenure of independent directors is in accordance with the Companies Act, 2013 and regulation 25(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### Details of remuneration paid to executive Directors for Financial Year 2017-18:

(₹ in Lacs)

| Name of Director | Designation                  | Salary and Allowances | Perks | Commission* | Others (PF and Superannuation) | Total          |
|------------------|------------------------------|-----------------------|-------|-------------|--------------------------------|----------------|
| Shri S. C. Mehta | Chairman & Managing Director | 254.87                | 62.66 | 872.90      | 26.70                          | <b>1217.14</b> |

\* Commission calculated on profit of Financial Year 2016-17 but paid in Financial Year 2017-18.

### Details of Sitting Fees paid during the Financial Year 2017-18 and Commission\* paid for Financial Year 2016-17 to Non-Executive Directors:

**Sitting Fees:** The Company pays sitting fees to Non-Executive Directors @ ₹ 50,000/- for attending per Board Meeting, ₹ 40,000/- for attending per Audit Committee Meeting and ₹ 30,000/- per director for attending the Meetings of all other Committees constituted by the Board.

**Commission:** Shri D. Basu: ₹ 25,00,000; Shri N. C. Singhal: ₹ 13,00,000, Shri U. P. Jhaveri: ₹ 9,50,000, Shri S. R. Wadhwa: ₹ 12,50,000, Dr. S. Rama Iyer: ₹ 13,00,000, Smt. Parul S. Mehta: ₹ 5,75,000, Shri Anil Sachdev: ₹ 10,00,000, Shri Pranay Vakil: ₹ 10,00,000, Shri R. A. Shah: ₹ 7,25,000, Shri Partha Sarathi Bhattacharyya: ₹ 9,50,000 and Shri M. P. Shinde: ₹ 2,50,000.

(\* Commission for the year 2017-18 is yet to be paid)

The notice period for the directors is mutually agreed between the directors and the Company. No severance fees is payable to any directors. Company has not issued any stock options to any directors.

Payments to Non-Executive directors: Payments to non-executive directors are based on attendance in the Board and Committee Meeting, time devoted for the Company and contribution made in the board processes and discussions.

### Shares held by non-executive Directors as on 31st March, 2018 :

| Non-Executive Director | Holding              |
|------------------------|----------------------|
| Shri R. A. Shah        | 37,800 Equity Shares |
| Shri U. P. Jhaveri     | 900 Equity Shares    |
| Shri S. R. Wadhwa      | 1,000 Equity Shares  |
| Shri. Anil Singhvi     | 35,000 Equity Shares |
| Smt. Parul S. Mehta    | 1,226 Equity Shares  |
| Shri Pranay Vakil      | 4,475 Equity Shares  |
| Shri M. P. Shinde      | 500 Equity Shares    |

## ■ ANNUAL GENERAL MEETINGS

### Details of last three annual General Meetings held:

| Particulars                            | FY 2014-15  | FY 2015-16  | FY 2016-17  |
|--|---|---|---|
| Day                                    | Wednesday   | Friday  | Thursday  |
| Date                                   | 5 <sup>th</sup> August, 2015  | 12 <sup>th</sup> August, 2016   | 21 <sup>st</sup> September, 2017  |
| Time                                   | 11.30 a.m.  | 11.30 a.m.  | 12.00 noon  |
| Venue                                  | Mahatma Phule Sanskrutik Bhawan, Vitthal Rao Shivarkar Road, Next to Shivarkar Garden, Fatima Nagar, Wanawadi, Pune - 411040  | MDC Auditorium, Yashwantrao Chavan Academy of Development Administration (YASHADA) Campus, Rajbhavan Complex, Baner Road, Pune -411007  | Opus Banquets, 6, Ishanya Mall, Off. Airport Road, Shastrinagar, Yerawada, Pune- 411006   |
| Whether any special resolutions passed | Yes <ul style="list-style-type: none"> <li>Consent to offer or invite subscriptions for secured redeemable non-convertible bonds/ debentures aggregating upto ₹ 1,000 Crore on private placement</li> </ul> | Yes <ul style="list-style-type: none"> <li>Consent to borrow moneys upto ₹ 2,000 Crore over and above the aggregate of the paid-up capital and free reserves.</li> <li>Consent to mortgage/ charge/ hypothecate/ encumber any of the Company's movable and / or immovable properties wherever situated, both present and future or to lease or otherwise dispose of the whole or substantially the whole of the Undertaking(s) of the Company.</li> </ul> | Yes <ul style="list-style-type: none"> <li>Consent to alter the existing Articles of Association</li> <li>Consent for appointment of : <ul style="list-style-type: none"> <li>Shri U P Jhaveri</li> <li>Shri S R Wadhwa</li> <li>Shri Anil Sachdev</li> <li>Shri Pranay Vakil</li> </ul> </li> </ul> As the Independent Directors |

