



February 26, 2022

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 Fourth (74th) Annual General Meeting- Annual Report for the Financial year ended December 31, 2021
Ref: Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015

Dear Madam/Sir,

In furtherance to our communication dated February 11, 2022, wherein the Company had informed that the Annual General Meeting of the Company is scheduled to be held on Tuesday, March 22, 2022, at 11.00 A.M. through video conferencing/other audio visual means.

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, 2021 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 Tuesday, March 15, 2022. The remote e-voting shall commence from 09.00 A.M. on Saturday, March 19, 2022 to 05.00 P.M. on March 21, 2022.

The Annual Report along with Notice of AGM is also available on the Company's website https://www.dic.co.in/sites/default/files/2022-02/DICI_Annual%20Report_2021_1.pdf.

This is for your information and records.

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

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 | Email id: investors@dic.co.in

Registered office: Transport Depot Road, Kolkata – 700088



Color & Comfort

DIC India



Leading in Innovation

Annual Report 2021

DIC India Limited



www.dic.co.in



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KEY EVENTS AND MILESTONES IN THE HISTORY OF DICI

1951

Second Service Centre opened in Mumbai

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

1947

Incorporation of Coates of India Limited- World's largest manufacturer of printing inks and allied materials (Kolkata)

1958

Third office opened in Chennai

1962

Another set up established in Delhi

1966

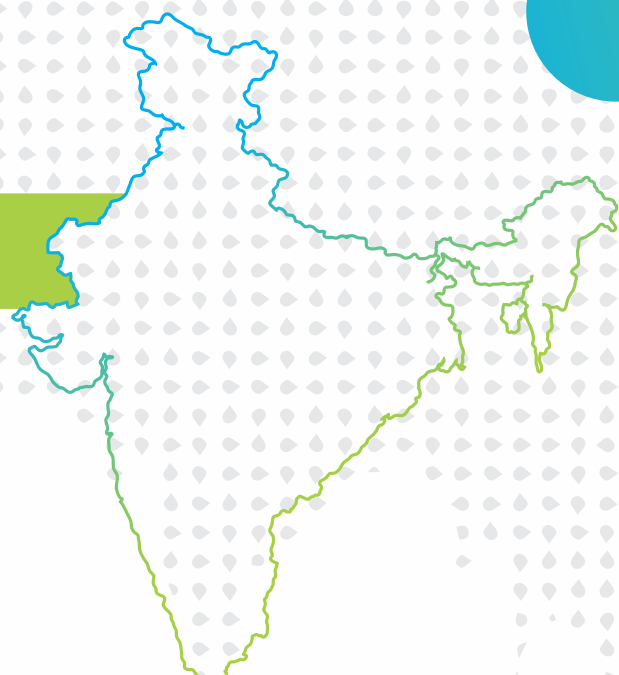
Factory set up in Delhi for blending activity

1977

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



INDIA A LAND OF COLOR PAST MEETS THE



1985 The Kolkata factory witnessed a modernization programme that included installing highly efficient machines.	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.
1990 Liquid Ink Manufacturing factory set up in Noida	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	



**ORS WHERE THE
HE FUTURE**



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Board of Directors



Partha Mitra
Non-Executive
Independent Chairman



Manish Bhatia
Managing Director &
Chief Executive Officer



Rajeev Anand
Non-Executive
Independent Director



Prabal Kumar Sarkar
Non-Executive
Independent Director



Pritha Dutt
Non-Executive
Independent Director



Paul Koek
Non-Executive Director



Masahiro Kikuchi
Non-Executive Director

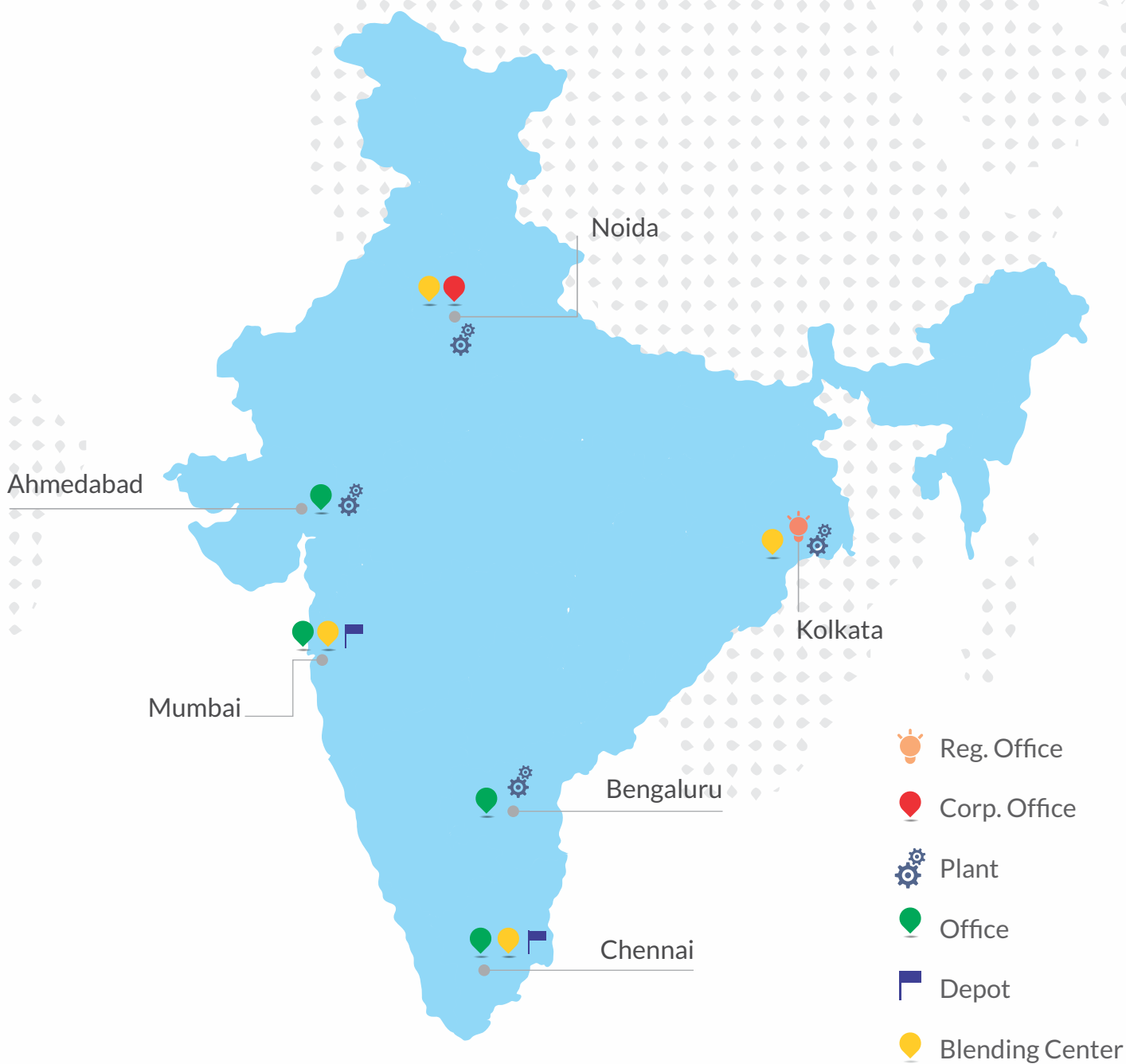


Taishi Nojima
Whole Time Director



Ho Yeu Guan
Non-Executive Director

Our Presence





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Index

S.No.	Particulars	Page No.
1	History of DIC India	2
2	Board of Directors	4
3	Our Presence	5
4	Corporate Information	7
5	DIC India in brief	8
6	Product Portfolio	9
7	Technical centre- Noida	13
8	Manufacturing Facilities	14
9	Our Sustainability Policy	15
10	Our People	16
11	Environment, Health and Safety	17
12	Corporate Social Responsibility	19
13	Notice of AGM	20
14	Boards' Report	30
15	Certificate under regulation 17(8) of SEBI (LODR), 2015	80
16	Certificate- Compliance of Code of Conduct	81
17	Certificate- Non-Disqualification of Directors	82
18	Independent Auditor's Report	83
19	Audited Financials	92

Corporate Information-DIC India Limited

As on December 31, 2021

CIN: L24223WB1947PLC015202

Board of Directors

Partha Mitra Chairman & Independent Director (DIN: 00335205)	Manish Bhatia Managing Director & Chief Executive Officer (DIN: 08310936)	Taishi Nojima Whole Time Director (DIN: 08401012)
Rajeev Anand Independent Director (DIN: 02519876)	Pritha Dutt Independent Director (DIN: 02910608)	Prabal Kumar Sarkar Independent Director (DIN: 03124712)
Paul Koek Non-Executive Director (DIN: 00081930)	Masahiro Kikuchi Non-Executive Director (DIN: 08024525)	Ho Yeu Guan Non-Executive Director (DIN: 08066136)

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)
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Board Committees

Audit Committee

Prabal Kumar Sarkar- Chairman
Rajeev Anand
Paul Koek

Stakeholders' Relationship Committee

Rajeev Anand- Chairman
Partha Mitra
Paul Koek

Nomination & Remuneration Committee

Pritha Dutt- Chairperson
Prabal Kumar Sarkar
Paul Koek
Masahiro Kikuchi

Corporate Social Responsibility Committee

Pritha Dutt- Chairperson
Rajeev Anand
Paul Koek
Taishi Nojima

Risk Management Committee

Rajeev Anand- Chairman
Prabal Kumar Sarkar
Manish Bhatia
Taishi Nojima
Ho Yeu Guan

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

DIC India Limited started its journey in 1947 as Coates of India Limited. In early 2000, it came under the umbrella of DIC Corporation, Japan consequent to a global acquisition. DIC India prides itself as being one of the largest companies in the printing, publishing and packaging industry in India.

The Company has continuously surpassed its own 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 better benefit its clients.

Under a dynamic leadership, the Company has been on a steady road of growth 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.*

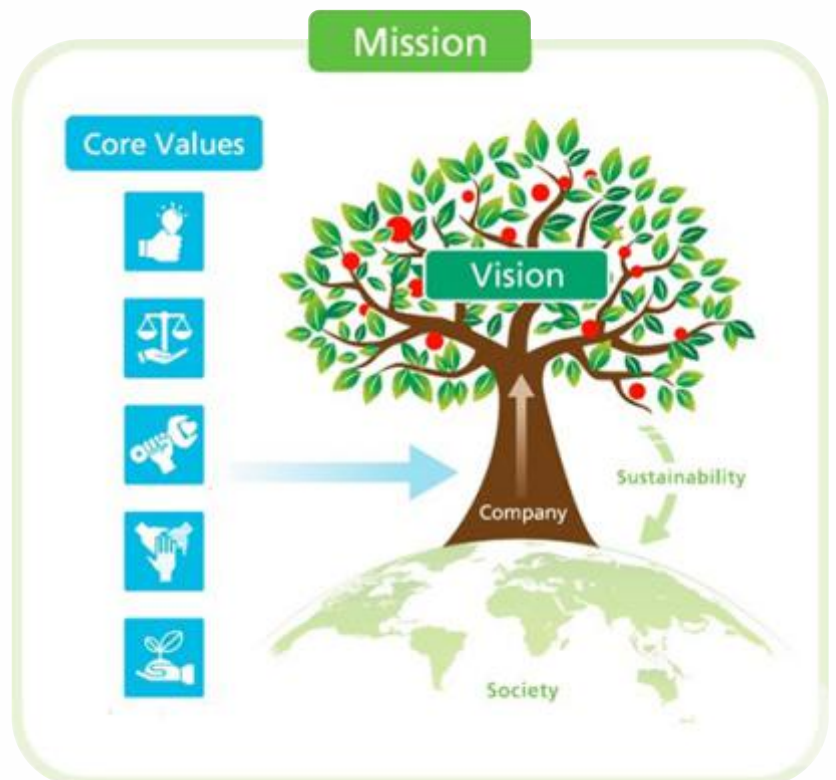
Integrity: Be honest, forthright, and ethical in all dealings with customers, suppliers and coworkers.*

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

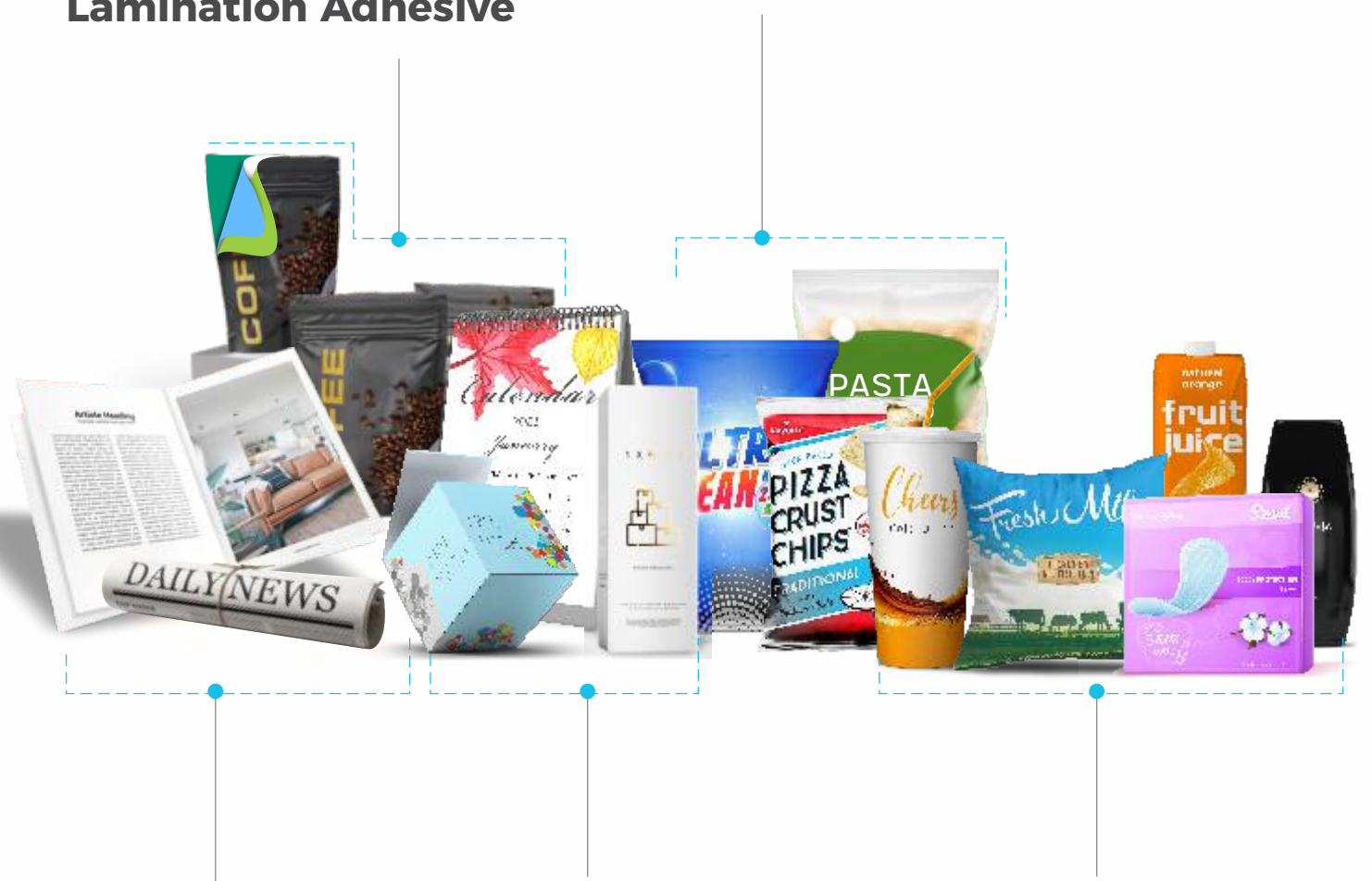


Product Portfolio

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.

Lamination Adhesive

Gravure Inks



News Inks

Offset Inks

Flexographic Inks

Touching your life every day



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Product Portfolio

News Inks

Over the years, DIC India has established itself as the top supplier of news inks that are adaptable to low and high press speeds, provide time-saving curing and finishing properties and fulfill the extremely demanding applications on newsprint and paper stocks of all kinds.

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.

Broadly our news inks are offered in 3 categories:

Slow Speed Inks

Slow-speed news inks from DIC India are ideal for lower volume new printing machines while improving mileage and providing different color strengths. Our slow-speed news ink has been the ink of choice for many local vernaculars across India over the years. The slow-speed ink is ideal for cloth, brush, and spray damping systems.

High-Speed inks

High-speed inks by DIC India are known for their excellent printability. The improved pigment dispersion level provides the best quality consistency in the industry. The slow-speed ink is ideal for turbo and spray damping systems. All our high-speed inks are WIN IFRA and ISO 2846-2 compliant.

High-Speed UV Inks

The high-speed UV ink by DIC India is known for its high productivity, curing speed, and printing speed. The high-speed UV inks by DIC India don't have the common industry problem of the scratch mark despite the heavy coverage.

Offset Inks

DIC India offers a huge range of offset inks such as Geos G, Geos G Select, Fusion G, along with our MO Free inks like LT Spectro MO free, Genexer MO free and our latest range of inks like Gravure Silver, etc. for applications on board packaging material, the printing of books, magazines, marketing POP material, catalogs, calendars, posters, playing cards to name a few applications. We also offer UV inks for offset application which offers unique brightness, high scuff along with high productivity. We also offer Overprint varnishes (OPV) in the form of primers along with gloss and matt OPV or texture coatings. Our concentrates are ideal for high color saturation with fast work & turnaround which results in brand color reproduction.

Offset Commercial Inks

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.



Offset Packaging Inks

DIC's range of offset packaging ink provides good gloss and robust lithographic properties for running in all modern offset presses in packaging printing solutions.



The ink is perfectly suited for all types of applications for the printing of Food packaging cartons as per FSSAI guidelines mono cartons, rigid boxes, chewing tobacco, crockery boxes, footwear boxes.

UV Varnishes

We also offer Overprint varnishes (OPV) in the form primers along with gloss and matt OPV or texture coatings. Our UV Varnishes provide high performance, UV curable, low migration foil stampable coating designed for printing of non-food contact surfaces of primary or primary outer wrap food packaging to eliminate migration effects.

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.





Product Portfolio

Gravure/Liquid Inks

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.

Lamination Inks

This premium product range at DIC includes inks formulated for reverse printing on treated BOPP, treated & plain Polyester film, Nylon, Cellophane, and Polyvinyl acetate film. Laminates printed with Smart Ink are most suitable for packaging food products like snack food, dry mixes, oil pouches, coffee, cheese, fish, processed meat, as well as detergents and personal hygiene products.

Surface Printing Inks

This category includes inks to print on paper packs, tea bags, foils, pharma boxes, detergent, and milk packs, and much more. A range of surface printing inks with oil-resistant properties, it is a unique range of inks for gravure printing. These inks are especially suited for deep freeze application, oil, and milk packaging and can be printed on Polyethylene and Polypropylene film.

Gravure/Liquid inks from DIC India are known for their Printing speed, color consistency, and defect-free printing on the Rotogravure Printing machines. We have also designed a range of Gravure inks to comply with the Toluene ban undertaken with the revision of BIS standards.

Non-Toluene Inks

DIC India has been advocating the implementation of the new BIS standard with non-Toluene inks like Smart KF, Smart KF, HSTF and Ultralam NT. Our collection of Toluene free inks provide the required migration limits for sensitive products and are suitable for packaging of snack food, frozen food, boil and retort pouches, soap, detergents etc. and more.

Water based Inks

DIC India product portfolio offers a boutique of water based with high solid and color strength while being environment friendly which can be used to print at lower GSM and with low drying cost. It has no solvent consumption with lower print cost



Flexographic Inks

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. These can be used for surface and reverse printing. The unique DIC advantage offers a great value to the converters in terms of versatility, cost-effectiveness, low inventories, inks recyclability, and high productivity. The ink systems offer a huge reduction of raw material components imparting a competitive edge to the printers.

