

Corporate Governance Report

Company's Philosophy on Code of Governance

Your Company is committed to conducting its business in accordance with applicable laws, rules and regulations. Your Company believes in and adheres to good corporate governance practices, implements policies and guidelines, communicates and trains all its stakeholders to develop a culture of compliance at every level of the organization. The Company's philosophy is aimed at assisting the management of the Company in the efficient conduct of the business and in meeting its obligations to all its stakeholders.

Your Company is in compliance with the provision of Corporate Governance specified in the Regulation 34 of the Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Board of Directors

Composition and category of the Board

As on March 31, 2019, the Company's Board of Directors ("Board") comprised six (6) Directors, including three (3) Independent Directors. The current composition of the Board comprises of seven (7) Directors, including two (2) Non-Executive Directors, four (4) Independent Directors and one (1) Managing Director. The Chairperson of the Board is a Non-Executive Director related to Promoter.

The composition of the Board is in conformity with Regulations 17 of Listing Regulations, which stipulates that the Board should have an optimum combination of executive and non-executive directors with at least one (1) woman director and not less than fifty per cent (50%) of the Board should consist of non-executive directors. It further stipulates that where the regular non-executive chairperson is a promoter of the listed entity, at least half of the board of directors of the listed entity shall consist of independent directors.

The Board appointed (i) Mrs. Manjari Ashok Kacker (DIN:06945359) as an Additional Director in the category of independent director of the Company with effect from September 28, 2018 for a period of five consecutive years up to September 27, 2023; and (ii) Mr. Surendra Kumar Behera (DIN: 07480667) as an Additional Director in the category of independent director of the Company with effect from May 22, 2019 for a period of five consecutive years up to May 21, 2024, subject to approval of members at the ensuing Twenty-fifth Annual General Meeting ("AGM").

The proposal on appointment of new Directors along with terms and conditions of their appointment is being included in the notice of the Twenty-fifth AGM, seeking approval of Members for their appointment.

The Board met eleven (11) times during the year - on May 7, 2018, May 30, 2018, June 27, 2018, June 29, 2018, August 10, 2018, August 24, 2018, August 31, 2018, September 28, 2018, November 05, 2018, January 30, 2019 and February 27, 2019. The time gap between any two meetings was less than four months.

The names of the members of the Board, their status, their attendance at the Board Meetings and the last AGM, number of other Directorships and Committee membership(s)/ Chairpersonship(s) of each Director are as under:

Name of Director	Category of Directors	No. of meetings held in FY19	Whether attended last AGM	No. of Directorships held in other	No. of other Board Committee	No. of Chairpersonships of	Category of directorship and Names of

				public companies	Member-ships	other Board Committees	listed entities where person is a director.
Mr. Malay Rohitkumar Bhow*	Whole Time Director & Chairperson	5	-	-	2	-	-
Mrs. Arunaben Shah [#]	Independent Director	6	-	1	-	2	-
Mr. Dharmil Shah [#]	Independent Director	6	-	2	-	-	-
Mr. Nimir Kishore Mehta [§]	Non-Executive Chairperson	1	-	-	-	-	-
Mr. Ashish Sharad Dalal [§]	Non-Executive Director	5	Yes	-	-	1	-
Mr. Nirmal Vinod Momaya [§]	Independent Director	5	Yes	4	0	1	Non-Executive Director: 1. Camlin Fine Sciences Limited.
Mr. Krishipal Tarachand Raghuvanshi [#]	Independent Director	5	Yes	-	2	-	Independent Director: 1. Reliance Communications Limited 2. Reliance Infrastructure Limited
Mrs. Manjari Ashok Kacker [@]	Independent Director	4	Yes	3	3	1	
Mr. Karan Neale Desai*	Managing Director & CEO	10	Yes	-	1	-	

* Mr. Malay Rohitkumar Bhow has resigned as Whole Time Director w.e.f. August 10, 2018 and Karan Neale Desai has been appointed as Managing Director & CEO w.e.f. August 11, 2018.

§ Mr. Nimir Kishore Mehta and Mr. Ashish Sharad Dalal have been appointed as Non-Executive Director and Mr. Nirmal Vinod Momaya has been appointed as Independent Director w.e.f. August 10, 2018.

Mrs. Arnaben Shah and Mr. Dharmil Shah, have resigned w.e.f. August 24, 2018 and Mr. Krishipal Tarachand Raghuvanshi has been appointed as Non-Executive Director w.e.f. August 24, 2018.

@Mrs. Manjari Ashok Kacker has been appointed as Independent Director w.e.f. September 28, 2018.

Notes:

1. None of the Directors of the Company were members in more than ten (10) committees nor acted as Chairperson of more than five (5) committees across all public limited companies in which they were Directors. For the purpose of reckoning the limit, Chairpersonship/ membership of the Audit Committee and the Stakeholders' Relationship Committee alone have been considered.
2. None of the Directors held directorship in more than ten (10) public limited companies;
3. None of the Director is related to any Director or is a member of an extended family;
4. None of the employee of the Company is related to any of the Director;
5. None of the Director has any business relationship with the Company;
6. None of the Director has received any loans and advances from the Company during the year.

Pursuant to Regulation 34(3) read with Schedule V Part (C) (2)(h) of Listing Regulations the Board of Directors has identified the following requisite skills/expertise and competencies for the effective functioning of the Company which are currently available with the Board.

