

CORPORATE GOVERNANCE

ii. Dr. Nagam H. Atthreya

Dr Nagam H. Atthreya is a non-executive director of the Company. He is a leading management consultant having vast experience in the field of business administration. Dr. Nagam H. Atthreya is a member of the Company's audit committee. He holds directorship in a company, namely TVS Srichakra Limited and is also a member of its audit committee. Dr. Atthreya is not related to any directors of the Company.

3. AUDIT COMMITTEE

a. Brief description of terms of reference

The terms of reference of this committee covers the matters specified under Section 292A of the Companies Act, 1956 and also the matters listed under the listing agreement with the stock exchanges. The committee, comprising of financially literate members, is responsible for effective supervision of the financial operations and ensuring that financial, accounting activities and operating controls are exercised as per the laid down policies and procedures. The financial results of every quarter are reviewed by the committee before being placed before the board of directors for its approval. The Company has set up an internal audit team, which reviews the functions and operations of the Company and submits its report to the audit committee. The internal auditors as well as the statutory auditors are regular invitees to the audit committee meetings.

b. Constitution of the Committee

The committee comprises of 3 independent non-executive directors. The said committee functions under the chairmanship of Mr. Girish C. Sharedalal, who is a chartered accountant by profession and has considerable accounting and related management expertise. Dr. Rahim H. Muljiani and Dr. Nagam H. Atthreya are the other members of the committee, who are financially literate. Ms. Shalini Kamath acts as the Secretary to the committee. During the year under review, 8 audit committee meetings were held on May 12, 2007, June 02, 2007, June 16, 2007, June 23, 2007, July 30, 2007, August 11, 2007, October 27, 2007 and January 28, 2008.

The attendance of members at the meetings was as follows

Name of the member attended	Status	No. of meetings
Mr. Girish C. Sharedalal	Chairman	8
Dr. Rahim H. Muljiani	Member	8
Dr. Nagam H. Atthreya	Member	7

4. REMUNERATION TO DIRECTORS

a. Details of remuneration paid to whole-time directors for the year under review

Name of the director	Salaries (Rs.)	Perquisites (Rs.)	Benefits (Rs.)	Commission (Rs.)
Mr. Mohan A. Chandavarkar	2,936,533	Nil	495,540	3,942,933
Mr. Ashok A. Chandavarkar	2,539,200	16,950	428,490	3,154,346
Mr. Nandan M. Chandavarkar	2,405,200	47,560	405,878	2,760,053

The agreement with wholetime directors is for a period of 5 years.

The remuneration to the whole-time directors is paid in terms of Schedule XIII of the Companies Act, 1956 and is duly approved by the shareholders.

b. Details of remuneration paid to non-executive directors for the year under review

Name of the director	Commission (Rs.)	Sitting fees (Rs.)	Audit committee fees (Rs.)
Mr. Ameya A. Chandavarkar	Nil	2,500	N.A.
# Mr. Girish C. Sharedalal	394,293	10,000	60,000
Dr. Satish S Ugrankar	40,000	5,000	N.A.
# Dr. Rahim H. Muljiani	40,000	10,000	60,000
# Dr. Nagam H. Atthreya	40,000	10,000	52,500
Dr. Ravindra Y. Chittal	40,000	7,500	N.A.

Members of audit committee

The remuneration paid to the non-executive directors comprises sitting fees and commission. The sitting fees paid to the non-executive directors in respect of the meetings of the board and the audit committee is within the maximum limit set out under the Companies Act, 1956. The directors' sitting fees and commission are made in accordance with industry norms and subject to the overall ceilings imposed by the Companies Act, 1956 and applicable statutes, if any.

c. Details of shareholding of non-executive directors in the Company

Name of the director	No. of shares
Mr. Ameya A. Chandavarkar	4,388,996
Mr. Girish C. Sharedalal	10,000
Dr. Satish S. Ugrankar	560,990
Dr. Rahim H. Muljiani	4,000
Dr. Nagam H. Atthreya	Nil
Dr. Ravindra Y. Chittal	2,000

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5. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

a. Composition of the Committee

The Committee functions under the chairmanship of Dr. Rahim H. Muljani, a non-executive independent director. Mr. Mohan A. Chandavarkar and Mr. Ashok A. Chandavarkar are the other members of the committee. During the year, the committee met once on March 31, 2008. All the members of the committee attended the above meeting.

b. Name and designation of the compliance officer

Ms. Shalini Kamath
Company Secretary

c. Number of complaints received and resolved

During the year under review, the Company received 28 complaints from shareholders/investors. All the complaints have been resolved to the satisfaction of the shareholders. There were no applications for transfers pending as on March 31, 2008. In order to expedite the process of transfers of shares the board has delegated the power to approve share transfers to the share transfer committee set up by the board of directors.