The various types of flexographic inks from our portfolio are:

High-Performance Topcoats

Suitable for a range of diverse applications such as:

Pressure sensitive labels

Shrink sleeves

IML

Tubes printing

Rotary silk screen

Self-adhesive labels

Solvent Based Flexo Inks Product Range

This is a range of moderate flexographic inks with good product resistance for printing on numerous polyolefin

films. These inks have high strength with high transparency and excellent gloss. This system offers good printability and tonal reproduction at higher printing speeds along with resistance towards water, milk, fat, and oils (OPV required). This range is one of the best black inks in the Indian Flexo Market, namely Corona Hi-Tone Black, in terms of jetness and density.

Water-Based Flexo Inks and Special Coatings

DIC India water based Flexo inks product portfolio offers a boutique of water based flexographic ink formulations to develop the water-based inks like Daiol for Flexo Printing. Our water based Flexo inks contain almost 80% water as Base liquid material during the manufacturing of the water based flexo printing ink.





Lamination 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 μ . 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 Product Range

PVBS Adhesive: It is a special purpose adhesive used in photovoltaic back sheets. The suitable applications are for lamination to EVA (electrode layer). The adhesive enhances the durability of electrodes by 10 to 40 years enabling electrical insulation while keeping power generation efficiency. The PVBS adhesive is used between fluorine film and PET film.

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

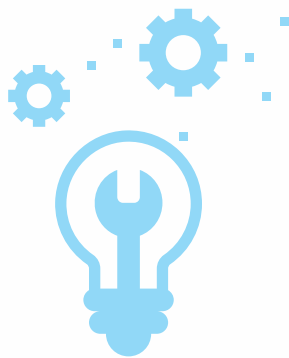
DIC India offers a wide range of metal decorating inks for offset process printing on general cans, beverage cans, food cans and tubes for packaging of food, beverage, cosmetic and pharmaceutical products.

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.



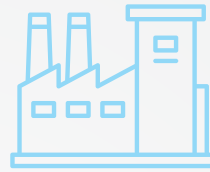
Technical Centre





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Manufacturing Facilities



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

Our Sustainability Policy

Our Approach

At DIC India Limited, it is our responsibility to raise awareness about environmental issues that are inherent in our industry and supporting issues raised by regulatory and customer-driven forces. As a market leader backed with a history of strong commitment and integrity, we will continue to access the impact, innovate, develop and drive change in our product portfolio that are more sustainable from both an economic and environmental dimension.





Together with DIC Group, we have in place rigorous development processes and analytical tools that guide our choice of materials and the safety of our products. We strive to use effective manufacturing process that demonstrate environmental excellence through reduced waste generation, lower energy and water usages, and coupled with strong safety performance as measured by several key metrics – greenhouse gas emissions, energy and water consumption, carbon footprint and safety record and continuously work towards reducing our carbon footprint by 2025 and 2030 as per the Group’s target. We are committed to meeting local regulatory requirements, and to 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 based approach in our efforts.

To ensure we understand our impact, we measure key metrics – greenhouse gas emissions, energy and water consumption, carbon footprint and safety record and continuously work towards reducing our carbon footprint to 2025 and 2030 and aligning to Group’s target.

The result of all our efforts is our ability to provide our consumers with eco-efficient and sustainable 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.

DIC 111				
	Climate change. Resource conservation.	Sustainable use of natural resources.		Food, Safety and Health.
Social issues	   	  		 
Primary value of our products	<ul style="list-style-type: none"> • Contain renewable raw materials • Energy saving and thermal insulation • Reduce weight • Cope with marine plastics 	<ul style="list-style-type: none"> • Recyclable • Reduce waste • Long life • Reduce volume 		<ul style="list-style-type: none"> • Health and comfort • Reduce food waste • Low VDCs and safety



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Our People

In 2021 DIC India took rapid steps towards digitization of its processes, building deeper engagement with employees and investment in physical and emotional well-being of employees. The year 2021 had a significant impact in Q2 due to Covid-19 wave. The company however was able to support employees and their families through its internal Quick Response Team in all its locations, who could mobilize hospitalization, oxygen support, medicine, and other tertiary support as and when needed. Further our preparedness in the year 2020 immensely helped us to embrace “New Normal” to ensure business continuity & contribution. During the year we always ensured that our employees are well engaged, informed and supported.

To ensure employees’ well-being, we launched a digital initiative called “**DIC-SWASTHYA (health)**” towards employees’ wellness program which was aimed to enhance physical & mental well-being of employees and contributing tangibly towards productivity, reducing stress levels & staying focused in their work. In addition, we also organized “Vaccination Camp” at most of our manufacturing locations to ensure that all our employees are vaccinated & achieved 99% coverage of employees fully vaccinated by fourth quarter of 2021. To strengthen our bond with employees’ family during the testing times, we organized digital events like “Katha (Story Telling Competition)” & “Chitraankan (Painting competition)” for Kids wherein our kids of all age group starting from 8 years to 18 years participated with full enthusiasm & confidence as a true picture of adopting “New Normal”.

In 2022, we will continue to ensure “Employee Safety” & “Employee well-being” along with driving employee engagement through capability building initiatives. As on 31st December 2021, the company had 492 on roll employees working with us.



Chitrakala



Chitraankan



Environment, Health and Safety (EHS)

The Companies Environment, Health and Safety (EHS) policies, programs and initiatives are developed to ensure long term sustainable growth of the Company, its employees, shareholders and communities we operate in.

Environment

At DIC India we believe in adopting a cohesive approach to environmental sustainability in line with national & international requirements and mandates that encourage businesses to adopt greener processes. Considering that we have 4 manufacturing plants and 1 R&D center, we seek to follow a systematic approach to minimize the environmental footprint of our operations while fulfilling the needs of our customers.

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

CO₂ Emission Reduction

Some of the key project which DIC India has been implementing, which should result in the ongoing reduction of energy usages includes:

- Replacement of old fans by BLDC Fans.
- Reduction in Air leakages from compressed air system.
- Optimum utilization of utilities/ Shutting off utilities during weekends/ holidays.
- Replacement of old AC's with energy efficient Air Conditioner.
- Various process improvement and batch size improvement initiatives.
- Synchronization of compressors to run as per demand.

Water Conservation

We keep on improving our processes to ensure water consumption is kept as low as possible. In 2021 some of the key projects implemented which contributed towards water reduction includes:

- 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.

These initiatives have resulted in approximately 7.8% reduction in freshwater consumption.

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. Key initiatives taken in 2021 for reduction of waste includes:

- 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.

Above initiatives has contributed towards approximately 8.8% reduction in waste minimization.

Safety

At DIC India, we have "Safety First" culture and we follow industry-accredited best practices on occupational health and safety across all our operations. 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.

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. We reported total 678 unsafe acts, conditions and near miss in 2021.

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 8722 Hrs. of EHS Training in 2021.

Our safety performance is routinely monitored by the Board and the Regional Office. 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. In 2021, DIC India has reported Zero recordable or Loss Work

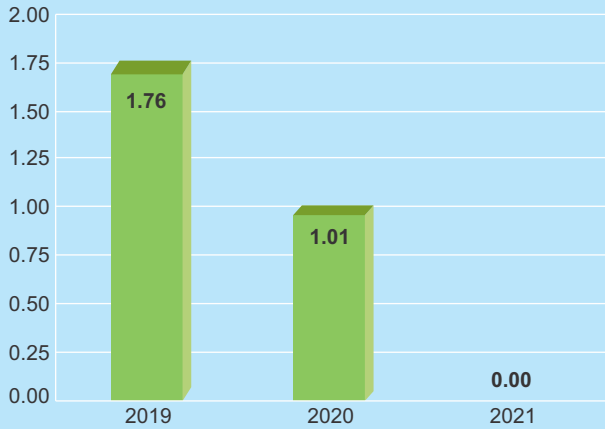


Color & Comfort

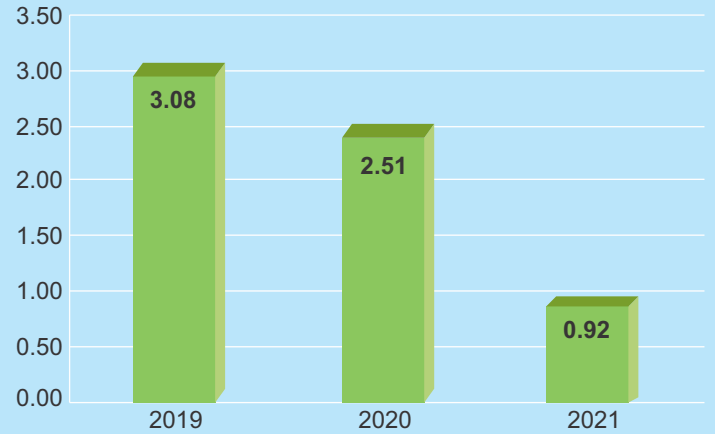
Days incident. With this DIC India has also achieved more than 3.3 mill accident free hours. Total Recordable Incident

Rate (TRIR) and First Aid Injury Rate (FAIR) has significantly decreased during the year.

Total Recordable Incident Rate (TRIR)



First Aid Incident Rate (FAIR)



Health

The Covid-19 pandemic created an unprecedented crisis globally. The first wave took us by surprise, however in second wave, we were well prepared and activated our Business Continuity Plan in advance to take care of wellbeing of our employees as well requirements of our customers. We divided entire workforce to work in two groups to maintain social distancing to control spread of the virus. To mitigate the effects of the outbreak and providing medical support to our team various initiatives were taken, which included:

- 100% utilization of digitized training module during Covid-19
- Vaccination Camp organized for both the doses.

- Organized health talks with medical experts.
- Provision of oxygen concentrator, for medical emergencies for employees or their families.
- Temperature monitoring at the time of entry and exit.
- Provision of double mask on daily basis for everyone.
- Sanitization between the shifts.
- Enhanced the Medical insurance coverage of all employees and ensured Home Isolation of infected employees/families are also covered under Medical insurance.
- Working in groups to avoid any cross contamination.
- Ensuring proper medical support and care for all infected employees or their families.



Plant Head-Bangalore is administering Safety Oath with all employees during National Safety Week "



Employee is being Rewarded for his contribution in Safety by Plant Head - Ahmedabad



Employees of Ahmedabad Plants are planting trees during World Environment Day" June 5, 2021"



Employees of Ahmedabad Plants is standing with Environment Day Banner, to start various employee engagement activities planned during Week Long Event to celebrate World Environment Week.



Training on Basic Life Saving First Aid & Rescue Techniques being conducted by external expert at Noida Factory

Corporate Social Responsibility (CSR)

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

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

In year 2021, the Company actively worked on the following three CSR initiatives under the thematic areas chosen:

The "Deeksha" program for girl 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 girl child education and nurture a better community around our upcoming mother plant in Bharuch. This shall not only improve the education level of girls but also improve on quality employable manpower in the near future.

Under the "Deeksha" and "Disha" programs, girls and women from underprivileged families have been brought under our wings to be guided and groomed for a successful future with quality education and thorough hands-on vocational training.

Our programs of Deeksha, Disha and Saksham are been executed by our experienced NGO partner Jeevan Tirth who expertises in execution of United Nations sustainable goals.



On similar lines of United Nation Sustainable goals, DIC India also launched "Disha". In line with the National Skill Development Council's curriculum to upskill women from marginalized communities, our "Disha" program will help women learn computer skills which shall in turn help them to be job-ready and provide women quality opportunities with the Computer Skill Development course.

As we race ahead to help our partners with innovation in printing inks in every nook and corner of the country, DIC India is establishing a new master plant at Bharuch, Gujarat.

Through the "Deeksha" program DIC India has ensured that quality education will be imparted to the future stars with interactive learning modules. All girls 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 donated an Ambulance to enable better medical facility and medical services to the needy people of the surrounding villages. This fully equipped Ambulance shall help the society around Saykha to have better and faster reach to the available medical facilities with ease and comfort.



Color & Comfort

Notice

DIC INDIA LIMITED

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

CIN: L24223WB1947PLC015202, Website: www.dic.co.in

Email id: investors@dic.co.in Tel: +91 33 24496591

Notice

NOTICE is hereby given that the Seventy Fourth (74th) Annual General Meeting of the Members of DIC India Limited will be held on Tuesday, March 22, 2022 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, 2021, and the Reports of the Board of Directors and the Auditors thereon.
2. To declare Final Dividend of INR 3.00/- (Rupees Three only) per equity share, for the Financial year ended December 31, 2021.
3. To declare Special Dividend of INR 2.00/- (Rupees Two only) per equity share to Commemorate 75 years of company for the Financial year ended December 31, 2021.
4. To appoint a Director in place of Mr. Ho Yeu Guan (DIN: 08066136), who retires by rotation and being eligible, seeks re-appointment.

Special Business

5. 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, 2022, 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 11, 2022

Sd/-

Raghav Shukla

Corp. GM- Legal &
Company Secretary

M.No. F5252

Notes:

1. In view of the continuing COVID-19 pandemic and to follow Social distancing norms, the Ministry of Corporate Affairs vide its 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 74th 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. 24 below and is also available on the website of the Company at www.dic.co.in .
3. **The helpline number regarding any query/assistance for participation in the AGM through VC/OAVM is 1800-222-990.**
4. 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.
5. 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.
6. 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.
7. Members can raise questions during the meeting or in advance at 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.
8. Corporate members are requested to send at investors@dic.co.in, rta@cbmsl.com or 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.
9. 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.
10. The Register of Members and Share transfer books of the Company will remain closed from Wednesday, March 16, 2022 to Tuesday, March 22, 2022, both days inclusive.
11. 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.
12. The Final and Special Dividend for the financial year ended December 31, 2021, 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. Tuesday, March 15, 2022. 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, there dividend warrants/cheque shall be dispatched through post.
13. 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.



14. 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. 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 and 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.
15. Pursuant to the provisions of the Companies Act, 2013, no dividend was declared for the year ended December 31, 2014. Hence, no unclaimed dividend stands due to be transferred to 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.
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.
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 Tuesday, March 15, 2022, 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 Saturday, March 19, 2022 and will end at 05.00 P.M. (IST) on Monday, March 21, 2022. 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. 25** for detailed procedure to vote through e-voting). The Company has appointed Ms. Binita Pandey, Practicing Company Secretary, 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.25**. 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. 25**.
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 Saturday, March 19, 2022 at 09.00 A.M. IST and ends on Monday, March 21, 2022 at 05.00 P.M. IST. The remote e-voting module shall be disabled by NSDL for voting thereafter.
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 09, 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
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” 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 “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL 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 & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 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. 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 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. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <div style="text-align: center;">   <p>NSDL Mobile App is available on</p>   </div>

<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/ Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>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.</p>
<p>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.</p> <p>Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.</p>	
Login type	Helpdesk details
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30</p>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43</p>

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 101456 then user ID is 101456001***

<p>5. Password details for shareholders other than Individual shareholders are given below:</p> <p>a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.</p> <p>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.</p> <p>c) How to retrieve your 'initial password'?</p> <ul style="list-style-type: none"> • 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'. • If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
<p>6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:</p> <p>a) Click on "<u>Forgot User Details/Password?</u>"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nSDL.com.</p> <p>b) <u>Physical User Reset Password?</u>" (If you are holding shares in physical mode) option available on www.evoting.nSDL.com.</p> <p>c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.</p> <p>d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.</p>
<p>7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.</p>
<p>8. Now, you will have to click on "Login" button.</p>
<p>9. After you click on the "Login" button, Home page of e-Voting will open.</p>

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 General 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.
22. General Guidelines for shareholders
 - a. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a 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 email to csbinita.tca@gmail.com with a copy marked to evoting@nsdl.co.in
 - b. 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 to reset the password.
 - c. In case of any queries , you may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 send a request to or contact Mr. Amit Vishal, Senior Manager/Ms. Pallavi Mhatre at E-mail id evoting@nsdl.co.in.
 - d. The voting rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of Tuesday, March 15, 2022.
 - e. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the Notice and holding shares as on the cut-off date Tuesday, March 15, 2022 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or rta@cbmsl.com . However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800 1020 990 / 1800 22 44 30 / 1800 222 990.
 - f. 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 to reset the password.
 - g. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting or casting vote through e-Voting system during the Meeting.
23. 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:
 - a. 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 or rta@cbmsl.com.
 - b. 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 or 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.
 - c. Alternatively member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by providing above mentioned documents.

- d. In terms of SEBI circular dated December 09, 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.
24. The details of the process and manner for participating in Annual General Meeting through Video conferencing are explained herein below:
- a. Member 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 link” placed under “Join General meeting” menu against company name. You are requested to click on VC/OAVM link placed under Join General 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.
- b. Members are encouraged to join the Meeting through Laptops for better experience.
- c. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- d. 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.
- e. Shareholders who would like to speak during the meeting are requested to register themselves as a speaker by sending request mentioning their name, demat account number/folio number, email id, mobile number at investors@dic.co.in and at rta@cbmsl.com latest by 05.00 P.M. (IST) on Friday, March 18, 2022. The Speakers are also requested to keep their speech short.
- f. Shareholders are requested to mail their queries in advance mentioning their name demat account number/folio number, email id, mobile number at investors@dic.co.in or rta@cbmsl.com latest by 05.00 P.M. on Friday, March 18, 2022. The same will be replied by the company suitably.
- g. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- h. When a pre-registered speaker is invited to speak at the meeting but he / she does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to get connected to a device with a video/ camera along with good internet speed.
- i. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, for smooth conduct of the AGM.
- j. Members who need assistance before or during the AGM, can contact Mr. Amit Vishal, Senior Manager, NSDL and / or Ms. Pallavi Mhatre, Manager, NSDL at evoting@nsdl.co.in or call 1800 1020 990 / 1800 22 44 30 / 1800 222 990.
25. The details of the process and manner for e-voting at the Annual General Meeting are explained herein below:
- a. The procedure for e-Voting on the day of the Annual General Meeting is same as the instructions mentioned above for remote e-voting.
- b. Only those Members/ shareholders, who will be present in the meeting 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 Annual General Meeting.
- c. Members who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the meeting.

- d. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the Annual General Meeting shall be the same person mentioned for Remote e-voting.

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013

Item No.5

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 11, 2022 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, 2022 at a remuneration of Rs. 45,000 (Rupees Forty Five Thousand Only), exclusive 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 Companies Act, 2013 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. Ho Yeu Guan

Mr. Ho Yeu Guan graduated with a Degree in Accountancy from the National University of Singapore in 1982 and further obtained his Certified Public Accountant (CPA) status in 1989. In his entire career journey, Mr. Ho worked in reputed global MNCs and accumulated more than 32 years of valuable and in-depth knowledge in the Accounting and Finance functionality. In April 2005, Mr. Ho joined DIC Asia Pacific Pte. Ltd. in Singapore as a Regional Finance Manager. He worked diligently and developed the business acumen needed to successfully support the business managers from a financial and accounting perspective.

Age-64 Years

Nature of expertise in specific functional areas – Governance, Finance, Risk, People & Talent understanding, Strategic Leadership.

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

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

Shareholding in the Company – NIL

Registered Office:
 Transport Depot Road
 Kolkata – 700 088
 Noida
 February 11, 2022

By order of the Board

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



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DIC India Limited

Boards' Report

Dear Shareholders,

Your Directors take pleasure in presenting the 74th 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, 2021.

Financial Highlights

(Rs.in Lakhs except EPS figure)

Particulars	Year ended	
	December 31, 2021 (Audited)	December 31, 2020 (Audited)
Revenue from Operations	74,482.95	60,825.48
Other Income	952.59	734.71
Total Income	75,435.54	61,560.19
Total Expenses	73,759.41	60,234.95
Profit before Exceptional Item and Tax	1,676.13	1,325.24
Exceptional Item:	-	9,762.53
Profit Before Tax	1,676.13	11,087.77
Tax Expense - Current tax	407.51	2,522.50
- Deferred Tax Charge/ (Credit)	29.77	(24.77)
Total Tax Expenses	437.28	2,497.73
Profit for the Period/ Year	1,238.85	8,590.04
Other Comprehensive Income/ (Loss)	(34.68)	(28.66)
Total Comprehensive Income for the Period/ Year	1,204.17	8,561.38
Paid-up Equity Share Capital	917.90	917.90
Earnings per equity share (of Rs.10 each) (not annualised)		
(a) Basic	13.50	93.58
(b) Diluted	13.50	93.58

State of Company's Affairs

Your Company recorded a turnover of Rs. 7421.49 million in the current year against Rs. 6060.52 million in the previous year. The sales volume was higher by 7% against 2021 with a value growth of 23%. The Company faced multiple challenges during the year led by continuous rise in raw material cost due to availability issues and increase in crude prices coupled with constraints in global supply chain leading to delayed shipment.

The Company operates in two segments Printing Inks and Lamination Adhesives. The turnover of Printing Inks registered a growth of 25% at Rs. 6876.70 million against a sale of Rs. 5511.08 million in 2020. The Adhesive segment did not have a growth and recorded a sale of Rs. 571.60 million against Rs. 571.46 million in 2020. The Company registered a Profit Before Tax and exceptional income (including Other Comprehensive Income) of Rs. 162.90 million for the year ended 31st December, 2021 against a Profit Before Tax (including the Comprehensive Income) of Rs. 128.69 million in the previous year. On an overall basis, including the exceptional Income and Comprehensive Income, the Profit Before Tax was Rs. 162.90 million for the year ended 31st December, 2021.

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. 3.00 (Rupees Three only) per equity share for FY 2021 and a special dividend of Rs. 2.00 (Rupees Two only) per equity share for FY 2021 to commemorate 75 years of the Company, 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 Tuesday, March 22, 2022. The dividend once approved by Shareholders will be paid on and from April 05, 2022.

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, 2022 to March 22, 2022 (both days inclusive).

Transfer to Reserves

The Company has not transferred any amount to the General Reserve for the financial year ended December 31, 2021.

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, 2021.

Change in Share Capital

The paid-up share capital of the Company as on December 31, 2021 was Rs. 91.79 million 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 seven 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 Companies Act, 2013 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 Companies Act, 2013 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 Companies Act, 2013 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 or made any investments prescribed under Section 186 of the Companies Act, 2013.

Subsidiary/Associates/Joint Venture Companies

The Company does not have any subsidiary/associate/joint venture company for the year ended December 31, 2021.

Deposits

In terms of the provisions of Section 73 to 76 of the Companies Act, 2013 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 2021 as per provisions of the Companies Act, 2013 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, 2021, the Company had 492 employees (previous year 496) 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. 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 raised during the year ended December 31, 2021.

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.

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 Sec 135 of the Companies Act, 2013 and applicable Rules, for the year ended December 31, 2021, the Company had a corpus of Rs. 20.46 Lakh in its CSR funds to be spent towards CSR activity.

As part of DIC India Corporate Social Responsibility, the Company actively worked on the following three CSR initiatives:

- The first Initiative "Deeksha" focuses on imparting Girl Children education program covering 150 Children in the age group of 5 years to 12 years of surrounding Villages adjacent to our project site at Saykha. They were imparted "VaaGaLe" – Reading, Writing & Arithmetic – competency through our program aligned with the school curriculum.
- The Second initiative "Disha" pertains to Girls' Skill Development wherein 30 girls were imparted Skill development program based on Computer skills learning.
- The third initiative was based on the objective of enabling better medical facility and medical services to the needy people of the surrounding villages near our project site i.e. Saykha. As a part of this initiative, we donated a fully fitted ambulance to local authorities at Talkua Health Office.

The Company, in the Financial Year 2021 has fully utilized the CSR Corpus and spent Rs.20.51 Lakh towards Corporate Social Responsibility. The Annual Report on CSR activities, in terms of Section 135 of the Companies Act, 2013, and the Rules framed thereunder, 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.

Business Responsibility Report

The Securities and Exchange Board of India ('SEBI') requires companies to prepare and present to stakeholders a Business Responsibility Report ('BRR'). Company has prepared the Business Responsibility as per the Suggested Format of SEBI. The BRR is annexed to this Report as **Annexure G**. The same is also available on Company's website <https://www.dic.co.in/investors/corporate-news>.

Directors

During the year under review, Mr. Dipak Kumar Banerjee (DIN: 00028123) and Dr. Reena Sen (DIN: 07082198) Independent Directors, stepped down from the Board of the Company w.e.f. March 21, 2021 upon completion of their term.

The term of Mr. Manish Bhatia, Managing Director and Chief Executive Officer (DIN: 08310936) has expired on January 29, 2022 & that of Mr. Taishi Nojima, Whole Time Director (DIN: 08401012) expired on December 25, 2021. The Company has sought Members' approval through Postal Ballot for the re-appointment of Mr. Manish Bhatia (DIN: 08310936), Managing Director and Chief Executive Officer and Mr. Taishi Nojima (DIN: 08401012), Whole-time Director w.e.f. January 30, 2022 and December 26, 2021 respectively.

In terms of Applicable provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Ho Yeu Guan (DIN: 08066136), Director of the Company retires at the ensuing AGM and being eligible, seeks re-appointment.

The necessary resolutions for re-appointment of Mr. Ho Yeu Guan forms part of the Notice convening the ensuing AGM scheduled to be held on Tuesday, March 22, 2022.

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

Key Managerial Personnel

In terms of Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company are:

- **Mr. Manish Bhatia**– Managing Director & Chief Executive Officer
- **Mr. Taishi Nojima**- Whole Time Director
- **Mr. Sandip Chatterjee** - Chief Financial Officer
- **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:

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- 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;
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- The Directors had prepared the annual accounts on a going concern basis; and



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- 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.
- 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.

Statutory Auditors' Observations

The Auditors' Report on the Financial Statements for the Financial Year ended December 31, 2021 is an Unmodified report and does not contain any qualification, report of fraud, reservation, adverse remark or disclaimer and do not call for any further comments.

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, 2021. The Secretarial Auditors' Report for the financial year ending December 31, 2021 is annexed to this Report as **Annexure H**. There are no qualification, reservation, adverse remark or disclaimer in the said report and do not call for any further comments.

Cost Auditor

In accordance with the provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014, 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. Accordingly, 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, 2021.

Transfer to Investor Education & Protection Fund

During the financial year ended December 31, 2021, unpaid or unclaimed dividend for the financial year ended December 31, 2013 amounting to Rs. 2,82,244 were transferred to the Investor Education and Protection Fund established by the Central Government, in compliance with section 125 of the Companies Act, 2013. Further, 14,982 Shares were transferred to Investor Education and Protection Fund during Financial Year ended December 31, 2021.

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 11, 2022
Noida

Sd/- Partha Mitra
Director
DIN: 00335205

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



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Annexure A

Management Discussion and Analysis Report

Economic Environment

The Indian Economy, after a decline in 2020, saw a revival in growth in early 2021, but the severe Delta wave caused a setback in demand. There has been a recovery in the second half of the year; however, the net gains over two years (2019-2021) are marginal, and the economic survey further substantiates these.

The year also experienced the unprecedented impact of extraordinary inflationary pressures on the Indian Economy. The revival in demand in Europe & America and production restraints in East Asia, especially China due to climate-related controls, have led to doubling of lead times and a lack of easy access to critical raw materials. These developments have created a sizeable challenge to maintain an efficient supply chain for customers.

The crude prices moved up by approx. 60% on YOY basis exit December, this has caused pressure on crude indexed raw materials and solvents, which forms backbone of many business groups. Many critical raw materials have seen a 100%+ inflation as per ICIS global report.

The global container movement index “Drewry World Container Index” has projected a 5X surge in inbound freight to India, which has put increased inflationary pressure on imported raw material

Further, due to base effect in Q4 CY 2021, India’s high-frequency macroeconomic numbers are edging downwards while staying in the expansionary zone. However, the GST collections remain strong, partly supported by inflationary trends and uptake in demand.

Few Initiatives taken by the government can have a positive impact on the Indian economy and especially the Indian chemical industry in the long run:

The government has started various initiatives, such as mandating BIS-like certification for imported chemicals to prevent dumping cheap and substandard chemicals into the country.

The accelerated pace of vaccination has ensured a reduction in risk of severe Covid 19 infection and should accelerate the movement towards normalisation of the business environment.

India continues to live up to its climate mitigation promises. It is also well ahead of the target to achieve other ambitious commitments such as making renewables 40% of its energy mix by 2030 and managing the sequestration of 2.5 billion tonnes of carbon. At the United Nations Climate Change Conference of the Parties (COP26), in Glasgow, Scotland, the Prime Minister committed India to an ambitious Panchamrit pledge to see the country address five key sectors of its economy to reduce its greenhouse gas emissions. The five sectors - energy, mobility, industry, infrastructure and cities, and agriculture - are critical to achieving the global 1.5-degree celsius warming target. This will enhance the focus on SDG (Sustainable Development Goals), which will benefit DIC in the long term, as the Company is globally committed to taking an accelerated path on this journey.

The Covid 19 has caused many changes in the way products and services are consumed; this will require a strong focus on reskilling human capital & productivity. However, the demand pattern continues to change with a shift towards digitisation of publication and sustainable packaging.

The Company will have to watch the headwinds impacted by strengthening raw material prices on the domestic and international front and will continue to focus on value creation and value engineering.

Opportunities & Threats

Opportunity

DIC India has a multi-location footprint. This supply chain footprint has been used to our advantage over the last two years to ensure uninterrupted service in the most challenging times to our customers. The Company will continue to leverage these for improving customer service while focussing on productivity and efficiency and rationalising some service points with a focus on cost to serve.

The Company also initiated a new greenfield project in Gujarat. Once completed, this project will ensure enhanced accessibility for emerging new businesses in western India & support the introduction of new products from the DIC global platform.

The Company focuses on improving our operations' sustainability and has reported improvement on all the critical parameters: CO₂ emission, water consumption, and waste management. The Company believes its strong focus on ESG and innovation roadmap will help create a long-term competitive advantage.

Threats

In 2021, there was a revival in the printing ink industry compared to 2020, but the revival has remained 20-30% below pre-Covid levels even during the festive season. Increased digitisation in the country, driven by the Central government, has structurally impacted the printing inks industry. DIC India initiated a reorientation of its business towards packaging in 2019 end while maintaining its leadership position in the publication segment.

The segment has been further impacted as a sizeable portion of raw material is crude indexed and which has seen a steep surge.

The Company continues to drive efficiencies in this segment to remain a preferred supplier of choice. However, its operating model has also taken structural corrections to align with emerging demand trends.

DIC also reoriented its business with a stronger focus on packaging to mitigate this threat. In line with this, it has invested in people and technology to support its drive towards packaging.

Segment-wise Performance and Industry Outlook

The packaging business, especially the flexible packaging business, after a quick revival in 2020, which saw a shift towards packaged food, witnessed muted demand in 2021. Due to inflationary pressures, the FMCG industry focused on optimising pack sizes and rationalising colour and packaging, which impacted demand. The segment also saw unprecedented raw materials (RM) inflation, and the Company was able to mitigate pricing impact and ensure it deployed appropriate strategies in line with business plans.

The packaging segment products like adhesives saw aggressive pricing actions to maintain share by select industry sections. However, the Company continued to maintain a strong focus on profitability. It also introduced products for new emerging segments and export markets, which will help broaden its user industry base in the long run.

The Company was able to expand its rigid packaging portfolio in 2021. Innovations and expansion of share with key national accounts have helped the Company grow its market share in this segment. However, the publication inks business which showed recovery over 2020 had seen a systematic drop in demand. The shift in advertising to Digital was also reflected in weaker pagination compared to pre Covid levels. The Company retained its leadership position by adopting suitable portfolio strategies with emerging market needs.

The commercial printing offset inks showed an improved demand, with the revival in the Economy. Though this segment was severely impacted, as a sizeable part of raw materials are crude indexed, the Company leveraged its global supply base to remain competitive and expand its share of the business.

Risk & Concerns

The year 2021 experienced mixed demand patterns, impacted by severe Covid wave in Q2 CY 2021 and some slowing down in demand due to lower rural consumption numbers in H2 2021. The unprecedented raw material increase in, few critical raw materials experienced over 100% inflation and expansion of lead times by 30-90 days, have put the supply chain under stretch. To ensure seamless customer service, most companies, including your Company, must focus on building strategic RM reserves. This will continue to impact 2022.

The Omicron wave in India seems to be waning. However, it has slowed down the economy at the beginning of the year. Any future resurgence of Covid could impact the fragile revival.

Credit availability continues to be a challenge across the packaging industry, as longer lead times and inflation in raw material and finished goods have resulted in capital lock-in (and hence increased working capital demand). This appears to be having a negative impact, as some customers and suppliers are challenged to access capital to service their businesses. The inflation in the country and globally may compel central banks to initiate an increase in interest rates to contain it. This will cause a further challenge in accessing working capital funds by suppliers and customers and pressure the industry payment cycle.



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Annexure A

The Toluene ban, though announced by the government, has seen weak enforcement and resultant inflation, which can cause negative bias in the market shift towards toluene-free inks. This can have a short term impact on product introductions in this segment.

Business Strategy

DIC India has remained an Industry-leading Company in India over the last 75 years by maintaining a strong focus on quality and customer service. To support and expand its leadership position, the Company focuses on I- ESG (Innovation- Environmental, Social, and Governance) to transform its business.

In line with this the Company initiated a Digital First approach. The Covid 19 accelerated this initiative. The Company has been able to strengthen this initiative which introducing digital tools in almost all aspects of business decision making like Employee connect, Customer Interface for technical resolution, automation of internal processes to strengthen the governance, implementing digital initiatives in the plants to manage its production yields and deliver an improvement in sustainability goals.

The Company continues to invest in marketing drive, aligned with the digital-first approach and is leading its peers in leveraging various digital platforms to enable stronger customer connections.

The Company focuses on an aggressive cost optimisation program, strengthened by its digitisation drive. It has aligned its manufacturing footprint and blending operations in line with the cost to serve focus and will continue to drive the productivity of its assets in that direction.

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

The Company continues to invest in risk identification at its manufacturing sites. It proactively initiates robust plans to mitigate these risks, focusing on improving operational efficiency to strengthen performance on its environmental goals in line with DIC Corporation's stated vision.

Internal Control System and Their Adequacy

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

Financial Performance with Respect to Operational Performance

The Company showed a strong recovery in volume and turnover in 2021 inspite of challenges on raw material availability and supply chain constraints. It also mitigated the negative impact of Covid 19 wave in Q2' 2021. Overall, for the year, the Company performed significantly better than the previous year.

Despite the continued surge in raw materials, the Company strengthened the operational profitability index, especially the inks segment, by implementing a series of productivity improvement and portfolio refresh initiatives.

Human Resource

The Details pertaining to Human Resources has been furnished in the Boards' Report forming a part of this Annual Report.

Disclosure of Accounting Treatment

The financial statements are prepared and presented in accordance with 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").



**Statement pursuant to Section 134(m) of the Companies Act, 2013,
read with The Companies (Accounts) Rules, 2014, forming part of the
Directors' 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 Ahmedabad, Bangalore and Kolkata Plant
- Replacing conventional Fan by BLDC Fan at Kolkata Plant.
- Reduction of utility energy consumption through optimum running time of utility equipments at Kolkata Plant.

FORM - A

Conservation of Energy for the Accounting Period Ended December 31, 2021

(i) Power and Fuel Consumption

(Rs.in Lakhs except EPS figure)

	Fuel Consumption	Units	2021	2020
1.	Electricity			
1.1	Purchased from Electricity Board			
	KWH	Million	3.41	3.25
	Total Amount	Rs. in Million	31.91	29.91
	Average Rate	Rs./Units	9.34	9.21
1.2	Purchased from Others			
	KWH	Million	3.71	3.41
	Total Amount	Rs. in Million	35.78	33.31
	Average Rate	Rs./Units	9.49	9.78
1.3	Own Generation-through Diesel Generator			
	KWH	Million	0.14	0.12
	Unit Generated Per Litre of Diesel	KWH	3.02	3.07
	Average Rate	Rs./Units	25.53	22.4
2.	HSD Used (Other than 1(iii) Above)			
	Ltrs	Million	0.03	0.04
	Total Amount	Rs. in Million	1.95	2.68
	Average Rate	Rs./Units	78.91	65.64
3.	Furnace Oil / PNG			
	Ltrs (PNG)*	Million	0.27	0.27
	Total Amount	Rs. in Million	11.59	8.60
	Average Rate	Rs./Units	43.38	31.40

(ii) Steps taken for utilizing alternate sources of energy

- Solar power for Noida plant is under consideration

(iii) Capital Investment sanctioned/incurred for energy conservation equipment

- Replacement of old AC by New 3 star: Rs.9.00 Lakh
- Replacement of conventional Fan by BLDC Fan: Rs. 2.00 Lakh

(iv) Consumption **per Unit of Production**

Electricity	}	Since the Company manufactures different types of products, it is not practical to give consumption per unit of production.
HSD	}	
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 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.
- Development of LED coating and LED offset to reduce energy and make it more environment friendly

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

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

- Capital Expenditure of Rs. 14.12 million
- Recurring Expenditure of Rs. 62.94 million,
- Total Expenditure Rs. 77.06 million and
- Total R&D Expenditure as a percentage to total Turnover was 1.04%.

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, Japan to import technology and technical information for manufacturing poly-ester, poly-urethane and 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.

4. Foreign Exchange Earnings and Outgo

Exports during the year stood at Rs. 678.02 Million (from Rs. 530.99 million in 2020), registering an increase of 27.69%. Earnings in foreign exchange through exports and other earnings amounted to Rs. 577.27 Million (from Rs. 554.22 million in 2020). 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. 1704.31 million (from Rs. 1560.62 million in 2020).

**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 2021 (Rs in million)	% Increase in remuneration in the financial year 2021	Ratio of remuneration of each director to median remuneration of employees
1.	Mr. Manish Bhatia , Managing Director & CEO	29.73*	6.5 %	26.64
2.	Mr. Dipak Kumar Banerjee# Independent Director	0.15	NA	0.13
3.	Mr. Partha Mitra Independent Director	0.65	NA	0.58
4.	Mr. Prabal Kumar Sarkar Independent Director	0.78	NA	0.70
5.	Ms. Pritha Dutt Independent Director	0.595	NA	0.53
6.	Mr. Rajeev Anand Independent Director	0.875	NA	0.78
7.	Dr. Reena Sen# Independent Director	0.26	NA	0.23
8.	Mr. Masahiro Kikuchi Non-executive Director	Nil	NA	NA
9.	Mr. Ho Yeu Guan Non-executive Director	Nil	NA	NA
10.	Mr. Paul Koek Non-executive Director	Nil	NA	NA
11.	Mr. Taishi Nojima Whole-time Director	9.01	NA	8.07
12.	Mr. Sandip Chatterjee Chief Finance Officer	9.26	7 %	8.30
13.	Mr. Raghav Shukla Company Secretary	6.17	10 %	5.53

* includes variable pay disbursement for 2020

#Ceased to be Director w.e.f. March 21, 2021 upon Completion of term

- **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 2021 was 7.1%.

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.

- **Number of permanent employees on the rolls of company**

The Company had 492 permanent employees on its rolls as on December 31, 2021.

- **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 7.82%. However, the managerial remuneration salary increase was in line with the overall salary increase approach.

- **Affirmation that the remuneration is as per the remuneration policy of the company**

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

Format for the Annual Report on CSR Activities to be included in the Board's Report for Financial Year 2021

1. Brief outline on Corporate Social Responsibility (CSR) Policy of the Company:

DIC India Limited ("the Company") accords great importance to the society and environment alongside its business activities. The Company understands that its activities have wider ramifications on the society as a whole and as such it gives due consideration to all stakeholders viz. Shareholders, Government, Suppliers, Employees, Business patrons and its Local communities. The Company was guided by Schedule VII of the Companies Act, 2013 (as amended from time to time) in selecting its CSR activities.

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

In year 2021, the Company actively worked on the following three CSR initiatives under the thematic areas chosen:

- a. The first Initiative "Deeksha" focuses on imparting Girl Children education program covering 150 Children in the age group of 5 years to 12 years of surrounding Villages adjacent to our project site at Saykha. They were imparted "VaaGaLe" – Reading, Writing & Arithmetic – competency through our program aligned with the school curriculum.
- b. The Second initiative "Disha" pertains to Girls' Skill Development wherein 30 girls were imparted Skill development program based on Computer skills learning.
- c. The third initiative was based on the objective of enabling better medical facility and medical services to the needy people of the surrounding villages near our project site i.e. Saykha. As a part of this initiative, we donated a fully fitted ambulance to local authorities at Talkua Health Office.

Brief outline of the Company's CSR objectives and its projects/programmes are mentioned in the CSR section of the Board's report, and forms part of the annual report of the Company.

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
5	Dr. Reena Sen**	Chairperson Non-Executive Independent Director	5	1
6	Mr. Partha Mitra***	Member Non-Executive Independent Director	5	1

*Mr. Rajeev Anand was inducted in the Committee w.e.f. March 31, 2021

** Dr. Reena Sen ceased to be the Independent Director w.e.f. March 21, 2021 upon completion of her tenure

***Mr. Partha Mitra ceased to be the Member of Committee w.e.f. March 31, 2021

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

CSR Committee Composition:

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

CSR Policy:

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

CSR Projects:

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

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

No Any

6. Average net profit of the company as per section 135(5).

Rs. 1023.04 Lakhs

7. (a) Two percent of average net profit of the company as per section 135(5)

Rs. 20.46 Lakhs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.

NIL

(c) Amount required to be set off for the financial year,

NIL

(d) Total CSR obligation for the financial year (7a+7b-7c).

Rs. 20.46 Lakh

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (Rs. In Lakhs)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
20.51	Not Applicable				

- (b) Details of CSR amount spent against **ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
S. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Companies Act, 2013	Local area (Yes/No).	State.	District	Project duration	Amount Allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Name	Mode of Implementation Through Implementing Agency CSR Registration number.
1	No Any											

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/No)	(5) Location of the project.		(6) Amount spent for the Project (in Rs.).	(7) Mode of implementation Direct (Yes/No).	(8) Mode of implementation- Through implementing agency.		
				State	District			Name	CSR Registration number.	
1	Deeksha	Girl Child Education by imparting quality education thru basic "VaaGaLe" – Reading, Writing & Arithmetic .	Yes	Gujarat	Bharuch	6,35,250	No	Jeevan Tirth	CSR00001798	
2	Disha	Girls' Skill Development by Imparting "Computer Skills"				4,47,562				No
3	Ambulance to Taluka Health Office	Donation of fully fitted ambulance to serve the medical needs in the nearby villages of our project site i.e. Saykha				7,53,504				No
4	Contribution to Prime Minister's National Relief Fund	Contribution to the prime minister's national relief fund	NA	NA	NA	2,15,000	Yes	NA	NA	
	TOTAL					20,51,316				

- (d) Amount spent in Administrative Overheads : Nil
- (e) Amount spent on Impact Assessment, if applicable : Not Applicable
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e) : Rs. 20,51,316
- (g) Excess amount for set off, if any

Sl. No.	Particular	Amount (Rs. In Lakh)
(i)	Two percent of average net profit of the company as per section 135(5)	20.46
(ii)	Total amount spent for the Financial Year	20.51
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.05
(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)]	0.05

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl.No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (Rs. In Lakh)	Amount spent in the reporting Financial Year (Rs. In Lakh)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (Rs. In Lakh)
				Name of the Fund	Amount (Rs. In Lakh)	Date of transfer.	
1	2020	NIL					
2	2019	Not Applicable					
3	2018	NIL					
	TOTAL	NIL					

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed/ Ongoing.
No Any								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:

(asset-wise details).

- | | |
|---|----------------|
| (a) Date of creation or acquisition of the capital asset(s) | Not Applicable |
| (b) Amount of CSR spent for creation or acquisition of capital asset. | Not Applicable |
| (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. | Not Applicable |
| (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). | Not Applicable |
| 11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) | Not Applicable |

For DIC India Limited

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

Sd/-
Pritha Dutt
Chairperson of CSR Committee
Non-Executive Independent Director
DIN: 02910608



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 shareholders and disclose timely, adequate and accurate information regarding our financials and performance, as well as the leadership and governance of the Company.

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.

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.

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.

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. The Company has received confirmations from the NEDs 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 11, 2022 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, 2021 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, 2021, 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 profile 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 Companies Act, 2013 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 2021, 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, 2021

Name of the Director	Indian Public Companies*		Board Committees**		Directorship in other listed entity (Category of Directorship)
	Chairperson	Member	Chairperson	Member	
Independent Directors					
Mr. Partha Mitra DIN: 00335205	-	-	-	-	-
Mr. Rajeev Anand DIN: 02519876	-	-	-	-	-
Mr. Prabal Kumar Sarkar DIN: 03124712	-	1	1	-	Merino Industries Limited (NEID)
Ms. Pritha Dutt DIN: 02910608	-	-	-	-	
Mr. Dipak Kumar Banerjee* DIN: 00028123	-	-	-	-	-
Dr. Reena Sen* DIN: 07082198	-	-	-	-	-
Non-Executive, Non-Independent Directors					
Mr. Paul Koek DIN: 00081930	-	-	-	-	-
Mr. Masahiro Kikuchi DIN: 08024525	-	-	-	-	-
Mr. Ho Yeu Guan DIN: 08066136	-	-	-	-	-
Executive Directors					
Mr. Manish Bhatia Managing Director and Chief Executive Officer DIN: 08310936	-	-	-	-	-
Mr. Taishi Nojima Whole Time Director DIN: 08401012	-	-	-	-	-

*Ceased to be Independent Director upon completion of term w.e.f. March 21, 2021.

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.

Particulars of Change in Directorship during the Year:

Name of the Director	Category	Date of Appointment/ Cessation	Remarks
Mr. Dipak Kumar Banerjee	Independent Director	March 21, 2021	Ceased to be Director upon completion of term
Dr. Reena Sen	Independent Director	March 21, 2021	Ceased to be Director upon completion of term
Mr. Manish Bhatia	Managing Director & CEO	December 10, 2021*	Re-appointed w.e.f. January 30, 2022
Mr. Taishi Nojima	Whole-time Director	December 10, 2021#	Re-appointed w.e.f. December 26, 2021

*The Board of Directors in its meeting held on 10th December 2021, re-appointed Mr. Manish Bhatia, Managing Director and Chief Executive Officer of the Company, for a further period of three (3) years w.e.f. January 30, 2022 to January 29, 2025 (both days inclusive).

The Board of Directors in its meeting held on 10th December 2021, re-appointed Mr. Taishi Nojima, Whole Time Director of the Company for a further period of three (3) years w.e.f. December 26, 2021 to December 25, 2024 (both days inclusive)

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 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 overseeing 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	70	2017	M	SRC	✓	✓	✓	✓		✓	✓
Mr. Rajeev Anand	61	2020	M	AC, SRC, CSR, RMC*	✓		✓	✓		✓	✓
Mr. Prabal Kumar Sarkar	64	2020	M	AC, NRC, RMC*	✓		✓			✓	✓
Ms. Pritha Dutt	57	2020	F	NRC, CSR	✓	✓	✓	✓		✓	✓
Mr. Paul Koek	61	2004	M	AC, NRC SRC, CSR	✓	✓	✓	✓	✓	✓	✓
Mr. Masahiro Kikuchi	59	2018	M	NRC	✓		✓	✓			✓
Mr. Ho Yeu Guan	64	2018	M	RMC*	✓		✓	✓	✓	✓	✓
Mr. Manish Bhatia	50	2019	M	RMC*	✓	✓	✓	✓	✓	✓	✓
Mr. Taishi Nojima	57	2019	M	CSR, RMC*	✓	✓	✓				✓
Mr. Dipak Kumar Banerjee*	75	2001	M	-	✓	✓	✓	✓		✓	✓
Dr. Reena Sen*	68	2015	F	-	✓		✓			✓	✓

*Mr. Banerjee and Dr. Sen ceased to be Independent Director upon completion of term w.e.f. March 21, 2021. 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, 2021 are provided below:

Shares held and remuneration paid to Directors for the year ended December 31, 2021

Name	Fixed Salary			Performance Bonus	Commission	Sitting Fees	Total Compensation
	Basic	Perquisites / Allowances	Total Fixed Salary				
Independent Directors							
Mr. Partha Mitra	-	-	-	-	3,06,875	6,50,000	9,56,875
Mr. Rajeev Anand	-	-	-	-	48,125	8,75,000	9,23,125
Mr. Prabal Kumar Sarkar	-	-	-	-	48,125	7,80,000	8,28,125
Ms. Pritha Dutt	-	-	-	-	48,125	5,95,000	6,43,125
Mr. Dipak Kumar Banerjee*	-	-	-	-	9,76,875	1,50,000	11,26,875
Dr. Reena Sen*	-	-	-	-	3,06,875	2,60,000	5,66,875
Non-Executive Directors							
Mr. Paul Koek	-	-	-	-	-	-	-
Mr. Masahiro Kikuchi	-	-	-	-	-	-	-
Mr. Ho Yeu Guan	-	-	-	-	-	-	-
Executive Directors							
Mr. Manish Bhatia	1,45,97,760	58,55,043	2,04,52,803	80,74,372	-	-	2,85,27,175
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

**Note:**

1. None of our Directors hold shares, stock options, convertible securities or instruments of the Company as on December 31, 2021. 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.
2. 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.
3. 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.
4. 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.
5. The criteria for payment of commission to eligible directors as approved by the Board is as under:
 - Non-Executive Independent Chairman
 - (i) 0.5% of the profits subject to annual ceiling of Rs.850,000/-
 - (ii) Additional amount based on pro rata weightage given to attendance in Board & Committee Meetings
 - Other Non-Executive Independent Directors
 - (i) 0.5% of the profits subject to annual ceiling of Rs.180,000/- per Director
 - (ii) Additional amount based on pro rata weightage given to attendance of the individual director in Board & Committee Meetings
6. 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.)
Board Meetings	
Chairman	50,000
Members	40,000
Audit Committee	
Chairman	50,000
Members	35,000
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	
Chairman	35,000
Members	35,000

7. No commission and sitting fees are payable to the representatives of the holding Company, DIC Asia Pacific Pte. Ltd.
8. 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.

7 Board meetings were held during the year ended December 31, 2021 on January 07, 2021, February 03, 2021, March 19, 2021, June 16, 2021, August 11, 2021, November 12, 2021 and December 10, 2021. 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, 2021 are given below:

Name of Director	Category	No. of Meetings held during tenure	No. of Meetings Attended	Attendance %
Mr. Partha Mitra	ID	7	7	100
Mr. Rajeev Anand	ID	7	7	100
Mr. Prabal Kumar Sarkar	ID	7	7	100
Ms. Pritha Dutt	ID	7	7	100
Mr. Paul Koek	NED	7	7	100
Mr. Masahiro Kikuchi	NED	7	7	100
Mr. Ho Yeu Guan	NED	7	7	100
Mr. Manish Bhatia	ED	7	7	100
Mr. Taishi Nojima	ED	7	7	100
Mr. Dipak Kumar Banerjee*	ID	3	3	100
Dr. Reena Sen*	ID	3	3	100

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

*Ceased to be Independent Director w.e.f. March 21, 2021 upon completion of term.

All the Directors were present at the date of last AGM of the Company held on March 19, 2021.

Particulars of Director retiring by rotation and seeking re-appointment have been given in the Notice convening the 74th Annual General Meeting.

Meeting of the Independent Directors

Pursuant to Schedule IV of the Companies Act, 2013, the Independent Directors met on June 09, 2021 and August 10, 2021, 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:

- Oversight of the Company's financial reporting process and financial information disclosures;
- Review with the Management, the annual and quarterly financial statements/results before submission to the Board;
- Review with the Management, the Internal and External Audit Reports and the adequacy of internal control systems;
- Review the adequacy and effectiveness of accounting and financial controls of the Company, compliance with the Company's policies and applicable laws and regulations;
- Recommending the appointment and removal of External Auditors and fixation of audit terms;
- 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, 2021, on February 02, 2021, June 15, 2021, August 11, 2021 and November 12, 2021.

The composition of the Committee and the attendance details of the Members for the year ended December 31, 2021 are given below:

Name of Members	Category	No. of Meetings held during tenure	No. of Meetings Attended	Attendance%
Mr. Prabal Kumar Sarkar (Chairperson)	ID	4	4	100
Mr. Rajeev Anand	ID	4	4	100
Mr. Paul Koek	NED	4	4	100
Mr. Partha Mitra*	ID	1	1	100
Dr. Reena Sen#	ID	1	1	100

ID – Independent Director; NED – Non-Executive Director

*Ceased to be the Member of Committee w.e.f. March 31, 2021.

#Ceased to be Member upon completion of term as Director w.e.f. March 21, 2021

The Chairman of the Audit Committee was present at the AGM of the Company on March 19, 2021.

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>.

3 meetings of the Committee were held during the year ended December 31, 2021, on January 29, 2021, February 02, 2021, and December 06, 2021.

The composition of the Committee and the attendance details of the Members for the year ended December 31, 2021 are given below:

Name of Members	Category	No. of Meetings held during tenure	No. of Meetings Attended	Attendance%
Ms. Pritha Dutt (Chairperson)	ID	2	2	100
Mr. Prabal Kumar Sarkar	ID	2	2	100
Mr. Paul Koek	NED	3	3	100
Dr. Reena Sen#	ID	2	2	100
Mr. Partha Mitra*	ID	2	2	100
Mr. Masahiro Kikuchi	NED	3	2	67

ID – Independent Director; NED – Non-Executive Director

#Ceased to be Member upon completion of term as Director w.e.f. March 21, 2021

*Ceased to be the Member of Committee w.e.f. March 31, 2021.

The Chairperson of the Nomination and Remuneration Committee was present at the AGM of the Company on March 19, 2021.

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.

2 meetings of the Committee were held during the year ended December 31, 2021 on November 12, 2021 and December 10, 2021.

The composition of the Committee and the attendance details of the Members for the year ended December 31, 2021 are given below:

Name of Members	Category	No. of Meetings held during tenure	No. of Meetings Attended	Attendance %
Mr. Rajeev Anand (Chairperson)	ID	2	2	100
Mr. Partha Mitra	ID	2	2	100
Mr. Paul Koek	NED	2	2	100
Mr. Dipak Kumar Banerjee*	ID	-	-	-

ID – Independent Director; NED – Non-Executive Director

*Ceased to be the Member of Committee upon completion of term as Director w.e.f. March 21, 2021.

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, 2021 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, 2021:

Opening as on January 1, 2021	0
Received during the year	2
Resolved during the year	2
Closing as on December 31, 2021	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>

5 meetings of the Committee were held during the year ended December 31, 2021 on February 02, 2021, June 16, 2021, August 10, 2021, November 11, 2021 and December 08, 2021.

The composition of the Committee and the attendance details of the Members for the year ended December 31, 2021 are given below:

Name of Members	Category	No. of Meetings held during tenure	No. of Meetings Attended	Attendance %
Ms. Pritha Dutt (Chairperson)	ID	5	5	100
Mr. Rajeev Anand	ID	4	4	100
Mr. Paul Koek	NED	5	5	100
Mr. Taishi Nojima	WTD	5	5	100
Dr. Reena Sen#	ID	1	1	100
Mr. Partha Mitra*	ID	1	1	100

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

#Ceased to be Member upon completion of term as Director w.e.f. March 21, 2021

*Ceased to be the Member of Committee w.e.f. March 31, 2021.

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, 2020	March 19, 2021	AGM held through VC / OAVM (Deemed Venue: DIC India Limited, Transport Depot Road, Kolkata 700088)	11.00 AM	Re-appointment of Mr. Partha Mitra (DIN:00335205) as an Independent Director of the Company for a term of three years
December 31, 2019	June 12, 2020			
December 31, 2018	March 20, 2019	Williamson Magor Hall, Bengal Chamber of Commerce & Industry, Royal Exchange, 6, Netaji Subhas Road, Kolkata – 700 001	11.00 AM	Appointment of Mr. Manish Bhatia (DIN: 08310936) as Managing Director and Chief Executive Officer of the Company

Postal Ballot

During the year under review, the Company initiated two Special Resolution through Postal Ballot for:

- Re-appointment of Mr. Manish Bhatia as Managing Director & CEO of the Company
- Re-appointment of Mr. Taishi Nojima as Whole-time Director of the Company

Notice and result of the Postal Ballot is posted on Company's website www.dic.co.in.

The Board had appointed Ms. Binita Pandey (Membership No. A41594, CP No. 19730), Practicing Company Secretary, partner of M/s. T. Chatterjee & Associates, Company Secretaries, (FRN: P2007WB067100) as the Scrutinizer to conduct the Postal Ballot and e-voting process.

Due process was followed to conduct the Postal Ballot in accordance with Section 110 of the Companies Act, 2013, and other applicable provisions, if any, read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in compliance with General Circular nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, 10/2021 dated June 23, 2021 and 20/2021 dated December 08, 2021 issued by Ministry of Corporate Affairs.

Details of Voting Pattern of Postal Ballot:

Re-appointment of Mr. Manish Bhatia as Managing Director & CEO

Vote	No. of Members voted	No. of votes cast by them	% of total number of votes cast
In Favour of proposal	61	6,605,943	99.96
In Against of proposal	12	2,790	0.04
Total	73	6,608,733	100

Re-appointment of Mr. Taishi Nojima as Whole-time Director

Vote	No. of Members voted	No. of votes cast by them	% of total number of votes cast
In Favour of proposal	59	6,605,229	99.95
In Against of proposal	14	3,504	0.05
Total	73	6,608,733	100

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



Color & Comfort

Annexure E

Means of Communication

A) Half-Yearly Report sent to each Household of shareholders	No
B) Quarterly Results Newspapers published in Website where displayed	Business Standard (English daily) Financial Express (English daily) Aajkal (Bengali daily) www.dic.co.in
C) Audited Financial Results Newspaper published in	Year ended December 31, 2021 Financial Express (English daily) Aajkal (Bengali daily)
D) Whether the website also displays official news releases and presentations to institutional investors/analysts	No presentation has been made to institutional investors/analysts. Audited/ Unaudited Financial Reports including official news releases are displayed on the Website
E) Whether Management Discussion & Analysis Report is a part of Annual Report	The aspects of the Management Discussion and Analysis Report forms part of the Annual Report.

9. General Shareholder Information

Annual General Meeting 2022

Date	Tuesday, March 22, 2022
Time	11:00 AM
Venue	Video Conferencing/Other Audio Visual Means
Financial Year	January 01, 2021 to December 31, 2021
Book Closure Dates	Wednesday, March 16, 2022 to Tuesday, March 22, 2022 (Both days inclusive)
Dividend Payment Date	On and from April 05, 2022

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

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

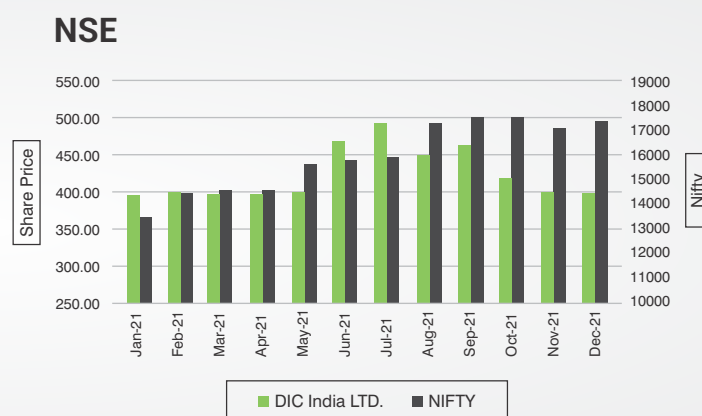
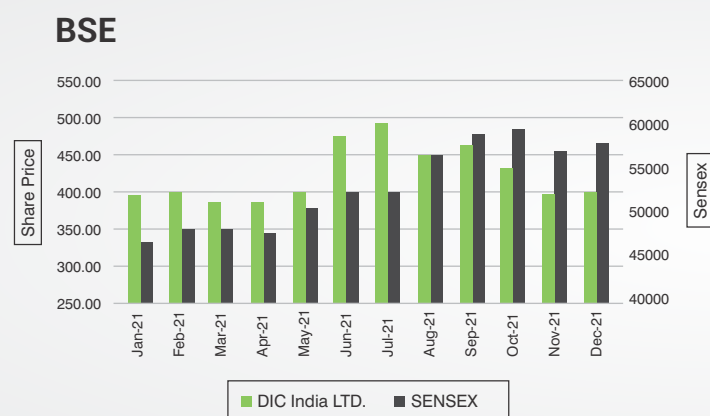
The Annual Listing Fees for the year 2020-21 and 2021-22 has been paid to all these Stock Exchanges within the stipulated time.

Further, The Company has paid Annual Custody Fees for the year 2020-21 and 2021-22 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 2021

Month	BSE Limited			National Stock Exchange of India Limited		
	High (Rs.)	Low (Rs.)	Volume (No.)	High (Rs.)	Low (Rs.)	Volume
Jan-21	414.00	385.50	42953	416.85	383.05	174473
Feb-21	413.35	385.25	34713	413.85	389.65	167803
Mar-21	458.80	390.00	53359	495.95	385.05	251136
Apr-21	404.70	377.70	5018	400.05	376.25	56545
May-21	435.00	382.00	18302	425.00	384.05	109515
Jun-21	530.00	407.00	116965	529.80	405.10	795666
Jul-21	508.85	465.95	35343	509.00	471.05	188998
Aug-21	549.00	410.00	53045	549.90	420.00	401632
Sep-21	489.00	436.00	27525	491.00	435.00	138528
Oct-21	477.90	420.05	13962	479.00	418.65	103214
Nov-21	452.85	385.00	11772	452.15	382.20	62555
Dec-21	493.00	367.50	11096	432.00	369.25	58089

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, 2021

Share held	No. of Shareholders		No. of Shares	
	Total	% of Shareholders	Total	% to Share Capital
1-500	7809	93.76	607245	6.62
501 - 1000	252	3.03	194877	2.12
1001 - 2000	134	1.61	198777	2.17
2001 -3000	36	0.43	91449	1.00
3001 - 4000	25	0.30	88788	0.97
4001 - 5000	23	0.28	108772	1.19
5001 - 10000	22	0.26	165803	1.81
10001 - 50000	22	0.26	362746	3.95
50001 - 100000	2	0.02	142803	1.56
100001 and above	4	0.05	7217717	78.63
Total	8329	100.00	9178977	100.00

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, 2021, 98.93% of the Company's total paid up capital representing 90,81,045 equity shares were held in dematerialized form and the balance 1.07% representing 97,932 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.

Commodity price risk or foreign exchange risk and hedging activities

DIC India Limited purchases a variety of raw materials for manufacturing. 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
Kolkata	Transport Depot Road, Kolkata – 700 088
Noida	C-55 A & B, Phase II, Dist. Gautam Budh Nagar, Noida – 201 305
Ahmedabad	Plot No. 633 & 634, G.I.D.C. Industrial Estate, Phase IV, Vatva, Ahmedabad–382 445
Bengaluru	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, 5th 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

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 37 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 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

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 Policy which lays 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 forms part of Board's Report.

Certificate from Practicing 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 2021. 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 2021, 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	3,975,000
Taxation matters and audit	1,200,000
Other Services	125,000
Out of Pocket expenses	308,579
Total	5,608,579

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, 2021, 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)

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. The Company has not declared any dividend for the Financial year 2014. Hence, no dividend or shares are due to be transferred to IEPF in 2022.

The details of unclaimed dividends and shares transferred to IEPF during Financial Year 2021 are as follows:

Financial Year	Amount of Unclaimed Dividend transferred (Rs.)	Number of Shares Transferred
2013	282,244	14,982

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.

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. 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
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



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Annexure E

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. 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.

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 20, 2021.
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, 2021, 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, 2021.
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: 22094039ABJYBZ8243)

Place: Gurugram

Date: 11 February 2022



Business Responsibility Report

Section A: General Information about the Company

1	Corporate Identity Number (CIN) of the Company	L24223WB1947PLC015202
2	Name of the Company	DIC INDIA LIMITED
3	Registered address	Transport Depot Road, Kolkata, West Bengal-700088 India
4	Website	www.dic.co.in
5	E-mail id	investors@dic.co.in
6	Financial Year reported	January 1, 2021 to December 31, 2021
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	24 (Manufacture of Chemicals and Chemical Products)
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	1. Printing Inks
		2. Adhesives
9	Total number of locations where business activity is undertaken by the Company	
	i. Number of International Locations (Provide details of major 5)	Not Applicable
	ii. Number of National Locations	4
10	Markets served by the Company (Local / State / National / International)	National

Section B: Financial Details of the Company

1	Paid up Capital (INR)	9,17,89,770
2	Total Turnover (INR)	75,435.54 Lakh
3	Total profit after taxes (INR)	1,238.85 Lakh
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	20.51 Lakh 1.66%
5	List the activities as per Schedule VII of Company's Bill, 2011 in which expenditure in 4 above has been incurred	a. Promoting Education of Girls Child b. Promoting Vocation Skills of Girls c. Promoting Health Care (Ambulance to PHC) d. Contribution to the Prime Minister's National Relief Fund

Section C: Other Details

1	Does the Company have any Subsidiary Company/ Companies?	No
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Not Applicable
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

Section D: BR Information

1. Details of Director/Directors responsible for BR

a	Details of the Director/Director responsible for implementation of the BR policy/policies	
	• DIN Number	08310936
	• Name	Manish Bhatia
	• Designation	Managing Director & Chief Executive Officer
b	Details of the BR head	
	• DIN Number (if applicable)	The Leadership Team of the Company is responsible for implementation of BR policies.
	• Name	
	• Designation	
	• Telephone number	
• E-mail id		

2. Principle-wise (as per NVGs) BR Policy/policies

A. Details of compliance (Reply in Y/N)

S.N.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/policies for									
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national /international standards? If yes, specify? (50 words)	Please refer to Annexure 1 to this Report for linkages of these policies with BR principles								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	Please refer to Annexure 2 to this Report for Link of Policies								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

B. If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

S.N.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The company has not understood the Principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related to BR

a	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	Annually
b	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Annually

Section E: Principle-wise Performance

Principle 1

1	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?	The Policies on ethics, bribery and corruption covers the entire Group.
2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	For Investor Complaints please refer to Corporate Governance Report

Principle 2

1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities	a. Development and commercialization of aromatic solvent free inks for food packaging in compliance to IS 15495 Standards
		b. 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.
		c. Development of LED coating and LED offset to reduce energy and make it more environment friendly

2	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?	The company is regularly working in the direction wherein as a principle we want a major part of the goods and services to be sourced locally
	a. If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	wherever possible and in the process also promoting small businesses. As of now 20% of our inputs are bought from MSME segment and 65% of our inputs are sourced locally. Additionally whenever a new requirement comes up we work with these set of vendor to get it fulfilled.
3	Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so.	The Company recycles process waste solvents in-house using Solvent Recovery Plant. In 2021 the Company has recovered 113.15 Tons of solvent out of 134.81 Tons of process waste, with a rate of recovery of approx. 84%.

Principle 3

1	Please indicate the Total number of employees		492
2	Please indicate the Total number of employees hired on temporary/contractual/casual basis.		In 2021 the Company has hired 8 employees on temporary/ contractual/ casual basis. However, 146 employees hired by Company on Contractual basis continue to remain employed by Company.
3	Please indicate the Number of permanent women employees		19
4	Please indicate the Number of permanent employees with disabilities		NIL
5	Do you have an employee association that is recognized by management		Yes
6	What percentage of your permanent employees is members of this recognized employee association?		37%
7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year		
	No.	Category	No of complaints pending as on end of the financial year
	1	Child labour/forced labour/involuntary labour	NIL
	2	Sexual harassment	NIL
	3	Discriminatory employment	NIL
8	What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?		
	a. Permanent Employees		100%
	b. Permanent Women Employees		100%
	c. Casual/Temporary/Contractual Employees		100%
	d. Employees with Disabilities		Not Applicable

Principle 4

1	Has the company mapped its internal and external stakeholders? Yes/No	The Company has taken the path of inclusive development to address the societal issues and engage with the disadvantaged, vulnerable and marginalised stakeholders. There are certain criteria for selecting a social development project in the areas of health and education.
2	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.	The Company has identified communities from the poor and marginal sections of the society as its primary stakeholders.
3	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.	The Company directly engages with these communities to understand their needs and other major challenges impeding their development and accordingly plan interventions to benefit them.

Principle 5

1	Does the policy of the company on human rights cover only the company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?	All Stakeholders
2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	NIL

Principle 6

1	Does the policy related to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others.	The Policy extends to Company and its Contractors & Processors
2	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc	Yes, we drive initiative around water conservations, waste minimization and CO ₂ emission reduction on annual basis.
3	Does the company identify and assess potential environmental risks? Y/N	Yes
4	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	No
5	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc	Yes, we have plans to utilize solar panels at our Noida plant in near future.
6	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes
7	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year	NIL

Principle 7

1	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	<p>a. All India Printing Ink Manufacturer's Association</p> <p>b. Confederation of Indian Industry</p> <p>c. Gujarat State Plastic Manufacturers Association</p> <p>d. Label Manufacturers Association Of India</p>
2	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	The Company actively participates in the meetings and programmes of the associations to augment the objectives thereof.

Principle 8

1	Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	Yes
2	Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?	In-House
3	Have you done any impact assessment of your initiative?	Impact assessment is a continuous process undertaken through in-house measures.
4	What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.	Work in Progress
5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Work in Progress

Principle 9

1	What percentage of customer complaints/consumer cases are pending as on the end of financial year	Nil
2	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks(additional information)	Yes
3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	No
4	Did your company carry out any consumer survey/ consumer satisfaction trends?	Yes

Linkages of Policies with BR principles

Principle No.	NVG Principle	Reference Document	Reference Section
1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	DIC Group Code of Business Conduct	Section 2, 4(i), 4(iv), 4(v), 4(vi), 4(x)
		Policy on Determination of Material Disclosure	Policy
		DIC India Limited-Code of Fair Disclosure, Conduct & Internal Procedure for Prevention of Insider Trading	Policy
		Whistle Blower Policy	Policy
2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	DIC Group Code of Business Conduct	Section 2, 4(ii)
		Quality, Environment, Safety and Health (QESH) Policy	Policy
		CSR Policy	Policy
3	Businesses should promote the well-being of all employees	DIC Group Code of Business Conduct	Section 2, 4(i), 4(viii)
		Policy for Prevention of Sexual Harassment of Women at Work Place	Section 1, 2
4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised	DIC Group Code of Business Conduct	Section 4(ii)
		CSR Policy	Policy
5	Businesses should respect and promote human rights	DIC Group Code of Business Conduct	Section 2
6	Businesses should respect, protect and make efforts to restore the environment	DIC Group Code of Business Conduct	Section 2, 3, 4(ii)
		CSR Policy	Policy
7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner	DIC Group Code of Business Conduct	Section 4(v)
8	Businesses should support inclusive growth and equitable development	Quality, Environment, Safety and Health (QESH) Policy	Policy
		CSR Policy	Policy
9	Businesses should engage with and provide value to their customers and consumers in a responsible manner	DIC Group Code of Business Conduct	Section 4 (ii), 4(vi)
		CSR Policy	Policy

Annexure 2

Web Links of Policies

Policy	Web Link
DIC Group Code of Business Conduct	https://www.dic.co.in/sites/default/files/2021-01/code-conduct-policy.pdf
Policy on Determination of Material Disclosure	https://www.dic.co.in/sites/default/files/2021-01/materiality-policy.pdf
DIC India Limited-Code of Fair Disclosure, Conduct & Internal Procedure for Prevention of Insider Trading	https://www.dic.co.in/sites/default/files/2021-01/code-fair-disclosure-conduct-internal-procedure-prevention-insider-trading.pdf
Whistle Blower Policy	https://www.dic.co.in/sites/default/files/2021-04/Whistle_Blower_Policy_0.pdf
Quality, Environment, Safety and Health (QESH) Policy	https://www.dic.co.in/sites/default/files/2021-01/qesh-policy.pdf
CSR Policy	https://www.dic.co.in/sites/default/files/2022-02/CSR%20Policy.pdf
Policy for Prevention of Sexual Harassment of Women at Work Place	https://www.dic.co.in/sites/default/files/2021-12/POSH%20Policy_2.pdf
Related Party transaction Policy	https://www.dic.co.in/sites/default/files/2021-01/related-party-policy.pdf



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Annexure H

Secretarial Audit Report

FORM MR-3

(For the financial year ended December 31, 2021)

[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 our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers (including RTA), electronic records available in the official portal of the Ministry of Corporate Affairs www.mca.gov.in, 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 **31st December, 2021**, 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 **31st December 2021**, 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:
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (not applicable to the Company during audit period)
 - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulation 2008 ; (not applicable to the Company during audit period)
 - 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;
 - The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014. (not applicable to the company during audit period)

- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (not applicable to the Company during audit period) and
- The Securities and Exchange Board of India (Buyback of Securities) Regulations 2018; (not applicable to the Company during audit period)
- The Securities and Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015;

VI. Management represented that other fiscal, labour and environmental laws which are generally applicable to such companies, are duly complied. The following industry specific laws/Acts applicable to the Company are complied with, to the extent applicable:

- Air (Prevention and Control of Pollution) Act, 1981;
- Water (Prevention and Control of Pollution) Act, 1974;
- Hazardous and other Wastes (Management & Transboundary Movement) Rules, 2016;
- Legal Metrology (Packaged Commodities) Rules, 2011;
- Factories Act, 1948;
- Petroleum Rules, 2002; and
- 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 Exchanges 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- 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 was 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;



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Annexure H

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: 11-02-2022

For T. Chatterjee & Associates

FRN No. - P2007WB067100

Binita Pandey

Partner

Membership No: 41594

COP No. : 19730

UDIN: A041594C002521566

Annexure A

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.

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 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. Due to ongoing global pandemic of Novel Coronavirus (COVID 19), Advisories and restrictions issued by the Central Government and State Governments, we have conducted the audit of books, papers, minute books, forms, returns filed and other records maintained by the company as required for the purpose of audit on the basis of data and information provided by the Company in electronic mode through emails and other mode. Physical verification of documents and records were made in limited manner.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit 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: 11-02-2022

For T. Chatterjee & Associates
FRN No. - P2007WB067100

Binita Pandey
Partner
Membership No: 41594
COP No. : 19730
UDIN: A041594C002521566



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Certificate

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

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

- We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief :
 - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 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.
- 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.
- 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.
- We have indicated to the auditors and the Audit committee:
 - significant changes in internal control over financial reporting during the year;
 - significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - 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**

Sd/-

Manish Bhatia

Managing Director & CEO

DIN: 08310936

Date: 11.02.2022

Place: Noida

Sd/-

Sandip Chatterjee

Chief Finance Officer

PAN: ABVPC5782H

Certificate

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. 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, 2021. The same has been duly noted by the Board in its meeting held on February 11, 2022.

For **DIC India Limited**

Sd/-

Manish Bhatia

Managing Director & CEO

Date: 11.02.2022

DIN: 08310936

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) 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 31st December 2021, 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

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**



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Independent Auditor's Report To The Members of DIC India Limited

Report on the Ind AS 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, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flows 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, 2021, and its profit, total comprehensive income, its cash flows statement 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>Revenue Recognition</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"> 1. Considered the Company's revenue recognition policy and assessed its compliance with Ind AS 115 'Revenue from Contracts with Customers'; 2. Assessed the design and tested the operating effectiveness of internal controls related to recognition of revenue. 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. 4. Selected samples of sales transactions made pre- and post-year end, agreed the period of revenue recognition to underlying documents including customer confirmations. 5. Assessed the relevant disclosures made in the Ind AS financial statements.

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's report including annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.
- 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 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.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the 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.



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- 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 and 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 relevant 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2021 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 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 no 31 (a) of the Ind AS 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 no 40 of the Ind AS financial statements)
 - iii.** There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company. (Refer Note no 31 (c) of the Ind AS financial statements)
- 2.** As required by the Companies (Auditor's Report) Order, 2016 ("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 11, 2022

Sameer Rohatgi

Partner

Membership No. 094039

UDIN: 22094039ABJVWF9263



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Annexure A to the Independent Auditor's 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 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, 2021 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 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") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India and deemed to be 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 control 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 purposes in accordance with generally accepted accounting principles. A company's internal financial control 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 unauthorised 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 control 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, 2021, 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”.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

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

Place: Gurugram

Date: February 11, 2022

Sameer Rohatgi
Partner

Membership No. 094039

UDIN: 22094039ABJVWF9263

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)

i. In respect of its Property, plant and equipment:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.
- (b) The Company has a program of verification of Property, plant and equipment to cover all the items in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, plant and equipment were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date except as mentioned below. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as Right to use assets in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement except as mentioned below:

No of Cases	Asset Category	Gross Block as at December 31, 2021	Net Block as at December 31, 2021	Remarks
1	Freehold land	0.86	0.86	The title deeds are in the name of Coates of India Limited (erstwhile name of the Company) and mutation of the name is pending
4	Leasehold land	128.77	87.37	
2	Building	15.03	4.17	

- ii. As explained to us, the inventories (other than goods in transit) were physically verified during the year by the Management at the reasonable intervals and no material discrepancies have been noticed on physical verification. Inventories in transit, were verified by the management based on subsequent delivery challans.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv. The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the Order 2016 is not applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposit during the year. The Company does not have any unclaimed deposits and accordingly, the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 are not applicable to the Company.
- 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) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Goods and Services Tax, Custom Duty, Value Added Tax and Cess with the appropriate authorities. Also, refer to the note 33(d) to the financial statements regarding management assessment on certain matters relating to the provident fund.
 - (b) There are no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance,

Income-tax, Sales Tax, Goods and Services Tax, Custom Duty, Value Added Tax and Cess in arrears as at December 31, 2021 for a period of more than six months from the date they became payable.

(c) Details of dues of Income tax, Sales Tax, Service Tax, Custom Duty and Excise Duty which have not been deposited as on December 31, 2021 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the amount relates	Amount Involved (Rupees in Lakhs)	Amount Unpaid (Rupees in Lakhs)
Income Tax Act, 1961	Income Tax	Deputy Commissioner of Income tax	2012-13	102.80	-
		Income Tax Appellate Tribunal	2013-14	209.90	-
		Hon'ble High court at Calcutta	1989-1990 and 1988-1989	27.77	27.77
Central sales Tax Act, 1956	Central Sales tax	Commercial Taxes Tribunal	2008-09	6.00	6.00
		Joint commissioner of Sales Tax (Appeals)	2010-11, and 2012-13	7.58	2.36
		Deputy Commissioner	2003-04, 2011-12	1.42	1.42

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the amount relates	Amount Involved (Rupees in Lakhs)	Amount Unpaid (Rupees in Lakhs)
Uttar Pradesh Value Added Tax Act, 2008	Value Added Tax	Commercial Taxes Tribunal	2009-10, 2010-11	35.27	15.66
		Additional Commissioner (Appeals)	2013-14	3.81	-
Central Excise Act, 1944	Excise Duty	Custom, Excise & Service Tax Appellate Tribunal	1994-95 to 1996-97, 2008-09	89.74	87.78
		Commissioner of Central Excise	1997-98	120.24	120.24
		Joint Commissioner, CGST & Central Excise	1998-99	7.32	7.32
		Commissioner (Appeals)	2005-06 to 2007-08	74.16	74.16
Finance Act, 1944	Service Tax	Commissioner (Appeals)	2001-02 to 2004-05	172.20	172.20
Custom Act, 1962	Customs Duty	Customs, Excise & Service Tax Appellate Tribunal	2005-06, 2009-10 to 2010-11	254.02	250.08

We have been informed that there are no dues of Goods and Services Tax which have not been deposited as on December 31, 2021 on account of disputes.