S No.	Name of the Director & Designation	Core skills / Expertise / Competencies
1	Mr. Nimir Kishore Mehta Non-Executive Chairperson	Mr. Nimir Kishore Mehta has diverse business experience across a range of sectors including retail and wholesale lending, real estate investments, agro commodities and investing in sustainable infrastructure projects.
2	Mr. Ashish Sharad Dalal Non-Executive Director	Mr. Ashish Sharad Dalal, is highly experience in corporate accounting, finance, audit, business evaluations, mergers, acquisitions, strategic alliances and other fields of corporate consultancy. He holds a Bachelor's Degree in Commerce and is a Fellow Member of the Institute of Chartered Accountants of India since 1982.
3	Mr. Nirmal Vinod Momaya Independent Director	Mr. Nirmal Vinod Momaya, possess over 27 years of professional experience in finance, taxation, audit and management consultancy. He holds a Bachelor's Degree in Commerce and is a Chartered Accountant.
4	Mrs. Manjari Ashok Kacker Independent Director	Mrs. Manjari Ashok Kacker, was a member of Indian Revenue Services and retired as a Member of Central Board of Direct Taxes (CBDT), in the rank of Special Secretary to the Government of India. She possesses long and varied experience in several fields like administration, assessment of corporate and large Industrial houses, tax arbitration and settlement etc. She holds a Master's Degree in Chemistry from University of Kanpur and Diploma in Business Administration (JBIMS).
5	Mr. Krishipal Tarachand Raghuvanshi Independent Director	Mr. Krishipal Tarachand Raghuvanshi, is an IPS officer of the 1980 Batch, has held several senior positions of responsibility with the Government of Maharashtra, during his career spanning 35 years, has handled leadership roles across Administration, Collection of Intelligence Investigation, Vigilance & Anti-Corruption - CBI, etc. He is a Master's degree holder in Philosophy and Bachelor's Degree in Science from Meerut University.
6	Mr. Surendra Kumar Behera Independent Director	Mr. Surendra Kumar Behera started his professional career as Banker in 1983 with Bank of India and retired as Dy. General Manager. During his career spanning 36 years in the Banking Industry, Mr. Behera held top and significant decision-making positions in Banks, Financial Institutions & NBFCs. He holds a bachelor's degree in Agriculture and Diploma in Banking and Finance. In addition to this, he is a Certificated Associate of the Indian Institute of Bankers (CAIIB).
7	Mr. Karan Neale Desai Managing Director & CEO	Mr. Karan Neale Desai has nearly a decades experience in financial services sector. He was previously associated with Bank of America, PricewaterhouseCoopers and as head of Corporate Finance at Centrum Capital. He is a Master's degree holder in International Business & Management from Westminster Business School, London and a commerce graduate from Narsee Monjee College, Mumbai.

The brief profiles of Directors are also available on website of the Company <https://www.dfltd.in/about-us.php>

Pursuant to Clause C(2)(i) of Schedule V read with Regulation 34(3) of Listing Regulations, in the opinion of the Board all the independent directors fulfill the conditions as specified in the Listing Regulations and are independent of the management.

Mrs. Arnaben Shah and Mr. Dharmil Shah, Independent Directors have resigned w.e.f. August 24, 2018.

Meeting of Independent Directors

The Company's Independent Directors met without the presence of Executive Directors or members of management. The meeting was attended by all the Independent Directors. In the meeting, the Independent Directors reviewed performance of Non-Independent Directors, Board as a whole, Chairperson and every Independent Directors. The Directors were evaluated on parameters such as functioning of the Board, frequency of meetings of the board and committees of directors, level of participation of directors at the board and committee meetings, independence of judgments, performance of duties and obligations by directors, implementation of good corporate governance, safeguarding the interest of all other stakeholders. They assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board.

No. of Shares and convertible instruments held by the Non-Executive Directors

None of the non-executive Directors hold any shares and convertible instruments of the Company.

Information Supplied to the Board

The Board has complete access to all relevant information of the Company. The quantum and quality of information supplied by the management to the Board goes well beyond the minimum requirement stipulated in Regulation 17 (7) of the Listing Regulations. All information, except critical unpublished price sensitive information (which is circulated at a shorter notice than the period prescribed under Secretarial Standard on Meetings of the Board of Directors), is given to the Directors well in advance of the Board and the Committee meetings.

Familiarization programme

The Board has been apprised/ familiarized about the business performance, product and processes, business model, nature of the industry in which the Company operates, roles and responsibilities of the Board Members under the applicable laws, etc., on a periodic basis.

Weblink of familiarization programme is <https://www.dfltd.in/pdf/new-pdf/familiarization-programmes-FY2018-19.pdf>

Policy for prohibition of Insider Trading

Vide notification No. EBI/LAD-NRO/GN/2018/59 Securities and Exchange Board of India ("SEBI") has notified SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 with effect from April 01, 2019. The Company has accordingly amended its Prohibition of Insider Trading Code and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information vide approval from the directors through Circular resolution dated April 3, 2019 and has taken necessary initiative to implement the same. The Code also provides for pre-clearance of transactions by designated persons.

Code of Conduct

The Board has laid down a Code of Conduct for all the Board Members and Senior Management of the Company. All Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct. A declaration signed by the Chief Executive Officer (CEO) to this effect is enclosed at the end of this report.

Committees of the Board

The Board has constituted committees to delegate particular matters that require greater and more focussed attention in the affairs of the Company. These committees prepare the groundwork for decision-making and reports to the Board.