6. GENERAL BODY MEETINGS

a. Location and time of the last 3 AGMs:

Financial year	Location	Date	Time	No. of special resolutions passed
2004-2005	WelcomHotel Rama International R-3, Chikalthana Aurangabad 431210 Maharashtra	September 17, 2005	10.00 a.m.	Nil
2005-2006	WelcomHotel Rama International R-3, Chikalthana Aurangabad 431210 Maharashtra	September 16, 2006	10.00 a.m.	1
2006-2007	WelcomHotel Rama International R-3, Chikalthana Aurangabad 431210 Maharashtra	August 25, 2007	10.00 a.m.	2

b. There were no special resolutions required to be passed through postal ballot at any of the above AGMs. None of the resolutions proposed for the ensuing AGM need to be passed by postal ballot.

7. DISCLOSURES

a. The Company has not entered into any transaction of material nature with any related party as described under the listing agreement entered into with the stock exchanges, that may have potential conflict with the interests of the Company at large.

b. During the past 3 years there has been no instance of non-compliance by the Company with the requirements of the stock exchanges, Securities Exchange Board of India ('SEBI') or any other statutory authority on any matter related to capital markets.

c. Non-mandatory requirements of corporate governance have not been adopted.

8. MEANS OF COMMUNICATION

a. The Company publishes its annual, half yearly and quarterly financial results in the following newspapers:

- Business Standard or Economic Times (English)
- Sakaal or Maharashtra Times (Marathi)

The abovementioned results are also displayed on the Company's website, www.fdcindia.com. In addition, information like the shareholding pattern, details of persons holding more than 1% of the fully paid up capital, etc. is also displayed on the Company's website.

b. As per Clause 51 of the listing agreement all the data related to quarterly financial results, shareholding pattern etc. is posted on the Electronic Data Information Filing and Retrieval ('EDIFAR') website www.sebidifar.nic.in.

c. The information required under the management discussion and analysis report has been aptly covered by the directors' report.

9. GENERAL SHAREHOLDER INFORMATION

a. Annual General Meeting

Date : August 30, 2008
Time : 10 a.m.
Venue : WelcomHotel Rama International R-3, Chikalthana, Aurangabad- 431210 Maharashtra, India

b. Financial Calendar (tentative)

Particulars	Date
Unaudited results of the first quarter ending June 30, 2008	Last week of July 2008
Unaudited results of the second quarter and half year ending September 30, 2008	Last week of October 2008
Unaudited results of the third quarter and nine months ending December 31, 2008	Last week of January 2009
Audited results for the year ending March 31, 2009	Last week of June 2009

c. Dates of book closure

August 21, 2008 to August 30, 2008 (both days inclusive)

d. Dividend payment date

Latest by September 30, 2008

e. Stock Exchanges where listed

The Stock Exchange, Mumbai (BSE)
The National Stock Exchange of India Limited (NSE)

f. Stock Code: BSE - 531599, NSE-FDC EQ

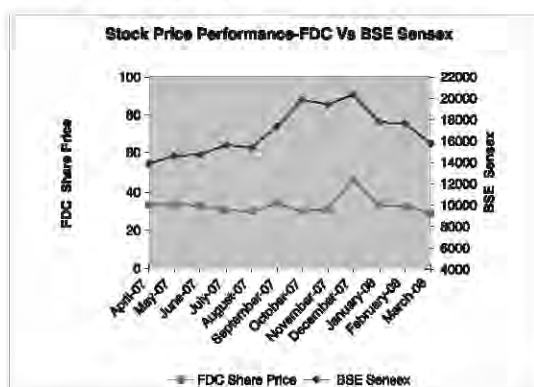
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g. Market Price Data

Month	BSE		NSE	
	High	Low	High	Low
April, 2007	34.50	31.00	34.50	31.00
May, 2007	34.00	31.60	34.00	31.45
June, 2007	36.00	31.10	36.80	31.15
July, 2007	37.00	29.00	33.85	29.05
August, 2007	31.00	27.25	31.20	27.05
September, 2007	35.90	29.45	35.65	27.45
October, 2007	34.75	28.00	34.50	28.00
November, 2007	37.50	28.05	37.40	28.10
December, 2007	47.00	30.45	47.05	30.20
January, 2008	53.60	30.50	53.40	30.10
February, 2008	36.85	29.60	36.90	29.70
March, 2008	33.30	23.25	33.30	23.50

(Source: BSE website/NSE trade statistics)

h. Performance of the Company's stock in comparison to BSE Sensex



Note: Based on monthly closing price of FDC and monthly closing index point of BSE Sensex.

i. Registrars & Share Transfer Agents

Sharex Dynamic (India) Pvt. Ltd.
Unit-1, Luthra Industrial Premises, Andheri Kurla Road
Safed Pool, Andheri (East), Mumbai 400 072
Tel.: (022) 2851 5606, 2851 5644,
Fax.: (022) 2851 2885
E-mail ID.: sharexindia@vsnl.com

j. Share Transfer System

The Company has set up a committee of the board of directors known as the share transfer committee, which meets generally once in 15 days inter-alia for approving the transfer of shares. The formalities for transfer of shares in the physical form are completed and the share certificates are dispatched to the transferee within 30 days of receipt of transfer documents, provided the documents are complete and the shares under transfer are not under dispute. If however, the transfer documents are not in order, objections are communicated to the transferee within 30 days from the date of receipt of the transfer documents.

k. Shareholding Pattern as on March 31, 2008

Category	No. of shares held	Percentage of shareholding
A. Promoters holding		
1. Promoters		
- Indian Promoter	122,504,656	63.98
- Foreign Promoter	-	-
2. Persons acting in concert	-	-
Sub-Total	122,504,656	63.98
B. Non-Promoter Holding		
3. Institutional Investors		
a. Mutual Funds and UTI	8,519,101	4.45
b. Banks, Financial Inst. Insurance Co. (Central / State Govt. Inst. / Non-Govt. Inst.)	1,930,422	1.01
c. Foreign Institutional Investors	2,505,496	1.31
Sub-Total	12,955,019	6.77
4. Others		
a. Private Corporate Bodies	9,730,634	5.08
b. Indian Public	44,674,044	23.33
c. NRIs/OCBs	1,144,072	0.60
d. Any other		
(i) Foreign Companies	7,000	0.01
(ii) Clearing members	445,677	0.23
Sub-total	56,001,427	29.25
Grand Total	191,461,102	100.00

Distribution of Shareholding as on March 31, 2008

Equity shares of face value of Re. 1 each	Shareholders		Equity shares	
	Number	% of total	Number	% to total
Upto 5,000	49,915	98.02	2,50,59,386	13.09
5,001 to 10,000	605	1.20	45,09,132	2.35
10,001 to 20,000	190	0.37	28,01,906	1.46
20,001 to 30,000	66	0.13	16,49,063	0.86
30,001 to 40,000	22	0.04	7,70,373	0.40
40,001 to 50,000	22	0.04	10,46,102	0.55
50,001 to 1,00,000	24	0.05	18,33,354	0.96
1,00,001 & Above	77	0.15	15,37,91,786	80.33
Total	50,921	100	19,14,61,102	100

l. Dematerialisation of shares and liquidity

The shares of the Company are in the compulsory demat segment and are available in the depository system both in National Security Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL'). As on March 31, 2008, 183,265,030 shares aggregating to 95.72% of the total number of fully paid equity shares having face value of Re.1 each are held by the shareholders in the dematerialised form.

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m. Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments.

n. Plant locations

As mentioned on the cover page.

o. Address for correspondence

Shareholders holding shares in the physical form should address their correspondence to the Company's registrar and share transfer agents at the address as given under (i) above. Shareholders holding shares in the demat form should address their correspondence to their respective depository participants with whom they have their accounts.