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Annexure B to the Independent Auditors' Report

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has neither obtained any loan or borrowings from government or financial institution nor has it issued any debentures.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3(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 and 177 of the Companies Act, 2013, where applicable, for all 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. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

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

Place: Gurugram

Date: February 11, 2022

Sameer Rohatgi

Partner

Membership No. 094039

UDIN: 22094039ABJVWF9263

Balance Sheet

As at December 31, 2021

All amounts in Rupees in Lakhs, unless otherwise stated

	Particulars	Note No.	As at December 31, 2021	As at December 31, 2020
A	ASSETS			
1	Non-current assets			
	(a) Property, plant and equipment	5	5,265.27	5,514.10
	(b) Right to use assets	35	2,336.31	2,382.67
	(c) Capital work-in-progress		869.15	105.09
	(d) Intangible assets	6	18.59	23.79
	(e) Financial assets			
	(i) Other financial assets	7	363.90	2,155.06
	(f) Deferred tax assets (Net)	8	745.64	763.74
	(g) Non-current tax assets (Net)	10	720.05	716.85
	(h) Other non-current assets	9	779.17	162.45
	Total non - current assets		11,098.08	11,823.75
2	Current assets			
	(a) Inventories	11	14,931.21	10,262.46
	(b) Financial assets			
	(i) Trade receivables	12	23,341.09	18,189.12
	(ii) Cash and cash equivalents	13	7,276.59	3,306.42
	(iii) Bank balances other than (ii) above	13	12.33	5,912.40
	(iv) Other financial assets	14	382.82	398.00
	(c) Other current assets	15	4,063.06	3,014.91
	Total current assets		50,007.10	41,083.31
	Total Assets (1+2)		61,105.18	52,907.06
B	EQUITY AND LIABILITIES			
1	Equity			
	(a) Equity share capital	16	917.90	917.90
	(b) Other equity	16.1	37,675.59	37,022.16
	Total equity		38,593.49	37,940.06
2	Non-current liabilities			
	(a) Financial liabilities			
	(i) Lease liabilities	35	316.64	344.93
	(b) Provisions	17	566.24	451.48
	Total non - current liabilities		882.88	796.41
3	Current liabilities			
	(a) Financial liabilities			
	(i) Lease liabilities	35	228.23	229.65
	(ii) Trade payables	18		
	Total outstanding dues of micro and small enterprises;		1,614.34	707.90
	Total outstanding dues of creditors other than micro and small enterprises		17,317.31	10,480.83
	(iii) Other financial liabilities	19	1,440.10	1,420.81
	(b) Provisions	20	236.34	278.75
	(c) Current tax liabilities (net)	21	170.65	736.36
	(d) Other current liabilities	22	621.84	316.29
	Total current liabilities		21,628.81	14,170.59
	Total Equity and Liabilities (1+2+3)		61,105.18	52,907.06

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

Sameer Rohatgi

Partner

(Membership No. 094039)

Prabal Sarkar

Director

DIN: 03124712

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

Manish Bhatia

Managing Director & CEO

DIN: 08310936

S. Chatterjee

Chief Finance Officer

Place: Gurugram

Date: February 11, 2022

Place: Kolkata

Date: February 11, 2022

Raghav Shukla

Company Secretary

Place : Noida

Date: February 11, 2022



Color & Comfort

DIC INDIA LIMITED

Statement of Profit and Loss

For the year ended 31st December 2021

All amounts in Rupees in Lakhs, unless otherwise stated

Particulars	Note No.	Year ended December 31, 2021	Year ended December 31, 2020
I Revenue from operations	23	74,482.95	60,825.48
II Other income	24	952.59	734.71
III Total Income (I + II)		75,435.54	61,560.19
IV EXPENSES			
(a) Cost of materials consumed	25(a)	52,410.00	40,270.22
(b) Purchases of Stock-in-Trade	25(b)	3,806.93	2,618.81
(c) Changes in stock of finished goods, stock-in-Trade and work-in-progress	26	(1,323.40)	(213.46)
(e) Employee benefits expense	27	7,820.26	7,542.42
(f) Finance costs	28	136.54	189.97
(g) Depreciation and amortisation expense	29	1,430.38	1,472.34
(h) Other expenses	30	9,478.70	8,354.65
V Total expenses		73,759.41	60,234.95
VI Profit before exceptional item and tax (III - V)		1,676.13	1,325.24
VII Exceptional item			
Profit on Sale of Land		-	9,762.53
VIII Profit before tax (VI + VII)		1,676.13	11,087.77
IX Tax Expense			
(1) Current tax			
(i) Current tax expense		407.51	2,522.50
(2) Deferred tax charge/ (income)	8	29.77	(24.77)
Total tax expense		437.28	2,497.73
X Profit for the year (VIII - IX)		1,238.85	8,590.04
XI Other comprehensive income/ (loss)			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurement gain/ (loss) of the defined benefit liabilities		(46.35)	(38.30)
(ii) Income tax credit/ (charge) on above		11.67	9.64
		(34.68)	(28.66)
XII Total comprehensive income/ (loss) for the year (X + XI)		1,204.17	8,561.38
XIII Earnings per equity share (of Rs 10 each):			
(1) Basic	39	13.50	93.58
(2) Diluted	39	13.50	93.58

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

Sameer Rohatgi

Partner

(Membership No. 094039)

Prabal Sarkar

Director

DIN: 03124712

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

Manish Bhatia

Managing Director & CEO

DIN: 08310936

S. Chatterjee

Chief Finance Officer

Raghav Shukla

Company Secretary

Place : Noida

Date: February 11, 2022

Place: Gurugram

Date: February 11, 2022

Place: Kolkata

Date: February 11, 2022

Cash Flow Statement

For the Year ended December 31, 2021

All amounts in Rupees in Lakhs, unless otherwise stated

Particulars	Year ended December 31, 2021	Year ended December 31, 2020
A. Cash flow from operating activities:		
Profit before tax after exceptional item	1,676.13	11,087.77
Adjustments for:		
Finance costs	136.54	189.97
Depreciation and amortisation expense	1,430.38	1,472.34
Exceptional item-profit on sale of land	-	(9,762.53)
Bad trade and other receivables, loans and advances written off	44.59	57.38
Loss/ (profit) on disposal of property, plant and equipment (net)	(0.89)	0.07
Property, plant and equipment written off	21.34	36.85
Provision for doubtful debts on trade receivables and advances (net) written back	(240.81)	(138.09)
Liabilities no longer required written back	(172.32)	(53.09)
Interest income	(271.98)	(226.56)
Unrealised foreign exchange (gain)/ loss	(4.71)	(0.38)
Operating profit before working capital changes	2,618.27	2,663.73
Adjustments for changes in working capital:		
- Increase/ (decrease) in trade payables	7,933.06	114.95
- Increase/ (decrease) in short term provisions	(88.76)	77.47
- Increase/(decrease) in long term provisions	114.76	36.72
- Increase/(decrease) in other current liabilities	305.55	(95.59)
- Increase/(decrease) in other financial liabilities	(11.20)	(81.51)
- (Increase)/decrease in other non current assets	74.79	47.88
- (Increase)/decrease in non current financial assets	(15.51)	(11.45)
- (Increase)/ decrease in inventories	(4,668.75)	(413.89)
- (Increase)/ decrease in trade receivables	(4,968.86)	1,964.52
- (Increase)/ decrease in current financial assets	19.73	103.70
- (Increase)/ decrease in other current assets	(1,048.15)	144.79
Cash generated from operating activities	264.93	4,551.32
- Net income tax paid	(976.42)	(2,123.94)
Net cash (used)/ generated from operating activities	(711.49)	2,427.38
B. Cash flow from investing activities:		
Purchase of property, plant and equipment, capital advances work-in-progress	(2,349.52)	(605.40)
Proceeds from sale of property, plant and equipment	6.02	2.57
Proceeds from sale of non current asset held for sale (net of expenses)	-	10,150.00
Receipt of deferred proceeds from sale of land	1,750.00	-
Change in bank balances other than cash and cash equivalents	5,900.07	(5,895.13)
Interest received	324.10	164.15
Net cash from investing activities	5,630.67	3,816.19

C. Cash flow from financing activities:		
Repayment of borrowings	-	(3,513.65)
Finance costs paid	(52.37)	(169.51)
Repayment of lease liability	(346.50)	(334.23)
Dividend paid	(550.14)	(413.05)
Net Cash used in financing activities	(949.01)	(4,430.44)
Net Increase/(Decrease) in cash & cash equivalents	3,970.17	1,813.13
Cash and cash equivalents as at beginning of the period	3,306.42	1,493.29
Cash and cash equivalents as at end of the period	7,276.59	3,306.42
Cash and cash equivalents comprise (Refer Note to 13)		
Cash on hand	1.62	0.44
Balance with banks		
-In current accounts	1,474.97	2,655.98
-In deposit accounts (with original maturity of less than 3 months)	5,800.00	650.00
	7,276.59	3,306.42

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

Sameer Rohatgi

Partner

(Membership No. 094039)

Prabal Sarkar

Director

DIN: 03124712

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

Manish Bhatia

Managing Director & CEO

DIN: 08310936

S. Chatterjee

Chief Finance Officer

Place: Gurugram

Date: February 11, 2022

Place: Kolkata

Date: February 11, 2022

Raghav Shukla

Company Secretary

Place : Noida

Date: February 11, 2022



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DIC INDIA LIMITED

Statement of Changes in Equity

For the Year ended December 31, 2021

All amounts in Rupees in Lakhs, unless otherwise stated

a. Equity share capital

	(Figures in Rs)
Balance as at January 1, 2020	917.90
Changes in equity share capital during the year	-
Balance as at December 31, 2020	917.90
Changes in equity share capital during the year	-
Balance as at December 31, 2021	917.90

b. Other equity

Particulars	Reserves and Surplus				Total
	General Reserves	Securities Premium	Capital Reserve	Retained Earnings	
Balance as at January 1, 2020	6,559.12	6,548.08	0.59	15,766.04	28,873.83
Profit for the year	-	-	-	8,590.04	8,590.04
Other comprehensive income, net of tax	-	-	-	(28.66)	(28.66)
Dividend Paid	-	-	-	(413.05)	(413.05)
Balance as at December 31, 2020	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)
Balance as at December 31, 2021	6,559.12	6,548.08	0.59	24,567.80	37,675.59

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

Sameer Rohatgi

Partner

(Membership No. 094039)

Place: Gurugram

Date: February 11, 2022

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

Prabal Sarkar

Director

DIN: 03124712

Place: Kolkata

Date: February 11, 2022

Manish Bhatia

Managing Director & CEO

DIN: 08310936

S. Chatterjee

Chief Finance Officer

Raghav Shukla

Company Secretary

Place: Noida

Date: February 11, 2022



Notes to the financial statements for the year ended December 31, 2021

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, 2021.

2. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019 notifies new standard or amendments to the standards. There is no such new notification which would be applicable from January 1, 2022.

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 noncurrent.

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.

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.

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 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 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 cashgenerating 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 cashgenerating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

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.

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

3.19.1 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

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 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.



Color & Comfort

DIC INDIA LIMITED

Notes to the financial statements for the year ended December 31, 2021

All amounts in Rupees in Lakhs, unless otherwise stated

7. Other financial assets

Particulars	As at December 31, 2021	As at December 31, 2020
Unsecured, Considered good		
(a) Deposits with Lessors and others	363.90	348.39
(b) Receivables from disposal of land. (refer note below)	-	1,750.00
(c) Interest accrued on receivables from disposal of land. (refer note below)	-	56.67
Total	363.90	2,155.06

Note:

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) and the Company received Rs. 10,250 lakhs (including taxes) and an irrevocable Bank Guarantee amounting to Rs. 1,750 lakhs (shown as Other financial assets in the books) from GPL towards the fixed consideration of Rs. 12,000 lakhs. As per the Conveyance deed an additional consideration amounting to Rs. 3,300 Lakhs is contingent on achieving certain milestones with respect to height clearance, to be obtained by GPL, from the appropriate authorities.

The Company had recognised profit on sale of above land amounting to Rs. 9,762.53 Lakhs and disclosed the same as an exceptional item in the financial statements for the year ended December 31, 2020.

On December 20, 2021, the Company has received Rs. 1,750 Lakhs along with interest thereon (shown as Other financial assets in the previous year) in lieu of the Bank Guarantee as per the agreement with GPL.

In respect of additional consideration of 3,300 lakhs, the Company has not received any communication from GPL on the entitlement of the same.

8. Deferred tax assets

The following is the analysis of deferred tax assets/ (liabilities) presented in the balance sheet: Deferred tax assets

745.64	763.74
745.64	763.74

Particulars	Balance as on January 1, 2020	Recognised in profit and Loss	Recognised in other comprehensive income	Balance as on December 31, 2020
(i) Provision for doubtful debts	273.21	(34.76)	-	238.45
(ii) Provision for employee benefits	162.54	11.60	9.64	183.78
(iii) Property, plant and equipment's and intangible assets	151.67	43.86	-	195.53
(iv) Expenses allowable for tax purpose on payment	141.91	4.07	-	145.98
Net deferred tax assets	729.33	24.77	9.64	763.74

Particulars	Balance as on January 1, 2021	Recognised in profit and Loss	Recognised in other comprehensive income	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
Net deferred tax assets	763.74	(29.77)	11.67	745.64

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:

Particulars	Year ended December 31, 2021	Year ended December 31, 2020
Profit before tax as per statement of Profit and loss	1,676.12	11,087.77
Income tax expenses calculated on income other than profit on sale of Land at 25.168%	421.85	333.54
Income tax expenses calculated on profit on sale of Land at 22.88%	-	2,171.31
Others	15.43	(7.12)
Income tax expense recognised in profit or loss	437.28	2,497.73

9. Other non current assets

Particulars	As at December 31, 2021	As at December 31, 2020
Unsecured, Considered good		
(a) Capital advances	740.30	48.79
(b) Prepaid expenses	26.04	86.40
(c) Deferred rent expense	7.37	22.05
(d) Balance with banks:		
(i) Balance held as margin money or security against guarantees and other commitments	4.50	4.28
(ii) In deposit accounts (with original maturity of more than 12 months)	0.96	0.93
Total	779.17	162.45

10. Non current tax assets

Particulars	As at December 31, 2021	As at December 31, 2020
Advance tax and tax deducted at source receivable	3,956.24	3,199.74
Provision for income tax	(3,236.19)	(2,482.89)
Total	720.05	716.85

11. Inventories

Particulars	Year ended December 31, 2021	Year ended December 31, 2020
(a) Raw material	8,170.66	4,852.25
(b) Work-in-progress	1,340.38	1,284.21
(c) Finished goods	4,542.35	3,541.42
(d) Stock-in-trade	550.74	284.44
(e) Store and spares	193.54	194.36
(f) Containers	133.54	105.78
Total	14,931.21	10,262.46

Details of stock in transit

(a) Raw materials	964.77	685.20
(b) Finished goods	1,099.65	511.63
Total goods-in-transit	2,064.42	1,196.83

11.1 The cost of inventories recognised as an expense during the year in respect of operations was Rs. 56,829.02 Lakhs (For the year ended December 31, 2020: Rs. 44,394.83 Lakhs).

11.2 The cost of inventories recognised Rs. 6.49 Lakhs (December 2020: Rs. 8.02 Lakhs) in respect of write-downs of inventory to net realisable value. The provision for net realisable value has been increased to Rs. 29.11 Lakhs (December 2020: Rs. 22.62 Lakhs). Previous write-downs have been reversed as a result of increased sales prices in certain markets.



12. Trade receivables

Particulars	As at December 31, 2021	As at December 31, 2020
Current		
(a) Secured, considered good	920.60	965.55
(b) Unsecured, considered good	22,420.49	17,223.57
(c) Unsecured and considered doubtful	494.44	947.45
	23,835.53	19,136.57
Less: Allowance for doubtful debts (expected credit loss allowance)	494.44	947.45
Total	23,341.09	18,189.12

- 12.1 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 5% of the total balance of trade receivables.
- 12.2 The Company assesses the potential customer's credit quality and defines credit limits by customer.
- 12.3 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	Year ended December 31, 2021	Year ended December 31, 2020
Within the credit period	0%-1.29%	0%-2.51%
90 days overdue	0.45%-1.49%	0.61%-3.65%
91-180 days overdue	2.42%-13.92%	3.92%-11.56%
181-270 days overdue	17.73%-43.70%	4.10%-57.25%
271-365 days overdue	100.00%	100.00%
More than 365 days overdue	100.00%	100.00%
Within the credit period	19,705.68	15,804.18
90 days overdue	3,510.10	2,594.81
91-180 days overdue	208.00	20.45
181-270 days overdue	165.08	143.16
271-365 days overdue	53.80	116.02
More than 365 days overdue	192.87	457.95
	23,835.53	19,136.57

<u>Movement in the expected credit loss allowance</u>	Year ended December 31, 2021	Year ended December 31, 2020
Balance at the beginning of the year	947.45	1,085.55
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(240.81)	(138.09)
Bad debt written off	(212.20)	-
Balance at the end of the year	494.44	947.45

13. Cash and cash equivalents

Particulars	As at December 31, 2021	As at December 31, 2020
1. Cash and cash equivalents		
(a) Cash on hand	1.62	0.44
(b) Bank balances		
(i) in current accounts	1,474.97	2,655.98
(ii) In deposit accounts (with original maturity of less than 3 months)	5,800.00	650.00
Total-Cash and cash equivalents	7,276.59	3,306.42
2. Other bank balances		
(a) Balance with banks		
(i) In deposit accounts (with original maturity of more than 3 months upto 12 months)	-	5,900.68
(ii) Balances with banks in Unpaid dividend accounts	12.33	11.72
Total-Other bank balances	12.33	5,912.40

14. Other current financial assets

Unsecured, Considered good		
(a) Deposits with lessors and others	20.89	14.56
(b) Receivables from related parties	196.21	257.35
(c) Advance to employees	108.53	104.19
(d) Interest accrued on deposits	10.52	5.97
(e) Others		
(i) Insurance Claim receivable	46.57	11.39
(ii) Other receivables	0.10	4.54
Total	382.82	398.00

15. Other current assets

Unsecured, Considered good		
(a) Prepaid expense	121.65	170.09
(b) Advance to vendors	559.34	550.94
(c) Balance with government authorities		
(i) Vat credit receivable	4.05	4.05
(ii) Goods and services tax credit receivable	3,259.98	2,174.45
(iii) Duty Drawback receivable	40.19	37.53
(iv) MEIS receivable	77.85	77.85
Total	4,063.06	3,014.91

16. Equity Share Capital

Particulars	As at December 31, 2021		As at December 31, 2020	
	No. of shares	Rs.	No. of shares	Rs.
Authorised share capital:				
Equity shares of Rs 10 each with voting rights	15,000,000	1,500.00	15,000,000	1,500.00
Issued, Subscribed and Fully paid:				
Equity shares of Rs 10 each with voting rights	9,178,977	917.90	9,178,977	917.90
Total	9,178,977	917.90	9,178,977	917.90

(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.



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DIC INDIA LIMITED

(ii) Details of shares held by the holding company and its subsidiary:

Particulars	As at December 31, 2021		As at December 31, 2020	
	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

(iii) Details of shares held by each shareholder holding more than 5% shares:

Particulars	As at December 31, 2021		As at December 31, 2020	
	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) 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.