During the year 2017-18, one resolution was passed by postal ballot for seeking approval to offer or invite subscriptions for secured redeemable non-convertible debentures aggregating to Rupees 250 Crore with an option to raise additional amount up to Rupees 250 Crore as a green shoe option on private placement basis. Shri S.V.Deulkar, partner of M/s. SVD and Associates, Company Secretaries was appointed as the Scrutinizer for the postal ballot.

The resolution was passed with requisite majority.

No special resolution requiring postal ballot is being proposed for the ensuing AGM.

## ■ DISCLOSURES:

**i. Name & Designation of Compliance Officer:** Shri K. Subharaman, Executive Vice President – (Legal) & Company Secretary

**ii. Details of Directors seeking appointment / re-appointment at the annual General Meeting**

Details of the Directors seeking appointment / re-appointment at the Annual General Meeting have been given in the Notice convening the Thirty- Eighth Annual General Meeting, forming part of this Annual Report.

**iii. 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:**

During the year 2017-18, the Company had transactions with related parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015. The basis of related party transactions were placed before the Audit Committee. All these transactions with related parties were in the ordinary course of business and at an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no material related party transactions in terms of Regulation 23 of SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015 during the financial year that has a potential conflict with the interest of the Company at large. Suitable disclosure as required by the Accounting Standards has been made in the notes to the Financial Statements. The Board of Directors has approved a 'Policy on Related Party Transactions' which has been uploaded on the Company's website: [www.dfpci.com](http://www.dfpci.com).



**iv. 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 had undergone re-structuring exercise wherein the TAN and Fertiliser undertakings were transferred to its wholly owned subsidiary, Smartchem Technologies Limited and the Order from NCLT was received in April 2017 and filed with ROC on 2<sup>nd</sup> May, 2017. Therefore, the Audit of Accounts consequent to the demerger as aforesaid got delayed.

The Company had sought necessary permissions from the Stock Exchanges to this effect and the Accounts were approved only on 30<sup>th</sup> June, 2017 by the Board.

The Exchanges, without taking cognizance of the unavoidable circumstances faced by the Company levied fine of ₹ 22,60,768 which was duly paid under protest. The Company has represented the matter before SEBI.

**v. Disclosures of compliance with mandatory requirements and adoption / non-adoption of non-mandatory requirements:**

The Company has complied with all the mandatory requirements and has also adopted part of the non-mandatory requirements.

**vi. Disclosures of relationships between Directors inter-se:**

Smt. Parul S. Mehta is the wife of Shri S. C. Mehta.

Except as mentioned above, none of the other Directors have any relation inter-se.

**vii. Vigil Mechanism / Whistle Blower policy:**

The Company has adopted Vigil Mechanism / Whistle Blower Policy (Policy) as approved by the Board of Directors. The Policy encourages whistle blowing against unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The Audit Committee and Board of Directors review periodically the complaints received by the competent authority under the Policy. The Vigil Mechanism/Whistle Blower Policy has been posted on the website of the Company [www.dfpl.com](http://www.dfpl.com).

**viii. Regulations for prevention of Insider trading**

In terms of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted the Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insider for its Directors, Officers and Specified Employees.

Shri K. Subharaman, Executive Vice President (Legal) & Company Secretary is the Compliance Officer under the said Policy.

**ix. Material Subsidiaries**

The Company have Smartchem Technologies Ltd. as the material subsidiary as defined under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has formulated the Material Subsidiary Policy and the same has been posted on the website of the Company [www.dfpl.com](http://www.dfpl.com)

■ **MEANS OF COMMUNICATION**

The Company publishes its financial results every quarter in leading newspapers such as Maharashtra Times and Times of India. The results are also displayed on the Company's website [www.dfpl.com](http://www.dfpl.com). The press releases are displayed on the Company's Website.