Certificate

**To
The Members of FDC Limited**

We have examined the compliance of conditions of corporate governance by FDC Limited ("the Company"), for the year ended on March 31, 2008, as stipulated in clause 49 (revised) of the Listing Agreement of the said Company with the stock exchange(s).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the directors and the management, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of the board

Place: Mumbai
Date : June 28, 2008

MOHAN A. CHANDAVARKAR
Chairman and Managing Director

Place : Mumbai
Date : June 28, 2008

For **S.R. BATLIBOI & CO.**
Chartered Accountants

per **VIJAY BHATT**
Partner
Membership No.: 36647

CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Your Company's philosophy on corporate governance envisages achieving and maintaining high standards of good governance by giving prime importance to all its affairs in an accountable and transparent manner to its shareholders, employees, customers, suppliers, statutory authorities and society at large.

2. BOARD OF DIRECTORS

a. Composition of board of directors and category of individual directors

Name of the director	Category
Mr. Mohan A. Chandavarkar	Promoter and Executive Director
Mr. Ashok A. Chandavarkar	
Mr. Nandan M. Chandavarkar	
Mr. Ameya A. Chandavarkar	Promoter and Non-Executive Director
Mr. Girish C. Sharedalal	Independent and Non-Executive Director
Dr. Satish S. Ugrankar	
Dr. Rahim H. Muljiani	
Dr. Nagam H. Atthreya	
Dr. Ravindra Y. Chittal	

b. Attendance at the board meetings and last Annual General Meeting ('AGM')

During the year under review, 4 board meetings were held on June 26, 2007, July 31, 2007, October 27, 2007 and January 28, 2008. The last AGM of the Company was held on August 25, 2007.

The gap between any 2 meetings did not exceed 4 months.

Attendance of each director at board meetings and last AGM

Name of the director	No. of board meetings attended	Attendance at the last AGM
Mr. Mohan A. Chandavarkar	4	Present
Mr. Ashok A. Chandavarkar	4	Present
Mr. Nandan M. Chandavarkar	4	Present
Mr. Ameya A. Chandavarkar	1	Absent
Mr. Girish C. Sharedalal	4	Present
Dr. Satish S. Ugrankar	2	Present
Dr. Rahim H. Muljiani	4	Present
Dr. Nagam H. Atthreya	4	Present
Dr. Ravindra Y. Chittal	3	Present

c. Membership/ Chairmanship of other boards and committees thereof

Name of the director	*Number of directorships held in other companies	Other committees	
		Member	Chairman
Mr. Mohan A. Chandavarkar	Nil	Nil	Nil
Mr. Ashok A. Chandavarkar	Nil	Nil	Nil
Mr. Nandan M. Chandavarkar	Nil	Nil	Nil
Mr. Ameya A. Chandavarkar	Nil	Nil	Nil
Mr. Girish C. Sharedalal	3	Nil	1
Dr. Satish S. Ugrankar	Nil	Nil	Nil
Dr. Rahim H. Muljiani	Nil	Nil	Nil
Dr. Nagam H. Atthreya	1	1	Nil
Dr. Ravindra Y. Chittal	Nil	Nil	Nil

*The listing above excludes private and foreign companies.

d. Code of Conduct

All board members and the senior management personnel of the Company have affirmed compliance with the code of conduct for the year ended March 31, 2008. The said code is posted on the website of the Company www.fdcindia.com.

e. Notes on directors seeking appointment/reappointment

i. Mr. Ameya A. Chandavarkar

Mr. Ameya A. Chandavarkar is a promoter and non-executive director of the Company. He is a Graduate in Information Systems and Marketing Management from Florida Southern College, Lakeland, U.S.A. He has also obtained his Master of Business Administration from INSEAD, France and Singapore. During his tenure as a whole time director, he actively participated in the International Business, Information Technology, Human Resource Development and other business affairs of the company. He now continues to be a non-executive director of the company. Your company will immensely benefit from his vast experience in business matters.

He is not the chairman or member of any other committee of any other company. His inter se relationship with the other members of the board is as follows :

Name of the director	Relatives (board of directors)	Nature of relation
	Mr. Ashok A. Chandavarkar	Father
Mr. Ameya A. Chandavarkar	Mr. Mohan A. Chandavarkar	Uncle (Father's Brother)
	Mr. Nandan M. Chandavarkar	Cousin Brother (Uncle's son)