All decisions pertaining to the constitution of committees, appointment of members and fixing of terms of service for committee members is taken by the Board. Details on the role and composition of these committees, including the number of meetings held during the financial year and the related attendance, are provided below:

The Board has constituted the following Committees:

- A. Audit Committee
- B. Asset Liability Management Committee*
- C. Finance Committee
- D. Nomination and Remuneration Committee
- E. Risk Management Committee*
- F. Stakeholders' Relationship Committee

* Dissolved by the Board, to be reconstituted once the portfolio of the Company reaches Rs.500 crore.

A. Audit Committee

The Audit Committee ("the Committee") currently comprises four (4) members including four (4) Independent Directors. The composition of the Committee is given in the Table A.

During the year, Mr. Malay Rohitkumar Bhow ceased to be a Member of the Committee w.e.f. August 10, 2018. The Board of Directors on August 24, 2018 appointed Mr. Nirmal Vinod Momaya (Chairperson), Mr. Ashish Sharad Dalal and Mr. Krishipal Tarachand Raghuvanshi as Members of the Committee, consequent to resignation of Mrs. Arunaben Shan and Mr. Darmil Shah. The Board on September 28, 2018 appointed Mrs. Manjari Ashok kacker as a Member of the Committee in place of Mr. Ashish Sharad Dalal. The Board on May 22, 2019 appointed Mr. Surender Kumar Behera as member of the Committee.

The Committee oversees the financial reporting process and reviews, with the Management, the financial statements to ensure that the same are correct and credible. The Committee has the ultimate authority and responsibility to select and evaluate the Independent Auditors in accordance with the law. The Committee also reviews performance of Statutory Auditors, internal auditors, adequacy of the internal control system and whistle-blower mechanism.

The powers of the Audit Committee include the following:

- to investigate any activity within its terms of reference;
- to seek information from any employee;
- to obtain outside legal or other professional advise; and
- to secure attendance of outsiders with relevant expertise, if it considers necessary.

Chairperson	The Chairperson of the Audit Committee shall be an Independent Director and who is elected by the members of the Audit Committee.
Composition	The Audit Committee shall consist of a minimum of three directors with independent directors forming a majority
Secretary	The Company Secretary of the Company shall act as the Secretary to the Committee.
Meetings and Quorum	The Audit Committee shall meet at least four times in a year and not more than four months shall elapse between two meetings. The quorum shall be either two members or one third of the members of the Audit Committee whichever is greater, but there should be a minimum of two Independent members present.
Terms of reference	1. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company; - review and monitor the

	<p>auditor's independence and performance, and effectiveness of audit process;</p> <p>2. Examination of the financial statement and the auditors' report thereon;</p> <p>3. Approval or any subsequent modification of transactions of the Company, if any, with related parties;</p> <p>4. Scrutiny of inter-corporate loans and investments, if any;</p> <p>5. Valuation of undertakings or assets of the company, wherever it is necessary;</p> <p>6. Evaluation of internal financial controls and risk management systems;</p> <p>7. Monitoring the end use of funds, if raised through public offers and related matters.</p> <p>8. Ensure that an information system audit of the internal systems and processes is conducted at least once in two years to assess operational risks, if any, faced by the Company.</p> <p>9. Approval or any subsequent modification of transactions of the listed entity with related parties;</p> <p>10. Scrutiny of inter-corporate loans and investments;</p> <p>11. To discussion with internal auditors of any significant findings and follow up there on;</p> <p>12. Review findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board</p> <p>13. Review functioning of Whistle Blower Mechanism;</p> <p>14. Perform such other act, including the acts and functions stipulated by the Board of Directors, Companies Act, the Reserve Bank of India and any other regulatory authority, as prescribed from time to time.</p>
<p>The Audit Committee shall meet in person. However, in case of extraordinary circumstances, the Committee may meet through video conferencing or other audio-visual means.</p>	
<p>The minutes of the meetings of the Audit Committee shall be duly recorded and maintained properly.</p>	
<p>The Audit Committee may invite non-members and such other persons as it may deem appropriate to be present at its meetings.</p>	

During the year under review, the Committee met six (6) times. These meetings were held on May 30, 2018, August 10, 2018, August 24, 2018, August 31, 2018, November 05, 2018 and January 30, 2019. The time gap between any two meetings was less than four months. The details of the attendance of the Directors at the Committee meetings are given below:

Table A - Attendance record of the Audit Committee

Name of the Member	Position	Status	No. of Meetings held	No. of Meetings Attended
Mrs. Arunaben Shah [#]	Independent Director	Chairperson	3	3
Mr. Dharmil Shah [#]	Independent Director	Member	3	3
Mr. Malay Rohitkumar Bhow [%]	Whole Time Director	Member	3	2
Mr. Nirmal Vinod Momaya [*]	Independent Director	Chairperson	3	
Mr. Krishipal Tarachand Raghuvanshi [*]	Independent Director	Member	3	2
Mr. Ashish Sharad Dalal ^{*@}	Non-Executive Director	Member	1	1
Mrs. Manjari Ashok Kacker [§]	Independent Director	Member	2	2

[%] up to August 10, 2018 [#] up to August 24, 2018 ^{*} w.e.f. August 24, 2018 [@] up to September 28, 2018 [§] w.e.f. September 28, 2018

The Board at its meeting held on August 24, 2018 had reconstituted the Audit and Risk Management Committee as two separate Committee(s) viz., Audit Committee and Risk Management Committee.

B. Nomination and Remuneration Committee.

The Nomination and Remuneration Committee ("NRC Committee") comprised four (4) members including two (2) Independent Directors. The composition of the Committee is given in the Table B.

