

Report on Corporate Governance

Company's Philosophy on Corporate Governance

The Company firmly believes in and continues to practice good corporate governance. Corporate governance seeks to raise the standards of corporate management, strengthens the Board systems, significantly increase its effectiveness and ultimately serve the objective of maximising the shareholders' value. The philosophy of the Company is in consonance with the accepted principles of good governance.

The spirit of corporate governance has always remained imbibed in the Company's business philosophy. This philosophy is shaped by the values of transparency, professionalism and accountability. The Company's corporate governance practices are driven by strong Board oversight, timely disclosures, transparent accounting policies and high levels of integrity in decision-making.

In India, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as SEBI (LODR) Regulations) lists out the requirements relating to Corporate Governance vide Schedule V thereof.

This chapter along with the chapter on Management Discussion and Analysis reports on the Company's compliance with SEBI (LODR) Regulations.

Board of Directors

Composition of the Board

As on March 31, 2017 the Company's Board comprised of nine

members — three Executive Directors, six Non-Executive Directors of which three are Independent and a Woman Director. Mr. P.K. Khaitan, a Non-Executive Independent Director is the Chairman of the Board of Directors of the Company. The composition of the Board is in conformity with the SEBI (LODR) Regulations.

Board Meetings, Directors' Attendance Record and Directorships Held

The Board meetings are generally held at the corporate office of the Company. The Board meets atleast once a quarter and additional meetings are held, when necessary. Committees of the Board usually meet the day before the formal Board meeting or whenever the need arises for transacting business. The recommendations of the Committee are placed before the Board for necessary approval.

The Board of Directors met five times during the financial year 2016-17 i.e, on May 18 2016, August 17 2016, October 26 2016, November 5 2016 and February 3 2017. The maximum gap between any two meetings was less than 120 days.

None of the Directors are members of more than ten Board level Committees nor are they Chairman of more than five Committees in which they are members. Table 1 gives the details of the composition of the Board, attendance and details of Committee memberships and Committee chairmanships.

Table 1: Composition of the Board of Directors

Name of the Directors	Category	Attendance Particulars			No. of other Directorships and Committee Memberships/Chairmanships		
		Number of Board Meetings		Last AGM	Other Directorships@	Committee Memberships #	Committee Chairmanships #
		Held	Attended				
Mr. P.K. Khaitan, Chairman	Independent Non-Executive	5	4	No	9	5	2
Mr. Jai H. Dalmia Managing Director	Promoter-Executive	5	2	No	5	1	-
Mr. Y.H. Dalmia Managing Director	Promoter-Executive	5	4	No	2	1	1
Mr. N. Gopalaswamy	Independent Non-Executive	5	5	Yes	7	8	3
Mr. Gautam Dalmia	Non-Executive Non-Independent	5	3	No	4	1	-
Mr. Puneet Yadu Dalmia	Non-Executive Non-Independent	5	4	No	4	1	-
Mr. V.S. Jain	Independent Non-Executive	5	5	No	1	-	-
Mr. Jayesh Doshi Whole-time Director & Chief Financial Officer	Executive	5	5	No	5	1	-
Mrs. Sudha Pillai	Non-Executive Non-Independent	5	5	No	6	6	1

@ Other directorships include only the directorship in public limited companies.

As required under Regulation 26 of the SEBI (LODR) Regulations, the disclosure includes membership/chairmanship of audit committee and stakeholders' relationship committee of Indian public companies (listed and unlisted).

Mr. Jai H. Dalmia and Mr. Y.H. Dalmia are brothers; Mr. Gautam Dalmia is the son of Mr. Jai H. Dalmia and Mr. Puneet Yadu Dalmia is the son of Mr. Y.H. Dalmia.

The Company is regularly imparting familiarisation programmes for its Independent Directors. The details of such familiarisation programme for the year have been disclosed at <https://www.dalmiabl.com/upload/Familiarisation-Programme-for-ID-2016-17.pdf>.

As mandated by the Regulation 16(1)(b) of the SEBI (LODR) Regulations, the independent Directors on the Company's Board are not less than 21 years in age and:

- ▶ In the opinion of the Board, are persons of integrity and possesses relevant expertise and experience;
- ▶ are or were not promoters of the company or its holding, subsidiary or associate company;
- ▶ are not related to promoters or directors in the company, its holding, subsidiary or associate company;
- ▶ apart from receiving director's remuneration, have or had no material pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- ▶ none of their relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- ▶ neither himself nor any of his relatives —
 - i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of —
 - A. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - B. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten percent or more of the gross turnover of such firm;

- iii) holds together with his relatives two per cent or more of the total voting power of the company; or
- iv) is a Chief Executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company;
- v) is a material supplier, service provider or customer or a lessor or lessee of the company.

Information Supplied to the Board

The Board has complete access to all information with the Company. The agenda and papers for consideration of the Board are circulated at least seven days prior to the date of the Board meeting. Adequate information is circulated as part of the agenda papers and also placed at the meeting to enable the Board to take an informed decision. Inter-alia, the following information is regularly provided to the Board as a part of the agenda papers well in advance of the Board meetings or is tabled in the course of the Board meeting.

- ▶ Annual operating plans & budgets and any update thereof.
- ▶ Capital budgets and any updates thereof.
- ▶ Quarterly results of the Company and operating divisions and business segments.
- ▶ Minutes of the meetings of the Audit Committee and other Committees of the Board.
- ▶ Information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Financial Officer and Company Secretary.
- ▶ Materially important show cause, demand, prosecution notices and penalty notices.
- ▶ Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- ▶ Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company.
- ▶ Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- ▶ Details of any joint venture or collaboration agreement.
- ▶ Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- ▶ Significant labour problems and their proposed solutions. Any significant development in human resources / industrial

relations front like signing of wage agreement, implementation of voluntary retirement scheme, etc.

