



February 28, 2023

The Calcutta Stock Exchange Ltd.  
71 Lyons Range  
Kolkata- 700001  
**Scrip Code: 10013217**

The Corporate Relationship Department  
The BSE Limited  
P.J. Towers, Dalal Street  
Mumbai- 400001  
**Scrip Code: 500089**

National Stock Exchange of India Limited  
Exchange Plaza, 5th Floor  
Plot No. C/1, G Block, Bandra Kurla Complex  
Bandra (E), Mumbai – 400051  
**Scrip Code: DICIND**

**Sub: Seventy Fifth (75<sup>th</sup>) Annual General Meeting- Annual Report for the Financial year ended December 31, 2022**  
**Ref: Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015**

Dear Madam/Sir,

In furtherance to our communication dated February 24, 2023, wherein the Company had informed that the Annual General Meeting of the Company is scheduled to be held on Wednesday, March 22, 2023, at 11.00 A.M.

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, please find enclosed herewith the Annual Report of the Company along with the Notice of AGM for Financial year ended December 31, 2022 which is being sent through electronic mode to the Members.

The Company will provide its members with facility to cast their vote(s) on all resolutions as stated in Notice by remote e-voting as well as e-voting during the Annual General Meeting. The e-voting instructions and the process to join meeting through video conferencing is set out in Notice, which forms part of the Annual Report.

The Cut-off date for the purpose of e-voting shall be Wednesday, March 15, 2023. The remote e-voting shall commence from 09.00 A.M. on Sunday, March 19, 2023 to 05.00 P.M. on Tuesday, March 21, 2023.

The Annual Report along with Notice of AGM is also available on the Company's website. ([https://www.dic.co.in/sites/default/files/2023-02/Annual%20Report%202022\\_0.pdf](https://www.dic.co.in/sites/default/files/2023-02/Annual%20Report%202022_0.pdf))

This is for your information and records.

Thanking You,  
Yours Faithfully,  
For **DIC India Limited**

Digitally signed by  
RAGHAV SHUKLA  
Date: 2023.02.28  
17:12:04 +05'30'

Raghav Shukla  
Corp. GM- Legal &  
Company Secretary  
M.No. F5252

## **DIC INDIA LIMITED**

Fusion square, 5th Floor, Plot no. 5A & 5B, Sector-126, Noida – 201303

Tel: +91-120-6361414 | Fax: +91-120-6361443

CIN No. L24223WB1947PLC015202

Website: [www.dic.co.in](http://www.dic.co.in) | Email id: investors@dic.co.in

Registered office: Transport Depot Road, Kolkata – 700088



Color & Comfort

DIC India



Leading in Innovation



# Innovation for Sustainable Future



Annual Report 2022

DIC India Limited

[www.dic.co.in](http://www.dic.co.in)





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## KEY EVENTS AND MILESTONES IN THE HISTORY OF DICI



**1961**

Factory with modern manufacturing facility was set up in Kolkata

**1963**

Metal Coating production commenced in Mumbai

**1972**

R&D Department inaugurated in Kolkata

**1985**

The Kolkata factory witnessed a modernization programme that included installing highly efficient machines.

**1947**

Incorporation of Coates of India Private Limited- Kolkata

**1962**

Sales Office set up in Delhi

**1966**

Factory set up in Delhi for Blending

**1977**

Company made its maiden public issue of equity share worth Rs. 3.2 million

**1990**

Liquid Ink Manufacturing factory set up in Noida



# INDIA A LAND OF COLORS WHERE THE PAST MEETS THE FUTURE



### 2001

DIC Japan consolidates its investments under DIC Asia Pacific Pte Limited. Sun Chemical becomes the holding company

### 2004

Company changed to DIC India Limited from 6th August

### 2008

Opening Liquid Ink plant in Noida

### 2016

Started Flexo Product offering in India

### 2022

Completed 75 Years in India. Launch of Food Packaging Safe Inks for Flexibles

### 2002

Entire stake transferred from Sun Chemical to DIC Asia Pacific Pte Ltd.

### 2006

Opening News Ink plant in Noida

### 2012

Opening of Adhesive Plant in Bangalore

### 2019

Opening of Regional Technical Centre

### 2023

Opening of New Manufacturing Facility in Sayakha, Gujarat





## Board of Directors

as on February 24, 2023



**Partha Mitra**  
Non-Executive  
Independent Chairman



**Rajeev Anand**  
Non-Executive  
Independent Director



**Prabal Kumar Sarkar**  
Non-Executive  
Independent Director



**Pritha Dutt**  
Non-Executive  
Independent Director



**Adnan Wajhat Ahmad**  
Non-Executive  
Independent Director



**Paul Koek**  
Non-Executive  
Director



**Masahiro Kikuchi**  
Non-Executive Director



**Ryohei Kohashi**  
Non-Executive Director



**Manish Bhatia**  
Managing Director &  
Chief Executive Officer



**Taishi Nojima**  
Whole Time Director

# Our Presence





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## Corporate Information-DIC India Limited

As on February 24, 2023  
 CIN: L24223WB1947PLC015202

### Board of Directors

**Partha Mitra**

Chairman &  
 Independent Director  
 (DIN: 00335205)

**Rajeev Anand**

Independent Director  
 (DIN: 02519876)

**Prabal Kumar Sarkar**

Independent Director  
 (DIN: 03124712)

**Pritha Dutt**

Independent Director  
 (DIN: 02910608)

**Adnan Wajhat Ahmad**

Independent Director  
 (DIN: 00046742)

**Paul Koek**

Non-Executive Director  
 (DIN: 00081930)

**Masahiro Kikuchi**

Non-Executive Director  
 (DIN: 08024525)

**Ryohei Kohashi**

Non-Executive Director  
 (DIN: 10043620)

**Manish Bhatia**

Managing Director &  
 Chief Executive Officer  
 (DIN: 08310936)

**Taishi Nojima**

Whole Time Director  
 (DIN: 08401012)

### Key Managerial Personnel

**Manish Bhatia**

Managing Director &  
 Chief Executive Officer  
 (DIN: 08310936)

**Taishi Nojima**

Whole Time Director  
 (DIN: 08401012)

**Sandip Chatterjee**

Chief Financial Officer  
 (PAN: ABVPC5782H)

**Raghav Shukla**

Corp. General Manager  
 Legal & Company Secretary  
 (M. No. F5252)

### Board Committees

**Audit Committee**

Prabal Kumar Sarkar- Chairman  
 Rajeev Anand  
 Adnan Wajhat Ahmad  
 Paul Koek

**Stakeholders' Relationship Committee**

Rajeev Anand- Chairman  
 Partha Mitra  
 Adnan Wajhat Ahmad  
 Paul Koek

**Nomination & Remuneration Committee**

Pritha Dutt- Chairperson  
 Prabal Kumar Sarkar  
 Paul Koek

**Corporate Social Responsibility Committee**

Pritha Dutt- Chairperson  
 Rajeev Anand  
 Adnan Wajhat Ahmad  
 Paul Koek  
 Taishi Nojima

**Risk Management Committee**

Rajeev Anand- Chairman  
 Prabal Kumar Sarkar  
 Adnan Wajhat Ahmad  
 Manish Bhatia  
 Taishi Nojima  
 Ryohei Kohashi

### Corporate Office

**DIC India Limited**

Fusion Square, 5th Floor,  
 5A-5B, Sector- 126, Noida- 201303  
 Uttar Pradesh, India  
 Phone: +91 120 6361 414  
 Email: investors@dic.co.in

**Registered Office**

**DIC India Limited**

Transport Depot Road, Kolkata- 700  
 088  
 Phone: +91 33 2449 6591 – 95;  
 Fax: +91 33 2449 7033 / 2448 9039  
 Email: investors@dic.co.in  
 Website: www.dic.co.in

### Auditors

**Deloitte Haskins & Sells LLP**

(Rgn No. 117366W/W-100018)  
 7th Floor, Building 10, Tower-B,  
 DLF Cyber City Complex,  
 DLF City Phase-II, Gurugram- 122  
 002, Haryana, India  
 Phone: +91 124 679 2000;  
 Fax: +91 124 679 2012

**Bankers**

State Bank of India  
 Standard Chartered Bank  
 HDFC Bank Limited  
 Mizuho Bank Limited  
 MUFG Bank Limited

**Registrar & Share Transfer Agent**

CB Management Services Pvt. Ltd.  
 (CIN: U74140WB1994PTC062959)  
 P-22, Bondel Road, Kolkata- 700 019  
 Phone: +91 33 4011 6700 / 2280  
 6692 / 2282 7033 / 2287 0263  
 Email: rta@cbmsl.com;  
 Website: www.cbmsl.com





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## DIC India in Brief

The Company started its journey in 1947 as Coates of India Private Limited. In early 2000, it came under the umbrella of DIC Corporation, Japan through a Global Acquisition. DIC India prides itself on being one of the largest companies in the printing, publishing, and packaging industry in India.

The company has continuously surpassed its milestones over the years. It is setting new benchmarks by becoming the supplier of choice for its esteemed customers.

DIC India Ltd.'s Research and Development centers at Noida and Kolkata have been instrumental in developing new products, processes, and applications whilst improving the existing technology to benefit its clients.

Under dynamic leadership, the company has been on a steady growth path and innovation allowing it to appropriately reward, its stakeholders.

## Mission

We create enhanced value and utilize innovation to introduce socially responsible and sustainable products.

## Vision

### Color & Comfort by Chemistry

We improve the human condition by safely bringing color and comfort into people's lives.\*

## Core Values

**Enterprising:** Lead with a passion for excellence that is evident in the solution-focused actions taken each day to drive value through innovation.\*

**Integrity:** Be honest, forthright, and ethical in all dealings with customers, suppliers and coworkers.\*

**Dedication & Loyalty:** Take responsibility for performance in the office, laboratory and factory, by demonstrating commitment to customers, suppliers and coworkers.\*

**Diversity:** Respect other's viewpoint and work collaboratively while valuing collective goals over personal interests to achieve excellence; foster communication and cooperation with people from all backgrounds.\*

**Social Responsibility:** Go beyond compliance to promote products and activities that achieve socially responsible and sustainable development that protect the environment.\*



\*=Annotation



# Product Portfolio

DIC brings to market a range of high-performance inks for diverse printing and packaging applications with unmatched color reproduction at high speeds, suitable for a wide range of substrates and industries.



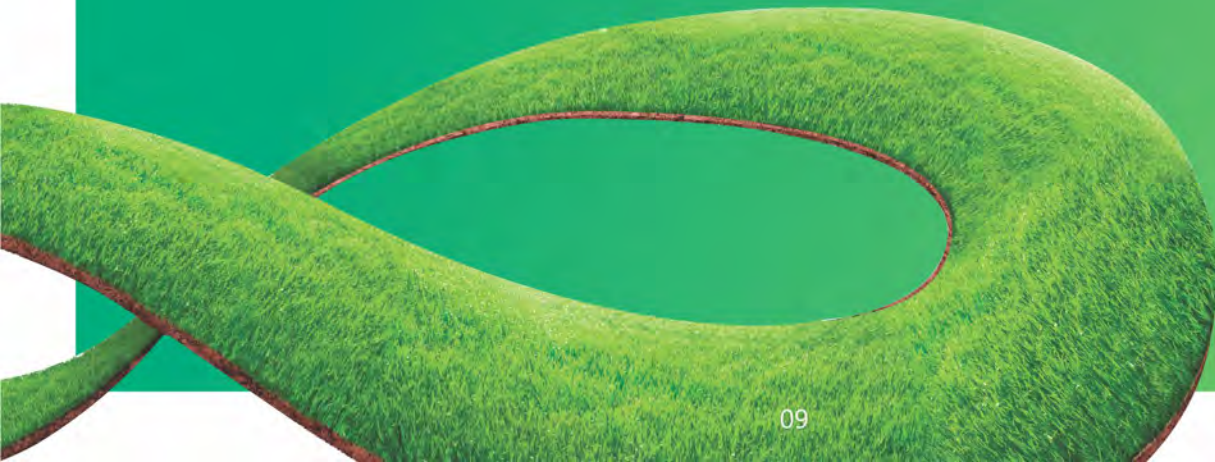
Adhesives

Packaging Inks

Publication Inks

Innovations for Future

*Touching your life every day*







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## Product Portfolio

## Publication Inks

### News

Our news inks such as Popular, Polar, Express, Colorman Series, etc. are engineered to minimize start-up wastage and optimize the entire printing process. Suitable for all GSM counts in commercial and news applications such as glossy magazines, premium coffee table books, newspapers, and academic applications, DIC inks are preferred for a range of economic advantages that improve efficiency and reduce wastage for both standard as well as glazed newsprints.

### Offset Commercial

DIC's range of offset packaging ink provides good gloss and robust lithographic properties for running in all modern offset presses in commercial printing. The ink is perfectly suited for all types of LWC, GNP, and SNP for printing magazines and periodicals. We offer inks that reduce the cost of printing with high-speed inks, thereby optimizing the operational efficiency of the printers and improving the business investment. Commercial offset ink that is used for printings of books both standard quality and high-end books, posters, danglers, POP material, playing cards, magazines, movie posters.



### Aqueous Coatings

Our offering of food safe and low migration aqueous coatings adhere to the Global Migration Limits as defined by EFSA. We also offer aqueous coatings which are suitable for all water qualities, press types and IPA(alcohol) levels. Providing the best migration metrics for printed packaging of sensitive products like food, tobacco, cosmetics and more, our aqueous coatings such as Sun Coat LMQ have excellent organoleptic properties with migration rate well below OML of 60mg per 1 KG.

### Text Bookings

Linear bucket for zero discharge with low penetration, low mist & high strength inks



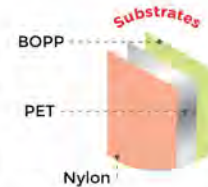
## DIC Future Ready Inks

### Innovations for Future

#### TF Series

##### Smart KF

It is both Toluene and ketonic solvent-free. This makes the ink a sure choice for packaging of various kinds of snack food, frozen food, boil and retort pouches.



##### Smart TF

The premium ink is the ideal choice for packaging liquid soap refill, ready to eat packs and detergent packs.

##### Hikari HSTF

HSTF is a range of Toluene-Free ketone based low viscosity high strength(LVHS) reverse lamination inks having high bond strength, excellent printability and specifically formulated for high speed printing with a target of low ink GSM and suitability of this series on low cell depth electrometrical and laser cylinders. The low odour and low solvent retention characteristics make it particularly suitable for the packaging of food products. The unique features of HSTF has designed to meet the stringent requirements of laminated packaging employing polyester and BOPP substrates with Excellent printability and tonal reproduction, particularly at higher printing speeds

### Barrier Coatings and Adhesives

Barrier coatings are functional coatings that reduce or eliminate fluid flow. These coatings control the flow of oil and grease, water, moisture, oxygen, and other fluids. Barrier coatings offer various environmental benefits to help converters and brand owners meet their sustainability targets.



### Energy Saving Adhesives

#### PVBS & LIB Range of Adhesives (For Solar Cells & Lithium Ion Batteries)

Weather-protective outer layer: Protects against environmental conditions and moisture ingress

Polyester core: Provides electrical insulation

Adhesion-promoting inner layer: Bonds backsheet to PV module encapsulant to laminate for 25+ years.







## Product Portfolio

# Packaging Inks

## Flexible Packaging

### Gravure

DIC India, being one of the biggest and oldest manufacturers of printing inks and allied materials, provides excellent quality liquid inks that have been formulated to meet the diverse needs of reverse printing on treated BOPP, treated and plain Polyester film, Nylon, and Cellophane. Our liquid inks like Smart KF, Ultralam NT, TAFF, Modflex™, etc. are known for the richness of printing on food, beverage, and oil packets.

### Flexo

DIC India offers a complete range of water based, solvent based, and UV Flexo inks for the fast growing packaging and label industry. The portfolio comprises flexographic inks such as GPL, Pinnacle series, SunEster inks, etc. for high strength, high speed advantage with excellent high fidelity reproductions.

### Corrugated Box Packaging

Water Based Flexo Inks for Secondary, Primary and House Hold Packagings. Good printability for both line and tone printing (dependent on the type and quality of the substrate getting printed). After fully dried, the print will be water bleed resistant, deep freeze resistant.

### UV Packaging

- High-Speed UV Inks for UV offset Presses @14000 IPH.
- Yield a Better Ink Mileage on High Speed Inter-ducts Print Units Too.
- Superior & High Opacity White UV inks.
- Secured from Anti-Tack, Anti-Sleep, Low Odor & Anti-Mist Challenges.
- Delivers Excellent Color Reproduction on All Suitable Substrates.

### MO Free Inks

- Environmentally and Packaging Friendly MO Free Inks.
- Compostable
- Ensures High Quality Print
- Hazard Free

### UV Coatings

- Gloss Coating –
  - Online & Offline Application on Met Pet & Board
  - Online & Offline Application on Board
  - Gloss OPV low Odour / BP Free
  - Transport Resistance UV Varnish
- Matt OPV on Board or Met Pet

### LMLO Inks

High performance, UV Curable Inks for sensitive packaging like food, cosmetic, healthcare, pharmaceutical and tobacco.







## Adhesives

DIC India Limited is one of the foremost and reliable lamination adhesive manufacturers in India. With our state of art global lamination adhesive plant in Bengaluru we offer a wide range of laminating adhesives for surface printed and Reverse printed flexible packaging Films. DIC India offers a range of Lamination Adhesive that suits all types of flexible packaging applications. We have two broad categories of adhesives that are solvent based and solvent free adhesives.



### Solvent Based Adhesive Product Range

Our range of solvent based adhesives like LX 800, LX 75H, LX 811, and LX 8321 are suitable for high speed application on metalized films & polyethylene films up to 150 $\mu$ . The industries where these applications can be used are Foil structures for retort, Aggressive fillings like perfumed oils, Foil structures for hot-fill, aggressive filling like hair Dyes, noodles, snack food, Milk Powder, Wheat Flour, Noodles, Detergent, Spices, Oil, Soap Wrappers, Stand up Pouches, Frozen Foods, etc.

### Solvent Free Adhesive Product Range

DIC provides quality adhesives like NS 5210A, HA 520B, NS 4500A, HA 460B & NS 2100A, HA 500B, etc. for applications like snack food packaging, salt up to 1 kg pack, flour packs. These adhesives are perfect for getting a faster curing time, The ideal machine speed that can be achieved with these products is up to 180 mpm with metalized structures and 375 mpm in PE structures. The curing time is 14 hours in 4 ply laminates.

## Speciality Inks

DIC India's range of specialty inks consists of a wide selection of brand protection inks that are available application in screen, gravure, UV flexo, offset which can be used to see tackle counterfeit with or without using UV lamps. We also have a versatile range of metal deco inks for your requirement of print of metal cans for beverages, pharma, paint industry, etc.

### Ink for Brand Protection

DIC India has a range of brand protection inks for a range of application like reducing counterfeit, metachromic Inks, coin mark ink for promotional campaigns which can be used with masking lacquer for better usability, so that the unlacquered area is coin reactive. We also have Thermochromic Inks for brand protection which has both features of reversible ink in temperature -10° C to 69° C and irreversible inks in temperature 60° C to 120° C. We also have tagged ink for brand protection using microsphere technology for detecting prints using UV lights only.

### Metal Deco Inks

DIC India offers a wide range of metal decorating inks for offset process printing on general cans, beverage cans, food cans and tubes for packaging of food, beverage, cosmetic and pharmaceutical products.

The inks are fast drying, gives good gloss, good thermal stability, excellent adhesion, high scratch resistance and good print finish.

DIC India also brings the complete range of Metal Decorative Inks from Sun Chemicals. These Inks are made with the most advanced technology in Sun Chemical's plants in Europe and cover the entire gamut of printing - conventional, UV, special effects and brand protection.





## Technical Centre-Noida







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## Manufacturing Facilities



### Sayakha Plant

New Manufacturing facility

### Noida Plant

Manufacturing facility for Liquid Inks & News Colour Inks



### Kolkata Plant

Manufacturing facility for Liquid Inks, & Offset Inks

### Ahmedabad Plant

Manufacturing facility for News Black Inks, Offset aquatic Inks & WB Flexo Inks



### Bengaluru Plant

Manufacturing facility for Adhesives & PU Resins

### Noida

Manufacturing facility for Flexo Inks





## DIC Vision 2030

### Our Vision

The danger to our planet posed by global climate change has clarified our 10-year goals. There's widespread consensus on achieving carbon neutrality as a global solution with a clock. Moreover, the global COVID-19 pandemic has created a new normal that we expect to significantly accelerate the transition to a digital society.

Considering this grand paradigm shift, the DIC Group must now balance maximizing our financial profits with maximizing our social significance. Given these new imperatives, we must share our motivations with our stakeholders externally and promote purpose-driven management internally.

### DIC Vision 2030 Basic Policy & Goals

To realize our Vision, we have devised a new long-term management plan, DIC Vision 2030, as our basic policy to deliver greater social benefits that enhance stakeholder

value and build long-term corporate value.

Looking ahead to 2030, DIC must think long-term, focusing on five priority business areas to establish our business portfolio to achieve sustainable prosperity, by contributing to the creation of a society that is Green, Digital, and emphasizes Quality of Life (QOL).

### Securing Sustainable Prosperity

Leveraging DIC Groups diverse human resources and global networks, we seek to further strengthen our global management and promote the establishment of a business portfolio that does not depend solely on ink products, as well as carbon neutrality initiatives unique to DIC, maturing as a "global company trusted by society."



Water Based Flexible Inks



Toluene Free Inks



MO Free Inks



Barrier Coatings





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## Our Sustainability Policy

### Our Approach

At DIC India Limited, it is our responsibility to raise awareness about environmental issues that are part of our industry, including issues raised by regulatory and customer-driven forces. Given that responsibility, we have a history of and continue to develop, methodologies to assess our impact and to innovate processes and products that are more sustainable from both an economic and environmental dimension.

We have in place a rigorous development process and analytical tools that guide our choice of materials and the safety of our products. We strive to use manufacturing processes that demonstrate environmental excellence through reduced waste generation, lower energy, and water usage, and strong safety performance as measured by several key metrics – greenhouse gas emissions, energy and water consumption, carbon footprint, and safety record. We commit to meeting local regulatory requirements, and proactively work with

government, industry trade groups, and business partners in the value chain to better define, measure, and promote sustainability.

Product stewardship and risk management are also important components of our sustainability policy. We are committed leaders in this area and will continue to take a responsible, analytical approach to our efforts.

**To ensure we understand our impact, we measure key metrics – greenhouse gas emissions, energy and water consumption, carbon footprint, and safety track record.**

The result of all our efforts is our ability to provide our consumers with eco-efficiency and, in turn, enhance the sustainability of their processed and end products. Using our long-standing reputation for quality, service, and innovation, our dedication to improving sustainability influences both our daily work and our strategic direction across the globe.



	Climate change. Resource conservation.	Sustainable use of natural resources.	Food, Safety and Health.
<b>Social issues</b>			
<b>Primary value of our products</b>	<ul style="list-style-type: none"> <li>Contain renewable raw materials</li> <li>Energy saving and thermal insulation</li> <li>Reduce weight</li> <li>Cope with marine plastics</li> </ul>	<ul style="list-style-type: none"> <li>Recyclable</li> <li>Reduce waste</li> <li>Long life</li> <li>Reduce volume</li> </ul>	<ul style="list-style-type: none"> <li>Health and comfort</li> <li>Reduce food waste</li> <li>Low VOC and food packaging safe</li> </ul>



## Our People

In 2022, DIC completed 75 years of operations in India and the occasion was celebrated across locations. Employees participated wholeheartedly along with their families. This was an opportunity for everyone to come together and embrace the bond shared and the grandeur of our legacy in India.

During this time, leadership teams visited locations and facilitated and joined the events. Some images from the various events are below -

**Corporate Office, Noida**



**Kolkata Plant**



**Noida Plant**



**Mumbai**



**Ahmedabad**



**Chennai**



**Bangalore**



Year 2022 was also about embracing change and preparing for “New Normal” post pandemic. To adapt to new challenges, we are adopting a Competency model – a behaviour based scientific tool to develop leadership across levels and consistently deliver results. The competency model would help in array of people processes such as Recruitment & Selection, Performance Management, Career Development etc. To start, a set of assessors were identified and trained who in turn have conducted first assessment for high potential and future leaders. Individual development program (IDP) have been developed and are being tracked for these future successors.

As on 31st December 2022, the company had 475 employees working with us.





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## Environment, Health and Safety

The company's policy statement on environment, health and safety is not mere statement but it is confirmation and commitment for long term sustainable growth of the company. In addition to compliance with the legal norms, we firmly believe that conformance to EHS requirement is equivalent to our license to operate.

In our pursuit of achieving greener sustainable processes, we have initiated multiple initiatives to optimise use of Energy, Water, while always focusing on minimising CO<sub>2</sub> footprint, minimal waste generation from our manufacturing process & locations.

Our safety performance is regularly presented and reviewed by the Board and the Group Regional Office in Singapore. The Company has been achieving continuous improvements in safety performance through a combination of systems and processes as well as cooperation, involvement and support of all employees.

At DIC India Limited, we also monitor performance through sustainable goals like reduction in water consumption (natural resource optimization), responsible waste management, reduction of energy usages, greenhouse gas emissions and CO<sub>2</sub> emission reduction.

DIC follows a high standard of environment, health, and safety (EHS) principles, and is compliant with all the relevant regulations. All manufacturing locations have a well-established Occupational Health and Safety Management System (OHSMS) and are also ISO 45001:2018 certified. Its QHSE policy is designed to prevent environmental pollution, injury and ill health of its people. DIC makes consistent investments in upgrading its ESH standards through the introduction of modern processes, equipment and training.

### Highlight of key projects which DIC India has implemented, which have resulted in significant reduction in energy usages:

#### Energy/CO<sub>2</sub> Reduction Initiatives:

- Replacement of old fans by BLDC energy efficient fans.
- Reduction in Air leakages from compressed air system.

- Optimum utilization of utilities
- Replacement of old Air Conditioner with energy efficient Air Conditioner.
- Various process improvement and batch size improvement initiatives.
- Synchronization of compressors to run as per demand.
- Open Access Solar Power for Noida site

#### Water Conservation:

Many initiatives were taken for Water Conservation. We keep on improving our processes to ensure water consumption is minimised.

- Introduction of self-closing taps to reduce wastages of water.
- Improvement in cold and hot insulations.
- Replacement of old steam pipeline to bring efficiency.
- Batch time reduction (in heating & cooling process)
- Water metering and arresting of all possible leakages in water distribution system.

We achieved around 10 % reduction in water usage /ton of product compared to 2021.





### TRIR

Two years without any recordable or Fire incidents. Achieved more than 5.63 Mill recordable accident-free hours.



Reuse of Oil, Broken pallet Buy back, Recycling and reuse of intermediate barrels, Recycling and reuse of packaging materials.

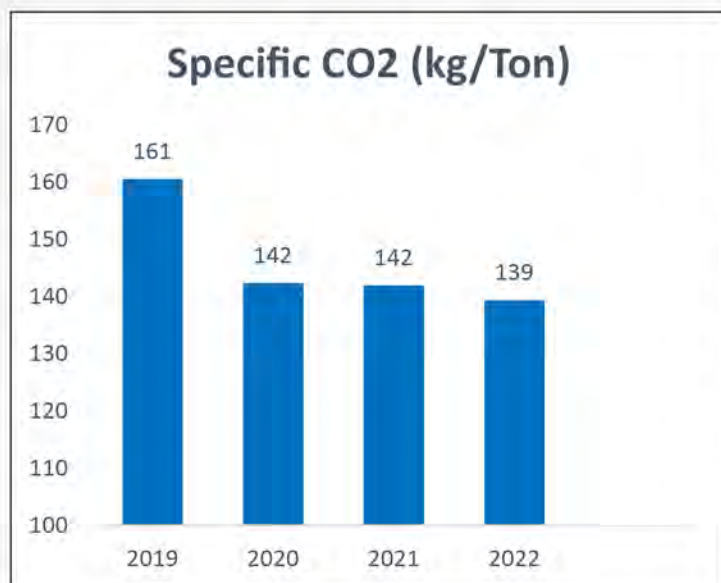
### Waste Reduction Projects:



### CO2/Energy

Solar Power for CO2 emission reduction at Noida, Process optimization, Replacement of Air conditioners, Optimum utilization of utilities, Batch time reduction.

### Specific Waste



Waste Minimization Our waste minimization programs are focused on improving utilization of incoming materials, promoting reduce, reuse, recycling (3R Principle) and ensuring compliance at all times.

- Recycling and reuse of intermediate barrels.
- Recycling and reuse of packaging materials.
- Internal repair and reuse of wooden pallets.
- Use of internal solvent recovery plant to recover waste solvents.
- Segregation and proper storage of waste.

We achieved around 9% reduction in waste generation /ton of product compared to 2021.

We believe maintaining high standards of safety and health is the cornerstone to our continued success. We have a robust management system to ensure safety of personnel, processes and the approach is reflected in our safety policies, risk assessment framework, incident review and audit systems.

We closely monitor safety performance parameters and set goal for improvements on incident rates. In 2022, we





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have achieved all parameters of Safe performance as per the balance score card(BSC).

We encourage our workforce to report any hazard or unsafe conditions, without the fear of any reprisals. We also track reported "near miss" incidents to monitor our safety performance. Frequent external and internal audits form part of continues efforts in improving various leading and lagging indicators. As part of our process, we carefully analyse the cause for any work-related incidents and make correction in the standard operating procedures to avoid such eventualities. We are focused on cultivating the right safety attitude and taking measures to avoid and mitigate any future risks.

DIC India has achieved two years without any recordable or Fire incidents. With this DIC India has achieved more

than 5.63 Mill recordable accident-free hours.

DIC understands and acknowledges the criticality of its workforce and the role it plays in driving growth for the Company. To that extent, the Company organizes regular programs to upskill and sharpen the knowledge of its employee and contractors which are focused on industry practices, recent trends and new technologies.

We continue to educate and encourage every member of our workforce to embrace safety as a value. Safety and occupational health is a mandatory module of induction process. Refresher training programs are also conducted to enhance safety awareness and knowledge among employees and contractors. We have completed 9780 Hrs. of EHS Training in 2022.



**Inauguration of Green Energy at Noida**



**DIC Safety Day**



**World Environment Day**



**Fire Fighting Training**



## Corporate Social Responsibility (CSR)

**DIC India comes forward to help the community in line with the United Nations' social development goals with "Deeksha" and "Saksham" programs.**

As a part of DIC India Corporate Social Responsibility, the Company has identified Education and Health as the two (2) thematic areas for intervention. These are the areas identified as per the guidelines laid down in Section 135 of the Companies Act.

In year 2022, the Company actively worked on the following CSR initiatives under the thematic areas chosen:

The "Deeksha" program for Children education is being implemented to further the Sustainable Development Goals adopted by the United Nations focusing on Quality Education, Gender Equality, and Decent Work and Economic Growth. We at DIC India envisage to help in child education and nurture a better community around our upcoming mother plant in Bharuch. This shall not only improve the education level of children's but also improve on quality employable manpower in the near future.