During the year, Mrs. Arunaben Shah, Mr. Darmil Shah and Mr. Karan Neale Desai ceased to be a Member of the Committee w.e.f. August 24, 2018. The Board of Directors on August 24, 2018 appointed Mr. Krishipal Tarachand Raghuvanshi (Chairperson), Mr. Nirmal Vinod Momaya, Mr. Ashish Sharad Dalal and Mr. Nimir Kishore Mehta as Members of the Committee. The Board on September 28, 2018 appointed Mrs. Manjari Ashok kacker as a Member and Chairperson of the Committee in place of Mr. Krishipal Tarachand Raghuvanshi.

The NRC Committee's charter is as follows:

The Board has set up the Nomination and Remuneration Committee with all Non-Executive Directors to ensure that the general character of the management or the proposed management of the non-banking financial company shall not be prejudicial to the interest of its present and future stakeholders and to ensure 'fit and proper' credentials/ status of proposed/ existing Directors of the Company.

The Committee also discharges the Board's responsibilities relating to the compensation of the Company's Executive Directors and senior management. The Committee has the overall responsibility of evaluating and approving the compensation plans, policies and programs for Executive Directors and senior management of the Company. The Committee shall have the same powers, functions and duties as laid down in Section 178 of the Act.

Chairperson	The Board shall appoint a Chairperson of NRC Committee. The Chairperson of the Company shall not be appointed as the Chairperson of NRC Committee.
Composition	The NRC Committee shall consist of three or more Non-Executive Directors out of which not less than one-half shall be Independent Directors.
Company Secretary	The Company Secretary shall act as the Secretary to the NRC Committee.
Meetings and Quorum	The NRC Committee shall meet as and when required. The quorum shall be at least two Directors.
Terms of reference	<ol style="list-style-type: none"> 1. To formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employee; 2. To identify the 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 directors their appointment and removal; 3. To ensure 'fit and proper' status and credentials of proposed/existing directors; 4. To formulate criteria for evaluation of performance of independent directors and the board of directors; 5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

	6. Perform such other act, including the acts and functions stipulated by the Board of Directors, Companies Act, the Reserve Bank of India and any other regulatory authority, as prescribed from time to time.
The NRC Committee shall meet in person. However, in case of extraordinary circumstances, the Committee may meet through video conferencing or other audio-visual means.	
The minutes of the meetings of the NRC Committee shall be duly recorded and maintained properly	
The NRC Committee may invite non-members and such other persons as it may deem appropriate to be present at its meetings.	

During the year under review, the NRC Committee met five (5) times. These meetings were held on August 10, 2018, August 24, 2018, August 31, 2018, September 28, 2018 and November 5, 2018. The details of the attendance of the Directors at the NRC Committee meetings are given below:

Table B - Attendance record of the NRC Committee

Name of the Member	Position	Status	No. of Meetings held	No. of Meetings Attended
Mrs. Arunaben Shah [#]	Independent Director	Chairperson	2	2
Mr. Dharmil Shah [#]	Independent Director	Member	2	2
Mr. Karan Neale Desai [#]	Non-Executive Director	Member	2	2
Mr. Krishipal Tarachand Raghuvanshi ^{*@}	Independent Director	Chairperson	2	2
Mr. Nirmal Vinod Momaya [*]	Independent Director	Member	3	3
Mr. Ashish Sharad Dalal [*]	Non-Executive Director	Member	3	3
Mr. Nimir Kishore Mehta [*]	Non-Executive Director	Member	3	1
Mrs. Manjari Ashok Kacker [§]	Independent Director	Chairperson	1	1

[#]up to August 24, 2018 ^{*} w.e.f. August 24, 2018 [@] up to September 28, 2018 [§] w.e.f. September 28, 2018

Criteria for performance evaluation of Independent Directors

The criteria for performance evaluation of Independent Directors provide certain parameters like commitment to the commitment to the Company’s vision, level of participation at Board/Committee Meeting, level of engagement and contribution, Independence of judgment, understanding duties, responsibilities, qualifications, disqualifications & liabilities as an independent director, up-to-date knowledge / information pertaining to business of the Company in which the Company is engaged in, implementation of good corporate governance practices, enhancing long term shareholders’ value, professional approach, providing guidance and counsel to senior management in strategic matters and rendering independent and unbiased opinion at the meetings etc., which is in compliance with applicable laws, regulations and guidelines.

Remuneration to Directors:

I. Managing Director

Following is the Remuneration details of the Managing Director for the financial year ended March 31, 2019:

Name	Salary	Perquisites [#]	Variable Pay / Incentive	Contribution to PF & others	Total
Mr. Karan Neale Desai	Rs.44,97,113	-	-	Rs.3,01,874	Rs.47,98,987

#Perquisites inter alia, include reimbursement of expenses/allowances for utilities such as rent, medical / health related benefits, leave travel concession, club fees, provision of car with driver, telephone, benefit of personal accident insurance scheme etc.,

The Managing Director is also entitled to Company's contribution to provident fund, superannuation, gratuity and encashment of leave at the end of tenure as per the rules of the Company & variable pay / incentive upto 50% of Salary p.a. based on the performance of the Company.

Agreement for appointment for a period of three (3) years w.e.f. August 11, 2018 has been entered into with the Managing Director.

II. Non-Executive Directors / Independent Directors

The Company pays sitting fees to Non-Executive Directors / Independent Directors for attending the meetings of the Board / Committees of the Board and reimbursement of conveyance for attending such meetings.