- ▶ Sale of material nature of investments, subsidiaries, assets, which is not in the normal course of business.
- ▶ Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- ▶ Non-compliance of any regulatory, statutory nature or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer, etc.

The Board periodically reviews compliance reports of all laws applicable to the Company, prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances.

Remuneration of Directors

The remuneration payable to the Executive Directors and Non-Executive Directors is decided by the Nomination and Remuneration Committee constituted by the Board of Directors. The details of remuneration paid, during the year, to the Executive Directors and Non-Executive Directors is presented in Table 2.

Table 2: Details of remuneration paid to the Directors for 2016-17

							(₹ crore)
Name of the Director	Category	Sitting Fees	Salary and Perquisites	Retirement Benefits	Commission@	Total	
Mr. P.K. Khaitan	Independent Non-Executive	0.07	--	--	0.15	0.22	
Mr. Jai H. Dalmia	Executive	—	1.77	0.18	—	1.95	
Mr. Y.H. Dalmia	Executive	—	2.11	0.20	—	2.31	
Mr. N. Gopaldaswamy	Independent Non-Executive	0.10	---	---	0.10	0.20	
Mr. Gautam Dalmia	Non-Executive	0.03	---	---	-	0.03	
Mr. Puneet Yadu Dalmia	Non-Executive	0.03	---	---	-	0.03	
Mr. V.S. Jain	Independent Non-Executive	0.10	---	---	0.12	0.22	
Mrs. Sudha Pillai	Non-Executive	0.04	---	---	0.10	0.14	
Mr. Jayesh Doshi	Executive	---	5.83*	0.11	---	5.94	

@ Commission paid on net profit only.

*includes one time ex-gratia payment of ₹2.30 crore and perquisite value of ESOP amounting to ₹1.00 crore.

Retirement benefits to the Executive Directors comprise the Company's contribution to provident fund and superannuation fund. The payment of retirement benefits is being made by the respective fund(s). In addition to the above the Company also contributes, on actuarial valuation basis, amounts to the Gratuity Fund towards gratuity of its employees including the Managing Directors.

The appointments of Mr. Jai H. Dalmia and Mr. Yadu Hari Dalmia as Managing Directors and Mr. Jayesh Doshi as Whole-time Director are for a period of 3 years effective April 1, 2016, February 11, 2016 and March 30, 2015 respectively. As per the terms of the appointment of Managing Directors, the appointment may be terminated by either party by giving three month's notice and by giving six months notice in the case of Whole-time Director. If the appointment is terminated by the Company, no severance fee is payable to any of them.

Except, Mr Jayesh Doshi, Whole-time Director and Chief Financial Officer of the Company, who has been granted 75,000 stock options as per the details given hereunder, no other Director of the Company has been granted any stock options:

1. 60,000 options granted on January 29, 2015 at a price of

₹217.23/- per share representing discount of 50% on the price determined on the basis of 30 days volume weighted average price prior to the date of grant accruing over a period of five years and exercisable in the following manner:

Year of Vest	2017	2018	2019	2020	2021
% of Vest	10	15	20	25	30

Out of the above stock options, Mr. Jayesh Doshi exercised 6,000 stock options during the financial year 2016-17.

2. 15,000 options granted on February 3, 2016 at a price of ₹383.53/- per share representing discount of 50% on the price determined on the basis of 30 days volume weighted average price prior to the date of grant accruing over a period of five years and exercisable in the following manner:

Year of Vest	2018	2019	2020	2021	2022
% of Vest	10	15	20	25	30

Shares and Convertible Instruments held by Non-Executive Directors

Table 3 gives details of the shares and convertible instruments held by the Non-Executive Directors as on March 31, 2017

Table 3: Details of the shares and convertible instruments held by the Non-Executive Directors as on March 31, 2017

Name of the Director	Category	Number of shares held	Number of convertible instruments held
Mr. P. K. Khaitan	Independent Non-Executive	Nil	Nil
Mr. N. Gopaldaswamy	Independent Non-Executive	Nil	Nil
Mr. Gautam Dalmia	Non-Executive	2,42,108	Nil
Mr. Puneet Yadu Dalmia	Non-Executive	Nil	Nil
Mr. V.S. Jain	Independent Non-Executive	Nil	Nil
Mrs. Sudha Pillai	Non-Executive	Nil	Nil

Code of Conduct

The Company's Board has laid down a code of conduct for all Board members and designated senior management of the Company. The code of conduct is available on the website of the Company www.dalmiabharat.com. All Board members and senior management personnel have affirmed compliance with the Code of Conduct. A declaration signed by the Chief Executive Officer (CEO) to this effect is enclosed at the end of this report.

Committees of the Board

The Company has eight Board-level Committees for Audit, Nomination and Remuneration, Stakeholders Relationship, Corporate Social Responsibility, Risk Management, Investment, Finance and Business Responsibility.

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

a) Audit Committee

As on March 31, 2017, the Audit Committee comprised of three members, Mr. N. Gopaldaswamy, Mr. V.S. Jain and Mr. P.K. Khaitan, all being independent Directors. Mr. N. Gopaldaswamy is the Chairman of the Audit Committee. The Audit Committee met five times during the year on May 18, 2016, August 17, 2016, October 25, 2016, November 5, 2016 and February 2, 2017. The particulars of attendance of the members in the Meetings of this Committee are given in Table 4 hereunder:

Table 4: Attendance record of the Company's Audit Committee during 2016-17

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
Mr. N. Gopaldaswamy	Independent	Chairman	5	5
Mr. V.S. Jain	Independent	Member	5	5
Mr. P.K. Khaitan	Independent	Member	5	4

The Board has accepted all recommendations made by the Audit Committee.