Under the "Deeksha" programs, children from underprivileged families have been brought under our wings to be guided and groomed for a successful future with quality education. Our

program of Deeksha is executed by our experienced NGO partner Jeevan Tirth, who have expertise in execution of United Nations sustainable development goals. "Saksham" program is with Taluka Health Officer/ Centre, catering for local population in effective delivery of health services.

Through the "Deeksha" program DIC India has ensured that quality education to be imparted to the future stars with interactive learning modules. Children are being educated under the "Deeksha" program will be provided with free books & course material for a quality sustainable education in line with New Education Policy 2020

As a part of "Saksham", our commitment to help the local community around Saykha, Bharuch, DIC India provided Digital X- Ray Machine to enable effective medical facility to the needy people of the surrounding villages. In absence of such facility, they were commuting to Bharuch. With availability of Digital X Ray Machine at Taluka Centre, diagnosis has become expeditious and response time has considerably reduced.







Color & Comfort

## DIC INDIA LIMITED

Registered Office - Transport Depot Road, Kolkata – 700088, West Bengal

CIN: L24223WB1947PLC015202, Website: [www.dic.co.in](http://www.dic.co.in)

Email id: [investors@dic.co.in](mailto:investors@dic.co.in) Tel: +91 33 24496591

## Notice

**NOTICE** is hereby given that the Seventy Fifth (75<sup>th</sup>) Annual General Meeting of the Members of DIC India Limited will be held on Wednesday, March 22, 2023 at 11.00 a.m. IST through video Conference ("VC")/Other Audio Visual Means ("OAVM"), to transact the following business:

### Ordinary Business

1. To consider and adopt the Audited Financial Statements of the Company for the Financial year ended December 31, 2022, and the Reports of the Board of Directors and the Auditors thereon.
2. To declare Final Dividend of INR 2.00/- (Rupees Two only) per equity share, for the Financial year ended December 31, 2022.
3. To appoint a Director in place of Mr. Masahiro Kikuchi (DIN: 08024525), who retires by rotation and being eligible, seeks re-appointment.
4. To Appoint Statutory Auditors and to fix their remuneration.

consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution** :-

**RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014, including any amendment, modification or variation thereof, M/s Price Waterhouse Chartered Accountants LLP (FRN: 012754N/N500016), be and are hereby appointed as the Auditors of the Company in place of the retiring auditors, for a period of five years to hold office from the conclusion of this Annual General Meeting till the conclusion of the Eightieth Annual General Meeting of the Company, to examine and audit the accounts of the Company, at such remuneration as may be mutually agreed between the Board of Directors and the Auditors.

**RESOLVED FURTHER THAT** the Board of Directors (which term includes a duly constituted Committee of the Board of Directors) be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient to give effect to this Resolution and / or otherwise considered by them to be in the best interest of the Company."

### Special Business

5. Appointment of Mr. Adnan Wajhat Ahmad (DIN: 00046742) as Non-Executive Independent Director

To consider, and if thought fit, to pass with or without modification, the following resolution as **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 149, 161(1) , Schedule IV and other applicable provisions of the Companies Act, 2013 as amended from time to time, and Regulation 17 of Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, Mr. Adnan Wajhat Ahmad (DIN: 00046742) who was based on the recommendation of the Nomination and Remuneration Committee of the Board, appointed as an Additional Director w.e.f. February 8, 2023 by the Board, to hold office upto the date of the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Non-Executive Independent Director of the Company for a term beginning from February 8, 2023 to March 31, 2026, not liable to retire by rotation."

6. Appointment of Mr. Ryohei Kohashi (DIN: 10043620) as Non-Executive Non-Independent Director

To consider, and if thought fit, to pass with or without modification, the following resolution as **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 161 and other applicable provisions of the Companies

Act, 2013 as amended from time to time, and Regulation 17 of Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, Mr. Ryohei Kohashi (DIN: 10043620) who was based on the recommendation of the Nomination and Remuneration Committee of the Board, appointed as an Additional Director w.e.f. February 8, 2023 by the Board, to hold office upto the date of the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Non-Executive Non-Independent Director of the Company, liable to retire by rotation.”

7. Ratification of Remuneration of Cost Auditor

To consider, and if thought fit, to pass with or without modification, the following resolution as **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder, as amended from time to time, the remuneration payable to M/s Sinha Chaudhuri & Associates (Firm Registration No. 000057) appointed as the Cost Auditors of the Company, to conduct the audit of the cost records of the notified products of the Company for the year ending on December 31, 2023, amounting to Rs. 45,000/- (Rupees Forty Five Thousand only), exclusive of applicable tax and out of pocket expenses incurred by them in connection with the aforesaid audit, be and is hereby ratified and approved.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By order of the Board

Registered Office:  
Transport Depot Road, Kolkata – 700 088

Noida  
February 24, 2023

Sd/-  
**Raghav Shukla**  
Corp. GM- Legal &  
Company Secretary  
M.No. F5252





**NOTES:**

1. The Ministry of Corporate Affairs vide its General Circular No. 10/2022 dated December 28, 2022, General Circular No. 21/2021 dated December 14, 2021, General Circular No. 02/2021 dated January 13, 2021, General Circular No. 20/2020 dated May 05, 2020 read with General Circular No.17/2020 dated April 13, 2020 and General Circular No. 14/2020 dated April 08, 2020 (hereafter referred to as "MCA Circulars"), has allowed the holding of Annual General Meeting through VC/OAVM. Hence, Members can attend and participate in the AGM through VC/OAVM only.
2. In accordance with the MCA Circulars, the 75<sup>th</sup> Annual General Meeting of the Company shall be conducted through VC/OAVM. The facility for voting through remote e-voting, for participation in the AGM through VC/OAVM facility and e-voting during the AGM shall be provided by National Securities Depository Limited (NSDL). The procedure for participating in the meeting through VC/OAVM is explained at Note No. 21 below and is also available on the website of the Company at [www.dic.co.in](http://www.dic.co.in).
3. Since the AGM is being held through VC/OAVM, there is no provision for appointment of proxies. Accordingly, appointment of proxies by the members will not be available and hence the Proxy form, Attendance slip and Route map is not annexed to this Notice.
4. Members are requested to participate on first come first serve basis, as participation through video conferencing is limited and will be closed on expiry of 15 minutes from the schedule time of the AGM. However, the participation of members holding 2% or more is not restricted on first come first serve basis. **Members can login and join 15 (fifteen) minutes prior to the schedule time of meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time.** Participation is restricted upto 2000 members only.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. Members can raise questions during the meeting or in advance at [investors@dic.co.in](mailto:investors@dic.co.in). However, it is requested to raise the queries precisely and in short at the time of meeting to enable to answer the same.
7. Corporate members are requested to send at [investors@dic.co.in](mailto:investors@dic.co.in), [rta@cbmsl.com](mailto:rta@cbmsl.com) or [csbinita.tca@gmail.com](mailto:csbinita.tca@gmail.com) before e-voting/attending annual general meeting, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013.
8. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of the Special Business to be transacted at the Annual General Meeting is annexed hereto.
9. The Register of Members and Share transfer books of the Company will remain closed from Thursday, March 16, 2023 to Wednesday, March 22, 2023, both days inclusive.
10. Shareholders holding shares in identical order of names in more than one folio, are requested to write to the Company or to the office of the Registrar & Share Transfer Agent, M/s C B Management Services (P) Limited, P-22 Bondal Road, Kolkata-700019 enclosing their share certificate(s) to enable the Company to consolidate their holdings in one single folio.
11. The Final Dividend for the financial year ended December 31, 2022, as recommended by the Board, if approved at the AGM, will be paid within 30 days of declaration, to those Members whose name appears in the Register of Members of the Company as on the record date, i.e. Wednesday, March 15, 2023. Members can update their bank account details with the Depository/Depository Participant(s) for receiving dividend directly in their bank accounts through Electronic Clearing Services (ECS). In case any Member is unable to update their details for remittance of dividend through ECS, their dividend warrants/cheque shall be dispatched through post.
12. Members holding shares in physical form are requested to notify immediately any change in their address/mandate/bank details to the Company or to the office of the Registrar & Share Transfer Agent, M/s C B Management Services (P) Limited, quoting their folio number. The Members are requested to follow the process for such updation as provided under Investor service request section at [www.dic.co.in](http://www.dic.co.in).

13. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.dic.co.in](http://www.dic.co.in). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
14. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA General Circular No. 10/2022 dated December 28, 2022, General Circular No. 21/2021 dated December 14, 2021, General Circular No. 02/2021 dated January 13, 2021, General Circular No. 20/2020 dated May 05, 2020 read with General Circular No.17/2020 dated April 13, 2020 and General Circular No. 14/2020 dated April 08, 2020.
15. Pursuant to the provisions of the Companies Act, 2013, dividend for the year ended December 31, 2015, and thereafter, which remains unclaimed or unpaid for a period of seven (7) years will be transferred to the Investor Education and Protection Fund (IEPF).
16. Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016('The Rules') notified by the Ministry of Corporate Affairs effective from September 7, 2016, all shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more would be transferred to the Investor Education and Protection Fund (IEPF) Suspense Account.
17. The Notice of AGM and Annual Report are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s). Members holding shares either physical or demat and have not registered their email addresses with the company can get the same registered with the company following the process for such updation as provided under Investor service request section at [www.dic.co.in](http://www.dic.co.in).
18. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode. Members can inspect the same by sending an email to [investors@dic.co.in](mailto:investors@dic.co.in)
19. Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of SEBI LODR, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Wednesday, March 15, 2023, i.e. the date prior to the commencement of book closure, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. Members may cast their votes on electronic voting system from any place other than the venue of the meeting (remote e-voting). The remote e-voting period will commence at 09.00 A.M. (IST) on Sunday, March 19, 2023 and will end at 05.00 P.M. (IST) on Tuesday, March 21, 2023. In addition, the facility for voting through electronic voting system shall also be made available at the AGM and the Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to vote at the AGM (Refer note no. 21 for detailed procedure to vote through e-voting). The Company has appointed Ms. Binita Pandey, Practicing Company Secretaries, Partner of T. Chatterjee & Associates, Company Secretaries (FRN P2007WB067100), to act as the Scrutinizer to scrutinize the entire e-voting process in a fair and transparent manner. The Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given at note no.21. Members whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions are requested to refer the instructions provided at note no. 21.
20. Members who are present in meeting through video conferencing facility and have not casted their vote on resolutions through remote e-voting, shall be allowed to vote through e-voting system during the meeting.
21. The details of the process and manner for remote e-voting are explained herein below:  
**The remote e-voting period begins on Sunday, March 19, 2023 at 09.00 A.M. IST and ends on Tuesday, March 21, 2023 at 05.00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Wednesday, March 15, 2023, may cast their vote electronically. The voting**



**right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Wednesday, March 15, 2023.**

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**How do I vote electronically using NSDL e-Voting system?**


The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1: Access to NSDL e-Voting system**

**A)** Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of Shareholders	Login Method
<p>Individual Shareholders holding securities in demat mode with NSDL.</p>	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "<b>Beneficial Owner</b>" icon under "<b>Login</b>" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "<b>Access to e-Voting</b>" under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS Portal" or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App "<b>NSDL Speede</b>" facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div data-bbox="1034 1843 1513 2123" style="text-align: right;"> <p>NSDL Mobile App is available on</p>  </div>

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login Type	Helpdesk Detail
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33





- B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

#### How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL:  
<https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 123456 then user ID is 123456001***

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "[Forgot User Details/Password?](#)" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) [Physical User Reset Password?](#)" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
  8. Now, you will have to click on "Login" button.
  9. After you click on the "Login" button, Home page of e-Voting will open

## **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **General Guidelines for Shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [csbinita.tca@gmail.com](mailto:csbinita.tca@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Ms. Pallavi Mhatre, Senior Manager at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

### **Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [investors@dic.co.in](mailto:investors@dic.co.in) or [rta@cbmsl.com](mailto:rta@cbmsl.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [investors@dic.co.in](mailto:investors@dic.co.in) or [rta@cbmsl.com](mailto:rta@cbmsl.com). If you are





an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

### **The Instructions for members for E-voting on the day of the AGM are as under:-**

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

### **Instructions for members for attending the EGM/AGM through VC/OAVM are as under:**

1. Shareholder will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under "**Join meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Shareholders are encouraged to join the Meeting through Laptops for better experience.
3. Further Shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [investors@dic.co.in](mailto:investors@dic.co.in) or [rta@cbmsl.com](mailto:rta@cbmsl.com). The same will be replied by the company suitably.
6. Shareholders who would like to express their views/ask questions as a speaker at the Meeting may pre-register themselves by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID/folio number, PAN and mobile number at [investors@dic.co.in](mailto:investors@dic.co.in) or [rta@cbmsl.com](mailto:rta@cbmsl.com) on or before Monday, March 20, 2023 at 5:00 PM (IST). Only those Shareholders who have pre-registered themselves as a speaker will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
7. Shareholders attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

## Explanatory statement pursuant to section 102 of the companies act, 2013

### ITEM NO.3

#### Mr. Masahiro Kikuchi

Mr. Masahiro Kikuchi graduated in Economics in 1986 from the Waseda University, Tokyo. He joined DIC Corporation in April 1986 and went on to hold several positions within the Group which included Deputy Managing Director of DIC (Guangzhou) Co. Ltd and as the Chairman & Managing Director of DIC (Taiwan) Ltd. Mr. Kikuchi is presently the Deputy Managing Director of DIC Asia Pacific Pte Ltd., Singapore.

Mr. Kikuchi was inducted on the Board with effect from February 06, 2018 as a nominee of the Holding Company M/s. DIC Asia Pacific Pte. Ltd., Singapore.. He is not related to any of the Directors of and does not hold any shares in the Company.

#### Other Directorship and Committee Membership held by Mr. Masahiro Kikuchi as on December 31, 2022:

Name of the Company	Board Position Held	Committees of Board	Committee Position Held
DIC Asia Pacific Pte. Ltd.	Director	Nil	Nil
DIC Pakistan Ltd.	Director	Nil	Nil
Ideal Chemi Plast Private Limited	Director	Nil	Nil
DIC South Asia Private Limited	Director	Nil	Nil
Siam Chemical Industry Company Limited	Director	Nil	Nil
DIC Epoxy (Malaysia) Sdn. Bhd.	Director	Nil	Nil
PT. Pardic Jaya Chemicals	Director	Nil	Nil

### ITEM NO.5

#### Mr. Adnan Wajhat Ahmad

Mr. Ahmad, 61 years old, is a Chemical Engineer with 4 decades of industry experience in leading companies such as BP and ICI, and Clariant.

Mr. Ahmad started his career at ICI India, after completing his Masters in Chemical Engineering from Queens University, Canada. In a career spanning 19 years with ICI he worked in their explosives, specialty chemicals and paints businesses in a variety of manufacturing, supply chain and business roles across India. In 2004 he moved to BP Plc as Executive Director on the Board of Castrol India Limited (a BP subsidiary in India). In 2008 he moved to Singapore as Regional Supply Chain Director Asia Pacific and in 2010 he relocated to the UK as Regional Supply Chain Director for Europe & Africa. Mr. Ahmad joined Clariant Chemicals (India) Limited in 2017 and joined Clariant in Mumbai.

He brings with him a strong track record of business leadership and performance delivery in complex global organizations. Mr. Ahmad was a Member of the Confederation of Indian Industry's (CII) National Committee on Chemicals & Petrochemicals as well as the Committee on Multi- National Corporations. He was also the Chairman of the Sub-Committee on Biocides for CII's C&PC committee. Mr. Ahmad was also a Member of the Executive Committee at the Indian Chemical Council (ICC) from 2017 till 2021. He was the Co-Chairman of the National Council on Chemical & Petrochemicals with ASSOCHAM (The Associated Chambers of Commerce and Industry of India).

In his last assignment, Mr. Adnan Ahmad was the Vice-Chairman & Managing Director of Clariant Chemicals (India) Limited since June 1, 2017. He was also the Head of Country Cluster India for Clariant in India. Mr. Ahmad superannuated from Clariant Chemicals (India) Limited on December 31, 2021 after a cherished career spanning four decades.

#### Other Directorship and Committee Membership held by Mr. Ryohei Kohashi as on February 8, 2023:

Name of the Company	Board Position Held	Committees of Board	Committee Position Held
Nil			



**ITEM NO.6****Mr. Ryohei Kohashi**

Mr. Ryohei Kohashi, 43 years old, graduated with Bachelor's Degree of Arts from The University of Tokyo in 2003.

He joined DIC Corporation in April 2003 and has undertaken multiple roles across different functions including Financial consolidation, Business Planning and Corporate Planning. In his career journey, he worked diligently and accumulated 20 years of valuable knowledge in the strategic planning and finance functionality.

Mr. Kohashi is presently the Regional Chief Financial Officer of DIC Asia Pacific Pte. Ltd., Singapore.

**Other Directorship and Committee Membership held by Mr. Ryohei Kohashi as on February 8, 2023:**

<b>Name of the Company</b>	<b>Board Position Held</b>	<b>Committees of Board</b>	<b>Committee Position Held</b>
DIC Alkylphenol Singapore Pte Ltd	Director	Nil	Nil
Siam Chemical Industry Company Limited	Director	Nil	Nil
DIC Pakistan Ltd	Director	Nil	Nil
DIC Philippines Inc	Director	Nil	Nil
DIC Australia Pty Ltd	Director	Nil	Nil
DIC New Zealand Pty Ltd	Director	Nil	Nil
DIC Bangladesh Private Limited	Director	Nil	Nil
DIC Lanka (Pvt) Ltd	Director	Nil	Nil

**ITEM NO.7**

In accordance with the provisions of Section 148 of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014 (the Rules), the Company is required to appoint a cost auditor to audit the cost records of the applicable products of the Company relating to the business of manufacturing printing inks.

The Board at its meeting held on February 24, 2023 appointed M/s. Sinha Chaudhuri & Associates, (Firm Registration No. 000057) Cost Accountants as the Cost Auditor of the Company for the financial year ending on December 31, 2023 at a remuneration of Rs. 45,000 (Rupees Forty Five Thousand Only), exclusive of reimbursement of applicable tax and all out of pocket expenses incurred, if any, in connection with the cost audit. The remuneration of the cost auditor is required to be ratified subsequently in accordance to the provisions of the Act and Rule 14 of the abovementioned Rules.

None of the Directors and Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financial or otherwise in the relevant resolution.

The Board of Directors recommends the aforesaid Resolutions for approval of the Members.

**Additional information on director recommended for appointment/re-appointment as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015****Mr. Masahiro Kikuchi**

Mr. Masahiro Kikuchi graduated in Economics in 1986 from the Waseda University, Tokyo. He joined DIC Corporation in April 1986 and went on to hold several positions within the Group which included Deputy Managing Director of DIC (Guangzhou) Co. Ltd and as the Chairman & Managing Director of DIC (Taiwan) Ltd. Mr. Kikuchi is presently the Deputy Managing Director of DIC Asia Pacific Pte Ltd., Singapore.

Age-60 Years

Nature of expertise in specific functional areas – Strategic Leadership and Management Experience, People & Talent

understanding, Experience of Business Complexity and Diversity of Perspective.

Disclosure of inter-se relationships between directors and Key Managerial Personnel – NIL

Listed companies in which Mr. Kikuchi holds directorship and Committee membership – NIL

Shareholding in the Company – NIL

### **Mr. Adnan Wajhat Ahmad**

Mr. Ahmad is a Chemical Engineer with 4 decades of industry experience in leading companies such as BP and ICI, and Clariant. Mr. Ahmad started his career at ICI India, after completing his Masters in Chemical Engineering from Queens University, Canada. In a career spanning 19 years with ICI he worked in their explosives, specialty chemicals and paints businesses in a variety of manufacturing, supply chain and business roles across India. In 2004 he moved to BP Plc as Executive Director on the Board of Castrol India Limited (a BP subsidiary in India). In 2008 he moved to Singapore as Regional Supply Chain Director Asia Pacific and in 2010 he relocated to the UK as Regional Supply Chain Director for Europe & Africa. Mr. Ahmad joined Clariant Chemicals (India) Limited in 2017 and joined Clariant in Mumbai.

He brings with him a strong track record of business leadership and performance delivery in complex global organizations. Mr. Ahmad was a Member of the Confederation of Indian Industry's (CII) National Committee on Chemicals & Petrochemicals as well as the Committee on Multi- National Corporations. He was also the Chairman of the Sub-Committee on Biocides for CII's C&PC committee. Mr. Ahmad was also a Member of the Executive Committee at the Indian Chemical Council (ICC) from 2017 till 2021. He was the Co-Chairman of the National Council on Chemical & Petrochemicals with ASSOCHAM (The Associated Chambers of Commerce and Industry of India).

In his last assignment, Mr. Adnan Ahmad was the Vice-Chairman & Managing Director of Clariant Chemicals (India) Limited since June 1, 2017. He was also the Head of Country Cluster India for Clariant in India. Mr. Ahmad superannuated from Clariant Chemicals (India) Limited on December 31, 2021 after a cherished career spanning four decades.

Age-62 Years

Nature of expertise in specific functional areas – Strategic Leadership and Management Experiences, Industry, Market and Sectorial Expertise, People and Talent Understanding, and Experience of Business Complexity.

Disclosure of inter-se relationships between directors and Key Managerial Personnel – NIL

Listed companies in which Mr. Ahmad holds directorship and Committee membership – NIL

Shareholding in the Company – NIL

### **Mr. Ryohei Kohashi**

Mr. Ryohei Kohashi, 43 years old, graduated with Bachelor's Degree of Arts from The University of Tokyo in 2003.

He joined DIC Corporation in April 2003 and has undertaken multiple roles across different functions including Financial consolidation, Business Planning and Corporate Planning. In his career journey, he worked diligently and accumulated 20 years of valuable knowledge in the strategic planning and finance functionality. Mr. Kohashi is presently the Regional Chief Financial Officer of DIC Asia Pacific Pte. Ltd., Singapore.

Age-43 Years

Nature of expertise in specific functional areas – Strategic Leadership and Management Experiences, Experience of Business Complexity and Governance, Finance and Risk

Disclosure of inter-se relationships between directors and Key Managerial Personnel – NIL

Listed companies in which Mr. Kohashi holds directorship and Committee membership – NIL

Shareholding in the Company – NIL

By order of the Board

Registered Office:

Transport Depot Road, Kolkata – 700 088

Noida

February 24, 2023

Sd/-

**Raghav Shukla**

Corp. GM- Legal &  
Company Secretary

M.No. F5252





Color & Comfort

DIC India Limited

## Boards' Report

Dear Shareholders,

Your Directors take pleasure in presenting the 75th Annual Report on the business and operations of DIC India Limited ('Company'), along with the summary of financial statements for the year ended December 31, 2022.

### Financial Highlights

(Rs.in Lakhs except EPS figure)

Particulars	Year ended	
	December 31, 2022 (Audited)	December 31, 2021 (Audited)
Revenue from Operations (Including other Operating Income)	87,199.01	74,482.95
Other Income	796.36	952.59
Total Income	87,995.37	75,435.54
Total Expenses	86,864.07	73,759.41
Profit before Exceptional Item and Tax	1,131.30	1,676.13
Exceptional Item:	3,300.00	-
Profit Before Tax	4,431.30	1,676.13
Tax Expense - Current tax	375.34	407.51
- Deferred Tax Charge/ (Credit)	(42.45)	29.77
Total Tax Expenses	332.89	437.28
Profit for the Period/ Year	4,098.41	1,238.85
Other Comprehensive Income/ (Loss)	(8.19)	(34.68)
Total Comprehensive Income for the Period/ Year	4,090.22	1,204.17
Paid-up Equity Share Capital	917.90	917.90
Earnings per equity share (of Rs.10 each) (not annualised)		
(a) Basic	44.65	13.50
(b) Diluted	44.65	13.50

### State of Company's Affairs

Your Company recorded a turnover of Rs. 86,802.30 lakh in the current year against Rs. 74,214.90 lakh in the previous year. The sales volume was higher by 2% against 2021 with a value growth of 17%. The economic volatility witnessed in 2021 eased in 2022 but still faced several headwinds with global economic slowdown, impact of Covid-19 in some countries and the ongoing geo political conflict, leading to elevated input prices, tightening monetary policy, moderation of domestic consumption due to high inflation affecting the Packaging segment and volatility in exchange rates, affecting the overall business during the year.

The Company received during the year an additional consideration amounting to Rs. 3,300 lakhs as per the conveyance deed executed on June 18, 2020 towards sale of Land of the Company located at Chandivali, Mumbai to Godrej Properties Ltd. and has disclosed the same as an exceptional item in the current year.

The Company has decided to aggregate its two operating segments i.e. 'Inks' and 'Lamination Adhesive' as the management is of the view that Lamination Adhesive segment will not be of continuing significance to the Company's business and is expected to remain below the quantitative thresholds as stated in IND AS 108.

The Company registered a Profit before tax and exceptional income (including Other Comprehensive Income) of Rs. 1,120.36 lakh for the year ended December 31, 2022 against a Profit before tax (including the Comprehensive

Income) of Rs. 1629.78 lakh in the previous year. On an overall basis including the exceptional Income and Comprehensive Income, the Profit before tax was Rs. 4431.30 lakh for the year ended December 31, 2022  
ments for their consistent support and encouragement to the Company.

## Management Discussion and Analysis

The Management Discussion and Analysis as required in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) is annexed to the report as **Annexure A**.

## Dividend

The Board of Directors have recommended a final dividend of Rs. 2.00 (Rupees Two only) per equity share for FY 2022 for the approval of the Members at the ensuing Annual General Meeting (AGM).

The dividend will be paid out of profits for the year. The dividend is subject to the approval of the Shareholders at the Annual General Meeting ('AGM') scheduled to be held on Wednesday, March 22, 2023. The dividend once approved by Shareholders will be paid on and from April 5, 2023.

Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of the shareholders effective April 1, 2020 and the Company is required to deduct tax at source from dividend paid to the Members at prescribed rates as per the Income Tax Act, 1961.

The Register of Members and Share Transfer Books of the Company will remain closed from March 16, 2023 to March 22, 2023 (both days inclusive).

## Transfer to Reserves

The Company has not transferred any amount to the General Reserve for the financial year ended December 31, 2022.

## Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report

No material changes and commitments have occurred after the closure of the year till the date of this Report, which affect the financial position of the Company.

## Changes in the Nature of Business

There has been no fundamental change in the nature of business of the Company during the financial year ended December 31, 2022.

## Change in Share Capital

The paid-up share capital of the Company as on December 31, 2022 was Rs. 917.89 Lakh and there has been no change in the capital structure of the Company.

## Meetings of the Board and Committees of the Board

The Board met five times during the year under review. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 (the 'Act') and the SEBI Listing Regulations. The Committees of the Board usually meet the day before or on the day of the Board meeting, or whenever the need arises for transacting business. Details of composition of the Board and its Committees as well as details of Board and Committee meetings held during the year under review are given in the Corporate Governance Report.

## Declaration By Independent Directors

The Company has received the necessary declaration from each Independent Director in accordance with Section





149(7) of the Act and Regulations 16(1)(b) and 25(8) of the SEBI Listing Regulations, that he/she meets the criteria of independence as laid out in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations.

In the opinion of the Board, there has been no change in the circumstances which may affect their status as independent directors of the Company and the Board is satisfied of the integrity, expertise, and experience (including proficiency in terms of Section 150(1) of the Act and applicable rules thereunder) of all Independent Directors on the Board.

## Evaluation of Board's Performance

The Board evaluated the effectiveness of its functioning, that of the Committees and of individual Directors, pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations. The Board sought the feedback of Directors on various parameters including:

- Degree of fulfillment of key responsibilities towards stakeholders (by way of monitoring corporate governance practices, participation in the long-term strategic planning, etc.);
- Structure, composition, and role clarity of the Board and Committees;
- Extent of co-ordination and cohesiveness between the Board and its Committees;
- Effectiveness of the deliberations and process management;
- Board/Committee culture and dynamics; and
- Quality of relationship between Board Members and the Management.

The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, the Board as a whole, and the Chairman of the Company was evaluated, taking into account the views of Executive Directors and Non-Executive Directors.

The Nomination and Remuneration Committee reviewed the performance of the individual directors and the Board as a whole.

In the Board meeting that followed the meeting of the independent directors and the meeting of Nomination and Remuneration Committee, the performance of the Board, its committees, and individual directors was discussed.

The evaluation process endorsed the Board Members' confidence in the ethical standards of the Company, the resilience of the Board and the Management in navigating the Company during challenging times, cohesiveness amongst the Board Members, constructive relationship between the Board and the Management, and the openness of the Management in sharing strategic information to enable Board Members to discharge their responsibilities and fiduciary duties.

## Familiarisation Programme for Directors

As a practice, all new Directors (including Independent Directors) inducted to the Board are given a formal orientation. The familiarisation programme for our Directors is customised to suit their individual interests and area of expertise. The Directors are usually encouraged to interact with members of Senior Management as part of the induction programme. The Senior Management make presentations giving an overview of the Company's strategy, operations, products, markets and Group structure, Board constitution and guidelines, and the major risks and risk management strategy. This enables the Directors to get a deep understanding of the Company, its people, values and culture and facilitates their active participation in overseeing the performance of the Management.

## Remuneration Policy

A Nomination and Remuneration Policy formulated and adopted pursuant to the provisions of Section 178 and other applicable provisions of the Companies Act, 2013 and Rules thereto inter alia define the Companies policy on appointment and remuneration by the Nomination and Remuneration Committee.

The said policy may be referred to, at the Company's website <https://www.dic.co.in/sites/default/files/2021-01/remuneration-policy.pdf>.

## Particulars of Loans, Guarantees or Investments

The Company has not given any loan, guarantees prescribed under Section 186 of the Companies Act, 2013.

During the year under review, the Company has acquired 5.1% of issued and paid-up Capital of Solarstream Renewable Services Pvt. consisting of 4,96,000 equity shares of Rs. 10/- each as captive consumer for solar power in terms of the (Indian) Electricity Act, 2013.

## Subsidiary/Associates/Joint Venture Companies

The Company does not have any subsidiary/associate/joint venture company for the year ended December 31, 2022.

## Deposits

In terms of the provisions of Section 73 to 76 of the Act read with the relevant rules made thereunder, your Company has not accepted any deposit from the public.

## Annual Return

The Annual Return for financial year 2022 as per provisions of the Act and Rules thereto, is available on the Company's website at <https://www.dic.co.in/investors/corporate-news>.

## Energy, Technology & Foreign Exchange

As required under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, the information relating to Conservation of Energy, Technology Absorption and Foreign Exchange earnings & outgo is annexed and forms a part of this Report as **Annexure B**.

## Human Resources

DIC India believes that the Competence and Commitment of our employees are the key differentiating factors which enable our organization to create value by offering quality products & services to our customers. We strive to create a harmonious work environment & strengthen our work culture to drive high level of performance orientation. As a part of the culture, we are committed towards scaling up competence level of employees & offering them a long term career to attract & retain talent. As on December 31, 2022, the Company had 474 employees (previous year 492) on its direct pay roll.

Information in accordance with the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, forms part of this Report as **Annexure C**. As per the provisions of Section 136(1) of the Companies Act, 2013, the Annual Report excluding the information on employee's particulars under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is being sent to the members which is, however, available for inspection in electronic mode. Members can inspect the same by writing to [investors@dic.co.in](mailto:investors@dic.co.in). Any member interested in obtaining such information may write to the Company Secretary and the same will be furnished without any fee.