Additionally, we pay commission to Non-Executive Directors / Independent Directors subject to profitability. Details of remuneration (including sitting fees and commission) of the Non-Executive Directors / Independent Directors during FY19 are given below:

Name	Category	Commission	Sitting Fee	Total
Mrs. Arunaben Shah	Independent Director	-	Rs.1,50,000	Rs.1,50,000
Mr. Dharmil Shah	Independent Director	-	Rs.1,50,000	Rs.1,50,000
Mr. Ashish Sharad Dalal	Non-Executive Director	Rs.62,960	Rs.7,00,000	Rs.7,62,960
Mr. Nimir Kishore Mehta	Non-Executive Director	Rs.62,960	Rs.1,50,000	Rs.2,12,960
Mrs. Manjari Ashok Kacker	Independent Director	Rs.62,960	Rs.5,50,000	Rs.6,12,960
Mr. Nirmal Vinod Momaya	Independent Director	Rs.62,960	Rs.8,00,000	Rs.8,62,960
Mr. Krishipal Tarachand Raghuvanshi	Independent Director	Rs.62,960	Rs.7,50,000	Rs.8,12,960

C. Finance Committee

The Finance Committee comprises six (6) members including four (4) Independent Directors, Managing Director & CEO and Chief Financial Officer.

The Finance Committee has been constituted by the Board on May 22, 2019 to monitor resource mobilisation and to ensure efficient and timely decisions on the matters relating to Banking and Finance activities of our Company. Following are the members of the Finance Committee:

1. Mr. Karan Neale Desai, Managing Director and CEO;
2. Mr. Nirmal Vinod Momaya, Independent Director;
3. Mr. K. P. Raghuvanshi, Independent Director;
4. Mrs. Manjari Kacker, Independent Director;
5. Mr. Surendra K. Behera, Independent Director; and
6. Mr. Narendra Tater, Chief Financial Officer.

The Finance Committee charter is as follows:

Chairperson	The Members of the Committee may elect one of them to chair and conduct the meeting.
Composition	The Committee shall consist of members as may be determined by the Board.
Secretary	The Company Secretary shall act as the Secretary to the Committee.
Meetings and Quorum	The meeting(s) of the Committee shall be convened to review and approve the facilities / transactions, as and when the need arises. Minimum of -3- members including at least one (1) Independent Director, shall form quorum.

Terms of reference	<ol style="list-style-type: none"> 1. The committee would consider facilities less than Rs.50 crores, with a maximum of Rs.250 crores in total between two (2) Board Meetings; 2. Review and approve the loan facilities (on-balance sheet and/ or off-balance sheet) and borrowings within the limits specified; 3. Review the facilities beyond their limits and thereafter propose to the Board; 4. Nominate and designate representative(s) to carry out the required documentation for the facilities approved by the Committee; 5. Review and approve placement of the Company's funds as per Investment Policy approved by the Board, from time to time; 6. Review the annual budget and revisions made to the Business Plan, and make specific recommendations to the Board on its adoption, including where desirable, comments on expense levels, revenue structures, fees and charges, adequacy of the proposed funding levels as also adequacy of provision for reserves; 7. Review the funding mix from time to time to ensure mitigation of risk concentration in terms of specific lender or lender class; 8. Review of cash flows in comparison to the liquidity metric; 9. Review authorities to open, operate and close bank accounts; 10. Review authorities to open, operate and close escrow accounts with banks; 11. Review authorities to open, operate and close special accounts with banks; 12. Review authorities to open, operate and close safe custody accounts with banks; 13. Review authorities to open, operate and close time deposit accounts with banks; 14. Review authorities to open, operate and close depository accounts with registered intermediary / depository participants of National Securities Depository Limited or Central Depository Services (India) Limited; 15. Review and approve execution / signing of indemnities and such other documents as may be necessary in favour of banks; 16. Acquire / lease vehicles required for use of staff in the operations of the Company; 17. To do such other acts, deeds and things as may be directed by the Board and required to comply with the applicable laws.
	The Finance Committee shall meet in person.
	The minutes of the meetings of the Finance Committee shall be duly recorded and maintained properly.
	The Finance Committee may invite non-members and such other persons as it may deem appropriate to be present at its meetings.

D. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee ('SRC Committee') currently comprises three (3) members including one (1) Independent Directors. The composition of the Committee is given in the Table C.

During the year, Mr. Malay Rohitkumar Bhow ceased to be a Member of the Committee w.e.f. August 10, 2018. The Board of Directors on August 24, 2018 appointed Mr. Ashish Sharad Dalal (Chairperson), Mr. Nirmal Vinod Momaya, and Mr. Karan Neale Desai as Members of the Committee, consequent to resignation of Mrs. Arunaben Shan and Mr. Darmil Shah. The Board on September 28, 2018 appointed Mr. Krishipal Tarachand Raghuvanshi as a Member of the Committee in place of Mr. Nirmal Vinod Momaya.

The functions and powers of the SRC Committee include review and resolution of grievances of shareholders, debenture holders and other security holders; dealing with all aspects relating to the issue and allotment of shares, debentures and other securities; approve sub-division, consolidation, transfer and issue of duplicate share and debentures.