The officer responsible for the finance function, the head of

internal audit and the representative of the Statutory Auditors and Internal Auditors are regularly invited by the Audit Committee to its meetings. Ms. Nidhi Bisaria, Company Secretary, is the Secretary to the Committee.

All members of the Audit Committee have requisite accounting and financial management expertise. The Chairman of the Audit Committee attended the Annual General Meeting of the Company held on September 27, 2016.

The functions of the Audit Committee of the Company include the following:

- ▶ The recommendation for appointment, remuneration and terms of appointment of Auditors of the company;
- ▶ Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- ▶ Examination of the financial statement and the Auditors' report thereon;
- ▶ Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ▶ Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- ▶ Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- ▶ Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgment by management
 - Significant adjustments made in the financial statements arising out of audit findings
 - Compliance with listing and other legal requirements

- relating to financial statements
- Disclosure of any related party transactions
- Qualifications in the draft audit report
- ▶ Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- ▶ Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- ▶ Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- ▶ Approval or any subsequent modification of transactions of the company with related parties;
- ▶ Scrutiny of inter-corporate loans and investments;
- ▶ Valuation of undertakings or assets of the company, wherever it is necessary;
- ▶ Evaluation of internal financial controls and risk management systems;
- ▶ Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- ▶ Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- ▶ Discussion with internal auditors of any significant findings and follow up there on;
- ▶ Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- ▶ Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- ▶ To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- ▶ To review the functioning of the Whistle Blower mechanism;
- ▶ Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

- ▶ Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- ▶ The following information is reviewed by the Audit Committee
 - Management discussion and analysis of financial condition and results of operations;
 - Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - Internal audit reports relating to internal control weaknesses; and
 - The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

b) Nomination and Remuneration Committee

As on March 31, 2017, the Nomination and Remuneration Committee comprised of Mr. N. Gopalaswamy, as its Chairman, Mr. P.K. Khaitan and Mr. V.S. Jain, Directors as its members. The Committee met thrice during the year on May 18, 2016, October 26, 2016 and February 2, 2017 and the particulars of attendance of the members in the Meeting of this Committee is set out in Table 5 hereunder:

Table 5: Attendance record of the Company's Nomination and Remuneration Committee during 2016-17

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
Mr. N. Gopalaswamy	Independent	Chairman	3	3
Mr. P. K. Khaitan	Independent	Member	3	3
Mr. V. S. Jain	Independent	Member	3	3

The Chairman of the Nomination and Remuneration Committee attended the Annual General Meeting of the Company held on September 27, 2016.

The Committee is entrusted with the following functions:

- i) identify persons who are qualified to become directors and persons who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and/or removal;
- ii) carry out evaluation of every director's performance;
- iii) formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees. While formulating the aforesaid policy the Committee shall ensure that—
 - (a) the level and composition of remuneration is reasonable

and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

- (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

The performance appraisal of independent directors is being regularly done on the basis of attendance, preparedness and participation in items of business being discussed at the meetings of the Board and Committees and contribution in improving business performance besides pro-active availability for company's business purposes besides time given by them in Board meetings.

c) Stakeholders' Relationship Committee

As on March 31 2017, the Stakeholders' Relationship Committee comprised of Mr. V.S. Jain a Non-Executive Independent Director as its Chairman, Mr. N. Gopalaswamy, Mr. Y. H. Dalmia and Mr. Gautam Dalmia, as its members. The terms of reference to this Committee is to look into and redress the unresolved complaints received from investors, in coordination with the Company's Registrars and Share

Table 7: Nature of complaints received and attended to during 2016-17:

Nature of Complaint	Pending as on April 1, 2016	Received during the year	Answered during the year	Pending as on March 31, 2017	
				Held	Attended
1. Transfer / Transmission / Duplicate	Nil	13	13		Nil
2. Non-receipt of Dividend/Interest/Redemption Warrants	Nil	52	52		Nil
3. Non-receipt of securities/electronic credits	Nil	Nil	Nil		Nil
4. Non-receipt of Annual Report	Nil	14	14		Nil
5. Complaints received from:					
- Securities and Exchange Board of India	1	7	8		Nil
- Stock Exchanges	Nil	6	6		Nil
- Registrar of Companies/ Department of Company Affairs	Nil	1	1		Nil
6. Others	Nil	1	1		Nil
Total	1	94	95		Nil

The name and designation of the Compliance Officer is as follows: -

- Ms. Nidhi Bisaria, Company Secretary

The Board of Directors has delegated the powers of approving the transfer of shares/debentures to the Company Secretary of the Company.

d) Corporate Social Responsibility Committee

As on 31st March 2017, the Corporate Social Responsibility Committee comprised of Mr. V.S. Jain as its Chairman, Mr. Y. H. Dalmia and Mr. Gautam Dalmia, as its members. This Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy, indicating the activities to be undertaken by the Company

Transfer Agent. The Committee met four times during the year on May 18, 2016, August 17, 2016, October 26, 2016 and February 1, 2017 and the particulars of attendance of the members in the Meeting of this Committee is set out in Table 6 hereunder:

Table 6: Attendance record of the Company's Stakeholders' Relationship Committee during 2016-17

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
Mr. V.S. Jain	Independent	Chairman	4	4
Mr. N. Gopalaswamy	Independent	Member	4	4
Mr. Y.H. Dalmia	Executive	Member	4	4
Mr. Gautam Dalmia	Non- executive	Member	4	2

The Chairman of the Stakeholders' Relationship Committee authorised Mr. N. Gopalaswamy, a member of this Committee, to attend the Annual General Meeting of the Company held on September 27, 2016 to answer the queries of shareholders of the Company.