## Disclosures Under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder, your Company has in place a Policy for Prevention of Sexual Harassment of Women at Work Place and constituted an Internal Complaints Committees (ICC). No complaint has been received during the year ended December 31, 2022.

## Audit Committee





The composition and terms of reference of the Audit Committee has been furnished under Clause 6 in the Corporate Governance Report forming a part of this Report. There had been no instances where the Board has not accepted the recommendations of the Audit Committee.

## Particulars of Contracts or Arrangements with Related Parties

Related Party Policy has been adopted by the Board of Directors for determining the materiality of transactions with related parties and dealings with them. The said policy may be referred to, at the Company's website <https://www.dic.co.in/sites/default/files/2021-01/related-party-policy.pdf>. The Audit Committee reviews all related party transactions quarterly.

Further, during the year there were no material related party contracts entered into by the Company and all contracts were at arm's length and in ordinary course of business.

## Whistle Blower Mechanism

The Company has an updated Whistle Blower Policy in place. The said policy may be referred to, at the Company's website [https://www.dic.co.in/sites/default/files/2021-04/Whistle\\_Blower\\_Policy\\_0.pdf](https://www.dic.co.in/sites/default/files/2021-04/Whistle_Blower_Policy_0.pdf)

## Internal Control Systems

The Company has an adequate system of internal control procedures which is commensurate with the size and nature of its business. Detailed procedural manuals are in place to ensure that all the assets are protected against loss and all transactions are authorized, recorded and reported correctly. The internal control systems of the Company are monitored and evaluated by internal auditors and their audit reports are reviewed by the Audit Committee of the Board of Directors. The observations and comments of the Audit Committee are placed before the Board.

## Risks & Mitigation Steps

The Board has adopted a risk management policy where various risks faced by the Company have been identified and a framework for risk mitigation has been laid down. Even though not mandated, the Company has constituted a Risk Management Committee to monitor, review and control risks. The risks and its mitigating factors are discussed in the Board.

## Corporate Social Responsibility (CSR)

Acknowledging its responsibility towards the society, your Company has put in place a CSR Policy, which may be referred to at the Company's website <https://www.dic.co.in/sites/default/files/2022-02/CSR%20Policy.pdf>. The CSR Committee guides and monitors the activity undertaken by the Company in this sphere.

Pursuant to the provisions of Section 135 of the Companies Act, 2013 and applicable Rules, for the year ended December 31, 2022, the Company had a corpus of Rs. 33.58 Lakh in its CSR funds to be spent towards CSR activity.

DIC India comes forward to help the community in line with the United Nations' social development goals with "Deeksha" and "Saksham" programs.

As a part of DIC India Corporate Social Responsibility, the Company has identified Education and Health as the two (2) thematic areas for intervention. These are the areas identified as per the guidelines laid down in Section 135 of the Companies Act.

In year 2022, the Company actively worked on the following CSR initiatives under the thematic areas chosen:

The "Deeksha" program for Children education is being implemented to further the Sustainable Development Goals adopted by the United Nations focusing on Quality Education, Gender Equality, and Decent Work and Economic Growth. We at DIC India envisage to help in child education and nurture a better community around our upcoming mother plant in Bharuch. This shall not only improve the education level of children but also improve on quality employable manpower in the near future.

Under the "Deeksha" programs, children from underprivileged families have been brought under our wings to be guided and groomed for a successful future with quality education. Our program of Deeksha is executed by our

experienced NGO partner Jeevan Tirth, who have expertise in execution of United Nations sustainable goals. "Saksham" program is with Taluka Health Officer/ Centre, catering for local population in effective delivery of health services.

Through the "Deeksha" program DIC India has ensured that quality education to be imparted to the future stars with interactive learning modules. Children are being educated under the "Deeksha" program will be provided free books & course material for a quality sustainable education in line with New Education Policy 2020

As a part of "Saksham", our commitment to help the local community around Saykha, Bharuch, DIC India provided Digital X- Ray Machine to enable effective medical facility to the needy people of the surrounding villages. In absence of the such facility, they were commuting to Bharuch. With availability of Digital X Ray Machine at Taluka Centre, diagnosis has become expeditious and response time has considerably reduced.

The Company, in the Financial Year 2022 could not utilize the full CSR Corpus, as Rs. 1.93 Lakh out of 33.58 Lakh. The Company had proposed to set-up a library at Saykha, Gujarat for children in Partnership with NGO Partner Jeevan Tirth with an estimated budget of Rs, 2 Lakh. However, due to lack of proper infrastructure the Project could not go through. Consequently, the Company has transferred the unspent CSR Fund of Rs. 2 Lakh to Prime Minister National Relief Fund. CSR Annual Report is annexed to this report as **Annexure D**.

## Corporate Governance

Your Company attaches considerable significance to good Corporate Governance as an important step towards building investor confidence, improving investors' protection and maximizing long-term shareholders' value.

Pursuant to the SEBI Listing Regulations, the Corporate Governance Report is annexed to this report as **Annexure E**. Further, the certificate of the Statutory Auditors, M/s Deloitte Haskins & Sells LLPs, confirming compliance of conditions of Corporate Governance as stipulated under Schedule V(E) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to this report as **Annexure F**.

## Secretarial Standards

The Company has in place proper systems to ensure compliance with the provisions of the applicable secretarial standards issued by The Institute of Company Secretaries of India and such systems are adequate and operating effectively.

## Directors

During the year under review, there were no changes in the Directors of the Company.

Mr. Ho Yeu Guan (DIN: 08066136), Consequent to his superannuation from the Group, has resigned from the Board effective from February 08, 2023.

Mr. Adnan Wajhat Ahmad (DIN: 00046742), on February 8, 2023, was appointed as an Additional Director (Non-Executive Independent) on the Board of the Company to hold office till ensuing AGM. The Board recommends his appointment as Non-Executive Independent Directors w.e.f. February 8, 2023 till March 31, 2026.

Mr. Ryohei Kohashi (DIN: 10043620), on February 8, 2023, was appointed as an Additional Director (Non-Executive Non-Independent) on the Board of the Company to hold office till ensuing AGM. The Board recommends his appointment as Non-Executive Non-Independent Directors w.e.f. February 8, 2023.

Further, in terms of Applicable provisions of the Act and the Articles of Association of the Company, Mr. Masahiro Kikuchi (DIN: 08024525), Director of the Company retires at the ensuing AGM and being eligible, seeks re-appointment.

The necessary resolutions for appointment of Mr. Adnan Wajhat Ahmad, Mr. Ryohei Kohashi and re-appointment of Mr. Masahiro Kikuchi forms part of the Notice convening the ensuing AGM scheduled to be held on Wednesday, March 22, 2023.

The profile and particulars of experience, attributes, and skills that qualify Mr. Ahmad, Mr. Kohashi and Mr. Kikuchi, for Board membership, are disclosed in the said Notice.





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DIC India Limited

## Key Managerial Personnel

In terms of Section 203 of the Act, the Key Managerial Personnel of the Company are:

1. **Mr. Manish Bhatia– Managing Director & Chief Executive Officer**
2. **Mr. Taishi Nojima- Whole Time Director**
3. **Mr. Sandip Chatterjee - Chief Financial Officer**
4. **Mr. Raghav Shukla – Corp. General Manager-Legal & Company Secretary**

During the year under review, there has been no change in the Key Managerial Personnel.

## Directors' Responsibility Statement

Pursuant to the provisions of Section 134(5) of the Act, the Board of Directors to the best of their knowledge and ability confirms that:

- i. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- ii. The Directors had 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;
- iii. The Directors had 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;
- iv. The Directors had prepared the annual accounts on a going concern basis; and
- v. The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## Statutory Auditors

As per the provisions of the Act, the Company appointed M/s. Deloitte Haskins & Sells LLP, Chartered Accountants as the Statutory Auditors of the Company for a period of five years commencing from the conclusion of the 70th Annual General Meeting held on March 22, 2018 till the conclusion of 75th Annual General Meeting.

The Company Proposes to appoint a new audit firm to audit its books of account for the financial year ending December 31, 2023 and onwards. The Audit Committee of the Board considered and recommended appointment of M/s Price Waterhouse Chartered Accountants LLP (FRN: 012754N/N500016) as the Statutory Auditors of the Company for a period of five years commencing from the conclusion of the ensuing 75th Annual General Meeting scheduled to be held on March 22, 2023. The Board, at its meeting held on February 24, 2023 accepted the decision of the Audit Committee and recommends for your approval the appointment M/s Price Waterhouse Chartered Accountants LLP (FRN: 012754N/N500016) as the Statutory Auditor of the Company to hold office till the conclusion of Eightieth Annual General Meeting.

## Statutory Auditors' Observations

The Auditors' Report on the Financial Statements for the Financial Year ended December 31, 2022 is an Un-modified report and does not contain any qualification, report of fraud, reservation, adverse remark or disclaimer and do not call for any further comments. In respect of the comments by Auditors, in item No. 1(b) of Audit Report, please refer to note no. 47 of the notes to accounts forming part of financial statements.

## Secretarial Auditor

The provisions of Section 204 of the Companies Act, 2013 mandates Secretarial Audit of the Company by a Company Secretary in Practice. The Board appointed M/s. T. Chatterjee & Associates, Practicing Company Secretary (Firm

Registration No. P2007WB067100) as the Secretarial Auditor for the financial year ending December 31, 2022. The Secretarial Auditors' Report for the financial year ended December 31, 2022 is annexed to this Report as **Annexure G**. There are no qualification, reservation, adverse remark or disclaimer in the said report and do not call for any further comments.

### **Cost Auditor**

M/s. Sinha Chaudhuri & Associates, Cost Accountants (Firm regn. No. 000057) were appointed as the Cost Auditors for auditing the Company's cost accounts for the year ended December 31, 2022.

### **Transfer to Investor Education & Protection Fund**

During the financial year ended December 31, 2022, No unpaid or unclaimed dividend or shares were liable to be transferred to Investor Education and Protection Fund.

### **Significant and Material Orders**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

### **Acknowledgement**

Your Directors take this opportunity to thank the employees, customers, shareholders, suppliers, bankers, business partners/associates, financial institutions, Securities and Exchange Board of India and Central and State Governments for their consistent support and encouragement to the Company.

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

February 24, 2023  
Noida

Sd/- Partha Mitra  
Director  
DIN: 00335205

Sd/- Manish Bhatia  
Managing Director &  
Chief Executive Officer  
DIN: 08310936





## Management Discussion and Analysis Report

### Economic Environment

The Indian economy, in 2022, continued to emerge out of Covid-19 impacted decline, the year started with the Omicron wave, which affected the early months, followed by the Ukraine war, which halted the stabilisation of raw material prices, and in many cases, the prices reversed and took an upward trend to global headwinds.

Most of the lead indicators remain strong but stubborn inflation, a waning high-base effect, a slowing global economy (and world trade), and financial market uncertainties have dragged down growth in H2. The H2 GDP data also point to a plateauing of economic activity.

As the major central banks continue tightening monetary policy, the India-US interest-rate differential may shrink further, triggering fresh capital outflows – or at the least, creating volatility. The interest rate increase in the US will impact financial and currency markets, putting renewed pressure on the rupee, which has clawed back some ground from record lows earlier this quarter. In addition, a depreciating rupee would exacerbate India's inflation-interest rate dynamics, further eroding growth.

Global crude prices continue to move up. As a country, we managed the situation much better. However, a sizeable part of the raw material base is directly (through the raw material manufacturing route) or indirectly (using gas and crude as energy sources) associated with crude and its derivatives. Moreover, the association with crude and raw materials impacted by it has resulted in challenges in the supply chain and inflationary pressures.

With supply constraints, European suppliers continued to push for price increases throughout the year. In the latter half of the year, the surge in Covid-19 in China also had its supply-side challenge.

On the demand side, the FMCG sector, in a rare phenomenon, bucked the trend of consumption growth aligned to GDP and had a quarter-on-quarter decline in volume. For the packaging inks industry, the FMCG sector is the largest customer, and the volume pressures coupled with price increases, which the companies found difficult to pass on to consumers, resulted in intensified industry competition and many cases, packaging inks downgrade to manage cost.

India's neighbourhood in South Asia has seen a financial crisis in many countries. India, however, has remained resilient in its forex reserves. However, as Indian exports to neighbours have been challenging in the second half of the year due to depleting forex reserves in these countries, this has also impacted the packaging Inks industry, as most companies supply products from India.

As brand owners accelerated adoption, the industry has seen increased adoption of toluene-free inks for food packaging. In July, the single-use plastic ban also opened opportunities for alternate packaging technologies, seldom in demand earlier in India.

China's reopening from a zero covid policy to the rest of the world and, more importantly, to itself after three closed years promises to constitute among the most significant global event of 2023. However, an increase in demand within China and a recession in Europe will constrain the easy availability of raw materials.

The downside risks will weigh on growth and the markets in the coming months. Headline inflation remains downtrend, with consumer (CPI) and wholesale (WPI) inflation dropping.

### Opportunities & Threats

#### Opportunity

DIC India has continued to invest in making its manufacturing footprint more efficient. For example, the new greenfield project in Gujarat allows the Company to access the Western market more efficiently with a reduced cost to serve.

The Company continues to invest in technologies to make it more sustainable and aligned with DIC group's Vision 2030. It has reported improvement in all environmental parameters: CO<sub>2</sub> emissions, waste and water management. Its biggest plant in Noida has shifted to Solar energy which will further help reduce CO<sub>2</sub> emissions. The continued commitment to governance, investing in social capital with CSR initiatives to support communities around its new plants, and investment in learning and development for its people will ensure continued alignment to ESG commitment.

As a responsible corporate and a leading player in its industry, DIC developed new technologies for food packaging at its regional research centre. It plans to drive a market shift to safer and more effective technologies.

## Threats

Packaging and Publication are vital drivers for the printing inks industry. The drop in FMCG volume growth, the rural distress and decline in consumption post covid and the tightening of the money supply to counter inflation will continue to ensure that the business environment for packaging inks remains challenging in the short term. The expansion of digital adoption will impact the historically strong publication Inks business.

DIC India continues to focus on expanding its product range, with DIC Corporation's support and building a more premium and sustainable portfolio. However, the supply chain stress and volume pressures will continue to impact volume growth and capacity utilisation in the near term.

The Company continues to review asset productivity and will focus on the structural alignment of its supply to ensure it remains nimble and efficient.

## Segment-wise performance and Industry Outlook

The packaging Ink business has seen a volume decline in 2022. Further, due to inflationary pressures, there is also a step down in the quality of inks demanded by customers as they try to balance legislation, performance and cost with a more fit-for-purpose product range.

The adhesive segment has cooled down in pricing actions in the industry, but margin challenges still need to be addressed.

The Company has expanded its premium portfolio sales in flexible packaging sales, with a combination of aggressive share gain with its new series introduced in 2022 and long-term contracts with select large converters.

The Company expanded exports of its rigid packaging Inks, which helped in the top line growth revival. However, the muted demand in the domestic segment and the emergence of local competition have put margin under pressures on this segment. The Company is taking suitable measures to address these challenges.

In the adhesives segment the Company has expanded its business in the sustainable non-lamination adhesives segment. It also has pilot-tested products in sustainable adhesives range for lamination. The new range will provide an opportunity to grow its business going ahead.

The publication business, where the Company is the market leader, continues to expand its market share, with a strong focus on asset productivity and upstream product portfolio. The segment, however, will continue to see muted or declining growth due to plateauing demand.

## Risk & Concerns

The year 2022 has seen muted /declining demand from its core user base. The demand decline has been coupled with price increase fatigue with its customers after two years of relentless price increases and pressure on competition to drive capacity utilisation with aggressive pricing.

The capital expenditure over the last four years in the industry and demand expansion has been off tandem over the previous 2-3 years due to Covid, and this has resulted in surplus capacity in the industry, both at the ink manufacturers' level and printing inks converters end. As a result, the surplus capacity will continue to put pricing pressures on the industry.

The continued pressure on the supply chain amidst global uncertainty and erratic price movement of a few critical raw materials has put pressure on balancing the size and value of inventory.

The tightening money supply by RBI to counter inflation and low consumption in the industry has put pressure on converters and has the potential to expand market credit to maintain volumes and reliability of capital rotation in new cases.

The Toluene ban, though announced by the government, continues to see weaker adoption. As global brands seek to align their packaging with international sustainable packaging guidelines, they expect similar customer service and prices for imported technologies as they insist on domestic supplies. As a result, the supply chain alignment to match customer expectations from new technology platforms can cause pressure on profitability and the need for new capital expenditure (when the cost of capital remains on the higher side).





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Annexure A

## Business Strategy

DIC India celebrated its 75 years in 2022. It continues to remain committed to build a business portfolio that contributes to sustainable prosperity for society in line with Vision 2030 of DIC Corporation and strongly focuses on I-ESG (Innovation- Environmental, Social, and Governance) to transform its business.

2022 has seen many innovations from DIC India, which will help refresh its portfolio. Its digital-first approach has ensured the automation of management approval processes. For example, an integrated CRM to provide improved customer management and a solid digital marketing drive has helped it manage the costs prudently during inflationary times and become more responsive.

The digital initiatives have ensured a strengthened internal governance framework for the Company.

The continued investment in improving yield and lowering CO2 emissions, water consumption and enhanced waste management has ensured continued progress on sustainability commitment.

DIC maintained a strong focus on safety and safe operations in 2022, with no reportable injury case.

DIC India has maintained its cost optimisation program with a structured Kaizen program. These programs have ensured the productivity of its manufactured capital.

The Company continued to focus on prudent cash management and was cash positive in 2022 through improved working capital management, supported by process improvements which built efficiency in the supply chain.

DIC aims to leverage LEAP, its CRM and digital marketing based on a solid technology backbone to reach out to a more extensive customer base and effectively communicate DIC's proposition to customers

DIC India has aligned its CSR objective to focus on SDG (Sustainable Development Goals) 3,4: Good Health & Well Being and Education respectively. These are the areas identified as per the guidelines in section 135 of the Companies Act.

## Internal Control System and their adequacy

The Company's Internal Control System details and their adequacy have been furnished in the Boards' Report forming a part of this Annual Report.

Even though not mandated by Law, the Company has constituted Risk Management Committee, with oversight by an independent director. Its risk register continues to measure the Company's ability to mitigate potential risks through structured risk mitigation programs with a line of sight to the board of directors.

## Financial performance impacted by operational performance

The Company continued to maintain its profitability despite volume shrinkage with end users, global inflationary pressures and supply constraints, negative impact on imports due to financial crisis in the neighbourhood and early recession in many other countries, along with price increase fatigue in the Indian market.

The Company has rapidly expanded its market share in the premium segment in both flexible and rigid packaging by introducing a series of innovations designed and developed for the Indian market. In addition, the Company has expanded its market share in these segments with long-term contracts with many large customers, providing a sustainable and balanced revenue and income stream.

## Human Resource

The Details about Human Resources have been furnished in the Board's Report forming a part of this Annual Report.

## Disclosure of Accounting Treatment

The financial statements are prepared and presented under Indian Accounting Standards (IndAS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time as notified under Section 133 of the Companies Act 2013, the relevant provision of the Companies Act 2013 ("the Act").

## Annexure B

# Statement pursuant to Section 134(m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, forming part of the Boards' Report

## A. Conservation of Energy

The Company's operations do not involve substantial consumption of energy in comparison to the cost of production. Energy conservation measures have been implemented in the following areas:

- Replacing old AC by New 3-star AC at Noida and Kolkata Plant
- Speed control by VFD at chiller pump to consume need-based energy at Kolkata Plant.
- Reduction of utility energy consumption through optimum running time of utility equipment at Kolkata Plant.
- Throughput improvement activities at Kolkata, Noida & Ahmedabad plant
- Batch size optimization at Kolkata, Noida & Ahmedabad plant
- Increase of chilled water setpoint temperature at Kolkata, Bangalore & Noida plant
- Replacement of CFL by LED lamps at Bangalore plant
- Daylight installation at Noida plant
  - Stoppage of NI machinery during power cut at Noida plant
  - Optimal operation of power intensive equipment at Noida plant

### FORM - A

#### Conservation of Energy for the Accounting Period Ended December 31, 2022

#### (i) Power and Fuel Consumption

(Rs.in Lakhs except EPS figure)

	Fuel Consumption	Units	2021	2020
<b>1.</b>	<b>Electricity</b>			
<b>1.1</b>	<b>Purchased from Electricity Board</b>			
	KWH	Million	3.66	3.41
	Total Amount	Rs. in Million	34.03	31.91
	Average Rate	Rs./Units	9.30	9.34
<b>1.2</b>	<b>Purchased from Others</b>			
	KWH	Million	3.10	3.71
	Total Amount	Rs. in Million	30.30	35.78
	Average Rate	Rs./Units	9.78	9.49
<b>1.3</b>	<b>Own Generation-through Diesel Generator</b>			
	KWH	Million	0.14	0.14
	Unit Generated Per Litre of Diesel	KWH	3.39	3.02
	Average Rate	Rs./Units	26.50	25.53
<b>2.</b>	<b>HSD Used (Other than 1(iii) Above)</b>			
	Ltrs	Million	0.02	0.03
	Total Amount	Rs. in Million	1.79	1.95
	Average Rate	Rs./Units	89.82	78.91
<b>3.</b>	<b>Furnace Oil / PNG</b>			
	SCM (PNG)*	Million	0.28	0.27
	Total Amount	Rs. in Million	18.59	11.59
	Average Rate	Rs./Units	68.04	43.38





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### (II) Steps taken for utilizing alternate sources of energy

- Solar Power for Noida plant – commissioned in Dec'22
- Capital Investment sanctioned/incurred for energy conservation equipment
  - ABT metering at Noida: Rs.20.5 Lakh
  - Energy meters for micro level energy monitoring at Noida: Rs. 6.83 Lakh
  - Daylight system at Noida: Rs. 3.84 Lakh
  - Dual fuel at DG set, Noida plant: Rs. 18.78 Lakh
  - VFD in chilled water pump at Kolkata: Rs. 3 Lakh
  - AC replacement: Kolkata & Noida: Rs. 8.15 Lakh
  - Electric forklift in place of diesel forklift: Rs. 12.4 Lakh

### (III) Consumption **per Unit of Production**

Electricity	}	Since the Company manufactures different types of products, it
HSD	}	is not practical to give consumption per unit of production.
Furnace Oil	}	

## B. RESEARCH & DEVELOPMENT

### 1. Specific areas in which R&D efforts have been put in by the Company

- Development and commercialization of aromatic solvent free inks for food packaging in compliance to IS 15495:2020 Standards.
- Development of environment friendly water-based ink system for plastic film reverse application and gravure printing process with minimal VOC level providing safe and economical option for converter. Products are under establishment stage.
- Development of LED coating and LED offset to reduce energy and make it more environment friendly. This will work as cost-effective replacement of UV technology.
- Development of new generation Flexography ink system for flexible packaging
- Development and establishment of solar panel adhesive (sustainable solution).
- Establishment of barrier coating and adhesive for flexible packaging to improve recyclability with mono material structure.

### 2. Benefits derived as a result of R&D

The Company has successfully developed the previously mentioned technology(ies) and products listed in B1 above and the process thereof. These have resulted in:

- Opportunities to expand business in new areas
- Cost and quality advantage in highly competitive inks market.
- Develop indigenous production process
- Inks range expanded to cater high-end customers and will act as an import substitute
- Environment friendly products
- Maintenance of Regulatory and compliance of newly developed products(Product stewardship)

### 3. Future Plan of Action

The Company's R&D is working continuously, in collaboration with its ultimate parent company, DIC Corporation, Japan for the development of new products, processes and improved formulations to give high quality superior performance inks for different applications to its customers.

### 4. Expenditure on R&D

The Company has modern R&D Centres at Kolkata, Bengaluru and Noida unit which are recognized by Dept. of Scientific and Industrial Research, Ministry of Science & Technology, Government of India. During the year, the

## Annexure B

Company has incurred the following expenditures on R&D Facilities:

- Capital Expenditure of Rs. 77.68 Lakh
- Recurring Expenditure of Rs. 710.32 Lakh
- Total Expenditure Rs. 788.00 Lakh and
- Total R&D Expenditure as a percentage to total Turnover was 0.90%.

### **C. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION**

#### **1. The efforts made towards Technology Absorption, Adoption and Innovation**

The Company has been successfully developing the technologies and products listed in B1 above.

#### **2. Benefits derived as a Result of above Efforts**

As a result of the aforesaid efforts, the Company has been able to become more environment friendly and worked on sustainable packaging.

#### **3. Information in case of Imported Technology (Imported during the last Five years, reckoned from the beginning of the Financial Year).**

The Company has executed an Agreement with its Parent Company, DIC Corporation to import technology and technical information for manufacturing poly-ester, poly-urethane, poly-urea resin solely for captive consumption. The technology is presently used for manufacturing of above products in India.

The Company had also executed a Technical Collaboration Agreement with DIC Corporation, Japan. This Technical Collaboration Agreement does not relate to a specific project or product but transfer of technology 'on an ongoing basis' for all the existing and future range of printing inks and lamination adhesives. The scope of Agreement covers upgradation of existing products, manufacturing techniques, quality assurance, raw materials testing, training to Indian technicians and also use of DIC's trade names, brand names, marks and symbols.

#### **D. Foreign Exchange Earnings and Outgo**

Exports during the year stood at Rs. 10,220 Lakh (from Rs. 6,780 Lakh in 2021), registering an increase of 50.73%. Earnings in foreign exchange through exports and other earnings amounted to Rs. 11,458 Lakh (from Rs. 5,773 million in 2021). Outgo of foreign exchange on import of raw materials, spare parts, capital goods, traded goods and also in respect of royalty, dividend and other matters amounted to Rs. 22,401 Lakh (from Rs. 17,043 Lakh in 2021).



**Disclosure under Section 197 (12) read with Rule 5 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014**

- **Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year**

S.No	Name of Director/KMP and Designation	Remuneration during the financial year 2022 (Rs in million)	% Increase in remuneration in the financial year 2022	Ratio of remuneration of each director to median remuneration of employees
1.	<b>Mr. Manish Bhatia</b> , Managing Director & CEO	32.18*	8.0%	27.05
2.	<b>Mr. Partha Mitra</b> Independent Director	1.28	NA	1.08
3.	<b>Mr. Prabal Kumar Sarkar</b> Independent Director	0.78	NA	0.66
4.	<b>Ms. Pritha Dutt</b> Independent Director	0.61	NA	0.52
5.	<b>Mr. Rajeev Anand</b> Independent Director	0.79	NA	0.66
6.	<b>Mr. Paul Koek</b> Non-executive Director	Nil	NA	NA
7.	<b>Mr. Masahiro Kikuchi</b> Non-executive Director	Nil	NA	NA
8.	<b>Mr. Ho Yeu Guan</b> Non-executive Director	Nil	NA	NA
9.	<b>Mr. Taishi Nojima</b> Whole-time Director	9.01	NA	7.57
10.	<b>Mr. Sandip Chatterjee</b> Chief Finance Officer	9.42	6.5%	7.92
11.	<b>Mr. Raghav Shukla</b> Company Secretary	6.51	6.3%	5.47

\* includes variable pay disbursement in 2022 for the year 2021.

**(ii) Percentage increase in the median remuneration of employees in the financial year**

The percentage increase in the median remuneration of all Non-unionised employees in the financial year 2022 was 6.6%.

The pay structure and increment of the graded staff/workers were revised as a part of 4 years Long Term Wages Settlement which will be valid till December 2023.

**(iii) Number of permanent employees on the rolls of company**

The Company had 475 permanent employees on its rolls as on December 31, 2022.

**(iv) 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 percentile increase, other than managerial personnel was 8.1%. However, the managerial remuneration salary increase was in line with the overall salary increase approach.

**(v) Affirmation that the remuneration is as per the remuneration policy of the company**

The remuneration is as per the remuneration policy of the Company.

## Annexure D

### Annual Report on CSR Activities to be Included in the Board's Report

#### 1. Brief outline on CSR Policy of the Company:

As a part of DIC India Corporate Social Responsibility, the Company has identified Education and Health as the two (2) thematic areas for intervention. These are the areas identified as per the guidelines laid down in Section 135 of the Companies Act.

In year 2022, the Company actively worked on the following three CSR initiatives under the thematic areas chosen:

Under the "Deeksha" programs, children from underprivileged families have been brought under our wings to be guided and groomed for a successful future with quality education. Our program of Deeksha is executed by our experienced NGO partner Jeevan Tirth, who have expertise in execution of United Nations sustainable goals. "Saksham" program is with Taluka Health Officer/ Centre, catering for local population in effective delivery of health services.

#### 2. Composition of CSR Committee:

S.No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Ms. Pritha Dutt	Chairperson Non-Executive Independent Director	5	5
2	Mr. Rajeev Anand	Member Non-Executive Independent Director	5	4
3	Mr. Paul Koek	Member Non-Executive Director	5	5
4	Mr. Taishi Nojima	Member Whole Time Director	5	5

#### 3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company.

<https://www.dic.co.in/sites/default/files/2022-01/Composition%20of%20Board%20Committees.pdf>

<https://www.dic.co.in/sites/default/files/2022-02/CSR%20Policy.pdf>

[https://www.dic.co.in/sites/default/files/2022-05/CSR\\_Annual%20Action%20Plan-%20FY2022.pdf](https://www.dic.co.in/sites/default/files/2022-05/CSR_Annual%20Action%20Plan-%20FY2022.pdf)

#### 4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

Not Applicable

- |      |  |                      |
|------|--|----------------------|
| 5 a) | Average net profit of the company as per sub-section (5) of section 135.                             | <b>1,679.08 Lakh</b> |
| b)   | Two percent of average net profit of the company as per sub-section (5) of section 135.              | <b>33.58 Lakh</b>    |
| c)   | Surplus arising out of the CSR Projects or programmes or activities of the previous financial years. | <b>NIL</b>           |
| d)   | Amount required to be set-off for the financial year, if any.  | <b>NIL</b>           |
| e)   | Total CSR obligation for the financial year [(b)+(c)-(d)].   | <b>33.58 Lakh</b>    |

<b>6 a)</b> Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).	<b>31.65 Lakh</b>
<b>b)</b> Amount spent in Administrative Overheads.	<b>NIL</b>
<b>c)</b> Amount spent on Impact Assessment, if applicable	<b>NIL</b>
<b>d)</b> Total amount spent for the Financial Year [(a)+(b)+©].	<b>31.65 Lakh</b>
<b>e)</b> CSR amount spent or unspent for the Financial Year:	<b>1.93 Lakh</b>

\*Company has transferred the unspent CSR Fund of Rs. 2 Lakh to Prime Minister National Relief Fund on February 2, 2023 to comply with the provisions of Section 135 of the Companies Act, 2013

Total Amount Spent for the Financial Year. (Rs. in Lakh)	Amount Unspent (Rs. in Lakh)				
	Total Amount transferred to Unspent CSR Account as per subsection (6) of section 135.		Total Amount transferred to Unspent CSR Account as per subsection (6) of section 135.		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
<b>31.65</b>	NIL	NA	NIL	NIL	NIL

f) Excess amount for set-off, if any: NIL

Sl. No.	Particular	Amount (Rs. In Lakh)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	<b>33.58</b>
(ii)	Total amount spent for the Financial Year	<b>31.65</b>
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years: As Provided in Boards' Report

1	2	3	4	5	6	7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (Rs. in Lakh)	Balance Amount in Unspent CSR Account Under subsection (6) of section 135 (Rs. in Lakh)	Amount Spent in the Financial Year (Rs. in Lakh)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any	Amount remaining to be spent in succeeding Financial Years (Rs. in Lakh)	Deficiency, if any
					Amount (Rs. in Lakh)   Date of Transfer		
1	2021	NIL	NIL	20.51	NA	NIL	NA
2	2020	NIL	NIL	14.50	NA	NIL	NA
3	2019	NA	NIL	NA	NA	NIL	NA



## Annexure D

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Yes  No

If Yes, enter the number of Capital assets created/ acquired

**NIL**

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

**Not Applicable**

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					<b>CSR Registration Number, if applicable</b>	<b>Name</b>	<b>Registered Address</b>

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135.