16.1 Other equity

Particulars	Reserves and Surplus				Total
	General reserves	Securities premium	Capital reserve	Retained earnings	
Balance as at January 1, 2020	6,559.12	6,548.08	0.59	15,766.04	28,873.83
Profit for the year	-	-	-	8,590.04	8,590.04
Other comprehensive income/ (loss), net of tax	-	-	-	(28.66)	(28.66)
Dividend Paid	-	-	-	(413.05)	(413.05)
Balance as at December 31, 2020	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)
Balance as at December 31, 2021	6,559.12	6,548.08	0.59	24,567.80	37,675.59

17. Long term provisions

Particulars	As at December 31, 2021	As at December 31, 2020
Provision for employee benefits		
Compensated absence	475.21	376.90
Retirement benefits	91.03	74.58
	566.24	451.48

18. Trade payables

Particulars	As at December 31, 2021	As at December 31, 2020
Current		
Total outstanding dues of micro enterprises and small enterprises (Refer note 34)	1,614.34	707.90
Total outstanding dues of creditors other than micro enterprises and small enterprises	17,317.31	10,480.83
	18,931.65	11,188.73

19. Other current financial liabilities

Particulars	As at December 31, 2021	As at December 31, 2020
Measured at amortised cost		
(a) Payables on purchase of property, plant and equipment	135.43	149.77
(b) Deposit from customers	1,024.73	1,044.30
(c) Interest payable on customer deposits	239.71	195.48
(d) Directors' commission payable	19.43	17.35
(e) Unclaimed dividend	12.33	11.72
Measured at Fair Value		
(a) Fair value of foreign currency forward contracts	8.47	2.19
	1,440.10	1,420.81

20. Short term provisions

Provision for employee benefits

(a) Gratuity obligation	113.16	14.57
(b) Compensated absence	44.22	86.99
(c) Retirement benefit	5.90	4.73
(d) Pension	73.06	71.01
(e) Employee restructuring cost	-	101.45
	236.34	278.75

21. Current tax liabilities

(a) Provision for income tax	4,452.29	4,803.40
(b) Advance tax and tax deducted at source receivable	(4,281.64)	(4,067.04)
Total	170.65	736.36

22. Other current liabilities

(a) Advances from customers	76.25	19.03
(b) Statutory remittances	545.59	297.26
	621.84	316.29



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DIC INDIA LIMITED

Notes to the financial statements for the year ended December 31, 2021

All amounts in Rupees in Lakhs, unless otherwise stated

23. Revenue from operations

The following is an analysis of the company's revenue for the year from operations.

Particulars	Year ended December 31, 2021	Year ended December 31, 2020
(a) Revenue from sale of goods (Refer note: 23(i))	74,214.90	60,605.25
(b) Other operating income (Refer note: 23(ii))	268.05	220.23
Total revenue from operations	74,482.95	60,825.48
Notes:		
(i) Disaggregated revenue information:		
A. Geographical region		
a. India	66,036.73	55,701.54
b. Outside India	8,446.22	5,123.94
Total revenue from operations	74,482.95	60,825.48
B. Reconciliation of revenue recognised with contract price:		
Contract price (Gross)	74,966.67	61,212.53
Adjustments for:		
Discount and Incentives	(751.77)	(607.28)
Revenue from sale of goods	74,214.90	60,605.25

(ii). Other operating income comprises of

(a)	Sale of containers	112.05	96.15
(b)	Commission income	-	0.86
(c)	Duty drawback	78.60	64.48
(d)	Income from MEIS License	9.52	45.04
(e)	Insurance claim	67.87	13.70
		268.04	220.23

24. Other income

(a) Interest income		
-Interest on Deposit and others	171.01	167.22
-Interest on deferred consideration on sale of land	100.97	59.34
(b) Management/ service fees	260.52	295.96
(c) Provision for doubtful debts written back (Refer note below)	240.81	138.09
(d) Liabilities/ provisions no longer required written back	172.32	53.09
(e) Gain on disposal of property, plant and equipment (net)	0.89	-
(f) Miscellaneous receipts	6.07	21.01
Total other income	952.59	734.71

Note:

The provision for doubtful debts written back has been adjusted with Bad debt written off amounting to Rs 212.20 lakhs (Previous year: Rs Nil)

25 (a) Cost of materials consumed

(i) Raw material

Opening stock	4,852.25	4,606.87
Add: Purchases	52,123.84	37,749.37
	56,976.09	42,356.24
Less: Closing stock	8,170.66	4,852.25
Cost of materials consumed raw material	48,805.43	37,503.99

(ii) Containers

Particulars	Year ended December 31, 2021	Year ended December 31, 2020
Opening stock	105.78	93.32
Add: Purchases	3,632.33	2,778.69
	3,738.11	2,872.01
Less: Closing stock	133.54	105.78
Cost of materials consumed containers	3,604.57	2,766.23
Total of Cost of materials consumed	52,410.00	40,270.22
25 (b) Purchase of stock in trade		
Purchase of stock in trade	3,806.93	2,618.81
Total Purchase of stock in trade	3,806.93	2,618.81
26. Changes in Inventories of finished goods, work in progress and stock in trade		
<u>Inventories at the end of the year:</u>		
Finished goods	4,542.35	3,541.42
Work-in-progress	1,340.38	1,284.21
Stock-in-trade	550.74	284.44
a)	6,433.47	5,110.07
<u>Inventories at the beginning of the year:</u>		
Finished goods	3,541.42	3,493.66
Work-in-progress	1,284.21	1,311.90
Stock-in-trade	284.44	91.05
b)	5,110.07	4,896.61
Net (increase) / decrease in inventory	c) = b-a (1,323.40)	(213.46)
27. Employee benefits expense		
(a) Salaries and wages, including bonus	6,696.81	6,628.66
(b) Contribution to provident and other fund	598.51	459.60
(c) Staff welfare expenses	524.94	454.16
Total employee benefits expense	7,820.26	7,542.42
28. Finance cost		
(a) Borrowings	2.40	58.91
(b) Other Borrowing Costs		
- Interest on dealer deposit	55.21	57.97
- Interest on delayed payment of income tax	20.39	-
- Interest others	18.60	15.32
(c) Interest expense on lease liabilities	39.94	57.77
Total Finance cost	136.54	189.97
29. Depreciation and amortisation expenses		
(a) Depreciation on Property, plant and equipment *	1,094.68	1,104.55
(b) Amortisation on Intangible assets	12.49	12.14
(c) Depreciation of Right-of-use assets	323.21	355.65
Total depreciation and amortisation expenses	1,430.38	1,472.34

* Includes an amount of Rs.104.71 lakhs (Previous year: Rs Nil) towards accelerated depreciation on certain plant and equipment.



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DIC INDIA LIMITED

30. Other Expenses

Particulars	Year ended December 31, 2021	Year ended December 31, 2020
(a) Consumption of stores and spare parts	564.15	474.37
(b) Power and fuel	866.78	837.83
(c) Rent (Note 35)	293.53	317.76
(d) Repairs and maintenance - buildings	28.76	21.91
(e) Repairs and maintenance - machinery	392.70	331.57
(f) Repairs and maintenance - others	34.35	33.58
(g) Insurance	272.82	225.98
(h) Rates and Taxes, excluding taxes on income	106.20	71.11
(i) Selling agents' commission	309.27	266.60
(j) Travelling expenses	517.12	390.86
(k) Freight and forwarding	2,386.75	1,976.50
(l) Processing charges	504.56	407.06
(m) Royalty	929.37	761.71
(n) Net Loss on foreign currency transaction, translation and derivatives	7.48	129.40
(p) Bad trade and other receivables, loans and advances written off	44.59	57.38
(q) Payments to auditors (Refer Note (i) below)	56.09	54.96
(r) Loss on disposal of property, plant and equipment (net)	-	0.07
(s) Expenditure towards corporate social responsibility activities (Note (ii))	20.51	14.50
(t) Property, plant and equipment written off	21.34	36.85
(u) Legal and professional	590.41	487.52
(v) Communication expenses	45.00	57.57
(w) Printing and stationery	28.69	23.39
(x) Outsource expense	390.53	394.23
(z) Miscellaneous expenses	1,067.70	981.94
Total other expense	9,478.70	8,354.65

Notes:

(i) Payments to auditors

Payments to the auditors comprises (excluding GST):		
(i) As auditors (including quarterly reviews)	39.75	39.75
(ii) For taxation matters	12.00	12.00
(iii) For other services	1.25	1.25
(iv) Auditors out-of-pocket expenses	3.09	1.96
	56.09	54.96

(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:

(a) Gross amount required to be spent by Company	20.46	10.11
(b) Amount spent during the year on:		
- Construction/acquisition of any asset	-	-
- on other purposes (paid)	20.51	14.50



Notes to the financial statements for the year ended December 31, 2021

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, 2021	As at December 31, 2020
Land-Freehold	96.07	96.07
Buildings	1,093.06	1,170.18
Plant and equipment	3,868.33	4,020.61
Furniture and Fixtures	84.54	89.33
Vehicles	0.44	1.10
Office Equipment	4.57	7.09
Computers	118.26	129.72
Total	5,265.27	5,514.10

Description of assets	Land-Freehold	Buildings	Plant and equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computers	Total
I. Cost								
Balance as at 1 January 2020	96.07	2,002.74	8,266.38	208.16	2.28	10.28	234.57	10,820.48
Additions during the period	-	68.43	482.85	70.51	1.14	4.07	109.83	736.83
Deletions during the period	-	16.80	30.30	1.90	0.47	1.03	3.43	53.93
Balance as at 31 December 2020	96.07	2,054.37	8,718.93	276.77	2.95	13.32	340.97	11,503.38
Balance as at 1 January 2021	96.07	2,054.36	8,718.94	276.78	2.94	13.32	340.97	11,503.38
Additions during the period	-	83.56	667.15	57.08	-	-	64.53	872.32
Deletions during the period	-	18.29	18.03	0.63	-	0.03	4.32	41.30
Balance as at 31 December 2021	96.07	2,119.63	9,368.06	333.23	2.94	13.29	401.18	12,334.40
II. Accumulated depreciation and impairment								
Balance as at 1 January 2020	-	728.99	3,881.29	134.89	1.58	2.51	149.91	4,899.17
Depreciation / amortisation expense	-	157.04	827.16	53.03	0.42	3.90	63.00	1,104.55
Eliminated on disposal of assets	-	1.84	10.13	0.48	0.15	0.18	1.66	14.44
Balance as at 31 December 2020	-	884.19	4,698.32	187.44	1.85	6.23	211.25	5,989.28
Balance as at 1 January 2021	-	884.19	4,698.32	187.44	1.85	6.23	211.25	5,989.28
Depreciation / amortisation 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
Balance as at 31 December 2021	-	1,026.57	5,499.73	248.69	2.50	8.72	282.92	7,069.13
Net block (I-II)								
Balance as at 31 December 2021	96.07	1,093.06	3,868.33	84.54	0.44	4.57	118.26	5,265.27
Balance as at 31 December 2020	96.07	1,170.18	4,020.61	89.33	1.10	7.09	129.72	5,514.10

Note:

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.

5.2 The carrying value of capital work-in-progress as at December 31, 2021 and December 31, 2020 is Rs 869.14 Lakhs and Rs 105.09 Lakhs respectively, which mainly pertains to plant and equipment.

6. Intangible assets

Carrying amount of	As at 31 December 2021	As at 31 December 2020
Computer software	18.59	23.79

Description of Assets	Computer Software
I. Cost or deemed cost	
Deemed cost as at 1 January 2020	73.92
Additions during the period	18.36
Deletions during the period	-
Balance as at 31 December 2020	92.28
Deemed cost as at 1 January 2021	92.28
Additions during the period	7.29
Deletions during the period	-
Balance as at 31st December 2021	99.57
II. Accumulated depreciation	
Balance as at 1 January 2020	56.35
Amortisation expense	12.14
Eliminated on disposal of assets	-
Balance as at 31 December 2020	68.49
Deemed cost as at 1 January 2021	68.49
Depreciation / amortisation expense	12.49
Eliminated on disposal of assets	-
Balance as at 31 December 2021	80.98
Net block (I-II)	
Balance as at 31 December 2021	18.59
Balance as at 31 December 2020	23.79



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DIC INDIA LIMITED

Notes to the financial statements for the year ended December 31, 2021

All amounts in Rupees in Lakhs, unless otherwise stated

31. Contingent Liabilities and Commitments

(a) Contingent Liabilities	As at December 31, 2021	As at December 31, 2020
Claims against the Company not acknowledged as debt:		
(a) Income tax matters	340.47	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	48.86	63.69

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) Commitment	As at December 31, 2021	As at December 31, 2020
(l) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	4,828.64	210.47
(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.		
(d) Based upon the legal opinion obtained by the management, there are various interpretation issues and thus management is in the process of evaluating the impact of the Supreme Court Judgement in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purpose of determining contribution to provident fund under the Employees Provident Fund & Miscellaneous provisions Act, 1952.		

32. 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, 2021 are as follows:

(b) Commitment	As at December 31, 2021	As at December 31, 2020
Balance of trade payables as at the end of the year		
Total outstanding dues of micro and small enterprises	1,614.34	707.90
Total outstanding dues of creditors other than micro and small enterprises	17,317.23	10,480.83
	18,931.57	11,188.73
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	1,614.34	707.90
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	67.63	65.79
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day		
(a) Principal amount	1,012.72	1,079.95
(b) Interest amount	7.41	-
(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	9.25	9.58
(v) The amount of interest accrued & remaining unpaid at the end of the accounting year	67.63	65.79
(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	-	-

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 and Medium Enterprises Development Act, 2006. This has been relied upon by the auditors.



Notes to the financial statements for the year ended December 31, 2021

All amounts in Rupees in Lakhs, unless otherwise stated

33. Employee benefit plan

33.1 Defined contribution plans

During the year, the Company has recognised an amount of Rs. 163.54 lakhs (December 31, 2020 Rs. 176.47 lakhs) as expenditure towards defined contribution plans of the Company.

33.2 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, 2021	As at December 31, 2020
<u>Pension Fund</u>		
Interest rate for discounting	5.75%	5.40%
Salary increase rate	0.00%	0.00%
Expected rate of return on plan assets	5.75%	5.40%
<u>Gratuity Obligation</u>		
Interest rate for discounting	6.74%	6.25%
Salary increase rate:		
(a) Management staff	5.00%	5.00%
(b) Union staff	4.00%	4.00%
Expected rate of return on plan assets	6.74%	6.25%
<u>Retirement Benefit</u>		
Interest rate for discounting	6.70%	6.25%
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	2021	200.93	1,259.38	96.93
	2020	194.19	1,114.23	79.31
Fair value of plan assets	2021	127.87	1,146.22	-
	2020	123.18	1,099.66	-
Net asset / (liability)	2021	(73.06)	(113.16)	(96.93)
	2020	(71.01)	(14.57)	(79.31)
Experience adjustments on plan assets [gain/ (loss) during the year]	2021	1.11	4.91	-
	2020	5.01	23.62	-
Experience adjustments on obligations [(gain)/ loss during the year]	2021	2.11	111.23	(3.35)
	2020	6.26	(8.56)	1.20

33. 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	2021	-	87.20	5.02
	2020	-	81.43	4.77
Interest cost	2021	4.05	(0.47)	5.14
	2020	3.01	(2.84)	4.75
Past service cost	2021	-	-	19.39
	2020	-	-	-
Actuarial loss/(gain)- Other comprehensive loss	2021	(2.00)	55.03	(6.68)
	2020	12.25	24.23	1.82
Total expense*	2021	2.05	141.76	22.87
	2020	15.26	102.82	11.34
Recognised in statement of Profit and Loss	2021	4.05	86.73	29.55
	2020	3.01	78.59	9.52
Actuarial loss/(gain) recognised in Other comprehensive loss	2021	(2.00)	55.03	(6.68)
	2020	12.25	24.23	1.82

* Recognised under "Contribution to Provident and Other Funds" in Note 29 for Pension, Gratuity and under "Staff welfare expenses" in Note 27 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	2021	194.19	1,114.23	79.31
	2020	201.25	1,087.70	83.97
Current service cost	2021	-	87.20	5.02
	2020	-	81.43	4.77
Interest cost	2021	11.07	72.59	5.14
	2020	9.94	62.81	4.75
Past service cost	2021	-	-	19.39
	2020	-	-	-
Actuarial loss/(gain)	2021	(0.89)	59.94	(6.68)
	2020	17.26	47.85	1.82
Benefits paid	2021	(3.44)	(74.58)	(5.25)
	2020	(34.26)	(165.56)	(16.00)
Closing present value of defined benefit obligation	2021	200.93	1,259.38	96.93
	2020	194.19	1,114.23	79.31

33. Employee benefit plan (Cont'd)

(iv) Reconciliation of Opening and Closing Balances of the Fair Value of plan assets

		Pension	Gratuity
Opening fair value of plan assets	2021	123.18	1,099.66
	2020	145.50	1,090.42
Expected return on plan assets	2021	7.02	73.06
	2020	6.93	65.65
Actuarial gain/ (loss)	2021	1.11	4.91
	2020	5.01	23.62
Contributions by employer	2021	-	43.17
	2020	-	85.53
Benefits paid	2021	(3.44)	(74.58)
	2020	(34.26)	(165.56)
Closing fair value of plan assets	2021	127.87	1,146.22
	2020	123.18	1,099.66

(v) Major categories of plan assets as a percentage of Fair Value of the total plan assets

		Pension	Gratuity
Govt. of India Securities/Deposits	2021	40%	1%
	2020	42%	5%
PSU Bonds / State Securities	2021	17%	5%
	2020	17%	6%
Corporate bonds	2021	2%	4%
	2020	2%	4%
Insurance managed funds	2021	8%	88%
	2020	8%	85%
Bank balances	2021	33%	2%
	2020	31%	0%
Total	2021	100%	100%
	2020	100%	100%

(vi) Actual return on plan assets

	2021	2020
Pension	8.13	11.94
Gratuity	77.97	89.27

33. 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, 2021		As at December 31, 2020	
	Discount rate	Salary increase	Discount rate	Salary increase
<u>Pension Fund</u>				
Decrease in Defined benefit obligation due to increase by 1%	(6.97)	-	(8.49)	-
Increase in Defined benefit obligation due to decrease by 1%	7.50	-	9.17	-
<u>Gratuity Obligation</u>				
Decrease in Defined benefit obligation due to increase by 1%	(94.87)	108.27	(91.65)	104.98
Increase in Defined benefit obligation due to decrease by 1%	108.45	(96.33)	105.41	(93.07)
<u>Retirement Benefit</u>				
Decrease in Defined benefit obligation due to increase by 1%	(6.77)	-	(5.91)	-
Increase in Defined benefit obligation due to decrease by 1%	7.65	-	6.69	-

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.

33.3 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. 57.41 lakhs (December 31, 2020: Rs 36.89 lakhs) and charge for the current year in 'Contribution to Provident and Other Funds' in Note 27 amounting to Rs. 84.50 lakhs (December 31, 2020 Rs. 8.69 lakhs). Further during the year, the Company's contribution of Rs. 253.01 lakhs (December 31, 2020 - Rs. 194.67 lakhs) to the Provident Fund Trust has been expensed under the 'Contribution to Provident and Other Funds' in Note 27. Disclosures given hereunder are restricted to the information available as per the Actuary's Report.

	Valuation as at	
	As at December 31, 2021	As at December 31, 2020
Discount rate	6.70%	6.20%
Expected yield on plan assets	7.76%	8.05%
Guaranteed interest rate	8.50%	8.50%

33.4 Employee restructuring cost

During the previous year, the Company started restructuring of manpower in its Kolkata plant and recorded an estimated provision in Employee benefits expense. During the current year, the above estimated provision has been appropriately paid/adjusted in the financial statements.



Notes to the financial statements for the year ended December 31, 2021

All amounts in Rupees in Lakhs, unless otherwise stated

34. 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, 2021	As at December 31, 2020
(a) Debt- Borrowings	-	-
(b) Cash and cash equivalents	(7,276.59)	(3,306.42)
(c) Net debt	(7,276.59)	(3,306.42)
(d) Equity (Refer note 1)	38,593.49	37,940.06
Net debt to equity ratio (%) (Refer note 2)	-	-

Note:

- Equity includes all capital and reserves of the Company that are managed as capital.
- The Company do not have borrowings as at December 31, 2021 and December 31, 2020. Hence, the debt to equity ratio is zero.

(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, 2021	As at December 31, 2020
Financial assets			
<u>Measured at amortised cost</u>			
(a) Trade receivables		23,341.09	18,189.12
(b) Cash and cash equivalents		7,276.59	3,306.42
(c) Bank balances other than Cash and cash equivalents		12.33	5,912.40
(d) Other financial assets		746.72	2,553.06
Financial liabilities			
<u>Measured at amortised cost</u>			
(a) Trade payables		18,931.65	11,188.73
(b) Other financial liabilities		1,431.63	1,418.62
(c) Lease liabilities		544.87	574.58
Measured at fair value through profit and loss			
(a) Other financial asset- Fair value of Derivative instrument	Level 2	8.47	2.19

Method/ assumption used to estimate the fair value:

- 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.
- 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.
- 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.

34. 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, 2021	December 31, 2020	December 31, 2021	December 31, 2020
USD	50.06	12.23	24.10	9.94
Equivalent amount in INR	3,719.73	893.53	1,790.66	726.58
EUR	1.01	0.62	0.36	-
Equivalent amount in INR	84.55	55.43	30.06	-
JPY	775.27	595.44	-	-
Equivalent amount in INR	500.30	421.89	-	-
AUD	-	0.12	-	-
Equivalent amount in INR	0.19	6.86	-	-

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, 2021	December 31, 2020	December 31, 2021	December 31, 2020
USD	10.00	4.50	-	-
Equivalent amount in INR	744.56	331.38	-	-
JPY	-	25.00	-	-
Equivalent amount in INR	-	17.75	-	-

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, 2021	December 31, 2020	December 31, 2021	December 31, 2020
USD	40.06	7.73	24.10	9.94
Equivalent amount in INR	2,975.17	562.15	1,790.66	726.58
EUR	1.01	0.62	0.36	-
Equivalent amount in INR	84.55	55.43	30.06	-
JPY	775.27	570.44	-	-
Equivalent amount in INR	500.30	404.14	-	-
AUD	-	0.12	-	-
Equivalent amount in INR	0.19	6.86	-	-



34. 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, 2021	As at December 31, 2020
USD Impact		
Impact on profit or loss for the year (Gain/Loss)	(118.45)	16.44
Impact on total equity as at the end of the reporting period	(118.45)	16.44
JPY Impact		
Impact on profit or loss for the year (Gain/Loss)	(50.03)	(40.41)
Impact on total equity as at the end of the reporting period	(50.03)	(40.41)

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 exposed to interest rate risk because it borrows funds at fixed interest rates. In the Management's opinion amounts borrowed by the Company are not significant and are temporary in nature as these are used to manage short term working capital requirements. The Company does not hedge its interest rate risk by any hedging instrument.

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. The analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

(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, 2021			December 31, 2020		
	Carrying amount	Due in 1 year	Due after 1 year	Carrying amount	Due in 1 year	Due after 1 year
Financial Liabilities						
(a) Trade payables	18,931.65	18,931.65	-	11,188.73	11,188.73	-
(b) Other financial liabilities	1,431.63	1,431.63	-	1,418.62	1,418.62	-
(c) Lease liabilities	544.87	228.23	316.64	574.58	229.65	344.93

Notes to the financial statements for the year ended December 31, 2021

All amounts in Rupees in Lakhs, unless otherwise stated

35. Lease

Effective January 1, 2020, the Company adopted Ind AS 116 “Leases” and applied the standard to all lease contracts existing on January 1, 2020 using the modified retrospective approach without restatement of the comparative period. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease. On transition, the adoption of the new standard resulted in recognition of “Right of Use” asset (ROU) of Rs. 2,739.03 and a lease liability of Rs. 857.13 Lakhs as at January 1, 2020. It includes reclassification of prepaid lease payments amounting to Rs. 1,881.90 Lakhs relating to leasehold land disclosed earlier in other non current assets have now been reclassified to right-of-use assets. The weighted average incremental borrowing rate applied to lease liabilities as at January 1, 2020 is 8.00%.

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 Rs. 350,000 on grounds of low value lease.

The changes in the carrying value of ROU assets for the year ended December 31, 2021 are as follows:

Description of assets	Category of ROU Asset				Total
	Building	Leasehold land	Vehicle	Plant and equipment	
I. Cost					
Balance as at January 01, 2020	-	-	-	-	-
Reclassified on account of adoption of IND AS 116	786.55	1,881.90	29.36	41.22	2,739.03
Additions during the year	-	3.83	-	44.13	47.96
Deletions during the year	101.71	-	-	-	101.71
Balance as December 31, 2020	684.84	1,885.73	29.36	85.35	2,685.28
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	-	-	-	-	-
Balance as December 31, 2021	961.69	1,885.73	29.36	85.35	2,962.13
II. Accumulated depreciation					
Balance as at January 01, 2020	-	-	-	-	-
Depreciation expense	297.88	22.86	9.79	25.12	355.65
Eliminated on disposal of assets	53.04	-	-	-	53.04
Balance as December 31, 2020	244.84	22.86	9.79	25.12	302.61
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	-	-	-	-	-
Balance as December 31, 2021	505.27	45.71	19.58	55.26	625.82
Net block (I-II)					
Balance as December 31, 2021	456.42	1,840.02	9.78	30.09	2,336.31
Balance as December 31, 2020	440.00	1,862.87	19.57	60.23	2,382.67

ROU assets are amortised from the commencement date on a straight-line basis over the lease term. The lease term is 99 years for lease land, 2 to 5 years for building and 2 to 3 years for vehicles, 2 to 6 years for Plant and equipment respectively. The aggregate depreciation expense on ROU assets is included under depreciation and amortisation expense in the statement of Profit and Loss.

(a) The break-up of current and non-current lease liabilities as at December 31, 2021 is as follows:

Particular	As as December 31, 2021	As as December 31, 2020
Current Lease liability	228.23	229.65
Non current lease liability	316.64	344.93
	544.87	574.58

(b) The movement in lease liabilities during the year ended December 31, 2021 is as follows:

Particular	As as December 31, 2021	As as December 31, 2020
Opening Liability as on 1st January	574.58	-
Reclassification of lease liability on account of adoption of IND AS 116	-	857.13
Add: Addition (excluding leasehold land)	276.85	44.13
Add: Interest Expense	39.94	57.77
Less: Deletion (excluding leasehold land)	-	(50.22)
Less: payment of lease liability	(346.50)	(334.23)
	544.87	574.58

(c) The details of the contractual maturities of lease liabilities as at December 31, 2021 on an undiscounted basis are as follows:

Particular	As as December 31, 2021	As as December 31, 2020
Less than one year	262.19	267.16
One to five years	330.00	371.78
	592.19	638.94

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, 2021.

Particular	As as December 31, 2021	As as December 31, 2020
Short term lease	33.43	70.41
Low value lease	19.08	17.03
	52.51	87.44

36. Expenditure on Research and Development

	Year ended December 31, 2021	Year ended December 31, 2020
Capital Expenditure includes on account of Research and Development	157.86	102.66
	157.86	102.66



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DIC INDIA LIMITED

37. Related Parties Disclosures

i) Related Parties :

Names of Related Parties

Relationship

(A) Where control exists

DIC Corporation, Japan	Ultimate Holding Company
DIC Asia Pacific Pte Ltd., Singapore	Holding Company

(B) Others with whom transactions have taken place during the year

BASF Colors & Effects India Pvt Ltd	Fellow Subsidiary
Benda-Lutz Werke GmbH	Fellow Subsidiary
DIC (Malaysia) Sdn. Bhd.	Fellow Subsidiary
DIC (Shanghai) Co., Ltd.	Fellow Subsidiary
DIC Alkylphenol Singapore Pte., Ltd.	Fellow Subsidiary
DIC Australia Pty Ltd	Fellow Subsidiary
DIC Bangladesh Pvt. Ltd.	Fellow Subsidiary
DIC Compounds (Malaysia) Sdn. Bhd.	Fellow Subsidiary
DIC Europe GmbH	Fellow Subsidiary
DIC Fine Chemicals Private Limited	Fellow Subsidiary
DIC Graphics (Guangzhou) Co. Ltd.	Fellow Subsidiary
DIC South Asia Private Limited	Fellow Subsidiary
DIC Graphics Corporation	Fellow Subsidiary
DIC Graphics (Thailand) Co. Ltd.	Fellow Subsidiary
DIC Performance Resins GmbH	Fellow Subsidiary
DIC Lanka (Private) Ltd.	Fellow Subsidiary
DIC New Zealand Ltd	Fellow Subsidiary
Hartmann Druckfarben GmbH	Fellow Subsidiary
Nantong DIC Color Co., Ltd.	Fellow Subsidiary
PT. DIC Graphics	Fellow Subsidiary
Siam Chemical Industry Co., Ltd.	Fellow Subsidiary
Sun Chemical AG	Fellow Subsidiary
Sun Chemical B.V.	Fellow Subsidiary
Sun Chemical Canada	Fellow Subsidiary
Sun Chemical Group S.p.A.	Fellow Subsidiary
Sun Chemical N.V./S.A.	Fellow Subsidiary
Sun Chemical (South Africa) (Pty.) Ltd.	Fellow Subsidiary
Sun Chemical S.A.U	Fellow Subsidiary
Sun Chemical Limited	Fellow Subsidiary
Sun Chemical S.A.S	Fellow Subsidiary
Nissin Trading Co. Ltd.	Fellow Subsidiary
Sun Chemical Corporation	Fellow Subsidiary
Sun Chemical (Chile) S.A.	Fellow Subsidiary
Sun Chemical matbaa Murekkepleri Ve Gerecleri Sanayii Ve Ticaret A.S.	Fellow Subsidiary
Sun Chemical S.A.	Fellow Subsidiary
DIC COLOR DESIGN, Inc.	Fellow Subsidiary
DIC Graphics Chia Lung Corp.	Fellow Subsidiary
Sun Chemical Trading (Shanghai) Co.	Fellow Subsidiary
DIC South Asia Private Limited	Fellow Subsidiary
Sun Chemical Turkey	Fellow Subsidiary
Mr. Manish Bhatia	Key Management Personnel
Mr. Taishi Nojima	Key Management Personnel

37. Related Parties Disclosures (Cont'd)

(ii) Disclosure of transactions with related parties during the year and outstanding balances

	Year ended December 31, 2021	Year ended December 31, 2020
A. Transactions during the year		
(i) Revenue from sale of goods		
<i>Ultimate Holding Company</i>	1.00	-
<i>Fellow Subsidiary</i>		
DIC Australia Pty Ltd	1,836.72	1,246.88
DIC South Asia Pvt. Ltd.	294.95	-
Others	585.78	497.82
(ii) Commission income		
<i>Fellow Subsidiary</i>		
Sun Chemical N.V./S.A.	-	0.86
(iii) Management/ service fees income		
<i>Ultimate Holding Company</i>	136.37	144.21
<i>Holding Company</i>	51.14	99.30
<i>Fellow Subsidiary</i>		
DIC South Asia Private Limited	29.39	44.52
Ideal Chemi Plast Pvt. Ltd.	18.62	5.73
DIC Fine Chemicals Private Limited	-	2.00
DIC Bangladesh Pvt. Ltd.	25.00	-
(vi) Purchases of goods		
<i>Ultimate Holding Company</i>	643.82	732.47
<i>Holding Company</i>	2,560.58	2,475.93
<i>Fellow Subsidiary</i>		
DIC Fine Chemicals Private Limited	2,431.42	1,425.57
DIC Compounds (Malaysia) Sdn. Bhd.	-	17.49
Nantong DIC Color Co., Ltd.	332.40	412.69
Other	1,431.27	767.84
(v) Salaries and wages, Travelling expense and miscellaneous expenses		
<i>Ultimate Holding Company</i>	110.15	152.57
<i>Holding Company</i>	334.71	401.17
<i>Fellow Subsidiary</i>		
DIC Fine Cemicals	-	25.24
DIC South Asia Private Limited	-	11.59
(vi) Royalty expense		
<i>Ultimate Holding Company</i>	929.37	761.71
(vii) Remuneration expenses		
Short Term Benefits	363.01	388.98
Post-Employment Benefits	9.36	10.91
Other long-term employee benefits	3.00	3.16
Sitting Fees	33.10	22.10
Director's Commission	19.43	17.35



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DIC INDIA LIMITED

37. Related Parties Disclosures (Cont'd)

	Year ended December 31, 2021	Year ended December 31, 2020
(viii) Reimbursement of Expenses		
<i>Ultimate Holding Company</i>		
Salaries and wages	112.67	247.51
Travelling expenses	-	9.34
Miscellaneous expenses	4.69	5.84
<i>Holding Company</i>		
Salaries and wages	65.80	61.85
Travelling expenses	1.42	5.75
Miscellaneous expenses	183.22	148.31
<i>Fellow Subsidiary</i>		
Salaries and wages	47.13	83.00
Travelling expenses	-	5.56
Miscellaneous expenses	15.41	39.17
b. Outstanding as at year end:		
	As at December 31, 2021	As at December 31, 2020
(i) Trade payable		
<i>Ultimate Holding Company</i>		
	532.62	455.59
<i>Holding Company</i>		
	362.79	451.74
<i>Fellow Subsidiary</i>		
DIC Fine Chemicals Private Limited	932.24	472.79
Others	161.10	116.11
(ii) Employee related liabilities		
Key Management Personnel		
Post-Employment Benefits	6.15	5.21
Short Term Benefits	9.81	6.81
Director Commision	19.43	17.35
(iii) Trade receivables		
<i>Ultimate Holding Company</i>		
	1.00	-
<i>Holding Company</i>		
	54.03	-
<i>Fellow Subsidiary</i>		
DIC Australia Pty Ltd	396.59	286.12
DIC Lanka (Pvt) Ltd.	138.44	44.13
DIC South Asia Private Limited	-	85.11
Others	113.04	82.35
(iv) Other current financial assets		
<i>Ultimate Holding Company</i>		
	49.19	151.18
<i>Holding Company</i>		
	59.80	59.26
<i>Fellow Subsidiary</i>		
DIC South Asia Private Limited	17.75	17.95
DIC Bangladesh Pvt. Ltd.	25.00	-
Others	16.73	28.96

38. Segment Information

	Printing Inks		Adhesives		Total	
	2021	2020	2021	2020	2021	2020
REVENUE						
External sales	68,766.92	55,110.83	5,716.03	5,714.65	74,482.95	60,825.48
Total revenue	68,766.92	55,110.83	5,716.03	5,714.65	74,482.95	60,825.48
RESULTS						
Segment results	1,724.67	1,158.61	246.25	822.14	1,970.92	1,980.75
Unallocable expenses					(1,050.08)	(1,200.25)
Unallocable income					891.83	734.71
Interest expenses (including other borrowing cost)					(136.54)	(189.97)
Exceptional item					-	9,762.53
Tax (expense) / credit					(437.28)	(2,497.73)
Profit / (loss) for the year	1,724.67	1,158.61	246.25	822.14	1,238.85	8,590.04
OTHER INFORMATION						
Segment assets	45,126.00	33,825.66	3,291.16	3,445.41	48,417.16	37,271.07
Unallocable assets					12,688.02	15,635.99
Total assets	45,126.00	33,825.66	3,291.16	3,445.41	61,105.18	52,907.06
Segment liabilities	15,489.51	8,438.69	1,807.90	600.42	17,297.41	9,039.11
Unallocable liabilities					5,214.28	5,927.89
Total liabilities	15,489.51	8,438.69	1,807.90	600.42	22,511.69	14,967.00
Depreciation and amortisation	1,212.41	1,277.01	48.46	7.70	1,260.87	1,284.71
Unallocable depreciation					169.51	187.63
Total depreciation	1,212.41	1,277.01	48.46	7.70	1,430.38	1,472.34
Capital expenditure including Capital work-in-progress	1,595.08	718.85	48.54	5.35	1,643.62	724.20
Non-cash expenditure other than depreciation and amortisation and impairment	382.85	224.66	-	-	382.85	224.66

Notes:

- The Company has considered business segment as the segment for disclosure on the basis that the risks and returns of the Company is primarily determined by the nature of products. The reporting segments are Printing Inks (including allied products) and Adhesives.
- The Segment wise revenue, results, assets and liabilities relate to the respective amounts identifiable to each of the segments. Unallocable income/ expenses refer to income/ expenses which relate to the Company as a whole and are not allocable to segments on a reasonable basis. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.
- The Company operates predominantly within the geographical limits of India and accordingly this segment have not been considered.
- Administrative and corporate expenses, interest expense, unallocated other income and provision for tax have not been allocated to reportable segments. Consequently, segment wise net profit has not been disclosed.
- Unallocated other income has not been measured and reported segment wise as these components are not realistically allocable and identifiable.
- Unallocated corporate expenses include expenses such as depreciation, employee remuneration and benefits, administrative and other expenses which are not directly related to the specific segments.
- Unallocated assets includes Property, plant and equipment, Capital work in progress, Intangible assets, cash & bank balances, deferred tax assets and other assets which are not directly related to the specific segments.
- Unallocated liabilities include provision for staff benefits and other current liabilities.
- No single customers contributes 10% or more to the Company's revenue.



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39. Computation of Earnings per Equity Share (Basic and Diluted)

Particulars	As at December 31, 2021	As at December 31, 2020
Profit for the year attributable to owners of the Company used in calculating basic and diluted earnings per share	1,238.85	8,590.04
Weighted average number of equity shares	917.90	917.90
Basic and diluted earning per share (Rs)	13.50	93.58
Face value per equity share (Rs)	10.00	10.00

40. The Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.

41. In respect of certain leasehold Land on which the Kolkata plant is located, the lease agreement with Kolkata Port Trust Authority (KOPT) expired on March 13, 2021 and August 13, 2021. The Company has initiated process of renewal of such lease agreement and considering the current pandemic situation, the administrative process of the renewal has been delayed. In the meantime, the Company has paid an advance lease rental till March 13, 2022 and August 13, 2022 to KOPT, at the last ruling rates. Incremental rent if any will be considered on finalisation of the renewed lease agreement.

42. Reconciliation of liabilities arising from financing activities.

The table below details change in the Company's liabilities arising from financing activities, including both cash and non cash changes. Liabilities arising from financing activities are those for which cash flows where, or future cash flows will be, classified in the Company's statement of cash flows as cash flows from financing activities.

Particulars	Opening balance as at January 1, 2020	Financing cash flows	Non- cash changes	Closing balance as at December 31, 2020
Borrowings	3513.65	3513.65	-	-

Note: The Company do not have borrowings as at December 31, 2021. Hence, the above disclosure is not applicable for FY 2021.

43. Estimation uncertainty relating to the global health pandemic on COVID-19

The Company has considered possible effects that may result from pandemic relating to COVID 19 on the carrying amount of property, plant and equipment, inventories, and receivables. In developing the assumptions relating to the possible future uncertainties in the economic conditions due to pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information. Based on current estimates, the Company expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

44. 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 dated February 11, 2022, have proposed a dividend of Rs 12,50 Lakhs (Rs 833.33 per equity share) for the year 2021. The equity dividend is subject to approval by the shareholders at the ensuring annual general meeting and therefore it has not been included as a liability as at balance sheet date in accordance with IND AS- 10 on 'Events after the Reporting Period'. The total equity dividend and tax payable thereon aggregates to Rs 12,50 Lakhs and Rs 2,135 Lakhs respectively.

45. Approval of financial statement

The financial statements for the year ended December 31, 2021 were approved and authorised for issue by the board of directors on February 11, 2022

For and on behalf of the Board of Directors

Manish Bhatia
Managing Director & CEO
DIN: 08310936

Prabal Sarkar
Director
DIN: 03124712

Sandip Chatterjee
Chief Finance Officer

Raghav Shukla
Company Secretary

Place: Noida
Date: February 11, 2022

Place: Kolkata
Date: February 11, 2022

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

