


FORM A

Format of Covering Letter of the Annual Audit Report to be filed with the Stock Exchanges

1	Name of the Company	DIC India Limited
2	Annual Financial Statements for the year ended	31 <sup>st</sup> December, 2014
3	Type of Audit observation	Un-qualified / Matter of Emphasis
4	Frequency of observation	Whether appeared first time ..... / repetitive ..... / since how long period... Not Applicable

**For Lovelock and Lewes**  
Firm Registration Number - 301056E  
Chartered Accountants

  
**Pinaki Chowdhury**  
Partner  
Membership Number: 57572

**For DIC India Limited**

  
**Yasuo Ikeda**  
Chief Executive Officer

  
**Dipak Kumar Banerjee**  
Audit Committee, Chairman

  
**Sandip Chatterjee**  
Chief Financial Officer



# DIC India Limited

Color and Comfort by Chemistry



**ANNUAL REPORT 2014**

# BOARD OF DIRECTORS

As on 31st December 2014



**Dr P K Dutt**  
*Chairman*



**Yasuo Ikeda**  
*Chief Executive Officer*



**D Banerjee**



**Y Masuda**



**S Bose**



**B N Ghosh**



**U Sengupta**



**P Koek**

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# Corporate Information

as on 31st December 2014

CIN - L24223WB1947PLC015202

## Board of Directors

Dr Prabir Kumar Dutt  
*Chairman*

Yasuo Ikeda  
*Chief Executive Officer*

Yoshiaki Masuda  
Bhaskar Nath Ghosh

Dipak Kumar Banerjee  
Utpal Sengupta

Subir Bose  
Paul Koek

Timir Baran Chatterjee  
*Senior Executive Vice President*  
*(Corporate Affairs and Legal) & Company Secretary*

Sandip Chatterjee  
*Chief Finance Officer*

## Board Committees

### Audit

#### Committee

Dipak Kumar Banerjee – *Chairman*  
Subir Bose  
Bhaskar Nath Ghosh  
Paul Koek  
Utpal Sengupta

### Investor Grievance & Stakeholders’ Relationship Committee

Utpal Sengupta – *Chairman*  
Dr Prabir Kumar Dutt  
Paul Koek

### Nomination & Remuneration Committee

Dipak Kumar Banerjee – *Chairman*  
Subir Bose  
Yoshiaki Masuda  
Paul Koek

### CSR Committee

Utpal Sengupta – *Chairman*  
Subir Bose  
Yasuo Ikeda  
Paul Koek

## Bankers

Bank of Baroda  
State Bank of India  
Standard Chartered Bank  
The Hongkong and Shanghai Banking Corporation Limited

## Auditors

Lovelock & Lewes  
(Rgn No. 301056E)  
Plot No. Y-14, Block EP, Sector V, Salt Lake,  
Electronics Complex, Bidhan Nagar, Kolkata - 700 091  
Phone : (033) 2357 9260 / 7600

## Registrar and Share Transfer Agent

C B Management Services (P) Limited  
P-22, Bondal Road, Kolkata - 700 019  
CIN - U74140WB1994PTC062959  
Phone : (033) 4011 6700 / 2280 6692 / 2282 3643 / 2287 0263  
E-mail : rta@cbmsl.com | Website : www.cbmsl.com

## Registered Office

Transport Depot Road, Kolkata - 700 088  
Phone : (033) 2449 6591-95 Fax : (033) 2449 7033 / 2448 9039  
E-mail : investors@dic.co.in Website : www.dicindia.co

# Ten Years Record

## TEN YEARS FINANCIAL STATISTICS

(Rs. in Million)

	2014 Dec-31	2013 Dec-31	2012 Dec-31	2011 Dec-31	2010 Dec-31	2009 Dec-31	2008 Dec-31	2007 Dec-31	2006 Dec-31	2005 Dec-31
<b>Sales (Net)</b>	<b>7,187</b>	7,087	7,124	6,748	5,534	4,593	4,719	4,039	3,395	2,786
<b>Profit before Tax</b>	<b>(181)</b>	120 #	315 #	382 #	649	320	231	167	145	147
Tax	<b>(83)</b>	(5)	100	117	141	97	81	58	45	46
<b>Profit after Tax</b>	<b>(309) \$</b>	125 #	215 #	265 #	507	223	151	109	100	101
Dividend	—	43 *	43 *	43 *	54 *	43 *	38 *	38 *	28 *	28 *
Retained Profit	<b>(309)</b>	82	172	222	454	180	113	71	72	73
Earnings per Share (Rs.)										
– Basic	<b>(33.65)</b>	13.66 #	23.42 #	28.82 #	55.28	24.29	16.56	15.86	14.51	14.72
– Diluted	<b>(33.65)</b>	13.66 #	23.42 #	28.82 #	55.28	24.29	16.56	15.69	—	—
Dividend per Share (%)	—	40 @	40 @	40 @	50	40	35	35	35	35
Net Worth per										
Equity Share (Rs.)	<b>283.77</b>	317.44	308.46	289.69	265.53	216.04	196.47	170.52	157.54	147.12
PBT to Sales (%)	<b>(2.52) †</b>	1.69	4.42	5.66	11.72	6.97	4.90	4.14	4.27	5.28
PAT on Shareholders										
Funds (%)	<b>(11.86)</b>	4.30	7.59	9.95	20.82	11.25	8.37	9.30	9.22	9.97
Debt Equity Ratio	<b>0.14:1</b>	0.08:1	0.12:1	0.09:1	0.05:1	0.22:1	0.28:1	0.12:1	0.64:1	0.44:1
<b>Sources of Funds</b>										
Share Capital	<b>92</b>	92	92	92	92	92	92	69	69	69
Share Application	—	—	—	—	—	—	—	516	—	—
Reserves & Surplus	<b>2513</b>	2822	2740	2567	2345	1891	1712	1105	1016	944
Borrowings	<b>352</b>	233	340	227	115	427	497	209	693	444
	<b>2957</b>	3147	3172	2886	2552	2410	2300	1899	1778	1457
<b>Application of Funds</b>										
Net Fixed Assets	<b>890</b>	976	1,018	897	772	756	745	682	535	451
Investments	—	—	—	—	—	108	108	108	108	108
Net Current Assets	<b>2067</b>	2,171	2,153	1,989	1,780	1546	1448	1109	1135	898
	<b>2957</b>	3147	3172	2886	2552	2410	2300	1899	1178	1457

Notes:

\* Includes Tax on Dividend

@ Proposed

# After considering Extra-ordinary items

\$ After considering Exceptional item

† Profit before Tax and Exceptional item



**DIC INDIA LIMITED**

**CIN : L24223WB1947PLC015202.**

Regd. Office : Transport Depot Road, Kolkata - 700 088

Website : [www.dicindia.co](http://www.dicindia.co)

Email id : [investors@dic.co.in](mailto:investors@dic.co.in)

Phone : 033 24496591

# Notice

NOTICE is hereby given that the Sixty Seventh Annual General Meeting of the Members of DIC India Limited, will be held at the Williamson Magor Hall in the premises of The Bengal Chamber of Commerce & Industry, Royal Exchange, No. 6, Netaji Subhas Road, Kolkata - 700 001 on Monday, 23rd March 2015 at 11.00 a.m. to transact the following business:

## **ORDINARY BUSINESS**

1. To receive and consider the Statement of Profit & Loss for the financial year ended 31st December 2014, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Paul Koek (DIN:00081930), who retires by rotation and being eligible, seeks re-appointment.
3. Appointment of Statutory Auditors and to fix their remuneration.

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

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, M/s Lovelock & Lewes, Chartered Accountants (ICAI Firm Registration No.301056E), the retiring Auditors of the Company, be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of the Sixty Eighth AGM of the Company, to examine and audit the accounts of the Company on such remuneration plus travelling and out-of-pocket expenses, as may be mutually agreed upon between the Auditors and the Audit Committee of the Board or such other officer of the Company as may be approved by the Board/Committee.”

## **SPECIAL BUSINESS**

4. Appointment of **Mr. Dipak Kumar Banerjee** as an Independent Director of the Company for a term of three years.

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

‘RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, **Mr. Dipak Kumar Banerjee** (DIN: 00028123), Director of the Company whose period of office was liable to retirement by rotation as per the Companies Act, 1956 and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for a term up to three consecutive years.

5. Appointment of **Mr. Subir Bose** as an Independent Director of the Company for a term of three years.

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

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, **Mr. Subir Bose** (DIN: 00048451), Director of the Company whose period of office was liable to retirement by rotation as per the Companies Act, 1956 and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for a term up to three consecutive years.

6. Appointment of **Mr. Bhaskar Nath Ghosh** as an Independent Director of the Company for a term of three years.

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

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, **Mr. Bhaskar Nath Ghosh** (DIN: 00225086), Director of the Company whose period of office was liable to retirement by rotation as per the Companies Act, 1956 and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for a term up to three consecutive years.

7. Appointment of **Dr. Reena Sen** as an Independent Director of the Company for a term of three years.

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

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, **Dr Reena Sen** (DIN 07082198), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 4th February 2015 in terms of Section 161(1) of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting and who has submitted a declaration that she meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for appointment and, in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for a term of three consecutive years.

8. Appointment of **Mr Kazunari Sakai** as a Director of the Company.

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

RESOLVED THAT pursuant to the provisions of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), **Mr. Kazunari Sakai** (DIN: 05136308), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 4th February 2015 in terms of Section 161(1) of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting and who is eligible for appointment and, in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, whose term shall be subject to retirement by rotation.



9. Appointment of **Mr. Naoyoshi Furuta** as a Director of the Company.

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

RESOLVED THAT pursuant to the provisions of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), **Mr. Naoyoshi Furuta** (DIN: 01689951), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 4th February 2015 in terms of Section 161(1) of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting and who is eligible for appointment and, in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, whose term shall be subject to retirement by rotation.

10. To alter the **Articles of Association** of the Company and in this regard to consider and if thought fit to pass with or without modifications the following resolution as **Special Resolution**:

**RESOLVED THAT** pursuant to the provisions of Section 14 and any applicable provisions of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory modifications and re-enactments thereof for the time being in force), the Articles of Association of the Company be amended as follows:

i. The following definitions in Article 1 to be deleted and substituted by the following:

“**The Act**” means the Companies Act, 2013 and Rules thereunder or any statutory modification thereof for the time being in force and where applicable shall include references to the previous Act.”

“**Beneficial Owner**” means and include beneficial owner as defined in clause (a) sub-section (1) of Section 2 of the Depositories Act, 1996 or such other Act as may be applicable.

“**Special Resolution**” and “**Ordinary Resolution**” have the meanings assigned thereto respectively by the provisions of the Act.

“**Resolution with Special Notice**” has the meaning assigned thereto by the provisions of the Act.

“**The Register**” shall mean the Register of Members, including any foreign register which the Company may maintain pursuant to the Act and includes Register of Beneficial owners.

“**Dividend**” includes interim dividend.

ii. The following definitions be added in Article 1:

“**Applicable Law**” means the Act, and as appropriate, includes any statute, law, listing agreement, regulation, ordinance, rule, judgment, order, decree, bye-law, clearance, directive, guideline, policy, requirement, notifications and clarifications or other governmental instruction or any similar form of decision of, or determination by, or any interpretation or administration having the force of law of any of the foregoing, by any governmental authority having jurisdiction over the matter in question, or mandatory standards as may be applicable from time to time.

“**Person**” includes any artificial juridical person, corporations or such other entities as are entitled to hold property in their own name.

iii. The following line be added in Article 1:

“Term(s) and phrase(s), Capitalised words not specifically defined in these Articles shall bear the same meaning as assigned to the same in the Act.”

iv. References to any section numbers under Companies Act, 1956 be substituted with the words, “the provisions of the Act and the Rules thereto”

v. Any reference to the word “Calcutta” be substituted with the word “Kolkata”.

vi. Article 2 be deleted and substituted with the following:

“The regulations contained in the Table marked “F” in Schedule I to the Act shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the Act.”

- vii. The following Article 3A be added to the Articles:  
**“Articles to be contemporary in nature**  
 The intention of these Articles is to be in consonance with the contemporary rules and regulations prevailing in India. If there is an amendment in any Act, rules and regulations allowing what were not previously allowed under the statute, the Articles herein shall be deemed to have been amended to the extent that Articles will not be capable of restricting what has been allowed by the Act by virtue of an amendment subsequent to registration of the Articles.”
- viii. Article 5 be substituted with the following:  
 “The Authorised Share Capital of the Company shall be such amount and be divided into such shares as may from time to time be provided under Clause No. 5 of the Memorandum of Association of the Company”.
- ix. The words, “subject to Applicable Laws” and “subject to provisions of the Act be added in Article 7 and the said Article be read as follows:  
 “Subject to the provisions of these Articles, the shares shall be under the control of the Directors, who may allot or otherwise dispose of the same to such persons on such terms and conditions and at such times, as the Directors think fit and to give any person the call of any shares either at par or at a premium and for such time and for such consideration as the Directors think fit, provided that where at any time (subsequent to the first allotment of shares) it is proposed to increase the subscribed capital of the Company by the issue of new shares, then, subject to any directions to the contrary which may be given by the Company in General Meeting, the Directors shall issue such shares in the manner set out **under the Applicable Law**.  
 Option or right to Call of shares shall not be given to any person or person except with sanction of the Company in General Meeting **subject to provisions of the Act.**”
- x. Article 10 to be deleted and substituted by the following:  
 “(i) The company may exercise the powers of paying commissions to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any Shares or Debentures of the Company, or underwriting or procuring or agreeing to procure subscriptions (whether absolute or conditional) for Shares, Debentures or of the Company conferred by the relevant provisions of the Act, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that Section and Rules made there under.  
 (ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules.  
 (iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.”
- xi. The words, “subject to Applicable Law” be added in Article 11 and the said Article would read as follows:  
 “The Company may, **subject to Applicable Law**, pay a reasonable sum for brokerage and may make any allotment on the terms that the person to whom such allotment is made shall have the right to call for further shares at such time or times and at such price or prices (not less than par) as may be thought fit.”
- xii. Article 14 be deleted and substituted by the following:  
 “Except as ordered by a Court of competent jurisdiction or as required by law, the Company shall be entitled to treat the person whose name appears as the Beneficial Owner of the securities in the records of the Depository as the absolute owner thereof and accordingly the Company shall not be bound to recognise any benami, trust or equitable, contingent, future or partial interest in any Security or (except otherwise expressly provided by the Articles) any right in respect of a Security other than an absolute right thereto, in accordance with these Articles on the part of any other person whether or not it shall have express or implied notice thereof.”
- xiii. Article 15A be deleted and substituted by the following:  
 “Where shares are converted into stock,—  
 a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:  
 Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so,

however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose;

- b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage;
- c) such of these Articles of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder”/“member” shall include “stock” and “stock-holder” respectively”

**xiv.** Article 17 be deleted and substituted by the following:

“Every person whose name is entered as a member in the Register of Members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or subdivision/consolidation within such other period as the conditions of issue shall be provided,—

- a) one certificate for all his shares without payment of any charges; or
- b) several certificates, each for one or more of his shares, upon payment of fees as may be prescribed in the Act and the Rules thereto for each certificate after the first or as may be fixed by the Board.
- c) in respect of a Share(s) held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one or several joint holders shall be a sufficient delivery to all such holders.”

**xv.** Article 17A be deleted and substituted by the following:

“The Share certificates shall be numbered progressively according to their several denominations, specify the Shares to which it relates and bear the seal of the Company, and except in the manner hereinbefore mentioned, no Share shall be sub-divided. Every forfeited or surrendered Share certificate shall continue to bear the number by which the same was originally distinguished.

Provided however that the provision relating to progressive or distinctive numbering of Shares shall not apply to the Shares of the Company which are dematerialised or may be dematerialised in future or issued in future in dematerialised form.”

**xvi.** Article 18 be deleted and substituted by the following:

- (i) “If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees for each certificate as may be fixed by the Board, not exceeding Rs.50 for each certificate or such other amount as may be prescribed by the Applicable Laws.
- (ii) The provisions of the foregoing Articles relating to issue of share certificates shall mutatis mutandis apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.”

**xvii.** Article 19 be deleted.

**xviii.** Article 24 be deleted and substituted by the following:

“Not less than fourteen days’ notice of any call or any other number of days’ notice as may be prescribed by the Act and the Rules thereto, shall be given specifying the time and place of payment and to whom such call shall be paid.”

**xix.** Article 25 be deleted and substituted by the following:

- i. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at such rate prescribed in the Act and the Rules thereto or at such lower rate, if any, as may be fixed by the Board.
- ii. The Board shall be at liberty to waive payment of any such interest wholly or in part.”

- xx.** Article 26A be inserted -  
“In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.”
- xxi.** The words, “unless the Company in general meeting shall otherwise direct” be added in Article 28 and the said Article would read as follows:  
“The Directors may, if they think fit, receive from any member willing to advance the same, all or any part of the money due upon the shares held by him beyond the sums actually called for and upon the money so paid in advance or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advances has been made, the Company may pay interest at such rate not exceeding six per cent per annum, **unless the company in general meeting shall otherwise direct** as the member paying such sum in advance and the Directors agree upon. Money so paid in excess of the amount of call shall not rank for dividends or participate in the profits of the Company. The Directors may at any time repay the amount so advanced upon giving to such member three month’s notice in writing.”
- xxii.** The words, “twenty one days” be substituted by “fourteen days” in Article 30 and the said Article would read as follows:  
“The notice shall name a day (not being less than **fourteen days** from the date of the notice) and a place or places on and at which such call or installment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which such call was made or installment is payable will be liable to be forfeited.”
- xxiii.** Article 35 deleted and substituted by the following:  
(i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.  
(ii) All such monies payable shall be paid together with interest thereon at such rate as may be fixed by the Board, from the time of forfeiture until payment or realization. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part.  
(iii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
- xxiv.** Article 37A be inserted:  
The provisions of the aforementioned regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
- xxv.** The words, “Debentures/Securities” be added to Article 38 and the said Article would read as follows:  
The Company shall have a first and paramount lien upon all the Shares/**Debentures/Securities** (other than fully paid Shares **and Debentures**) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares and no equitable interest in any shares shall be created except upon the footing and conditions that Article 14 hereof will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company’s lien, if any, on such Shares/**Debentures/Securities**.
- xxvi.** Article 53B be inserted:  
“The Board may decline to recognise any instrument of transfer unless—  
1.1. the instrument of transfer is in the form as prescribed under sub-section (1) of Section 56 of the Act or Applicable Law;

- 1.2. the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- 1.3. the instrument of transfer is in respect of only one class of shares.”

**xxvii.** Article 53C be inserted:

“Notwithstanding anything contained in the Act or in these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Securities on behalf of a Beneficial Owner.”

**xxviii.** Article 55 B – 55 I be inserted

“55B. Any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any member, or the marriage of a female member, or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Board of Directors and subject as hereinafter provided, elect, either to be registered himself as holder of the shares or Debentures, as the case may be; or to make such transfer of the shares or Debentures, as the case may be, as the deceased shareholder or Debenture holder, as the case may be, could have made :

Provided nevertheless that it shall be lawful for the Directors in their absolute discretion to dispense with the production of any evidence including any legal representation upon such terms as to indemnity or otherwise as the Directors may deem fit.

Provided nevertheless, that if such person shall elect to have his nominee registered, he shall testify the election by executing to his nominee, an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the shares.

- 55C. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the Share before his death or insolvency.
- 55D. If the nominee, so becoming entitled, elects himself to be registered as holder of the shares or Debentures, as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with death certificate of the deceased shareholder or Debenture holder and the certificate(s) of shares or Debentures, as the case may be, held by the deceased in the Company.
- 55E. If the person aforesaid shall elect to transfer the Share, he shall testify his election by executing a transfer of the Share.
- 55F. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
- 55G. Subject to the provisions of Section 56 of the Act and these Articles, the Board may register the relevant Shares or Debentures in the name of the nominee of the transferee as if the death of the registered holder of the Shares or Debentures had not occurred and the notice or transfer were a transfer signed by that Shareholder or Debenture holder, as the case may be.
- 55H. A nominee on becoming entitled to shares or Debentures by reason of the death of the holder or joint holders shall be entitled to the same Dividend and other advantages to which he would be entitled if he were the registered holder of the Share or Debenture, except that he shall not before being registered as holder of such Shares or Debentures, be entitled in respect of them to exercise any right conferred on a Member or Debenture holder in relation to meetings of the Company.
- 55I. The Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Shares or Debentures, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonus, interest or other monies payable or rights accrued or accruing in respect of the relevant Shares or Debentures, until the requirements of the notice have been complied with.”

- xxix.** Article 56 be deleted and substituted by the following:  
“The Company may from time to time increase the capital by the creation of new shares of such amount as may be deemed expedient subject to the Applicable Law.”
- xxx.** Article 57 be deleted and substituted by the following:  
“The new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution creating the same shall direct and if no direction be given, as the Directors shall determine and in particular such shares may be issued with a preferential or qualified right to dividends or otherwise, or with a right to participate in some profits or assets of the Company, or with such differential or qualified right of voting at General Meetings of the Company, as permitted in terms of Section 47 of the Act or other Applicable Law. Whenever the Capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 64 of the Act or any such compliance as may be required by the Act for the time being in force.”
- xxxii.** Article 58 be deleted and substituted by the following:  
“The company may, as per the Applicable Law, make any provisions as to the issue and allotment of new shares otherwise than as is provided in the provisions of the Act and the Rules thereto. In default of any such determination, or so far as the same shall not extend, the new shares shall be dealt with according to the provisions of Article 7.”
- xxxiii.** Article 61A, 61A.1, 61A.2, 61A.3 be inserted:  
“61A. Subject to the provisions of Section 55 of the Act and other Applicable Law, any preference shares may be issued from time to time, on the terms that they are redeemable within 20 years and such other terms as may be decided at the time of the issue.  
61A.1 Such preference shares shall always rank in priority with respect to payment of Dividend or repayment of Capital vis-à-vis equity shares;  
61A.2 The Board may decide on the participation of preference shareholders in the surplus Dividend, type of preference shares issued whether cumulative or otherwise, conversion terms into equity if any;  
61A.3 The Board may decide on any premium on the issue or redemption of preference shares.”
- xxxiiii.** Article 62 be inserted:  
“Subject to the provisions of Section 61 of the Act, the Company in General Meeting may from time to time (a) sub-divide and consolidate its Shares into shares of a larger amount than the existing Shares, or any class of them, and (b) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum and the resolution whereby any Share is sub-divided, or classified, may determine that, as between the holders of the Shares resulting from such sub-division or classification, one or more of such Shares shall have some preference or special advantage as regards Dividend, Capital or otherwise over or as compared with the other.”
- xxxv.** Article 63 be deleted.
- xxxvi.** Article 64A be deleted and substituted by the following:  
“Notwithstanding anything contained in these Articles but subject to the provisions of Sections 68, 69 and 70 of the Act and Applicable Law as prescribed by Securities and Exchange Board of India (SEBI) or any other authority for the time being in force, the Company may purchase its own shares or other specified securities. The power conferred herein may be exercised by the Board, at any time and from time to time, where and to the extent permitted by Applicable Law, and shall be subject to such rules, applicable consent or approval as required.”
- xxxvii.** Article 66 be deleted and substituted by the following:  
“The Board may, from time to time, at its discretion subject to the provisions of these Articles, Section 73 to 76, 179, 180 of the Act or Applicable Law, raise or borrow, either from the Directors or from elsewhere and secure the payment of any sum or sums of money for the purpose of the Company; by a resolution of the Board, or where a power to delegate the same is available, by a decision/resolution of such delegate, provided that the Board shall not without the requisite sanction of the Company in General Meeting borrow any sum of money which together with money borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) exceed the aggregate for the time being of the Paid up Capital of the Company and its free reserves.”

**xxxvii.** Article 67 be deleted and substituted by the following:

“The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit and in particular, by the issue of bonds, or other Securities, or any mortgage, or other Security on the undertaking of the whole or any part of the property of the Company (both present and future including its uncalled capital for the time being.”

**xxxviii.** Article 68 be deleted and substituted by the following:

“Any Debentures, Debenture stock, Bonds or other Securities may be issued on such terms and conditions as the Board may think fit. Provided that Debenture with a right to allotment or conversion into shares shall be issued in conformity with the provisions of Section 62 of the Act. Debentures, Debenture stock, Bonds and other Securities may be made assignable free from any equities from the Company and the person to whom it may be issued. Debentures, Debenture- stock, bonds or other securities with a right of conversion into or allotment of shares shall be issued only with such sanctions as may be applicable.”

**xxxix.** Article 69 be deleted.

**xl.** The word “Calcutta” be substituted by “the State where the registered office of the Company is situated” in Article 71 and the said Article would read as follows:

“Every Register of Shareholders and Debenture holders and transfer books may be closed during such time or times as the Directors think fit not exceeding in the whole forty-five days in any year but not exceeding thirty days at any one time provided that not less than seven days’ previous notice by advertisement in some newspapers circulating in **the State where the registered office of the Company is situated** has been given.”

**xli.** Article 71 A be inserted:

“A member, or other Security holder or Beneficial Owner may make inspection of Register of Members and annual return. Any person other than the Member or Debenture holder or Beneficial Owner of the Company shall be allowed to make inspection of the Register of Members and Annual Return on payment of Rs. 50 or such higher amount as permitted by Applicable Law as the Board may determine, for each inspection. Inspection may be made during business hours of the Company during such time, not being less than 2 hours on any day, as may be fixed by the Company Secretary from time to time.”

**xlii.** Article 72 be deleted and substituted by the following:

“The registers and copies of Annual Return and other registers shall, where applicable and required under the applicable laws, be open for inspection during business hours of the Company, not being less than two (2) hours on any working day, as may be fixed by the Company Secretary from time to time, at the registered office of the Company by the persons entitled thereto on payment, where required, of Rs. 50/- per register per inspection or such amount as may be laid by the Board but not exceeding the limits prescribed under Applicable Laws and copy of any specific extract, where allowed and required under the applicable laws, upon the payment of Rs. 10 (ten rupees) per page, or such amount as may be laid by the Board but not exceeding the limits prescribed under Applicable Laws. Such registers shall be kept under the custody of the Company Secretary of the Company or any other person authorized by the Board for the purpose.”

**xlili.** Article 73 be deleted

**xliv.** Article 76 be deleted.

**xlv.** The word, “public” in Article 79 be substituted by the word, “national”.

**xlvi.** Article 80 be deleted and substituted by the following:

- (i) “The Board may, whenever it thinks fit, call an extraordinary general meeting.
- (ii) The Board shall at the requisition made by such number of members who hold, on the date of receipt of the requisition, such percentage of the share capital of the Company as prescribed by the Act, may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.”

**xlvii.** Article 80A be inserted:

- (i) Where permitted or required by Applicable Law, Board may, instead of calling a meeting of any members/ class of members/ Debenture holders, seek their assent by Postal ballot, including e-voting. Such Postal ballot will comply with the provisions of Applicable Law in this behalf.

- (ii) The intent of these Articles is that in respect of seeking the sense of the members or members of a class or any Security holders, the Company shall, subject to Applicable Law, be entitled to seek assent of members, members of a class of members or any holders of securities using such use of contemporaneous methods of communication as is permitted by Applicable Law. A written resolution including consent obtained through Electronic Mode shall be deemed to be sanction provided by the member, member of a class or other Security holder by way of personal presence in a meeting.
- xlvi.** Article 81 be deleted and substituted by the following:
- “Not less than clear twenty-one days’ notice specifying the place, day and hour of the meeting and containing a statement of the business to be transacted thereat shall be given to (i) every member of the Company and to the Auditor or Auditors for the time being of the Company either in writing or through electronic mode in such manner as may be prescribed in the Act and the Rules thereto to the persons entitled to a share in consequence of the death or insolvency of a member in the manner provided by the Act and the Rules thereto.
- A General Meeting may be called after giving a shorter notice if consent is given in writing or by electronic mode by not less than such percentage of the members entitled to vote at such meeting as prescribed in the Act and the Rules thereto.”
- xlix.** The words, “unless otherwise required by the provisions of the Applicable Law” be added in Article 83 and the said Article be read as follows:
- “The business of an Annual General Meeting shall be to receive and consider the Profit & Loss Account, the Balance Sheet and the Reports of the Directors and the Auditors, to elect Directors in the place of those retiring by rotation or otherwise and to elect Auditors and fix their remuneration, to declare dividend and to transact any other business which under these presents ought to be transacted at an Annual General Meeting and all business transacted at an Extraordinary Meeting shall be deemed special, **unless otherwise required by the provisions of the Applicable Law.**”
- i.** Article 84 and Article 85 be deleted and substituted by the following:
- (i) “No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
  - (ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in the Act. “
- ii.** Article 88 be deleted and substituted by the following:
- “Subject to any rights or restrictions for the time being attached to any class or classes of shares with respect to voting rights,—
- (a) on a show of hands, every member present in person shall have one vote; and
  - (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company as per the provisions of the Act and the Rules thereto.
  - (c) A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.”
- iii.** Article 89 be deleted and substituted by the following:
- “Before or on the declaration of the result of the voting on any resolution on show of hands, a poll may be ordered to be taken by the Chairman of the meeting on his own motion, and shall be ordered to be taken by him on a demand made in that behalf as per the provisions of the Act and Rules thereto.”
- iiii.** Article 99 be deleted and substituted by the following:
- “The instrument appointing a proxy be in writing under the hand of the appointer or of his Attorney duly authorized in writing or if such appointer is a corporation under its common seal or the hand of its Attorney.”
- lv.** Article 100 be deleted and substituted by the following:
- “The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power a authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.”



- iv. Article 102 be deleted and substituted by the following:  
“An instrument appointing a proxy shall be in the form as prescribed in terms of the Act.”
- lvi. Article 103A be inserted:  
**Maintenance of records and Inspection of minutes of General Meeting by Members**
- 1) Where permitted/required by Applicable Law, all records to be maintained by the Company may be kept in electronic form subject to the provisions of the Act and the conditions as laid down in the Applicable Law. Such records shall be kept open to inspection in the manner as permitted by the Act and Applicable Law. The term ‘records’ would mean any register, index, agreement, memorandum, minutes or any other document required by the Act and Applicable Law made there under to be kept by the Company.
  - 2) The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.
  - 3) Any such minutes shall be evidence of the proceedings recorded therein.
  - 4) The book containing the minutes of proceedings of General Meetings shall be kept at the registered office of the Company and shall be open during business hours, for such periods not being less than 2 hours on any day, as may be fixed by the Company Secretary from time to time, to the inspection of any Member without charge.
  - 5) Any Member of the Company shall be entitled to a copy of minutes of the General Meeting on receipt of a specific request and at a fee of Rs. 10/- (rupees ten only) for each page, or such amount as the Board may determine and as permissible by Applicable Law.
- lvii. Article 104 be deleted and substituted by the following:  
“Unless otherwise determined by the Company in general meeting, the number of directors shall not be less than 3(three) and shall not be more than 15 (fifteen). The Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation. The Company may appoint more than fifteen directors after passing special resolution.”
- lviii. Article 104A be inserted:  
“Composition of the Board shall be in accordance with the provisions of Section 149 of the Act and other Applicable Laws. Provided that where there are temporary gaps in meeting the requirements of Applicable Law pertaining to composition of Board of Directors, the remaining Directors shall (a) be entitled to transaction business for the purpose of attaining the required composition of the Board; and (b) be entitled to carry out such business as may be required in the best interest of the Company in the meantime.”
- lix. Article 105A be inserted:  
“The Company shall, subject to the provisions of the Act and these Articles, be entitled to agree with any Person that he or it shall have the right to appoint his or its nominee on the Board, not being an Independent Director, upon such terms and conditions as the Company may deem fit. He shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.”
- lx. The words, “Subject to the provisions of the Act” be added to Article 106(2) and the said Article be read as follows:  
“**Subject to the provisions of the Act**, the Director shall be entitled to be paid the reasonable traveling, hotel and other expenses incurred in consequence of their attending Board and Committee Meetings or otherwise incurred in the execution of their duties as Directors.”
- lxi. Article 107 be deleted and substituted by the following:  
“The Directors are not required to hold any qualification shares.”
- lxii. Article 109 be deleted and substituted by the following:  
“A person shall not be eligible for appointment as a director of a company, if—
- (a) he is of unsound mind and stands so declared by a competent court;
  - (b) he is an undischarged insolvent;
  - (c) he has applied to be adjudicated as an insolvent and his application is pending;

- (d) he has been convicted by a court of any offence, whether involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence
  - (e) He acts in contravention of Section 184 of the Act.
  - (f) By notice in writing to the Company he resigns from his office; or
  - (g) He is removed in pursuance of Section 164 of the Act.
- lxiii.** Article 111 be deleted and substituted by the following:  
 “Subject to Applicable Law, a Director or any Related Party as defined in Section 2 (76) of the Act or other Applicable Law may enter into any contract with Company for the sale, purchase or supply of any goods, materials, or services, or other contract involving creation or transfer of resources, obligations or services, subject to such sanctions as required by Applicable Law. Unless so required by Applicable Law, no sanction shall, however, be necessary for any contracts with a related party or entered into on an arm’s length basis. Where a contract complies with such conditions or indicia of arm’s length contracts as laid down in a policy on related party transactions framed by the Board and approved by a general meeting, the contract shall be deemed to be a contract entered into on arm’s length basis.”
- lxiv.** Article 113 be deleted.
- lxv.** Article 114 to be deleted and substituted by the following:  
 “At least two-thirds of the total number of Directors, excluding Independent Directors, will be the Directors who are liable to retire by rotation (hereinafter called “the Rotational Directors”). At every Annual General Meeting of the Company, one-third of the Rotational Directors, or if their number is not three or a multiple of three, then, the number nearest to one-third, shall retire from office.”
- lxvi.** Article 115 to be deleted.
- lxvii.** Article 119 to be deleted.
- lxviii.** The words, “subject to the provisions of the Act” be added to Article 120 and the said Article would read as follows:  
 “The Directors shall have power at any time and from time to time, to appoint a person as an Additional Director who shall retire from the office at the next following Ordinary General Meeting, but shall be eligible for election by the Company at that meeting as an Additional Director, **subject to the provisions of the Act.**”
- lxix.** Article 122 be deleted and substituted by the following:  
 The Company shall keep at its registered office a register containing the particulars of its Directors and Key Managerial Personnel or such other officer as may be prescribed under the Act, Rules and other Applicable Law, which shall include the details of Securities held by each of them in the Company or its holding, subsidiary, subsidiary of Company’s holding Company or associate companies in accordance to Section 170 of the Act and Applicable Law.
- lxx.** The following Article 123A be inserted:
- i. “The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
  - ii. The Chairperson or any one Director with the previous consent of the Chairman may, or the Company Secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board.
  - iii. The quorum for a Board meeting shall be as provided in the Act.
  - iv. The participation of Directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.”
- lxxi.** The following Article 123B be inserted:  
**Board’s power to fill casual vacancies:**
- 1.1 Subject to the provisions of Sections 152(7), 161(4) and 169(7) of the Act, the Board shall have power at any time and from time to time to appoint any other qualified person to be a Director to fill a casual vacancy. Any person so appointed shall hold office only up to the date to which the Director in whose place he is appointed would have held office if it had not been vacated by him.

- 1.2 If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned until the same day in the next week, at the same time and place in accordance with the provisions of Section 152(7) of the Act.
- 1.3 If at the adjourned meeting also, the vacancy caused by the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be so deemed to have been reappointed at the adjourned meeting, unless :
  - 1.3.1 at that meeting or at the previous meeting the resolution for the reappointment of such Director has been put to the meeting and lost;
  - 1.3.2 the retiring Director has, by a notice in writing addressed to the Company or its Board expressed his unwillingness to be so reappointed;
  - 1.3.3 he is not qualified or is disqualified for appointment;
  - 1.3.4 a resolution whether special or ordinary, is required for the appointment or reappointment by virtue of any provisions of the Act; or
  - 1.3.5 the provision of Section 162 of the Act is applicable to the case.

**lxxii.** The heading showing after Article 123 be substituted by **“Proceedings of Board”**

**lxxiii.** The words, “four months and at least four such meetings shall be held in every year” be inserted in Article 124 and the said Article read as follows:

The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit, provided that a meeting of the Board of Directors shall be held at least once in every **four months and at least four such meetings shall be held in every year**. The quorum for a meeting of the Board shall be one-third of its total strength (any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher. Provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of the Directors who are not interested, present at the meeting being not less than two shall be the quorum during such time.

**lxxiv.** Article 125 to be deleted and substituted by the following:

“A meeting of the Board shall be called by giving not less than seven days’ notice in writing to every director at his address registered with the company and such notice shall be sent by hand delivery or by post or by electronic means.”

**lxxv.** Article 125A be inserted:

“The notice of the meeting shall inform the Directors regarding the option available to them to participate through Electronic Mode, and shall provide all the necessary information to enable the Directors to participate through such Electronic Mode.”

**lxxvi.** Article 125B be inserted:

“A meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one Independent Director, if any, shall be present at the meeting, or in case of absence of Independent Directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the Directors and shall be final only on ratification thereof by at least one Independent Director. Where the Company does not have, for the time being, any Independent Director, a Board meeting may be called at a shorter notice where such notice is approved by a majority of Directors present at such meeting.”

**lxxvii.** Article 125C be inserted:

“Subject to the provisions of Section 173(2) of the Act and Applicable Law, the Directors may participate in meetings of the Board otherwise through physical presence, Electronic Mode as the Board may from time to time decide and Directors shall be allowed to participate from multiple locations through modern communication equipments for ascertaining the views of such Directors who have indicated their willingness to participate by such Electronic Mode, as the case may be.”

**lxxviii.** Article 126 be deleted and substituted by the following:

“The Directors may from time to time elect one of their member to be the Chairman of the Board of Directors and determine the period for which he is to hold office. If at any time; at the meeting of the Board of Directors, if no Chairman is elected or if the Chairman is not present within five minutes of the time appointed for holding the meeting, the Directors present, shall choose someone of their number to be the Chairman of such meeting.”

**lxxix.** Article 127A be inserted:

“Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes. In case of an equality of votes, the Chairperson of the Board shall have a second or casting vote.”

**lxxx.** The words, “Unless a power of the Board is not capable of being delegated, such power may be delegated by the Board to any officer or committee of officers, as the Board may determine” be added in Article 128 and the said Article be read as follows:

“The Directors may from time to time delegate any of their powers to Committees consisting of such member or members of their body as they think fit and may from time to time revoke such delegation. **Unless a power of the Board is not capable of being delegated, such power may be delegated by the Board to any officer or committee of officers, as the Board may determine.** Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed upon it by the Directors.”

**lxxxi.** Article 131 be deleted and substituted by the following:

“Save as otherwise expressly provided in the Act to be passed at a meeting of the Board and subject to provisions of the Act or Applicable Laws, resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation provided such resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors, or to all the member of the Committee, then in India (not being less in number than the quorum fixed for meeting of the Board or Committee, as the case may be) and to all other Directors or members, at their usual address in India and has been approved by such of the Directors as are then in India or by a majority of such of them, as are entitled to vote on the resolution.

Provided that, where not less than one-third of the total number of Directors of the Company for the time being require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a Board Meeting.”

**lxxxii.** Article 132 to be deleted.

**lxxxiii.** Article 133 be deleted and substituted by the following:

“The Company shall cause minutes of proceedings of every meeting of the Board and Committee thereof to be kept in such form by making within thirty days of the conclusion of every such meeting, entries thereof in the books kept for that purpose with their pages consecutively numbered in accordance to Section 118 of the Act or Applicable Laws.”

**lxxxiv.** Article 133A to 133J be inserted:

133A. Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairperson of the said meeting or the Chairperson of the next succeeding meeting.

133B. In no case shall the minutes of proceedings of a meeting be attached to any such book as aforesaid by pasting or otherwise, if the minutes are kept in physical form.

133C. The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

133D. Where the meeting of the Board takes place through Electronic Mode, the minutes shall disclose the particulars of the Directors who attended the meeting through such means. The draft minutes of the meeting shall be circulated among all the Directors within fifteen days of the meeting either in writing or in Electronic Mode as may be decided by the Board and/or in accordance with Applicable Laws.

133E. Every Director who attended the meeting, whether personally or through Electronic Mode, shall confirm or give his comments in writing, about the accuracy of recording of the proceedings of that particular meeting in the draft minutes, within seven days or some reasonable time as decided by the Board, after receipt of the draft minutes failing which, his approval shall be presumed.

133F. All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meetings.

- 133G. The minutes shall also contain:
- 1.1 The names of the Directors present at the meeting; and
  - 1.2 In the case of each resolution passed at the meeting the names of the Directors, if any, dissenting from or not concurring in the resolution.
- 133H. The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this Article.
- 133I. Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.
- 133J. Any Director of the Company may require for physical inspection of the Board Meeting minutes by giving a prior notice of seven days.
- Provided that the Director can requisition to inspect Board Meeting minutes only for the period that he is on the Board of the Company.
- Provided further that the physical inspection shall be done solely by the Director himself and not by his authorised representative or any power of attorney holder or agent.

**lxxxv.** Article 134A be inserted:

“The Board may, subject to Applicable Law, also give a loan to a Director or any entity in which the Director is interested. Where any sum of money is payable by a Director, the Board may allow such time for payment of the said money as is acceptable within customary periods for payment of similar money in contemporaneous commercial practice. Grant of such period for payment shall not be deemed to be a “loan” or grant of time for the purpose of sec 180 (1) (d) of the Act and Applicable Law.”

**lxxxvi.** Article 136 (6) be deleted.

**lxxxvii.** Article 137 be deleted and substituted by the following:

“Subject to the provisions of the Act and the Rules thereto, the Company may, from time to time appoint one or more Directors to be the Managing Director or Managing Directors or a Whole-Time Director or Whole-Time Directors of the Company, either for a fixed term or without any limitation as to the period for which he or they is / are to hold such office and upon such terms and conditions as the Board thinks fit and subject to the provisions of these Articles, the Board may by resolution vest in such Managing Director(s) such of the powers hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods and upon such conditions and subject to such restrictions as it may determine and the Company may, from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.”

**lxxxviii.** Article 139 to be deleted.

**lxxxix.** The following sentence be inserted in Article 140:

“The Managing Director shall not exercise any powers under Section 179 of the Act except such powers which can be delegated under the Act and specifically delegated by a resolution of the Board.”

**xc.** Heading be inserted after Article 140:

“CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER”

**xci.** Article 141 to be deleted and substituted by the following:

“A. Subject to the provisions of the Act and the Rules thereto,—

- i. A Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
- ii. The Board may appoint one or more chief executive officers for its multiple businesses;
- iii. A director may be appointed as Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer subject to provisions of Section 203 of the Act. The Board may also designate the head of the financial function to the CFO of the Company.

- B. A provision to a Director and Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer.”
  - C. Subject to the Article above, the powers conferred on the CEO shall be exercised for such objects and purpose and upon such terms and conditions and with such restrictions as the Board may think fit and it may confer such powers either collateral with or to the exclusion of and in substitution of all or any of the powers of the Board in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.
  - D. The CEO shall not exercise any powers under Section 179 of Act except such powers which can be delegated under the Act and specifically delegated by a resolution of the Board.”
- xcii.** Article 142 be deleted and substituted by the following:  
 “Subject to the provisions of the Act, the Board of Directors of a Company may appoint a person, not being a person holding any Alternate Directorship for any other Director in the Company, to act as an alternate director for a director (hereinafter called “the Original Director”) during his absence for a period of not less than three months from India. No person shall be appointed as an Alternate Director for an independent director unless he is qualified to be appointed as an independent director under the Act and Applicable Law. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director in whose place he has been appointed returns to India. If the term of office of the Original Director is determined before he so returns to India, any provision for the automatic re-appointment of retiring directors in default of another appointment shall apply to the Original Director, and not to the alternate director.”
- xciii.** Article 142A be inserted:  
 “For the purpose of absence in the Board meetings in terms of Section 167 (1) (b) of the Act, the period during which an Original Director has an Alternate Director appointed in his place, shall not be considered.”
- xciv.** Article 144 to be deleted.
- xcv.** Article 146A be inserted:

#### **CAPITALISATION OF PROFITS**

1. The Company in general meeting may, upon the recommendation of the Board, resolve—
  - 1.1 that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company’s reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
  - 1.2 that such sum be accordingly set free for distribution in the manner specified in 1.1 amongst the members who would have been entitled thereto, if distributed by way of Dividend and in the same proportions.
- 2) The sum aforesaid shall not be paid in cash but shall be applied, subject to applicable provisions contained herein, either in or towards—
  - 2.1 paying up any amounts for the time being unpaid on any shares held by such members respectively;
  - 2.2 paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
  - 2.3 partly in the way specified in Article 2.1 and partly in that specified in Article 2.2;
  - 2.4 A securities premium account and a Capital Redemption Reserve Account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;
  - 2.5 The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.
  - 2.6 Whenever such a resolution as aforesaid shall have been passed, the Board shall—
    - 2.6.1 make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
    - 2.6.2 generally do all acts and things required to give effect thereto.

- 3 The Board shall have power—
- 3.1 to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
- 3.2 to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;
- 3.3 Any agreement made under such authority shall be effective and binding on such members.
- xcvi.** Article 161 be deleted and substituted by the following:
- (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant or by Electronic Clearing system (ECS) sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who, is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
- (ii) Every such cheque or warrant or ECS shall be made payable to the order of the person to whom it is sent.
- xcvii.** Article 162A be inserted:
- Transfer to reserve**
- 1.1 The Board may, before recommending any Dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.
- 1.2 Such reserve, being free reserve, may also be used to declare dividends in the event the Company has inadequate or absence of profits in any financial year, in accordance with the Act and Applicable Law made in that behalf. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as reserve.
- xcviii.** Article 163 be deleted and substituted by the following:
- “The Company shall keep at the Registered Office or at such other place in India as the Board thinks fit, proper books of account and other relevant books and papers and financial statement for every financial year in accordance with Section 128 of the Act.”
- xcix.** Article 164 be deleted and substituted by the following:
- “Where the Board decides to keep all or any of the Books of Account at any place in India other than the registered office of the Company the Company shall within seven days of the decision file with the Registrar a notice in writing giving, the full address of that other place.”
- c.** Article 165 be deleted and substituted by the following:
- “The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being Directors. No member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in general meeting.”
- ci.** Article 165A be inserted:
- “The Company shall preserve in good order the books of account relating to the period of not less than eight years preceding the current year together with the vouchers relevant to any entry in such Books of Account.”
- cii.** Article 165B be inserted:
- “Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with the preceding Article, if proper Books of Account relating to the transactions

effected at the branch office are kept at the branch office and proper summarized returns made up to date at intervals of not more than three months are sent by the branch office to the Company at its registered office or at any other place in India, at which the Company's Books of Account are kept as aforesaid."

ciii. The following lines in Article 166 (1) be substituted:

**Existing Lines:**

"The period to which the account aforesaid relates is referred to in the Act as a 'financial year' and it may be less or more than a calendar year but it shall not exceed fifteen months provided that it may extend to eighteen months where special permission has been granted in the behalf by the Registrar."

**New Lines:**

"The period to which the account aforesaid relates is referred to in the Act as a 'financial year' as defined by the Act or such period as may be approved by the Company Law Board or National Company Law Tribunal (whichever be in existence from time to time)."

civ. Article 166(2) be deleted and substituted by the following:

"The books of account shall give a true and fair view of the state of affairs of the Company or branch office, as the case may be, and explain its transactions effected both at the registered office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting. The Books of Account and other books and papers shall be open to inspection by any Directors during business hours."

cv. Article 166(4) be deleted and substituted by the following:

"The Profit and Loss Account shall be annexed to the Balance Sheet and the Auditors' Report (to be prepared in accordance with the provisions of the Act) shall be attached thereto. The said Balance Sheet shall be in the form as set out in by the Act, relevant Schedules and Rules thereto."

cvi. The words, "subject to the Applicable Law" be added to Article 168 and the said Article be read as follows:

"Once at least in every year the Accounts of the company shall be examined and the correctness of the Balance Sheet and Profit and Loss Account ascertained by one or more Auditor or Auditors **subject to the Applicable Law.**"

cvii. Article 168A be inserted:

"Statutory Auditors and Cost Auditors, if any, shall be appointed and their rights and duties regulated in accordance with Sections 139 to 148 of the Act and Applicable Laws. Where applicable, a Secretarial Auditor shall be appointed by the Board and their rights and duties regulated in accordance with Section 204 of the Act and Applicable Laws."

cviii. Article 169 be deleted and substituted by the following:

"Subject to the provisions of Section 139 of the Act and Applicable Laws made thereunder, the Statutory Auditors of the Company shall be appointed for a period of five consecutive years, subject to ratification by members at every Annual General Meeting. Provided that the Company may, at a General Meeting, remove any such Auditor or all of such Auditors and appoint in his or their place any other person or persons as may be recommended by the Board, in accordance with Section 140 of the Act or Applicable Laws."

cix. Article 170(2) and Article 170(3) be deleted and substituted by the following:

"The books of account shall give a true and fair view of the state of affairs of the Company or branch office, as the case may be, and explain its transactions effected both at the Registered Office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting. The Books of Account and other books and papers shall be open to inspection by any Directors during business hours."

cx. Article 171 be deleted and substituted by the following:

"Subject to the provisions of Section 131 of the Act and the Applicable Law made thereunder, the Board may require the preparation of revised financial statement of the Company or a revised Boards' Report in respect of any of the three preceding financial years, if it appears to them that (a) the financial statement of the Company or (b) the report of the Board do not comply with the provisions of Section 129 or Section 134 of the Act."



- cxii.** Article 172 be deleted and substituted by the following:  
“A document or notice may be served or given by the Company on any member either personally or sending it by post to him to his registered address or (if he has no registered address in India) to the address, if any, in India supplied by him to the Company for serving documents or notices on him or by way of any electronic transmission, as prescribed in Section 20 of the Act and Applicable Law made thereunder.”
- cxiii.** Article 173 be deleted.
- cxiiii.** Article 174 be deleted and substituted by the following:  
“A document or notice advertised in a newspaper circulating in the neighbourhood of the registered office of the Company shall be deemed to be duly served or sent on the day on which the advertisement appears to every member who has no registered address in India and has not supplied to the Company an address within India for serving of documents on or the sending of notices to him.”
- cxv.** Article 176A be inserted:  
“Documents or notices of every General Meeting shall be served or given in the same manner hereinbefore on or to (a) every member of the Company, legal representative of any deceased member or the assignee of an insolvent member, (b) every Director of the Company and (c) the Auditor(s) for the time being of the Company.”
- cxvi.** In Article 181, the word “Calcutta” (wherever it appears) be substituted by the words, “the place where the registered office of the company is situated”.
- cxvii.** Article 184 be deleted and substituted by the following:
1. “If the Company shall be wound up whether voluntarily or otherwise, the Liquidator may with the sanction of a Special Resolution divide among the contributories in specie or kind any part of the assets of the Company and may with the like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them as the Liquidators, with the like sanction shall think fit.
  - 1A. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
  2. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.”
- cxviii.** Article 185 be deleted and substituted by the following:  
“For the purpose of this Article, the following expressions shall have the meanings respectively assigned below:
- 1.1 “Claims” means all claims for fine, penalty, amount paid in a proceeding for compounding or immunity proceeding, actions, prosecutions, and proceedings, whether civil, criminal or regulatory;
  - 1.2 “Indemnified Person” shall mean any Director, officer or employee of the Company, as determined by the Board, who in bonafide pursuit of duties or functions or of honest and reasonable discharge any functions as a Director, officer or employees, has or suffers any Claims or Losses, or against whom any Claims or Losses are claimed or threatened;
  - 1.3 “Losses” means any losses, damages, cost and expense, penalties, liabilities, compensation or other awards, or any settlement thereof, or the monetary equivalent of a non-monetary suffering, arising in connection with any Claim.”
- cxix.** Article 186 be deleted and substituted by the following:
- 1.1 Where Board determines that any Director, officer or employee of the Company should be an Indemnified Person herein, the Company shall, to the fullest extent and without prejudice to any other indemnity to which the Indemnified Person may otherwise be entitled, protect, indemnify and hold the Indemnified Person harmless in respect of all Claims and Losses, arising out of, or in connection with, the actual or purported exercise of, or failure to exercise, any of the Indemnified Person’s powers, duties or responsibilities as a Director or officer of the Company or of any of its subsidiaries, together with all reasonable costs and expenses (including legal and professional fees).

- 1.2 The Company shall further indemnify the Indemnified Person and hold him harmless on an 'as incurred' basis against all legal and other costs, charges and expenses reasonably incurred in defending Claims including, without limitation, Claims brought by, or at the request of, the Company and any investigation into the affairs of the Company by any Judicial, Governmental, Regulatory or other body.
- 1.3 The indemnity herein shall be deemed not to provide for, or entitle the Indemnified Person to, any indemnification against:
  - 1.3.1 Any liability incurred by the Indemnified Person to the Company due to breach of trust, breach of any statutory or contractual duty, fraud or personal offence of the Indemnified Person;
  - 1.3.2 Any liability arising due to any benefit wrongly availed by the Indemnified Person;
  - 1.3.3 Any liability on account of any wrongful information or misrepresentation done by the Indemnified Person
- 1.4 The Indemnified Person shall continue to be indemnified under the terms of the indemnities in this Deed notwithstanding that he may have ceased to be a Director or officer of the Company or of any of its subsidiaries.

**cxix.** Article 187 be inserted:

**“BONAFIDE EXERCISE OF MEMBERSHIP RIGHTS**

Every Member and other Security holder will use rights of such Member / Security holder as conferred by Applicable Law or these Articles bonafide, in best interest of the Company or for protection of any of the proprietary interest of such Member / Security holder, and not for extraneous, vexatious or frivolous purposes. The Board shall have the right to take appropriate measures, and in case of persistent abuse of powers, expulsion of such Member or other Security holder, in case any Member/Security holder abusively makes use of any powers for extraneous, vexatious or frivolous purposes.”

**RESOLVED FURTHER THAT** any of the Directors of the Company and Mr. Banibrata DeSarkar, Company Secretary be and hereby severally and jointly authorized to do all such acts, deeds and things as may be required to give effect to this Resolution.”

11. Ratification of the remuneration paid to M/s Sinha Chaudhuri & Associates, Cost Accountants as Cost Auditors of the Company

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 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s Sinha Chaudhuri & Associates (Firm Regn. 000057) appointed as the Cost Auditors of the Company, for conduct of the audit of the cost records of the Company for the financial year 2013, be paid a remuneration of Rs. 45,000/-, exclusive of out of pocket expenses incurred, if any.

The Register of Members of the Company will remain closed from 17th March 2015 to 23rd March 2015, both days inclusive.

By order of the Board

Registered Office:  
Transport Depot Road  
Kolkata - 700 088  
Date : 4th February 2015

**BANIBRATA DESARKAR**  
Company Secretary

**Notes :**

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and such proxy need not be a member of the Company. Proxies, in order to be effective, must be received at the Registered Office of the Company, not less than forty eight hours before the commencement of the Annual General Meeting.**

2. Corporate Members are requested to send to the Company's Share Department, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
3. The relative 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.
4. 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, enclosing their share certificates to enable the Company to consolidate their holdings in one single folio.
5. 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.
6. Securities and Exchange Board of India (SEBI) vide its Circular No. CIR/MRD/DP/10/2013 dated March 21, 2013, has mandated usage of electronic mode for making cash payments such as dividend etc to the investors of companies whose securities are listed on the Stock Exchanges. Payment of dividend through electronic mode is beneficial to the Members since the risks associated with receiving payment through dividend warrants such as loss in transit/ misplacement /revalidation etc. can be easily mitigated. Therefore, shareholders are requested to provide particulars of their bank account details for availing 'National Electronic Clearing Service' (NECS) facility. Further, ECS facility is also available to the beneficial owners of shares in demat form. Those desirous of availing the facility may provide their mandate for physical holding to the Company and for demat holding to their Depository Participants in writing.
7. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividend for the year ended 31st December 2007 and thereafter, which remains unpaid or unclaimed for a period of seven years will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. Accordingly, members who have not encashed their dividend warrant(s) so far for the year ended 31st December 2008 or subsequent years, are requested to make their claim to the Company or to the office of the Registrar & Share Transfer Agent, M/s C B Management Services (P) Limited. Members are advised that in terms of the provisions of the Act, once unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof.
8. Members desirous of making a nomination in respect of their shareholding, as permitted under Section 72 of the Companies Act, 2013, are requested to submit the prescribed Form SH13 and SH14, accordingly to the Share Department of the Company or to the office of the Registrar & Share Transfer Agent, M/s C B Management Services (P) Limited.
9. Members are requested to bring the admission slips along with their copy of the Annual Report at the Meeting.
10. Members are requested to register their e-mail addresses with the Company for receiving the Report and Accounts, Notices etc. in electronic mode, as a measure of support to the Green Initiative in Corporate Governance of the Ministry of Corporate Affairs, Government of India. The form for such registration can be obtained by mailing such request to our Registrar & Share Transfer Agent, M/s C B Management Services (P) Limited at [rta@cbmsl.com](mailto:rta@cbmsl.com) or to us on [investors@dic.co.in](mailto:investors@dic.co.in).
11. The Ministry of Corporate Affairs, Government of India, pursuant to its Green Initiative in Corporate Governance, has permitted under Section 20 of the Companies Act, 2013, the service of documents including the Annual Report consisting of Notice, Accounts and other relevant Reports through the electronic mode. Copies of the Annual Report 2014, notice of the AGM along with attendance slip, proxy form and instructions for e-voting are being sent by electronic mode only to those members whose e-mail addresses are registered with the Company/Depository Participants for communication purposes unless any member has requested for a hard copy of the same. Shareholders holding shares in physical/dematerialized form are requested to register/update their e-mail addresses with the Company's Registrar and Share Transfer Agent
12. The Register of Directors and Key Managerial Personnels 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 at the Company's Registered Office during normal business hours on working days upto the date of AGM.
13. In compliance with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility to the members to cast their votes electronically as an alternative to participation at the Annual General Meeting to be held on 23rd March 2015 at 11.00 a.m. The Company has engaged the services of National Securities Depository Limited ("NSDL") to provide e-voting facilities. The e-voting facility is available at the link <https://evoting.nsdl.com>.

The process for e-voting is enumerated below for your reference:

**The instruction for e-voting are as under:**

- (i) User ID and Password for e-voting is provided on the Attendance Slip. Please note that the Password is initial Password.
- (ii) National Securities Depository Limited (NSDL) shall also be sending the User-ID and Password, to those members whose shareholding is in the dematerialized form and whose e-mail addresses are registered with the Company/ Depository participant(s). For members who have not registered their email address, can use the details as provided in the Attendance Slip.
- (iii) Launch internet browser by typing the following URL: *www.eVoting.nsdl.com*.
- (iv) Click on shareholder - Login.
- (v) Put user ID and password as initial password noted in step (i) above. Click Login.
- (vi) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/ characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vii) Home page of e-voting opens. Click on e-voting. Active Voting Cycles.
- (viii) Select “EVEN” of DIC India Limited.
- (ix) Now you are ready for e-voting as Cast Vote page opens.
- (x) Cast your vote selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
- (xi) Upon confirmation, the message “Vote cast successfully” will be displayed.
- (xii) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xiii) Institutional shareholders (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of the duly authorized signatory/ies who are authorized to vote, to the Scrutinizer through e-mail: *tchatterjeeassociates@gmail.com* with a copy marked to *evoting@nsdl.co.in*.

Notes:

- I. In case of any queries, you may refer the Frequently Asked Questions (FAQ) for Shareholders and e-voting user manual for shareholders available at the Downloads section of *www.evoting.nsdl.com*.
- II. If you are already registered with NSDL for e-voting then you can use your existing user ID and Password for casting your vote.
- III. The e-voting period commences at 6:00 AM on 16th March 2015 and ends at 6:00 PM on 18th March 2015. During this period, shareholders of the Company, holding shares in physical form or in dematerialized form, as on the cut-off date 13th February 2015, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.
- IV. The voting rights of the Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on 13th February 2015.
- V. The Scrutinizer shall within a period of not exceeding three(3) working days from the conclusion of the e-voting period unlock the votes in the presence of atleast two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- VI. The Result shall be declared at the 67th Annual General meeting of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's Website *www.dicindiaLtd.co* and on the website of NSDL.

**Information pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, relating to the Code of Corporate Governance, regarding Directors seeking appointment and re-appointment.**

**(Item Nos. 2):**

**Mr. Paul Koek**

Born on 14th June 1960, Mr. Paul Koek is a qualified CPA and is registered with Institute of Certified Public Accountants of Singapore. He is a Fellow Member (FCCA) with the Chartered Association of Certified Accountants and a Senior Member with the Association of Accountant Technicians. Mr. Koek brings with him a wealth of more than 28 years in the field of regional tax, group accounting and treasury management. Mr. Koek is presently the Group Finance Director of DIC Asia Pacific Pte. Ltd., Singapore. Mr. Koek was inducted on the Board with effect from 29th June 2004 as a nominee of the Holding Company M/s. DIC Asia Pacific Pte. Ltd., Singapore. He is the Committee member of the Audit Committee, Investor Grievance and Stakeholder Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee of the Company. He is not related to any of the Directors and does not hold any shares in the Company.

**Other Directorship and Committee Membership held as on 31st December 2014 by Mr. Paul Koek are as given below:**

<b>Name of Company</b>	<b>Board Position Held</b>	<b>Committees of Board</b>	<b>Committee Position Held</b>
DIC Pakistan Ltd	Director	Nil	Nil
DIC Lanka (Pvt.) Ltd.	Director	Nil	Nil
DIC (Vietnam) Co. Ltd.	Director	Nil	Nil
PT DIC Graphics	President Commissioner	Nil	Nil
DIC (Malaysia) Sdn. Bhd.	Director	Nil	Nil
DIC Australia Pty. Ltd.	Director	Nil	Nil
DIC New Zealand Ltd.	Director	Nil	Nil
DIC Fine Chemicals Pvt. Ltd.	Director	Nil	Nil
DIC Asia Pacific Pte. Ltd.	Director	Nil	Nil
DIC Philippines Inc.	Director	Nil	Nil
Coates Brothers (Singapore) Pte. Ltd.	Director	Nil	Nil
Coates Thailand Ltd.	Director	Nil	Nil
TFE Co. Ltd. , Thailand	Director	Nil	Nil
DIC Marketing Sdn. Bhd.	Director	Nil	Nil

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**ITEM NO. 4, 5 and 6**

Pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors which came into effect from 1st April 2014, the Independent Directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation. The term shall be effective prospectively.

The Board of Directors of the Company have decided to adopt the provisions with a tenure of 3 years in respect to the tenure of Independent Directors which is consistent with the Companies Act, 2013 and the amended Listing Agreement.

All the Directors proposed to be appointed under resolutions 4, 5 and 6 are Non-Executive Independent Directors of the Company whose appointments have already been approved by the Shareholders in previous Annual General Meetings. The period of office of these Directors was liable to determination by retirement by rotation under the erstwhile applicable provisions of the Companies Act, 1956.

The Nomination and Remuneration Committee and the Board of Directors, in terms of Section 149 and other applicable provisions of the Companies Act, 2013, have recommended the appointment of Mr Dipak Kumar Banerjee, Mr Subir Bose and Mr Bhaskar Nath Ghosh for a term as stated in the Resolutions.

### **Mr. Dipak Kumar Banerjee**

Born on 19th February 1946, Mr. Dipak Kumar Banerjee, a Chartered Accountant, underwent training with Lovelock & Lewes (now a part of Price Waterhouse Coopers). He started his career with Life Insurance Corporation of India in 1970 and thereafter, in 1975, joined Hindustan Lever Ltd. His tenure with Lever included a two years secondment to Lever Brothers, Nigeria. In 1992, Mr. Banerjee became the Commercial Director of Unilever Plantation Group. Between 1993 and 1997 he was designated as Commercial Officer, Africa and Middle East Group of Unilever, London and retired on July 2000 as Chairman, Unilever Uganda Limited. Mr. Banerjee holds Board positions in several reputed companies.

Mr. Banerjee joined the Board of your Company on 8th March 2001 and is an Independent Director. He is also the Chairman of the Audit Committee and the Nomination and Remuneration Committee of the Company. He is not related to any of the Directors and does not hold any shares in the Company.

### **Mr Subir Bose**

Mr. Subir Bose, born on 10th December 1949, holds a B. Tech in Chemical Engineering from IIT (Kanpur) and PGDBA from IIM, Ahmedabad. Mr. Bose has 37 years of experience in the paints industry and had held the position of Managing Director of Berger Paints India Limited till June 2012, besides holding Directorship of several of its group companies. He continues to hold Directorship in Berger Paints India Limited as a Non-executive Director.

Mr. Subir Bose was inducted on the Board with effect from 27th July 2007 as an Independent Director. He is also a Member of the Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee of the Company. He is not related to any of the Directors and does not hold any shares in the Company.

### **Mr. Bhaskar Nath Ghosh**

Mr. Bhaskar Nath Ghosh, born on 31st January 1946, is a Chartered Accountant, and underwent training with Lovelock & Lewes (now a part of Price Waterhouse Coopers). He started out in January 1972 with the Tea Department of Duncan Brothers in Accounts Department and subsequently shifted to the newly incorporated Goodricke Group Limited in 1978. He retired in 2008 as Managing Director (Finance and Corporate Affairs) and CFO from Goodricke Group Limited after a service of 37 years during which he had held several senior positions. He also held membership in various Committees like Indian Tea Association, Tea Research Association etc. Mr. B N Ghosh brings with him vast expertise in the field of finance eg. Investment planning, corporate projections, risk management, long term financial planning and corporate decision making. He does not hold any Directorship in any other company.

Mr. B N Ghosh was inducted on the Board with effect from 25th July 2009 as an Independent Director and is also a member of the Audit Committee of the Company. He is not related to any of the Director and does not hold any shares in the Company.

## **ITEM NO. 7, 8 and 9 - Appointment of New Directors**

### **Dr Reena Sen**

Born on 12th July 1953, Dr Reena Sen is a founder member of Indian Institute of Cerebral Palsy, Kolkata (IICP). Dr Sen started teaching in the Centre for Special Education in January 1975. She has held several posts in the organisation and her designation at IICP at present is Executive Director. In 1987 she founded Raksha, a nodal centre for disability in Kochi, Kerala. An alumna of Miranda House, Delhi University, Reena Sen has a B Ed (Calcutta University) and a PG Diploma, Master's Degree and PhD in Education (Dept of Psychology and Special Needs) from the Institute of Education, University of London.

Dr Reena Sen was inducted on the Board with effect from 4th February 2015 as an Additional and Independent Director. She is not related to any of the Director and does not hold any shares in the Company.

### **Mr Kazunari Sakai**

Born on 30th January 1956, Mr Kazunari Sakai graduated from the Graduate School of Engineering Science, Osaka University, Japan in March 1979. He subsequently joined DIC Corporation, Japan in 1981 and went on to hold several positions like General Manager, Division President and ultimately in April 2012 went on to hold the position of Executive Officer, Corporate Strategy Division. Mr Sakai went on to be the Global Head of the Printing Inks Product Division based in Japan. With effect from 1st January 2015, Mr Kazunari Sakai was appointed as the Regional Managing Director of DIC Asia Pacific Pte Ltd., Singapore. Mr Sakai was inducted on the Board with effect from 4th February 2015 as a nominee of the Holding Company, M/s. DIC Asia Pacific Pte. Ltd., Singapore. He is the Committee member of the Nomination and Remuneration Committee of the Company. He is not related to any of the Directors of and does not hold any shares in the Company.

**Mr Naoyoshi Furuta**

Born on 17th June 1957, Mr Naoyoshi Furuta graduated in Commerce from the Waseda University, Japan in March 1981. He joined DIC Corporation in April 1981 and served as its Manager In-charge of Corporate Planning Office since October 2000 and went on to held several positions thereafter and ultimately became the Director of DIC Corporation since April 2007. He also held Board position in several DIC Group companies. Mr Furuta has been an Executive Officer at DIC Corporation since April 2009 and General Manager of General Polymer Product Division since April 2013. With effect from 1st January 2015, Mr Furuta has been appointed as the Deputy Managing Director of DIC Asia Pacific Pte Ltd., Singapore.

Mr Furuta was inducted on the Board with effect from 4th February 2015 as a nominee of the Holding Company M/s. DIC Asia Pacific Pte. Ltd., Singapore. He does not hold any Committee membership of the Company. He is not related to any of the Directors and does not hold any shares in the Company.

**Other Directorship and Committee Membership held by Mr. Dipak Kumar Banerjee, Mr. Subir Bose, Mr. Bhaskar Nath Ghosh, Dr Reena Sen, Mr Kazunari Sakai and Mr Naoyoshi Furuta as on 31st December 2014.**

Director	Name of Company	Board Position Held	Committees of Board	Committee Position Held
D.K. Banerjee	T M International Logistic Ltd.	Director	Audit Committee	Chairman
			Nomination & Remuneration Committee	Member
			Corporate Social Responsibility Committee	Member
	Tata Sponge Iron Ltd.	Director	Audit Committee	Chairman
	M Junction Services Ltd.	Director	Audit Committee	Chairman
	The Tinsplate Co. of India Ltd.	Director	Audit Committee	Member
			Nomination & Remuneration Committee	Chairman
	International Shipping and Logistics FZE, Dubai	Director	Nil	Nil
	Tayo Rolls Ltd.	Director	Audit Committee	Member
	Shristi Infrastructure Development Corpn. Ltd.	Chairman	Audit Committee	Chairman
			Shareholders' Grievance Committee	Member
	Rupa & Company Ltd.	Director	Nil	Nil
	West Bengal State Electricity Distribution Company Ltd.	Director	Audit Committee	Member
			Nomination & Remuneration Committee	Member
Corporate Social Responsibility Committee			Member	
Project Appraisal Committee			Member	
S Bose	Berger Paints India Ltd.	Director	Selection Committee	Member
	Beepee Coatings Pvt. Ltd.	Chairman	Nil	Nil
	Berger Paints (Bangladesh) Ltd.	Director	Nil	Nil
	Berger Jenson & Nicholson (Nepal) Pvt. Ltd.	Director	Nil	Nil
	Berger Paints (Cyprus) Ltd.	Director	Nil	Nil
	BJN Paints India Ltd.	Director	Nil	Nil
	Lusako Trading Ltd., Cyprus	Alternate Director	Nil	Nil
	Bolix S.A., Poland	Director	Nil	Nil
B N Ghosh	Nil	N.A.	N.A.	N.A.
Dr Reena Sen	Nil	N.A.	N.A.	N.A.

Director	Name of Company	Board Position Held	Committees of Board	Committee Position Held
K Sakai	DIC Asia Pacific Pte Ltd.	Director	Nil	Nil
	DIC Fine Chemicals (P) Ltd	Director	Nil	Nil
	DIC Graphics Chia Lung Crop	Director	Nil	Nil
	DIC Graphics Corporation	Director	Nil	Nil
	Shanghai DIC Ink Co.Ltd	Director	Nil	Nil
	Topic Co. Ltd	Director	Nil	Nil
	Sun Chemical Corporation	Director	Nil	Nil
	Sun Chemical Group Cooperatif U.A.	Director	Nil	Nil
	DIC (Shanghai) Co. Ltd	Director	Nil	Nil
N Furuta	PT.Pardic Jaya Chemicals	President Commissioner	Nil	Nil
	Siam Chemical Industry Co. Ltd.	Director	Nil	Nil
	DIC Holdings Austria GmbH	Director	Nil	Nil
	Aekyung Chemical Co. Ltd.	Director	Nil	Nil
	Kangnam Chemical Co. Ltd.	Director	Nil	Nil
	SEIKO PMC Corp.	Director	Nil	Nil
	DIC Kako, Inc.	Director	Nil	Nil
	Oxirane Chemical Corp.	Director	Nil	Nil
	MizushimaKasozai Co. Ltd.	Director	Nil	Nil
	Banpo Industries Ltd.	Director	Nil	Nil

Except the Director whose appointment is being consider, no other Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financial or otherwise, in the aforesaid Resolutions set out at item nos. 4, 5, 6, 7, 8 and 9 of the Notice.

The Board of Directors recommends the Resolutions for your approval.

#### **ITEM NO.10**

The existing Articles of Association (“AoA”) are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Act. With the coming into force of the Companies Act, 2013, several regulations of the existing AoA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to alter certain clauses of the existing AoA which are not in consonance with the new Companies Act, 2013.

The proposed new draft of AoA is being uploaded on the company's website for perusal by the Shareholders.

The proposed new draft of AoA is available for inspection by the members at the Registered Office of the Company on any working day excluding public holidays and Sundays, between 11.00 A.M. to 1.00 P.M. upto and including the date of Annual General Meeting.

The Board of Directors are of the view that making such alterations in the Company's AoA would enable the Company to ensure due compliance with the Companies Act, 2013 and recommend the special resolution set out in the notice above, for the approval of members.

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 aforesaid Resolutions set out at item no. 10 of the Notice.

The Board of Directors recommends the Resolutions for your approval.



**ITEM NO.11**

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 4th February 2013 appointed M/s. Sinha Chaudhuri & Associates, Cost Accountants (Firm Regn. 000057) as the Cost Auditor of the Company for the financial year 2013 at a remuneration of Rs. 45,000/-, exclusive of reimbursement of all out of pocket expenses incurred, if any, in connection with the cost audit. The appointment and the remuneration of the cost auditor is required to be ratified subsequently in accordance to the provisions of the Act and Rule 14 of the abovementioned Rules.

None of the Directors and Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financial or otherwise, in the aforesaid Resolutions set out at item no. 11 of the Notice.

The Board of Directors recommends the Resolutions for your approval.

By order of the Board

Registered Office:  
Transport Depot Road  
Kolkata - 700 088  
Date : 4th February 2015

**BANIBRATA DESARKAR**  
Company Secretary

# Report on Corporate Governance

The Directors present the Company's Report on Corporate Governance.

## I. MANDATORY REQUIREMENTS

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

Corporate Governance refers to a combination of regulations, procedures and voluntary practices that enable companies to maximise stakeholders' value by attracting financial and human capital and efficient performance.

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

### 2. Board of Directors

#### A) Composition as on 31st December 2014

The Board of Directors of the Company consisted of 8 members, comprising:

- One Whole-time Director in the whole-time employment of the Company.
- Five Non-executive Directors, four of whom are Independent, drawn from amongst persons with experience in business, finance, legal, technology and management.
- Two Non-executive Directors nominated by and representing the Holding Company.

The Chairman of the Board is a Non-executive Director.

The composition of the Board is in conformity with Clause 49 of the Listing Agreement.

#### B) Other Directorships/Committee memberships held as on 31st December 2014:

Name of Director	Category of Director	Directorships held in other Companies ^		Committee Memberships held in other Companies #	
		As Director	As Chairman	As Member	As Chairman
Dr P K Dutt	Chairman, Non-executive	1	—	—	—
Mr Y Ikeda	Chief Executive Officer, Whole-time	—	—	—	—
Mr D Banerjee	Non-executive & Independent	7	1	5	3
Mr S Bose	Non-executive & Independent	2	—	—	—
Mr B N Ghosh	Non-executive & Independent	—	—	—	—
Mr U Sengupta	Non-executive & Independent	2	—	—	1
Mr Y Masuda	Non-executive	—	—	—	—
Mr P Koek	Non-executive	—	—	—	—

^ Excludes Directorships held in Private Limited Companies, Foreign Companies, Companies u/s 8 of the Companies Act, 2013 and Memberships of Managing Committees of various Chambers/Institutions/Boards.

# Only Memberships/Chairmanships of Audit Committee and Investors Grievance and Stakeholders' Relationship Committee have been considered.

C) Particulars of change in directorship during the year:

Name of Director	Category	Date of Appointment/ Cessation	Remarks
Mr Yasuo Ikeda	Whole-time	1st January 2014	Appointment as Whole-time Director
Mr Samir Bhaumik	Whole-time	26th April 2014	Resigned from the post of Managing Director

D) Board Meetings held during the year

During the financial year ended 31st December 2014, 11 Board Meetings were held on 5th February 2014, 26th March 2014, 26th April 2014, 30th May 2014, 27th June 2014, 25th July 2014, 25th August 2014, 12th September 2014, 24th September 2014, 22nd October 2014 and 5th December 2014.

E) Attendance of Directors at Board Meetings and last Annual General Meeting

Name of Director	Board Meetings Attended	Last AGM Attended
Dr P K Dutt	10	Yes
Mr S Bhaumik	2*	No
Mr Y Ikeda	10	Yes
Mr Y Masuda	8	Yes
Mr P Koek	9	Yes
Mr D Banerjee	10	Yes
Mr S Bose	4	Yes
Mr B N Ghosh	10	Yes
Mr U Sengupta	7	No

\* - Refer Note 2(C) of the Report

F) Particulars of Directors retiring by rotation and seeking re-appointment have been given in the Notice convening the 67th Annual General Meeting and Explanatory Statement, attached thereto.

**3. Audit Committee**

A) Terms of Reference

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 in the following areas:

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

B) Composition, Name of Members and Chairperson

The Audit Committee of the Company comprises five members, four of whom are Independent Non-executive Directors and one Non-executive Director representing the Holding Company. All the members of the Audit Committee are qualified and having insight to interpret and understand financial statements.

The Audit Committee of the Company comprises of the following members:

Name of Member	Category
Mr D Banerjee	Chairman
Mr S Bose	Member
Mr B N Ghosh	Member
Mr U Sengupta*	Member
Mr P Koek	Member

\* Mr Utpal Sengupta was inducted in the Audit Committee with effect from 22nd October, 2014.

The Company Secretary has been designated as the 'Secretary' to the Audit Committee.

C) Meetings during the year

During the financial year ended 31st December 2014, four meetings were held on 5th February 2014, 26th April 2014, 25th July 2014 and 22nd October 2014.

D) Attendance of Members at the Audit Committee Meetings

The attendance of the Members is as given below:

Name of Member	Meetings Attended
Mr D Banerjee	4
Mr S Bose	3
Mr B N Ghosh	3
Mr U Sengupta*	1
Mr P Koek	3

M/s. Lovelock & Lewes, Statutory Auditors and the Head-Internal Audit of the Company are invited to attend the Audit Committee meetings.

The minutes of the meetings of the Audit Committee are circulated to all the members of the Board.

The Chairman of the Audit Committee will be present at the Annual General Meeting to answer the shareholders queries, if any.

4. **Nomination and Remuneration Committee**

A) Terms of Reference

The scope of the Nomination and Remuneration Committee extends to recommending to the Board, the compensation terms of the Executive Directors, including Performance Bonus, Employees Stock Option Scheme etc.

B) Composition, Name of Members and Chairperson

The Nomination and Remuneration Committee of the Company comprises four members, two of whom are Non-executive Directors representing the Holding Company and the Chairman is an Independent Director.

Mr Subir Bose was inducted in the Committee with effect from 26th April 2014, the Nomination and Remuneration Committee of the Company comprises of the following members:

Name of Member	Category
Mr D Banerjee	Chairman
Mr Y Masuda	Member
Mr S Bose	Member
Mr P Koek	Member

C) Meetings and Attendance during the year

During the year ended 31st December 2014, four meetings were held on 5th February 2014, 26th April, 2014, 25th July 2014 and 24th September 2014.

The attendance of the Members is as given below:

Name of Member	Meetings Attended
Mr D Banerjee	4
Mr Y Masuda	4
Mr S Bose	Nil
Mr P Koek	4

D) Nomination & Remuneration Policy

The Nomination and Remuneration Committee had recommended the Nomination & Remuneration Policy of the Company to the Board of Directors which was adopted at the Board meeting held on 5th December 2014.

The said policy may be referred to, at the Company's official website at the weblink, <http://www.dicindia ltd.co/corp-gov-nrp.html>.

E) Remuneration paid/payable to the Directors for the financial year ended 31st December 2014

(Figure in Rs.)

Name of Director	Salary	Performance Bonus	Commission	Allowances, Perquisites & Retirement Benefits	Sitting Fees	Total
Dr P K Dutt	—	—	—	—	130,000	130,000
Mr S Bhaumik	776,923	—	—	5,016,162	—	5,793,085
Mr Y Ikeda	2,100,000	—	—	4,419,845	—	6,519,845
Mr D Banerjee	—	—	—	—	188,000	188,000
Mr S Bose	—	—	—	—	80,000	80,000
Mr B N Ghosh	—	—	—	—	130,000	130,000
Mr U Sengupta	—	—	—	—	90,000	90,000
Mr Y Masuda	—	—	—	—	—	—
Mr P Koek	—	—	—	—	—	—

- Mr Yasuo Ikeda was appointed as a Whole-time Director with effect from 1st January 2014.
- Mr Samir Bhaumik resigned from the post of Managing Director with effect from 26th April 2014.
- Except for the Whole-time Director and Independent Director, all the members of the Board are liable to retire by rotation. The appointment of the Whole-time Director is governed by the resolutions passed by the Board, as per recommendations of the Nomination and Remuneration Committee, which cover the terms and conditions of such appointment read with the service rules of the Company, subject to final approval by the members.
- No Severance Fee is payable.
- Performance Bonus payable to the Whole-time Director is determined on the basis of the status of the inventory and debtors, profitability and overall financial position of the Company.
- Dr. P K Dutt, Non-executive Chairman holds 133 equity shares of the Company. No other Non-executive Directors hold any shares or convertible instruments of the Company.
- In addition to the sitting fees, the Company had approved payment of commission to its Resident Non-executive Directors pursuant to approval of the members at the Annual General Meeting held on 12th April 2013. The criteria of payment of commission to the Resident Non-executive Directors, as decided in the Board Meeting held on 9th February 2011 and 8th February 2012, is as under :
  - Non-Executive Chairman - 0.5% of the profits subject to annual ceiling of Rs 850,000/-
  - Others - 0.5% of the profits subject to annual ceiling of Rs 180,000/- per Director.

The payment of commission is approved for a period of 5 years commencing from financial year 1st January 2014. However no commission has been paid during the financial year ended 31st December 2014 in the absence of profit.
- At present, sitting fees of Rs.12,000/- is paid to the Chairman of the Board and the Chairman of the Audit Committee. A sitting fees of Rs.10,000/- is paid to each Resident Non-executive Director for attending each meeting of the Board and the Committees thereof.
- No commission and sitting fees are payable to the Non-resident Non-executive Directors.

## 5. Investors Grievance and Stakeholders' Relationship Committee

### A) Terms of Reference

The terms of reference of the Committee, include the following :

- a) To review all complaints recorded in SCORES of SEBI and replies made to the same by the Company Secretary.
- b) To receive report on all complaints recorded in SCORES of the Registrars and Share Transfer Agents and note the corrective actions taken by the Registrars.
- c) To take action on all grievances and complaints lodged by stock exchanges, shareholder associations and other bodies.
- d) To review all instances where shareholding or other matters are disputed or contested or pending in various legal forums.
- e) To review all grievances of other Stakeholders of the Company given in their individual capacity.
- f) Over view of activities relating to Share Maintenance and related Work.

### B) Composition

The Investors Grievance & Stakeholders Relationship Committee comprises three Directors. As on 31st December 2014, the Committee comprises of:

Name of Member	Category
Mr U Sengupta	Chairman
Dr P K Dutt	Member
Mr P Koek	Member

The Company Secretary has been designated as the 'Compliance Officer'.

### C) Attendance

A meeting had been held on 5th February 2014. All the members attended the meeting.

### D) Status of Transfers

During the year ended 31st December 2014, 3628 shares in physical form were processed for transfer. There were no pending share transfers as on 31st December 2014.

### E) Complaints

During the year ended 31st December 2014, the Company had received no complaints and no complaints were pending for redressal either at the beginning or at the end of the year.

## 6. Risk Management Committee

### A) Constitution, Terms and reference

The Company has a Risk Management Policy which was adopted in its meeting held on 3rd March 2006. It has laid 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.

As required under Clause 49 of the Listing Agreement, the Board in its meeting held on 22nd October 2014 have constituted a Risk Management Committee, defining the roles and responsibilities of the Committee and have delegated to the Committee the function of monitoring and reviewing the risk management policy of the Company. The Committee has the overall responsibility of dealing and approving the various risk policies and associated practices of the Company. The Risk Management Report containing the various risk exposure and mitigation procedure, after its adoption in the Risk Management Committee meeting, is also placed in the subsequent Board meeting.

### B) Composition

The Risk Management Committee is constituted of three members, comprising of two Directors and the Chief Finance Officer. As on 31st December 2014, the Committee comprises of:

Name of the Member	Category
Mr Yasuo Ikeda	Chairman, Whole-time Director
Mr Paul Koek	Member, Non-executive Director
Mr Sandip Chatterjee	Member, Chief Finance Officer

### C) Attendance

A meeting has been held on 5th December 2014. All the members attended the meeting.

## 7. Meeting of the Independent Directors.

As per new Companies Act, 2013 and the Listing Agreement, the Independent Directors are required to hold at least one meeting in a year to discuss the following:

- Review the performance of non-independent directors and the Board as a whole.
- Review the performance of the Chairperson of the Company taking into account the views of executive directors and non-executive directors.
- Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Accordingly, a meeting had been held on 3rd December 2014. All the Independent Directors attended the meeting and discussed the above points.

Nomination and Remuneration Committee in its meeting held on 4th February 2015 adopted the performance evaluation criteria for the Independent Directors and the same has been applied by the Board in its meeting held on 4th February 2015 for evaluating the performance of the Independent Directors.

## 8. Subsidiary Company

The Company had no subsidiary as on 31st December 2014.

## 9. General Body Meetings

### A) Particulars of last three Annual General Meetings

AGM	Year Ended	Venue	Date	Time
66th	31.12.2013	Williamson Magor Hall Bengal Chamber of Commerce & Industry, Royal Exchange 6, Netaji Subhas Road, Kolkata - 700 001	27.06.2014	11.00 a.m
65th	31.12.2012	– Do –	12.04.2013	11.00 a.m
64th	31.12.2011	– Do –	29.05.2012	11.00 a.m

### B) Postal Ballot Exercise

Approval for re-appointment of Mr. Samir Bhaumik as Managing Director and appointment of Mr. Yasuo Ikeda as Whole-time Director designated as Chief Operating Officer was taken through Postal ballot, the result of which was declared on 7th February 2014. Mr. Tarun Chatterjee of M/s T. Chatterjee & Associates, Practising Company Secretaries, Kolkata, was appointed as the Scrutinizer for conducting the Postal Ballot process. The details of the voting pattern are as follows:

#### Postal Ballot Results for the re-appointment of Mr. Samir Bhaumik as Managing Director

Particulars	No. of Ballot Forms	No. of Equity Shares of Rs. 10 each (Votes)	% of Valid Votes Received
Total Valid Postal Ballots / received	210	6655464	Not Applicable
LESS:- Promoters shareholding	1	6586077	Not Applicable
<b>Public Shareholding</b>	<b>209</b>	<b>69387</b>	<b>100</b>
<b>Assented to Resolution out of public shareholding</b>	<b>186</b>	<b>64807</b>	<b>93.40</b>
<b>Dissented to Resolution out of public shareholding</b>	<b>23</b>	<b>4580</b>	<b>6.60</b>

**Postal Ballot Results for the appointment of Mr. Yasuo Ikeda as Whole-time Director**

Particulars	No. of Ballot Forms	No. of Equity Shares of Rs. 10 each (Votes)	% of Valid Votes Received
Total Valid Postal Ballots/ received	196	6634148	Not Applicable
LESS: Promoters shareholding	1	6586077	Not Applicable
<b>Public Shareholding</b>	<b>195</b>	<b>48071</b>	<b>100</b>
<b>Assented to Resolution out of public shareholding</b>	<b>174</b>	<b>44827</b>	<b>93.25</b>
<b>Dissented to Resolution out of public shareholding</b>	<b>21</b>	<b>3244</b>	<b>6.75</b>

No Special Resolution is proposed to be conducted through postal ballot.

C) Particulars of Special Resolutions passed at the last three Annual General Meetings

AGM	Year ended	Particulars of Special Resolution	Date	Time
66th	31.12.2013	NA	27.06.2014	11.00 a.m.
65th	31.12.2012	NA	12.04.2013	11.00 a.m.
64th	31.12.2011	NA	29.05.2012	11.00 a.m.

D) Particulars of last three Extraordinary General Meetings

Purpose	Venue	Date	Time
Sale of Adhesives Business	Williamson Magor Hall, Bengal Chamber of Commerce & Industry, Royal Exchange 6, Netaji Subhas Road, Kolkata - 700 001	18.12.2000	11.00 a.m.
Allotment of Shares to Coates Brothers Plc., UK on Preferential Basis; Re-appointment and revised remuneration payable to Managing and Wholetime Directors	– Do –	02.12.1993	3.00 p.m.
Issue of Shares on Rights Basis	– Do –	18.12.1992	3.00 p.m.
<i>Others</i>			
Court Convened Meeting for approval of merger of Rohit (Printing Inks & Paints) Industries Private Limited with the Company	– Do –	29.06.2007	10.00 a.m.

**10. Disclosures**

- A) The Board in its meeting held on 5th December 2014 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 in the Website of the Company at the weblink, <http://www.dicindia ltd.co/corp-gov-rptp.html>
- B) 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 Accounting Standard 18 as notified by the Companies (Accounting Standards) Rules, 2006 and the same are given in Note 41 to the Financial Statements.

The prior approval of the Audit Committee is taken on a quarterly basis for proposed related party transactions to be entered in the forthcoming quarter as well as the details of all related party transactions actually entered into in the preceding quarter.

- C) 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.
- D) The Company has complied with the requirements of regulatory authorities on capital markets and no penalties/strictures have been imposed against it in the last three years.
- E) There were no material financial and commercial transactions where senior management of the Company had personal interest that may have a potential conflict with the interest of the Company at large.
- F) The Company has adopted Whistle Blower Policy for Directors and employees which has been placed in the website of the Company at the weblink, <http://www.dicindialtd.co/investers-wbp.html>. No personnel has been denied access to the Audit Committee.

#### 11. Means of Communication

- A) Half-Yearly Report sent to each household of shareholders : No
- B) Quarterly Results
  - Newspapers published in : March, June & September 2014 - Business Standard, Sambad Pratidin
  - Website where displayed : [www.dicindialtd.co](http://www.dicindialtd.co)
- C) Audited Financial Results : Year ended 31.12.2014
  - Newspaper published in : Business Standard Dainik Statesman
- 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 in the Website.
- E) Whether Management Discussion & Analysis Report is a part of Annual Report : The Report of the Directors, forming part of the Annual Report, includes all aspects of the Management Discussion & Analysis Report.

#### 12. Code of Professional Conduct

The Company has formulated a Code of Conduct for the employees, including the Directors with all the stakeholders of the Company and the same has been adopted by the Board in the meeting held on 29th April 2005. The Code covers dealings with customers and suppliers, shareholders, concern for occupational, health, safety and environment and gender friendly workplace. The Code is available on the Company's official website under the weblink: <http://www.dicindialtd.co/coc-page01.html>.

Further, the Code of Conduct has been amended to include the Code for Independent Directors pursuant to the Schedule IV of the Companies Act, 2013 by the Board at its meeting held on 5th December 2014. The said Code is also available on the Company's official website at the weblink, <http://www.dicindialtd.co/corp-gov-cid.html>.

In terms of the resolution passed by the Board of Directors in their meeting held on 5th February 2014, the Board has authorized Mr. Yasuo Ikeda, Chief Executive Officer to sign all Certificates as may be required, to comply with the statutory requirements.

Accordingly, a declaration from the Chief Executive Officer that all Board Members and Senior Management personnel have duly complied with the Code of Conduct for the financial year ended 31st December 2014 forms part of the Annual report.

### **13. CEO/CFO Certification**

The Certificate duly signed by the Chief Executive Officer and the Chief Finance Officer in respect of the financial year ended 31st December 2014 has been placed before the Board at its meeting held on 4th February 2015 and forms a part of the Annual Report.

### **14. Familiarisation programme for Independent Directors**

The Chairman of the Company had familiarised the independent directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., at its Board Meeting held on 5th December 2014. Furthermore, the Company intends to hold its meeting in different Units so that practical exposure to the production processes at its different units can be explained to the Independent Directors. The familiarization program is available on the Company's official website under the weblink: <http://www.dicindialtd.co/corp-gov-cor-gov.html>.

## **II. NON-MANDATORY REQUIREMENTS**

### **1. Office of the Chairman of the Board and re-imburement of expenses by the Company**

The Chairman of the Company is a Non-executive Director and no reimbursement of his expenses is made by the Company.

### **2. Shareholders' Rights**

The Company's financial results are published in the newspapers and also posted on its own website ([www.dicindialtd.co](http://www.dicindialtd.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.

### **3. Audit Qualification**

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

### **4. Separate posts of Chairman and CEO**

The Company has a separate post of Chairman, who is a Non- executive Chairman and separate CEO.

### **5. Reporting of Internal Auditor**

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

# Shareholder Information

## 1. Annual General Meeting

The 67th Annual General Meeting will be held at 11.00 A.M. on 23rd March 2015, at Williamson Magor Hall, The Bengal Chamber of Commerce & Industry, Royal Exchange, 6, Netaji Subhas Road, Kolkata - 700 001.

## 2. Financial Year

The Financial Year of the Company is 1st January to 31st December. For the year ended on 31st December 2014, results were announced on :

Approval of	Board Meeting Date
Unaudited Results for 1st quarter ended 31.03.2014	26.04.2014
Unaudited Results for 2nd quarter ended 30.06.2014	25.07.2014
Unaudited Results for 3rd quarter ended 30.09.2014	22.10.2014
Audited Results for financial year ended 31.12.2014	04.02.2015

## 3. Book Closure Date

The period of book closure is from 17th March 2015 to 23rd March 2015, both days inclusive.

## 4. Dividend Payment Date

No dividend has been proposed for the year ended 31st December 2014.

## 5. Listing on Stock Exchanges

The equity shares of the Company are listed on :

1. BSE Limited (BSE)  
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001
2. The National Stock Exchange of India Limited (NSE)  
Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051
3. The Calcutta Stock Exchange Limited (CSE)  
7, Lyons Range, Kolkata - 700 001

## 6. Listing Fees to Stock Exchanges

The Annual Listing Fees for the year 2013-14 and 2014-15 have been paid to all these Stock Exchanges.

## 7. Annual Custody Fees to Depositories

The Company has paid Annual Custody Fees for the year 2013-14 and 2014-15 to both the depositories namely National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

## 8. International Securities Identification Number (ISIN) of the Company

The International Securities Identification Number (ISIN) of the Company's shares in the dematerialized mode, as allotted by NSDL and CDSL is INE 303A01010.

## 9. Scrip Code

The Company's Stock Exchange codes are as follows:

Sl. No.	Stock Exchange	Scrip Code
1	BSE Limited	500089
2	National Stock Exchange of India Limited	DICIND
3	The Calcutta Stock Exchange Limited	13217

## 10. Market Price Data

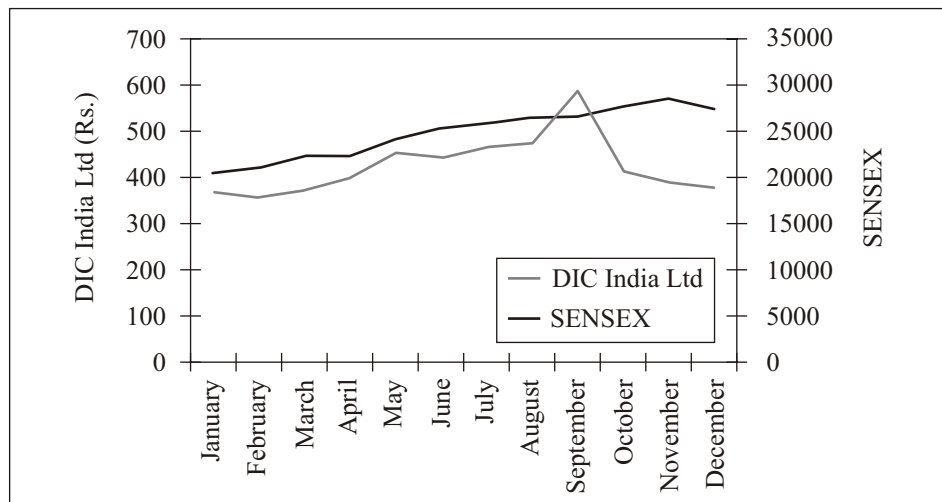
Monthly high and low price of Company's equity shares at the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) for the period from 1st January, 2014 to 31st December 2014 are stated hereunder.

Month	BSE		NSE	
	High	Low	High	Low
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
January 2014	406.00	359.30	409.95	360.05
February 2014	395.00	333.10	378.80	346.00
March 2014	394.00	345.50	393.70	355.20
April 2014	445.00	371.00	447.65	368.50
May 2014	477.20	395.00	464.40	392.00
June 2014	556.90	429.10	555.00	425.05
July 2014	485.90	401.00	485.00	430.00
August 2014	485.20	440.00	473.40	430.00
September 2014	589.00	456.65	588.45	450.10
October 2014	625.00	355.50	629.00	353.10
November 2014	449.00	376.25	445.00	366.00
December 2014	410.00	336.70	413.95	357.90

There were no transactions on Calcutta Stock Exchange Limited.

## 11. Movement of DIC India Limited share price with BSE SENSEX

(Based on closing prices of DIC India Limited and BSE SENSEX)



## 12. 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 1st April, 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  
 Facsimile: 033 2287 0263  
 E-mail: [rta@cbmsl.com](mailto:rta@cbmsl.com)  
 Website: [www.cbmsl.com](http://www.cbmsl.com)

## 13. Investor Grievances

The Company has designated an exclusive e-mail id viz. [investors@dic.co.in](mailto:investors@dic.co.in) to enable the investors to register their grievances, if any.

## 14. Share Transfer System

For expeditious transfer of shares, the Board of Directors has authorised certain officers of the Company to approve share transfers before being placed before the Board for ratification.

## 15. Shareholding Pattern

Pattern of shareholding by ownership as on 31st December 2014

Category	No. of Shares	% to Share Capital
<b>(A) Promoter's Holding</b>		
Foreign Promoter	6,586,077	71.75
<b>Sub Total (A)</b>	<b>6,586,077</b>	<b>71.75</b>
<b>(B) Non-Promoters Holding</b>		
Directors & Relatives	133	0.00
Insurance Companies	0	0.00
Government/ Financial Institutions/ Banks/ Mutual Funds	9,680	0.10
Bodies Corporate	405,269	4.42
Foreign Institutional Investors	50	0.00
NRIs / OCBs	24,391	0.27
Public	2,128,672	23.19
Others	24,705	0.27
<b>Sub Total (B)</b>	<b>2,592,900</b>	<b>28.25</b>
<b>Grand Total (A+B)</b>	<b>9,178,977</b>	<b>100.00</b>

## 16. Distribution of Shareholding

Distribution of shareholding as on 31st December 2014 is as follows:

Slab	No. of Shareholders		No. of Shares	
	Total	% of Shareholders	Total	% to Share Capital
1 — 500	6,842	92.66	622,378	6.78
501 — 1000	243	3.29	192,781	2.10
1001 — 2000	134	1.81	203,915	2.22
2001 — 3000	59	0.80	148,888	1.62
3001 — 4000	32	0.43	112,787	1.23
4001 — 5000	22	0.30	103,880	1.13
5001 — 10000	28	0.38	203,970	2.22
10001 — 50000	19	0.26	363,876	3.97
50001 — above	5	0.07	7,226,502	78.73
<b>Total</b>	<b>7,384</b>	<b>100.00</b>	<b>9,178,977</b>	<b>100.00</b>

## 17. Reconciliation of Share Capital Audit

As stipulated by SEBI, a qualified Practising Company Secretary carries out an Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges and to the Board of Directors. The audit confirms that the total listed and paid-up capital is in agreement with the aggregate of the total number of shares in dematerialized form and in physical form.

## 18. Dematerialization of Shares and Liquidity

As per notification issued by SEBI, with effect from 26th June 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 the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL).

As on 31st December 2014, 97.97% of the Company's total paid up capital representing 8,992,153 equity shares were held in dematerialised form and the balance 2.03% representing 186,824 equity shares were held in physical form.

## 19. Address for correspondence with Depositories

National Securities Depository Limited  
Trade World, 4th & 5th Floor  
Kamala Mills Compound  
Senapati Bapat Marg, Lower Parel  
Mumbai - 400 013

Central Depository Services (India) Limited  
Phiroze Jeejeebhoy Towers, 17th Floor,  
Dalal Street  
Mumbai - 400 001

Telephone No : 022-2499 4200  
Facsimile Nos : 022-2497 2993/6351  
E-mail : [info@nsdl.co.in](mailto:info@nsdl.co.in)  
Website : [www.nsdl.co.in](http://www.nsdl.co.in)

Telephone No : 022-2272 3333  
Facsimile Nos : 022-2272 3199/2072  
E-mail : [investors@cdslindia.com](mailto:investors@cdslindia.com)  
Website : [www.cdslindia.com](http://www.cdslindia.com)

**20. 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.

**21. Dividend History (last 10 years)**

Sl. No.	Financial year	Dividend %	Total Dividend (Rs. in Million)
1	2014	Nil	0.00
2	2013	40	36.72
3	2012	40	36.72
4	2011	40	36.72
5	2010	50	45.89
6	2009	40	36.72
7	2008	35	32.13
8	2007	35	32.13
9	2006	35	24.09
10	2005	35	24.09

**22. Unclaimed Dividend**

Unclaimed dividend for the last three financial years including 2006 has been transferred to the the Investor Education and Protection Fund (IEPF) established by the Central Government, as per table given hereinbelow:

Financial year	Dividend Identification No.	Date of Declaration of Dividend	Total Dividend (Rs.)	Unclaimed Dividend as on date of Transfer (Rs.)	Transferred to IEPF on
31.12.2004	57th	29.04.2005	24,099,379.50	170,579.50	14.06.2012
31.12.2005	58th	15.05.2006	24,099,379.50	144,183.00	20.06.2013
31.12.2006	59th	29.05.2007	24,099,379.50	143,965.00	11.07.2014

Under Companies Act, 2013, no claim for unencashed dividends can lie against either the Company or the IEPF after a period of seven years from the date of disbursement. The dividend for the undernoted years, if unclaimed for seven years, will be transferred by the Company to IEPF in accordance with the schedule given below:

Financial year	Dividend Identification No.	Date of Declaration of Dividend	Total Dividend (Rs.)	Unclaimed Dividend as on 31.12.2013 (Rs.)	Due for transfer to IEPF on
31.12.2007	60th	12.06.2008	32,126,419.50	155,109.50	20.07.2015
31.12.2008	61st	12.05.2009	32,126,419.50	201,095.50	19.06.2016
31.12.2009	62nd	02.06.2010	36,715,908.00	238,824.00	10.07.2017
31.12.2010	63rd	28.04.2011	45,894,885.00	278,020.00	04.06.2018
31.12.2011	64th	29.05.2012	36,715,908.00	231,908.00	05.07.2019
31.12.2012	65th	12.04.2013	36,715,908.00	242,736.00	12.05.2020
31.12.2013	66th	27.06.2014	36,715,908.00	267,956.00	26.07.2021

### 23. Plant Locations

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, Hosur Road, Anekal Taluk, Bengaluru - 562 158

### 24. Address for correspondence with the Compliance Officer of the Company

**Mr Timir Baran Chatterjee** (till 31st January 2015)  
Senior Executive Vice President  
(Corporate Affairs and Legal) & Company Secretary  
E-mail : *tb.chatterjee@dic.co.in*

**Mr Banibrata DeSarkar** (from 1st February 2015)  
Company Secretary  
E-mail : *b.desarkar@dic.co.in*

**DIC INDIA LIMITED**

Transport Depot Road, Kolkata - 700 088  
Phone : 033 2449 6591 to 96 (6 lines), Facsimile : 033 2449 5267  
Website : *www.dicindialtd.co*



## CERTIFICATION

Pursuant to Clause 49(IX) of the Listing Agreement of the Stock Exchanges, we hereby certify that:

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee:
1. significant changes in internal control over financial reporting during the year;
  2. that no significant changes in accounting policies during the year has taken place; and
  3. that neither instances of significant fraud have come to our notice nor the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **DIC India Limited**

**(Yasuo Ikeda)**

Chief Executive Officer

Place: Kolkata

Date: 4th February 2015

**(Sandip Chatterjee)**

Chief Finance Officer

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## CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT OF THE COMPANY

This is to state that the Company had duly adopted a Code of Conduct in the meeting of the Board of Directors held on 29th April 2005. After adoption of the Code of Conduct, the same was circulated to all the Board of 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 31st December 2014. The same has been duly noted by the Board in its meeting held on 4th February 2015.

For **DIC India Limited**

**(Yasuo Ikeda)**

Chief Executive Officer

Place: Kolkata

Date: 4th February 2015

## **AUDITORS' CERTIFICATE**

### **AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

#### **To the Members of DIC India Limited**

We have examined the compliance of conditions of Corporate Governance by DIC India Limited, for the year ended 31st December 2014, as stipulated in Clause 49 of the Listing Agreements of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

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.

Place : Kolkata  
Date : 4th February 2015

**For Lovelock and Lewes**  
Firm Registration Number - 301056E  
Chartered Accountants

**Pinaki Chowdhury**  
*Partner*  
Membership No. 57572

# Report of the Directors & Management Discussion and Analysis Report

Your Directors have pleasure in presenting the Annual Report for the year ended 31st December 2014.

## ECONOMIC ENVIRONMENT

The members would be aware that the pace of the global economy has slowed down. Headwinds from recessionary forces have dampened the economic sentiment of Europe. Disappointing activity and still-low inflation in China have prompted rate cuts by the People's Bank of China. Amidst the downturns, the recovery in the United States is a positive aspect. In other major emerging market economies, growth has slowed down due to various factors like inflation, low commodity prices etc. However, the recent sharp fall in crude prices will have a net positive impact and may provide impetus to the global growth.

The coming to the power of a stable Government led by a single party in majority holds good sign for the Indian economy as a whole. This is further supported by the World Bank in its Global Economic Prospects Report which declared that the South Asian economy would be spearheaded by India where GDP has accelerated to 6.5 per cent in 2014-15 and expected to reach 6.7 per cent in 2016-17. This surge in GDP can be attributed to boost in exports and private investment. However, robustness of the recovery of the Indian Economy would depend on the pace of policy and fiscal reforms.

To keep the pace and growth of Indian economy, the Government of India is coming up with various innovative projects like "Make in India" which aims at improving logistics, manufacturing & market infrastructure, regular availability of natural resources at competitive prices, implementing the concept of Digital India, foster Innovation etc. The divestment process also restarted with the divestment of Coal India Limited whereby the Government of India's stake in Coal India Limited (CIL) came down from 89.65% to 79.65%. The Government thus raised Rs 225.57 billion from the CIL disinvestment.

Crude prices, barring geo-political shocks, are expected to remain low over the year. Finally, the government has reiterated its commitment to adhering to its fiscal deficit target and for this purpose is restarting the disinvestment process. These factors have reduced inflation falling below the 8% that was targeted by the Central Government by January 2015. In line of the above, the Reserve Bank of India in January 2015 has reduced the repo rate to 7.75% and kept the CRR unchanged at 4.0%. This would provide further impetus to the Indian economy growth story.

## FINANCIAL RESULTS & PERFORMANCE REVIEW

Your Company recorded a turnover of Rs. 7186.96 million as against Rs 7086.64 million in the previous year registering an increase of 1.42% in terms of value and a decrease of 3.62% in terms of volume.

The members would be aware that the Company had closed down its manufacturing activity at its Mumbai Unit at Chandivalli Farm, Mumbai- 400072. The total associated cost of closing down the Mumbai unit came to Rs.258.7 million which included Rs. 211.24 million towards the implementation of the Voluntary Retirement Scheme (VRS) for the workers of the unit. Consequent to the above closure, fixed assets amounting to Rs. 6.10 million was written off.

	Six months ended 30th June 2014 (1st Half)	Six months ended 31st December 2014 (2nd Half)	Year ended 31st December 2014	Year ended 31st December 2013
Sales excluding excise duty	3528.12	3658.84	<b>7186.96</b>	7086.64
Other Operating revenue / other Income	15.67	43.64	<b>59.31</b>	39.34
Total Revenue	3543.79	3702.48	<b>7246.27</b>	7125.98
Operating Profit/(Loss)	(167.94)	57.12	<b>(110.82 )</b>	161.23
Profit Loss from Ordinary activities, before exceptional items	(199.16)	18.16	<b>(181.00)</b>	119.98
Exceptional Item	(211.24)	—	<b>(211.24)</b>	—
Profit/(Loss) before Taxation	(410.40)	18.16	<b>(392.24)</b>	119.98
Provision for Taxation including deferred taxation			<b>(83.34)</b>	(5.39)
Profit/(Loss) after Tax			<b>(308.90)</b>	125.37
Profit brought forward from the previous year			<b>1512.71</b>	1442.84
Amount available for Appropriation			<b>1203.81</b>	1568.21
Appropriation -				
Proposed Dividend			—	36.72
Tax on Dividend			—	6.24
General reserve			—	12.54
Balance Carried Forward			<b>1203.81</b>	1512.71

Mr Samir Bhaumik, ex-Managing Director stepped down from the Board due to his personal reason with effect from 26th April 2014. Due to the same, an organization restructuring was undertaken. After the management restructuring was completed, the Company went back to getting positive results in the second half.

Coupled with the adverse market condition and the cost of closure of the Mumbai unit, the Company ended with a Loss before Tax of Rs. 392.24 million and Loss after Tax of Rs.308.90 million. Although the Company's overall results was negative, it should be noted that Management had taken steps to arrest and correct the issue. In the results of the first half, the company reflected a operating loss of Rs 167.94 million as against a net operating income of Rs 57.12 million in the 2nd half of the year.

The Management is confident that the closure of the Mumbai Unit and associated cost outlay is a one-time event and the steps taken in the last financial year will continue to bear fruits for the Company in the near future and it will go back to its growth trajectory in the forthcoming years.

## **OUTLOOK**

The presence of a stable government at the centre will be a major catalyst in taking major decisions which would push forward the pace of reforms and thereby directly improving the macro-economic environment. It is now being forecasted that in the near future, the Indian economy will become the fastest growing emerging market.

The Government is looking at easing investment conditions in India and focusing on project clearances. Also, 2015 is expected to see a rush of foreign direct investments (FDI) coming into India supported by FII inflows, thanks to liberalising the defence, insurance and construction sectors. It is expected that Government's major structural/economic liberalization policies will be reflected in 2015 Union Finance Budget and the same is expected to further boost the industry sentiments.

The Indian printing industry is increasingly being driven by growth in packaging and labels. The print media also continues to grow at a healthy annual pace of four percent. As its growth trends continue to be well over the world averages, in print volume terms, India is set to become the fifth largest market by 2018 moving up five notches from its present tenth slot. Therein lies a great opportunity for the Indian & International print suppliers.

## **DIVIDEND**

In view of the loss, your Directors regret their inability to declare any dividend for the year.

## **BOARD MEETINGS**

The details of the Board Meetings held during the F.Y. 2014 have been furnished under Clause I(2)(D) in the Corporate Governance Report forming a part of this Annual Report.

## **DECLARATION BY INDEPENDENT DIRECTORS**

All the Independent Directors have given declaration to the Company stating their independence pursuant to Section 149(6) of the Companies Act, 2013 and the same have been placed and noted by the Board in its meeting held on 4th February 2015.

## **REMUNERATION POLICY**

A Nomination and Remuneration Policy has been formulated pursuant to the provisions of Section 178 and other applicable provisions of the Companies Act, 2013 and Rules thereto stating therein the Company's policy on Directors' appointment and remuneration by the Nomination and Remuneration Committee and approved by the Board of Directors at its meeting held on 5th December 2014.

The said policy may be referred to, at the Company's official website at the weblink, <http://www.dicindia ltd.co/corp-gov-nrp.html>.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The Company has not given any loan, guarantees or made any investments exceeding sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more, as prescribed in Section 186 of the Companies Act, 2013.

## **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

A Related Party Policy has been devised by the Board of Directors at its meeting held on 5th December 2014 for determining the materiality of transactions with related parties and dealings with them. The said policy may be referred to, at the Company's official website at the weblink, <http://www.dicindialtd.co/corp-gov-rptp.html>. The Audit Committee reviews all related party transactions quarterly.

Further the members may note that the Company has not entered into the following kinds of related party transactions:

- Contracts/arrangement/transactions which are not at arm's length basis
- Any Material contracts/arrangement/transactions

## **TRANSFER TO RESERVES**

In view of the losses incurred by the Company this year, no amount has been transferred to the General Reserve.

## **ANNUAL EVALUATION OF BOARD'S PERFORMANCE**

According to Clause 49 of the Listing Agreement, a meeting of the Independent Directors is required to be held to evaluate the performance of the Non-Independent Directors. Accordingly, a meeting of Independent Directors was held on 3rd December 2014 wherein the performance of the non-independent directors, including the Chairman was evaluated.

To determine the criteria of evaluation of the performance of the Independent Directors as required under the Clause 49 of the Listing Agreement, the Nomination and Remuneration Committee at its meeting held on 4th February 2015 established the criteria based on which the Board at its meeting held on the same day critically adjudged the performance of the Independent Directors in the absence of the particular director being evaluated.

## **CAPITAL EXPENDITURE**

Capital Expenditure during the year, towards tangible & intangible assets, amounted to Rs. 33.33 million, a major part of which was spent on plant & machinery.

## **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.

## **DEPOSITS FROM PUBLIC**

As on 31st December 2014, the Company has no unclaimed deposit lying against it.

## **SUBSIDIARY/ASSOCIATES/JOINT VENTURE COMPANIES**

The Company does not have any subsidiary/associate/joint venture company for the year ended 31st December 2014.

## **HUMAN RESOURCES**

Your Company believes that the competence and commitment of the people are the principle drivers of competitive advantage that enable the enterprise to create and deliver value. The industrial relations climate of your Company continues to remain harmonious with focus on improving productivity, quality and safety. Efforts are being made to strengthen organizational culture in order to attract and retain the best talent in the industry. Training needs are identified in a systematic manner and regular training programmes are organised, both in-house and external where employees are nominated to participate. The Board records its appreciation of the commitment and support of the employees and looks forward to their continued support. As on 31st December 2014, the Company had 554 employees (including contractual and casual) on its pay roll.

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended, forms part of this Report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, this Report and Accounts are being sent to all the Members of the Company, excluding the Statement of Particulars of Employees. Any member interested in obtaining a copy of the said Statement may write to the Company Secretary of the Company.

## WEBSITE OF THE COMPANY

The Company maintains a website [www.dicindialtd.co](http://www.dicindialtd.co) where detailed information of the Company and its products are provided.

## WHISTLE BLOWER MECHANISM

The Company has a Whistle Blower Policy in place for vigil mechanism. The said policy has been amended keeping in view of the amendments in the Companies Act, 2013 and Clause 49 of the Listing Agreement. The said policy may be referred to, at the Company's official website at the weblink, <http://www.dicindialtd.co/investers-wbp.html>.

## INTERNAL CONTROL SYSTEMS

Your Company has an adequate system of internal control procedures which is commensurate with the size and nature of business. Detailed procedural manuals are in place to ensure that all the assets are safeguarded, 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 periodically reviewed by the Audit Committee of the Board of Directors. The observations and comments of the Audit Committee are placed before the Board.

## LISTING WITH STOCK EXCHANGES

Your Company is listed with The Calcutta Stock Exchange Limited, BSE Limited and National Stock Exchange of India Limited and the Company has paid the listing fees to each of the Exchanges.

## DELISTING

DIC Asia Pacific Pte Ltd, the Company's promoter vide its letter dated 22nd November 2013 indicated its intention to voluntarily delist the equity shares of the Company in accordance with Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ("Delisting Regulations") and also intimated the indicative price of Rs. 260/- per equity share and floor price of Rs. 174/- per equity share, being the highest of the prices arrived at in accordance with Delisting Regulations. The Board accorded approval for voluntary delisting of the equity shares of the Company from all the stock exchanges where the equity shares of the Company are currently listed, namely the BSE Limited, National Stock Exchange of India Limited and The Calcutta Stock Exchange Limited. Accordingly, the approval of shareholders was granted through Postal Ballot, result of which has been declared on 20th January 2014.

The bid period for the delisting period was open from 14th October 2014 to 20th October 2014.

Subsequently, DIC Asia Pacific Pte Ltd. by its letter dated 22nd October 2014 informed, based on the bid results of the proposed acquisition and voluntary delisting of the equity shares of the Company made by the Acquirer ("Delisting Offer"), the Delisting Offer had been unsuccessful since the number of the equity shares tendered by the public shareholders during the bid period had not reached the minimum number stipulated in Regulation 17 of Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.

## AUDIT COMMITTEE

The composition and terms of reference of the Audit Committee has been furnished under Clause I(3) in the Corporate Governance Report forming a part of this Annual Report. There has been no instances where the Board has not accepted the recommendations of the Audit Committee.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Board of Directors of the Company has devised a CSR Policy at its Board Meeting held on 25th July 2014 which inter-alia states the constitution of the CSR Committee and CSR activities to be taken up by the Company.

The CSR Committee has been constituted by the Board of Directors of the Company at its meeting held on 26th March 2014 and subsequently reconstituted on 26th April 2014. The present constitution of the Committee is as follows:

Sl. No.	Name of the Director	Category	Designation in the Committee
1	Mr Utpal Sengupta	Independent Director	Chairman
2	Mr Subir Bose	Independent Director	Member
3	Mr Yasuo Ikeda	Whole-time Director	Member
4	Mr Paul Koek	Non-executive Director	Member

## **DIC INDIA LIMITED**

The said policy may be referred to, at the Company's official website at the weblink, <http://www.dicindia ltd.co/corp-gov-csr.html>.

The Company wishes to inform the members that it is well aware of its responsibility towards fulfilling its social responsibility. The Company would take necessary action over the next two years to fulfill its CSR obligations.

### **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. The certificate of the Auditors, M/s Lovelock & Lewes, confirming compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement of the Stock Exchanges is annexed.

### **SAFETY AND ENVIRONMENT**

Highest priority is accorded to environment, occupational health and safety by your Company. Your Company's factories at Kolkata, Noida and Ahmedabad are all ISO certified by BVQI. Kolkata and Noida plant are ISO 9001:2008, ISO 14001:2004 and BS OHSAS 18001:2007 certified while Ahmedabad plant is ISO 9001:2008 certified. Your Directors, through the Company's Safety, Health and Environment Department, oversee and review the integrated Environment, Occupational Health and Safety Audits which ensure comprehensive coverage of all Company locations. Various proactive measures have been adopted and implemented which inter-alia include adoption of cleaner technology, conservation of resources through waste reduction, recycling and reuse of waste materials and ongoing training of employees. Your Company's focus on sustainable development will continue to be reinforced by improving standards of safety and environmental protection and further strengthened by the association with DIC Corporation, Japan which accords vital importance to these aspects.

### **INFORMATION SYSTEM**

In a business where information is critical, Information Technology plays a vital role, facilitating informed decision-making to grow the business. Over the years, the Company has invested extensively in infrastructure, people and processes with the objective to capture, protect and transmit information with speed and accuracy.

To align with the DIC Group requirement, the Company has installed SAP ERP suite for a reliable, high end, comprehensive, disciplined and integrated business solution.

### **DIRECTORS**

Mr Samir Bhaumik, the ex-Managing Director of the Company who had been on the Board of the Company since 29th October 2007 and had been subsequently been appointed as the Managing Director with effect from 1st January 2011, has tendered his resignation with effect from 26th April 2014 due to personal reasons.

Mr. Yoshiaki Masuda, the erstwhile Regional Managing Director of the holding Company, DIC Asia Pacific Pte Ltd, had been in the Board of the Company since 13th June 2013. Subsequent to his taking a new assignment within the Group, he has tendered his resignation from the Board of Directors with effect from 4th February, 2015.

The Board recorded its appreciation for the dedication, foresightedness, leadership and contribution made by Mr Samir Bhaumik and Mr. Yoshiaki Masuda to the growth of the Company.

Pursuant to the resignation of Mr. Yoshiaki Masuda from the Board, Mr. Kazunari Sakai, has been appointed as the Regional Managing Director of the Company's holding Company, DIC Asia Pacific Pte Ltd., and has been nominated to the Board of DIC India Limited with effect from 4th February 2015. He also holds directorship in several other DIC Group Companies. Mr. Sakai's appointment is valid till the date of forthcoming Annual General Meeting.

Mr. Naoyoshi Furuta, Deputy Managing Director of DIC Asia Pacific Pte Ltd has also been inducted in the Board of the Company with effect from 4th February 2015. He also holds directorship in several other DIC Group Companies. Mr. Furuta's appointment is valid till the date of forthcoming Annual General Meeting.

Further, pursuant to the requirement of Section 149 of the Companies Act, 2013, the Board has also inducted Dr. Reena Sen with effect from 4th February 2015. She is the Executive Director of the Institute of Cerebral Palsy. Dr. Sen's appointment is valid till the date of forthcoming Annual General Meeting.

The Company has received notices from shareholders pursuant to Section 160 of the Companies Act 2013 proposing appointment of Mr. Sakai, Mr. Furuta and Dr. Sen. Appropriate resolutions seeking their appointment are appearing in the Notice convening the Annual General Meeting of the Company.

Further, the existing Independent Directors of the Company, Mr. Dipak Banerjee, Mr. Subir Bose and Mr. Bhaskar Nath Gosh require to be appointed as Independent Directors under Section 149(6) of the Companies Act, 2013 for a term not exceeding 5 years, whose period of office would not be liable to retirement by rotation. The Board has decided to appoint all independent directors for a period of 3 years. The Company has received a notice in writing from members proposing their candidature for the office of Independent Director. Appropriate resolutions seeking their appointment are appearing in the Notice convening the Annual General Meeting of the Company.

In terms of Articles of Association of the Company, Mr. Paul Koek retire from the Board by rotation and being eligible, offer themselves for re-appointment.

The appointments of Mr. Kazunari Sakai, Mr. Naoyoshi Furuta, Dr. Reena Sen, Mr. Dipak Banerjee, Mr. Subir Bose and Mr. Bhaskar Nath Gosh form part of the Notice of Annual General Meeting and the Resolutions are recommended for your approval.

Profile of these Directors, as required under Clause 49 of the Listing Agreement entered into with the Stock Exchanges, is given in the Notice of the Annual General Meeting.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provisions of Section 134(5) of the Act, the Directors state that:

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

#### **COST AUDIT**

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 31st December 2014.

#### **STATUTORY AUDITORS**

Messrs Lovelock & Lewes, Chartered Accountants (FRN 301056E), retiring Auditors, being eligible, offer themselves for re-appointment.

#### **SECRETARIAL AUDITOR**

The provisions of Section 204 read with Section 134(3) of the Companies Act, 2013 mandates Secretarial Audit of the Company to be done from the financial year commencing on or after 1st April 2014 by a Company Secretary in Practice. The Board in its meeting held on 25th July 2014 has therefore appointed Mr. Tarun Chatterjee, Practising Company Secretary (Certificate of Practice No. 6935) as the Secretarial Auditor for the financial year ending 31st December 2014. The Secretarial Auditors' Report for the financial year ending 31st December 2014 is annexed to the Boards' Report.



### **TRANSFER TO INVESTOR EDUCATION & PROTECTION FUND**

The Company has transferred a total sum of Rs.0.14 million during the financial year 2014 to the Investor Education & Protection Fund established by the Central Government, in compliance with Section 205C of the Companies Act, 1956.

### **RESEARCH & DEVELOPMENT**

The Company has obtained approval for In-house R&D facilities u/s 35(2AB) of Income Tax Act, 1961 for its units at Kolkata and Noida from Government of India, Ministry of Science and Technology, New Delhi. This approval is valid till 31st March 2015. The Company will make suitable applications for renewal of approval for the above facilities in due course.

The Company has made fresh Application for recognition of its R&D facilities in its Bangalore Unit (Adhesives) at 66A, Bommasandra Industrial Area, Hosur Road, Bengaluru - 560099. The Company is expecting positive feedback from the Ministry of Science and Technology, New Delhi.

### **RISKS & MITIGATING STEPS**

The Company has identified various risks faced by the Company from different areas. As required under Clause 49 of the Listing Agreements, the Board has adopted a risk management policy whereby a proper framework is set up. Appropriate structures are present so that risks are inherently monitored and controlled. A combination of policies and procedures attempts to counter risk as and when they evolve. The Company has also formed a Risk management Committee which monitors the various functions and regions to establish any risk existing in the operational functions of the Company. The constitution and terms of reference are set out in details in the Corporate Governance Report.

The risks and its mitigating factors are discussed by the Committee and subsequently placed before the Board for their opinion and advice. The current risk management report was discussed by the Board in its meeting held on 5th December 2014.

### **ACKNOWLEDGEMENT**

Your Directors take this opportunity to thank the customers, shareholders, suppliers, bankers, business partners/associates, financial institutions, Reserve Bank of India, Securities and Exchange Board of India and Central and State Governments for their consistent support and encouragement to the Company. I am sure you will join our Directors in conveying our sincere appreciation to all employees of the Company and Associates for their hard work and commitment. Their dedication and competence has ensured that the Company continues to be a significant and leading player in the printing ink industry.

On behalf of the Board

**DR. PRABIR KUMAR DUTT**  
Chairman

**YASUO IKEDA**  
Chief Executive Officer

Place: Kolkata  
Date: 4th February 2015

*Cautionary Statement: Statement in the Directors Report and Management Discussion & Analysis Report describing the Company's expectations may be forward-looking within the meaning of applicable securities laws & regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operation include global and domestic demands and supply conditions affecting selling prices, new capacity additions, availability of critical materials and their costs, changes in government policies and tax laws, economic development of the country and such other factors which are material to the business of the Company.*

# ANNEXURE TO THE DIRECTORS' REPORT

## Statement pursuant to Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, 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. Wherever possible, energy conservation measures have been implemented. Total energy consumption is as per Form-A and forms part of the Report.

#### FORM - A

#### CONSERVATION OF ENERGY FOR THE ACCOUNTING PERIOD ENDED 31ST DECEMBER 2014

##### Power and Fuel Consumption

(a)	Fuel consumption	Units	2014	2013
1	<b>Electricity</b>			
(i)	<b>Purchased from Electricity Board</b>			
	KWH	Million	<b>4.94</b>	4.77
	Total Amount	Rs. in Million	<b>36.93</b>	34.06
	Average Rate	Rs./Units	<b>7.47</b>	7.15
(ii)	<b>Purchased from Others</b>			
	KWH	Million	<b>6.09</b>	5.69
	Total Amount	Rs. in Million	<b>50.63</b>	44.00
	Average Rate	Rs./Units	<b>8.30</b>	7.73
(iii)	<b>Own Generation - through Diesel Generator</b>			
	KWH	Million	<b>0.35</b>	0.84
	Unit per litre of diesel	Kwh	<b>3.37</b>	3.41
	Average Rate	Rs./Units	<b>17.40</b>	16.84
2.	<b>HSD Used [other than 1(iii) above]</b>			
	Ltrs	Million	<b>0.41</b>	0.45
	Total Amount	Rs in million	<b>25.61</b>	27.43
	Average Rate	Rs./Units	<b>62.96</b>	60.71
3.	<b>Furnace Oil</b>			
	Ltrs	Million	—	—
	Total Amount	Rs. in Million	—	—
	Average Rate	Rs./Units	—	—

### (b) Consumption per Unit of Production

Electricity	} Since the Company manufactures different types of products, it is not practicable 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**

For development of:

- Development of Volatile Organic Content free semi-finished colour range for Sheetfed application
- Development of Sheetfed process colours having specific properties as per ISO 2846
- Development of high-gloss Wet Offset UV varnish
- Glueable and Foil Blockable UV varnish for paper and board
- Gravure UV varnish for paper

**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 of technology. These have resulted in:

- Opportunities to expand business in new areas
- Cost and quality advantage in highly competitive inks market.
- Product range extensions will increase the market reach
- 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 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 and Noida unit which are recognized by Dept. of Scientific and Industrial Research, Ministry of Science & Technology, Government of India. Application for similar approval has been made for the in-house R&D centre in the Bengaluru unit of the Company. During the year, the Company has incurred the following expenditures on R&D Facilities:

- (a) Capital Expenditure of Rs. 1.02 million
- (b) Recurring Expenditure of Rs. 19.56 million,
- (c) Total Expenditure Rs. 20.58 million and
- (d) Total R&D Expenditure as a percentage to total Turnover was 0.29%.

**(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 expand its business reach apart from becoming more competitive, which will give significant edge over the others. Some of the inks will provide import substitute, which will be an added advantage to the Country also.

**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 (formerly Dainippon Ink & Chemicals Inc.) Japan on 1<sup>st</sup> April 2007 (with effect from 1<sup>st</sup> January 2007 till 31<sup>st</sup> December 2016) to import technology and technical information for manufacturing poly-ester poly-urethane poly-urea resin solely for captive consumption. Poly-ester poly-urethane poly-urea resin is used to manufacture gravure inks, a finished product of the company and comes under the segment of liquid ink. Poly-ester poly urethane poly-urea resins are presently being imported and such manufacture in India through DIC technology will reduce the company's dependence on imported items. Further, it will reduce the cost of the company to a great extent.

The Company had also executed a fresh Technical Collaboration Agreement with DIC Corporation, Japan with effect from 1<sup>st</sup> July 2011. This Technical Collaboration Agreement does not relate to a specific project or product but transfer of technology 'on an ongoing basis' for all the existing and future range of printing inks and lamination adhesives. The scope of Agreement covers upgradation of existing products, manufacturing techniques, quality assurance, raw materials testing, training to Indian technicians and also use of DIC's trade names, brand names, marks and symbols.

**(D) Foreign Exchange Earnings and Outgo**

Exports during the year stood at Rs. 505.05 million (from Rs. 469.10 million in 2013), registering an increase of 7.66%. Earnings in foreign exchange through exports and other earnings amounted to Rs. 507.18 million. 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. 1985.64 million (Rs. 1730.68 million in 2013).

# Secretarial Audit Report

(For the period 01-04-2014 to 31-12-2014)

[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 Board of Directors  
DIC India Limited  
Transport Depot Road  
Kolkata - 700088

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by DIC India Limited (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 my 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, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period ended on 31st December 2014, 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:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by **DIC India Limited (“The Company”)** for the period ended on **31st December 2014** according to the provisions of:
  - I. The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
  - II. The Securities Contracts (Regulation) Act, 1956 (**‘SCRA’**) and the Rules made thereunder;
  - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
  - V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**‘SEBI Act’**) to the extent applicable to the Company :-
    - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
    - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
    - d. 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;
    - e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
    - f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
    - g. the Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited, National Stock Exchange of India Limited and Calcutta Stock Exchange Limited; and
    - h. The Memorandum and Articles of Association.

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii) The Listing Agreements entered into by the Company with the BSE Limited, National Stock Exchange of India Limited and Calcutta Stock Exchange Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc mentioned above.

2. I further report that the Company has, in my opinion, complied with the provisions of the Companies Act, 1956 and the Rules made under that Act and the provisions of Companies Act, 2013 as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company, with regard to:
  - a) maintenance of various statutory registers and documents and making necessary entries therein;
  - b) closure of the Register of Members.
  - c) forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
  - d) service of documents by the Company on its Members, Auditors and the Registrar of Companies;
  - e) notice of Board meetings and Committee meetings of Directors;
  - f) the meetings of Directors and Committees of Directors including passing of resolutions by circulation;
  - g) the 66th Annual General Meeting held on 27th June 2014;
  - h) minutes of proceedings of General Meetings and of the Board and its Committee meetings;
  - i) approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
  - j) constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and re-appointment of Directors including the Managing Director and Whole-time Directors;
  - k) payment of remuneration to Directors including the Managing Director and Whole-time Directors,
  - l) appointment and remuneration of Auditors and Cost Auditors;
  - m) transfers and transmissions of the Company's shares and issue and dispatch of duplicate certificates of shares;
  - n) declaration and payment of dividends;
  - o) transfer of certain amounts as required under the Act to the Investor Education and Protection Fund and uploading of details of unpaid and unclaimed dividends on the websites of the Company and the Ministry of Corporate Affairs;
  - p) borrowings and registration, modification and satisfaction of charges wherever applicable;
  - q) investment of the Company's funds including investments and loans to others;
  - r) form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule VI to the Act;
  - s) Directors' report;
  - t) contracts, common seal, registered office and publication of name of the Company; and
  - u) Generally, all other applicable provisions of the Act and the Rules made under the Act.

**3. I further report that:**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
  - Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
  - Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
  - The Company has obtained all necessary approvals under the various provisions of the Act; and
  - 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 and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.
  - 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;
4. The Company has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act, with regard to maintenance of minimum public shareholding.
5. I further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Bye-laws framed thereunder by the Depositories with regard to dematerialization / rematerialisation of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.
6. The Company has complied with the provisions of the FEMA, 1999 and the Rules and Regulations made under that Act to the extent applicable.

**7. I further report that:**

- a. the Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited, National Stock Exchange of India Limited and Calcutta Stock Exchange Limited;
  - b. the Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
  - c. the Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
8. I further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** 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.

**For T. Chatterjee & Associates**

Place : Kolkata  
Date : 2nd February 2015

**Tarun Chatterjee**  
COP No. : 6935

# Independent Auditors' Report

## To the Members of DIC India Limited

### Report on the Financial Statements

1. We have audited the accompanying financial statements of DIC India Limited (the “Company”), which comprise the Balance Sheet as at December 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

### Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the “Act”) read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at December 31, 2014;
  - (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
  - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

7. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the “Order”), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by section 227(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;



- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
- (e) On the basis of written representations received from the directors as on December 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

Kolkata  
February 4, 2015

For **Lovelock & Lewes**  
Firm Registration Number 301056E  
Chartered Accountants  
**Pinaki Chowdhury**  
*Partner*  
Membership Number 57572

## ANNEXURE TO INDEPENDENT AUDITORS' REPORT

### Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of DIC India Limited on the financial statements as of and for the year ended December 31, 2014

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
  - (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items 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 programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
  - (c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- ii. (a) The inventory (excluding stocks with third parties) has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
  - (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted/taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, the provisions of Clause 4(iii)[(b),(c) and (d)/(f) and (g)] of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
  - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices, as applicable, at the relevant time.
- vi. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- viii. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that, prima facie,

the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

- ix. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, sales tax, value added tax and income tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including investor education and protection fund, employees' state insurance, wealth tax, service tax, customs duty, excise duty and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of wealth tax which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, service tax, customs duty and excise duty as at December 31, 2014 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in Million)	Period to which the amount relates	Forum where the dispute is pending
Income-tax Act 1961	Income Tax	4.85	2009-10	Commissioner of Income Tax (Appeals)
Central Sales Tax Act, 1956	Central Sales Tax	7.07	2005-06, 2006-07 and 2010-11	Appellate and Revisional Board  Additional Commissioner of Sales Tax Deputy Commissioner
		0.96	2011-12	
		0.05	2003-04	
West Bengal Sales Tax Act, 1941	Sales Tax	1.11	2003-04	Appellate and Revisional Board
Central Excise Act, 1944	Excise Duty	18.86	1994-95 to 1996-97, 2000-01 to 2005-06	Customs, Excise & Service Tax Appellate Tribunal Commissioner (Appeals)
		14.33	1993-94, 1994-95, 1997-98, 2005-06 to 2010-11	
Finance Act, 1994	Service Tax	4.17	2004-05 to 2007-08	Customs, Excise & Service Tax Appellate Tribunal Commissioner (Appeals)
		34.69	2001-02 to 2012-13	
Customs Act, 1962	Customs Duty	3.43	1999-2000	Hon'ble High Court at Calcutta Customs, Excise & Service Tax Appellate Tribunal
		0.16	2005-06	

- x. The Company has no accumulated losses as at the end of the financial year and it has incurred cash losses in the financial year ended on that date but not in the immediately preceding financial year.
- xi. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders, as applicable, as at the balance sheet date.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of Clause 4(xii) of the Order are not applicable to the Company.
- xiii. As the provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.

- xv. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 4(xv) of the Order are not applicable to the Company.
- xvi. In our opinion, and according to the information and explanations given to us, the term loans have been applied, on an overall basis, for the purposes for which they were obtained.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.
- xix. The Company has not issued any debentures during the year and does not have any debentures outstanding as at the beginning of the year and at the year end. Accordingly, the provisions of Clause 4(xix) of the Order are not applicable to the Company.
- xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable to the Company.
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

Kolkata  
February 4, 2015

For **Lovelock & Lewes**  
Firm Registration Number 301056E  
Chartered Accountants  
**Pinaki Chowdhury**  
*Partner*  
Membership Number 57572

# Balance Sheet

As at 31st December 2014

(Rs. in Million)

	Note	As at 31st December 2014		As at 31st December 2013	
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' Funds</b>					
Share Capital	1	91.79		91.79	
Reserves and Surplus	2	2,513.07	2,604.86	2,821.97	2,913.76
<b>Non-current Liabilities</b>					
Deferred Tax Liabilities (Net)	3	25.28		86.92	
Long-term Provisions	4	17.30	42.58	16.44	103.36
<b>Current Liabilities</b>					
Short-term Borrowings	5	351.79		232.88	
Trade Payables	6	1,071.90		883.91	
Other Current Liabilities	7	271.85		294.37	
Short-term Provisions	8	5.05	1,700.59	46.10	1,457.26
<b>TOTAL</b>			<b>4,348.03</b>		<b>4,474.38</b>
<b>ASSETS</b>					
<b>Non-current Assets</b>					
<b>Fixed Assets</b>					
Tangible Assets	9	844.29		933.79	
Intangible Assets	10	23.40		35.57	
Capital Work-in-progress		22.38	890.07	6.33	975.69
<b>Non current Investments</b>	11		—		—
<b>Long-term Loans and Advances</b>	12		39.58		33.12
<b>Current Assets</b>					
Inventories	13	1,119.85		1,083.94	
Trade Receivables	14	2,008.62		2,026.67	
Cash and Bank Balances	15	4.52		64.00	
Short-term Loans and Advances	16	278.03		285.59	
Other Current Assets	17	7.36	3,418.38	5.37	3,465.57
<b>TOTAL</b>			<b>4,348.03</b>		<b>4,474.38</b>

The accompanying notes are an integral part of these Financial Statements.

This is the Balance Sheet referred to in our Report of even date.

On behalf of the Board

**For Lovelock and Lewes**

Firm Registration Number - 301056E  
Chartered Accountants

**Pinaki Chowdhury**

Partner

Membership Number: 57572  
Kolkata, 4th February 2015

**Sandip Chatterjee**

Chief Finance Officer

**Yasuo Ikeda**

Chief Executive Officer

**Bhaskar Nath Ghosh**

Director

**B. DeSarkar**

Company Secretary

Kolkata, 4th February 2015

# Statement of Profit & Loss

For the year ended 31st December 2014

(Rs. in Million)

	Note	Year ended 31st December 2014	Year ended 31st December 2013
<b>REVENUE</b>			
Revenue from Sale of Products (Gross)		8,024.46	7,918.36
Less: Excise Duty		837.50	831.72
		<u>7,186.96</u>	<u>7,086.64</u>
Other Operating Revenues	18	35.03	30.40
Revenue from Operations (Net)		7,221.99	7,117.04
Other Income	19	24.28	8.94
<b>TOTAL REVENUE</b>		<u>7,246.27</u>	<u>7,125.98</u>
<b>EXPENSES</b>			
Cost of Materials Consumed	20	5,286.77	5,004.23
Purchases of Stock-in-Trade		316.81	338.76
Changes in Inventories of Finished Goods	21	(7.77)	8.11
Work-in-Progress and Stock-in-Trade			
Employee Benefits Expense	22	490.73	439.45
Finance Costs	23	62.91	44.73
Depreciation and Amortisation Expense	24	126.51	121.86
Other Expenses	25	1,151.31	1,048.86
<b>TOTAL EXPENSES</b>		<u>7,427.27</u>	<u>7,006.00</u>
Profit/ (Loss) before Exceptional Item and Tax		(181.00)	119.98
Exceptional Item - Loss (Note 45)		211.24	—
Profit/ (Loss) before Tax		(392.24)	119.98
Tax Expense			
Current Tax- For the Year (Note 29)		—	32.00
Current Tax- Write Back relating to Earlier Years		(21.70)	(42.17)
Deferred Tax - Charge/(Credit)		(61.64)	4.78
Profit/(Loss) for the Year		<u>(308.90)</u>	<u>125.37</u>
Earnings/(Loss) Per Equity Share [Nominal Value per Share Rs. 10 (2013: Rs. 10) (Note 44)]			
- Basic and Diluted (Rs.)		(33.65)	13.66

The accompanying notes are an integral part of these Financial Statements.

This is the Statement of Profit & Loss referred to in our Report of even date.

On behalf of the Board

**For Lovelock and Lewes**

Firm Registration Number - 301056E  
Chartered Accountants

**Pinaki Chowdhury**

Partner

Membership Number: 57572

Kolkata, 4th February 2015

**Sandip Chatterjee**

Chief Finance Officer

**Yasuo Ikeda**

Chief Executive Officer

**Bhaskar Nath Ghosh**

Director

**B. DeSarkar**

Company Secretary

Kolkata, 4th February 2015

# Notes to the Financial Statements

	As at 31st December 2014 (No. of Shares)	As at 31st December 2014 (Rs. in Million)	As at 31st December 2013 (No. of Shares)	As at 31st December 2013 (Rs. in Million)
<b>Note 1</b>				
<b>SHARE CAPITAL</b>				
<b>Authorised</b>				
Equity Shares of Rs.10.00 each	15,000,000	150.00	15,000,000	150.00
<b>Issued, Subscribed and Paid up</b>				
Equity Shares of Rs 10.00 each fully paid	9,178,977	91.79	9,178,977	91.79
	<u>9,178,977</u>	<u>91.79</u>	<u>9,178,977</u>	<u>91.79</u>

- (a) 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.

	As at 31st December 2014 (No. of Shares)	As at 31st December 2014 (% of holding)	As at 31st December 2013 (No. of Shares)	As at 31st December 2013 (% of holding)
<b>(b) Shares held by the Holding Company</b>				
DIC Asia Pacific Pte. Limited	6,586,077	71.75	6,586,077	71.75
<b>(c) Shareholders holding more than 5% of the Shares in the Company</b>				
DIC Asia Pacific Pte. Limited	6,586,077	71.75	6,586,077	71.75

- (d) 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.

## NOTES TO THE FINANCIAL STATEMENTS

(Rs. in Million)

	As at 31st December 2014	As at 31st December 2013
<b>Note 2</b>		
<b>RESERVES AND SURPLUS</b>		
<b>Capital Reserve</b>		
At the beginning and at the end of the year	0.05	0.05
<b>Securities Premium Account</b>		
At the beginning and at the end of the year	654.81	654.81
<b>General Reserve</b>		
At the beginning of the year	654.40	641.86
Add: Transfer from Surplus in Statement of Profit and Loss	-	12.54
At the end of the year	654.40	654.40
<b>Surplus in Statement of Profit and Loss</b>		
At the beginning of the year	1,512.71	1,442.84
Add: Profit/(Loss) for the year	(308.90)	125.37
Amount available for appropriation	1,203.81	1,568.21
Less: Appropriation:		
Transfer to General Reserve	—	12.54
Proposed Dividend on Equity Shares [ Rs. Nil (2013: Rs. 4.00) per share]	—	36.72
Dividend Distribution Tax on Proposed Dividend	—	6.24
At the end of the year	1,203.81	1,512.71
	<u>2,513.07</u>	<u>2,821.97</u>
<b>Note 3</b>		
<b>DEFERRED TAX LIABILITIES (NET)</b>		
<b>Deferred Tax Liabilities</b>		
Depreciation	96.53	106.52
<b>Deferred Tax Assets</b>		
Employees' Separation Costs	57.36	5.01
Provision for Doubtful Debts	7.01	8.61
Expenses allowable for tax purpose, on payment	6.88	5.98
Deferred Tax Liabilities (Net)	<u>25.28</u>	<u>86.92</u>



## NOTES TO THE FINANCIAL STATEMENTS

(Rs. in Million)

	As at 31st December 2014	As at 31st December 2013
<b>Note 4</b>		
<b>LONG TERM PROVISIONS</b>		
Provision for Employee Benefits	17.30	16.44
	<u>17.30</u>	<u>16.44</u>
<b>Note 5</b>		
<b>SHORT TERM BORROWINGS</b>		
<b>Secured Loans</b>		
Loans repayable on demand:		
From Banks*		
Cash Credit / Overdraft / Working Capital facilities	127.03	32.88
<b>Unsecured Loans</b>		
Loan repayable on demand:		
From a Bank		
Working Capital Demand Loan/ Overdraft	24.76	200.00
Commercial Paper <sup>@</sup>	200.00	—
	<u>351.79</u>	<u>232.88</u>
* The Company's borrowings from the Consortium of Banks are secured by first pari pasu charge on Current Assets of the Company, both present and future.		
<sup>@</sup> Maximum amount outstanding at any time during the year was Rs. 200.00 Million (2013: Rs. 200.00 Million)		
<b>Note 6</b>		
<b>TRADE PAYABLES</b>		
Sundry Creditors (Refer Note 30 on Micro and Small Enterprises)	1,071.90	883.91
	<u>1,071.90</u>	<u>883.91</u>
<b>Note 7</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Unpaid Dividend	1.62	1.52
<b>Other Payables</b>		
Payable for Purchase of Fixed Assets	0.13	47.43
Payable to Government Authorities	30.43	28.39
Advance from Customers	4.09	4.79
Employee Related Liabilities	32.40	35.14
Royalty Liability to a Related Party	43.54	46.94
Dealer Deposits	33.39	31.51
Interest Payable	13.39	11.66
Directors' Commission Payable	—	1.51
Sales Commission and Discount Liabilities	112.86	85.48
	<u>271.85</u>	<u>294.37</u>
<b>Note 8</b>		
<b>SHORT TERM PROVISIONS</b>		
Provision for Employee Benefits	4.77	3.14
<b>Others</b>		
Provision for Mark-to-Market Losses on Derivatives	0.28	—
Proposed Dividend on Equity Shares	—	36.72
Dividend Distribution Tax on Proposed Dividend	—	6.24
	<u>5.05</u>	<u>46.10</u>

## NOTES TO THE FINANCIAL STATEMENTS

(Rs. in Million)

### Note 9

#### TANGIBLE ASSETS

Particulars	Gross Block				Depreciation/ Amortisation				Net Block	
	Cost as at 01.01.2014	Addition during the year	Disposals during the year	Cost as at 31.12.2014	As at 01.01.2014	For the year	Disposals during the year	As at 31.12.2014	As at 31.12.2014	As at 31.12.2013
Land-Freehold	9.08	1.39	0.75	9.72	—	—	—	—	9.72	9.08
Land-Leasehold	17.47	—	—	17.47	5.10	0.45	—	5.55	11.92	12.37
Buildings	257.93	2.15	9.60	250.48	110.68	11.23	6.73	115.18	135.30	147.25
Plant and Equipments	1,437.10	22.13	17.90	1,441.33	686.67	96.46	13.58	769.55	671.78	750.43
Furniture and Fixtures	25.43	2.40	1.25	26.58	18.43	1.52	1.07	18.88	7.70	7.00
Vehicles	2.16	0.20	0.41	1.95	1.58	0.13	0.37	1.34	0.61	0.58
Office Equipments	9.39	0.05	1.69	7.75	6.94	0.35	1.45	5.84	1.91	2.45
Computers	52.13	3.45	6.80	48.78	47.50	2.64	6.71	43.43	5.35	4.63
<b>Total</b>	<b>1,810.69</b>	<b>31.77</b>	<b>38.40</b>	<b>1,804.06</b>	<b>876.90</b>	<b>112.78</b>	<b>29.91</b>	<b>959.77</b>	<b>844.29</b>	<b>933.79</b>
Previous Year	1,687.91	128.98	6.20	1,810.69	771.01	110.73	4.84	876.90	933.79	

### Note 10

#### INTANGIBLE ASSETS

Particulars	Gross Block				Amortisation				Net Block	
	Cost as at 01.01.2014	Addition during the year	Disposals during the year	Cost as at 31.12.2014	As at 01.01.2014	For the year	Disposals during the year	As at 31.12.2014	As at 31.12.2014	As at 31.12.2013
Computer Software - Acquired	54.52	1.56	—	56.08	18.95	13.73	—	32.68	23.40	35.57
<b>Total</b>	<b>54.52</b>	<b>1.56</b>	<b>—</b>	<b>56.08</b>	<b>18.95</b>	<b>13.73</b>	<b>—</b>	<b>32.68</b>	<b>23.40</b>	<b>35.57</b>
Previous Year	41.70	12.82	—	54.52	7.82	11.13	—	18.95	35.57	

**As at  
31st December  
2014**

**As at  
31st December  
2013**

### Note 11

#### NON CURRENT INVESTMENTS (At Cost)

Long-Term Investments - Unquoted

Other than Trade - Investment in Equity Instruments

Magnum Tower Co-operative Housing Society Ltd., 10 Equity shares of Rs. 50/- each fully paid (Rs.500.00)*	—#	—#
Sheffield Towers Co-operative Housing Society Ltd., 5 Equity shares of Rs. 50/- each fully paid (Rs.250.00)*	—#	—#
Mani Towers Flat Owners Association, 20 Equity Shares of Rs 10/- each fully paid (Rs.200.00)*	—#	—#
	—#	—#

Aggregate Amount of Unquoted Investments

\* These investments relate to ownership flats included in fixed assets

# Figures are below the rounding off norm adopted by the Company

### Note 12

#### LONG TERM LOANS AND ADVANCES

Unsecured, Considered good

Capital Advances	<b>8.25</b>	3.29
Security Deposits	<b>29.51</b>	27.69
Employee Loans*	<b>1.82</b>	2.14
	<b>39.58</b>	33.12

\* Includes amount due from an Officer of the Company Rs. 0.08 Million (2013- Rs. 0.18 Million).

## NOTES TO THE FINANCIAL STATEMENTS

(Rs. in Million)

	As at 31st December 2014	As at 31st December 2013
<b>Note 13</b>		
<b>INVENTORIES</b>		
<b>(At lower of Cost and Net Realizable Value)</b>		
Raw Materials (includes in transit Rs. 52.26 Million; 2013: Rs. 0.48 Million)	524.97	496.21
Work-in-Progress (includes in transit Rs. 8.86 Million; 2013: Rs. 7.50 Million)	129.18	124.46
Finished Goods (includes in transit Rs. 62.47 Million; 2013: Rs. 66.42 Million)	396.64	372.25
Stock-in-Trade (includes in transit Rs. 2.78 Million; 2013: Rs. 4.24 Million)	29.64	50.81
Stores and Spares	24.17	14.58
Containers (includes in transit Rs. Nil; 2013: Rs. 1.54 Million)	15.25	25.63
	<u>1,119.85</u>	<u>1,083.94</u>
<b>Note 14</b>		
<b>TRADE RECEIVABLES</b>		
Debts outstanding for a period exceeding six months from the date they are due for payment		
Secured-Considered Good	0.17	0.47
Unsecured-Considered Good	5.64	27.31
Unsecured-Considered Doubtful	11.24	25.34
	<u>17.05</u>	53.12
Less : Provision for Doubtful Debts	11.24	25.34
	<u>5.81</u>	27.78
Other Debts		
Secured-Considered Good	27.21	25.97
Unsecured-Considered Good	1,975.60	1,972.92
Unsecured-Considered Doubtful	9.39	—
	<u>2,012.20</u>	1,998.89
Less : Provision for Doubtful Debts	9.39	—
	<u>2,002.81</u>	1,998.89
	<u>2,008.62</u>	<u>2,026.67</u>
<b>Note 15</b>		
<b>CASH AND BANK BALANCES</b>		
<b>Cash and Cash Equivalents</b>		
Cash on hand	0.52	0.86
Balances with Banks in Current Accounts	2.27	61.57
	<u>2.79</u>	62.43
<b>Other Bank Balances</b>		
Fixed Deposit Accounts (original maturity of more than twelve months)	0.11	0.05
Balances with Banks in Unpaid Dividend Accounts	1.62	1.52
	<u>4.52</u>	<u>64.00</u>

## NOTES TO THE FINANCIAL STATEMENTS

(Rs. in Million)

	<b>As at 31st December 2014</b>	<b>As at 31st December 2013</b>
<b>Note 16</b>		
<b>SHORT TERM LOANS AND ADVANCES</b>		
<b>Unsecured, Considered good</b>		
Loans and Advances to Related Parties [Note 41 (ii)] <sup>#</sup>	<b>11.30</b>	6.50
<b>Others</b>		
Advances/ Deposits with Government Authorities	<b>145.30</b>	158.80
Supplier Advances	<b>46.45</b>	28.88
Prepaid Expenses	<b>9.03</b>	9.13
Loans/ Advances to Employees*	<b>4.60</b>	11.99
Other Recoverables	—	13.43
Advance Payment of Current Tax [Net of Provision Rs. 606.45 Million (2013: Rs. 741.89 Million)]	<b>61.35</b>	56.86
	<b>266.73</b>	279.09
	<b>278.03</b>	285.59

\* Includes amount due from an Officer of the Company Rs. 0.11 Million (2013- Rs. 0.10 Million).

# Includes due from a Director Rs. Nil (2013- Rs. 0.03 Million).

	<b>As at 31st December 2014</b>	<b>As at 31st December 2013</b>
<b>Note 17</b>		
<b>OTHER CURRENT ASSETS</b>		
<b>Unsecured, Considered Good</b>		
Duty Drawback Receivable	<b>3.83</b>	2.21
Insurance Claim Receivable	<b>2.93</b>	0.23
Interest Receivable	<b>0.60</b>	2.93
	<b>7.36</b>	5.37

## NOTES TO THE FINANCIAL STATEMENTS

(Rs. in Million)

	Year ended 31st December 2014	Year ended 31st December 2013
<b>Note 18</b>		
<b>OTHER OPERATING REVENUES</b>		
Sale of Containers	17.96	17.46
Commission Income	1.03	2.77
Duty Drawback	8.13	6.57
Insurance Claim	7.22	1.88
Bad Debts Recovered	0.69	0.50
Special Additional Duty Claim Receipts	—	1.22
	<u>35.03</u>	<u>30.40</u>
<b>Note 19</b>		
<b>OTHER INCOME</b>		
Interest Income		
On Loans and Deposits	0.78	1.06
From Income Tax Authorities	—	2.70
Management Fees	1.09	1.80
Provision for Doubtful Debts written back	21.52	0.81
Liabilities no Longer Required written back	—	2.54
Miscellaneous Receipts	0.89	0.03
	<u>24.28</u>	<u>8.94</u>
<b>Note 20</b>		
<b>COST OF MATERIALS CONSUMED</b>		
<b>Raw materials consumed</b>		
Opening Inventory	496.21	542.53
Add : Purchases	4,992.70	4,640.31
Less : Closing Inventory	524.97	496.21
Cost of Raw Materials Consumed	<u>4,963.94</u>	<u>4,686.63</u>
<b>Container consumption</b>		
Opening Inventory	25.63	22.98
Add : Purchases	312.45	320.25
Less : Closing Inventory	15.25	25.63
Cost of Containers Consumed	<u>322.83</u>	<u>317.60</u>
	<u>5,286.77</u>	<u>5,004.23</u>
<b>Note 21</b>		
<b>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
<b>Finished Goods</b>		
Opening Inventory	372.25	349.98
Closing Inventory	396.64	372.25
	(24.39)	(22.27)
<b>Work-in-Progress</b>		
Opening Inventory	124.46	150.12
Closing Inventory	129.18	124.46
	(4.72)	25.66
<b>Stock-in-Trade</b>		
Opening Inventory	50.81	64.02
Closing Inventory	29.64	50.81
	21.17	13.21
Excise Duties on Increase/ (Decrease) of Finished Goods	0.17	(8.49)
	<u>(7.77)</u>	<u>8.11</u>

## NOTES TO THE FINANCIAL STATEMENTS

(Rs. in Million)

	Year ended 31st December 2014	Year ended 31st December 2013
<b>Note 22</b>		
<b>EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and Wages	376.54	347.91*
Contribution to Provident and Other Funds	63.48	44.23
Staff Welfare Expenses	50.71	47.31
	<u>490.73</u>	<u>439.45</u>
* Includes payment on account of voluntary retirement scheme amounting to Rs. 15.10 Million		
<b>Note 23</b>		
<b>FINANCE COSTS</b>		
Interest Expenses <sup>@</sup>	62.21	44.04
Other Borrowing Costs	0.70	0.69
	<u>62.91</u>	<u>44.73</u>
<sup>@</sup> Includes Interest on Income Tax amounting to Rs. Nil (2013: Rs. 1.63 Million)		
<b>Note 24</b>		
<b>DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation on Tangible Assets	112.33	110.28
Amortisation on Leasehold Land	0.45	0.45
Amortisation on Intangible Assets	13.73	11.13
	<u>126.51</u>	<u>121.86</u>
<b>Note 25</b>		
<b>OTHER EXPENSES</b>		
Consumption of Stores and Spare Parts (Note 33)	85.91	71.22
Power and Fuel	152.68	151.71
Rent (Note 28)	27.91	27.54
Repairs to Buildings	4.88	6.48
Repairs to Machinery	30.30	34.44
Other Repairs	6.19	5.71
Insurance	18.28	18.74
Rates and Taxes, excluding taxes on Income	64.76	55.54
Selling Agents' Commission	90.31	68.81
Travelling Expenses	26.79	26.25
Despatching Expenses	278.72	238.82
Processing Charges	43.99	46.13
Royalty	97.72	95.79
Net Loss on Foreign Currency Transaction and Translation	5.48	22.37
Provision for Doubtful Debts	16.81	23.34
Bad Debts written off	36.88	9.50
Auditors' Remuneration (Note 34)	3.71	3.65
Loss on disposal of Tangible Fixed Assets	8.04	0.28
Miscellaneous Expenses	151.95	142.54
	<u>1,151.31</u>	<u>1,048.86</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 26. (a) Commitments

Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) Rs. 3.45 Million (2013- Rs. 3.13 Million)

### (b) Contingent Liabilities

Claims against the Company not acknowledged as debt :

- i) Income Tax matters Rs.26.38 Million (2013 - Rs. 19.99 Million) pending in appeals.
- ii) Disputed Indirect Tax matters for which appeals before the relevant authorities are pending disposal are as follows :
  - a) Custom Duty matters Rs.0.16 Million (2013 - Rs.2.45 Million)
  - b) Excise Duty matters Rs.45.22 Million (2013 - