



# **DALMIA LAMINATORS LIMITED**

**ANNUAL REPORT & ACCOUNTS  
(2014-2015)**

# DALMIA LAMINATORS LIMITED

## 1. Board of Directors

Mr. R. P. Jain	Chairman
Mr. G. G. Dalmia	Managing Director
Mr. M. Dalmia	Chief Finance Officer
Mrs. B. D. Dalmia	
Mr. V. Dalmia	
Mr. P. K. Kayan	

## 2. Registered Office

130, Cotton Street, Kolkata 700 007

## 3. Corporate Office

392, Block G. New Alipore Kolkata 700 053

## 4. Company Secretary

Sri Govind Agarwal

## 5. Auditors

S. K. GHOSH & CO.  
Chartered Accountants  
10, Old Post Office Street, Kolkata 700 001

## 6. Manufacturing Plants

Tada  
Gummidipoondi  
Bangalore

## 7. Wind Power Projects

- |  |   |   |
|--|---|---|
| a) Village – Urumungulam<br>Taluk – Radhapuram<br>District - Tirunelveli<br>State - Tamil Nadu | b) Village – Suriyanallur<br>Taluk – Dharapulam<br>District - Tirupur<br>State - Tamil Nadu | c) Village – Kannakovil<br>Taluk – Dharapuram<br>District - Timupur<br>State - Tamil Nadu |
|--|---|---|

## 8. Bankers

UCO Bank  
Bank of India

## CONTENTS

	<b>Page</b>
➤ Notice to the Shareholders	1
➤ Director's Report	12
➤ Report On Corporate Governance	36
➤ Management Discussion & Analysis	51
➤ Independent Auditors' Report	55
➤ Balance Sheet	60
➤ Statement of Profit and Loss	61
➤ Cash Flow Statement	62
➤ Notes on Financial Statements	63

## Notice To The Shareholders

NOTICE IS HEREBY GIVEN that the 29th Annual General Meeting of the Members of Dalmia Laminators Limited will be held at the Registered Office of the Company at 130, Cotton Street Kolkata - 700007, on Tuesday September 29, 2015, at 10.30 a.m. to transact the following businesses:

### **ORDINARY BUSINESS :**

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2015, and the Reports of the Board of Directors and Auditors thereon.
2. To re-appoint Mr. Vijay Dalmia (DIN: 00583896) who retires by rotation and, being eligible, offers himself for re-appointment.
3. Appoint Auditors and in this regard to consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to the provisions of Sections 139 and 142 of the Companies Act, 2013, and the corresponding Rules made thereunder, as amended from time to time, and pursuant to the resolution passed by the members at their 28th AGM held on September 30, 2014, the Company hereby ratifies the appointment of M/s. S. K. Ghosh & Co. Chartered Accountants (Registration No. 301017E), Kolkata, as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 30th Annual General Meeting of the Company to be held in the year 2016, at such remuneration to be decided by the Board in consultation with the Auditors."

**Regd. Office**  
**130, Cotton Street,**  
**Kolkata - 700 007**  
**Dated: August 14, 2015**

**By order of the Board**  
  
**( Govind Agarwal )**  
**Company Secretary**

## Notice To The Shareholders

1. A Member entitled to attend and vote at the Annual General Meeting ('AGM') may appoint a proxy to attend and vote on his behalf. A proxy need not be a Member of the Company.

Proxies, in order to be effective, must be received at the Registered Office of the Company at 130, Cotton Street, Kolkata – 700007, not less than forty-eight hours before the commencement of the AGM.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged with the Company, at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.

Members are requested to notify to the Registrar of the Company, M/s. ABS CONSULTANT PVT. LTD, Stephen House, 6th Floor, Room No. 99, 4, B. B. D. Bag (East), Kolkata- 700 001, any change in their address.

2. Corporate Members are required to send to the Company a certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorizing their representative to attend and vote at the AGM.
3. Members are requested to bring their copies of Annual Report to the Meeting. In order to enable us to register your attendance at the venue of the Annual General Meeting, members are requested to please bring their folio number/demat account number/DP ID-Client ID to enable us to provide a duly filled attendance slip for your signature and participation at the meeting.
4. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
6. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
7. The Register of Members of the Company will remain closed from Wednesday, September 23, 2015 to Tuesday, September 29, 2015 (both days inclusive) for the purpose of Annual General Meeting.
8. In case any member is desirous to receive communication from the Company in electronic form, they may register their email address with Company or with their depository participant or send their consent at the Registered Office of the Company along with their folio no. and valid email address for registration.

## Notice To The Shareholders

9. In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Resolutions proposed at this AGM will be transacted through remote e-voting (facility to cast vote from a place other than the venue of the AGM) and for which purpose the Company has engaged the services of CDSL. The Board of Directors of the Company has appointed Mr. Md. Shahnawaz, Practising Company Secretary as the Scrutinizer for this purpose. The detailed instructions for e-voting are given as a separate attachment to this notice. The e-voting period begins from September 26, 2015 from 9.00 A.M. and ends on September 28, 2015 at 5.00 P.M.
10. Voting rights will be reckoned on the paid-up value of shares registered in the name of the Members as on **September 22, 2015 (cut-off date)**. Only those Members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date will be entitled to cast their votes by remote e-voting.
11. Additional information, pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, on Director recommended by the Board of Directors for re-appointment at this AGM is enclosed herewith.
12. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The Nomination Form SH 13 prescribed by the Government can be obtained from the Registrar and Transfer Agent or the Secretarial Department of the Company at its Registered Office.
13. Members who wish to obtain information on the Company or view the Financial Statements, may visit the Company's corporate website or send their queries at least 10 days before the AGM to the Company Secretary at the Registered Office of the Company.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company or its Registrar and Share Transfer Agent, M/s. ABS Consultants Private Limited.

### **Additional information on Director recommended for appointment as required under Clause 49 of the Listing Agreement in respect of Item Nos. 2 of the Notice**

Mr. Vijay Dalmia

Mr. Vijay Dalmia, aged 37 years, is a Chemical Engineer and MBA from the Indian School of Business (ISB). He has done Pioneering research work on Production of Instant tea and extraction of caffeine from tea waste. He has expertise in tea, jute, plastics and software industry.

Companies (including Dalmia Laminators Limited) in which Mr. Vijay Dalmia holds directorship and committee membership:

## Notes

### Directorship

Bateli Tea Co. Limited

Dalmia Tea Plantation & Industries Limited

Dalmia Polypack Limited

Manish Co. Pvt. Ltd.

Chairpersonship of Board committees

None

Membership of Board committees

Company Name	Name of the Committee
Dalmia Laminators Limited	Audit Committee Nomination & Remuneration Committee Corporate Social Responsibility Stakeholder's Relationship Committee Risk Management Committee

### Shareholding in the Company

Mr. Vijay Dalmia is holding 75000 equity shares (1.84%) of the Company.

### **INSTRUCTIONS FOR E-VOTING**

Dear Member,

#### **I. The Instructions for E-Voting are as under:**

- Log on to the e-voting website: [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
- Click on "Shareholders" tab
- Now, select Electronic Voting Sequence No. as mentioned in the Attendance Slip along with "DALMIA LAMINATORS LIMITED" from the drop down menu and click on "SUBMIT".
- Now enter your User ID (as mentioned in the Attendance Slip):
  - For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.

## Notes

- f. If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- g. However, if you are a first time user, please use the e-Voting particular provided in the Attendance Slip and fill up the same in the appropriate boxes:
- h. After entering these details appropriately, click on "SUBMIT" tab.
- i. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field.
- j. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- k. For Members holding shares in physical form, the details in Attendance Slip can be used only for e-voting on the resolutions contained in this Notice.
- l. Click on the relevant EVSN "DALMIA LAMINATORS LIMITED" for which you choose to vote.
- m. On the voting page, you will see "Resolution Description" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- n. Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- o. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK" else to change your vote, click on "CANCEL" and accordingly modify your vote.
- p. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- q. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- r. If Demat account holder has forgotten the changed password then enter the User ID and image verification code click on Forgot Password & enter the details as prompted by the system.

### **For Non – Individual Shareholders and Custodians:**

- Non Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.



## Notes

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance user should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- II.** In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- III.** Once the vote on a resolution is cast by the shareholder by electronic means, the shareholder shall not be allowed to change it subsequently or cast his vote by any other means.
- IV.** If a person became the member of the company after the dispatch of notice, then such member may contact the company for Login ID and other e-voting related details.
- V.** The voting rights of shareholders shall be in proportion of their shares of the paid up equity share capital of the Company as on the cut-off/entitlement date of September 22, 2015.
- VI.** Mr. Md. Shahnawaz, Practicing Company Secretary, (Membership No.21427 CP No. 15076) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VII.** The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of AGM unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

The Results shall be declared after the 29th Annual General Meeting (AGM) of the Company. This Notice as well as the Results declared along with the Scrutinizer's Report shall be communicated to CDSL and the Calcutta Stock Exchange Association Limited on October 1, 2015.

### GENERAL INSTRUCTIONS

- a) The e-voting period begins from **September 26, 2015 from 9.00 A.M. and ends on September 28, 2015 at 5.00 P.M.** During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off/entitlement date of **September 22, 2015**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder by electronic means, the shareholder shall not be allowed to change it subsequently or cast his vote by any other means.

## Notes

- b) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off/entitlement date of **September 22, 2015**.
- c) Mr. Md Shahnawaz, a Practising Company Secretary (C.P. No. 15076 and Membership No. 21427) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent
- d) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- e) Results shall be declared on or after the **29th** Annual General Meeting (AGM) of the Company. This Notice as well as the Results declared along with the Scrutinizer's Report shall be placed on the Company's website and on the website of CDSL within two (2) days of passing of the resolutions at the **29th** Annual General Meeting (AGM) of the Company on October 1, 2015 and communicated to the Stock Exchange(s).

**Regd. Office**

**130, Cotton Street,**

**Kolkata - 700 007**

**Dated: August 14, 2015**

**By order of the Board**

**(Govind Agarwal)**

**Company Secretary**



## ATTENDANCE SLIP

<b>Folio / DP ID &amp; Client Id No.</b>	
<b>Name</b>	
<b>Address</b>	
<b>Joint Holder's Name</b>	
<b>No. of Shares</b>	

1. I hereby record my presence at the 29th **ANNUAL GENERAL MEETING** of the Company being held on September 29, 2015 at 10.30 A.M. at the Registered Office of the Company at "130, Cotton Street, KOLKATA-700007.

\_\_\_\_\_

2. Signature of the Shareholder/Proxy Present

--

3. Shareholder / Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and handover the same at the entrance duly signed.
4. Shareholder / Proxy holder desiring to attend the meeting may bring his / her copy of the Annual Report for reference at the meeting.

**Note: - PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING.**

### ELECTRONIC VOTING PARTICULARS

(1) EVSN (E-Voting Sequence No.)	(2) USER ID.	(3) PAN or Relevant No. as under	(4) Bank Account No.
			(See Note No.1)

**Notes:**

- (1) Where Bank Account Number is not registered with the Depositories or Company please enter your User Id. as mentioned in column (2) above.
- (2) Please read the Instructions printed in the Notice dated 14th August, 2015 of the 29th Annual General Meeting. The e-voting period starts from 9.00 A.M. on 26.09.2015 and ends at 5.00 P.M. on 28.09.2014, the e-voting module shall be disabled by CDSL for voting thereafter.



# FORM NO MGT -11

## PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s) :

Registered Address :

E-mail Id :

Folio No/ Client ID:

DP ID :

I/We, being the member of Dalmia Laminators Limited holding \_\_\_\_\_ equity shares of the of the Company, hereby appoint

Name :

Address :

E-mail id :

Signature :

as my/our proxy to attend and vote (on a poll) for me and on my behalf at the 29th Annual General Meeting of the company, to be held on the September 29, 2015 at 10:30 A.M. at Cotton Street Kolkata-700007, West Bengal, and at any adjournment thereof in respect of such resolutions as are indicated below:

### Ordinary Business:

Sl. No.	Resolution	Optional	
		For	Against
1.	Adoption of the Audited Financial Statements of the Company for the financial year ended March 31, 2015, and the Reports of the Board of Directors and Auditors thereon.		
2.	Re-appoint Mr. Vijay Dalmia (DIN: 00583896) who retires by rotation and, being eligible, offers himself for re-appointment.		
3.	Appointment of M/s. S. K. Ghosh & Co., Chartered Accountants as Statutory Auditors and fix their remuneration.		

Signed this.....day of..... 2015

Signature of Shareholder \_\_\_\_\_

Signature of Proxy holder(s)\_\_\_\_\_

Please  
Affix  
Revenue  
Stamp

**Note:** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.  
A Proxy need not be member of the Company.

**Form No. MGT-12****Polling Paper**

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

Name of the Company:	<b>DALMIA LAMINATORS LIMITED</b>
Registered office	130, Cotton Street, Kolkata 700 007
CIN:	L51491WB1986PLC040284

**BALLOT PAPER (29<sup>th</sup> AGM 2015)**

S. No.	Particulars	Details
1.	Name of the First Named Shareholder (In block letters)	
2.	Postal address	
3.	Registered folio No. / *Client ID No. (*Applicable to investors holding shares in dematerialized form)	
4.	Class of Share	<b>Equity Share</b>

I hereby exercise my vote in respect of Ordinary/ Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

S. No.	Resolutions	No. of shares held by me	I assent to the resolution	I dissent from the resolution
1.	Adoption of the Audited Financial Statements of the Company for the financial year ended March 31, 2015, and the Reports of the Board of Directors and Auditors thereon.			
2.	Re-appoint Mr. Vijay Dalmia (DIN: 00583896) who retires by rotation and, being eligible, offers himself for re-appointment.			
3.	Appointment of M/s. S. K. Ghosh & Co., Chartered Accountants as Statutory Auditors and fix their remuneration.			

Place:

Date :

(Signature of the shareholder)

\* As per Company's records

**Calendar of Events of – AGM to be held on Tuesday September 29, 2015**

<b>Sl. No.</b>	<b>Events</b>	<b>Date</b>	<b>REMARKS</b>
1	Date of Annual General Meeting (AGM)	29-09-2015	
2	Date of completion of dispatch of notice along with Proxy form to the Shareholders and Stock Exchange	04-09-2015	
3	Cut off date for sending Notice Cut off date for e Voting (Data File)	14-08-2015 22-09-2015	
4	E Voting Start Date at ----- 9AM	26-09-2015	
5	E Voting End Date at ----- 5PM	28-09-2015	
6	Company Published an Advertisement in two Newspaper (English & Bengali) at least 21 days before the date of AGM.	05-09-2015	
7	Date of Book Closure for AGM purpose	23-09-2015 To 29-09-2015	
8	Scrutinizer within a period of 3 days from the date of conclusion of AGM make Scrutinizer report and submit to the Chairman	01-10-2015	
9	Date of Declaration of results along with Scrutinizer Report	01-10-2015	
10	Submit Outcome of the AGM to Stock Exchange	01-10-2015	
11	File u/s 35A of Listing Agreement to Stock Exchange within 48 Hours of AGM	01-10-2015	
12	Place on the Website of the Company and on the website of Agency immediately after the result is declared by the Chairman.	01-10-2015	
13	Payment of Dividend (NECS/ECS/DW)	NA	

Thanking You,

Yours faithfully,

**For Dalmia Laminators Limited**

**Company Secretary**

## DIRECTORS' REPORT : To The Members

Your Directors are pleased to present the 29th Board's Report of your Company along with the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement for the year ended 31 March 2015.

Financial summary or highlights/performance of the Company and its subsidiaries:  
Key highlights of financial performance for the Company for the financial year 2014-15 are tabulated below:

**(Rs. in Lacs)**

Particulars	FY2015	FY2014
Sales and Other Income	23,722.60	19,494.83
Profit before Tax	1,129.08	1,064.30
Profit after Tax	1,568.02	702.10
Balance brought forward from previous year	2,298.63	1,596.52
EPS	38.38	18.85

Our Company does not have any subsidiary company during the year under review.

### **Dividend**

With a view to strengthening the financial position of the Company, your Directors have not recommended any dividend for the financial year 2014-15.

### **Reserves**

During the financial year ended March 31, 2015, the Company has not transferred any sum to the general reserve.

### **Operations**

The Company is engaged in the manufacturing of Plastic Woven Sacks (PWS) used for bulk packaging of Cement, Fertilizer, Food grains & Sugar, Chemicals and other commodities. 84.52% of the total revenue of the Company is derived from this activity.

The operational performance of the Company during the period under review was satisfactory. We intend to achieve sustainable and profitable growth through our consistent efforts.

The operational performance and results are provided in Management Discussion and Analysis Report as a separate chapter in this Annual Report.

### **Change in the nature of business, if any**

During the year under review, there has been no change in the nature of business of the Company.

### **Material changes and commitments, if any, affecting the financial position of the company**

No Material changes have been occurred subsequent to the close of the financial year of

## **DIRECTORS' REPORT : To The Members(Contd.)**

the Company to which the balance sheet relates till the date of this report.

### **Details of significant and material orders passed by the regulators or courts or tribunals**

No significant material orders passed by any regulators or courts or tribunals which would impact the going concern status of the Company and its future operations.

### **Internal Control System**

The Company has an adequate Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee of the Board.

The Internal Audit team monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit, management undertakes corrective action in their respective areas and thereby strengthens the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

### **Subsidiary/Joint Ventures/Associate Companies**

During the year under review, the Company does not have any subsidiary company (whether direct and step down) or joint venture.

Bateli Tea Co. Limited and Dalmia Tea Plantation & Industries Limited are the associates companies under Section 2(6) of the Companies Act, 2013. A statement containing the salient features of the financial statement of associates companies in the prescribed format AOC-1 is annexed herewith as "Annexure - 1".

Pursuant to the Ministry of Corporate Affairs' notification no. G.S.R 723(E) dated October 14, 2014, in case of a company which does not have any subsidiary but has one or more associate companies, consolidation of financial statements for the financial year ending March 31, 2015 in respect of such associate companies as per the provision of Section 134 of Companies Act, 2013, shall not be applicable. Hence, the Company is exempted from consolidation of accounts in respect of its associate companies.

### **Deposits**

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

### **Auditors & Auditors' Report**

The Statutory Auditors of the Company, S. K. Ghosh & Company (Firm Regn. No. 301017E), Chartered Accountants will retire at the ensuing AGM. Based on the recommendation of the Audit Committee, the Board has proposed the re-appointment of M/s S. K. Ghosh & Company, Chartered Accountants, as Statutory Auditors for financial year 2015-16 on such remuneration as decided by the Board of Directors.

The Company has received a certificate from the proposed Auditors to the effect that their appointment, if made, would be in accordance with all the conditions prescribed under the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014.

The notes to the accounts referred to in the Auditors' Report are self-explanatory and,



## **DIRECTORS' REPORT : To The Members (Contd.)**

therefore, do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

### **Share Capital**

The paid-up share capital of the Company, as on March 31, 2014, was 37,25,000 Equity Shares of Rs.10/- each fully paid up. During the year, the Company has issued and allotted 3,60,000 Equity Shares of Rs.10/- each at a premium of Rs. 240/- per share to promoter group entity on preferential basis in accordance with provisions specified under Chapter VII of SEBI (ICDR) Regulations, 2009. The paid-up share capital of the Company, as on March 31, 2015, was 40,85,000 Equity Shares of Rs.10/- each fully paid-up.

### **Provision of money by company for purchase of its own shares by employees or by trustees for the benefit of employees**

The Company has not made any provision of money for purchase of its own shares by employees or by trustees for the benefit of employee as mentioned in Rule 16(4) of the Companies (Share Capital and Debentures) Rules, 2014.

### **Particulars of contracts or arrangements with related parties**

The particulars of contract or arrangements entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013, including certain arms length transactions under third proviso are required to be disclosed in Form No. AOC -2 is annexed herewith as '**Annexure- 2**'.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website [www.mldalmiagroup.com](http://www.mldalmiagroup.com).

### **Conservation of energy, technology absorption and foreign exchange earnings and outgo**

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed herewith as '**Annexure -3**'.

### **Board of Directors and Key Managerial Personnel**

The Board is saddened to inform that Mr. Krishna Kumar Bhiwaniwalla, Independent Director, was expired on July 11, 2014 and consequently, his term as Independent Director had ended on July 11, 2014. His sudden demise is a loss to the Company.

As per the provisions of Section 149 of the Companies Act, 2013 the shareholders at their 28th Annual General Meeting held on September 30, 2014, had approved the appointment of Mr. Rajendra Prasad Jain and Mr. Pawan Kumar Kayan as Independent Directors of the Company for a tenure of up to five consecutive years. None of the Independent Directors are liable to retire by rotation.

In accordance with the provisions of Section 149(7) of the Companies Act, 2013, each Independent Director has confirmed to the Company that he or she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

As per the provisions of Section 149(1) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the shareholders at their 28th Annual General Meeting held on

## **DIRECTORS' REPORT : To The Members (Contd.)**

September 30, 2014 had approved the appointment of Mrs. Bhagwati Devi Dalmia as a woman Director, liable to retire by rotation.

At the Extraordinary General Meeting of the Company held on March 25, 2015, the Members approved the appointment of Mr. Girdhar Gopal Dalmia as the Managing Director and CEO of the Company for a term of 5 years effective from 1st April, 2015, and the appointment Mr. Manish Dalmia as Whole-Time Director designated as CFO of the Company for a term of 3 years with effect from 1st March, 2015, along with the remuneration payable to them during his tenure in accordance with the provisions of the Section 196 and 197 of the Companies Act, 2013. All the Whole-Time Directors including the Managing Director are liable to retire by rotation.

Mr. Vijay Dalmia, Director, retires by rotation at the forthcoming 29th Annual General Meeting scheduled on September 29, 2015 and being eligible, seeks re-appointment. A brief profile of Mr. Vijay Dalmia is given in the Notice of the Annual General Meeting for the reference of the Shareholders.

### **Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013, Clause 49 of the Listing Agreement and in line with our corporate governance guidelines, peer evaluation of all Board members, annual performance evaluation of its own performance, as well as the evaluation of the working of its Committees of the Board. This evaluation is led by the Chairman of the Nomination and Remuneration Committee with specific focus on the performance and effective functioning of the Board. The evaluation process also considers the time spent by each of the Board members, core competencies, personal characteristics, accomplishment of specific responsibilities and expertise.

### **Number of meetings of the Board of Directors**

During the year under review, the Board met 18 times and details are provided in the Report on Corporate Governance, a part of this Annual Report.

The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

### **Audit Committee**

The Audit Committee of the Board comprises of:

<b>Name of Directors</b>	<b>Category</b>
Mr. Rajendra Prasad Jain	Independent Director
Mr. Pawan Kumar Kayan	Independent Director
Mr. Vijay Dalmia	Non-Executive Non-Independent Director

During the year under review, there has been no instance where the recommendations of the Audit Committee have not been accepted by the Board. The details of the Audit Committee meetings are provided in the Report on Corporate Governance, a part of this Annual Report.

## **DIRECTORS' REPORT : To The Members (Contd.)**

### **Vigil Mechanism**

The Company has adopted a vigil mechanism named Whistle Blower Policy for directors and employees to report genuine concerns which shall provide adequate safeguards against victimization of persons who use such mechanism. Under this policy, we encourage our employees to report any reporting of fraudulent financial or other information to the stakeholders, any conduct that results in violation of the Company's Code of Business Conduct, to management (on an anonymous basis, if employees so desire).

Likewise, under this policy, we have prohibited discrimination, retaliation or harassment of any kind against any employees who, based on the employee's reasonable belief that such conduct or practice have occurred or are occurring, reports that information or participates in the said investigation.

This meets the requirement under Section 177(9) and (10) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

No individual in the Company has been denied access to the Audit Committee or its Chairman.

### **Nomination and Remuneration Committee**

The Board has on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

Managerial Remuneration and Particulars of Employees:

The particulars of Managerial remuneration as stated in section 134(3)(q) of the Companies Act, 1956 read with rules 5(1) of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014 is annexed herewith as "Annexure-4" and forms part of the Board's report

The Company has not employed any individual whose remuneration falls within the purview of the limits prescribed under the provisions of section 160 of the Companies Act, 2013 read with rules 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### **Cost auditors**

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Amendment Rules, 2014, the Company maintains the cost audit records in respect of its HDPE & P. P. Woven sacks business. Your Board has, on the recommendation of the Audit Committee, appointed M/s. Mitra Bose & Associates as cost auditors of the Company for FY2015. The cost audit report will be filed with the Central Government within the stipulated timeline.

### **Particulars of loans, guarantees or investments under section 186**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013, are given in the notes to the Financial Statements vide note no. 1.9(b).

## **DIRECTORS' REPORT : To The Members (Contd.)**

### **Secretarial Audit Report:**

Pursuant to the provisions of section 204 of the Companies Act, 2013 read with The Companies (appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Abbas Vithorwala, Company Secretary in Practice, has conducted the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed herewith as **Annexure-5**.

As regard to the qualification contained in the Secretarial Audit Report, the Board noted that:

- With regard to delay in filing of e-forms with Registrar of Companies, West Bengal, additional fees as prescribed for delay filing has been paid. Further, the Board shall ensure the timely filing of forms in future.
- With regard to the suspension of equity shares due to non-compliance with listing agreement with stock exchanges, the pending compliances had been duly filed with the exchanges and fee for revocation of suspension was paid to the Calcutta Stock Exchange Limited. Consequently, the Calcutta Stock Exchange Limited has revoked the suspension in dealing in equity shares of the Company w.e.f. September 18, 2014.

Except as stated above, there are no qualifications, reservations or adverse remarks made by Secretarial Auditor in his report.

### **Corporate Governance Report and Management Discussion Analysis Report:**

The Corporate Governance and Management Discussion & Analysis Report, which form an integral part of this Report, are set out as separate Annexure, together with the Certificate from Mr. Abbas Vithorwala, regarding compliance with the requirements of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

### **Corporate Social Responsibility initiatives**

As per Section 135 of the Companies Act, 2013, the Company has constituted the Corporate Social Responsibility (CSR) Committee of its Board of Directors. The Committee comprises of Mr. R. P. Jain (Chairman), Mr. Manish Dalmia and Mr. Vijay Dalmia.

During the year, the Committee formulated and recommended a CSR policy to the Board. The Company has been at the forefront in extending benefits to the local communities in and around its plant location. We have always believed in the sustainable development of the society. We have earned the trust of the local community over the years through our community services, on a regular basis, throughout the year.

During the financial year 2014-2015, the Company had incurred Rs. 17 lacs towards Corporate Social Responsibility. The Report on CSR is annexed herewith as "Annexure- 6"

### **DISCLOSURE AS PER SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed there under. During the financial year 2014-15, no complain had been received.

## **DIRECTORS' REPORT : To The Members (Contd.)**

### **Risk management policy**

Pursuant to the requirement of Clause 49 of the Listing Agreement, the Company has constituted a Risk Management Committee. The details of Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report.

The Company has a Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage.

### **Directors' Responsibility Statement**

Pursuant to Section 134(3)(c) of the Companies Act, 2013, your Directors confirm that:

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. the annual accounts have been prepared on a going concern basis; and
- e. they have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f. proper systems had been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **Green Initiatives in Corporate Governance**

Ministry of Corporate Affairs has permitted Companies to send copies of Annual report, Notices, etc., electronically to the email IDs of shareholders. We request the shareholders to get their email id registered either with the Company or the Registrar and Share Transfer Agent to receive the soft copies of documents and communications from the Company. In case, any shareholder would like to receive physical copies of these documents, the same shall be forwarded upon receipt of written request in this respect.

### **Extract of the Annual Return**

The extract of the Annual Return in prescribed Form No. MGT – 9 as required under section 92(3) of the Companies Act, 2013 is included in this report and annexed herewith as 'Annexure -7'.

### **Human Resources**

Our employees are our core resource and the Company has continuously evolved policies to strengthen its employee value proposition. Your Company was able to attract and retain

## **DIRECTORS' REPORT : To The Members (Contd.)**

best talent in the market and the same can be felt in the past growth of MLD Group. The Company is constantly working on providing the best working environment to its Human Resources with a view to inculcate leadership, autonomy and towards this objective; your company spends large efforts on training. Your Company shall always place all necessary emphasis on continuous development of its Human Resources. The belief "great people create great organization" has been at the core of the Company's approach to its people.

### **Acknowledgements**

Your Directors take this opportunity to thank the Regulatory and Government Authorities, Bankers, Business Associates, Shareholders and the Customers of the Company for their continued support to the Company. The Directors express their deep sense of appreciation towards all the employees and staff of the Company and wish the management all the best for achieving greater heights in the future.

For **Dalmia Laminators Limited**

Kolkata  
15 May 2015

Mr. Girdhar Gopal Dalmia  
Managing Director & CEO

Manish Dalmia  
WTD & Chief Financial Officer

# DIRECTORS' REPORT : Annexure

## ANNEXURE - 1

### FORM AOC -1

(Pursuant to first proviso to sub-section (3) of section 129  
read with rule 5 of Companies (Accounts) Rules, 2014)

### Statement containing salient features of the financial statement of subsidiaries/ associate companies / joint ventures

#### Part "A": Subsidiaries/ Step down Subsidiaries

The following information shall be furnished:-

1. **Names of subsidiaries which are yet to commence operations : NIL**
2. **Names of subsidiaries which have been liquidated or sold during the year : NIL**

#### Part "B": Associates and Joint Ventures

Sl. No.	Particulars	Bateli Tea Co. Ltd.	Dalmia Tea Plantation & Industries Limited
1	Latest audited Balance Sheet Date	31.03.2015	31.03.2015
2	Shares of Associate held by the company on the year end		
	No. of shares	55,704	5,30,000
	Amount of Investment in Associates/Joint Venture	Rs. 64.06	Rs. 359.30
	Extend of Holding %	26.00%	26.50%
3	Description of how there is significant influence	Note (a)	Note (a)
4	Reason why the associate/joint venture is not consolidated	Note (b)	Note (b)
5	Net worth attributable to Shareholding as per latest audited Balance Sheet	Rs.474.48	Rs.689.80
6	Profit / Loss for the year		
	i. Considered in Consolidation	N.A.	N.A.
	ii. Not Considered in Consolidation	461.45	316.90

- Note (a) There is a significant influence due to percentage (%) of share capital.  
(b) The Company is exempted from consolidated as per MCA Notification No. G.S.R.723(E) dated October 14, 2014.

The following information shall be furnished:

1. **Names of associates or joint ventures which are yet to commence operations: NIL**

2. **Names of associates or joint ventures which have been liquidated or sold during the year: NIL**

# DIRECTORS' REPORT : Annexure (Contd.)

## ANNEXURE- 2

### Form No. AOC-2

*(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013, including certain arm's length transactions under third proviso thereto.

1	<u>Details of contracts or arrangements or transactions at arm's length basis</u>		
	<b>a.</b> Name(s) of the related party and nature of relationship	Bateli Tea Company Limited, Associate Company	Dalmia Tea Plantation & Industries Limited, Associate Company
	<b>b.</b> Nature of contracts/arrangements/transactions	Purchase of Electricity & Buying and selling of Tea	Purchase of Electricity & Buying and selling of Tea
	<b>c.</b> Duration of the contracts / arrangements/transactions	NA	NA
	<b>d.</b> Salient terms of the contracts or arrangements or transactions including the value, if any	Rs. 15.00 crore per annum	Rs. 15.00 crore per annum
	<b>e.</b> Justification for entering into such contracts or arrangements or transactions	All transactions would be carried out as part of the business requirements of the Company in ordinary course of business.	All transactions would be carried out as part of the business requirements of the Company in ordinary course of business.
	<b>f.</b> Date(s) of approval by the Board	13.02.2015	13.02.2015
	<b>g.</b> Amount paid as advances, if any:	NIL	NIL
	<b>h.</b> Date on which the special resolution was passed in general meeting as required under first proviso to section 188	25 <sup>th</sup> March, 2015	25 <sup>th</sup> March, 2015

Note: Form shall be signed by the persons who have signed the Board's report.



## DIRECTORS' REPORT : Annexure (Contd.)

### ANNEXURE- 3

**DISCLOSURE OF THE PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS REQUIRED UNDER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 ERAD WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014**

#### **A) CONSERVATION OF ENERGY:**

i)	the steps taken or impact on conservation of energy;	The Company has taken various steps for minimization of energy consumption by putting continuous efforts towards optimization of operating and processing activities, up-gradation of plant equipment etc.
ii)	the steps taken by the company for utilising alternate sources of energy	The Company has wind power plant for captive use.
iii)	the capital investment on energy conservation equipments;	NIL

#### **B) TECHNOLOGY ABSORPTION:**

<i>From B: Disclosure of particulars with respect to Technology absorption</i>	
<b>Technology, absorption, adaptation and innovation:-</b>	
Efforts made towards technology absorption	NIL
The benefits derived like product improvement, cost reduction, product development or import substitution	NIL
In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- (a) the details of technology imported; (b) the year of import; (c) whether the technology been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	NIL
<b>Research &amp; Development (R &amp; D) -</b>	
the expenditure incurred on Research and Development	NIL

#### **C) FOREIGN EXCHANGE EARNING AND OUTGO:**

(Rs. In laks)

Particulars	FY 2015	FY 2014
Foreign Exchange earnings	NIL	NIL
Foreign Exchange outgo	397.74	24.92

# DIRECTORS' REPORT : Annexure (Contd.)

ANNEXURE- 4

## PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 134(3) (q) OF THE COMPANIES ACT, 2013 READ WITH RULES 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNELS) RULES, 2014

Sr. No.	Requirements of Rule 5(1)	Details
i.)	the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	<u>Directors &amp; KMP:</u> Mr. G. G. Dalmia (MD) : 1.05:1 Mr. Manish Dalmia (WTD & CFO): Details not given as he is appointed as WTD & CFO w.e.f. March 1, 2015, hence, salary paid for March, 2015 only. Mr. Govind Agarwal (CS) : 5.26:1
ii.)	the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	<u>Directors &amp; KMP:</u> Mr. G. G. Dalmia (MD) : NIL Mr. Manish Dalmia (WTD & CFO): NA Mr. Govind Agarwal (CS) : 10%
iii.)	the percentage increase in the median remuneration of employees in the financial year;	10%
iv.)	the number of permanent employees on the rolls of company	83 employees as on 31.03.2015
v.)	the explanation on the relationship between average increase in remuneration and company performance;	Profit before Tax increased by 6% in financial year 2014-15. The average increase in the remuneration of all employees was 10% in FY2014-15, which is based on the individual employee's performance linked with the cost of living index.
vi.)	comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	The increase of remuneration of Company Secretary is based on the individual employee's performance linked with the cost of living index. There was no increase of remuneration of Managing Director and CFO.
vii.)	variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year	There is no trading in the shares of the Company since March 30, 2004. Hence, market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and the percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer cannot be determined.
viii.)	average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Average Salary increase of non-managerial employees is 10%. There is no increase in the remuneration of Directors during the year. There are no exceptional circumstances for increase in the managerial remuneration.
ix.)	comparison of the each remuneration of the Key Managerial Personnel against the performance of the company;	Same as mentioned in point no. vi
x.)	the key parameters for any variable component of remuneration availed by the directors	There is no such variable component in the remuneration of the Managing Director.
xi.)	the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; and	1:5.55
xii.)	affirmation that the remuneration is as per the remuneration policy of the company.	The remuneration paid during the financial ended 31st March, 2015 is s per the remuneration policy of the Company.

## DIRECTORS' REPORT : Annexure (Contd.)

### ANNEXURE-5

#### Form No. MR-3

SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015  
[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members  
**Dalmia Laminators Limited**  
130, Cotton Street  
Kolkata- 700 007

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Dalmia Laminators Limited** (hereinafter referred as 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2015 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2015, according to the provisions of:

- (i) The Companies Act, 1956, as applicable, and Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - **Not applicable to the Company during the Audit Period;**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

## DIRECTORS' REPORT : Annexure (Contd.)

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (SEBI (ICDR) Regulations, 2009);
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014 - **Not applicable to the Company during the Audit Period;**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- **Not applicable to the Company during the Audit Period;**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not applicable to the Company during the Audit Period;** and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - **Not applicable to the Company during the Audit Period.**

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India - Not notified till March 31, 2015, hence, not applicable to the Company during the audit period.
- (ii) The Listing Agreements entered into by the Company with the Calcutta Stock Exchanges Limited and the Gauhati Stock Exchange Limited (collectively referred as 'stock exchanges').

I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned herein below:

1. *There have been delays by the Company in submission of e-forms with the Registrar of Companies, West Bengal, Kolkata; and*
2. *The equity shares of the Company were under suspension due to non-compliance with listing agreement with stock exchanges.*

The Gauhati Stock Exchange Ltd has been derecognized by the Securities and Exchange Board of India w.e.f. January 27, 2015.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for

## **DIRECTORS' REPORT : Annexure (Contd.)**

meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period:

- a. the Company has obtained approval of shareholders at their extraordinary General Meeting held on April 17, 2014 for issue and allotment of 3,60,000 Equity Shares to Promoter Group on preferential basis in accordance with provisions specified under Chapter VII of SEBI (ICDR) Regulations, 2009. In terms of the shareholders approval, the allotment was made on October 08, 2014, to promoters group entity on preferential basis and the said 3,60,000 Equity Shares were listed and admitted for dealing w.e.f. March 6, 2015 on the Calcutta Stock Exchange Limited;
- b. the Company has obtained approval of shareholders at their extraordinary General Meeting held on March 25, 2015 for:
  - i. Related Party Transaction to be entered into by the Company with Bateli Tea Co. Limited and Dalmia Tea Plantation & Industries Limited for estimated value of transactions/contract/ arrangements of Rs.15.00 crores per company per financial year, in accordance with the provisions of Clause 49-VII of the Listing Agreement read with the Section 188 of the Act;
  - ii. Re-appointment of Mr. Girdhar Gopal Dalmia as Managing Director & CEO of the Company for a term of 5 years along with the remuneration payable to him during his tenure in accordance with the provisions of the Section 196 and 197 of the Act;
  - iii. Appointment of Mr. Manish Dalmia as Whole-Time Director designated as Chief Financial Officer (CFO) of the Company for a term of 3 years along with the remuneration payable to him during his tenure in accordance with the provisions of the Section 196 and 197 of the Act;
  - iv. Making of investments or give/provide loans/guarantees/security to subsidiaries/joint ventures/associate companies/body corporate as per the provisions of Section 186 the Act up to Rs.300.00 crores; and
  - v. Adoption of new Articles of Association of the Company in accordance with the provisions of the Section 14 of the Act;

SD/-

**CS Abbas Vithorawala**

ACS No.23671

C P No: 8827

Place: Kolkata

Date: May 15, 2015

**Note:** This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

## **DIRECTORS' REPORT : Annexure (Contd.)**

### **'ANNEXURE A'**

To,  
The Members  
**Dalmia Laminators Limited**  
130, Cotton Street  
Kolkata- 700 007

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

SD/-  
**CS Abbas Vithorawala**  
ACS No.23671  
C P No: 8827

Place: Kolkata  
Date: May 15, 2015

## DIRECTORS' REPORT : Annexure (Contd.)

### ANNEXURE- 6

#### REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES/ INITIATIVES [Pursuant to Section 135 of the Act and Rules made there under]

- 1) A brief outline of the Company's CSR policy, including overview of the projects or programmes proposed to be undertaken and reference to the web-link to the CSR Policy and projects or programmes.  
The Board has framed a Corporate Social Responsibility Policy of the Company. Your company's CSR strategy ensures compliance with ethical standards in business practices, minimizing environmental impacts and waste, addressing the challenges of improved access to education, health, sports, drinking water, sanitation and livelihood opportunities, and helping underprivileged communities become resilient and self-reliant.
- 2) The composition of the CSR Committee
  - Mr. Manish Dalmia - Chairman
  - Mr. Vijay Dalmia - Non-Executive Director
  - Mr. P. K. Kayan - Independent Director
- 3) Average Net Profit of the Company for last 3 financial years: Rs.810.23 lacs
- 4) Prescribed CSR expenditure (2% of amount) : Rs.16.21 lacs
- 5) Details of CSR activities/projects undertaken during the year:
  - a) Total amount spent for the financial year: Rs.17, 00, 000/-
  - b) Amount un-spent, if any: NIL
  - c) Manner in which the amount spent during financial year is detailed below:

1	2	3	4	5	6	7	8
Sr. No.	CSR project/ activity identified	Sector in which the Project is covered	Projects/ Programmes 1. Local area/ others- 2. Specify the state /district (Name of the District/s, State/s where project/ programme was undertaken	Amount outlay (budget) project/ programme wise	Amount spent on the project/ programme Sub-heads: 1. Direct expenditure on project/ programme, 2. Overheads:	Cumulative spend upto the reporting period	Amount spent: Direct/ through implementing agency*
01	Education & Health.	Literacy, Health and overall development of poor, sick &, uneducated people in the local area.	For the upliftment of the poor and the destitute.	Rs.17.00 lacs	Rs.17.00 lacs	Rs.17.00 lacs	Rs.17.00 lacs through Dhapa Devi Dalmia Charitable Trust, owned by the Promoters of the Company.

## **DIRECTORS' REPORT : Annexure (Contd.)**

We hereby confirm that the implementation and monitoring of CSR Policy, is in compliance with the CSR objectives and Policy of the Company.

Girdhar Gopal Dalmia  
Managing Director & CEO

Manish Dalmia  
Chairman – CSR Committee



# DIRECTORS' REPORT : Annexure (Contd.)

## ANNEXURE- 7

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2015
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration ) Rules, 2014

### I REGISTRATION & OTHER DETAILS:

I	CIN	L51491WB1986PLC040284
Ii	Registration Date	03.03.1986
Iii	Name of the Company	DALMIA LAMINATORS LIMITED
Iv	Category/Sub-category of the Company	Indian Non-Government Company (Limited by Shares)
V	Address of the Registered office & contact details	130, COTTON STREET, KOLKATA – 700007
Vi	Whether listed company	YES
Vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	ABS CONSULTANT PVT. LTD. 99, STEPHEN HOUSE, 6TH FLOOR, 4, B. B. D. BAGH (EAST), KOLKATA- 700 001

### II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Manufacturing of HDPE & P. P. Woven sacks	22203	100%

### III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

SI No	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	BATELI TEA CO. LIMITED	L40100WB1919PLC003227	ASSOCIATE	26.00%	2(6)
2	DALMIA TEA PLANTATION & INDUSTRIES LTD.	U40105WB1997PLC085758	ASSOCIATE	26.50%	2(6)

### IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	15,09,900	500	15,10,400	40.55%	15,09,900	500	15,10,400	36.97%	3.58%
b) Central Govt.or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	6,60,000	-	6,60,000	17.72%	10,20,000	-	10,20,000	24.97%	-7.25%
d) Bank/FI	-	-	-	-	-	-	-	-	-

## DIRECTORS' REPORT : Annexure (Contd.)

e) Any other	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL:(A) (1)</b>	<b>21,69,900</b>	<b>500</b>	<b>21,70,400</b>	<b>58.27%</b>	<b>25,29,900</b>	<b>500</b>	<b>25,30,400</b>	<b>61.95%</b>	<b>-3.68%</b>
<b>(2) Foreign</b>									
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>21,69,900</b>	<b>500</b>	<b>21,70,400</b>	<b>58.27%</b>	<b>25,29,900</b>	<b>500</b>	<b>25,30,400</b>	<b>61.95%</b>	<b>-3.68%</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central govt	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIS	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (B)(1):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(2) Non Institutions</b>									
a) Bodies corporates									
i) Indian	13,00,500	12,800	13,13,300	35.26%	13,00,500	12,800	13,13,300	32.15%	3.11%
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	2,850	30,450	33,300	0.89%	2,850	30,450	33,300	0.82%	0.08%
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	2,07,900	100	2,08,000	5.58%	2,07,900	100	2,08,000	5.09%	0.49%
c) Others (specify)									
<b>SUB TOTAL (B)(2):</b>	<b>15,11,250</b>	<b>43,350</b>	<b>15,54,500</b>	<b>41.73%</b>	<b>15,11,250</b>	<b>43,350</b>	<b>15,54,500</b>	<b>38.05%</b>	<b>3.68%</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>15,11,250</b>	<b>43,350</b>	<b>15,54,500</b>	<b>41.73%</b>	<b>15,11,250</b>	<b>43,350</b>	<b>15,54,500</b>	<b>38.05%</b>	<b>3.68%</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>36,81,150</b>	<b>43,850</b>	<b>37,25,000</b>	<b>100.00%</b>	<b>40,41,150</b>	<b>43,850</b>	<b>40,85,000</b>	<b>100.00%</b>	<b>0.00%</b>

## DIRECTORS' REPORT : Annexure (Contd.)

### (ii) SHARE HOLDING OF PROMOTERS

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Krishna Kumar Bhiwaniwalla	250	0.01%	Nil	250	0.01%	Nil	0.00%
2	Biswanath Drolia	250	0.01%	Nil	250	0.01%	Nil	0.00%
3	Bhagwati Devi Dalmia	25,100	0.67%	Nil	25,100	0.61%	Nil	-0.06%
4	Vijay Dalmia	75,000	2.01%	Nil	75,000	1.84%	Nil	-0.18%
5	Manish Dalmia	1,81,950	4.88%	Nil	1,81,950	4.45%	Nil	-0.43%
6	Girdhar Gopal Manish Kumar	2,23,350	6.00%	Nil	2,23,350	5.47%	Nil	-0.53%
7	Motilal Girdhar Gopal	2,32,950	6.25%	Nil	2,32,950	5.70%	Nil	-0.55%
8	Girdhar Gopal Dalmia	7,71,550	20.71%	Nil	7,71,550	18.89%	Nil	-1.83%
9	Dalmia Tea Plantation & Industries Ltd.	3,30,000	8.86%	Nil	3,30,000	8.08%	Nil	-0.78%
10	Bateli Tea Co. Ltd.	3,30,000	8.86%	Nil	6,90,000	16.89%	Nil	8.03%
	<b>Total</b>	<b>21,70,500</b>	<b>58.27%</b>	<b>Nil</b>	<b>25,30,500</b>	<b>61.95%</b>	<b>Nil</b>	<b>3.68%</b>

### (iii) CHANGE IN PROMOTERS' SHAREHOLDING ( SPECIFY IF THERE IS NO CHANGE)

Sl. No.	Name of the Shareholder	Share holding at the beginning of the Year		Date	Reason	Reason Increase/Decrease in Shareholding		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company			No. of Shares	% of total Shares of the company	No of shares	% of total shares of the company
	<b>Part of Promoter Group</b>								
1	Bateli Tea Co. Ltd.	330000	8.86%	08.10.2014	Allotment on preferential basis	360000	16.89	6,90,000	16.89

### (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

Sl. No.	Name of the Shareholder	Share holding at the beginning of the Year		Date	Reason	Reason Increase/Decrease in Shareholding		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company			No. of Shares	% of total Shares of the company	No of shares	% of total shares of the company
	<b>Part Top Ten shareholder</b>								
1.	Manish Co. Pvt. Ltd.	1300200	34.90	-	-	-	-	1300200	31.83
2.	Cinderalla Financial Service Limited	12800	0.34	-	-	-	-	12800	0.31
3.	Banvari Lal Verma	2300	0.06	-	-	-	-	2300	0.06
4.	Gita Devi Chhipa	3700	0.10	-	-	-	-	3700	0.09
5.	Binoy Kumar Banik	2000	0.05	-	-	-	-	2000	0.05
6.	Nirmal Jalan	1200	0.03	-	-	-	-	1200	0.03
7.	Makhan Lall Saraff	1200	0.03	-	-	-	-	1200	0.03
8.	Ravi Kumar Saraff	1000	0.03	-	-	-	-	1000	0.02
9.	Nirmala Dalmia	100250	2.69	-	-	-	-	100250	2.45
10.	Radhika Dalmia	107650	2.89	-	-	-	-	107650	2.64

## DIRECTORS' REPORT : Annexure (Contd.)

### (v) Shareholding of Directors & KMP

Sl. No.	Name of the Shareholder	Share holding at the beginning of the Year		Date	Reason	Reason Increase/Decrease in Shareholding		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company			No. of Shares	% of total Shares of the company	No of shares	% of total shares of the company
	Directors and KMPs								
1	Girdhar Gopal Dalmia	1227850	32.96%	-	-	-	-	1227850	32.96%
2	Manish Dalmia	181950	4.88%	-	-	-	-	181950	4.88%
3	Vijay Dalmia	75000	2.01%	-	-	-	-	75000	2.01%
4	Bhagwati Devi Dalmia	25100	0.67%	-	-	-	-	25100	0.67%
5	R. P. Jain	100	0.00%	-	-	-	-	100	0.00%
6	P. K. Kavan	300	0.01%	-	-	-	-	300	0.01%

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs. in Lakh)

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. G. G. Dalmia, MD, CEO	Mr. Manish Dalmia, WTD & CFO	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	1.80	1.31*	3.11
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	<b>1.80</b>	<b>1.31</b>	<b>3.11</b>
	Ceiling as per the Act	10% of the net profit as per Section 198 of the Companies Act, 2013		<b>156.80</b>

\* Appointed w.e.f. March 1, 2015, hence, salary paid for March, 2015 only.

## DIRECTORS' REPORT : Annexure (Contd.)

### B. Remuneration to other directors:

Particulars of remuneration		Name of Directors					Total Amount
1.	Independent Directors	<i>Mr. R. P Jain</i>	<i>Mr. P. K. Kayan</i>	<i>K. K. Bhiwaniwalla*</i>	<i>Mr. Vijay Dalmai</i>	<i>Mrs. B D Dalmai</i>	
	Fee for attending board / committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	-	-	-	-	-	-

\* Ceased to be Director w.e.f. 11.07.2014.

### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTd:

	Particulars of Remuneration	Key Managerial Personnel			
		<i>Mr. G. G. Dalmia, MD. CEO</i>	<i>Mr. Manish Dalmia, WTD &amp; CFO</i>	<i>Mr. Govind Agarwal, Company Secretary</i>	Total Amount
<b>1</b>	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961 (b) Value of perquisites u/s 17(2) Income tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	1.80	1.31*	9.0	<b>12.11</b>
<b>2</b>	Stock Option	-	-	-	-
<b>3</b>	Sweat Equity	-	-	-	-
<b>4</b>	Commission - as % of profit - others, specify.	-	-	-	-
<b>5</b>	Others, please specify	-	-	-	-
	<b>Total</b>	<b>1.80</b>	<b>1.31</b>	<b>9.0</b>	<b>12.11</b>

\* Appointed w.e.f. March 1, 2015, hence , salary paid for March, 2015 only.

## DIRECTORS' REPORT : Annexure (Contd.)

### VI. Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	4,792.50	3,987.25	-	8,779.75
ii) Interest due but not paid	0	0	-	-
iii) Interest accrued but not due	0	401.35	-	401.35
<b>Total (i+ii+iii)</b>	<b>4,792.50</b>	<b>4,388.60</b>	<b>-</b>	<b>9,181.10</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	993.19	20,699.77	-	21,692.96
Reduction	993.24	20,465.40	-	21,458.64
<b>Net Change</b>	<b>(0.04)</b>	<b>234.36</b>	<b>-</b>	<b>234.32</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	4,792.46	4,243.86	-	9,036.32
ii) Interest due but not paid	9.28	0	-	9.28
iii) Interest accrued but not due	0	379.10	-	379.10
<b>Total (i+ii+iii)</b>	<b>4,801.74</b>	<b>4,622.96</b>	<b>-</b>	<b>9,424.70</b>

### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY:					
Penalty	NIL				
Punishment					
Compounding					
B. DIRECTORS:					
Penalty	NIL				

# REPORT ON CORPORATE GOVERNANCE

## CORPORATE GOVERNANCE PHILOSOPHY:

The Company firmly believes that good corporate governance practices ensure efficient conduct of the affairs of the Company while upholding the core values of transparency, integrity, honesty and accountability and help the Company in its goal to maximize value for all its stakeholders. It is a system by which business corporations are directed and controlled.

Our Company is committed to the adoption of and adherence to the Corporate Governance practices at all times and continuously benchmarks itself against each such practice in the industry. Our Company believes that sound Corporate Governance is critical for enhancing and retaining investor trust and the Company always seeks to ensure that its performance goals are met with integrity. The Company works with the mission to attain global eminence through quality leadership and vision to raise the bar in line with the global practices create customer value and enhance shareholder value. Our Company complies with the Corporate Governance Code enshrined in Clause 49 of the Listing Agreement.

This chapter of the annual report together with information given under the chapters entitled *Management Discussion and Analysis* and *Additional Shareholders' Information* constitute the compliance report of the Company on corporate governance during FY2015.

## Board of Directors

### Composition of the Board

As on 31 March 2015, the Board of Dalmia Laminators Limited (DLL) had 6 Directors, comprising (i) two Executive Directors, (ii) two Non-Executive Non-Independent Directors, including a woman director, and (ii) two Independent Directors as defined under the Listing Agreement with Indian Stock Exchanges. The Chairman of the Board is an Independent Director.

The Directors have expertise in the fields of strategy, management, finance, operations, science, technology, human resource development and economics. The Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its fiduciary duties, thereby ensuring that the management adheres to high standards of ethics, transparency and disclosure.

Each Director informs the Company on an annual basis about the Board and Board Committee positions he/she occupies in other companies including Chairmanships and notifies changes during the term of their directorship in the Company. Table 1 gives the composition of DLL's Board, their positions, relationship with other Directors, date of joining the Board, other Directorships and memberships of Committees held by each of them.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

Name	Position	Relationship with other Directors	Date of Joining	Directorships u/s. 165 of the Companies Act, 2013		Committee membership <sup>(2)</sup>	Chairmanship in Committees <sup>(2)</sup>
				Public	Private		
Girdhar Gopal Dalmia	Managing Director and CEO	Father of Mr. Manish Dalmia & Vijay Dalmia	3 March 1986	3	2	0	0
Manish Dalmia	CFO	Son of Mr. Girdhar Gopal Dalmia	1 November 2008	4	2	1	1
Vijay Dalmia	Whole-Time Director	Son of Mr. Girdhar Gopal Dalmia	30 September 2009	3	1	3	0
P. K. Kayan	Independent Director	None	1 October 1990	4	11	3	1
R. P. Jain	Independent Director	None	15 June 1992	2	4	1	2
Bhagwati Devi Dalmia	Director	Mother of Mr. Girdhar Gopal Dalmia	30 September 2014	1	1	0	0

- (1) Other Directorships are those which are not covered under Section 165 of the Companies Act, 2013.
- (2) Membership / Chairmanship in Audit and Shareholders' Grievance Committees of all public limited companies, whether listed or not, including DLL's are considered. Foreign companies, private limited companies and companies under Section 8 of the Companies Act, 2013 have been excluded.
- (3) Based on the recommendations of the Nomination and Remuneration Committee, have appointed Mr. G. G. Dalmia as the "Managing Director and CEO" with effect from 1 April 2015 and Manish Dalmia as "CFO" with effective from 1 March 2015.

### Term of Board Membership

The Board, on the recommendations of the Nomination and Remuneration Committee, considers the appointment and re-appointment of Directors.

Section 149 of the Companies Act, 2013, provides that an Independent Director can be appointed for a term of up to five consecutive years on the Board of a Company and shall be eligible for re-appointment on passing of a special resolution by the shareholders of the Company. The Independent Directors shall not retire by rotation.

Accordingly, all the Independent Directors of the Company were appointed as Independent Directors under Section 149 of the Companies Act, 2013, for a term ranging from 5 years at the 28th Annual General Meeting.

As per the provisions of the Companies Act, 2013, one-third of the Board members other than Independent Directors, who are subject to retire by rotation, retire every year; and approval of shareholders is sought for the re-appointment of such retiring members, if eligible.



## REPORT ON CORPORATE GOVERNANCE (Contd.)

Executive Directors are appointed by shareholders for a maximum period of five years at a time, and are eligible for re-appointment upon completion of the term. The Board, on the recommendations of the Nomination and Remuneration Committee, considers the appointment and re-appointment of Directors.

Mr. Vijay Dalmia, Director, retires by rotation at the forthcoming Annual General Meeting, and being eligible, seeks reappointment.

### Selection and Appointment of New Directors

Induction of any new member on the Board of Directors is the responsibility of the Nomination and Remuneration Committee. Taking into account the existing composition and organization of the Board, and the requirement of new skill sets, if any, the Nomination and Remuneration Committee reviews potential candidates in terms of their expertise, skills, attributes, personal and professional backgrounds, gender and their ability to attend meetings. The potential Board member for the office of Independent Director is also assessed on the basis of independence criteria defined in Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Committee then places the details of such candidates that meet these criteria to the Board of Directors for their consideration. If the Board approves, the person is appointed as an Additional Director, subject to the approval of shareholders in the Company's Annual General Meeting.

### Letter of Appointment

The Independent Directors on the Board of the Company, upon appointment, are given a formal appointment letter inter alia containing the term of appointment, roles, function, duties & responsibilities, code of conduct, disclosures, confidentiality, etc. The terms and conditions of the appointment of Independent Directors are available on the Company's website.

### Directors' Share and Debenture Holding in the Company

Table 2 gives details of shares held by the Directors as on 31 March 2015.

Table2: Shares, debentures and stock options held by the Directors as on 31 March 201 5	
Name	No. of shares held
Girdhar Gopal Dalmia	12,28,750
Manish Dalmia	1,81,950
Vijay Dalmia	75,000
P. K. Kayan	300
R. P. Jain	100
Bhagwati Devi Dalmia	25100

### Meetings of the Board

The Company plans and prepares the schedule of the Board and Board Committee meetings in advance to assist the Directors in scheduling their program. The schedule of meetings and agenda for meeting is finalized in consultation with the Directors. The agenda of the meeting is pre-circulated with presentations, detailed notes, supporting documents and executive summary.

As per the provisions of the Companies Act, 2013 read with Clause 49 with the Listing Agreement and Secretarial Standard 1, the Board of Directors must meet at least four times a year, with a maximum time gap of not more than one hundred and twenty days between two Board meetings.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

DLL's Board met 18 times during the financial year under review: on 7 April 2014, 18 April 2014, 30 April 2014, 14 May 2014, 20 May 2014, 28 May 2014, 23 June 2014, 25 July 2014, 14 August 2014, 25 August 2014, 12 September 2014, 30 September 2014, 8 October 2014, 14 November 2014, 17 December 2014, 2 February 2015, 13 February 2015, 27 March 2015.

Details of Directors and their attendance in Board meetings and Annual General Meeting are given in Table 3.

<b>Table 3: Directors' attendance at Dalmia Laminators Ltd's Board Meeting and AGM held during 2014</b>			
<b>Name</b>	<b>Meetings held in Director's tenure</b>	<b>Number of Board meetings attended</b>	<b>Attendance in last AGM on 30 September 2014</b>
Girdhar Gopal Dalmia	18	18	Present
Manish Dalmia	18	18	Absent
Vijay Dalmia	18	18	Present
P. K. Kayan	18	12	Present
R. P. Jain	18	5	Present
K. K. Bhiwaniwalla*	18	1	NA
Bhagwati Devi Dalmia**	6	4	Absent

\*Ceased to be Non- Executive Director w.e.f. 11.07.2014.

\*\*Appointed as a Non- Executive Director w.e.f. 30.09.2014

The Board and its Committee meetings at DLL's typically comprise one-day session. In the course of these meetings, the business unit heads and key management personnel make presentations to the Board. The Board is updated on the discussions at the Committee meetings and their recommendations through the Chairman of the respective Committees.

### Information given to the Board

The Company provides the following information to the Board and the Board Committees. Such information is submitted either as part of the agenda papers in advance of the meetings or by way of presentations and discussion material during the meetings.

- Annual operating plans and budgets, capital budgets, updates and all variances.
- Quarterly, half yearly and annual results of the Company and its operating divisions or business segments.
- Detailed presentations on the progress in research and development (R&D) and new drug discoveries.
- Minutes of meetings of the Audit Committee and other Committees.
- Information on recruitment and remuneration of key executives below the Board level.
- Significant regulatory matters concerning Indian or foreign regulatory authorities.
- Issues which involves possible public or product liability claims of a substantial nature, if any.
- Risk analysis of various products, markets and businesses.
- Detailed analysis of potential acquisition targets or possible divestments.
- Details of any joint venture or collaboration agreements;

## REPORT ON CORPORATE GOVERNANCE (Contd.)

- Transactions that involve substantial payment towards, or impairment of, goodwill, brand equity or intellectual property.
- Significant sale of investments, subsidiaries, assets, which are not in the normal course of business.
- Contracts in which Director(s) are interested.
- Materially important show cause, demand, prosecution and penalty notices, if any.
- Fatal or serious accidents or dangerous occurrences, if any;
- Significant effluent or pollution problems, if any.
- Materially relevant default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company, if any.
- Significant labor problems and their proposed solutions, if any.
- Significant development in the human resources and industrial relations fronts.
- Quarterly details of foreign exchange exposure and the steps taken by management to limit the risks of adverse exchange rate movement.
- Non-compliance of any regulatory or statutory nature or listing requirements as well as shareholders' services such as non-payment of dividend and delays in share transfer, if any.
- Subsidiary companies minutes, financial statements, significant investments.
- Significant transactions and arrangements.

### Post meeting follow-up mechanism

The important decisions taken at the Board / Board Committees' meetings are communicated to the concerned departments /divisions promptly. An action taken/status report on the decisions of the previous meeting(s) is placed at the next meeting of the Board/Board Committees for information and further recommended action(s), if any.

### Meetings of Independent Directors in executive session

During FY2015, the Independent Directors of DLL's met four times in executive sessions without the presence of management. In addition to these four, the Company is ready to facilitate such sessions as and when required by the Independent Directors. An Independent Director, with or without other Independent Directors, takes the lead to provide structured feedback to the Board about the key elements that emerge out of these executive sessions.

### Director's Remuneration

The Executive Directors are appointed by shareholders' resolution for a period of five years. No severance fees is payable to the Executive Directors. All components of remuneration to the Executive Directors are fixed and in line with the Company's policies.

The remuneration of the two Executive Directors is recommended by the Nomination and Remuneration Committee to the Board for consideration.

No sitting fee is paid to Non-Executive Non-Independent Directors and Independent Directors for attending meetings of the Board and its Committees.

The remuneration paid or payable to the Directors for their services rendered during FY2015 is given in Table 4.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

Table4: Remuneration paid or payable to the Directors for FY2015				(in lacs)
Name of Directors	Sitting fees <sup>(1)</sup>	Salaries	Perquisites	Total
Girdhar Gopal Dalmia	-	1.80	-	1.80
Manish Dalmia	-	1.31 <sup>(2)</sup>	-	1.31
Vijay Dalmia	-	-	-	-
R. P. Jain	-	-	-	-
P. K. Kayan	-	-	-	-
Bhagwati Devi Dalmia	-	-	-	-

### Notes:

(1) No Sitting Fee is paid to the Directors

(2) Appointed w.e.f. March 1, 2015, hence, salary paid for March, 2015 only.

### The criteria for making payments to the Executive Directors are:

- Salary, as recommended by the Nomination and Remuneration Committee and approved by the Board and the shareholders. Perquisites and retirement benefits are also paid in accordance with the Company's compensation policies, as applicable to all employees.
- Remuneration paid to the Executive Directors is determined keeping in view the industry benchmarks.

### Independent Directors:

The Independent Directors of the Company head the following governance and / or Board Committee functions:

- Mr. R. P. Jain: Finance, corporate strategy and acts as a Lead Independent Director.
- Mr. P. K. Kayan: Governance overview.

### Risk Management

The Company has an enterprise-wide risk management (ERM) system in place. An independent Risk Management Committee of the Board oversees and reviews the risk management framework, assessment of risks, and management and minimization procedures. The Committee reports its findings and observations to the Board. A section on risk management practices of the Company under the ERM framework forms a part of the chapter on Management Discussion and Analysis in this annual report.

### Compliance Reviews

DLL's has a dedicated team under an identified Compliance Officer (other than such an officer under the Listing Agreement) for overseeing compliance activities-including monitoring, and a defined framework to review the compliances with all laws applicable to the Company. The compliance status is periodically updated to the senior management team including the CEO and the CFO through forums and review meetings. Presentations are scheduled in the quarterly Audit Committee meetings regarding the status on compliance.

### Code of Business Conduct and Ethics

The Company has adopted a Code of Business Conduct and Ethics (the 'Code'), which applies to all its Directors and employees of the Company, its subsidiaries and affiliates. It is the responsibility of all Directors and employees to familiarize themselves with this Code and comply with its standards.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

The Board and the senior management across the globe affirm compliance with the Code of Business Conduct and Ethics annually. A certificate of the Managing Director and Chief Executive Officer of the Company to this effect is enclosed as Exhibit 1 to this section.

### **Related Party Transactions**

The details of related party transactions are discussed in detail in Note No. 2.9 of Notes to the Financial Statements. All related party transactions during the year, in the ordinary course of business or otherwise, were placed before the Audit Committee and subsequently before the Board. All related party transactions were on arm's length basis.

### **Subsidiary Companies**

The Company does not have any subsidiary of the Company.

### **Disclosure on Accounting Treatment**

In the preparation of financial statements for FY2015, there is no treatment of any transaction different from that prescribed in the Accounting Standards notified by the Government of India under the Companies Act, 2013.

### **Committees of the Board**

The Board Committees focus on specific areas and make informed decisions within the authority delegated. Each such Committee is guided by its Charter, which defines the composition, scope and powers. The Committees also make specific recommendations to the Board on various matters whenever required. All observations, recommendations and decisions of the Committees are placed before the Board for information or for approval.

The Company has seven Board-level Committees, namely:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Corporate Social Responsibility Committee

### **Audit Committee**

The management is responsible for the Company's internal controls and the financial reporting process while the statutory auditors are responsible for performing independent audits of the Company's financial statements in accordance with generally accepted auditing practices and for issuing reports based on such audits.

The Board of Directors has entrusted the Audit Committee with the responsibility to supervise these processes and thus ensure accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting. The primary responsibilities of the Audit Committee are to:

- Supervise the financial reporting process.
- Review the quarterly and annual financial results before placing them to the Board along with related disclosures and filing requirements.
- Review the adequacy of internal controls in the Company, including the plan, scope and performance of the internal audit function.
- Discuss with management, the Company's major policies with respect to risk assessment and risk management.
- Hold discussions with statutory auditors on the nature and scope of audits and any views that they have about the financial control and reporting processes.
- Ensure compliance with accounting standards and with listing requirements with respect to the financial statements.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

- Recommend the appointment and removal of external auditors and their fees.
- Recommend the appointment of cost auditors.
- Review the independence of auditors.
- Ensure that adequate safeguards have been taken for legal compliance both for the Company and its other Indian as well as foreign subsidiaries.
- Review related party transactions.
- Review the functioning of Whistle Blower mechanism.
- Review the implementation of applicable provisions of the Sarbanes-Oxley Act, 2002.

The Audit Committee comprises of two Independent Directors and one Non-Executive Non-Independent Director. All members of the Audit Committee are financially literate and bring in expertise in the fields of finance, economics, human resource development, strategy and management.

The Audit Committee met Four times during FY 2015 on 28 May, 2014, 14 August 2014, 14 November 2014 and 13 February 2015. It also met the key members of finance team and internal audit team along with the CEO and the CFO to discuss matters relating to audit, compliance and accounting. During the year, the Committee also met statutory auditors without the presence of the management on more than one occasion. In addition, the Chairman of the Audit Committee and other members met to review other processes, particularly the progress on internal control mechanisms to prepare for certification under Section 404 of the Sarbanes-Oxley Act, 2002.

The Company is in compliance with the provisions of the Clause 49 of the Listing Agreement, as amended, on the time gap between any two Audit Committee meetings. Table 5 gives the composition and attendance record of the Audit Committee.

<b>Table 5: Audit Committee Membership and attendance during FY2015</b>			
Committee members	Position	Meetings held	Meetings attended
Mr. R. P. Jain	Chairman	4	4
Mr. P. K. Kayan	Member	4	3 <sup>(1)</sup>
Mr. Vijay Dalmia	Member	4	3 <sup>(1)</sup>

(1) Was given leave of absence on request.

The Managing Director & CEO, the CFO and the Internal Auditor are permanent invitees to all Audit Committee meetings. The statutory auditors of the Company are present in the Audit Committee meetings during the year. The Company Secretary officiates as the secretary of the Committee.

Audit Committee meetings are generally preceded by pre-Audit Committee conference calls with the Committee members, the CFO, the internal audit and compliance teams, the external auditors and other key finance personnel from the Company. These calls discuss major audit related matters and identify items that need further face-to-face discussion at the Audit Committee meetings.

The internal and statutory auditors of the Company discuss their audit findings and updates with the Audit Committee and submit their views directly to the Committee. Separate discussions are held with the internal auditors to focus on compliance issues and to conduct detailed reviews of the processes and internal controls in the Company.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

### Nomination and Remuneration Committee

The Nomination and Remuneration Committee entirely comprises of Non- Executive Directors. The primary functions of the Committee are to:

- Examine the structure, composition and functioning of the Board, and recommend changes, as necessary, to improve the Board's effectiveness.
- Assess the Company's policies and processes in key areas of corporate governance, other than those explicitly assigned to other Board Committees, with a view to ensuring that the Company is at the forefront of good governance practices.
- Regularly examine ways to strengthen the Company's organizational health, by improving the hiring, retention, motivation, development, deployment and behavior of management and other employees. In this context, the Committee also reviews the framework and processes for motivating and rewarding performance at all levels of the organization, reviews the resulting compensation awards, and makes appropriate proposals for Board approval. In particular, it recommends all forms of compensation to be granted to Directors, executive officers and senior management employees of the Company.

The head of Human Resources (HR) makes periodic presentations to the Committee on organization structure, talent management, leadership, performance appraisals, increments, performance bonus recommendations and other HR matters.

The Nomination and Remuneration Committee met four times during the year: on 28 May, 2014, 14 August 2014, 14 November 2014 and 13 February 2015. The Managing Director & CEO and CFO are permanent invitee to all Nomination and Remuneration Committee meetings.

Table 6 gives the composition and attendance record of the Nomination and Remuneration Committee.

<b>Table 6: Nomination &amp; Remuneration Committee membership and attendance during FY2015</b>			
Committee members	Position	Meetings held	Meetings attended
Mr. P. K. Kayan	Chairman	4	4
Mr. R. P. Jain	Member	4	3 <sup>(1)</sup>
Mr. Vijay Dalmia	Member	4	3 <sup>(1)</sup>

1) Was given leave of absence on request.

### Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee is empowered to perform the functions of the Board relating to handling of shareholders' queries and grievances. It primarily focuses on:

- Review of investor complaints and their redressal.
- Review of queries received from investors.
- Review of work done by the share transfer agent.
- Review of corporate actions related to shareholder issues.

The Stakeholders' Relationship Committee consists of three Directors, including two Independent Directors. The Chairman of the Committee is an Independent Director. The Committee met four times during the year: on 28 May, 2014, 14 August 2014, 14 November 2014 and 13 February 2015.



## REPORT ON CORPORATE GOVERNANCE (Contd.)

Table 9 gives the composition and attendance record of the Committee.

<b>Table9: Stake holders' Relationship Committee membership attendance during FY2015</b>			
Committee members	Position	Meetings held	Meetings attended
Mr. P. K. Kayan	Chairman	4	4
Mr. R. P. Jain	Member	4	3 <sup>(1)</sup>
Mr. Vijay Dalmia	Member	4	3 <sup>(1)</sup>

(1) Was given leave of absence on request..

The Company Secretary officiates as the secretary of the Committee and is also designated as Compliance Officer in terms of the Listing Agreement with the Stock Exchanges. An analysis of investor queries and complaints received during the year and disposed is given in this annual report in the chapter on Additional Shareholders' Information.

### Corporate Social Responsibility Committee

The Committee consists of three Directors, including two Executive Directors. The Chairman of the Committee is an Independent Director. The CSR Committee is empowered to perform the functions of the Board relating to handling the social initiatives.

Its primary functions are to:

- Formulate, review and recommend to the Board, a CSR policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- Recommend the amount of expenditure to be incurred on the initiatives as per the CSR policy.
- Provide guidance on various CSR initiatives undertaken by the Company and monitoring their progress.
- Monitor implementation and adherence to the CSR Policy of the Company from time to time.

The CSR Committee formulated and recommended the CSR policy to the Board, during the year. The Committee met four times during the year: on 7 April 2014, 31 July 2014, 9 December 2014 and 28 January 2015.

Table 10 gives the composition and attendance record of the Committee.

<b>Table 10: Corporate Social Responsibility Committee membership attendance during FY2015</b>			
Committee members	Position	Meetings held	Meetings attended
Mr. Manish Dalmia	Chairman	4	4
Mr. Vijay Dalmia	Member	4	4
Mr. P. K. Kayan	Member	4	4

### Management

The management of company develops and implements policies, procedures and practices that attempt to translate the Company's core purpose and mission into reality. The management also identifies, measures, monitors and minimizes risk factors in the business and ensures safe,



## REPORT ON CORPORATE GOVERNANCE (Contd.)

sound and efficient operation. These are internally supervised and monitored through the Managing Director & CEO.

Listed below are some of the key issues that were considered by the management during the year under review:

- Company's long term strategy, growth initiatives and priorities.
- Overall Company performance, including those of various business units.
- Decision on major corporate policies.
- Discussion and sign-off on annual plans, budgets, investments and other major initiatives.
- Discussion on business alliances proposals and organizational design.

### **Management Discussion and Analysis**

This chapter of the annual report constitutes the Company's Management Discussion and Analysis.

### **Management Disclosures**

Senior management of the Company (Senior Manager level and above, as well as certain identified key employees) make annual disclosures to the Board relating to all material financial and commercial transactions in which they may have personal interest, if any, and which may have a potential conflict with the interest of the Company. Transactions with key managerial personnel are listed in the financial section of this annual report under Related Party Transactions.

### **Prohibition of Insider Trading**

The Company has a policy prohibiting Insider Trading in conformity with applicable regulations of the SEBI in India. Necessary procedures have been laid down for Directors, officers and designated employees for trading in the securities of the Company. The policy and procedures are periodically communicated to the employees who are considered as insiders of the Company. Trading window closure / blackouts / quiet periods, when the Directors and employees are not permitted to trade in the securities of the Company, are intimated to all Directors and employees, in advance, whenever required.

### **Internal Control Systems**

DLL's has both external and internal audit systems in place. Auditors have access to all records and information of the Company. The Board recognizes the work of the auditors as an independent check on the information received from the management on the operations and performance of the Company. The Board and the management periodically review the findings and recommendations of the statutory and internal auditors and takes corrective actions whenever necessary.

### **Internal Controls**

The Company maintains a system of internal controls designed to provide reasonable assurance regarding:

- Effectiveness and efficiency of operations.
- Adequacy of safeguards for assets.
- Reliability of financial controls.
- Compliance with applicable laws and regulations.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

The integrity and reliability of the internal control systems are achieved through clear policies and procedures, process automation, careful selection, training and development of employees and an organization structure that segregates responsibilities. Internal Audit at DLL's is an independent and objective assurance function, responsible for evaluating and improving the effectiveness of risk management, control and governance processes. The internal audit department prepares annual audit plans based on risk assessment, and conducts extensive reviews covering financial, operational and compliance controls and risk mitigation. Areas requiring specialized knowledge are reviewed in partnership with external experts. Suggested improvement in processes are identified during reviews, and communicated to the management on an on-going basis.

The Audit Committee of the Board monitors the performance of internal audit department on a periodic basis through review of audit plans, audit findings and speed of issue resolution through follow-ups. Each year, there are at least four meetings held, where the Audit Committee reviews internal audit findings, in addition to special meetings and teleconferences.

### CEO and CFO Certification

A certificate of the Managing Director & Chief Executive Officer as well as the Chief Financial Officer of the Company on financial statements and applicable internal controls as stipulated under Clause 49 of the Listing Agreement is enclosed as Exhibit 6 to this chapter.

### Statutory Audits

For FY2015 S. K. Ghosh & Co, Chartered Accountants audited the financial statements prepared under the Indian GAAP.

While auditing the operations of the Company, the external auditors recorded their observations and findings with the management. These were then discussed by the management and the auditors at the Audit Committee meetings as well as conference calls with members of the Audit Committee. Remedial measures suggested by the auditors and the Audit Committee have been either implemented or taken up for implementation by the management.

### Auditors' Fees

During FY2015, the Company paid Rs. 1.5 lacs to S. K. Ghosh & Co, the statutory auditors as audit fees.

### Means of Communication

1. **Quarterly and annual results:** Quarterly and annual results of the Company are published in widely circulated national newspapers and the local vernacular daily. These are also made available on corporate website: [mldalmiagroup.com](http://mldalmiagroup.com)
2. **Website:** The primary source of information regarding the operations of the Company is the corporate website: [www.mldalmiagroup.com](http://www.mldalmiagroup.com). All official news releases and presentations made to institutional investors and analysts are posted on this website. It contains a separate dedicated section called 'Investors', where the relevant information for shareholders is available. The webcast of the proceedings of the Annual General Meeting is also made available on the website.
3. **Annual report:** The Company's annual report containing, inter alia, the Directors' Report, Corporate Governance Report, Management's Discussion and Analysis (MD&A) Report, Audited Annual Accounts, Auditors' Report and other important information is circulated to members and others so entitled. The annual report is also available on the website in a user-friendly and downloadable form.

## **REPORT ON CORPORATE GOVERNANCE (Contd.)**

***Register to receive electronic communications:*** The Company has provided an option to the shareholders to register their email id either by writing to the Company or to the Registrar and Share Transfer Agent to receive electronic communications.

### **Compliance with Code of Conduct for Directors and Senior Management (Declaration as per Clause 49 (II)(E) of the Listing Agreement)**

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Conduct for Directors and Senior Management in respect of financial year 2014-15.

For **Dalmia Laminators Limited**

Girdhar Gopal Dalmia  
Managing Director

Kolkata, May15, 2015

## **REPORT ON CORPORATE GOVERNANCE (Contd.)**

### **Certification on Corporate Governance**

To  
The Members of  
Dalmia Laminators Limited

I have examined the compliance of conditions of corporate governance by Dalmia Laminators Limited, for the year ended on 31st March, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. My 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 my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

I 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.

SD/-

**CS Abbas Vithorawala**

ACS No.23671

C P No: 8827

Place: Kolkata

Date: May 30, 2015

## **REPORT ON CORPORATE GOVERNANCE (Contd.)**

### **Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification**

(Pursuant to Clause 49(IX) of the Listing Agreement)

We, Girdhar Gopal Dalmia, Managing Director and Chief Executive Officer, Manish Dalmia Chief Financial Officer of Dalmia Laminators Limited, to the best of our knowledge and belief, certify that:

- a) We have reviewed the financial statements and the cash flow statement for the year ended 31 March 2015 and that to the best of our knowledge and belief:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
  - (i) Significant changes in internal control during the year;
  - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control.

**For Dalmia Laminators Limited**

Girdhar Gopal Dalmia  
Managing Director & CEO

Manish Dalmia  
Chief Financial Officer

Place: Kolkata

Date : 15 May 2015

## MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

### Indian Economy

As per the latest data released by International Monetary Fund India will be the world's fastest growing economy for the second consecutive year in 2016 at 7.5 percent, even as it lowered its current year global economy growth forecast to 3.3 per cent.

IMF retained India's growth projection for current year at 7.5 per cent, which. It forecast a growth rate of 7.5 per cent for India in 2016 as well. The Indian Finance Ministry expects GDP growth to be 8-8.5 per cent in 2015-16, while the Reserve Bank of India estimated it at 7.6 per cent.

The government's initial estimates for Fiscal Year 2014 (ending 31 March 2015) show that economic growth accelerated to 7.4%. Agriculture growth slipped to 1.1% in FY2014 largely because the monsoon was erratic, particularly affecting the summer crop. The production of food grains contracted by 3.2% from FY2013.

After growing by 4.5% in FY2013, industry accelerated to 5.9% in FY2014, helped by a 6.8% expansion in manufacturing. These estimates may be a tad optimistic, however, as they assume manufacturing growth to have exceeded 10% in the final quarter of FY2014. Monthly industrial production estimates indicate a more modest upturn. The production of capital goods expanded after 3 years in the red. However, consumer durables continued to decline. Improved coal production helped double the growth of electricity generation over the previous year's rate.

### Economic prospects

Growth in the gross domestic product is expected to accelerate to 7.8% in FY2015 on improved performance in both industry and services as policy addresses structural bottlenecks and external demand improves.

Growth is expected to edge up further to 8.2% in FY2016, helped by a supportive monetary policy in 2015, as inflation continues to trend lower and by a pickup in capital expenditure.

### Operations

The Company has only one business segment viz woven sacks, normally known as Raffia bags. The Company manufactures both HDPE and P.P. Woven sacks. Almost the entire products are sold in the southern part of India. The Company owns a fair share of market in raffia Industries of India.

### Opportunities:

- Growing and untapped market can be ventured
- Potential for up-gradation of technologies of production
- The pro-business Government's thrust on implementing stuck infrastructural projects and initiating new projects is expected to drive the demand

### Threats:

- Growing competition from the other similar manufacturers as well as of other manufacturers of bags of different material, i.e. Jute, Paper is present
- Threat of cheap import from outside countries cannot be ignored
- Use of eco-friendly jute bags may increase

## MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

- Government policy may change on the mandatory use of other bags e.g. paper bags, jute bags or any substitute.
- Migratory work force is another contributing factor

### Future Outlook

- Focus of government on infrastructure project will increase the demand for cement and thereby drive demand of our product
- Increasing demand of fertilizers in India will drive demand of our product

### Financial and operational Performance:

#### Production Performance:

The Company is engaged in the manufacturing of Plastic Woven Sacks (PWS) used for bulk packaging of Cement, Fertilizer, Food grains & Sugar, Chemicals and other commodities. 84.52% of the total revenue of the Company is derived from this activity. 19.26 crore of bags was produced during the year against 19.50 Crores bags against previous year.

The operational performance of the Company during the period under review was satisfactory. We intend to achieve sustainable and profitable growth through our consistent efforts.

#### Operating Results:

Key highlights of financial performance for the Company for the financial year 2014-15 are tabulated below:

Particulars	FY2015	FY2014
Sales and Other Income	23722.60	19494.83
Profit before Tax	1129.08	1064.30
Profit after Tax	1568.02	702.10
Balance brought forward from previous year	2298.63	1596.52
EPS	38.38	18.85

### Risks and concern

Risk and its management: Risk accompanies prospects. As a responsible corporate, it is the endeavour of the management to minimise the risks inherent in the business with the view to maximise returns from business situations.

The architecture: At the heart of the Company's risk mitigation strategy is a comprehensive and integrated risk management framework that comprises prudential norms, structured reporting and control. This approach ensures that the risk management discipline is centrally initiated by the senior management but prudently decentralized across the organization, percolating to managers at various organizational levels helping them mitigate risks at the transactional level.

The discipline: The Company has clearly identified and segregated its risks into separate components, namely potential, operational, financial, strategic and growth execution. All the identified risks are inter-linked with the Annual Business Plans of the Company, so as to facilitate Company-wide reviews.

## MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

The review: A Risk Management Committee of the Board of Directors, comprising Board Members, has been constituted to review periodically updates on identified risks, implementation of mitigation plans and adequacy thereof, identification of new risk areas etc.

The Board of Directors also reviews the Risk identification process and mitigation plans regularly. Further, the Company has engaged a reputed consultant to revisit / reassess the Risk Management framework of the Company to identify the method / process of identification and mitigation of the risks and to assure their adequacy in the ever-evolving business environment.

Key counter measures: The Company has institutionalized certain risk mitigation procedures outline as under:

- Wherever possible and necessary, appropriate insurance cover is taken for financial risk mitigation. Confirmation of compliance with applicable statutory requirements are obtained from the respective unit/divisions and subjected to an elaborate verification process.
- Quarterly reports on statutory compliances, duly certified, are submitted to the Audit Committee as well as the Board of Directors for review.
- Compliance(s) with exception(s), if any, are duly reported to the Audit Committee and the Board of Directors.
- Status of Demand/Notices on the Company, under various Acts and Rules, as well as status of litigations are reported to the Board of Directors every quarter.

### Internal Control Systems

DLL has both external and internal audit systems in place. Auditors have access to all records and information of the Company. The Board recognizes the work of the auditors as an independent check on the information received from the management on the operations and performance of the Company. The Board and the management periodically review the findings and recommendations of the statutory and internal auditors and takes corrective actions whenever necessary.

The Company maintains a system of internal controls designed to provide reasonable assurance regarding:

- Effectiveness and efficiency of operations.
- Adequacy of safeguards for assets.
- Reliability of financial controls.
- Compliance with applicable laws and regulations.

### Corporate Social Responsibility

The Company has been at the forefront in extending benefits to the local communities in and around its plant location. We have always believed in the sustainable development of the society. We have earned the trust of the local community over the years through our community services, on a regular basis, throughout the year.



## MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

### Human Resources and Industrial Relations

Our employees are our core resource and the Company has continuously evolved policies to strengthen its employee value proposition. Your Company was able to attract and retain best talent in the market and the same can be felt in the fast growth of MLD Group. The Company is constantly working on providing the best working environment to its Human Resources with a view to inculcate leadership, autonomy and towards this objective; your company spends large efforts on training. Your Company shall always place all necessary emphasis on continuous development of its Human Resources. The belief "great people create great organization" has been at the core of the Company's approach to its people.

### Cautionary Statement

*Statements in this Management Discussion and Analysis report detailing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand supply conditions, raw material prices, finished goods prices, cyclical demand and pricing in the Company's products and their principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries with which the Company conducts business and other factors such as litigation and / or labor negotiations.*

# INDEPENDENT AUDITORS' REPORT

## **To the Members of Dalmia Laminators Limited**

### **Report on the Financial Statement**

We have audited the accompanying financial statements of Dalmia Laminators Limited which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the Act") with respect to the preparation and presentation of these standalone financial statement that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments the auditor considers internal financial control relevant to the Company's preparation of the financial statement that gives a true and fair view in order to design audit procedures that are

## INDEPENDENT AUDITORS' REPORT (Contd.)

appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of Cash Flow Statement of the Cash Flow for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

## **INDEPENDENT AUDITORS' REPORT (Contd.)**

- e) On the basis of the written representations received from the directors as on 31st March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2015 from being appointed as a director in terms of Section 164 (2) of the Act, and
- f) With respect to the other matter to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us.
  - i) The Company has no pending litigations to be disclosed or effect of which is to be taken on its financial position in its financial statement.
  - ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii) Company does not have any amount which were required to be transferred to the Investor Education and Protection Fund.

**For S. K. Ghosh & Company**  
**Chartered Accountants**  
**FRN - 301017E**

10, Old Post Office Street  
Kolkata – 700001

**(SUBHAYU GHOSH)**  
Partner

Dated : 15th May, 2015

( Membership No. 057555 )

## INDEPENDENT AUDITORS' REPORT : Annexure

The Annexure to our Independent Auditor's Report referred to the members of the company on the Standalone Financial Statement for the year ended March 31, 2015, we report that :

- i) a. The Company is maintaining proper records to show full particulars, including quantitative details and situation of its Fixed Assets.

b. The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of Company and the nature of its assets.
- ii) a. During the year, the stock of Finished Goods, Raw Materials, Work In Progress, Stores & Spares etc of the company at all its locations have been physically verified by the management at regular intervals.

b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

c. On the basis of our examination of the record of inventories, we are of the opinion that, the company is maintaining proper records of inventories. The discrepancies noticed on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of accounts.
- iii) During the year, the company has not granted any loans, Secured or Unsecured to Companies, Firm or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
- iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods & services. We have not observed any major weakness in the internal control system during the course of the audit.
- v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the public during the year.
- vi) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the rules made by the Central government for the maintenances of cost records under section under section 148(1) of the Act. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii) a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

## **INDEPENDENT AUDITORS' REPORT : Annexure (Contd.)**

- b. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31st March 2015 for a period of more than six months from the date they became payable.
- c. According to the information and explanations given to us, there are no material dues of wealth tax, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute.
- viii)** The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- ix)** According to the records of the Company examined by us, the Company has not defaulted in repayment of dues to any Bank or Financial Institution. The Company does not have any borrowings by issue of debentures.
- x)** As indicated in Note No. 2 (ii) (b) the company has given a co-guarantee as collateral security for loans taken by an associate company from bank. The terms & condition whereof in our opinion, are not prima-facie prejudicial to the interest of the company.
- xi)** According to the information and explanations given to us, the company has applied the term loan obtained during the year from bank, for the purpose for which loans were obtained.
- xii)** During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us we have neither come across any incidence of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

**For S. K. Ghosh & Company**  
**Chartered Accountants**  
**FRN - 301017E**

10, Old Post Office Street  
Kolkata - 700001  
Dated : 15th May, 2015

**( SUBHAYU GHOSH )**  
Partner  
( Membership No. 057555 )

## Balance Sheet As At 31st March, 2015

₹ in Lacs

₹ in Lacs

Particulars	Note No.	As at 31st March, 2015	As at 31st March, 2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
(a) Share Capital	2	408.50	372.50
(b) Reserves and surplus	3	6,965.08	5,181.18
<b>2 Share Application Money Pending Allotment</b>		-	900.00
<b>3 Non-current Liabilities</b>			
(a) Long-term borrowings	4	8,733.63	9,343.46
(b) Deferred tax liabilities (Net)	5	713.21	1,152.14
(c) Other Long term liabilities	6	14.55	34.49
(d) Long-term provisions	7	88.46	262.36
<b>4 Current Liabilities</b>			
(a) Short-term borrowings	8	4,698.99	5,335.26
(b) Trade Payables	9	508.38	1,067.75
(c) Other current liabilities	10	820.89	1,194.31
(d) Short-term provisions	11	29.27	27.94
<b>TOTAL</b>		<b>22,980.96</b>	<b>24,871.39</b>
<b>II. ASSETS</b>			
<b>Non-Current Assets</b>			
<b>1 (a) Fixed assets</b>	12		
(i) Tangible Assets		9,833.65	10,667.11
(ii) Intangible assets		0.50	0.50
(iii) Capital Work-In-Progress		1,979.35	2,343.33
(b) Long-term loans and advances	13	449.20	310.80
<b>2 Current Assets</b>			
(a) Current investments	14	424.72	424.72
(b) Inventories	15	4,999.51	6,560.12
(c) Trade Receivables	16	2,989.26	3,484.40
(d) Cash and cash equivalents	17	51.98	42.74
(e) Short-term loans and advances	18	2,149.68	1,005.84
(f) Other current assets	19	103.11	31.83
<b>TOTAL</b>		<b>22,980.96</b>	<b>24,871.39</b>

The notes form an integral part of these financial statements

Notes on Financial Statements

1 to 27

In terms of our report attached.

For and on behalf of the Board of Directors

For **S. K. GHOSH & COMPANY**

Chartered Accountants

FRN - 301017E

(SUBHAYU GHOSH)

Managing Director

Director

Partner

Membership No. - 057555

10, Old Post Office Street

Kolkata, 15th May, 2015

Company Secretary

Chief Financial Officer

# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

			₹ in Lacs	₹ in Lacs
Particulars	Note No.	Year ended 31st March, 2015	Year ended 31st March, 2014	
<b>I. Revenue from operations</b>	20	23,282.91	22,725.16	
Less: Excise duty & Commercial Taxes		3,231.54	3,256.01	
Revenue from operations (net)		20,051.37	19,469.15	
<b>II. Other income</b>	21	3,671.23	25.68	
<b>III. Total Revenue (I + II)</b>		<b>23,722.60</b>	<b>19,494.83</b>	
<b>IV. Expenses:</b>				
Cost of materials consumed	22	15,536.49	15,116.16	
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	23	1,270.96	(2,680.40)	
Employee benefits expense	24	257.32	253.90	
Finance costs	25	1,556.02	1,722.37	
Depreciation and amortization expense	26	770.94	707.47	
Other expenses	27	3,201.79	3,311.03	
<b>Total expenses</b>		<b>22,593.52</b>	<b>18,430.53</b>	
<b>V. Profit before tax (III- IV)</b>		1,129.08	1,064.30	
<b>VI. Tax expense:</b>				
(a) Current tax expense for current year		238.19	217.74	
(b) Add/(Less) MAT credit Entitlement		(238.19)	(217.74)	
<b>VII. Profit Before Deferred Tax</b>		1,129.08	<b>1,064.30</b>	
Add/(Less): Deferred Tax		438.94	(362.20)	
<b>VIII. Profit for the period</b>		<b>1,568.02</b>	<b>702.10</b>	
<b>IX. Earnings per equity share:</b>				
(1) Basic ( in ₹ )		38.38	18.85	
(1) Diluted ( in ₹ )		38.38	18.85	

The notes form an integral part of these financial statements

Notes on Financial Statements

1 to 27

**In terms of our report attached.**

**For and on behalf of the Board of Directors**

**For S. K. GHOSH & COMPANY**

Chartered Accountants

FRN - 301017E

(SUBHAYU GHOSH)

Managing Director

Director

**Partner**

**Membership No. - 057555**

10, Old Post Office Street

Kolkata, 15th May, 2015

Company Secretary

Chief Financial Officer



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

Particulars	Year ended 31st March 2015		Year ended 31st March 2014	
	in Lacs	in Lacs	in Lacs	in Lacs
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before extraordinary items		1,568.02		702.10
<u>Adjustments for:</u>				
Depreciation and amortisation	774.17		707.47	
Provision For Gratuity	1.24		2.51	
Interest Paid	1,556.02		1,722.37	
Adjustment For Taxation	(186.22)		603.96	
Profit/Loss on Sale of Fixed Assets	(3,552.96)		(0.28)	
Less: Interest & Dividend & Rent Received		(1,407.76)	(10.54)	3,025.49
<b>Operating profit / (loss) before working capital changes</b>		<b>160.26</b>		<b>3,727.59</b>
<u>Changes in working capital:</u>				
<u>Adjustments for (increase) / decrease in operating assets:</u>				
Inventories	1,560.62		(3,302.22)	
Trade receivables	495.15		(1,259.39)	
Trade advances & Other Trade Asset	(1,215.12)		(162.07)	
<u>Adjustments for increase / (decrease) in operating liabilities:</u>				
Trade payables and other current liabilities	(931.46)	(90.82)	299.71	(4,423.96)
		69.44		(696.37)
Income Tax Paid/ Refund		(485.49)		(182.06)
Cash generated from operations		(416.05)		(878.43)
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>(416.05)</b>		<b>(878.43)</b>
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed assets, including Capital Work In Progress	(1,974.74)		(911.11)	
(Increase) / Decrease in Non Current Assets	(80.77)		(13.11)	
(Increase) / Decrease in Non Current Liability	(19.94)		(21.10)	
Purchase Of Investment	-		(144.30)	
Proceeds from sale of assets	5,302.85		14.07	
Interest & Dividend & Rent Received	-	3,227.40	10.54	(1,065.02)
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>3,227.40</b>		<b>(1,065.02)</b>
<b>C. Cash flow from financing activities</b>				
Proceeds from issue of Equity Shares			900.00	
Increase / (Decrease) in long-term borrowings	(609.83)		1,880.73	
Increase / (Decrease) in Short-Term borrowings	(636.27)		847.27	
Interest Paid	(1,556.02)	(2,802.11)	(1,722.37)	1,905.63
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>(2,802.11)</b>		<b>1,905.63</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		9.24		(37.82)
Cash and cash equivalents at the beginning of the year		42.74		80.56
<b>Cash and cash equivalents at the end of the year</b>		<b>51.98</b>		<b>42.74</b>

Significant Accounting Policies & Notes to Accounts

1

Notes on Financial Statements

2 to 27

In terms of our report attached.

**For S. K. GHOSH & COMPANY**

Firm Registration No. 301017E

Chartered Accountants

(SUBHAYU GHOSH)

**Partner**

**Membership No. - 057555**

Kolkata, 15<sup>th</sup> May, 2015

Managing Director

Director

Company Secretary

Chief Financial Officer

## **NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015**

### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES FOR THE YEAR ENDED 31ST MARCH, 2015**

#### **1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS :**

The financial statements have been prepared as a going concern under historical cost convention, in accordance with the notified Accounting Standards by Companies Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 2013 as adopted consistently by the Company.

#### **1.2 FIXED ASSETS & DEPRECIATION :**

- a) Expenditure which are of Capital nature are capitalized at cost, which comprises of purchase price and interest on borrowed fund up to the commencement of production on specific assets and directly attributable to the cost of bringing the assets to its working condition for the intended use.
- b) Expenditure related to and incurred during implementation of new / expansion cum modernization of projects is included under capital work in progress and the same is allocated to the respective fixed assets on completion of its construction /erection /installation.
- c) i.) Depreciation on Plant and Machinery of all units is provided to the extent of depreciable amount on Straight Line Method (SLM) based on useful life of asset as prescribed in schedule II to the Companies Act 2013.  
  
ii) Depreciation on all other asset is provided to the extent of depreciable amount on written down value (WDV) based on useful life of asset as prescribed in schedule II to the Companies Act 2013.

#### **1.3 INVESTMENTS :**

Current quoted investments are stated at lower of cost or market rate on individual investment basis. Unquoted and long term investments are considered at cost.

#### **1.4 INVENTORIES:**

- a) Raw-materials are valued at rates determined on Exclusive method of valuation as per AS-2 Issued by the ICAI including transportation cost of such materials.
- b) Work in progress and finished goods are valued on direct cost method or net realizable price whichever is less.
- c) Stock of Stores & Spares are valued at cost.

#### **1.5 BORROWING COSTS:**

Borrowing costs relating to the acquisition/construction of qualifying assets are capitalized till the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. All other borrowing costs are charged to revenue.

## **NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)**

### **1.6 REVENUE RECOGNITION:**

- a) Revenue is recognized at the point of dispatch of materials to customers from factory and stock points and/or approval of materials by the customer. Claims & refunds are recorded as and when received. Subsidy is being accounted for as per the principle stated in AS-12. Capital Subsidy is recognized on receipt basis.
- b) Sales comprise of VAT and Excise Duty but excludes Discount.

### **1.7 RETIREMENT BENEFITS:**

- a) Contribution to Employees Provident Fund is made monthly at a predetermined rate which are in the nature of defined contribution scheme and debited to Profit & Loss Account on accrual basis. Encashable leave of the employees is provided for in the accounts and is paid once in every year.
- b) Post-employment benefits in the form of gratuity, which is a defined benefit obligation, is recognized as an expense in the Statement of Profit and Loss for the year in which the employee has rendered services. The liability is recognized at the present value of the amounts payable determined using actuarial valuation techniques based on projected unit credit method. Actuarial gains and losses in respect of post-employment benefits are charged to the Statement of Profit and Loss.

### **1.8 FOREIGN CURRENCIES:**

Payments made in foreign currency are converted into equivalent rupee value at which it is debited by bank.

### **1.9 CONTINGENT LIABILITIES:**

All known liabilities have been provided for in the accounts except liabilities of a contingent nature which are as follows:

- a) Contingent Liability in respect of Bank Guarantee issued in favor of financial institution/ Customer is Rs.297.21 Lacs.(Previous Year-Rs.156.10 Lacs).
- b) Contingent liability in respect of co-guarantee given to a bank on behalf of an associate company (related party) for a maximum amount of Rs.9531.00 Lacs.(Previous Year- Rs.9531.00 Lacs).

### **1.10 TAXES ON INCOME:**

Current Tax is determined at the amount of tax payable in respect of taxable income for the period. Deferred tax is recognized subject to the consideration of prudence in respect of deferred tax assets/liabilities, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. For this purpose, deferred tax assets and liabilities are reckoned on net basis, after inter-se set off, for each component of the timing differences.

## **2. NOTES FORMING INTEGRAL PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015**

- 2.1 The Company has commenced commercial production of its unit at Andhra Pradesh during the year. The related Capital work in progress has been capitalized to the respective assets.
- 2.2 Entire energy produced by the wind power unit has been captively consumed by the Company at its Gummidipoondi units after paying wheeling charges to Tamil Nadu Electricity Board. The units generated at the Company's wind power project have been deducted by the Tamil Nadu Electricity Board in the electricity bill for the supply made by Tamil Nadu Electricity Board at the Company's Gummidipoondi unit.

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)

2.3 During the Year the Company has purchased electricity captively generated by Associate Companies amounting to Rs. 222.20 Lacs/-. (Previous Year Rs 238.15/- lacs)

2.4 Remuneration to Auditors :

(Rs. in Lacs)

Particulars	31st March 2015 (In Rs.)	31st March 2014 (In Rs.)
a) Statutory Audit	1.50	1.50
b) Certification Fees	.64	.34
<b>Total</b>	<b>2.14</b>	<b>1.84</b>

2.5 Managerial Remuneration :

(Rs. in Lacs)

Particulars	31st March 2015 (In Rs.)	31st March 2014 (In Rs.)
a) Salary	3.11	1.80
b) Provident Fund Contribution	.29	.22
<b>Total</b>	<b>3.40</b>	<b>2.02</b>

2.6 During the year the company has received Rs. 76.06 lacs (Previous Year 58.38 Lacs) as interest from Textile Upgradation Fund Scheme (TUFFS), the amount of interest subsidy has been adjusted against the interest on Term loan paid by the Company.

2.7 There are no Micro & Small Scale Business Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2015. This information as required to be disclosed under the Micro, Small & Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

2.8 During the Year the company has expended Rs 17.00 Lacs towards Corporate Social Responsibility (CSR) included under other administrative expenses in Note No 27.

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)

### 2.9 Related Party Disclosure:

In accordance with Accounting Standard - 18 issued by the ICAI, the disclosures required are given below:

(Rs. in Lacs)

Sr. No.	Nature of Transaction	Associate Companies/ Concerns	Key Management Persons/their relatives
1	Interest Paid	89.71	228.45
2	Salary & Other benefits -		3.40
3	Rent	0.62	8.00
4	Electricity Charges	222.20	2.88
5	Service Charges	0.00	0.63
6	Outstanding as on 31.3.2015		
	Debit Balance	73.53	
	Credit Balance	137.32	44.60

### NAMES OF RELATED PARTIES AND DESCRIPTION OF RELATIONSHIP :

1. Associate companies / concerns	a. Bateli Tea Co Ltd. b. Manish Co. Pvt. Ltd. c. Dalmia Tea Plantation & Industries Ltd. d. Oracle Trades & Properties Pvt. Ltd. e. Dalmia Polypack Limited f. Girdhar Gopal Manish Kumar (HUF) g. Motilal Girdhar Gopal (HUF) h. Sunjute Press (P) Ltd. i. Benarsilal Vijay Kumar j. Bhagwati Devi Dalmia & Others										
2. Key Management Personnel & relatives	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">a. Mr. Girdhar Gopal Dalmia</td><td>Managing Director</td></tr> <tr> <td>b. Mrs. Bhagawati Devi Dalmia</td><td>Director</td></tr> <tr> <td>c. Mr. Manish Dalmia</td><td>Director/CFO</td></tr> <tr> <td>d. Mr. Vijay Dalmia</td><td>Director</td></tr> <tr> <td>e. Mrs. Nirmala Dalmia</td><td>Relative</td></tr> </table>	a. Mr. Girdhar Gopal Dalmia	Managing Director	b. Mrs. Bhagawati Devi Dalmia	Director	c. Mr. Manish Dalmia	Director/CFO	d. Mr. Vijay Dalmia	Director	e. Mrs. Nirmala Dalmia	Relative
a. Mr. Girdhar Gopal Dalmia	Managing Director										
b. Mrs. Bhagawati Devi Dalmia	Director										
c. Mr. Manish Dalmia	Director/CFO										
d. Mr. Vijay Dalmia	Director										
e. Mrs. Nirmala Dalmia	Relative										

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)

### 2.10 Deferred Tax Liability (Net) :

(Rs. in Lacs)

Particulars	Liability/ Asset as at 01.04.14	Current year charge/credit	Liability/ Asset as at 31.03.15
	(Rs.)	(Rs.)	(Rs.)
<b>DEFERRED TAX LIABILITIES</b>			
a) Timing Difference in Depreciable Assets	1212.14	(7.78)	1204.36
(A)	1212.14	(7.78)	1204.36
<b>DEFERRED TAX ASSETS</b>			
a) Unabsorbed Depreciation/Business Loss	56.16	432.87	489.03
b) Accrued Expenses deductible on actual payment/quantification	3.84	(1.72)	2.12
(B)	60.00	431.15	491.15
DEFERRED TAX LIABILITY (NET) (A-B)	1152.14	438.94	713.21

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)

### 2.11 Disclosures pursuant to Accounting Standard-15 "Employee Benefits":

The Company has recognized Rs .06 Lacs (Previous Year Rs. 2.52 Lacs) in the Statement of Profit and Loss for the year ended 31st March, 2015 under Defined Contribution Plans.

Sr. No.	Details of Defined Benefit Plan	(Rs. in Lacs)	
		2014-15	2013-2014
i)	Components of Employer Expense		
(a)	Current Service Cost	2.80	2.78
(b)	Interest Cost	1.57	1.36
(c)	Expected Return on Plan Assets	(1.92)	(1.21)
(d)	Actuarial (Gain)/Loss	(2.69)	(0.74)
	Total expense/(gain) recognized in the P & L account.	0.24	2.19
ii)	Net Asset/(Liability) recognized in Balance Sheet		
(a)	Present Value of Obligation as at the close of the year	20.80	19.56
(b)	Fair Value of Plan Assets as at the close of the year	23.49	19.83
	Asset/(Liability) recognized in the Balance Sheet	2.69	0.27
iii)	Change in Defined Benefit Obligation (DBO) during the year ended		
(a)	Present Value of Obligation as at the beginning of the year	19.56	17.06
(b)	Current Service Cost	2.80	2.78
(c)	Interest Cost	1.57	1.36
(d)	Actuarial (Gain)/Loss	(2.69)	(0.7)
(e)	Benefits Paid	(0.45)	(0.9)
	Present Value of Obligation as at the close of the year	20.80	19.56
iv)	Changes in the Fair Value of Plan Assets		
(a)	Present Value of Plan Assets as at the beginning of the year	19.83	16.68
(b)	Expected Return on Plan Assets	1.92	1.21
(c)	Actual Company Contribution	2.19	2.83
(d)	Benefits Paid	(0.45)	(0.90)
	Fair Value of Plan Assets as at the close of the year	23.49	19.83
v)	Actuarial Assumptions		
(a)	Discount Rate (per annum)	8.00%	8.00%
(b)	Salary Escalation Rate	5.00%	6.00%

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)

2.12 Expenditure in Foreign Currency made during the year :

Against purchase of Raw Material is Rs 370.62 Lacs (Previous Year - Rs Nil), Spares parts & Fixed Asset is Rs. 1.15 Lacs (Previous Year- Rs. 4.95 Lacs ), Travelling Expenses- Rs.25.97 Lacs/- (Previous Year- Rs. 19.97 Lacs).

2.13 Unsecured Loans of Rs.4622.96 Lacs/- including Rs.44.60 Lacs/- from Directors are long term in nature.

2.14 Previous year figures have been regrouped / reclassified to confirm this year presentation.

Signatures of the Notes 1 to 27

In terms of our attached Report  
For **S.K GHOSH & COMPANY**  
Chartered Accountants  
FRN : 301017E

(SUBHAYU GHOSH)  
Partner  
**Membership No. : 057555**  
10, Old Post Office Street  
Kolkata, 15th May, 2015

Managing Director

Director

Company Secretary

Chief Financial Officer



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)

### Note 2 : Share Capital

₹ in Lacs

Particulars	31st March, 2015		31st March, 2014	
	Number of Share	Amount	Number of Share	Amount
<b>Authorised</b> 10000000 Equity Shares of Rs.10/- each [P.Y. 10000000 Equity Shares of Rs.10/- each ]	10,000,000	1,000.00	10,000,000	1,000.00
<b>Issued</b> 4085000 Equity Shares of Rs.10/- [P.Y. 3725000 Equity Shares of Rs.10/- ]	4,085,000	408.50	3,725,000	372.50
<b>Subscribed &amp; Paid up</b> (4085000 Equity Shares of Rs.10/- each fully paid up) [P.Y. 3725000 Equity Shares of Rs.10/- each fully paid up]	4,085,000	408.50	3,725,000	372.50
<b>Total</b>	<b>4,085,000</b>	<b>408.50</b>	<b>3,725,000</b>	<b>372.50</b>

#### a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period ₹ in Lacs

Particulars	31st March, 2015		31st March, 2014	
	Number of Share	Amount	Number of Share	Amount
Shares outstanding at the beginning of the year	3,725,000	372.50	3,725,000	372.50
Shares Issued during the year	360,000	36.00	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the quarter	4,085,000	408.50	3,725,000	372.50

#### b) Terms/Right attached to Equity Shares:

The Company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity Share is entitled to vote per share. In the event of liquidation of the company, the holder of the equity shares will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in Proportion to the number of equity shares held by the shareholders.

#### c) Shares in the company held by each shareholder holding more than 5 percent shares

Name of Shareholder	31st March, 2015		31st March, 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
GIRDHAR GOPAL MANISH KUMAR	223,350	5.47	223,350	6.00
MOTILAL GIRDHAR GOPAL	232,950	5.70	232,950	6.25
DALMIA TEA PLANTATION & INDUSTRIES LTD.	330,000	8.08	330,000	8.86
BATELI TEA COMPANY LIMITED	690,000	16.89	330,000	8.86
GIRDHAR GOPAL DALMIA	771,550	18.89	771,550	20.71
MANISH CO. (P) LTD	1,300,200	31.83	1,300,200	34.90

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)

### Note 3 : Reserves and Surplus

₹ in Lacs

Particulars	As at 31st March, 2015	As at 31st March, 2014
<b>a. Capital Reserves</b>		
Opening Balance	158.31	158.31
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	<b>158.31</b>	<b>158.31</b>
<b>b. Securities Premium Account</b>		
Opening Balance	1,680.00	1,680.00
<b>Add</b> : Securities premium credited on Share issue	864.00	
Closing Balance	<b>2,544.00</b>	<b>1,680.00</b>
<b>c. General Reserve</b>		
Opening Balance	28.57	28.57
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	<b>28.57</b>	<b>28.57</b>
<b>d. Revaluation Reserve</b>		
Opening Balance	1,015.67	1,018.21
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	646.66	2.54
Closing Balance	<b>369.01</b>	<b>1,015.67</b>
<b>e. Surplus</b>		
Opening balance	2,298.63	1,596.53
(+) Adjustment Related To Earlier Year For Income Tax	3.23	-
(+) Adjustment For depreciation as per Transitional Provision	(4.69)	-
(+) Net Profit/(Net Loss) For the Current Year	1,568.02	702.10
Closing Balance	<b>3,865.19</b>	<b>2,298.63</b>
<b>Total</b>	<b>6,965.08</b>	<b>5,181.18</b>

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)

### Note 4 : Long Term Borrowings

₹ in Lacs

Particulars	As at 31st March, 2015	As at 31st March, 2014
<b>Secured</b>		
<b>Term Loans</b>		
(a) From banks	3,096.08	2,784.16
(b) From Financial Institution	1,014.58	2,170.70
	4,110.66	4,954.86
<b>Unsecured</b>		
(a) From Directors	44.60	1,896.87
(b) From Corporates Bodies (Including loans from group NBFC, Associates Companies)	4,578.37	2,491.73
	4,622.97	4,388.60
<b>Total</b>	<b>8,733.63</b>	<b>9,343.46</b>

### Notes to Financial Statements (Contd.)

#### Nature of Security and terms of repayment for Long Term secured borrowings:

From Bank	Terms of Repayment
Term Loan-1	Repayable in 32 quarterly installments commencing from September, 2013. Last installment due in June, 2021.
Term Loan-2	Repayable in 20 quarterly installments commencing from March, 2016. Last installment due in December, 2020.
Term Loan-3	Repayable in 32 quarterly installments commencing from September, 2011. Last installment due in June, 2019.
Term Loan-4	Repayable in 20 quarterly installments commencing from September, 2011. Last installment due in June, 2016.
Term Loan-5	Repayable in 20 quarterly installments commencing from June, 2014. Last installment due in March, 2019.
Term Loan-6	Repayable in 20 quarterly installments commencing from March, 2016. Last installment due in December, 2020.

#### Nature of Security

i) Pari passu charges between the banks on:-

- Unit 1 (Plot no.89 to 93 & 104) situated at EPIP, SIPCOT, Gummidipoondi in Thiruvellore District of Tamil Nadu.
- Unit 2 (Plot No. R6 & R7) situated at EPIP, SIPCOT Gummidipoondi Thiruvellore District of Tamil Nadu.
- Unit 3 (Plot No 13C) situated at APIIC, Nellore Andhra Pradesh
- Wind Power Mill in Tamil Nadu.

ii) Secured by hypothecation of vehicle.

#### 2) From Financial Institution

##### Indian Renewable Energy Development Agency Limited

- 4.2 MW (2 X 2100 KW) Wind Power Mill in Tamil Nadu (Project no -1982)

Repayable in 40 quarterly installments commencing from December, 2012. Last installment due in September 2022.

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)

### Note 5 : Deferred Tax Liabilities (Net)

₹ in Lacs

Particulars	As at 31st March, 2015	As at 31st March, 2014
Deferred Tax Liabilities	1,204.36	1,212.14
Deferred Tax Assets	491.15	60.00
<b>Total</b>	<b>713.21</b>	<b>1,152.14</b>

### Note 6 : Other Long Term Liabilities

₹ in Lacs

Particulars	As at 31st March, 2015	As at 31st March, 2014
Payables on purchase of fixed assets	14.55	34.49
<b>Total</b>	<b>14.55</b>	<b>34.49</b>

## Notes to Financial Statements (Contd.)

### Note 7 : Long Term Provisions

₹ in Lacs

Particulars	As at 31st March, 2015	As at 31st March, 2014
Provision for Taxation (Net of Advance Tax)	67.66	242.80
Provision For Employee Benefits	20.80	19.56
<b>Total</b>	<b>88.46</b>	<b>262.36</b>

### Note 8 : Short Term Borrowings

₹ in Lacs

Particulars	As at 31st March, 2015	As at 31st March, 2014
<b>LOANS REPAYABLE ON DEMAND</b>		
<b>Secured</b>		
<b>From Banks</b>	4,698.99	5,335.26
(Working Capital Loan from Bank are secured by hypothecation of raw material, work-in-progress, finished goods, book debt (upto 90 days old) and advance payment to suppliers of raw material and collateral security on fixed assets charged to Bank.)		
<b>Total</b>	<b>4,698.99</b>	<b>5,335.26</b>

### Note 9 : Trade Payables

₹ in Lacs

Particulars	As at 31st March, 2015	As at 31st March, 2014
Trade Payables	508.38	1,067.75
<b>Total</b>	<b>508.38</b>	<b>1,067.75</b>

### Note 10 : Other Current Liabilities

₹ in Lacs

Particulars	As at 31st March, 2015	As at 31st March, 2014
<b>Other Payables</b>		
Statutory Dues	66.57	92.16
Other Payables	61.70	62.96
Deposits Received	1.54	1.54
Current maturities of long-term debt	691.08	1,037.65
<b>Total</b>	<b>820.89</b>	<b>1,194.31</b>

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)

### Note 11 : Short Term Provisions

₹ in Lacs

Particulars	As at 31st March, 2015	As at 31st March, 2014
<b>Provision For Employee Benefits</b>		
Salary & Other Payable	29.27	27.94
<b>Total</b>	<b>29.27</b>	<b>27.94</b>

### Notes to Financial Statements (Contd.)

### Note 13 : Long Term Loans and Advances

₹ in Lacs

Particulars	As at 31st March, 2015	As at 31st March, 2014
<b>Capital advances</b>	127.97	132.03
Unsecured, considered good		
<b>Security Deposits</b>		
Unsecured, considered good	213.06	131.99
<b>Other loans and advances</b>		
Other Deposit	26.19	22.43
Balance with Income Tax Authorities (Net)	81.98	24.35
<b>Total</b>	<b>449.20</b>	<b>310.80</b>

### Note 14 : Current Investments

₹ in Lacs

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	Number	Amount	Number	Amount
<b>(a) Equity Shares (Quoted) (Shares of Rs.10 each) :</b>				
State Bank of India	670	0.32	67	0.32
[Shares of Rs 1 (P.Y.Rs 10) each]				
Bateli Tea Co. Ltd.	55,704	64.06	55,704	64.06
[Shares of Rs 10 (P.Y.Rs 10) each]				
	56,374	64.38	55,771	64.38
<b>(b) Equity Shares (Unquoted)(Shares of Rs.10 each,):</b>				
Dalmia Tea Plantation & Industries Ltd.	530,000	359.30	530,000	359.30
<b>2. INVESTMENTS IN MUTUAL FUND</b>				
<b>Mutual Funds (Quoted)(Units of Rs.10/- each)</b>				
Morgan Stanley Mutual Fund	10,000	1.00	10,000	1.00
<b>3. INVESTMENTS IN GOVERNMENT OR TRUST SECURITIES</b>				
<b>Govt. Securities (Unquoted)</b>				
		0.04		0.04
Aggregate Market Value of Quoted Investments as at 31st March 2015 <b>Rs 178924/-</b>				
Aggregate Market Value of Quoted Investments as at 31st March 2014 <b>Rs 128526/-</b>				
<b>Total</b>	<b>596,374</b>	<b>424.72</b>	<b>595,771</b>	<b>424.72</b>

# **NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)**

## **12. TANGIBLE ASSETS**

₹ in Lacs

PARTICULARS	GROSS BLOCK AT COST OR VALUATION				DEPRECIATION				NET BLOCK	
	As at 31st March 2014		Additions / adjustments during the year		Disposal / adjustments during the year		Upto 31st March 2014		Upto 31st March 2015	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Freehold Land	802.06	1,703.57	2,339.57	166.06	-	-	-	166.06	802.06	
Leasehold Land	569.98	112.76	-	682.74	-	-	-	682.74	569.98	
Building	3,419.68	268.56	132.53	3,555.70	86.94	1,001.30	2,554.39	2,554.39	2,581.73	
Plant & Machinery	4,479.31	184.44	30.59	4,633.16	25.53	1,026.06	3,607.10	3,607.10	3,703.82	
Furniture & Fixtures	159.42	24.99	8.48	175.93	8.29	77.78	98.15	98.15	103.96	
Electrical Equipments	259.53	12.79	37.86	234.46	35.35	100.74	133.72	133.72	173.91	
Office Equipments	33.56	2.68	13.95	22.29	10.70	14.82	7.48	7.48	17.66	
Vehicles	96.03	11.34	0.93	106.44	0.92	70.06	36.38	36.38	42.72	
Wind Turbine Generator	3,112.31	-	-	3,112.31	-	581.30	2,531.00	2,531.00	2,656.49	
Generator	15.94	-	15.74	0.21	15.68	0.08	0.12	0.12	0.20	
IT Equipment	86.66	17.59	72.09	32.16	67.09	15.65	16.51	16.51	14.59	
<b>TOTAL</b>	<b>13,034.48</b>	<b>2,338.72</b>	<b>2,651.74</b>	<b>12,721.46</b>	<b>250.50</b>	<b>2,887.79</b>	<b>9,833.65</b>	<b>10,667.11</b>		
<b>INTANGIBLE ASSETS</b>										
Goodwill	0.50	-	-	0.50	-	-	0.50	0.50	0.50	
<b>CAPITAL WORK-IN-PROGRESS</b>										
Capital Work in progress	-	-	-	-	-	-	1,979.35	1,979.35	2,343.33	
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,979.35</b>	<b>2,343.33</b>		
<b>Total</b>	<b>13,034.98</b>	<b>2,338.72</b>	<b>2,651.74</b>	<b>12,721.96</b>	<b>250.50</b>	<b>2,887.79</b>	<b>11,813.50</b>	<b>13,010.94</b>		
<b>Previous Year</b>	<b>12,404.06</b>	<b>652.95</b>	<b>22.03</b>	<b>13,034.98</b>	<b>8.24</b>	<b>2,367.37</b>	<b>13,010.94</b>	<b>12,823.65</b>		

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)

### Note 15 : Inventories

₹ in Lacs

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	Number	Amount	Number	Amount
<b>Raw Materials</b>				
Goods-in-Transit	16.96		3.67	
Others	1029.69		1319.34	
		1,046.65		1,323.01
<b>Work-in-Progress</b>		3,606.71		4,884.72
<b>Finished Goods</b>		346.15		352.39
		<b>4999.51</b>		<b>6560.12</b>

### Notes to Financial Statements (Contd.)

### Note 16 : Trade Receivables

₹ in Lacs

Particulars	As at 31st March, 2015	As at 31st March, 2014
<b>1. (Unsecured, Considered Good)</b>		
<b>Trade Debtors</b>		
Debts due for a period exceeding six months:	108.23	53.74
Other Debtors	2,879.39	3,430.60
<b>2. (Unsecured, Considered Good)</b>		
<b>Non Trade Debtors</b>		
Rental Debtors	1.64	0.06
<b>Total</b>	<b>2,989.26</b>	<b>3,484.40</b>

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)

### Note 17 : Cash and cash equivalents

₹ in Lacs

Particulars	As at 31st March, 2015	As at 31st March, 2014
<b>Cash and Cash Equivalents</b>		
a) Current A/c & Fixed Deposit	44.20	33.27
b) Cheques, drafts on hand	4.75	4.82
c) Cash on hand	3.03	4.65
<b>Total</b>	<b>51.98</b>	<b>42.74</b>

### Note 18 : Short term loans and advances

₹ in Lacs

Particulars	As at 31st March, 2015	As at 31st March, 2014
<b>(Unsecured, Considered Good)</b>		
Balance with Excise, Commercial Tax, Service & Income Tax Authorities	1,115.00	802.98
Trade Advances	636.18	131.87
Other Loans & Advances	398.50	70.98
<b>Total</b>	<b>2,149.68</b>	<b>1,005.84</b>

### Note 19 : Other current assets

₹ in Lacs

Particulars	As at 31st March, 2015	As at 31st March, 2014
Subsidy and Interest receivable	96.45	30.33
Other Receivable	6.66	1.50
<b>Total</b>	<b>103.11</b>	<b>31.83</b>



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)

### Note 20 : Revenue from operations

₹ in Lacs

Particulars	As at 31st March, 2015	As at 31st March, 2014
Sale of Products	23,282.91	22,725.16
Less : Excise duty & Commercial Taxes	3,231.54	3,256.01
<b>Total</b>	<b>20,051.37</b>	<b>19,469.15</b>

### Note 21 : Other income

₹ in Lacs

Particulars	As at 31st March, 2015	As at 31st March, 2014
Interest Income -(From Fixed Deposits)	24.30	3.29
Rent Income	7.65	7.21
Profit on Sale of Fixed Assets (Net)	2,917.68	2.18
Credit From Revaluation Reserve	635.28	-
Other Miscellaneous Income	14.31	11.82
Other income	72.01	1.18
<b>Total</b>	<b>3,671.23</b>	<b>25.68</b>

### Note 22 : Cost of materials consumed

₹ in Lacs

Particulars	As at 31st March, 2015	As at 31st March, 2014
Raw Materials Consumed	15,536.49	15,116.16
<b>Total</b>	<b>15,536.49</b>	<b>15,116.16</b>

### Note 23 : Changes in inventories of finished goods work-in-progress and Stock-in-Trade

₹ in Lacs

Particulars	As at 31st March, 2015	As at 31st March, 2014
<b>At the end of the Year</b>		
Work-in-Progress (at direct cost)	3,606.71	4,884.72
Finished Goods (at lower of cost and estimated realisable value)	346.15	352.39
Stock In Transit	16.96	3.67
	<b>3,969.82</b>	<b>5,240.78</b>
<b>At the beginning of the Year</b>		
Work-in-Progress (at direct cost)	4,884.72	2,275.32
Finished Goods (at lower of cost and estimated realisable value)	352.39	268.72
Stock in Transit	3.67	16.34
	<b>5,240.78</b>	<b>2,560.38</b>
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	<b>1,270.96</b>	<b>(2,680.40)</b>

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)

### Note 24 : Employee Benefits Expense

₹ in Lacs

Particulars	As at 31st March, 2015	As at 31st March, 2014
Salaries, Wages and Perquisites	220.73	217.79
Contribution to Provident Fund and Other Funds	21.10	19.05
Staff Welfare Expenses	15.49	17.05
<b>Total</b>	<b>257.32</b>	<b>253.90</b>

### Note 25 : Finance costs

₹ in Lacs

Particulars	As at 31st March, 2015	As at 31st March, 2014
Interest Expenses	1,542.14	1,709.31
Other Borrowing Cost	13.88	13.06
<b>Total</b>	<b>1,556.02</b>	<b>1,722.37</b>

### Note 26 : Depreciation and amortization expense

₹ in Lacs

Particulars	As at 31st March, 2015	As at 31st March, 2014
Depreciation and amortization expense	770.94	710.01
Less : Transfer from Revaluation Reserve	-	2.54
<b>Total</b>	<b>770.94</b>	<b>707.47</b>

### Note 27 : Other expenses

₹ in Lacs

Particulars	As at 31st March, 2015	As at 31st March, 2014
<b>Manufacturing Expenses</b>		
Stores, Spare parts and Packing Materials Consumed	256.07	252.12
Power and Fuel	658.48	844.39
Repairs to Machinery	49.81	39.83
Repairs to Buildings	9.15	15.88
Other Expenses	923.08	926.63
<b>Selling and Distribution Expenses</b>		
Advertisement, Publicity and Sales Promotion Expenses	65.06	35.29
Brokerage, Discount and Commission	15.61	8.85
Freight Outward and Related charges	271.16	238.66
<b>Payment to Auditors</b>		
Audit Fees	1.75	1.75
<b>Administrative and General Expenses</b>		
Rent	53.66	57.44
Rates and Taxes	12.68	13.44
Repairs & Maintenance - Others	22.37	26.97
Insurance	12.00	16.05
Legal, Professional and Consultancy Charges	29.29	29.81
Travelling and Conveyance	101.00	114.06
Loss on sale of Fixed Assets	-	1.90
Other Administrative Expenses	720.61	687.96
<b>Total</b>	<b>3,201.79</b>	<b>3,311.03</b>



**- : Registered Office :-**

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