The SRC Committee charter is as follows:

Chairperson	The Board shall appoint a Chairperson of the Committee.
Composition	The Committee shall consist of members as may be determined by the Board.
Secretary	The Company Secretary shall act as the Secretary to the Committee.
Meetings and Quorum	The Committee shall meet as and when required in consonance with the frequency of investor grievances received. The quorum shall be at least two Members.
Terms of reference	<ol style="list-style-type: none"> To consider, review and redress grievances of shareholders, debenture-holders and other security holders of the Company; To consider and resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet and non-receipt of declared dividends; To deal with all aspects relating to the issue and allotment of shares and debentures and/ or other securities of the Company; To consider and approve sub-division, consolidation, transfer and issue of duplicate share and debenture certificates; Authority to take a decision in any other matter in relation to the above functions/ powers; To delegate any of the powers mentioned above to the Executives of the Company; and To do such other acts, deeds and things as may be directed by the Board and required to comply with the applicable laws.

The SRC Committee shall meet in person. However, in case of extraordinary circumstances, the SRC Committee may meet through video conferencing or other audio-visual means.

The minutes of the meetings of the SRC Committee shall be duly recorded and maintained properly.

The SRC Committee may invite non-members and such other persons as it may deem appropriate to be present at its meetings.

During the year under review, the SRC Committee met two (2) on May 30, 2018 and February 15, 2018 and the details of the attendance are given below:

Table C - Attendance record of the SRC Committee

Name of the Member	Position	Status	No. of Meetings held	No. of Meetings Attended
Mrs. Arunaben Shah [#]	Independent Director	Chairperson	1	1
Mr. Dharmil Shah [#]	Independent Director	Member	1	1
Mr. Malay Rohitkumar Bhow [%]	Whole Time Director	Member	1	1
Mr. Nirmal Vinod Momaya [@]	Independent Director	Member	-	-
Mr. Ashish Sharad Dalal [*]	Independent Director	Chairperson	1	-
Mr. Krishipal Tarachand Raghuvanshi [§]	Independent Director	Member	1	1
Mr. Karan Neale Desai [*]	Managing Director & CEO	Member	1	1

[%] up to August 10, 2018 [#] up to August 24, 2018 ^{*} w.e.f. August 24, 2018 [@] up to September 28, 2018 [§] w.e.f. September 28, 2018

During the year under review, Asset Liability Management Committee and Risk Management Committee did not meet.

Management

Management Discussion and Analysis

The Annual Report has a detailed chapter on Management Discussion and Analysis.

Shareholders

Reappointment/ Appointment of Directors

Mr. Nimir Kishore Mehta is retiring by rotation and, being eligible, offers himself for re-appointment in the ensuing Annual General Meeting.

The following Directors were appointed as Additional Director, by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee, to hold the office of Director till the date of ensuing AGM, are eligible for appointment:

1. Appointment of Mrs. Manjari Ashok Kacker (DIN:06945359) as an Independent Director for a term of five (5) years;
2. Appointment of Mr. Surendra Kumar Behera (DIN: 07480667) as an Independent Director for a term of five (5) years;

The aforesaid proposals are being included in the notice of the Twenty-fifth AGM to seek approval of the Members for the appointment of the above Directors. The detailed profiles of the above Directors are provided in the Notice convening the AGM.

None of the Directors are disqualified from being appointed as Directors, as specified in Section 164 of the Companies Act, 2013. Certificate of Non-disqualification of Directors received from Makarand M. Joshi & Co., Company Secretaries confirming that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such Statutory Authority, is enclosed as Annexure to this report.

Other Special Business

In addition to the above, the following Special Business included in the notice of the Twenty-fifth AGM seeking approval of the Members at the AGM:

1. Approval for service of documents to the Members;
2. Approval for Related Party Transaction;
3. Approval for making Investments / extending Loans.

General Body Meetings

Details of the last three Annual General Meetings (AGM).

FY	Category	Location of the meeting	Date	Time	No. of Resolutions
2017-18	AGM	The Fern An Ecotel Hotel, Thaltej, Ahmedabad	28.09.2018	11.00 a.m.	9 Ordinary and 10 Special Business
2016-17	AGM	Registered Office, Ahmedabad	28.08.2017	10.00 a.m.	2 Ordinary and 5 Special Business
2015-16	AGM	Registered Office, Ahmedabad	30.09.2016	10.00 a.m.	2 Ordinary Business

The Board of Directors of the Company at its Meeting held on February 27, 2019 accorded approval to the proposal to conduct Postal Ballot pursuant to applicable laws and regulations, to is seek consent /

approval of the shareholders for the following proposals to be transacted through Postal Ballot, which include voting by electronic means:

- a. Shifting of the Registered Office of the Company from the State of Gujarat to the State of Maharashtra and consequent amendment to the Memorandum of Association of the Company;
- b. Keeping registers, returns, etc. at a place other than Registered Office of the Company.

Accordingly, the Company had on March 8, 2019 completed the dispatch of the Postal Ballot Notice and Explanatory Statement thereto dated February 27, 2019 (the "Notice"), along with Postal Ballot Form.

Ms. Manish Maheshwari, Practicing Company Secretary was appointed as Scrutinizer, who carried out scrutiny of all the Postal Ballot forms and votes cast under remote e-Voting facility received up to 5.00 p.m. (IST) on Monday, April 8, 2019 and prepared a consolidated Scrutinizer's Report containing the combined results of e-Voting and the Postal Ballot forms on the basis of data received by her.

No. of shareholders voted either through e-voting or through postal ballot	31
Promoters and Promoter Group	1
Public	30

The resolutions, as set out in the Notice, were duly approved and passed through Postal Ballot by the shareholders of the Company with the requisite majority on April 8, 2019, being the last date of voting.

Disclosures

Materially significant related party transactions

No materially significant related party transactions that may have potential conflict with the interests of the Company at large were reported during FY19. The register of contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval. Transactions with the related parties are disclosed in the notes to the financial statements in the Annual Report.