During the year, 94 complaints were received from investors and all of them were resolved during the year including the one pending at the end of the previous year. At the close of the year there were no cases pending in respect of share transfers. Table 7 gives the details:

in compliance with the provisions of the Companies Act, 2013. The Committee met twice during the year on May 18, 2016 and February 1, 2017 and the particulars of attendance of the members in the Meeting of this Committee is set out in Table 8 hereunder:

Table 8: Attendance record of the Company's Corporate Social Responsibility Committee during 2016-17

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
Mr. V.S. Jain	Independent	Chairman	2	2
Mr. Y. H. Dalmia	Executive	Member	2	2
Mr. Gautam Dalmia	Non- executive	Member	2	1

e) Risk Management Committee

As on March 31, 2017, the Risk Management Committee comprised of Mr. V.S. Jain as its Chairman, Mr. N. Gopaldaswamy and Mr. Gautam Dalmia, as its members. The terms of reference to this Committee is to develop and implement a Risk Management Policy for the Company, including identification of elements of risks, if any, which may threaten the existence of the Company. The Committee met three times during the year on May 18, 2016, October 25, 2016 and February 1, 2017 and the particulars of attendance of the members in the Meeting of this Committee is set out in Table 9 hereunder:

Table 9: Attendance record of the Company's Risk Management Committee during 2016-17

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
Mr. V.S. Jain	Independent	Chairman	3	3
Mr. N. Gopaldaswamy	Independent	Member	3	3
Mr. Gautam Dalmia	Non- executive	Member	3	1

f) Investment Committee

This Committee was formed by the Board in its meeting held on November 7, 2011 and comprises of Mr. Jai H. Dalmia, Mr. Y. H. Dalmia, Mr. Gautam Dalmia, and Mr. Puneet Yadu Dalmia, as its members. The Committee was vested with the powers of making investments in securities quoted on the stock exchanges upto a total limit of ₹10 crore. The Committee did not meet during the year since no such fresh investment was made during the financial year.

g) Business Responsibility Committee

As on March 31, 2017, the Business Responsibility Committee comprised of Mrs. Sudha Pillai as its Chairperson, Mr. V.S. Jain, Mr. N. Gopaldaswamy and Mr. Jayesh Doshi, as its members. This Committee has formulated and recommended to the Board, a Business Responsibility Policy, and was entrusted to address stakeholders grievances related to such policy. The Committee met once during the year on August 17, 2016 and the particulars of attendance of the members in the Meeting of this Committee is set out in Table 10 hereunder:

Table 10: Attendance record of the Company's Business Responsibility Committee during 2016-17

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
Mrs. Sudha Pillai	Non- executive	Chairman	1	1
Mr. V.S. Jain	Independent	Member	1	1
Mr. N. Gopaldaswamy	Independent	Member	1	1
Mr. Jayesh Doshi	Executive	Member	1	1

h) Finance Committee

This Committee was formed by the Board in its meeting held on May 18, 2016 and comprises of Mr. Y. H. Dalmia, Mr. Gautam

Dalmia, and Mr. Jayesh Doshi, as its members. The Committee was delegated with the powers to avail of and secure borrowings made/proposed to be made within the overall powers sanctioned by the shareholders. The Committee did not meet during the year.

Subsidiary Companies

Regulation 16 of the SEBI (LODR) Regulations, defines a "material subsidiary" as a subsidiary, whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year. As mandated by Regulation 46 of the SEBI (LODR) Regulations, the Company has framed a Policy on Material Subsidiaries and has displayed it on <http://www.dalmiabl.com/upload/policies/DBL-Material-Subsidiary-Policy.pdf>

As on March 31, 2017, under this definition, the Company has a 'material unlisted subsidiary', namely, Dalmia Cement (Bharat) Limited. Mr. N. Gopaldaswamy, an Independent Non-executive Director is also a member on the Board of Directors of this subsidiary. The Company also has a 'material listed Indian subsidiary', namely, OCL India Limited. Mr. P.K. Khaitan, an Independent Director is also a member on the Board of Directors of this subsidiary.

Management

Disclosures

- Related party transactions in the ordinary course of business have been disclosed in Note No. 30 of the attached Standalone Financial Statements. No materially significant related party transactions have been entered into during the year ended March 31, 2017 that had the possibility of injuring the Company's interests. The web-link for the Company's policy on Related Party Transactions is <https://www.dalmiabl.com/upload/policies/DBL-Related-Party-Policy.pdf>.
- The Company complied with the regulatory requirements on capital markets. No penalties/strictures have been imposed against it by the Stock Exchanges, SEBI or any other authority on any matter related to capital markets during last three years.
- The Company has framed a Whistle Blower policy and Vigil Mechanism, and the details of the same are hosted on the website of the Company at <https://www.dalmiabl.com/upload/policies/DBL-Whistle-Blower-Policy-Vigil-Mechanism.pdf>. The Company also affirms that all persons have been permitted to access the Audit Committee.
- The Company is fully compliant with the applicable mandatory requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (LODR) Regulations.
- The discretionary/non-mandatory requirements, as stipulated in Regulation 27(1) read with Part E of Schedule II of the SEBI (LODR) Regulations, other than the half-yearly declaration of financial performance to shareholders have been adopted by the Company.

Disclosure of Accounting Treatment in Preparation of Financial Statements

The Company has followed the guidelines of Accounting Standards laid down by the Central Government under the provisions of section 129(1) of the Companies Act, 2013 in the preparation of its financial statements.

Code for Prevention of Insider-Trading Practices

In compliance with the SEBI regulations on prevention of insider trading, the Company has instituted a comprehensive code of conduct for its management and staff. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of Company, and cautioning them of the consequences of violations.

CEO/ CFO certification

The CEO and CFO certification of the financial statements for the year is enclosed at the end of the report.

Shareholders

Means of Communication

The Board of Directors of the Company approves and takes on record the unaudited financial results in the format prescribed by the Stock Exchanges within 45 days of the close of every quarter and such results are published in financial newspapers, viz., Business Standard / Financial Express /Economic Times and one Regional Newspaper, Dinamani, within the stipulated time. The Company also publishes its annual audited results in these newspapers within the stipulated period.

As required under the SEBI (LODR) Regulations all the data related to quarterly and annual financial results, shareholding pattern, etc., is provided to the website of the Stock Exchanges and the Company within the time frame prescribed in this regard. All the details required to be forwarded to the Stock Exchanges are being sent by the Company from time to time. Investors presentations have been displayed at the Company's web-site www.dalmiabl.com.

General Body Meetings

Table 11 gives the details of the last three Annual General Meetings (AGMs).

Table 11: Details of last three AGMs

Financial year	Date	Time	Location
2015-16	September 27, 2016	10.00 a.m.	Community Centre, Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu, 621651
2014-15	September 30, 2015	11.00 a.m.	Community Centre, Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu, 621651
2013-14	August 30, 2014	10.30 a.m.	Community Centre, Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu, 621651

The details of Special Resolutions in respect of the last three Annual General Meetings are given in Table 12.

Table 12: Details of Special Resolutions passed in last three Annual General Meetings

Date of Meeting	Type of Meeting	Particulars
September 27, 2016	AGM	<ul style="list-style-type: none"> ▶ Resolution pursuant to the provisions of Sections 197 and Schedule V of the Companies Act, 2013, to approve payment of commission of upto 3% of the net profits of the Company to Mr. Jai H. Dalmia, Managing Director, for the financial year 2015-16 as against the commission of 1.5% set out in the agreement entered into between the Company and Mr. Jai H. Dalmia, which was approved by the shareholders in their meeting held on 30-8-2014. ▶ Resolution pursuant to the provisions of Sections 197 and Schedule V of the Companies Act, 2013, to approve payment of commission of upto 3% of the net profits of the Company to Mr. Y. H. Dalmia, Managing Director, for the financial year 2015-16 as against the commission of 1.5% set out in the agreement entered into between the Company and Mr. Y. H. Dalmia, which was approved by the shareholders in their meeting held on 30-8-2014. ▶ Resolution pursuant to the provisions of Sections 197 and Schedule V of the Companies Act, 2013, to ratify and approve the appointment of Mr. Jai H. Dalmia as Managing Director of the Company, for a period of 3 years with effect from 1-4-2016, on the salary, perquisites etc. set out in the agreement entered into between the Company and Mr. Y. H. Dalmia and as increased by the increments granted for the financial year starting on 1-4-2017. ▶ Resolution pursuant to the provisions of Sections 197 and Schedule V of the Companies Act, 2013, to ratify and approve the appointment of Mr. Y. H. Dalmia as Managing Director of the Company, for a period of 3 years with effect from 11-2-2016, on the salary, perquisites etc. set out in the agreement entered into between the Company and Mr. Y. H. Dalmia and as increased by the increments granted for the financial year starting on 1-4-2017.

Date of Meeting	Type of Meeting	Particulars
		<ul style="list-style-type: none"> ▶ Resolution pursuant to section 180(1)(c) and other applicable provisions of the Companies Act, 2013 to authorise the Board of Directors to borrow monies which together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers for the purposes of meeting the working capital requirements of the Company in the ordinary course of its business) may exceed the aggregate of the paid up capital and free reserves, upto a limit of ₹1,000 crore.
September 30, 2015		<ul style="list-style-type: none"> ▶ Resolution pursuant to the provisions of Sections 196 and Schedule V of the Companies Act, 2013, and subject to the approval of the Central Government, to approve the appointment of Mr. Jayesh Nagindas Doshi as a Whole-time Director and Group Chief Financial Officer of the Company, whose office is liable to determination by retirement by rotation, for a period of three years with effect from 30-3-2015 and payment of salary, perquisites etc. set out in the agreement entered into between the Company and Mr. Jayesh Nagindas Doshi. ▶ Resolution to approve modification in the Special Resolution passed by the shareholders in the Annual General Meeting of the Company held on 26-8-2011, under section 81(1A) of the Companies Act, 1956 read with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 so as to extend the benefits of the said Scheme to the "employees of the Subsidiaries" and exclude the "Independent Directors".
August 30, 2014	AGM	<ul style="list-style-type: none"> ▶ Resolution pursuant to the provisions of sections 188, sections 197 of the Companies Act, 2013, and subject to the approval of the Central Government, to approve the payment of minimum remuneration of ₹1,57,49,457/- p.a. to Mr. Jai H. Dalmia for the financial year ending on 31-3-2015 and as increased by the increments granted for the financial year starting on 1-4-2015. ▶ Resolution pursuant to the provisions of sections 188, sections 197 of the Companies Act, 2013, and subject to the approval of the Central Government, to approve the payment of minimum remuneration of ₹1,57,49,457/- p.a. to Mr. Y.H. Dalmia for the financial year ending on 31-3-2015 and as increased by the increments granted for the financial year starting on 1-4-2015.

Postal Ballot

During the year ended March 31, 2017, the Board decided to approach the Shareholders to seek their consent by way of Postal Ballot, on one occasion. The Board approved the Notice for the Postal Ballot sought and appointed a Scrutinizer, namely, Mr. R. Venkatasubramanian, Practising Company Secretary, who conducted this exercise in accordance with law for the same. The particulars of such resolution passed and the details of the voting pattern are as under:

- (i) Special Resolution seeking approval of shareholders to raise finances by way of issue of securities pursuant to section 62(1)(c) of the Companies Act, 2013 whether with or without further right to conversion to the total aggregate extent of ₹3000 crore which upon conversion of all securities would give rise to the issue of equity capital of 1,12,0000 equity shares of an aggregate face value of ₹2.24 crores.
- (ii) Special Resolution seeking approval of shareholders to mortgage and/or to charge all or any of the immovable properties of the Company wheresoever situate, present and future, and whole of undertaking of the Company to or in favour of the Financial Institution(s)/Bank(s)/Lenders to secure an amount not exceeding an amount of ₹1,000 crore or the authority conferred on the Board to borrow monies in excess of the paid up capital and free reserves of the Company, whichever is higher, together with costs, charges, expenses and all other moneys payable, in respect of such Borrowings; and
- (iii) Special Resolution seeking approval of shareholders to issue and allot, on a private placement basis or under a Letter of Offer/Information Memorandum, in the course of an Indian Offering of Non-Convertible Debentures of value not exceeding ₹1000 crore, such issue and allotment to be made at such time or times, in such tranche or tranches, at such price in accordance with the prevailing guidelines issued by the Securities and Exchange Board of India, in such manner as the Board may, in its discretion think fit, on such terms and conditions as may be decided and deemed appropriate by the Board at the time of issue or allotment.

Promoter /Public	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes - in favour	No. of Votes - against	% of Votes in favour on votes polled	
						For	Against
Resolution No. 1							
Promoter and Promoter Group	50982341	49287651	96.68	49287651	0	100.00	0.00
Public – Institutional holders	11323111	2416185	21.34	2416185	0	100.00	0.00
Public-Others	26493851	49191*	0.19	49184	7	100.00	0.00
Total	88799303	51753027	58.28	51753020	7	100.00	0.00

* Does not include 12 votes less voted by one shareholder in electronic mode

Resolution No. 2							
Promoter and Promoter Group	50982341	49287651	96.68	49287651	0	100.00	0.00
Public – Institutional holders**	11323111	4148791	36.64	4120976	27815	99.33	0.67
Public-Others	26493851	49195*	0.06	49160	35	99.93	0.07
Total	88799303	53485637	67.79	53457787	27850	99.95	0.05

* Does not include 8 votes less voted by one shareholder in electronic mode

Resolution No. 3							
Promoter and Promoter Group	50982341	49287651	96.68	49287651	0	100.00	0.00
Public – Institutional holders**	11323111	4148791	36.64	4120976	27815	99.33	0.67
Public-Others	26493851	49191*	0.19	49134	57	99.88	0.12
Total	88799303	53485633	60.23	53457761	27872	99.95	0.05

* Does not include 12 votes less voted by one shareholder in electronic mode

The responses were obtained through e-voting besides physical ballot forms. All the Resolutions were passed with requisite majority. Necessary intimations relating to the voting by Postal Ballot has been sent to all the Stock Exchanges where the Company's shares are listed.

Special Resolutions proposed to be passed through Postal Ballot

At the ensuing Annual General Meeting it is proposed to obtain the Shareholder's consent through Postal Ballot in respect of two Special Resolutions authorising the Board of Directors (i) to raise finances by way of issue of securities pursuant to section 62(1)(c) of the Companies Act, 2013 whether with or without further right to conversion to the total aggregate extent of ₹3000 crore which upon conversion of all securities would give rise to the issue of equity capital of 1,10,0000 equity shares of an aggregate face value of ₹2.20 crores; and (ii) to issue and allot, on a private placement basis or under a Letter of Offer/Information Memorandum, in the course of an Indian Offering of Non-Convertible Debentures of value not exceeding ₹1000 crore, at such price in accordance with the guidelines issued by the Securities and Exchange Board of India, in such manner as the Board may, in its discretion think fit, on such terms and conditions as may be decided and deemed appropriate by the Board at the time of issue or allotment.

E Voting

In compliance with section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Shareholders of the Company were permitted to use the e-voting facility provided by the Company through Karvy Computershare Private Limited for casting their votes at the Annual General Meeting as well through Postal Ballot.

Additional Shareholder Information

Annual General Meeting

Date : September 20, 2017

Time : 10.00 a.m.

Venue : Community Centre Premises,

Dalmiapuram -621651, Dist. Tiruchirapalli, Tamil Nadu

Financial Calendar

Financial year: April 1, 2017 to March 31, 2018

For the year ended March 31, 2018, results will be announced on:

- First quarter: By mid-August, 2017
- Second quarter: By mid-November, 2017
- Third quarter: By mid-February, 2018
- Fourth quarter: By end May, 2018

Book Closure

The dates of book closure are from September 14, 2017 to September 20, 2017 inclusive of both days.

Dividend Payment

The Directors have recommended payment of final dividend calculated at ₹2.20 per equity share of ₹2/- each. Such dividend shall be paid to those shareholders, whose names appear on the Company's Register of Members as on September 13, 2017. The Dividend pay-out will be effected on September 22, 2017.

The Company has declared dividend for the first time only in 2011. As such, the question of complying with the requirements of Section 125 of the Companies Act, 2013 by remitting all amounts due to be credited to the Investor Education & Protection Fund does not arise at this point of time.

Listing

The Equity Shares are listed on the following Stock Exchanges:

- Bombay Stock Exchange Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
MUMBAI - 400001.

- The National Stock Exchange of India Limited,
Exchange Plaza,
5th Floor, Plot No. C/1, G - Block,
Bandra Kurla Complex,
Bandra (East),
MUMBAI - 400051

The company has not issued any debentures. The equity shares of the Company have never been suspended from trading.

Listing fees for the year 2017-18 has been paid to all the Stock Exchanges. The bills for the annual custodial fees for the financial year 2017-18 have also been paid.

Stock Codes:

Bombay Stock Exchange : DALMIABHA (533309)

National Stock Exchange : DALMIABHA

ISIN (for Dematerialised Shares): INE439L01019

Unclaimed Suspense Account

In terms of SEBI (LODR) Regulations, the Company has opened a demat Unclaimed Suspense account. However, there are no shares in the said account.

Stock Market Data

Table 13, Table 14, Chart A and Chart B gives details

Table 13: High, lows of Company's shares for 2016-17 at BSE and NSE

Month	BSE			NSE		
	High	Low	Close	High	Low	Close
April, 2016	880.70	786.05	847.40	890.00	783.00	850.15
May, 2016	959.00	794.00	902.40	959.00	790.05	904.05
June, 2016	1205.00	896.85	1197.45	1207.25	896.00	1196.75
July, 2016	1497.20	1180.50	1438.65	1500.00	1180.45	1441.90
August, 2016	1680.00	1386.45	1664.25	1680.00	1380.55	1664.85
September, 2016	1899.00	1635.00	1866.40	1899.00	1625.00	1871.00
October, 2016	2069.50	1860.00	2047.70	2070.00	1860.60	2055.55
November, 2016	2090.00	1430.05	1616.15	2085.00	1422.80	1622.45
December, 2016	1658.00	1186.40	1355.85	1649.40	1220.50	1351.25
January, 2017	1904.00	1370.00	1831.85	1910.00	1365.95	1839.00
February, 2017	2030.00	1816.50	1903.45	2047.00	1815.10	1905.95
March, 2017	2019.05	1842.40	1967.20	2020.00	1841.00	1965.70

Table 14: Stock Performance over past 5 years

Month	% of Change in					
	Company's Share		Sensex	Nifty	Company in comparison with	
	BSE	NSE			Sensex	Nifty
FY 2016-17	147	144	17	19	130	127
2 years	365	363	6	8	359	355
3 years	674	679	32	37	642	642
5 years	1268	1275	70	73	1198	1201

Chart A: The Company's Share Performance versus BSE Sensex

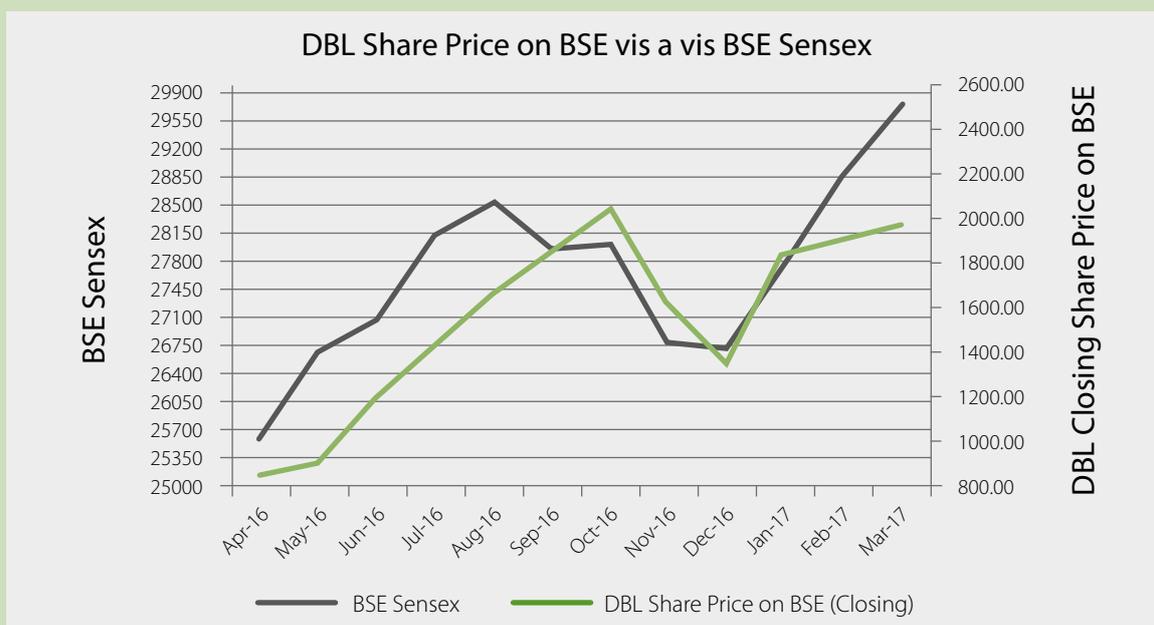
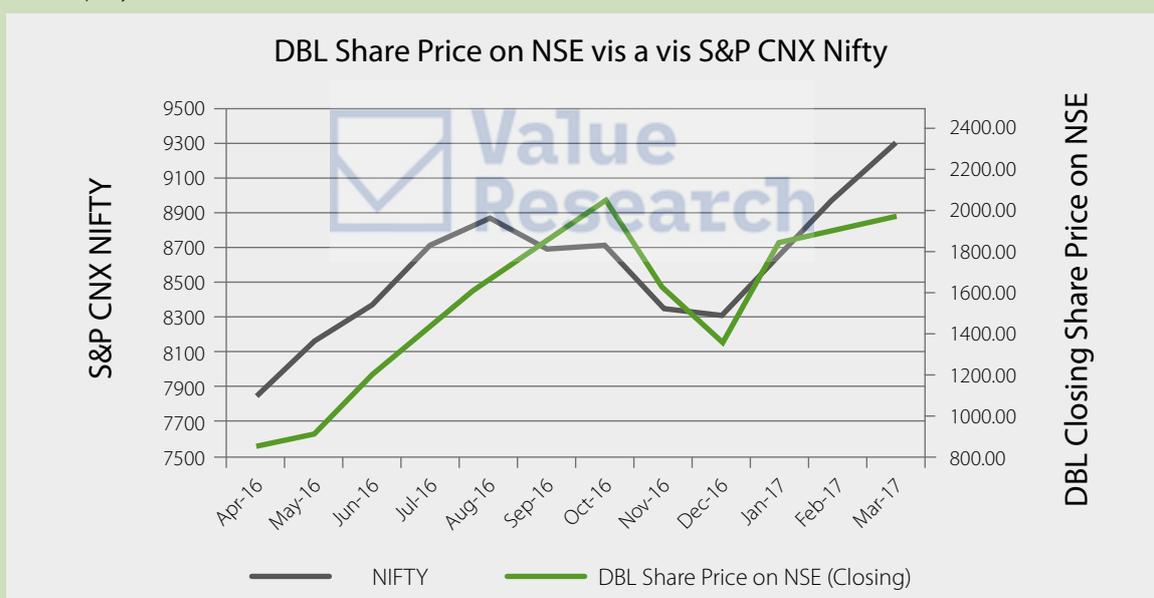


Chart B: The Company's Share Performance versus NIFTY



Distribution of Shareholding

Table 15 and 16 lists the distribution of the shareholding of the equity shares of the Company by size and by ownership class as on March 31, 2017.

Table 15: Shareholding pattern by size

Sl. no.	No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1	1 - 500	13826	80.03	1375968	1.55
2	501 - 1000	1303	7.54	979244	1.10
3	1001 - 2000	996	5.76	1487142	1.67
4	2001 - 3000	358	2.07	901175	1.01
5	3001 - 4000	195	1.13	698575	0.79
6	4001 - 5000	99	0.57	450404	0.51
7	5001 - 10000	214	1.24	1487175	1.67
8	10001 and above	286	1.66	81586120	91.71
	TOTAL:	17277	100.00	88965803	100.00

Table 16: Shareholding Pattern by ownership

Particulars	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Promoters	10	0.06	2919743	3.28
Promoters Bodies Corporate	27	0.16	48470405	54.48
Central/State Governments	4	0.02	128155	0.14
Financial Institutions	2	0.01	573259	0.64
Mutual Funds	48	0.28	3685643	4.14
Foreign Institutional Investors	122	0.71	7155039	8.04
Insurance Companies	6	0.03	329769	0.37
Bodies Corporates	578	3.35	3843772	4.32
NRI/Foreign Nationals	422	2.44	493370	0.55
Foreign Bodies Corporates	1	0.01	7500000	8.43
Individuals/Others	16057	92.94	13866648	15.60
Total	17277	100.00	88965803	100.00

Note: @The promoters have not pledged the shares of the Company against any loan drawn by them. This disclosure may be treated as a disclosure as required under Regulation 31 of the SEBI (LODR) Regulations and under Regulation 31 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulation, 2011.

Dematerialisation of Shares

As on March 31, 2017, 97.06% shares of the Company were held in the dematerialised form. The promoters of the Company hold their entire shareholding in dematerialised form.

Commodity Price Risk or Foreign Exchange Risk and hedging activities

No hedging activity was undertaken during the year under review.

Outstanding GDRs/ADRs/Warrants/Options

Nil

Details of Public Funding Obtained in the last three years

Nil

Registrar and Transfer Agent

For Equity Shares:

Karvy Computershare Private Limited,
Karvy Selenium Tower B, Plot 31-32, Gachibowli
Financial District, Nanakramguda, Hyderabad – 500 032.

Share Transfer System

The share transfers in the physical form are presently processed by the Registrars and Transfer Agents and returned within a period of 15 days of receipt of complete documents. The Company's Equity

Shares are tradable in dematerialised form since the date of listing. Under the dematerialised system, the Shareholder can approach a Depository Participant (DP) for getting his shares converted from physical form to dematerialised form. The DP will generate a request for the dematerialisation, which will be sent by him to the Company's Registrars and Share Transfer Agents. On receipt of the same the shares will be dematerialised.

Registered Office Address:

Dalmia Bharat Limited
Dalmiapuram -621651,
Dist. Tiruchirapalli,
Tamil Nadu
Phone: 04329 – 235132
Fax: 04329 235111

Address for Correspondence

Dalmia Bharat Limited
Shares Department
Dalmiapuram – 621651
Dist. Tiruchirapalli
Tamil Nadu
Phone: 04329 - 235132
Fax: 04329 235111