**as provided in Board's Report**

Sd/-  
**Manish Bhatia**  
Managing Director & Chief Executive Officer.

Sd/-  
**Pritha Dutt**  
Chairman CSR Committee



## Corporate Governance Report

### 1. Company's Philosophy on Corporate Governance

Corporate Governance is the creation and enhancement of long-term sustainable value for our stakeholders, comprising regulators, employees, customers, vendors, investors, and the society at large, through ethically driven business practice. Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. Strong leadership and effective corporate governance practices have been the Company's hallmark inherited from its culture and ethos. At DIC India, it is imperative that our Company's affairs are managed in a fair and transparent manner.

We ensure that we evolve and follow not just the stated corporate governance guidelines, but also global best practices. We consider it our inherent responsibility to protect the rights of our stakeholder and disclose timely, adequate and accurate information regarding our financials and performance, as well as the leadership and governance of the Company.

The Company is in compliance with the requirements stipulated under Regulations 17 to 27 read with Schedule V and clauses (b) to (i) of Regulation 46(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as applicable, with regard to corporate governance.

As a responsible corporate citizen, it is the earnest endeavor of your Company to improve its focus on Corporate Governance by increasing accountability and transparency to its stakeholders.

### 2. Code of Business Conduct

The Company had formulated a Code of Business Conduct for the employees, including the Executive Directors ('EDs'), Non-Executive Directors ('NEDs') and stakeholders of the Company. The Code inter alia covers conduct of employees, environment, health & safety, anti-trust/competition laws, anti-bribery & anti-corruption, proper accounting & internal controls. The Code is also available on the Company's website [www.dic.co.in](http://www.dic.co.in).

The Company has also adopted the Code of Conduct for Independent Directors ('IDs') which suitably incorporates the duties of Independent Directors as laid down in the Companies Act, 2013. The same is available on the Company's website [www.dic.co.in](http://www.dic.co.in). The Company has received confirmations from the NEDs, IDs and EDs regarding compliance of the Code for the year under review.

In terms of the resolution passed by the Board of Directors in their meeting held on February 8, 2023 the Board has authorized Mr. Manish Bhatia, Managing Director & Chief Executive Officer to sign all Certificates as may be required, to comply with the statutory requirements. Accordingly, a declaration from the Managing Director & Chief Executive Officer that all Board Members and Senior Management personnel have duly complied with the Code of Conduct for the financial year ended December 31, 2022 forms part of the Annual report.

### 3. DIC India Limited- Code of Fair Disclosure, Conduct & Internal Procedure for Prevention of Insider Trading

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the Board of Directors of the Company has adopted the revised DIC INDIA LIMITED- CODE OF FAIR DISCLOSURE, CONDUCT & INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING ('Insider Trading Code').

All our Promoters, Directors, Employees of the Company have been identified as Designated Persons, and their Immediate Relatives and other Connected Persons such as auditors, consultants, bankers amongst others, who could have access to the unpublished price sensitive information of the Company, are governed under this Insider Trading Code.

Mr. Raghav Shukla, Corp. General Manager- Legal & Company Secretary of the Company is the 'Compliance Officer' in terms of this Code.

## 4. Board of Directors

The Board of Directors ('the Board') is at the core of our corporate governance practice and oversees and ensures that the Management serves and protects the long-term interest of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of corporate governance.

### Size and Composition of the Board

Our policy is to have an appropriate mix of Executive Directors ('EDs'), Non-Executive Non-Independent Directors ('NEDs') and Independent Directors ('IDs') to maintain the Board's independence and separate its functions of governance and management. As on December 31, 2022, the Board comprised of Nine members, two of whom are EDs, three NEDs and Four IDs, including one Woman Independent Director. The Board periodically evaluates the need for change in its composition and size. Detailed profiles of our Directors are available on our website <https://www.dic.co.in/board-of-director>.

The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Companies Act, 2013. As on date of this report, none of our Directors serve as Director or as IDs in more than seven listed companies and none of the EDs serve as IDs on any listed company. Further, none of our IDs serve as Non-Independent Director of any company on the board of which any of our Non-Independent Director is an ID.

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Companies Act 2013 along with rules framed thereunder. In terms of Regulation 25(8) of Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or maybe reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations and that they are independent of the management. Further, the IDs have in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs.

The Company has issued formal letters of appointment to the IDs. As required under Regulation 46 of the SEBI Listing Regulations, as amended, the terms and conditions of appointment of IDs including their role, responsibility and duties are available on our website at <https://www.dic.co.in/sites/default/files/2021-01/term-appointment-independent-directors-code-independent-directors.pdf>.

During the Financial Year 2022, none of our Directors acted as Member in more than 10 committees or as Chairperson in more than 5 committees across all listed entities where they serve as a Director. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations. Further, there are no inter-se relationships between our Board Members.





Color & Comfort

Annexure E

## Composition of Board and Directorship held as on December 31, 2022

Name of the Director	Indian Public Companies*		Board Committees**		Directorship in other public entity (Category of Directorship)
	Chairperson	Member	Chairperson	Member	
<b>Independent Directors</b>					
<b>Mr. Partha Mitra</b> DIN: 00335205	-	-	-	-	-
<b>Mr. Rajeev Anand</b> DIN: 02519876	-	-	-	-	-
<b>Mr. Prabal Kumar Sarkar</b> DIN: 03124712	-	1	1	-	Merino Industries Limited (NEID)
<b>Ms. Pritha Dutt</b> DIN: 02910608	-	-	-	-	-
<b>Non-Executive, Non-Independent Directors</b>					
<b>Mr. Paul Koek</b> DIN: 00081930	-	-	-	-	-
<b>Mr. Masahiro Kikuchi</b> DIN: 08024525	-	-	-	-	-
<b>Mr. Ho Yeu Guan</b> DIN: 08066136	-	-	-	-	-
<b>Executive Directors</b>					
<b>Mr. Manish Bhatia</b> Managing Director and Chief Executive Officer DIN: 08310936	-	-	-	-	-
<b>Mr. Taishi Nojima</b> Whole Time Director DIN: 08401012	-	-	-	-	-

NEID – Non Executive Independent Director

\*Directorships in Indian Public Companies (listed and unlisted) excluding DIC India Limited and Section 8 Companies.

\*\*As required under Regulation 26(1)(b) of the Listing Regulations, the disclosure includes chairmanship/membership of the Audit Committee and Stakeholders' Relationship Committee in Indian Public companies (listed and unlisted) excluding DIC India Limited.

### Key Board Qualifications, Expertise and Attributes

The Members of the Board are committed to ensuring that the Board is in compliance with the highest standards of corporate governance and meets at least once in a quarter to review and discuss on the Company's quarterly performance and financial results.

Comprehensive background information is provided to the Committee & Board members to enable them to take informed decisions. The Independent Directors also conduct a meeting among themselves and provides their insights to the entire Board and the management team.

### Matrix on skill sets possessed by the Board of Directors

The DIC India Board comprises directors from diverse backgrounds possessing a range of professional experiences, capabilities and viewpoints. This helps create a robust and vibrant board.

The capabilities and experiences sought in our Directors' are detailed below:

**A. Strategic Leadership and Management Experiences:** This entails a director with a vast experience with past or current experience in the "C Level" or in other professional or leadership position oversighting multiple disciplines/functions in an organization.

**B. Industry, Market and Sectorial Expertise:** Has expertise with respect to the processes critical to the industry,

manufacturing and sector in which the organization operates. Has ability to interpret the macro-economic environment, nuances of the business, regulations and legislations for the market/(s) and the business, organization operates in.

- C. People and Talent Understanding:** Has insights and experience of effectively managing human capital and brings best practices which are suitable for the organization. Ability to infuse strategies to develop talent and align the organization to meeting Key Objectives and Develop Tomorrow's Leaders.
- D. Experience of Business Complexity:** Experience in handling vast and complex geographies in leadership roles for more than 10 years. Has developed expertise and experience in managing vast and complex jurisdictions in terms of operations, risk management and financial stewardship.
- E. Technology and Digital Perspective:** Brings expertise to align technologies to business needs to drive process change and product development strategies while aligning to Group's strategic drive. Brings added perspective on the skills required by the organization in the fields of digital transformation and sustainability.
- F. Governance, Finance and Risk:** Has an up to date thorough understanding of principles of Corporate Governance, Financial Management and the legislative landscape of the Industry. Proven capabilities of providing inputs for strategic financial planning, in-depth understanding of financial statements, and overseeing budgets for the efficient use of resources. An expert hand in overall Risk Management of the enterprise.
- G. Diversity of Perspective:** Understanding of the larger landscape and providing relevant, diverse and critical views to the Board that is invaluable for managing key stakeholders and business challenges.

### Selection of New Directors and Board Membership Criteria

The Nomination and Remuneration Committee evaluates the candidature of a new director in line with the Group Policy and the aforementioned skill sets and makes suitable recommendation to the Board for final approval. Candidates will undergo an interview and selection process. The appointment of all Directors is also subject to shareholders' approval.

The Policy for appointment and removal of Directors and determining Directors' independence is available on our website at <https://www.dic.co.in/sites/default/files/2021-01/remuneration-policy.pdf>.

The table below summarizes the key skills, expertise, competencies and attributes which are taken into consideration by the NRC while recommending appointment of Directors to the Board:

### Director qualifications, skills, expertise, competencies and attributes desirable in Company's business and sector in which it functions

Director Name/ Skills	Age (Years)	Appoint- ment Year	Gender	Committee Member- ships	Strategic Leadership and Management Experiences	Industry, Market and Sectorial Expertise	People and Talent Under- standing	Experience of Business Complexity	Technology and Digital Perspective	Governance, Finance and Risk	Diversity of Perspective
Mr. Partha Mitra	71	2017	M	SRC	✓	✓	✓	✓		✓	✓
Mr. Rajeev Anand	62	2020	M	AC, SRC, CSR, RMC*	✓		✓	✓		✓	✓
Mr. Prabal Kumar Sarkar	65	2020	M	AC, NRC, RMC*	✓		✓			✓	✓
Ms. Pritha Dutt	58	2020	F	NRC, CSR	✓	✓	✓	✓		✓	✓
Mr. Paul Koek	62	2004	M	AC, NRC SRC, CSR	✓	✓	✓	✓	✓	✓	✓
Mr. Masahiro Kikuchi	60	2018	M	NRC	✓		✓	✓			✓
Mr. Ho Yeu Guan	65	2018	M	RMC*	✓		✓	✓	✓	✓	✓
Mr. Manish Bhatia	51	2019	M	RMC*	✓	✓	✓	✓	✓	✓	✓
Mr. Taishi Nojima	58	2019	M	CSR, RMC*	✓	✓	✓				✓

\*Even though not mandated, the Company has constituted Risk Management Committee.

## Familiarization Programme for Independent Directors

As a practice, all new Directors (including Independent Directors) inducted to the Board are given a formal orientation. The familiarisation programme for our Directors is customised to suit their individual interests and area of expertise. The Directors are usually encouraged to interact with members of Senior Management as part of the induction programme. The Senior Management make presentations giving an overview of the Company's strategy, operations, products, markets and group structure, Board constitution and guidelines, and the major risks and risk management strategy. This enables the Directors to get a deep understanding of the Company, its people, values and culture and facilitates their active participation in overseeing the performance of the Management.

The details of Familiarization Programme have been posted in the Company's website <https://www.dic.co.in/sites/default/files/2021-01/familiarisation-program-independent-directors.pdf>.

## Board Evaluation

The NRC has formulated a Policy for evaluation of the Board, its Committees and Directors and the same has been approved and adopted by the Board. The details of Board Evaluation forms part of the Board's Report.

## Remuneration Policy for Board and Senior Management

The Board has approved the Remuneration Policy for Directors, Key Managerial Personnel ('KMP') and all other employees of the Company. The same is available on our website <https://www.dic.co.in/sites/default/files/2021-01/remuneration-policy.pdf>.

Details of remuneration for Directors in financial year ended December 31, 2022 are provided below:

### Shares held and remuneration paid to Directors for the year ended December 31, 2022

Name	Fixed Salary			Performance Bonus	Commission	Sitting Fees	Total Compensation
	Basic	Perquisites / Allowances	Total Fixed Salary				
<b>Independent Directors</b>							
Mr. Partha Mitra	-	-	-	-	9,80,210	3,20,000	13,00,210
Mr. Rajeev Anand	-	-	-	-	2,38,105	5,85,000	8,23,105
Mr. Prabal Kumar Sarkar	-	-	-	-	2,38,105	5,75,000	8,13,105
Ms. Pritha Dutt	-	-	-	-	2,38,105	4,10,000	6,48,105
Mr. Dipak Kumar Banerjee*	-	-	-	-	2,46,505	-	2,46,505
Dr. Reena Sen*	-	-	-	-	52,250	-	52,250
<b>Non-Executive Directors</b>							
Mr. Paul Koek	-	-	-	-	-	-	-
Mr. Masahiro Kikuchi	-	-	-	-	-	-	-
Mr. Ho Yeu Guan	-	-	-	-	-	-	-
<b>Executive Directors</b>							
Mr. Manish Bhatia	75,71,964	1,55,08,154	2,30,80,118	91,00,382	-	-	3,21,80,500
Mr. Taishi Nojima	78,00,000	12,09,600	90,09,600	-	-	-	90,09,600

\*Ceased to be Independent Director upon completion of term w.e.f. March 21, 2021. Commission paid is pro-rata to their Directorship is FY 2021.



## Note:

- None of our Directors hold shares, stock options, convertible securities or instruments of the Company as on December 31, 2022. None of the Executive Directors are eligible for payment of any severance fees and the contracts with Executive Directors may be terminated by either party giving the other party three (3) months' notice or the Company paying three (3) months' salary in lieu thereof.
- Except for the Executive Directors and Independent Directors, all the members of the Board are liable to retire by rotation. The appointment of the Whole Time Director is governed by the resolution passed by the Board, as per recommendations of the Nomination and Remuneration Committee, which covers the terms and conditions of such appointment read with the service rules of the Company, subject to final approval by the members of the Company.
- Performance Bonus / incentives payable to the Executive Directors is determined on the basis of the status of the inventory and debtors, profitability and overall financial position of the Company.
- In addition to the sitting fees, the Company had approved payment of commission to its Resident Non-executive Directors pursuant to approval of the members at the Annual General Meeting held on June 12, 2020. The payment of the commission was approved for a period of 5 years commencing from January 1, 2019.
- The criteria for payment of commission to eligible directors as approved by the Board is as under:
  - Non-Executive Independent Chairman
    - 0.5% of the profits subject to annual ceiling of Rs.850,000/-
    - Additional amount based on pro rata weightage given to attendance in Board & Committee Meetings
  - Other Non-Executive Independent Directors
    - 0.5% of the profits subject to annual ceiling of Rs.180,000/- per Director
    - Additional amount based on pro rata weightage given to attendance of the individual director in Board & Committee Meetings
- At Present sitting fees, details of which are provided below, are paid to Non-Executive Independent Directors for attending each meeting of the Board and the Committees there of:

Category	Amount (in Rs.)
<b>Board Meetings</b>	
Chairman	50,000
Members	40,000
<b>Audit Committee</b>	
Chairman	50,000
Members	35,000
<b>Nomination and Remuneration Committee, Stakeholders' Grievance Committee, Corporate Social Responsibility Committee, Risk Management Committee, and Independent Directors' Meeting and any other Committee which may be constituted from time to time</b>	
Chairman	35,000
Members	35,000

- No commission and sitting fees are payable to the representatives of the holding Company, DIC Asia Pacific Pte. Ltd.
- Other than sitting fees and commission, there is no other pecuniary relationship or transactions with any of the Non-Executive Directors.

## 5. Board Meetings

### Scheduling and selection of agenda items for Board Meetings

Tentative dates for Board Meetings in the ensuing financial year are decided in advance and communicated to the members of the Board. The information, as required under Regulation 17(7) read with Schedule II Part A of the SEBI Listing Regulations, is made available to the Board.

The Board meets at least once a quarter to review the quarterly financial results and other agenda items. Additional meetings are held when necessary. Committees of the Board usually meet the day before or on the day of the formal Board meeting, or whenever the need arises for transacting business. The recommendations of the Committees are placed before the Board for necessary approval.

5 Board meetings were held during the year ended December 31, 2022 on February 11, 2022, May 11, 2022, May 24, 2022, August 12, 2022 and November 10, 2022. The gap between any two Board meetings during this period did not exceed one hundred and twenty days.

Attendance details of Directors for the year ended December 31, 2022 are given below:

Name of Director	Category	No. of Meetings held during tenure	No. of Meetings Attended	Attendance %
Mr. Partha Mitra	ID	5	5	100
Mr. Rajeev Anand	ID	5	5	100
Mr. Prabal Kumar Sarkar	ID	5	5	100
Ms. Pritha Dutt	ID	5	5	100
Mr. Paul Koek	NED	5	5	100
Mr. Masahiro Kikuchi	NED	5	5	60
Mr. Ho Yeu Guan	NED	5	5	100
Mr. Manish Bhatia	ED	5	5	100
Mr. Taishi Nojima	ED	5	5	100

ID – Independent Director; NED – Non-Executive Director; ED – Executive Director

All the Directors were present at the date of last AGM of the Company held on March 22, 2022.

Particulars of Directors retiring by rotation and seeking re-appointment have been given in the Notice convening the 75<sup>th</sup> Annual General Meeting and Explanatory Statement, attached thereto.

### Meeting of the Independent Directors

Pursuant to Schedule IV of the Companies Act, 2013, the Independent Directors met on November 9, 2022, without the presence of Non-Independent Directors and Members of the Management. The Independent Directors, inter alia, evaluated the performance of the Non-Independent Directors and the Board of Directors as a whole, evaluated the performance of the Chairman of the Board taking into account views of Executive and Non-Executive Directors and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board.

## 6. Committees of the Board

### Audit Committee

The Audit Committee acts as a link between the Internal and Statutory Auditors and the Board of Directors. The Committee provides the Board with additional assurance as to the adequacy of the Company's internal control systems and financial disclosures. The broad terms of reference of the Audit Committee are as per Section 177 of the Companies Act, 2013 and to review with the Management and/or Internal Auditors and/or Statutory Auditors, inter alia in the following areas:

- i) Oversight of the Company's financial reporting process and financial information disclosures;
- ii) Review with the Management, the annual and quarterly financial statements/results before submission to the Board;
- iii) Review with the Management, the Internal and External Audit Reports and the adequacy of internal control systems;
- iv) Review the adequacy and effectiveness of accounting and financial controls of the Company, compliance with the Company's policies and applicable laws and regulations;
- v) Recommending the appointment and removal of External Auditors and fixation of auditor's remuneration
- vi) Review of utilization of proceeds raised from Public/Rights issues.

Mr. Raghav Shukla, Corp. General Manager- Legal & Company Secretary acts as the "Secretary" to the Committee. The internal auditor reports functionally to the Audit Committee. The Statutory Auditors, Executive Directors and Senior Management of the Company also attend the meetings as invitees whenever required to address concerns raised by the Committee Members.

4 meetings of the Committee were held during the year ended December 31, 2022, on February 11, 2022, May 11, 2022, August 12, 2022 and November 10, 2022.

**The composition of the Committee and the attendance details of the Members for the year ended December 31, 2022 are given below:**

Name of Members	Category	No. of Meetings held during tenure	No. of Meetings Attended	Attendance%
<b>Mr. Prabal Kumar Sarkar</b> (Chairperson)	ID	4	4	100
<b>Mr. Rajeev Anand</b>	ID	4	4	100
<b>Mr. Paul Koek</b>	NED	4	4	100

ID – Independent Director; NED – Non-Executive Director

The Chairman of the Audit Committee was present at the AGM of the Company on March 22, 2022.

### Nomination and Remuneration Committee

The purpose of the Nomination and Remuneration Committee ('NRC') is to oversee the Company's nomination process including succession planning for the senior management and the Board and specifically to assist the Board in identifying, screening and reviewing individuals qualified to serve as Executive Directors, Non-Executive Directors and Independent Directors consistent with the criteria as stated by the Board in its Policy on Nomination and Remuneration.

The Board has adopted the Nomination and Remuneration policy for the functioning of the Committee.

The NRC also discharges the Board's responsibilities relating to compensation of the Company's Executive Directors and Senior Management. The remuneration policy and the criteria for making payments to Non-Executive Directors is available on our website <https://www.dic.co.in/sites/default/files/2021-01/remuneration-policy.pdf>.

2 meetings of the Committee were held during the year ended December 31, 2022, on, February 09, 2022, and November 9, 2022.

**The composition of the Committee and the attendance details of the Members for the year ended December 31, 2022 are given below:**

Name of Members	Category	No. of Meetings held during tenure	No. of Meetings Attended	Attendance%
<b>Ms. Pritha Dutt</b> (Chairperson)	ID	4	4	100
<b>Mr. Prabal Kumar Sarkar</b>	ID	4	4	100
<b>Mr. Paul Koek</b>	NED	4	4	100

ID – Independent Director; NED – Non-Executive Director

The Chairman of the Nomination and Remuneration Committee was present at the AGM of the Company on March 22, 2022.



**Stakeholders' Relationship Committee**

The Stakeholders' Relationship Committee ('SRC') terms of reference include redressal of the shareholders'/investors complaints on transfer of shares, non-receipt of balance sheets, non-receipt of dividend etc.

1 meetings of the Committee were held during the year ended December 31, 2022 on November 09, 2022.

**The composition of the Committee and the attendance details of the Members for the year ended December 31, 2022 are given below:**

Name of Director	Category	No. of Meetings held during tenure	No. of Meetings Attended	Attendance %
Mr. Rajeev Anand (Chairperson)	ID	1	1	100
Mr. Partha Mitra	ID	1	1	100
Mr. Paul Koek	NED	1	1	100

ID – Independent Director; NED – Non-Executive Director

In terms of Regulation 6 and Schedule V of the Listing Regulations, the Board has appointed Mr. Raghav Shukla, Corp. General Manager- Legal & Company Secretary as the Compliance Officer of the Company.

The details of complaints received and resolved during the Financial Year ended December 31, 2022 are given below. The complaints relate to non-receipt of annual report, dividend, share transfers and other investor grievances.

**Details of complaints received and resolved during the year ended December 31, 2022:**

Opening as on January 1, 2022	0
Received during the year	1
Resolved during the year	1
Closing as on December 31, 2022	0

**Corporate Social Responsibility Committee**

The purpose of our Corporate Social Responsibility and Sustainability ('CSR') Committee is to formulate and recommend to the Board, a Corporate Social Responsibility Policy, which shall indicate the initiatives to be undertaken by the Company, recommend the amount of expenditure the Company should incur on Corporate Social Responsibility ('CSR') activities and to monitor from time to time the CSR activities and Policy of the Company.

Pursuant to the requirement of Section 135 of the Companies Act, 2013 and The Companies (Corporate Social Responsibility Policy) Rules, 2014, the Corporate Social Responsibility Policy was adopted by the Board of Directors. This Policy has been placed on Company's website <https://www.dic.co.in/sites/default/files/2022-02/CSR%20Policy.pdf>.

3 meetings of the Committee were held during the year ended December 31, 2022 on February 09, 2022, March 22, 2022 and November 09, 2022.

**The composition of the Committee and the attendance details of the Members for the year ended December 31, 2022 are given below:**

Name of Members	Category	No. of Meetings held during tenure	No. of Meetings Attended	Attendance %
Ms. Pritha Dutt (Chairperson)	ID	3	3	100
Mr. Rajeev Anand	ID	3	3	100
Mr. Paul Koek	NED	3	3	100
Mr. Taishi Nojima	WTD	3	3	100

ID – Independent Director; NED – Non-Executive Director; WTD - Whole Time Director

## 7. General Body Meetings

Location and time, where last three AGMs were held and Special Resolution passed thereat:

Financial Year Ended	Date	Venue	Time	Special Resolution Passed
December 31, 2021	March 22, 2022	AGM held through VC / OAVM (Deemed Venue: DIC India Limited, Transport Depot Road, Kolkata 700088)	11.00 AM	
December 31, 2020	March 19, 2021			
December 31, 2019	June 12, 2020			Re-appointment of Mr. Partha Mitra (DIN:00335205) as an Independent Director of the Company for a term of three years

### Postal Ballot

During the year under review, No Special Resolution through Postal Ballot was initiated.

In the forthcoming Annual general Meeting, there is no special resolution on the agenda that needs approval through postal ballot.

## 8. Means of Communication

- A)** Half-Yearly Report sent to each Household of shareholders : No
- B)** Quarterly Results : Business Standard (English daily)  
Newspapers published in : Financial Express (English daily)  
Aajkal (Bengali daily)
- Website where displayed : [www.dic.co.in](http://www.dic.co.in)
- C)** Audited Financial Results : Year ended December 31, 2022  
Newspaper published in : Financial Express (English daily)  
Business Standard (English daily)  
Aajkal (Bengali daily)
- D)** Whether the website also displays : No presentation has been made to  
official news releases and presentations : institutional investors/analysts.  
to institutional investors/analysts : Audited/ Unaudited Financial Reports  
including official news releases are displayed  
on the Website
- E)** Whether Management Discussion & : The aspects of the Management Discussion  
Analysis Report is a part of Annual Report : and Analysis Report forms part of the Annual  
Report.

## 9. General Shareholder Information

Annual general Meeting 2022

<b>Date</b>	Monday, March 22, 2023
<b>Time</b>	11:00 AM
<b>Venue</b>	Video Conferencing/Other Audio Visual Means
<b>Financial Year</b>	January 01, 2022 to December 31, 2022
<b>Book Closure Dates</b>	Thursday, March 16, 2023 to Wednesday, March 22, 2023 (Both Days Inclusive)
<b>Dividend Payment Date</b>	On and from April 05, 2023



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Annexure E

### Name and Address of Stock Exchanges, Stock Code and Confirmation about payment of Annual Listing Fees:

Stock Exchange	ISIN	Stock Code
<b>BSE Limited (BSE)</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	INE303A01010	500089
<b>National Stock Exchange of India Limited (NSE)</b> Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051		DICIND
<b>The Calcutta Stock Exchange Limited (CSE)</b> 7, Lyons Range, Kolkata – 700 001		13217

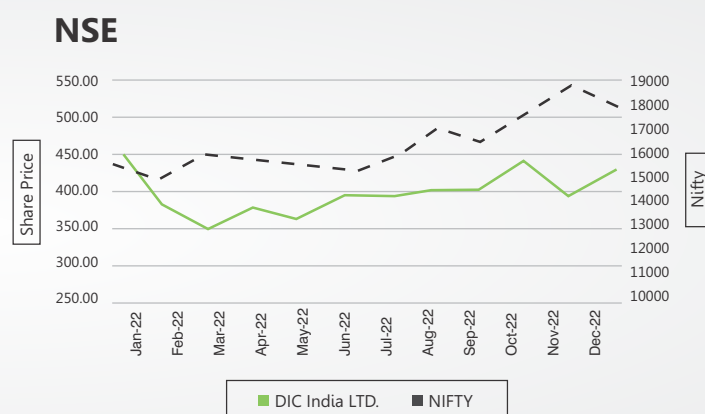
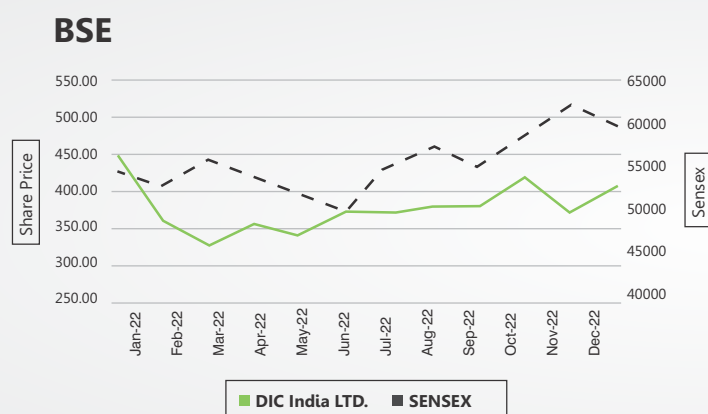
The Annual Listing Fees for the year 2021-22 and 2022-23 has been paid to all these Stock Exchanges within the stipulated time.

Further, The Company has paid Annual Custody Fees for the year 2021-22 and 2022-23 to both the depositories namely National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within the stipulated time.

### Market Price Data–High, Low and volume during each month in Financial Year 2022

Month	BSE Limited			National Stock Exchange of India Limited		
	High (Rs.)	Low (Rs.)	Volume (No.)	High (Rs.)	Low (Rs.)	Volume
Jan-22	450.00	383.10	23172	449.90	384.40	86293
Feb-22	455.00	344.55	27898	460.00	340.20	87293
Mar-22	379.00	337.30	15989	383.80	339.00	107130
Apr-22	404.50	348.05	9828	405.00	346.85	85133
May-22	369.00	321.00	6876	371.75	321.15	42419
Jun-22	385.00	349.00	5290	399.90	347.00	54167
Jul-22	415.00	357.00	11526	427.00	352.30	78523
Aug-22	403.00	365.00	5648	407.00	325.30	62380
Sep-22	400.00	364.00	5048	400.10	369.75	46076
Oct-22	493.85	380.10	6201	443.00	379.15	63009
Nov-22	440.95	370.05	6274	431.00	369.00	62940
Dec-22	395.20	364.40	13016	400.05	365.15	47132

### Performance in comparison to Indices





## Registrar and Share Transfer Agent

Pursuant to the directive of The Securities and Exchange Board of India (SEBI), whereby all work related to share register in terms of both physical and electronic mode for maintenance had to be carried out at a single point, the Company has appointed M/s C B Management Services (P) Limited, Kolkata, from April 1, 2003 as its Registrar & Share Transfer Agent, to handle its entire share related activities, both for physical shares and shares in demat form.

### M/s C B Management Services (P) Limited

P-22, Bondel Road, Kolkata - 700 019

Phone: 033-2280 6692-94/40116700

Fax: 033-2287 0263 | E-mail: rta@cbmsl.com | Website: www.cbmsl.com

### Share Transfer System

Pursuant to the directive of the Securities and Exchange Board of India (SEBI), Physical transfer of shares has been dispensed with. In reference to SEBI Circular dated January 25, 2022, the Security holder/Claimant shall submit duly filled up Form ISR-4 for processing of service request related to transmission, transposition, consolidation/sub-division/endorsement of share certificate, issue of duplicate share certificate along with requisite documents. The Company/RTA shall issue letter of confirmation after processing the service requests which shall be valid for a period of 120 days from the date of its issuance, within which the securities holder/claimant shall make a request to the Depository Participant for dematerializing the said securities.

The Form ISR-4 is available on the website of the Company and can be downloaded from <https://www.dic.co.in/sites/default/files/2022-01/Form%20ISR-4.pdf>.

### Distribution of Shareholding as on December 31, 2022

Share held	No. of Shareholders		No. of Shares	
	Total	% of Shareholders	Total	% to Share Capital
1-500	7377	94.03	561275	6.11
501 - 1000	224	2.86	169161	1.84
1001 - 2000	117	1.49	174417	1.90
2001 -3000	35	0.45	85328	0.93
3001 - 4000	22	0.28	75551	0.82
4001 - 5000	20	0.25	94269	1.03
5001 - 10000	19	0.24	139373	1.52
10001 - 50000	25	0.32	422015	4.60
50001 - 100000	1	0.01	50578	0.55
100001 and above	5	0.06	7407010	80.70
<b>Total</b>	<b>8329</b>	<b>100.00</b>	<b>9178977</b>	<b>100.00</b>

### Dematerialization of Shares and Liquidity

As per notification issued by SEBI, with effect from June 26, 2000, it has become mandatory to trade in the Company's shares in the electronic form. The Company's shares are available for trading in the depository systems of both NSDL and CDSL.

As on December 31, 2022, 99.09% of the Company's total paid up capital representing 9095069 equity shares were held in dematerialized form and the balance 0.91% representing 83908 equity shares were held in physical form.

### Outstanding GDR/Warrants and Convertible Bonds, Conversion Dates and likely impact on Equity

The Company had no outstanding GDRs/ADRs/Warrants or any Convertible instruments.



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Annexure E

## Commodity price risk or foreign exchange risk and hedging activities

DIC India Limited purchases a variety of raw materials for manufacturing and finished products for trading. The Company manages the associated commodity price risks based on local and global information with the support of the parent group, subject to commercial negotiation with suppliers. There are no commodities where the exposure of the Company in the particular commodity is material.

Further, the Company is exposed to foreign exchange risks on its imports of raw materials/trading goods and capital item purchases and export of finished goods. The Company has a robust internal policy, approved by its Audit Committee, to manage foreign exchange risks. Hedging is regularly carried out to mitigate the risks in line with the approved policy.

## Plant Location

Location	Address
<b>Kolkata</b>	Transport Depot Road, Kolkata – 700 088
<b>Noida</b>	C-55 A & B, Phase II, Dist. Gautam Budh Nagar, Noida – 201 305
<b>Ahmedabad</b>	Plot No. 633 & 634, G.I.D.C. Industrial Estate, Phase IV, Vatva, Ahmedabad–382 445
<b>Bengaluru</b>	66A, Bommasandra Industrial Area, Anekal Taluk, Bengaluru – 560099

## Address for Correspondence

To serve the investors better and as required under Regulation 46(2)(j) of the Listing Regulations, the designated e-mail address for investor complaints is investors@dic.co.in. The e-mail address for grievance redressal is continuously monitored by the Company's Compliance Officer. The Address of the Compliance officer is

### Mr. Raghav Shukla

Corp. GM- Legal & Company Secretary

DIC India Limited

Fusion Square, 5<sup>th</sup> Floor

5A-5B, Sector- 126, Noida 201303

Phone: 0120 6361420

Email: raghav.shukla@dic.co.in; investors@dic.co.in

Website: www.dic.co.in

## 10. Other Disclosures

### Related Party Disclosure

The Board has adopted Related Party Transaction Policy for determining the materiality of related party transactions and also on the dealings with related parties. This Policy has been placed on the Company's website <https://www.dic.co.in/sites/default/files/2021-01/related-party-policy.pdf>

During the year there were no transactions of material nature with related parties that had potential conflict with the interests of the Company. Details of all related party transactions form a part of the accounts as required under Ind AS 24 as notified by the Ministry of Corporate Affairs and the same are given in Note 39 to the Financial Statements.

The omnibus approval of the Audit Committee is taken for all proposed related party transactions to be entered into during the forthcoming year and the details of all related party transactions actually entered into in the preceding quarter is placed before them. During preparation of financial statements during the period under review, no accounting treatment which was different from that prescribed in the Accounting Standards was followed.

### Subsidiary Company

The Company had no subsidiary company during the financial year ended December 31, 2021.

## Details of non-compliance

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years. There has been no instance of non-compliance with any legal requirements during the year under review.

None of the Company's listed securities are suspended from trading.

## Vigil Mechanism and Whistle Blower Policy

The Company has adopted Whistle Blower Policy (Vigil Mechanism) for Directors and employees which has been placed on the Company's website [https://www.dic.co.in/sites/default/files/2021-04/Whistle\\_Blower\\_Policy\\_0.pdf](https://www.dic.co.in/sites/default/files/2021-04/Whistle_Blower_Policy_0.pdf)

Under the Policy, every Director or employee of the Company has an assured access to the Audit Committee.

## Risk Management Policy

The Company has adopted updated Risk Management which lay down procedures to inform the Board Members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management controls risks through means of a properly defined framework.

There were no material financial and commercial transactions where senior management of the Company had personal interest that may have potential conflict with the interest of the Company at large.

## Commodity Price Risk and Commodity hedging activities

Company purchases a variety of raw materials for manufacturing and finished products for trading. The Company manages the associated commodity price risks based on local and global information with the support of the parent group, subject to commercial negotiation with suppliers. There are no commodities where the exposure of the Company in the particular commodity is material.

## Certificate from Statutory Auditors

As required by Regulation 34(3) and Schedule V Part E of the Listing Regulations, the certificate given by Deloitte Haskins & Sells LLP, Statutory Auditors of the Company, is annexed to this report.

## Certificate from Practising Company Secretary

As required by Clause 10 (i) of Part C under Schedule V of the Listing Regulations, the Company has received a certificate from T. Chatterjee & Associates, Practising Company Secretaries certifying that none of our Directors have been debarred or disqualified from being appointed or continuing as Directors of the Company by Securities and Exchange Board of India or Ministry of Corporate Affairs or such other statutory authority.

## Secretarial Audit

The Company's Board of Directors appointed T. Chatterjee and Associates, Practising Company Secretaries Firm, to conduct secretarial audit of its records and documents for the Financial Year 2022. The secretarial audit report confirms that the Company has complied with all applicable provisions of the Companies Act, 2013, Secretarial Standards, Depositories Act 2018, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Prohibition of Insider Trading) Regulations, 2015, each as amended and all other regulations and guidelines of SEBI as applicable to the Company. The Secretarial Audit Report forms part of the Board's Report.

## CEO and CFO Certification

As required by Regulation 17(8) read with Schedule II Part B of the Listing Regulations, the Chief Executive Officer & Managing Director and Executive Director & Chief Financial Officer have given appropriate certifications to the Board of Directors.

## Consolidated Fees paid to Statutory Auditors

During the Financial Year 2022, the total fees for all services paid by the Company, on a consolidated basis, to Deloitte Haskins & Sells LLP, Chartered Accountants, Statutory Auditors of the Company is as under:





Particulars	Amount (Rs.)
Services as Statutory Auditors	44,50,000
Taxation matters and audit	13,50,000
Other Services	3,00,000
Out of Pocket expenses	3,66,806
<b>Total</b>	<b>64,66,806</b>

### Disclosures as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The disclosure regarding the complaints of sexual harassment are given in the Board's Report.

### Demat suspense account/unclaimed suspense account

As on December 31, 2022, there are no outstanding shares lying in the demat suspense account/unclaimed suspense account.

### Annual Certificate on Security Transfer

In terms of Regulation 40(9) of the SEBI Listing Regulations, certificates, on Annual basis, have been issued by a Company Secretary in Practice with respect to due compliance of share and security transfer formalities by the Company.

### Reconciliation of Share Capital Audit

In terms of Regulation 76 of the SEBI (Depositories and Depositories Participants) Regulations, 2018, certificates, on quarterly basis, have been issued by a Company Secretary in Practice with respect to due compliance of share and security transfer formalities by the Company.

The Company Secretary in Practice carried out a Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL') (collectively 'Depositories') and the total issued and listed capital. The Audit confirms that the total paid-up capital is in agreement with the aggregate of the total number of shares in physical form and in dematerialised form (held with Depositories). The Audit Report is disseminated to the Stock Exchanges on half yearly basis and is also available on our website [www.dic.co.in](http://www.dic.co.in).

### Transfer of Unclaimed Dividend and Shares to Investor Education and Protection Fund ('IEPF')

Pursuant to the provisions of the Companies Act, 2013 read with Investor Education Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the dividends, unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account of the Company are liable to be transferred to the IEPF.

Accordingly, unclaimed dividends of shareholders for FY 2015 lying in the unclaimed dividend account of the Company as on May 19, 2023 will be due for transfer to IEPF on the due date i.e. May 20, 2023. Further, the shares (excluding the disputed cases having specific orders of the Court, Tribunal or any Statutory Authority restraining such transfer) pertaining to which dividend remains unclaimed for a consecutive period of seven years from the date of transfer of the dividend to the Unpaid Dividend Account is also mandatorily required to be transferred to the IEPF Authority established by the Central Government.

The Company usually send individual communication to the concerned shareholders at their registered address, whose dividend remained unclaimed and whose shares were liable to be transferred to the IEPF. The communication was also published in national English and regional language newspapers.

During the year under review, no unclaimed dividends and shares were liable to be transferred to IEPF.

Any person whose unclaimed dividend and shares pertaining thereto, has been transferred to the IEPF Fund can claim their due amount from the IEPF Authority by making an electronic application in e-form IEPF-5. Upon submitting a duly completed form, Shareholders are required to take print of the same and send physical copy duly signed alongwith requisite documents as specified in the form to the attention of the Nodal Officer of the Company. The e-form can be downloaded from the website of Ministry of Corporate Affairs at [www.iepf.gov.in](http://www.iepf.gov.in). The Shareholders can file only one consolidated claim in a financial year as per the IEPF Rules.

## Details of date of declaration & due date for transfer to IEPF

Financial Year	Dividend %	Date of Declaration	Due Date for Transfer to IEPF
2021	30 & 20	March 22, 2022	April 21, 2029
2020	60	March 19, 2021	April 17, 2028
2019	45	June 12, 2020	July 11, 2027
2018	Nil	March 23, 2019	April 22, 2026
2017	Nil	March 22, 2018	April 21, 2025
2016	40	March 24, 2017	April 21, 2024
2015	40	April 22, 2016	May 20, 2023
2014	Nil	March 23, 2015	April 22, 2022

## 11. Compliance with Discretionary Requirements

All mandatory requirements of the Listing Regulations have been complied with by the Company. The status of compliance with the discretionary requirements, as stated under Part E of Schedule II to the Listing Regulations, is as under:

### Maintenance of Chairman's office

The Non-Executive Independent Chairman has a separate office which is not maintained by the Company. Further, no reimbursement of his expenses are made by the Company.

### Shareholders' Rights

The Company's financial results are published in the newspapers and also posted on its website [www.dicindia.co](http://www.dicindia.co). Hence, the Financial Results are not sent to the shareholders. However, the Company furnishes the financial results on receipt of request from the shareholders.

### Modified Opinion in Audit Report

The Company, at present, does not have any modification in the audit opinion pertaining to the financial statements.

### Separate posts of Chairperson and the Managing Director or the Chief Executive Officer

The Company has appointed separate persons to the post of the Chairperson and the Managing Director or the Chief Executive Officer.

Mr. Partha Mitra	ID	Chairman
Mr. Manish Bhatia	ED	Managing Director & Chief Executive Officer

ID- Independent Director, ED- Executive Director

Further, The Chairperson is a non-executive director; and is not related to the Managing Director & Chief Executive Officer as per the definition of the term "relative" defined under the Companies Act, 2013.

### Reporting of Internal Auditor

The Company's Internal Auditor reports to the Audit Committee.

### Green Initiative

As a responsible corporate citizen, the Company supports the 'Green Initiative' undertaken by the Ministry of Corporate Affairs, Government of India, enabling electronic delivery of documents including the Annual Report etc., to Shareholders at their e-mail address previously registered with the DPs and RTAs.

Shareholders who have not registered their e-mail addresses so far are requested to do the same. Those holding shares in demat form can register their e-mail address with their concerned DPs. Shareholders who hold shares in physical form are requested to register their e-mail addresses with the RTA, by sending a letter, duly signed by the first/sole holder quoting details of Folio No.

The Company has sent Communication to the Shareholders who hold shares in physical mode to update their KYC, Bank and Nominee details. The Shareholders are requested to follow the procedure as stipulated in the communication. The procedure for updation of KYC is also available on the Company's website <https://www.dic.co.in/investors/investor-service-request>.



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Annexure F

To the Members of  
**DIC India Limited**

## **Independent Auditor's Certificate on Corporate Governance**

1. This certificate is issued in accordance with the terms of our engagement letter dated April 21, 2022.
2. We, **DELOITTE HASKINS & SELLS LLP**, Chartered Accountants, the Statutory Auditors of DIC INDIA LIMITED ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on December 31, 2022, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

### **Managements' Responsibility**

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

### **Auditor's Responsibility**

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### **Opinion**

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended December 31, 2022.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Sameer Rohatgi

Partner

(Membership No. 094039)

(UDIN: 23094039BGXTIZ4554)

Place: Gurugram

Date: 24 February 2023



## Annexure G

# Secretarial Audit Report

FORM MR-3

**(For the financial year ended December 31, 2022)**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members of  
DIC India Limited,  
Transport Depot Road,  
Kolkata-700088, West Bengal

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **DIC India Ltd. CIN- L24223WB1947PLC015202 (hereinafter called the Company)**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on verification of the books, papers, minute books, forms, returns filed and other records maintained by the company, information provided by the Company, its officers (including RTA), electronic records available in the official portal of the Ministry of Corporate Affairs, portal of the Stock Exchanges, representation made by the Management and considering relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India on account of ongoing global pandemic Novel Coronavirus (COVID 19), we hereby report that in our opinion, the company has, during the audit period covering financial year ended on **31<sup>st</sup> December 2022**, 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:

We have examined the books, papers, minute books, forms and returns filed with the stock exchange, in the official portal of the ministry of corporate affairs (MCA)etc and other records maintained by the company for the financial year ended on **31<sup>st</sup> December 2022**, according to the applicable provisions of:

- I. The 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;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**) to the extent applicable to the company :-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (not applicable to the Company during audit period)
  - d. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulation, 2021; (not applicable to the Company during audit period)
  - e. 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;
  - f. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014. ( not applicable to the company during audit period)
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; ( not applicable to the



Company during audit period) and

- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations 2018 ; (not applicable to the Company during audit period)
- i. The Securities and Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015;
- j. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
- VI. The Management of the Company represented that fiscal, labour and environmental laws and other Statutes which are applicable to such type of companies, are generally complied with which inter-alia includes the followings which are specifically applicable to the company:
  - a) Air (Prevention and Control of Pollution) Act, 1981;
  - b) Water (Prevention and Control of Pollution) Act, 1974;
  - c) Hazardous and other Wastes (Management & Transboundary Movement) Rules, 2016;
  - d) Legal Metrology (Packaged Commodities) Rules, 2011;
  - e) Factories Act, 1948;
  - f) Petroleum Rules, 2002; and
  - g) All other applicable laws

We have also examined compliance of the applicable clauses of the following:

- a. Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
  - b. The Listing Agreements entered into by the Company with the Stock Exchange(s) read with the provisions of the Securities and Exchange Board of India (SEBI) [Listing Obligations & Disclosure Requirements] Regulations 2015;
- During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc mentioned above.

**We further report that:**

- a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period
- b. 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 meaningful participation at the meeting.
- c. The dissenting views of the members of the Board of Directors and Committees thereof were captured and minuted whenever arises. However, No such case has arisen during the period under review.
- d. The Company has complied Secretarial Standard, SS-1 and SS-2 as applicable to it with respect to Board Meeting, General Meeting and meetings of the Committee of the Board.
- e. The Company has obtained all necessary approvals under the various provisions of the Act.
- f. There were no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement, Rules, Regulations and Guidelines framed under these Acts against/ on the Company, its Directors and Officers.
- g. The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;

We report that during the period under review, the Board meetings were conducted through video conferencing and adequate facilities were used to facilitate the Directors at other locations to participate in the meeting.

We 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.

We further report that during the audit period, no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standard etc.

Place: Kolkata

Date: 15/02/2023

**For T.Chatterjee & Associates**

**FRN No.- P2007WB067100**

**Binita Pandey**

**Partner**

**Membership No: 41594**

**COP No.: 19730**

**UDIN: A041594D003153538**

**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.**

**'Annexure A'**

To,

The Members of

DIC India Limited

Our 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. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the Guidance Notes on ICSI Auditing Standard, 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
4. 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.
5. The Secretarial Audit 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.

Place: Kolkata

Date: 15/02/2023

**For T.Chatterjee & Associates**

**FRN No.- P2007WB067100**

Binita Pandey

Partner

Membership No: 41594

COP No.: 19730

UDIN: A041594D003153538





**Color & Comfort**

Certificate under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

## **Certification**

Pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby certify that:

- A.** We have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief :
  - 1.** these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - 2.** these statements together present a true and fair view of the Company's affairs and are in compliance with 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 internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such 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:
  - 1.** significant changes in internal control over financial reporting during the year;
  - 2.** significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - 3.** no instances of significant fraud or the involvement therein, if any, of the management or an employee having a significant role have come to our notice.

For **DIC India Limited**

**Manish Bhatia**

Managing Director & CEO

DIN: 08310936

Date: February 8, 2023

Place: Noida

**Sandip Chatterjee**

Chief Finance Officer

PAN: ABVPC5782H

## **Certificate of compliance with the code of conduct of the company**

This is to state that the Company had duly adopted a Code of Conduct in the meeting of the Board of Directors held on April 29, 2005 and thereafter on October 28, 2016 adopted an updated Code of Conduct. After adoption of the Code of Conduct, the same was circulated to all the Board Members and senior management personnel for compliance. The Code of Conduct has also been posted on the website of the Company. The Company has since received declaration from all the Board Members and senior management personnel affirming compliance of the Code of Conduct of the Company in respect of the financial year December 31, 2022. The same has been duly noted by the Board in its meeting held on February 8, 2023.

For **DIC India Limited**

**Manish Bhatia**

Managing Director & CEO

DIN: 08310936

Date: February 8, 2023

Place: Noida



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## Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015)

To  
The Members,  
DIC India Limited  
Transport Depot Road,  
Kolkata-700088

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of DIC India Limited, CIN: L24223WB1947PLC015202 and having registered office at Transport Depot Road Kolkata West Bengal 700088 (hereinafter referred to as 'the **Company**'), listed BSE Ltd. (**Scrip Code- 500089**), National Stock Exchange of India Ltd., (**Stock Code-DICIND**) and The Calcutta Stock Exchange Ltd. (**Scrip Code-10013217**) produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number ("**DIN**") status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on **31<sup>st</sup> December 2022**, have been debarred or disqualified from being appointed or continuing as Directors of company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

S.NO	Name of the Directors	DIN	Date of Appointment *
1	Mr. Partha Mitra	00335205	08/02/2017
2	Mr. Manish Bhatia	08310936	30/01/2019
3	Mr. Rajeev Anand	02519876	06/11/2020
4	Ms. Pritha Dutt	02910608	06/11/2020
5	Mr. Prabal Kumar Sarkar	03124712	06/11/2020
6	Mr. Paul Koek	00081930	29/06/2004
7	Mr. Masahiro Kikuchi	08024525	06/02/2018
8	Mr. Ho Guan Yeu	08066136	06/02/2018
9	Mr. Taishi Nojima	08401012	26/04/2019

\* Date of appointment is as per details available at the official portal of the Ministry of Corporate Affairs, [www.mca.gov.in](http://www.mca.gov.in)

Ensuring the eligibility for the appointment / continuity as Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our verification and representation made by the respective directors.

Place: Kolkata  
Date: 01-02-2022

**For T. Chatterjee & Associates**  
**Company Secretaries**  
**FRN - P2007WB067100**

**Binita Pandey - Partner**  
**Membership No: 41594**  
**COP No. : 19730**  
**UDIN: A041594C002357930**



# Independent Auditor's Report

To The Members of DIC India Limited

## Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of **DIC India Limited** ("the Company"), which comprise the Balance Sheet as at December 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at December 31, 2022, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
<p><b>Revenue Recognition</b></p> <p>The Company recognises revenues when control of the goods is transferred to the customer at an amount that reflects the net consideration, which the Company expects to receive for those goods from the customers.</p> <p>The terms of sales arrangements, including the timing of transfer of control, create complexities that requires judgement in determining sales revenues.</p> <p>Considering the above factors and risk associated with cut offs relating to revenue recognition, we have determined the same to be a key audit matter.</p>	<ol style="list-style-type: none"> <li>1. Considered the Company's revenue recognition policy and assessed its compliance with Ind AS 115 'Revenue from Contracts with Customers'.</li> <li>2. Assessed the design and tested the operating effectiveness of internal controls related to recognition of revenue.</li> <li>3. Performed sample tests of individual sales transaction and traced to sales invoices, sales orders and other related documents. In respect of samples selected, tested the timing of recognition of revenue.</li> <li>4. Selected samples of sales transactions made pre- and post-year end, agreed the period of revenue recognition to underlying documents including customer confirmations.</li> <li>5. Assessed the relevant disclosures made in the Ind AS financial statements.</li> </ol>



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## Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board report including annexures to Board's report, but does not include the financial statements and our auditor's report thereon. The Board report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the Board report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

## Management's Responsibility for the Financial Statement

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for

expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, 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 purposes 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, except that the backup of the books of account and other records and papers maintained in electronic mode has not been maintained on servers physically located in India.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on December 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report





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expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended.

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer Note 33(a) to the financial statements).

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses (Refer Note 45 to the financial statements).

iii. There were no delays in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company. (Refer Note 33(c) to the financial statements).

iv. In respect of reporting under Rule 11 (e):

a. The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 43(g) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b. The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 43(f) to financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c. Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

As stated in note 48 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

Place: Gurugram

Date: February 08, 2023

**Sameer Rohatgi**

Partner

(Membership No.04039)

UDIN: 23094039BGXTIY7796

## **Annexure 'A' to the Independent Auditors' Report**

(Referred to in paragraph 1(f) under 'Report on other Legal and Regulatory Requirements' section of our report of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the internal financial controls over financial reporting of **DIC India Limited** ("the Company") as of December 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A Company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external



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purposes in accordance with generally accepted accounting principles. A Company's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at December 31, 2022, based on the internal financial controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the 'Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India'.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Place: Gurugram

Date: February 08, 2023

**Sameer Rohatgi**

Partner

(Membership No.094039)

UDIN: 23094039BGXTIY7796



## Annexure 'B' to the Independent Auditors' Report

(Referred to in paragraph 2 under 'Report on other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that

- (i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment capital work-in-progress and relevant details of right-of-use assets.
- B. The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Property, Plant and Equipment were physically verified during the year by the Management which, in our opinion, provides for physical verification at reasonable intervals. No material discrepancies were noticed on such verification.
- (c) With respect to immovable properties (other than the properties where the Company is the lessee and lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment, Right-to-use assets and capital work-in progress, according to the information and explanations given to us and based on the examination of the registered sale deed/transfer deed/conveyance deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date, except for the following:

Description of Property	As at the Balance sheet date		Held in the name of	Whether promoter, director or their relative or employee	Period Held	Reason for not being held in name of Company
	Gross Carrying Value (Rs. in Lakhs)	Carrying Value in the financial statements (Rs. in Lakhs)				
Freehold land	0.86	0.86	Coates of India Limited	No	1996	The conveyance deed is in the name of former Company. The mutation is pending.
Leasehold lands	128.77	85.99		No	1990-1995	
Buildings	15.03	3.97		No	1991-1997	

- (d) The Company has not revalued any of its property, plant, and equipment (including right-of-use assets) and intangible assets during the year.
- (e) According to the information and explanations given to us, no proceedings have been initiated during the year or are pending against the Company as at 31 December 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories except for (goods-in-transit and stocks held with third parties), were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. For stocks held with third parties at the year-end, written confirmations have been obtained and in respect of goods in transit, the goods have been verified from subsequent delivery challans or confirmations have been obtained from the parties. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories, when compared with the books of account.



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- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising statement of stock position filed by the Company with such banks or financial institutions are in agreement with unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.
- (iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships, or any other parties during the year, and hence reporting under clause (iii)(a), (b), (c), (d), (e) and (f) of the Order is not applicable.
- (iv) The Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of investments made during the year. Further, according to information and explanation given to us, the Company has not granted any loans or provided guarantees that are covered under the provisions of Section 185 of the Companies Act, 2013.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us in respect of statutory dues:
- (a) Undisputed statutory dues, including Provident Fund, Employees State Insurance, Income-tax, Goods and Services Tax, duty of customs, Cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year. The operations of the Company did not give rise to sales tax, service tax, duty of excise and value added tax during the year.
- There were no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income-tax, Goods and Services Tax, duty of customs, Cess and other material statutory dues in arrears as at December 31, 2022 for a period of more than six months from the date they became payable.
- (b) Details of dues which have not been deposited as on December 31, 2022 on account of disputes are given below:

Name of Statute	Nature of the Dues	Amount (in Lakhs)	Period to which the Amount Relates	Forum where Dispute is Pending
Income Tax Act, 1961	Income Tax	22.29	2020-21	Commissioner of Income Tax (Appeal)
		178.16	2016 - 17	Commissioner of Income Tax (Appeal)
		27.77	1989-1990 and 1988-89	Hon'ble High court at Calcutta
Central sales Tax Act, 1956	Central sales Tax	6.00	2008 - 09	Commercial Taxes Tribunal
		0.50	2003-04	Deputy Commissioner

Name of Statute	Nature of the Dues	Amount (in Lakhs)	Period to which the Amount Relates	Forum where Dispute is Pending
Uttar Pradesh Value Added Tax Act, 2008	Value Added Tax	7.04	2008-9, 2010-11	Commercial Taxes Tribunal
		8.62	2011-12, 2012-13	Allahabad High Court
Central Excise Act, 1944	Excise Duty	87.78	1994-95 to 1996-97, 2008-09	Custom, Excise & Service Tax Appellate Tribunal
			1997-98	Commissioner of Central Excise
		120.24	1998-99	Joint Commissioner, CGST and Central Excise
		7.32	2005-06 to 2007-08	Commissioner (Appeals)
Finance Act, 1944	Service Tax	74.16	2001-02 to 2004-05	Commissioner (Appeals)
Custom Act, 1962	Customs Duty	172.20	2005-06, 2009-10 to 2010-11	Customs, Excise and Service Tax Appellate Tribunal
		250.09		

We have been informed that there are no dues of Goods and Services Tax which have not been deposited as on December 31, 2022 on account of disputes.

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) In our opinion the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, the funds raised on short term basis have not been used for long-term purposes.
- (e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.
- (f) The Company did not have any subsidiary or associate or joint venture during the year and the Company has not raised any loans during the year on the pledge of securities. Hence, reporting on clause (ix)(f) of the Order is not applicable.
- (x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) We have taken into consideration a whistle blower complaint received by the Company during the year and upto the date of this report and provided to us, when performing our audit. As explained to us, the above complaint has been addressed by the Company.





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- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with section 188 of the Companies Act, 2013, for all the transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv)(a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports issued to the Company during the year and covering the period under audit.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi)(a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
- (b) The Group does not have any CIC as part of the Group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) As set out in the Note no. 32(ii) of the financial statements, In respect of other than ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount, to a Fund specified in Schedule VII to the Companies Act, 2013 before the date of this report and within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act.
- (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 32 (ii) to the financial statements.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Place: Gurugram

Date: February 08, 2023

**Sameer Rohatgi**

Partner

(Membership No.094039)

UDIN: 23094039BGXTIY7796

## Balance Sheet

As at December 31, 2022

All amounts in Rupees in Lakhs, unless otherwise stated

Particulars		Note No.	As at December 31, 2022	As at December 31, 2021
<b>A</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Property, plant and equipment	5	4,872.38	5,265.27
	(b) Capital work-in-progress	5	7,723.91	869.14
	(c) Right to use assets	37	3,878.57	2,336.31
	(d) Intangible assets	6	11.19	18.60
	(e) Financial assets			
	(i) Investments	7	49.60	-
	(ii) Other financial assets	8	356.18	363.90
	(f) Deferred tax assets	9	790.84	745.64
	(g) Non-Current Tax assets (Net)	11	616.22	720.05
	(h) Other non-current assets	10	291.16	779.17
	<b>Total Non - Current assets</b>		<b>18,590.05</b>	<b>11,098.08</b>
<b>2</b>	<b>Current assets</b>			
	(a) Inventories	12	11,003.98	14,931.21
	(b) Financial assets			
	(i) Trade receivables	13	25,066.41	23,341.09
	(ii) Cash and cash equivalents	14	6,707.40	7,276.59
	(iii) Bank balances other than (ii) above	14	14.51	12.33
	(iv) Other financial assets	15	427.77	382.82
	(c) Other current assets	16	3,089.20	4,063.06
			<b>46,309.27</b>	<b>50,007.10</b>
	Asset classified as held for sale	17	14.53	-
	<b>Total Current assets</b>		<b>46,323.80</b>	<b>50,007.10</b>
	<b>Total Assets (1+2)</b>		<b>64,913.85</b>	<b>61,105.18</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Equity</b>			
	(a) Equity share capital	18	917.90	917.90
	(b) Other equity	18.1	41,306.86	37,675.59
	<b>Total Equity</b>		<b>42,224.76</b>	<b>38,593.49</b>
<b>2</b>	<b>Non-current liabilities</b>			
	(a) Financial liabilities			
	-Lease liabilities	37	2,022.71	316.64
	(b) Provisions	19	544.65	566.24
	<b>Total Non - Current Liabilities</b>		<b>2,567.36</b>	<b>882.88</b>
<b>3</b>	<b>Current liabilities</b>			
	(a) Financial liabilities			
	(i) Lease liabilities	37	381.81	228.23
	(ii) Trade payables	20		
	Total outstanding dues of micro enterprises and small enterprises;		1,374.41	1,614.34
	Total outstanding dues of creditors other than micro enterprises and small enterprises		15,545.15	17,317.31
	(iii) Other financial liabilities	21	1,961.63	1,440.10
	(b) Other current liabilities	22	624.46	621.84
	(c) Provisions	23	209.04	236.34
	(d) Current tax liabilities (net)	24	25.23	170.65
	<b>Total Current Liabilities</b>		<b>20,121.73</b>	<b>21,628.81</b>
	<b>Total Equity and Liabilities (1+2+3)</b>		<b>64,913.85</b>	<b>61,105.18</b>



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DIC INDIA LIMITED

See accompanying notes forming part of these financial statements

In terms of our report attached.

For **DELOITTE HASKINS & SELLS LLP For and on behalf of the Board of Directors of** Chartered Accountants  
**DIC India Limited**

Firm's Registration No. 117366W/W-100018

Sameer Rohatgi  
Partner  
(Membership No. 094039)

Prabal Sarkar  
Director  
DIN: 03124712

Manish Bhatia  
Managing Director & CEO  
DIN: 08310936

Raghav Shukla  
Company Secretary

S. Chatterjee  
Chief Finance Officer

Place: Gurugram  
Date: February 08, 2023

Place: Noida  
Date: February 08, 2023



## Statement of Profit and Loss

For the year-ended December 31, 2022

All amounts in Rupees in Lakhs, unless otherwise stated

Particulars	Note No.	Year ended December 31, 2022	Year ended December 31, 2021
I Revenue from operations	25	87,199.01	74,482.95
II Other income	26	796.36	952.59
<b>III Total Income (I + II)</b>		<b>87,995.37</b>	<b>75,435.54</b>
<b>IV EXPENSES</b>			
(a) Cost of materials consumed	27(a)	60,560.63	52,410.00
(b) Purchases of Stock-in-Trade	27(b)	6,318.08	3,806.93
(c) Changes in stock of Finished Goods, Stock-in-Trade and Work-in-progress	28	970.36	(1,323.40)
(d) Employee benefits expense	29	7,586.94	7,709.93
(e) Finance costs	30	369.36	136.54
(f) Depreciation and amortisation expense	31	1,342.78	1,430.38
(g) Other expenses	32	9,715.92	9,589.03
<b>Total expenses</b>		<b>86,864.07</b>	<b>73,759.41</b>
<b>V Profit before exceptional item and tax (III - IV)</b>		<b>1,131.30</b>	<b>1,676.13</b>
<b>VI Exceptional item</b>			
Profit on Sale of Land		3,300.00	-
<b>VII Profit before tax (V + VI)</b>		<b>4,431.30</b>	<b>1,676.13</b>
<b>VIII Tax Expense</b>			
(1) Current tax			
(i) Current tax expense		334.00	407.51
(ii) Income tax expense of prior years		41.34	-
(2) Deferred tax charge/ (income)	9	(42.45)	29.77
<b>Total tax expense</b>		<b>332.89</b>	<b>437.28</b>
<b>IX Profit for the year (VII - VIII)</b>		<b>4,098.41</b>	<b>1,238.85</b>
<b>X Other comprehensive income/ (loss)</b>			
(i) Items that will not be reclassified to profit or loss			
- Remeasurement gain/ (loss) of the defined benefit liabilities		(10.94)	(46.35)
		2.75	11.67
(ii) Income tax credit/ (charge) on above		<b>(8.19)</b>	<b>(34.68)</b>
<b>XI Total comprehensive income for the year (IX+X)</b>		<b>4,090.22</b>	<b>1,204.17</b>
<b>XII Earnings per equity share (of Rs 10 each):</b>			
(1) Basic	44	44.65	13.50
(2) Diluted	44	44.65	13.50



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DIC INDIA LIMITED

See accompanying notes forming part of these financial statements

In terms of our report attached.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

Firm's Registration No. 117366W/W-100018

**For and on behalf of the Board of Directors of  
DIC India Limited**

Sameer Rohatgi  
Partner  
(Membership No. 094039)

Prabal Sarkar  
Director  
DIN: 03124712

Manish Bhatia  
Managing Director & CEO  
DIN: 08310936

Raghav Shukla  
Company Secretary

S. Chatterjee  
Chief Finance Officer

Place: Gurugram  
Date: February 08, 2023

Place: Noida  
Date: February 08, 2023

## Cash Flow Statement

For the year ended December 31, 2022

All amounts in Rupees in Lakhs, unless otherwise stated

Particulars	Year ended December 31, 2022	Year ended December 31, 2021
<b>A. Cash flow from operating activities:</b>		
Profit before tax after exceptional item	4,431.30	1,676.13
<b>Adjustments for:</b>		
Finance costs	369.36	136.54
Depreciation and amortisation expense	1,342.78	1,430.38
Exceptional item-Profit on sale of land	(3,300.00)	-
Bad trade and other receivables, loans and advances written off	4.50	44.59
Profit/ (loss) on disposal of property, plant and equipment (net)	7.72	(0.89)
Gain on lease modification	(9.42)	-
Property, plant and equipment written off	9.30	21.34
Provision for doubtful debts on trade receivables and advances (net)	36.56	(240.81)
Liabilities no longer required written back	(47.85)	(172.32)
Interest income	(174.32)	(271.98)
Unrealised foreign exchange (gain)/ loss	(1.73)	(4.71)
<b>Operating profit before working capital changes</b>	<b>2,668.20</b>	<b>2,618.27</b>
<b>Adjustments for changes in working Capital:</b>		
- Increase/ (decrease) in trade payables	(1,967.79)	7,933.06
- Increase/ (decrease) in short term provisions	(38.24)	(88.76)
- Increase/(decrease) in long term provisions	(21.59)	114.76
- Increase/(decrease) in other current liabilities	(79.38)	305.55
- Increase/(decrease) in Other financial liabilities	448.94	(11.20)
- (Increase)/decrease in other non current assets	6.77	74.79
- (Increase)/decrease in non current financial assets	7.72	(15.51)
- (Increase)/ decrease in inventories	3,927.23	(4,668.75)
- (Increase)/ decrease in trade receivables	(1,761.05)	(4,968.86)
- (Increase)/ decrease in current financial assets	(50.82)	19.73
- (Increase)/ decrease in other current assets	973.86	(1,048.15)
<b>Cash generated from operating activities</b>	<b>4,113.85</b>	<b>264.93</b>
- Net income tax paid	(416.93)	(976.42)
<b>Net cash generated from/(used) in operating activities</b>	<b>3,696.92</b>	<b>(711.49)</b>
<b>B. Cash flow from investing activities:</b>		
Purchase of property, plant and equipment, Capital work-in-progress	(6,950.30)	(2,349.52)
Proceeds from sale of property, plant and equipment	23.40	6.02
Receipt of contingent/deferred proceeds from Sale of land	3,300.00	1,750.00
Receipt of advance for asset classified as held for sale	82.00	-
Investments made in Equity Share	(49.60)	-
Proceeds/ (investment) in deposits accounts (net)	(2.18)	5,900.07
Interest received	180.19	324.10
<b>Net cash (used) in/generated from Investing Activities</b>	<b>(3,416.49)</b>	<b>5,630.67</b>



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DIC INDIA LIMITED

## Cash Flow Statement

For the year ended December 31, 2022

All amounts in Rupees in Lakhs, unless otherwise stated

Particulars	Year ended December 31, 2022	Year ended December 31, 2021
<b>C. Cash flow from Financing Activities:</b>		
Finance costs paid	(85.05)	(52.37)
Repayment of lease liability	(305.62)	(346.50)
Dividend paid	(458.95)	(550.14)
<b>Net Cash used in Financing Activities</b>	<b>(849.62)</b>	<b>(949.01)</b>
<b>Net (Decrease)/Increase in Cash &amp; cash equivalents (A+B+C)</b>	<b>(569.19)</b>	<b>3,970.17</b>
<b>Cash and cash equivalents as at beginning of the year</b>	<b>7,276.59</b>	<b>3,306.42</b>
<b>Cash and cash equivalents as at end of the year</b>	<b>6,707.40</b>	<b>7,276.59</b>
<b>Cash and cash equivalents comprise (Refer Note to 14)</b>		
Cash on hand	0.21	1.62
Balance with banks		
-In current accounts	3,257.19	1,474.97
-In deposit accounts (with original maturity of less than 3 months)	3,450.00	5,800.00
	<b>6,707.40</b>	<b>7,276.59</b>

See accompanying notes forming part of these financial statements

In terms of our report attached.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

Firm's Registration No. 117366W/W-100018

**For and on behalf of the Board of Directors of  
DIC India Limited**

Sameer Rohatgi  
Partner  
(Membership No. 094039)

Prabal Sarkar  
Director  
DIN: 03124712

Manish Bhatia  
Managing Director & CEO  
DIN: 08310936

Raghav Shukla  
Company Secretary

S. Chatterjee  
Chief Finance Officer

Place: Gurugram  
Date: February 08, 2023

Place: Noida  
Date: February 08, 2023



## Statement of Changes in Equity

For the year ended December 31, 2022

All amounts in Rupees in Lakhs, unless otherwise stated

### a. Equity share capital

	<b>(Total)</b>
<b>Balance as at January 01, 2021</b>	917.90
Changes in equity share capital during the year	-
<b>Balance as at December 31, 2021</b>	917.90
Changes in equity share capital during the year	-
<b>Balance as at December 31, 2022</b>	<u>917.90</u>

### b. Other equity

Particulars	Reserves and Surplus				Total
	General reserves	Securities premium	Capital reserve	Retained earnings	
<b>Balance as at January 01, 2021</b>	6,559.12	6,548.08	0.59	23,914.37	37,022.16
Profit for the year	-	-	-	1,238.85	1,238.85
Other comprehensive income, net of tax	-	-	-	(34.68)	(34.68)
Dividend Paid	-	-	-	(550.74)	(550.74)
<b>Balance as at December 31, 2021</b>	<b>6,559.12</b>	<b>6,548.08</b>	<b>0.59</b>	<b>24,567.80</b>	<b>37,675.59</b>
Profit for the year	-	-	-	4,098.41	4,098.41
Other comprehensive income, net of tax	-	-	-	(8.19)	(8.19)
Dividend Paid	-	-	-	(458.95)	(458.95)
<b>Balance as at December 31, 2022</b>	<b>6,559.12</b>	<b>6,548.08</b>	<b>0.59</b>	<b>28,199.07</b>	<b>41,306.86</b>

#### Notes:

Securities premium: This represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013.

General Reserve: This is created by an appropriation from one component of other equity (generally retained earnings) to another, not being an item of Other Comprehensive Income. The same can be utilised by the Company in accordance with the provisions of the Companies Act, 2013.

Retained earnings: This represents the cumulative profits of the Company and effects of re-measurement of defined benefit obligations. This can be utilised in accordance with the provisions of Companies Act, 2013.

See accompanying notes forming part of these financial statements

In terms of our report attached.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
Firm's Registration No. 117366W/W-100018

**For and on behalf of the Board of Directors of  
DIC India Limited**

Sameer Rohatgi  
Partner  
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Prabal Sarkar  
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S. Chatterjee  
Chief Finance Officer

Place: Gurugram  
Date: February 08, 2023

Place: Noida  
Date: February 08, 2023



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DIC INDIA LIMITED

# Notes to the financial statements for the year ended December 31, 2022

All amounts in Rupees in Lakhs, unless otherwise stated

## 1. General information

DIC India Limited ('DIC' or 'the Company') [CIN: L24223WB1947PLC015202] is a public limited company incorporated on April 02, 1947. The Company is a subsidiary of DIC Asia Pacific Pte Limited, Singapore and the ultimate holding Company is DIC Corporation, Japan. The Company is listed on Bombay Stock Exchange (BSE), National Stock Exchange (NSE) and Calcutta Stock Exchange (CSE). The Company is engaged in the business of manufacturing of printing inks, which covers newsprint ink, offset ink and liquid ink used in newspapers, other publications and packaging industries. The Company also provides lamination adhesive. The Company has four manufacturing plants one each at Kolkata (West Bengal), Noida (Uttar Pradesh), Ahmedabad (Gujarat) and Bangalore (Karnataka) and its registered office is situated at Kolkata, West Bengal, India.

The accompanying Indian Accounting Standards (Ind AS) (as amended) financial statements reflect the results of the activities undertaken by the Company during the year ended December 31, 2022

## 2. Recent accounting pronouncements

Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below:

Ind AS 16 – Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and there is no impact on its financial statements.

## 3. Significant accounting policies

### 3.1 Statement of compliance

The financial statements are prepared and presented in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015, as amended from time to time as notified under Section 133 of the Companies Act 2013, the relevant provision of the Companies Act 2013 ("the Act").

### 3.2 Basis of preparation and presentation

The financial statements have been prepared on accrual basis under the historical cost basis except for certain financial instruments which are measured at fair value at the end of each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on above basis, except measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 Inventories or value in use in Ind AS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

The principal accounting policies are set out below

### 3.3 Revenue recognition

Revenue is recognized when control of the promised goods or services is transferred to the customers, at an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services.

# Notes to the financial statements for the year ended December 31, 2022

All amounts in Rupees in Lakhs, unless otherwise stated

## Sale of goods

The Company derives revenue from Sale of Goods and revenue is recognized upon transfer of control of promised goods to customers in an amount that reflects the consideration the Company expects to receive in exchange for those goods. To recognize revenues, the Company applies the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied. The Company recognises revenue at point in time.

Any change in scope or price is considered as a contract modification. The Company accounts for modifications to existing contracts by assessing whether the services added are distinct and whether the pricing is at the standalone selling price.

The Company accounts for variable considerations like, volume discounts, rebates and pricing incentives to customers as reduction of revenue on a systematic and rational basis over the period of the contract. The Company estimates an amount of such variable consideration using expected value method or the single most likely amount in a range of possible consideration depending on which method better predicts the amount of consideration to which we may be entitled.

Revenues are shown net of allowances/ returns, goods and services tax and applicable discounts and allowances. In contracts where the Company acts as an agent, the revenue is recorded at the net amount that the Company retains for its services.

## Rendering of services

Revenue from rendering of services are recognised on satisfaction of performance obligations towards rendering of such services, as and when the services are rendered in accordance with the specific terms of contract with customers.

### **3.4. Other income**

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Claims/counter-claims/penalties/awards are accounted for in the year of its settlement.

### **3.5. Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

#### The Company as lessee

The Company's lease asset classes primarily consist of leases for land, building, property plant and equipment and Leasehold land. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option. Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows. Also, refer note 35 to the financial statements for disclosure.



# Notes to the financial statements for the year ended December 31, 2022

All amounts in Rupees in Lakhs, unless otherwise stated

### 3.6 Foreign currencies

The functional currency of the Company is Indian Rupees (INR) which represents the currency of the primary economic environment in which it operates.

In preparing the financial statements, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange difference arising in respect of foreign currency monetary items is recognised in the statement of profit and loss.

### 3.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

### 3.8 Employee benefits

#### (a) Short-term Employee Benefits

All employee benefits which are expected to be settled in twelve months at the end of the period in which the employees render the related services are classified as short-term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. and are recognised as expenses in the period in which the employee renders the related service and measured accordingly.

#### (b) Post-employment benefits:

Post employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

##### (i) Defined Contribution Plans

Contributions to defined contribution schemes such as superannuation scheme are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The Company contributes a certain percentage of the eligible salary for employees covered under the scheme towards superannuation fund administered by the Trustees. The Company has no further obligations for future superannuation benefits other than its contributions. Payments to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions.

##### (ii) Defined Benefit Plans

Defined benefit plans comprises gratuity, provident fund, pension fund and retirement benefit plan and are explained as mentioned below:

#### 1. Gratuity

In accordance with the Payment of Gratuity Act, 1972, applicable for Indian companies, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. The gratuity fund is managed by the Gratuity Fund Trustees fund managers. The Company's obligation in respect of the gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation using the projected unit credit method.

#### 2. Provident Fund

Certain employees of the Company receive provident fund benefits, which are administered by the Provident Fund Trust set up by the Company. Aggregate contributions along with interest thereon are paid at retirement, death, incapacitation or termination of employment. Both the employees and the Company make monthly contributions at specified percentage of the employees' salary to such Provident Fund Trust. The Contribution is a defined benefit plan to the extent that the Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The Company's obligation in this regard is determined by an independent actuary and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government. Company's contribution to the provident fund is charged to Statement of Profit and Loss.

#### 3. Pension Fund

The Company has discontinued the Defined Pension Benefit scheme with effect from May 1, 2009 and all the employees who were members of the erstwhile Defined Pension Benefit scheme have been brought under the Defined Contribution superannuation scheme. The Company's obligation in respect of pension plan till April 30, 2009 is actuarially determined at the end of each year by discounting the present value of crystallised pension as at April 30, 2009.

#### 4. Retirement Benefits

Liability accrued during the year in respect of retirement benefit payable to certain employees governed by agreement with the unions



# Notes to the financial statements for the year ended December 31, 2022

All amounts in Rupees in Lakhs, unless otherwise stated

representing them are treated as a defined benefit plan. As per the scheme, a lumpsum benefit is paid to the eligible employees on cessation of service with the Company.

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

#### (c) Other Long-term Employee Benefits (unfunded).

As per the Company's policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilised during the service, or encashed. Encashment can be made during service, on early retirement, on withdrawal of scheme, at resignation and upon death of the employee. Accumulated compensated absences are treated as other long-term employee benefits. The cost of providing other long-term employee benefits (Leave Encashment) is determined using Projected Unit Credit Method, with actuarial valuation being carried out at each Balance Sheet date. Actuarial gains and losses and past service cost are recognised immediately in the Statement of Profit and Loss for the period in which they occur. Other long-term employee benefit obligation recognised in the Balance Sheet represents the present value of related obligation.

#### (d) Termination Benefits

Termination benefits are recognised as an expense when, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Cost are recognised immediately in the Statement of Profit and Loss for the period in which they occur.

### **3.9 Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

#### Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

#### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

#### Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

### **3.10 Property, plant and equipment**

Property, plant and equipment is stated at cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and, for assets that necessarily take a substantial period of time to get ready for their intended use, finance costs. Cost includes net of interest on capital advances and duty credits and is inclusive of freight, duties, taxes (not recoverable) and other incidental expenses. In respect of assets due for capitalization, where final bills/claims are to be received/passed, the capitalisation is based on the



## Notes to the financial statements for the year ended December 31, 2022

All amounts in Rupees in Lakhs, unless otherwise stated

engineering estimates. Final adjustments, for costs and depreciation are made retrospectively in the year of ascertainment of actual cost and finalisation of claim. Items such as spare parts, stand-by equipment and servicing equipment are recognised in accordance with this Ind AS 16 when they meet the definition of property, plant and equipment.

Capital work in progress (CWIP) is stated at cost. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into the location and condition necessary. CWIP are not yet ready for their intended use and the cost of assets not put to use before the Balance Sheet date.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Statement of Profit or Loss during the reporting period in which they are incurred.

### 3.10.1 Depreciation and amortisation

Depreciable amount for assets is the cost of an asset less its estimated residual value.

Depreciation on property, plant & equipment has been provided as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in the case of the certain categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

The estimated useful life of various property, plant & equipment is as under:-

- (a) Buildings- 3 to 60 years, written down value method
- (b) Vehicles- 2 to 16 years, written down value method
- (c) Furniture and fixtures- 2 to 30 years, written down value method
- (d) Office equipment- 2 to 30 years, written down value method
- (e) Plant and equipment used in manufacturing- 2 to 20 years, straight-line method
- (f) Computer- 3-10 years, straight-line method

On Plant and equipment and computer as mentioned above in (e) and (f) above, depreciation is provided on straight line method over the useful lives. On all other tangible assets, depreciation is provided on written down value method over the useful lives.

Freehold land is not depreciated

The estimated useful life, residual life and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. In respect of assets whose useful lives has been revised, the unamortised depreciable amount is charged over the revised remaining useful lives of the assets.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

### 3.11 Intangible Assets

Intangible assets are amortised over their estimated useful life on straight line method. Expenditure on computer software, which is not an integral part of hardware, is capitalised as an intangible asset. The cost of software includes license fee and implementation cost and is capitalised in the year of its implementation. Computer Software are amortised on a straight-line basis over their estimated useful life of four years.

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

### 3.12 Impairment of Non-financial assets

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Component of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

# Notes to the financial statements for the year ended December 31, 2022

All amounts in Rupees in Lakhs, unless otherwise stated

Where an impairment loss subsequently reverses, the carrying value of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised in the statement of profit and loss immediately.

### 3.13 Inventories

Inventories are valued at lower of cost and net realisable value.

Cost is determined on first-in-first-out formula for all categories of inventories except stores and spare parts for which it is determined under weighted average formula. Cost includes expenditure incurred in the normal course of business in bringing inventories to its present location, condition, direct labour and related production overheads, where applicable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Inventories are written down for obsolete / slow-moving/ non-moving items, wherever necessary.

### 3.14 Provisions & Contingent Liabilities

#### a. Provision

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

#### b. Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

### 3.15 Earnings per share (EPS)

Basic earnings per share ('EPS') is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of shares outstanding during the year.

Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period except where the result would be anti-dilutive.

### 3.16 Cash and Cash equivalent and cash flow statement

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Balance Sheet.

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

### 3.17 Segment Reporting

The Company's segmental reporting is in accordance with Ind AS 108 Operating Segments. Operating segments are reported in a manner consistent with the internal reporting provided to the board of directors, which is responsible for allocating resources and assessing performance of the operating segments, and has been identified as the chief operating decision maker.

### 3.18 Financial instruments

Financial assets and financial liabilities are recognised when a Company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.



# Notes to the financial statements for the year ended December 31, 2022

All amounts in Rupees in Lakhs, unless otherwise stated

## 3.19 Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

### 3.19 Financial assets (Cont'd)

#### 3.19.1 Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

(a) the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (b) the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI) (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

(a) the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and (b) the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in statement of profit or loss for FVTOCI debt instruments.

All other financial assets are subsequently measured at fair value.

#### 3.19.2 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments. Interest income is recognised in statement of profit or loss and is included in the "Other income" line item.

#### 3.19.3 Financial assets at fair value through profit or loss (FVTPL)

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss.

#### 3.19.4 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, lease receivables, trade receivables and other financial assets.

Expected Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. The Company estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument.

Loss allowances for trade receivables and lease receivables are measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. Lifetime expected credit loss is computed based on a provision matrix which takes in to the account risk profiling of customers and historical credit loss experience adjusted for forward looking information.

For other financial assets, expected credit loss is measured at the amount equal to twelve months expected credit loss unless there has been a significant increase in credit risk from initial recognition, in which case those are measured at lifetime expected credit loss.

#### 3.19.5 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received is recognised in the statement of profit and loss.

#### 3.19.6 Foreign exchange gains and losses



# Notes to the financial statements for the year ended December 31, 2022

All amounts in Rupees in Lakhs, unless otherwise stated

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss.

## 3.20 Financial liabilities and equity instruments

### 3.20.1 Classification as debt or equity

Debt and equity instruments issued by a Company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### 3.20.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are recognised at the proceeds received, net of direct issue costs.

### 3.20.3 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

#### 3.20.3.1 Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or it is designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

#### 3.20.3.2 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL, are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

#### 3.20.3.3 Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

#### 3.20.3.4 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

## 3.21 Derivative financial instruments

The Company enters into derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in statement of profit and loss.

## 3.22 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

## 3.23 Government grant

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to



## Notes to the financial statements for the year ended December 31, 2022

All amounts in Rupees in Lakhs, unless otherwise stated

them and that the grants will be received.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

The Company receive government grants in the form of Merchandise Exports from India Scheme (MEIS) which are issued as export benefits and are recognised as revenue grants. MEIS scrips are recognised as Other Income in the Statement of Profit and Loss at the time of submission of application to the concerned Government authority after ascertaining the amount of benefit permissible under the scheme.

### 4. Critical accounting estimates and assumptions

In the application of the Company's accounting policies, which are described in note 2, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### 4.1 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

##### a) Defined benefit plans

The cost of the defined benefit plan and the present value are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

##### b) Useful life of Property, plant and equipment

Property, plant and equipment (asset) represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

##### c) Impairment of Property, plant and equipment

Property, plant and equipment are tested for impairment at least annually and when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of the cash generating unit is higher of value in use and fair value less cost of disposal. The calculation of value in use and fair value of a cash generating unit involves use of significant estimates and assumptions which includes turnover, growth rates and net margins used to calculate projected future cash flows, risk adjusted discount rate, future economic and market conditions, sale price of comparable assets.

##### d) Taxes

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the losses can be utilised. In assessing the probability, the Company considers whether the entity has sufficient taxable temporary differences, which will result in taxable amounts against which the unused tax losses or unused tax credits can be utilised before they expire. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

## Notes forming part of the Financial Statements

As at December 31, 2022  
 All amounts in Rupees in Lakhs, unless otherwise stated

### 5. Property, plant and equipment and Capital work-in-progress

Carrying amount of	As at December 31, 2022	As at December 31, 2021
Land-Freehold	96.07	96.07
Buildings	1,005.98	1,093.07
Plant and Equipments	3,617.61	3,868.32
Furniture and Fixtures	63.65	84.53
Vehicles	0.31	0.45
Office Equipment	3.25	4.57
Computers	85.51	118.26
<b>Total</b>	<b>4,872.38</b>	<b>5,265.27</b>

Description of assets	Land-Freehold	Buildings	Plant and Equipments	Furniture & Fixtures	Vehicles	Office Equipment	Computers	Total
<b>I. Cost</b>								
Balance as at January 1, 2021	96.07	2,054.37	8,718.93	276.77	2.95	13.32	340.97	11,503.38
Additions during the year	-	83.56	667.15	57.08	-	-	64.53	872.32
Deletions during the year	-	18.29	18.03	0.63	-	0.03	4.32	41.30
<b>Balance as at December 31, 2021</b>	<b>96.07</b>	<b>2,119.64</b>	<b>9,368.05</b>	<b>333.22</b>	<b>2.95</b>	<b>13.29</b>	<b>401.18</b>	<b>12,334.40</b>
Balance as at January 1, 2022	96.07	2,119.61	9,368.06	333.23	2.94	13.29	401.17	12,334.37
Additions during the year	-	87.47	452.89	30.98	-	-	44.02	615.36
Deletions during the year	-	13.25	38.76	0.23	-	0.16	4.11	56.51
Reclassified as held for sale (Refer note 17)	-	34.18	-	0.68	-	-	-	34.86
<b>Balance as at December 31, 2022</b>	<b>96.07</b>	<b>2,159.65</b>	<b>9,782.19</b>	<b>363.30</b>	<b>2.94</b>	<b>13.13</b>	<b>441.08</b>	<b>12,858.36</b>
<b>II. Accumulated depreciation</b>								
Balance as at January 1, 2021	-	884.19	4,698.32	187.44	1.85	6.23	211.25	5,989.28
Depreciation expense	-	145.75	808.57	61.62	0.65	2.49	75.60	1,094.68
Eliminated on disposal of assets	-	3.37	7.16	0.37	-	-	3.93	14.83
<b>Balance as at December 31, 2021</b>	<b>-</b>	<b>1,026.57</b>	<b>5,499.72</b>	<b>248.69</b>	<b>2.50</b>	<b>8.72</b>	<b>282.92</b>	<b>7,069.13</b>
Balance as at January 1, 2022	-	1,026.57	5,499.73	248.69	2.51	8.72	282.93	7,069.13
Depreciation expense	-	150.51	674.23	51.62	0.11	1.16	75.63	953.26
Eliminated on disposal of assets	-	3.73	9.37	-	-	-	2.99	16.09
Reclassified as held for sale (Refer note 17)	-	19.68	-	0.66	-	-	-	20.33
<b>Balance as at December 31, 2022</b>	<b>-</b>	<b>1,153.67</b>	<b>6,164.59</b>	<b>299.65</b>	<b>2.61</b>	<b>9.88</b>	<b>355.57</b>	<b>7,985.98</b>
<b>Net block (I-II)</b>								
<b>Balance as at December 31, 2022</b>	<b>96.07</b>	<b>1,005.98</b>	<b>3,617.60</b>	<b>63.64</b>	<b>0.33</b>	<b>3.25</b>	<b>85.51</b>	<b>4,872.38</b>
<b>Balance as at December 31, 2021</b>	<b>96.07</b>	<b>1,093.07</b>	<b>3,868.32</b>	<b>84.53</b>	<b>0.45</b>	<b>4.57</b>	<b>118.26</b>	<b>5,265.27</b>

5.1 During the year 2017, consequent to losses incurred in adhesive division and after evaluation of the expected future performance of the division, the Company had performed an impairment analysis and recorded impairment of property, plant and equipment and capital work-in-progress of the adhesive division Rs. 1161.66 Lakhs and Rs. 44.26 Lakhs respectively. While recognising the impairment loss, the Company had considered its adhesive business division as a cash generating unit, in keeping with the accounting policy on Impairment set out in Note 3.12, and the value in use as the recoverable amount.

During the current year, the management has carried out an assessment of impaired adhesive division as per Ind AS 36- Impairment of assets. In view of management, there is no change in impairment indicators and the management has future projection of losses in this CGU in coming years. Accordingly, the management has continued with the impairment charge recorded in the previous year ending December 31, 2017 in respect of Adhesive division as per above assessment made by the management.

## Notes forming part of the Financial Statements

All amounts in Rupees in Lakhs, unless otherwise stated

### 5. Property, plant and equipment and Capital work-in-progress (Cont'd)

**Note:**

5.2 The carrying value of capital work-in-progress as at December 31, 2022 and December 31, 2021 is Rs. 7,723.91 Lakhs and Rs. 869.14 Lakhs respectively, which mainly pertains to plant and equipment and building.

#### Ageing of capital work-in-progress as at December 31, 2022

Particulars	Less than 1 year	1 - 2 years	2-3 years	More than 3 years	Total
Projects in progress	6,820.20	854.53	49.18	-	7,723.91
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>6,820.20</b>	<b>854.53</b>	<b>49.18</b>	<b>-</b>	<b>7,723.91</b>

#### Ageing of capital work-in-progress as at December 31, 2021

Particulars	Less than 1 year	1 - 2 years	2-3 years	More than 3 years	Total
Projects in progress	818.50	50.64	-	-	869.14
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>818.50</b>	<b>50.64</b>	<b>-</b>	<b>-</b>	<b>869.14</b>

### 6. Intangible assets

Carrying amount of	As at December 31, 2022	As at December 31, 2021
Computer software	11.19	18.60

Description of Assets	Computer Software
<b>I. Cost</b>	
Balance as at January 1, 2021	92.29
Additions during the year	7.29
Deletions during the year	-
<b>Balance as at December 31, 2021</b>	<b>99.58</b>
Cost as at January 1, 2022	99.58
Additions during the year	-
Deletions during the year	-
<b>Balance as at December 31, 2022</b>	<b>99.58</b>
<b>II. Accumulated amortisation</b>	
Balance as at January 1, 2021	68.49
Amortisation expense	12.49
Eliminated on disposal of assets	-
<b>Balance as at December 31, 2021</b>	<b>80.98</b>
Balance as at January 1, 2022	80.98
Amortisation expense	7.41
Eliminated on disposal of assets	-
<b>Balance as at December 31, 2022</b>	<b>88.39</b>
<b>Net block (I-II)</b>	
<b>Balance as at December 31, 2022</b>	<b>11.19</b>
<b>Balance as at December 31, 2021</b>	<b>18.60</b>



## Notes forming part of the Financial Statements

As at December 31, 2022  
 All amounts in Rupees in Lakhs, unless otherwise stated

### 7. Investments in equity instruments carried at fair value through Profit and loss account- (unquoted, fully paid)

Particulars	As at December 31, 2022	As at December 31, 2021
496,000 equity shares (December 31, 2021: Nil) of Rs. 10 each fully paid in Solarstream Renewable Energies Pvt. Ltd.	49.60	-
<b>Total</b>	<b>49.60</b>	<b>-</b>

#### Note:

The Company holds 5.10% (December 31, 2021 : Nil) equity shares of Solarstream Renewable Services Pvt. Ltd., a Company engaged in the business of providing solar energy to its customers.

### 8. Other financial assets

#### Unsecured, Considered good

Deposits with Lessors and others	356.18	363.90
<b>Total</b>	<b>356.18</b>	<b>363.90</b>

### 9. Deferred tax assets

The following is the analysis of deferred tax assets/ (liabilities) presented in the balance sheet:

Deferred tax assets	790.84	745.64
	<b>790.84</b>	<b>745.64</b>

Particulars	Balance as on January 01, 2021	Recognised in profit and Loss	Recognised in other comprehensive income/ loss	Balance as on December 31, 2021
(i) Provision for Doubtful Debts	238.45	(114.01)	-	124.44
(ii) Provision for employee benefits	183.78	29.54	11.67	224.99
(iii) Property, plant and equipment's and intangible assets	195.53	13.55	-	209.08
(iv) Expenses allowable for tax purpose on payment	145.98	41.15	-	187.13
<b>Net deferred tax assets</b>	<b>763.74</b>	<b>(29.77)</b>	<b>11.67</b>	<b>745.64</b>

Particulars	Balance as on January 01, 2022	Recognised in profit and Loss	Recognised in other comprehensive income/ loss	Balance as on December 31, 2022
(i) Provision for Doubtful Debts	124.44	9.20	-	133.64
(ii) Provision for employee benefits	224.99	(21.70)	2.75	206.04
(iii) Property, plant and equipment's and intangible assets	209.08	14.22	-	223.30
(iv) Expenses allowable for tax purpose on payment	187.13	40.73	-	227.86
<b>Net deferred tax assets</b>	<b>745.64</b>	<b>42.45</b>	<b>2.75</b>	<b>790.84</b>

#### Note:

A reconciliation of income tax provision to the amount computed by applying the statutory income tax rate to the income before income tax is summarized below:



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## Notes forming part of the Financial Statements

All amounts in Rupees in Lakhs, unless otherwise stated

Particulars	Year ended December 31, 2022	Year ended December 31, 2021
Profit before tax as per statement of Profit and loss *	4,431.30	1,676.13
Income tax expenses calculated at 25.168%	284.73	421.85
Permanent differences	49.57	15.10
Others	(1.41)	0.33
<b>Income tax expense recognised in profit or loss</b>	<b>332.89</b>	<b>437.28</b>

\* The Long term capital gain tax on exceptional item was paid during last financial year.

### 10. Other non current assets

Particulars	As at December 31, 2022	As at December 31, 2021
<b>Unsecured, Considered good</b>		
(a) Capital advances	259.06	740.30
(b) Prepaid expenses	26.36	33.41
(c) Balance with banks:		
(i) Balance held as margin money or security against guarantees and other commitments	4.74	4.50
(ii) In deposit accounts (with original maturity of more than 12 months)	1.00	0.96
<b>Total</b>	<b>291.16</b>	<b>779.17</b>

### 11. Non current tax assets

Advance tax and tax deducted at source receivable	5,242.69	3,956.24
Provision for income tax	(4,626.47)	(3,236.19)
<b>Total</b>	<b>616.22</b>	<b>720.05</b>

### 12. Inventories

(a) Raw material	5,274.50	8,170.66
(b) Work-in-progress	1,392.23	1,340.38
(c) Finished Goods	3,583.41	4,542.35
(d) Stock- in- trade	487.47	550.74
(e) Store and spares	162.93	193.54
(f) Containers	103.44	133.54
<b>Total</b>	<b>11,003.98</b>	<b>14,931.21</b>

#### Details of stock in transit

(a) Raw materials	1,004.03	964.77
(b) Finished Goods	1,078.80	1,099.65
<b>Total goods-in-transit</b>	<b>2,082.83</b>	<b>2,064.42</b>

**12.1** The cost of inventories recognised as an expense during the year in respect of operations was Rs. 69,625.34 Lakhs (For the year ended December 31, 2021: Rs. 56,829.02 Lakhs).

**12.2** The gain of inventories recognised Rs. 11.27 Lakhs (2021: cost of Rs. 6.49 Lakhs) in respect of write-ups/ downs of inventory to net realisable value. The provision for net realisable value has been decreased to Rs. 17.84 Lakhs (December 31, 2021: Rs. 29.11 Lakhs). Previous write-downs have been reversed as a result of increased sales prices in certain markets.

## Notes forming part of the Financial Statements

All amounts in Rupees in Lakhs, unless otherwise stated

### 13. Trade receivables

Particulars	As at December 31, 2022	As at December 31, 2021
Current		
(a) Secured, considered good	985.06	920.60
(b) Unsecured, considered good	24,081.35	22,420.49
(c) Unsecured and considered doubtful	531.00	494.44
	25,597.41	23,835.53
Less: Allowance for doubtful debts (expected credit loss allowance)	531.00	494.44
<b>Total</b>	<b>25,066.41</b>	<b>23,341.09</b>

**13.1** The average credit period on sales of goods is 30 to 120 days. No interest is charged on the trade receivables for the amount overdue above the credit period. There are no customers who represent more than 10% of the total balance of trade receivables.

**13.2** The Company assesses the potential customer's credit quality and defines credit limits by customer.

**13.3** The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix under simplified approach. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due. For computation of expected credit loss allowance, the Company excludes intercompany balances and trade receivables which are secured by dealer deposits. Based on internal assessment which is driven by the historical experience and current facts available in relation to default and delays in collection thereof, the credit risk for these trade receivables is considered low. The provision matrix at the end of the reporting period is as follows:

Ageing wise % of expected credit loss	As at December 31,	As at December 31,
Within the credit period	0%-1.52%	0%-1.29%
90 days overdue	0.42%-1.8%	0.45%-1.49%
91-180 days overdue	2.05%-12.84%	2.42%-13.92%
181-270 days overdue	21.39%-57.37%	17.73%-43.70%
271-365 days overdue	100%	100%
More than 365 days overdue	100%	100%

Age of receivables	As at December 31, 2022	As at December 31, 2021
Within the credit period	21,522.87	19,736.81
90 days overdue	3,329.85	3,542.88
91-180 days overdue	285.12	208.00
181-270 days overdue	66.78	64.53
271-365 days overdue	79.00	53.80
More than 365 days overdue	313.79	229.51
	<b>25,597.41</b>	<b>23,835.53</b>

Movement in the expected credit loss allowance	Year ended December 31, 2022	Year ended December 31, 2021
Balance at the beginning of the year	494.44	947.46
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	36.56	(240.81)
Bad debt written off	-	(212.21)
<b>Balance at the end of the year</b>	<b>531.00</b>	<b>494.44</b>

## Notes forming part of the Financial Statements

All amounts in Rupees in Lakhs, unless otherwise stated

### 13. Trade receivables (Cont'd)

13.4 Ageing of trade receivables and credit risk arising there from is as below:

Particulars	As at December 31, 2022					
	Outstanding for following periods from due date of payment					Total
	Not yet due	Less than six months	Six months- 1 Year	1-2 Years	More than 2 Years	
(a) Undisputed trade receivables - considered good	21,522.87	3,521.37	22.17	-	-	25,066.41
(b) Undisputed trade receivables - credit impaired	-	93.60	123.61	115.07	198.72	531.00
	<b>21,522.87</b>	<b>3,614.97</b>	<b>145.78</b>	<b>115.07</b>	<b>198.72</b>	<b>25,597.41</b>
Less: Allowance for credit losses	-	(93.60)	(123.61)	(115.07)	(198.72)	(531.00)
<b>Net trade receivables</b>	<b>21,522.87</b>	<b>3,521.37</b>	<b>22.17</b>	<b>-</b>	<b>-</b>	<b>25,066.41</b>

Particulars	As at December 31, 2021					
	Outstanding for following periods from due date of payment					Total
	Not yet due	Less than six months	Six months- 1 Year	1-2 Years	More than 2 Years	
(a) Undisputed trade receivables - considered good	19,736.81	3,592.45	11.83	-	-	23,341.09
(b) Undisputed trade receivables - credit impaired	-	158.43	106.50	56.31	173.20	494.44
	<b>19,736.81</b>	<b>3,750.88</b>	<b>118.33</b>	<b>56.31</b>	<b>173.20</b>	<b>23,835.53</b>
Less: Allowance for credit losses	-	(158.43)	(106.50)	(56.31)	(173.20)	(494.44)
<b>Net trade receivables</b>	<b>19,736.81</b>	<b>3,592.45</b>	<b>11.83</b>	<b>-</b>	<b>-</b>	<b>23,341.09</b>

### 14. Cash and cash equivalents

Particulars	As at December 31, 2022	As at December 31, 2021
<b>1. Cash and cash equivalents</b>		
(a) Cash on hand	0.21	1.62
(b) Bank balances		
(i) in current accounts	3,257.19	1,474.97
(ii) In deposit accounts (with original maturity of less than 3 months)	3,450.00	5,800.00
<b>Total-Cash and cash equivalents</b>	<b>6,707.40</b>	<b>7,276.59</b>
<b>2. Other bank balances</b>		
Balance with banks		
-Balances with banks in Unpaid dividend accounts	14.51	12.33
<b>Total-Other bank balances</b>	<b>14.51</b>	<b>12.33</b>

### 15. Other current financial assets

#### Unsecured, Considered good

(a) Deposits with lessors and others	26.29	20.89
(b) Receivables from related parties	291.67	196.21
(c) Advance to employees	95.61	108.53
(d) Interest accrued on deposits	4.65	10.52
(e) Others		
(i) Insurance Claim receivable	9.35	46.57
(ii) Other receivables	0.20	0.10
<b>Total</b>	<b>427.77</b>	<b>382.82</b>



## Notes forming part of the Financial Statements

All amounts in Rupees in Lakhs, unless otherwise stated

### 16. Other current assets

Particulars	As at	As at
	December 31, 2022	December 31, 2021
(a) Prepaid expense	171.78	121.65
(b) Advance to vendors	589.84	559.34
(c) Balance with government authorities		
(i) Vat credit receivable	4.05	4.05
(ii) Goods and services tax credit receivable	2,124.85	3,259.98
(iii) Duty Drawback receivable	31.13	40.19
(iv) RoDTEP License receivable	86.88	-
(v) MEIS License	80.67	77.85
<b>Total</b>	<b>3,089.20</b>	<b>4,063.06</b>

### 17. Assets classified as held for sale

Apartment held for sale	14.50	-
Furniture and Fixtures held for sale	0.03	-
<b>Total</b>	<b>14.53</b>	<b>-</b>

#### Note:

Subsequent to year ended December 31, 2022, the Company has sold its apartment located at Sarvapriya Vihar, New Delhi vide a Conveyance deed dated January 16, 2023 for a sales consideration of Rs 160.00 Lakhs. As at December 31, 2022, the Company has received, an advance of Rs 82.00 Lakhs from the buyer.

### 18. Equity Share Capital

Particulars	As at December 31, 2022		As at December 31, 2021	
	No. of shares	Rs.	No. of shares	Rs.
<b>Authorised share capital:</b>				
Equity shares of Rs 10 each with voting rights	15,000,000	1,500.00	15,000,000	1,500.00
<b>Issued, Subscribed and Fully paid:</b>				
Equity shares of Rs 10 each with voting rights	9,178,977	917.90	9,178,977	917.90
<b>Total</b>	<b>9,178,977</b>	<b>917.90</b>	<b>9,178,977</b>	<b>917.90</b>

#### (i) Rights, preferences and restrictions attached to Equity Shares:

The company has one class of Equity shares having a par value of Rs.10 per Equity Share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

#### (ii) Details of shares held by the holding company and its subsidiary:

Particulars	As at December 31, 2022		As at December 31, 2021	
	No. of shares	(% of holding)	No. of shares	(% of holding)
DIC Asia Pacific Pte. Limited, Singapore- Holding Company	6,586,077	71.75	6,586,077	71.75



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## Notes forming part of the Financial Statements

All amounts in Rupees in Lakhs, unless otherwise stated

### 18. Equity Share Capital (Cont'd)

#### (iii) Details of shares held by each shareholder holding more than 5% shares:

Particulars	As at December 31, 2022		As at December 31, 2021	
	No. of shares	(% of holding)	No. of shares	(% of holding)
DIC Asia Pacific Pte. Limited, Singapore- Holding Company	6,586,077	71.75	6,586,077	71.75

#### (iv) Reconciliation of number of shares

Particulars	As at December 31, 2022		As at December 31, 2021	
	No. of shares	Rs.	No. of shares	Rs.
Balance at the beginning of the year	9,178,977	917.90	9,178,977	917.90
Add: Issue of Shares	-	-	-	-
Balance at the end of the year	9,178,977	917.90	9,178,977	917.90

#### (v) Details of shares held by the promoters:

Particulars	As at December 31, 2022		As at December 31, 2021	
	No. of shares	(% of holding)	No. of shares	(% of holding)
DIC Asia Pacific Pte. Limited, Singapore- Holding Company	6,586,077	71.75	6,586,077	71.75

(vi) There were no shares issued pursuant to contracts without payment being received in cash, by way of bonus issue and no shares were bought back in the period of five years immediately preceding the date as at which the Balance Sheet is prepared.

### 18.1 Other equity

Particulars	Reserves and Surplus				Total
	General reserves	Securities premium	Capital reserve	Retained earnings	
<b>Balance as at January 1, 2021</b>	6,559.12	6,548.08	0.59	23,914.37	37,022.16
Profit for the year	-	-	-	1,238.85	1,238.85
Other comprehensive income/ (loss), net of tax	-	-	-	(34.68)	(34.68)
Dividend Paid	-	-	-	(550.74)	(550.74)
<b>Balance as at December 31, 2021</b>	<b>6,559.12</b>	<b>6,548.08</b>	<b>0.59</b>	<b>24,567.80</b>	<b>37,675.59</b>
Profit for the year	-	-	-	4,098.41	4,098.41
Other comprehensive income/ (loss), net of tax	-	-	-	(8.19)	(8.19)
Dividend Paid	-	-	-	(458.95)	(458.95)
<b>Balance as at December 31, 2022</b>	<b>6,559.12</b>	<b>6,548.08</b>	<b>0.59</b>	<b>28,199.07</b>	<b>41,306.86</b>

### 19. Long term provisions

Particulars	As at December 31, 2022	As at December 31, 2021
<b>Provision for employee benefits</b>		
Compensated absence	471.26	475.21
Retirement benefits	73.39	91.03
<b>Total</b>	<b>544.65</b>	<b>566.24</b>

## Notes forming part of the Financial Statements

All amounts in Rupees in Lakhs, unless otherwise stated

### 20. Trade payables

Particulars	As at December 31, 2022	As at December 31, 2021
Total outstanding dues of micro enterprises and small enterprises	1,374.41	1,614.34
Total outstanding dues of creditors other than micro enterprises and small enterprises	15,545.15	17,317.31
<b>Total</b>	<b>16,919.56</b>	<b>18,931.65</b>

The normal credit period for these trade payables is generally from 30 to 120 days. No interest is charged by the vendors (except micro enterprises and small enterprises on overdues payables, if any).

#### Outstanding for following periods from date of transaction:

As at December 31, 2022

Particulars	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	-	1,374.41	-	-	-	1,374.41
Total outstanding dues of creditors other than MSME	2,186.28	13,278.55	62.80	4.72	12.80	15,545.15
	<b>2,186.28</b>	<b>14,652.96</b>	<b>62.80</b>	<b>4.72</b>	<b>12.80</b>	<b>16,919.56</b>

As at December 31, 2021

Particulars	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	-	1,614.34	-	-	-	1,614.34
Total outstanding dues of creditors other than MSME	2,661.40	14,504.45	98.41	43.90	9.15	17,317.31
	<b>2,661.40</b>	<b>16,118.79</b>	<b>98.41</b>	<b>43.90</b>	<b>9.15</b>	<b>18,931.65</b>

### 21. Other current financial liabilities

Particulars	As at December 31, 2022	As at December 31, 2021
<b>Measured at amortised cost</b>		
(a) Payables on purchase of property, plant and equipment	174.02	135.43
(b) Deposit from customers	1,029.53	1,001.70
(c) Interest payable on customer deposits	273.71	239.71
(d) Retention money payable	448.53	23.03
(e) Directors' commission payable	16.00	19.43
(f) Payable to related parties	5.32	-
(g) Unpaid/ Unclaimed dividend	14.51	12.33
<b>Measured at Fair Value</b>		
- Fair value of foreign currency forward contracts	0.01	8.47
<b>Total</b>	<b>1,961.63</b>	<b>1,440.10</b>



Color & Comfort

DIC INDIA LIMITED

## Notes forming part of the Financial Statements

All amounts in Rupees in Lakhs, unless otherwise stated

### 22. Other current liabilities

Particulars	As at December 31, 2022	As at December 31, 2021
(a) Statutory remittances	483.82	545.59
(b) Advances from customers	58.64	76.25
(c) Advance received for sale of asset (Refer note 17)	82.00	-
<b>Total</b>	<b>624.46</b>	<b>621.84</b>

### 23. Short term provisions

#### Provision for employee benefits

(a) Gratuity obligation	89.48	113.16
(b) Compensated absence	53.90	44.22
(c) Retirement benefit	4.88	5.90
(d) Pension	60.78	73.06
<b>Total</b>	<b>209.04</b>	<b>236.34</b>

### 24. Current tax liabilities

(a) Provision for income tax	232.17	4,452.29
(b) Advance tax and tax deducted at source receivable	(206.94)	(4,281.64)
<b>Total</b>	<b>25.23</b>	<b>170.65</b>



## Notes forming part of the Financial Statements

All amounts in Rupees in Lakhs, unless otherwise stated

### 25. Revenue from operations

The following is an analysis of the company's revenue for the year from operations.

Particulars	Year ended December 31, 2022	Year ended December 31, 2021
(a) Revenue from sale of goods	86,802.35	74,214.90
(b) Other operating income (Refer note: 25(i))	396.66	268.05
<b>Total revenue from operations</b>	<b>87,199.01</b>	<b>74,482.95</b>
<b>Notes:</b>		
<b>(i) Disaggregated revenue information</b>		
<b>A. Geographical region:</b>		
a. India	75,140.16	66,036.73
b. Outside India	12,058.85	8,446.22
<b>Total revenue from operations</b>	<b>87,199.01</b>	<b>74,482.95</b>
<b>B. Reconciliation of revenue recognised with contract price:</b>		
Contract price (Gross)	87,499.11	74,966.67
Adjustments for:		
Discount and Incentives	(696.76)	(751.77)
<b>Revenue from sale of goods</b>	<b>86,802.35</b>	<b>74,214.90</b>

### 25 (i). Other operating income comprises of

(a)	Sale of containers	133.31	112.05
(b)	Duty drawback	118.64	78.60
(c)	Income from MEIS License	-	9.52
(d)	Income from RoDTEP License and Scrip purchase	122.85	-
(e)	Insurance claim	21.86	67.88
		<b>396.66</b>	<b>268.05</b>

### 26. Other income

(a) Interest income			
-Interest on Deposit and others	174.32	171.01	
-Interest on deferred consideration on sale of land	-	100.97	
(b) Management/ service fees	533.41	260.52	
(c) Provision for doubtful debts on trade receivables (net) written back (Refer note below)	-	240.81	
(d) Liabilities/ provisions no longer required written back	47.85	172.32	
(e) Gain on disposal of property, plant and equipment (net)	-	0.89	
(f) Gain on lease modification	9.42	-	
(g) Miscellaneous receipts	31.36	6.07	
<b>Total other income</b>	<b>796.36</b>	<b>952.59</b>	

#### Note:

The provision for doubtful debts written back has been adjusted with Bad debt written off amounting to Rs Nil (Previous year: Rs 212.21 Lakhs)

## Notes forming part of the Financial Statements

All amounts in Rupees in Lakhs, unless otherwise stated

### 27 (a) Cost of materials consumed

#### (i) Raw material

Particulars	Year ended December 31, 2022	Year ended December 31, 2021
Opening stock	8,170.66	4,852.25
Add: Purchases	54,196.03	52,123.84
	62,366.69	56,976.09
Less: Closing stock	5,274.50	8,170.66
<b>Cost of materials consumed raw material</b>	<b>57,092.19</b>	<b>48,805.43</b>

#### (ii) Containers

Particulars	Year ended December 31, 2022	Year ended December 31, 2021
Opening stock	133.54	105.78
Add: Purchases	3,438.34	3,632.33
	3,571.88	3,738.11
Less: Closing stock	103.44	133.54
<b>Cost of materials consumed containers</b>	<b>3,468.44</b>	<b>3,604.57</b>
<b>Total of Cost of materials consumed (i) + (ii)</b>	<b>60,560.63</b>	<b>52,410.00</b>

### 27 (b) Purchase of stock in trade

Purchase of stock in trade	6,318.08	3,806.93
<b>Total Purchase of stock in trade</b>	<b>6,318.08</b>	<b>3,806.93</b>

### 28. Changes in Inventories of finished goods, work in progress and stock in trade

Inventories at the end of the year:

Finished goods	3,583.41	4,542.35
Work-in-progress	1,392.23	1,340.38
Stock-in-trade	487.47	550.74
	(a) 5,463.11	6,433.47

Inventories at the beginning of the year:

Finished goods	4,542.35	3,541.42
Work-in-progress	1,340.38	1,284.21
Stock-in-trade	550.74	284.44
	(b) 6,433.47	5,110.07

#### Net decrease/(increase) in inventory

(c)=b-a **970.36** **(1,323.40)**

### 29. Employee benefits expense

(a) Salaries and wages, including bonus	6,619.37	6,586.48
(b) Contribution to provident and other fund (Refer note 35)	490.84	598.51
(c) Staff welfare expenses	476.73	524.94

#### Total employee benefits expense

**7,586.94** **7,709.93**

### 30. Finance cost

(a) Borrowings	39.48	2.40
(b) Other Borrowing Costs		
- Interest on dealer deposit	59.88	55.21
- Interest on delayed payment of income tax	-	20.39
- Interest others	19.69	18.60
(c) Interest expense on lease liabilities (Refer note 37)	250.31	39.94

#### Total Finance cost

**369.36** **136.54**

## Notes forming part of the Financial Statements

All amounts in Rupees in Lakhs, unless otherwise stated

Particulars	Year ended December 31, 2022	Year ended December 31, 2021
<b>31. Depreciation and amortisation expenses</b>		
(a) Depreciation on Property, plant and equipment*	953.26	1,094.68
(b) Amortisation on Intangible assets	7.40	12.49
(c) Depreciation of Right-of-use assets (Refer note 37)	382.12	323.21
<b>Total depreciation and amortisation expenses</b>	<b>1,342.78</b>	<b>1,430.38</b>

\*Previous year amount includes Rs 104.71 Lakhs towards accelerated depreciation on certain plant and equipment.

### 32. Other expenses

Particulars	Year ended December 31, 2022	Year ended December 31, 2021
(a) Consumption of stores and spare parts	482.34	564.15
(b) Power and fuel	950.94	866.78
(c) Rent (Note 37)	397.23	293.53
(d) Repairs and maintenance - buildings	53.16	28.76
(e) Repairs and maintenance - machinery	399.95	392.70
(f) Repairs and maintenance - others	29.94	34.35
(g) Insurance	293.91	272.82
(h) Rates and Taxes, excluding taxes on income	37.48	106.20
(i) Selling agents' commission	360.53	309.27
(j) Travelling expenses	705.97	517.12
(k) Freight and forwarding	2,268.53	2,386.75
(l) Processing charges	342.99	504.56
(m) Royalty	1,025.83	929.37
(n) Net Loss on foreign currency transaction, translation and derivatives	77.72	7.48
(o) Provision for doubtful debts on trade receivables and advances (net)	36.56	-
(p) Bad trade and other receivables, loans and advances written off	4.50	44.59
(q) Payments to auditors (Refer Note (i) below)	64.67	56.09
(r) Expenditure towards corporate social responsibility activities (Refer Note (ii))	33.58	20.51
(s) Property, plant and equipment written off	9.30	21.34
(t) Legal and professional	464.42	590.41
(u) Communication expenses	40.13	45.00
(v) Printing and stationery	23.74	28.69
(w) Outsource expense	600.29	500.86
(x) Loss on disposal of property, plant and equipment (net)	7.72	-
(y) IT handling charges	358.79	324.36
(z) Miscellaneous expenses	645.70	743.34
<b>Total other expense</b>	<b>9,715.92</b>	<b>9,589.03</b>

#### Notes:

##### (i) Payments to auditors

Payments to the auditors comprises (excluding GST):		
(i) As auditors (including quarterly reviews)	44.50	39.75
(ii) For taxation matters	13.50	12.00
(iii) For other services	3.00	1.25
(iv) Auditors out-of-pocket expenses	3.67	3.09
	<b>64.67</b>	<b>56.09</b>



## Notes forming part of the Financial Statements

All amounts in Rupees in Lakhs, unless otherwise stated

### (ii) Expenditure on corporate social responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee has been formed by the Company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which were specified in schedule VII of the Companies Act, 2013. The details of corporate social responsibility expenditure made in during the year is as follows:

Particulars	Year ended December 31, 2022	Year ended December 31, 2021
(a) Amount required to be spent as per section 135 of Companies Act, 2013	33.58	20.46
(b) Amount spent during the year on:		
- Construction/ acquisition of any asset	-	-
- On purposes other than above	31.69	20.51
(c) Provision made for liability	1.89	-
(d) Shortfall at the end of the year	-	-
(e) The total of previous years' shortfall amounts	-	-
(f) Reason for above shortfalls	See note below	-
(g) Nature of CSR activities undertaken by the Company	Promoting education, PM relief fund and development projects.	
(h) Details of related party CSR transactions	None	None
(i) Movement in provision, where a provision is made with respect to a liability incurred by entering into a contractual obligation	Not applicable	Not applicable

#### Note:

Consequent to the Companies (Corporate Social Responsibility Policy) Amended Rules, 2021 (the rules), the Company has subsequent to balance sheet date deposited amount of Rs 1.89 Lakhs (December 31, 2021 :Rs`Nil) in PM Relief fund.



## Notes forming part of the Financial Statements

All amounts in Rupees in Lakhs, unless otherwise stated

### 33. Contingent Liabilities and commitments

<b>(a) Contingent Liabilities</b>	<b>As at December 31, 2022</b>	<b>As at December 31, 2021</b>
Claims against the Company not acknowledged as debt:		
(a) Income tax matters	228.16	340.47
(b) Disputed indirect tax matters for which appeals before the relevant authorities are pending disposal are as follows :		
(i) Custom duty matters	201.59	201.59
(ii) Excise duty matters	283.14	283.14
(iii) Service tax matters	172.21	172.21
(iv) Sales tax / Value added tax / Entry tax matters	45.57	48.86

The Company has been legally advised that the above demand are likely to be either deleted or substantially reduced and accordingly no provision has been made in the books of account.

<b>(b) Commitment</b>	<b>As at December 31, 2022</b>	<b>As at December 31, 2021</b>
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,879.46	4,828.64
(ii) The Company has other commitments, for purchase orders which are issued after considering requirements per operating cycle for purchase of services, employee's benefits. The Company does not have any other long term commitments or material non-cancellable contractual commitments /contracts, including derivative contracts for which there were any material foreseeable losses.		

(c) There has been no delays in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

### 34. Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

In terms of notification dated September 4, 2015 issued by the Central Government of India, the disclosure related trade payables as at December 31, 2022 are as follows:

<b>Particulars</b>	<b>As at December 31, 2022</b>	<b>As at December 31, 2021</b>
<b>Balance of trade payables as at the end of the year</b>		
Total outstanding dues of micro and small enterprises	1,374.41	1,614.34
Total outstanding dues of creditors other than micro and small enterprises	15,545.15	17,317.31
	<b>16,919.56</b>	<b>18,931.65</b>
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	1,374.41	1,614.34
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	59.09	67.63
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day		
(a) Principal amount	-	-
(b) Interest amount	1,510.04	1,012.72
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	17.88	7.41
(v) The amount of interest accrued & remaining unpaid at the end of the accounting year	9.34	9.25
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	59.09	67.63

The above disclosure is based on information available with the Company regarding Status of the suppliers as defined under section 2 of the Micro Small & Medium Enterprises Development Act, 2006. This has been relied upon by the auditors.

## Notes forming part of the Financial Statements

All amounts in Rupees in Lakhs, unless otherwise stated

### 35. Employee benefit plan

#### 35.1 Defined contribution plans

During the year the Company has recognised an amount of Rs. 138.48 lakhs (December 31, 2021 Rs. 163.54 lakhs) as expenditure towards defined contribution plans of the Company.

#### 35.2 Defined benefit plans

The Company offers the employee benefit schemes of Pension (funded), Gratuity (funded) and Retirement benefit (unfunded) to its employees. Benefits payable to eligible employees of the Company with respect to these schemes, defined benefit plans are accounted for on the basis of an actuarial valuation as at the balance sheet date.

The present value of defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method with actuarial valuations being carried out at each balance sheet date.

These plans typically expose the Company to actuarial risks such as:

Investment Risk	The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. For other defined benefit plans, the discount rate is determined by reference to market yields at the end of the reporting period on high quality corporate bonds when there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.
Interest Risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity Risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary Risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

#### The principal assumptions used for the purposes of the actuarial valuations were as follows

Financial assumption	Valuation as at	
	As at December 31, 2022	As at December 31, 2021
<u>Pension Fund</u>		
Interest rate for discounting	7.10%	5.75%
Salary increase rate	0.00%	0.00%
Expected rate of return on plan assets	7.10%	5.75%
<u>Gratuity Obligation</u>		
Interest rate for discounting	7.20%	6.74%
Salary increase rate:		
(a) Management staff	5.00%	5.00%
(b) Union staff	4.00%	4.00%
Expected rate of return on plan assets	7.20%	6.74%
<u>Retirement Benefit</u>		
Interest rate for discounting	7.30%	6.70%
Salary increase rate	0.00%	0.00%

#### (i) Amount recognised in the Balance sheet are as follows

		Pension	Gratuity	Retirement benefit
Present value of defined benefit obligation	2022	176.47	1,291.68	78.27
	2021	200.93	1,259.38	96.93
Fair value of plan assets	2022	115.69	1,202.20	-
	2021	127.87	1,146.22	-
Net asset / (liability)	2022	(60.78)	(89.48)	(78.27)
	2021	(73.06)	(113.16)	(96.93)
Experience adjustments on plan assets [gain/ (loss) during the year]	2022	(0.95)	(8.72)	-
	2021	1.11	4.91	-
Experience adjustments on obligations [(gain)/ loss during the year]	2022	4.15	58.16	(21.90)
	2021	2.11	111.23	(3.35)

## Notes forming part of the Financial Statements

All amounts in Rupees in Lakhs, unless otherwise stated

### 35. Employee benefit plan (Cont'd)

#### (ii) Amount recognised in the Statement of Profit and Loss and Other comprehensive loss are as follows

		Pension	Gratuity	Retirement benefit
Current service cost	2022	-	89.75	4.82
	2021	-	87.20	5.02
Interest cost	2022	4.13	2.02	6.33
	2021	4.05	(0.47)	5.14
Past Service cost	2022	-	-	-
	2021	-	-	19.39
Actuarial loss/(gain)- Other comprehensive loss	2022	(15.15)	50.90	(24.81)
	2021	(2.00)	55.03	(6.68)
<b>Total expense*</b>	2022	(11.02)	142.67	(13.66)
	2021	2.05	141.76	22.87
Recognised in statement of Profit and Loss	2022	4.13	91.77	11.15
	2021	4.05	86.73	29.55
Actuarial loss/(gain) recognised in Other comprehensive loss	2022	(15.15)	50.90	(24.81)
	2021	(2.00)	55.03	(6.68)

\* Recognised under "Contribution to Provident and Other Funds" in Note Pension, Gratuity and under "Staff welfare expenses" in Note 29 for retirement benefit.

#### (iii) Reconciliation of Opening and Closing Balances of the Present Value of Defined Benefit Obligation

		Pension	Gratuity	Retirement benefit
Opening present value of defined benefit obligation	2022	200.93	1,259.38	96.93
	2021	194.19	1,114.23	79.31
Current service cost	2022	-	89.75	4.82
	2021	-	87.20	5.02
Interest cost	2022	11.00	78.87	6.33
	2021	11.07	72.59	5.14
Past service cost	2022	-	-	-
	2021	-	-	19.39
Actuarial loss/(gain)	2022	(16.10)	42.18	(24.81)
	2021	(0.89)	59.94	(6.68)
Benefits paid	2022	(19.36)	(178.50)	(5.00)
	2021	(3.44)	(74.58)	(5.25)
Closing present value of defined benefit obligation	2022	176.47	1,291.68	78.27
	2021	200.93	1,259.38	96.93

#### (iv) Reconciliation of Opening and Closing Balances of the Fair Value of plan assets

		Pension	Gratuity
Opening fair value of plan assets	2022	129.13	1,146.22
	2021	123.18	1,099.66
Expected return on plan assets	2022	6.87	76.85
	2021	7.02	73.06
Actuarial gain/ (loss)	2022	(0.95)	(8.72)
	2021	1.11	4.91
Contributions by employer	2022	-	166.35
	2021	-	43.17
Benefits paid	2022	(19.36)	(178.50)
	2021	(3.44)	(74.58)
Closing fair value of plan assets	2022	115.69	1,202.20
	2021	127.87	1,146.22

#### (v) Major categories of plan assets as a percentage of Fair Value of the total plan assets

		Pension	Gratuity
Govt. of India Securities/Deposits	2022	40.00%	1.40%
	2021	40.00%	1.00%
PSU Bonds / State Securities	2022	-	5.26%
	2021	17.00%	5.00%
Corporate bonds	2022	-	-
	2021	2.00%	4.00%
Insurance managed funds	2022	9.60%	87.98%
	2021	8.00%	88.00%
Bank balances	2022	50.40%	5.36%
	2021	33.00%	2.00%
Total	2022	100.00%	100.00%
	2021	100.00%	100.00%



## Notes forming part of the Financial Statements

All amounts in Rupees in Lakhs, unless otherwise stated

### (vi) Actual return on plan assets

	2022	2021
Pension	5.92	8.13
Gratuity	68.13	77.97

### 35. Employee benefit plan (Cont'd)

#### (vii) Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Particulars	As at December 31, 2022		As at December 31, 2021	
	Discount Rate	Salary increase	Discount rate	Salary increase
<u>Pension Fund</u>				
Decrease in Defined benefit obligation due to increase by 1%	(4.11)	-	(6.97)	-
Increase in Defined benefit obligation due to decrease by 1%	4.41	-	7.50	-
<u>Gratuity Obligation</u>				
Decrease in Defined benefit obligation due to increase by 1%	(76.79)	86.20	(94.87)	108.27
Increase in Defined benefit obligation due to decrease by 1%	86.11	(78.52)	108.45	(96.33)
<u>Retirement Benefit</u>				
Decrease in Defined benefit obligation due to increase by 1%	(4.47)	-	(6.77)	-
Increase in Defined benefit obligation due to decrease by 1%	4.97	-	7.65	-

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

#### 35.3 Defined Benefit plans- Provident Fund

In terms of Guidance on implementing Ind AS 19 on Employee Benefits issued by the Accounting Standard Board of the Institute of Chartered Accountants of India (ICAI), a provident fund set up by the Company is treated as a defined benefit plan in view of the Company's obligation to meet shortfall, if any, on account of interest.

The Actuary has carried out actuarial valuation of plan's liabilities and interest rate guarantee obligations as at the balance sheet date using Projected Unit Credit Method and Deterministic Approach as outlined in the Guidance Note 29 issued by the Institute of Actuaries of India. Based on such valuation, there is future anticipated shortfall with regard to interest rate obligation of the Company as at the Balance Sheet date amounting to Rs 21.52 Lakhs (December 31, 2021: Rs 57.41 lakhs) and charge/(reversal) for the current year in 'Contribution to Provident and Other Funds' in Note 29 amounting to Rs. 8.00 Lakhs (reversal) (Charge for 2021 Rs. 84.50 lakhs). Further during the year, the Company's contribution of Rs 239.64 Lakhs (2021 - Rs. 253.01 lakhs) to the Provident Fund Trust has been expensed under the 'Contribution to Provident and Other Funds' in Note 30. Disclosures given hereunder are restricted to the information available as per the Actuary's Report.

	Valuation as at	
	As at December 31, 2022	As at December 31, 2021
Discount rate	7.20%	6.70%
Expected yield on plan assets	8.10%	7.76%
Guaranteed interest rate	8.25%	8.50%



## Notes forming part of the Financial Statements

All amounts in Rupees in Lakhs, unless otherwise stated

### 36. Financial Instruments

#### (i) Capital management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimization of the debt and equity balance. The Company is not subject to any externally imposed capital requirements. The Company's board of directors reviews the capital structure of the Company on a periodic basis. As part of this review, the Board of directors considers the cost of capital and the risks associated with capital. The Company's gearing ratio at the end of the reporting period was as follows:

Particulars	As at December 31, 2022	As at December 31, 2021
(a) Debt - Borrowings	-	-
(b) Cash and cash equivalents	(6,707.40)	(7,276.59)
(c) Net debt	(6,707.40)	(7,276.59)
(d) Equity*	42,224.76	38,593.49
Net debt to equity ratio	-	-

\* Equity includes all capital and reserves of the Company that are managed as capital.

Note: No debt to equity ratio has been computed since there is no debt.

#### (ii) Category wise details as to carrying value, fair value and the level of fair value measurement hierarchy of the Company's financial instruments are as follows:

	Level	As at December 31, 2022	As at December 31, 2021
<b>Financial assets</b>			
<u>Measured at amortised cost</u>			
(a) Trade receivables		25,066.41	23,341.09
(b) Cash and cash equivalents		6,707.40	7,276.59
(c) Bank balances other than Cash and cash equivalents		14.51	12.33
(d) Other financial assets		783.95	746.72
(e) Investments		49.60	-
<b>Financial liabilities</b>			
<u>Measured at amortised cost</u>			
(a) Trade payables		16,919.56	18,931.65
(b) Other financial liabilities		1,961.62	1,431.63
(c) Lease liability		2,404.52	544.87
<u>Measured at fair value through profit and loss</u>			
(a) Other financial asset- Fair value of Derivative instrument	Level 2	0.01	8.47

#### Method/ assumption used to estimate the fair value:

(a) The carrying value of trade receivables, cash and cash equivalents, bank deposits, trade payables, other current financial assets and other current financial liabilities measured at amortised cost approximate their fair value due to the short-term maturities of these instruments.

(b) The fair values of the derivative financial instruments has been determined using valuation techniques with market observable inputs. The models incorporate various inputs including the credit quality of counter-parties and foreign exchange forward rates.

(c) There were no transfers between Level 1, Level 2 and Level 3 of financial assets and liabilities.

#### (iii) Financial risk management objectives

The Company's management monitors and manages key financial risks relating to the operations of the Company by analysing exposures by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of currency risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

## Notes forming part of the Financial Statements

All amounts in Rupees in Lakhs, unless otherwise stated

### 36. Financial Instruments (Cont'd)

#### (iv) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include foreign currency receivables, deposits and borrowings.

The Company enters into a derivative financial instruments to manage its exposure to foreign currency risk, including forward foreign exchange contracts to hedge the exchange rate risk arising on the imports.

#### (v) Foreign Currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The Company uses a foreign exchange forward contracts to hedge its exposure in foreign currency risk. The Company generally enters into forward exchange contracts to cover specific foreign currency payments to reduce foreign exchange fluctuation risk.

The carrying amounts of the company's foreign currency denominated monetary assets (trade receivables) and monetary liabilities (trade payables) at the end of the reporting period are as follows:

Currency	Liabilities as at		Assets as at	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
USD Equivalent amount in INR	18.26 1,511.51	50.06 3,719.73	15.87 1,313.68	24.10 1,790.66
EUR Equivalent amount in INR	0.85 74.94	1.01 84.55	0.35 30.88	0.36 30.06
JPY Equivalent amount in INR	814.66 508.49	775.27 500.30	- -	- -
AUD Equivalent amount in INR	0.24 13.64	- 0.19	- -	- -
SGD Equivalent amount in INR	0.13 7.88	- -	- -	- -

Of the above foreign currency denominated monetary assets and monetary liabilities, foreign currency exposures which have been hedged are as below:

Currency	Liabilities as at		Assets as at	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
USD Equivalent amount in INR	- -	10.00 744.56	- -	- -
JPY Equivalent amount in INR	40.00 25.27	- -	- -	- -

The Company has hedged its trade payable for Import of raw material. Accordingly, the year end foreign currency exposure that have not been hedged by a derivative instrument or otherwise are given:

Currency	Liabilities as at		Assets as at	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
USD Equivalent amount in	18.26 1,511.51	40.06 2,975.17	15.87 1,313.68	24.10 1,790.66
EUR Equivalent amount in	0.85 74.94	1.01 84.55	0.35 30.88	0.36 30.06
JPY Equivalent amount in	774.66 483.22	775.27 500.30	- -	- -
AUD Equivalent amount in	0.24 13.64	- 0.19	- -	- -
SGD Equivalent amount in	0.13 7.88	- -	- -	- -

## Notes forming part of the Financial Statements

All amounts in Rupees in Lakhs, unless otherwise stated

### 36. Financial Instruments (Cont'd)

#### (v)(a) Foreign Currency sensitivity analysis

The Company is mainly exposed to the fluctuation in the value of USD and JPY. The following table details the company sensitivity to a 10% increase and decrease in INR against the relevant foreign currency. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjust there translation at the period end for a 10% change in foreign currency rate. A positive number below indicates an increase in profit or equity where the Rs. strengthens 10% against the relevant currency. For a 10% weakening of the Rs. against the relevant currency, there would be a comparable impact on the profit or equity.

	As at December 31, 2022	As at December 31, 2021
<b>USD Impact in INR</b>		
Impact on profit or loss for the year (Gain/Loss)	(19.78)	(118.45)
Impact on total equity as at the end of the reporting period	(19.78)	(118.45)
<b>JPY Impact in INR</b>		
Impact on profit or loss for the year (Gain/Loss)	(48.32)	(50.03)
Impact on total equity as at the end of the reporting period	(48.32)	(50.03)

The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 10%.

#### (vi) Interest rate risk management

The Company is subject to variable interest rate on its interest bearing liabilities. The Company's interest rate exposure is mainly related to debt obligations. The Company's exposure to interest rates on financial liabilities are detailed in the liquidity risk management.

##### (vi)(a) Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. For floating rate borrowings, the analysis is prepared assuming the amount of the borrowings outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used for disclosing the sensitivity analysis.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's loss for the year ended December 31, 2022 would increase/decrease by Rs Nil (for the year ended December 31, 2021: increase/decrease by Rs Nil). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

#### (vii) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

Trade Receivable and other financial assets

The company has adopted a policy of dealing with creditworthy counterparties and obtaining deposits, where appropriate, as a means of mitigating the risk of financial loss from defaults. Before accepting any new customer, the Company assess the potential customers credit quality and defines credit limit by customers. Limits attributed to customer are reviewed annually. Ongoing credit evaluation is performed on the financial condition of accounts receivable. Concentration of credit risk to any counterparty did not exceed 10% of total monetary assets at any time during the year.

Cash and cash equivalents and bank deposits

The Company maintains its cash and cash equivalents and bank deposits with reputed banks. The credit risk on these instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

#### (viii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short-term, medium-term and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the contractual maturities of financial liabilities based on contractual undiscounted payments.

Particulars	December 31, 2022			December 31, 2021		
	Carrying amount	Due in 1 year	Due in after 1 year	Carrying amount	Due in 1 year	Due in after 1 year
<b>Financial Liabilities</b>						
(a) Trade payables	16,919.56	16,919.56	-	18,931.65	18,931.65	-
(b) Other financial liabilities	1,961.62	1,961.62	-	1,431.63	1,431.63	-
(c) Lease liability	2,404.52	381.81	2,022.71	544.87	228.23	316.64

## Notes forming part of the Financial Statements

All amounts in Rupees in Lakhs, unless otherwise stated

### 37. Leases

The Company has adopted Ind AS 116 effective January 01, 2019, using the modified retrospective approach without restatement of the comparative period. Leases that were accounted for as operating leases in accordance with Ind AS 17 Leases, are recognised at the present value of the remaining lease payments starting April 01, 2019, and discounted using the lessee's incremental borrowing rate as at the date of initial application. Further, prepaid lease payments relating to leasehold land disclosed earlier in other non current assets have now been reclassified to right-of-use assets.

The following is the summary of practical expedients elected on initial application:

1. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
2. Excluded the leases whose lease cost was below INR 350,000 on grounds of low value lease.

The changes in the carrying value of ROU assets for the year ended December 31, 2022 are as follows:

Description of assets	Category of ROU Asset				Total
	Building	Leasehold land	Vehicle	Plant and equipment	
<b>I. Cost</b>					
Balance as at January 01, 2021	684.84	1,885.73	29.36	85.35	2,685.28
Additions during the year	276.85	-	-	-	276.85
Deletions during the year	-	-	-	-	-
<b>Balance as at December 31, 2021</b>	<b>961.69</b>	<b>1,885.73</b>	<b>29.36</b>	<b>85.35</b>	<b>2,962.13</b>
Opening Balance as at January 01, 2022	961.69	1,885.73	29.36	85.35	2,962.13
Additions during the year	404.11	1,565.57	-	-	1,969.68
Deletions during the year	114.32	-	-	-	114.32
<b>Balance as at December 31, 2022</b>	<b>1,251.48</b>	<b>3,451.30</b>	<b>29.36</b>	<b>85.35</b>	<b>4,817.49</b>
<b>II. Accumulated depreciation</b>					
Opening Balance as at January 01, 2021	244.84	22.86	9.79	25.12	302.61
Depreciation expense	260.43	22.85	9.79	30.14	323.21
Eliminated on disposal of assets	-	-	-	-	-
<b>Balance as at December 31, 2021</b>	<b>505.27</b>	<b>45.71</b>	<b>19.58</b>	<b>55.26</b>	<b>625.82</b>
Opening Balance as at January 01, 2022	505.27	45.71	19.58	55.26	625.82
Depreciation expense	234.13	115.61	9.78	22.60	382.12
Eliminated on disposal of assets	69.02	-	-	-	69.02
<b>Balance as at December 31, 2022</b>	<b>670.38</b>	<b>161.32</b>	<b>29.36</b>	<b>77.86</b>	<b>938.92</b>
<b>Net block (I-II)</b>					
<b>Balance as at December 31, 2022</b>	<b>581.10</b>	<b>3,289.98</b>	<b>-</b>	<b>7.49</b>	<b>3,878.57</b>
<b>Balance as at December 31, 2021</b>	<b>456.42</b>	<b>1,840.02</b>	<b>9.78</b>	<b>30.09</b>	<b>2,336.31</b>

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

(a) The break-up of current and non-current lease liabilities is as follows:

Particular	As at December 31, 2022	As at December 31, 2021
Current Lease liability	381.81	228.23
Non current lease liability	2,022.71	316.64
	<b>2,404.52</b>	<b>544.87</b>



## Notes forming part of the Financial Statements

All amounts in Rupees in Lakhs, unless otherwise stated

### 37. Leases (Cont'd)

(b) The movement in lease liabilities is as follows:

Particular	As at December 31, 2022	As at December 31, 2021
Opening Liability as on January 01	544.87	574.58
Add: Addition	1,969.68	276.85
Add: Interest expense	250.31	39.94
Less: Liability on discontinued leased assets	(54.72)	-
Less: Payment of lease liability	(305.62)	(346.50)
	<b>2,404.52</b>	<b>544.87</b>

c) The details of the contractual maturities of lease liabilities on an undiscounted basis are as follows:

Particular	As at December 31, 2022	As at December 31, 2021
Less than one year	652.18	262.19
One to five years	970.40	330.00
More than five years	1,335.42	-
	<b>2,958.00</b>	<b>592.19</b>

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

(d) Rental expense recorded for short-term leases and low value lease was for the year ended December 31, 2022.

Particular	As at December 31, 2022	As at December 31, 2021
Short term lease	99.74	33.43
Low value lease	32.16	19.08
	<b>131.90</b>	<b>52.51</b>

#### Note:

In respect of two leasehold lands on which Kolkata Plant is located, the lease agreements with Kolkata Port Trust Authority (KOPT) expired on March 13, 2021 and August 13, 2021 respectively. As per the communication received from KOPT, a fresh lease was granted by KOPT for 30 years on certain terms and conditions in respect of one piece of land whose lease expired on March 13, 2021.

As the lease agreement has not been finalised, the Company has fully paid the lease rentals for the above leases till December 31, 2022, to KOPT at the existing rates. In respect of the lease whose lease expired on March 13, 2021 the Company however continues to be in discussion for renegotiation of lease rent with KOPT.

In accordance with Ind AS 116, the Company has recognised Leases on the basis of aforementioned communication from KOPT for the land whose lease expired on March 13, 2021.

In respect of leasehold land whose lease agreement expired on August 13, 2021, the Company has vacated the said land and handed it over to KOPT on January 02, 2023. In the current year, the Company has accrued lease rent payable, for the period from August 12, 2021 to December 31, 2022 on an estimated basis. Incremental rent, if any payable for the above lease will be accounted for on receipt of the any demand from KOPT.

### 38 Expenditure on Research and Development

	Year ended December 31, 2022	Year ended December 31, 2021
Capital Expenditure includes on account of Research and Development	76.47	157.86
	<b>76.47</b>	<b>157.86</b>



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## Notes forming part of the Financial Statements

All amounts in Rupees in Lakhs, unless otherwise stated

### 39. Related Parties Disclosures

#### i) Related Parties :

Names of Related Parties	Relationship
<b>(A) Where control exists</b>	
DIC Corporation, Japan	Ultimate Holding Company
DIC Asia Pacific Pte Ltd., Singapore	Holding Company
<b>(B) Others with whom transactions have taken place during the year</b>	
DIC (VIETNAM) CO. LTD.	Fellow Subsidiary
DIC Graphics (Thailand) Co. Ltd.	Fellow Subsidiary
DIC (Malaysia) Sdn. Bhd.	Fellow Subsidiary
Sun Chemical A.O	Fellow Subsidiary
DIC Australia Pty Ltd	Fellow Subsidiary
DIC Bangladesh Pvt. Ltd.	Fellow Subsidiary
DIC Philippines, Inc.	Fellow Subsidiary
DIC Graphics Chia Lung Corp.	Fellow Subsidiary
DIC Fine Chemicals Private Limited	Fellow Subsidiary
DIC South Asia Private Limited	Fellow Subsidiary
DIC Graphics Corporation	Fellow Subsidiary
DICAP Jurong - Graphics	Fellow Subsidiary
DIC Lanka (Private) Ltd.	Fellow Subsidiary
DIC New Zealand Ltd	Fellow Subsidiary
Nantong DIC Color Co., Ltd.	Fellow Subsidiary
Sun Chemical Corp.	Fellow Subsidiary
Sun Chemical UK	Fellow Subsidiary
Sun Chemical S.A.U. Spain	Fellow Subsidiary
Sun Chemical Group GmbH	Fellow Subsidiary
Sun Chemical Group S.p.A.	Fellow Subsidiary
Sun Chemical N.V./S.A.	Fellow Subsidiary
Sun Chemical AG (S.A., Ltd.)	Fellow Subsidiary
Sun Chemical S.A.U	Fellow Subsidiary
Sun Chemical Limited	Fellow Subsidiary
Sun Chemical S.A.S	Fellow Subsidiary
Ideal Chemi Plast Private Limited	Fellow Subsidiary
Nissin Trading Co. Ltd.	Fellow Subsidiary
<b>(B) Others with whom transactions have taken place during the year</b>	
<b>Names of Related Parties</b>	
Sun Chemical Group GmbH	Fellow Subsidiary
P.T. DIC Graphics	Fellow Subsidiary
Sun Chemical Turkey	Fellow Subsidiary
DIC Graphics Chia Lung Corp.	Fellow Subsidiary
P.T. Pardic Jaya Chemicals	Fellow Subsidiary
P.T. DIC Graphics(Pulo Gadung)	Fellow Subsidiary
Sun Chemical Saudi Arabia Ltd.	Fellow Subsidiary
PT DIC Trading Indonesia	Fellow Subsidiary
Mr. Manish Bhatia	Key Management Personnel
Mr. Taishi Nojima	Key Management Personnel

## Notes forming part of the Financial Statements

All amounts in Rupees in Lakhs, unless otherwise stated

### 39. Related Parties Disclosures (Cont'd)

#### (ii) Disclosure of transactions with related parties during the year and outstanding balances

	Year ended December 31, 2022	Year ended December 31, 2021
<b>A. Transactions during the year</b>		
<b>(i) Revenue from sale of goods</b>		
<i>Ultimate Holding Company</i>	-	1.00
<i>Holding Company</i>	210.84	-
<i>Fellow Subsidiary</i>		
DIC Australia Pty Ltd.	2,588.36	1,836.72
DIC South Asia Pvt. Ltd.,	-	294.95
Sun Chemical Russia	1,346.45	-
Others	864.79	585.78
<b>(ii) Management/ service fees income</b>		
<i>Ultimate Holding Company</i>	179.30	136.37
<i>Holding Company</i>	307.56	49.99
<i>Fellow Subsidiary</i>		
DIC South Asia Private Limited	29.39	29.39
Ideal Chemi Plast Pvt. Ltd.	17.16	19.77
DIC Bangladesh	-	25.00
<b>(iii) Purchases of goods</b>		
<i>Ultimate Holding Company</i>	965.08	643.82
<i>Holding Company</i>	4,880.55	2,587.96
<i>Fellow Subsidiary</i>		
DIC Fine Chemicals Private Limited	3,944.92	2,431.42
Nantong DIC Color Co., Ltd.	431.01	332.40
Other	1,890.64	1,247.26
<b>(iv) Purchase of MEIS Scrips</b>		
<i>Fellow Subsidiary</i>		
DIC Fine Chemicals Private Limited	81.49	-
<b>(v) Salaries and wages, Travelling expense and IT handling charges</b>		
<i>Ultimate Holding Company</i>	644.31	110.15
<i>Holding Company</i>	25.11	334.71
<b>(vi) Royalty expense</b>		
<i>Ultimate Holding Company</i>	1,025.83	929.37
<b>(vii) Remuneration expenses</b>		
Short Term Benefits	399.05	363.01
Post - Employment Benefits	12.40	9.36
Other long term employee benefits	0.45	3.00
Sitting fees	18.90	33.10
Director's Commission	16.00	19.43



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## Notes forming part of the Financial Statements

All amounts in Rupees in Lakhs, unless otherwise stated

### 39. Related Parties Disclosures (Cont'd)

#### (ii) Disclosure of transactions with related parties during the year and outstanding balances

	Year ended December 31, 2022	Year ended December 31, 2021
<b>(viii) Reimbursement of expenses</b>		
<i>Ultimate Holding Company</i>		
Salaries & wages	229.76	165.35
Travelling Expenses	1.52	-
Miscellaneous Expenses	1.45	4.69
<i>Holding Company</i>		
Salaries & wages	62.07	67.87
Travelling expenses	14.09	1.42
IT handling charges	194.43	183.22
<i>Fellow Subsidiary</i>		
Salaries & wages	-	47.13
Travelling Expenses	-	-
Miscellaneous Expenses	18.20	13.36

#### B Outstanding as at year end:

	As at December 31, 2022	As at December 31, 2021
<b>(i) Trade payable</b>		
<i>Ultimate Holding Company</i>		
	500.39	186.44
<i>Holding Company</i>		
	742.12	362.79
<i>Fellow Subsidiary</i>		
DIC Fine Chemicals Private Limited	836.31	932.24
Others	446.53	229.50
<b>(ii) Employee related liabilities</b>		
Key Management Personnel		
Post Employment Benefits	9.47	6.15
Short Term Benefits	10.26	9.81
Director's commission	16.00	19.43
<b>(iii) Trade receivables</b>		
<i>Ultimate Holding Company</i>		
	132.57	1.00
<i>Holding Company</i>		
	161.24	54.03
<i>Fellow Subsidiary</i>		
DIC Australia Pty Ltd	467.13	396.59
DIC Lanka (Pvt) Ltd.	1.58	138.44
Others	183.78	113.04
<b>(iv) Other Current financial assets</b>		
<i>Ultimate Holding Company</i>		
	97.28	76.93
<i>Holding Company</i>		
	193.23	60.30
<i>Fellow Subsidiary</i>		
DIC South Asia Private Limited	-	17.25
DIC Bangladesh	-	25.00
Others	1.16	16.73



## Notes forming part of the Financial Statements

All amounts in Rupees in Lakhs, unless otherwise stated

### 39. Related Parties Disclosures (Cont'd)

Particulars	As at December 31, 2022	As at December 31, 2021
<b>(v) Other Current financial Liabilities</b>		
<i>Fellow Subsidiary</i>		
Ideal Chemi Plast Private Limited	4.53	-
DIC South Asia Private Limited	0.79	-

### 40. Segment Information

The Company has decided to aggregate its two operating segments i.e. 'Inks' and 'Lamination Adhesive' from the current year as the management is of the view that Lamination Adhesive segment will not be of continuing significance to the Company's business and is expected to remain below the quantitative thresholds as stated in IND AS 108 on operating segment. Accordingly, no operating segment disclosures including comparatives are required to be made in these financial statements.

### 41. Financial Ratios as per the Schedule III requirements

Particulars	Numerator	Denominator	December 31, 2022	December 31, 2021	Variance	Reason of variance
Current ratio	Current assets	Current liabilities	2.30	2.31	-0.43%	
Debt-equity ratio	Total debt	Shareholder's equity	The Company does not have any debt and hence this ratio is not applicable.			
Debt service coverage ratio	Earnings available for debt service	Debt Service	The Company does not have any debt and hence this ratio is not applicable.			
Return on equity ratio	Net profit after taxes	Average shareholder's equity	2.53%	0.79%	221.66%	Increased on account of exceptional profit on sale of land in current year
Inventory turnover ratio	Cost of goods sold or sales	Average Inventory	1.17	1.04	12.25%	
Trade receivables turnover ratio	Sales	Average Trade Receivables	0.90	0.89	0.34%	
Trade payables turnover ratio	Purchases	Average Trade Payables	0.89	0.99	-9.79%	
Net capital turnover ratio	Sales	Working Capital	3.31	2.62	26.68%	Increase in sales as compared to previous year
Net profit ratio	Net profit after tax	Sales	0.05	0.02	190.41%	Increased on account of exceptional profit on sale of land
Return on capital employed	Earnings before interest and Taxes	Capital employed*	0.03	0.01	150.80%	Increased on account of exceptional profit on sale of land in current year

\* Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability

### 42. Below is the title deed of Immovable Property not held in the name of the Company

Description of Property	As at the Balance sheet date		Held in the name of	Whether promoter, director or their relative or employee	Period Held	Reason for not being held in name of Company
	Gross Carrying Value	Carrying Value in the financial statements				
Freehold land	0.86	0.86	Coates of India Limited	No	1996	The conveyance deed is in the name of former Company and mutation is pending.
Leasehold lands	128.77	85.99		No	1990-1995	
Buildings	15.03	3.97		No	1991-1997	

### 43. Additional regulatory information not disclosed elsewhere in the financial statements

- No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder
- The Company has not been declared willful defaulter by any bank or financial institution or other lender.



## Notes forming part of the Financial Statements

All amounts in Rupees in Lakhs, unless otherwise stated

- c) The Company has complied with the number of layers of companies prescribed under the Companies Act, 2013
- d) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- e) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.
- f) The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- g) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall.
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries), or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- h) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as, search or survey or any other relevant provisions of the Income Tax Act, 1961
- i) The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- j) The Company has no transactions with companies struck off under Companies Act, 2013 or Companies Act, 1956.

#### 44. Computation of Earnings per Equity Share (Basic and Diluted)

Particulars	As at December 31, 2022	As at December 31, 2021
Profit for the year attributable to owners of the Company	4,098.41	1,238.85
Weighted average number of equity shares in Lakhs	917.90	917.90
Basic and diluted earning per share (Rs)	44.65	13.50
Face value per equity share (Rs)	10.00	10.00

#### 45. The Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.

#### 46. Sale of land

On June 18, 2020, the Conveyance deed was executed in respect of the sale of Land of the Company located at Chandivali, Mumbai to Godrej Properties Limited (GPL). The Company received Rs.12,000 lakhs from GPL towards fixed consideration. As per the Conveyance deed, an additional consideration amounting to Rs. 3,300 lakhs was contingent on achieving certain milestones with respect to height clearance, to be obtained by GPL, from the appropriate authorities.

During the year, GPL has received necessary height clearances from the appropriate authorities and accordingly, the contingent consideration of Rs. 3300 lakhs has been received and recognised as an exceptional item in the current year.

47. As per the MCA notification dated August 05, 2022, the Central Government has notified the Companies (Accounts) Fourth Amendment Rules, 2022. As per the amended rules, the Companies are required to maintain back-up of the books of account and other relevant books and papers in electronic mode that should be accessible in India at all the time. Also, the Companies are required to create backup of accounts on servers physically located in India on a daily basis.

The books of account along with other relevant records and papers of the Company are maintained in electronic mode. These are readily accessible in India at all times and a backup is maintained in servers in Japan. The Company and its officers have full access to the data in the servers located in Japan.

#### 48. Events after the reporting period

There are no events which have occurred after the reporting period except the below.

The Board of Directors in their meeting held on February 08, 2023, have proposed a Final dividend of Rs. 183.58 Lakhs (Rs. 2 per equity share) for the year 2022. The dividend is subject to approval by the Shareholders at the ensuing Annual General Meeting.

#### 49. Approval of financial statement

The financial statements for the year ended December 31, 2022 were approved and authorised for issue by the board of directors on February 08, 2023.

#### For and on behalf of the Board of Directors of DIC India Limited

Prabal Sarkar

Director

DIN: 03124712

Raghav Shukla

Company Secretary

Place: Noida

Date: February 08, 2023

Manish Bhatia

Managing Director & CEO

DIN: 08310936

S. Chatterjee

Chief Finance Officer



### **Corporate Office**

DIC India Limited  
Fusion Square, 5th Floor,  
5A-5B, Sector- 126, Noida- 201303  
Uttar Pradesh, India  
Phone: +91 120 6361 414  
Email: [investors@dic.co.in](mailto:investors@dic.co.in)

### **Registered Office**

DIC India Limited  
Transport Depot Road, Kolkata- 700 088  
Phone: +91 33 2449 6591 – 95;  
Fax: +91 33 2449 7033 / 2448 9039  
Email: [investors@dic.co.in](mailto:investors@dic.co.in)  
Website: [www.dic.co.in](http://www.dic.co.in)