Weblink of policy on related party transactions is <https://www.dftd.in/pdf/new-pdf/policy-related-party-transactions.pdf>

Compliance with Regulations

The Company has complied with the requirements of Listing Regulations with the Stock Exchange as well as the regulations and guidelines of SEBI. No penalties/ strictures were imposed on the Company by stock exchanges or the SEBI or any statutory authority on any matter related to capital market during the last three years.

Fees paid Statutory Auditor

Following is the total fees for all services paid by the Company to the Statutory Auditor:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Audit Fees	Rs.5,00,000	Rs.6,04,500
Certification	Rs.1,00,000	Rs.50,000
Reimbursement of Expenses	Rs.14,538	-
Total	Rs.6,14,538	Rs.6,54,500

Sexual Harassment of Women at Workplace

The Company is an equal opportunity employer and consciously strives to build a work culture that promotes dignity of all employees. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- a. number of complaints filed during the financial year - Nil
- b. number of complaints disposed of during the financial year – Not applicable
- c. number of complaints pending as on end of the financial year - Not applicable

Whistle Blower Mechanism

The Company has adopted the Whistle-Blower Policy pursuant to which employees of the Company can raise their concerns relating to malpractices, inappropriate use of funds or any other activity or event which is against the interest of the Company. Further, the mechanism adopted by the Company encourages the employees to report genuine concerns or grievances and provides for adequate safeguards against victimization of employees who avail of such a mechanism.

CEO / CFO Certification

Managing Director and the Executive Director & Chief Financial Officer of the Company have furnished the requisite Compliance Certificates to the Board of Directors under Regulation 17 of the Listing Regulations.

Compliance with Corporate Governance requirements

The Company has complied with the mandatory corporate governance requirements specified in regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulations. As required under the Listing Regulations, Certificate on compliance with Corporate Governance is enclosed as Annexure to this report.

Mandatory and non-mandatory requirements

The Company has complied with the mandatory requirements of the Listing Regulations and also have adopted some of the non-mandatory requirements of the Listing Regulations viz. Non-executive Chairperson to the Board, reporting of internal auditor to the Audit Committee and separate posts for Chairperson and Managing Director.

Disclosure of accounting treatment in preparation of financial statements

The Company has followed the guidelines of accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

Code of Conduct for prevention of insider trading

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 on prevention of insider trading, the Company has adopted a revised Code of Conduct for prevention of Insider Trading to regulate, monitor and report trading; and preserve confidentiality of unpublished price sensitive information to prevent misuse of such information by its employees and other connected persons. The Code of Conduct lays down guidelines which advise them on procedures to be followed and disclosures to be made, while dealing with shares of the Company, and cautioning them of the consequences of violations.

Means of Communication with Shareholders

All important information relating to the Company, including financial results and shareholding pattern are posted on the website: www.dfltd.co.in. The quarterly, half yearly and annual results of the Company's performance are published in leading newspapers like The Financial Express (English) and Gujrat Today (Gujrathi).

General Shareholder Information

i. Annual General Meeting

Date & Time: September 18, 2019 at 10.00 a.m.

Venue: Ahmedabad – Hotel Comfort Inn Sunset, Airport Circle, Hansol, Ahmedabad 382 475, GJ.

ii. Financial Calendar

Financial year: April 1 to March 31

For the year ended March 31, 2019, results were announced on:

- August 10, 2018: First quarter
- November 5, 2018: Half yearly
- January 30, 2019: Third quarter
- May 22, 2019: Fourth quarter and annual.

For the year ending March 31, 2020, results were announced on/ will be announced by

- On or before August 14, 2019: First quarter
- On or before November 14, 2019: Half yearly
- On or before February 14, 2020: Third quarter
- On or before May 30, 2020: Fourth quarter and annual

iii. Dates of Book Closure

The dates of book closure are from September 14, 2019 to September 18, 2019 (both days inclusive).

iv. Dates of Dividend Payment

Dividend payment will be made on or after September 23, 2019 subject to Members approval.

v. Listing on Stock Exchanges and Stock Codes

At present, the equity shares of the Company are listed on BSE Limited. The annual listing fees for FY19 to BSE Limited has been paid.

Name of the Stock Exchange	Stock Code
BSE Limited, Mumbai	540268

vi. Market Price Data and Performance in comparison to broad-based indices

High, lows and volumes of the Company's shares for FY19 at BSE Limited

	High	Low	Volume
Apr 2018	42.3	34.9	174357
May 2018	37.3	34	4448
Jun 2018	57.35	35.7	143629
July 2018	49.4	29.8	41840
Aug 2018	73.2	43.75	522548
Sep 2018	94.35	74.65	1111817
Oct 2018	81.65	39	155948
Nov 2018	61.45	42.9	248636
Dec 2018	64.2	57	50961
Jan 2019	58.15	46.3	804344
Feb 2019	53.95	41.25	107957
Mar 2019	55.65	43.45	809308

Note: High - low are in rupees per traded share and volumes is the total monthly volume of trade in number of shares

vii. Distribution of Shareholding as on March 31, 2019

No. of Equity Share Held	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Up to 500	396	63.56	51249	0.38
501 – 1000	36	5.78	25558	0.19
1001 – 2000	67	10.75	107546	0.80
2001 – 3000	10	1.61	27784	0.21
3001 – 4000	6	0.96	22498	0.17
4001 – 5000	11	1.77	52832	0.39
5001 – 10000	14	2.25	117768	0.87
10000 and above	83	13.32	13094765	97.00
Total	623	100.00	13500000	100.00

viii. Disclosure in relation to demat suspense account or unclaimed suspense account, as applicable:

- aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year: Nil
- number of shareholders who approached listed entity for transfer of shares from suspense account during the year: N.A.
- number of shareholders to whom shares were transferred from suspense account during the year: N.A.
- aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year: N.A.
- that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares: Nil.

ix. Outstanding GDRs/ ADRs/ Warrants/ Options

As of date, the Company has not issued GDRs/ADRs.

The Members of the Company at the Twenty-fourth AGM held on September 28, 2018 had approved the Dhanvarsha ESOP Plan 2018 with a pool of 18,90,000 (Eighteen Lakh Ninety Thousand) Stock Options, each convertible into one equity share of the Company of face value of Rs. 10/-. During FY19, the Company has granted 11,17,710 Stock Options to eligible employees under the Dhanvarsha ESOP Plan 2018 and no Stock Options have been exercised as of March 31, 2019.

The Members of the Company at the Twenty-fourth AGM held on September 28, 2018 had passed a Special Resolution for issue of up to 1,16,00,000 Warrants (Convertible into equivalent number of Equity Shares) not exceeding an amount of up to Rs.75 crore (Rupees Seventy-five crore only) to Wilson Holdings Private Limited (formerly known as “Truvalue Agro Ventures Private Limited”), Promoters of the Company on preferential basis, at an Issue Price of Rs.64.50 per Warrant (including Rs.54.50 towards share premium), which has been arrived at in accordance with the Chapter VII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

On receipt of subscription price equivalent to 25% of the Issue Price (Issue Price being Rs.64.50 per warrant), the Board of Directors of the Company at its meeting held on November 5, 2018 had allotted 7,75,200 (Seven Lakh Seventy-five Thousand Two Hundred) Warrants (convertible into equivalent number of Equity Shares) to Wilson Holdings Private Limited. Fully paid-up equity shares of the face value of Re.10/- each of the Company will be allotted on receipt of balance 75% Issue Price on each Warrant within eighteen months from November 5, 2018. There shall be an issue of 7,75,200 Equity Shares arising from the exercise of the Warrants and the said Equity Shares

shall rank pari-passu in all respects including dividend, with the existing Equity Shares of the Company.

x. Registrar and Share Transfer Agents

Accurate Securities and Registry Private Limited was the Registrar and Transfer Agent ("RTA") for physical shares upto January 11, 2019. Thereafter MCS Share Transfer Agent Limited was appointed as the RTA w.e.f. January 12, 2019. MCS Share Transfer Agent Limited is also the depository interface of the Company with both National Securities Depository Limited and Central Depository Services (India) Limited.

Contact details of RTA for share transfers and other communications relating to share certificates, dividends and change of address, etc.:

MCS Share Transfer Agent Limited

209-A, C Wing, 2nd Floor, Gokul Industrial Estate, Sagbaug, Marol Co-op Industrial Area, B/H Times Square, Andheri (East), Mumbai – 400059 (MH).

Email: subodh@mcsregistrars.com Phone: 022-28516020

xi. Share Transfer System

The Company's Equity Shares are held in dematerialised form by National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL) under ISIN No. INE615R01011. As at March 31, 2019, over 97.04% shares of the Company were held in dematerialized form. Transfers of these shares are done through the depositories with no involvement of the Company. As regards transfer of shares held in physical form, the transfer documents can be sent at the office of MCS Share Transfer Agent Limited, RTA of the Company.

Share transfers in physical form are registered and returned within a period of 15 days from the date of receipt, if the documents are clear in all respects.

Details of Share Transfer during the Financial Year 2018-19			
Transfer period (in Days)	No. of Transfers	No. of Shares	Cumulative Total %
5	15	983000	7.28

As on March 31, 2019, no transfer of share was pending.

During the year, there were no major legal proceedings relating to transfer of shares.

xii. Shifting of Registered Office

The Members, vide special resolution dated April 8, 2019, passed through a Postal Ballot, approved the shifting of the Registered Office from the state of Gujarat to Maharashtra, by amendment to the Situation Clause of the Memorandum of Association of your Company.

Your Company is in the process of obtaining the necessary statutory approvals for shifting the Registered Office of your Company to Maharashtra.

xiii. Branch Offices

As on March 31, 2019, the Company has 2 branches in the state of Maharashtra and 1 branch in the state of Gujarat.

xiv. Subsidiary Company

During the year, under review, the Company does not have any materially unlisted Indian Subsidiary Company and hence was not required to have an Independent Director of the Company on the Board of such Subsidiary.

xv. Address for correspondence

Shareholders/ Investors may write to the Company Secretary at the following address:

Company Secretary
Dhanvarsha Finvest Limited
Registered Office Address:
B Wing, 813/2, Mondeal Square,
Opp. Karnavati Club, S.G. Highway,
Ahmedabad -380015 (GJ).

Company Secretary
Dhanvarsha Finvest Limited
Corporate Office Address:
2nd Floor, Bldg. No.4, Wilson House,
Old Nagardas Road, Andheri (East)
Mumbai – 400069. (MH)

For and on behalf of the Board of Directors

	Sd/-	Sd/-
	Nimir Kishore Mehta	Karan Neale Desai
	Non-Executive Chairperson	Managing Director and CEO
	(DIN:00699993)	(DIN:05285546)
Mumbai		
August 13, 2019		

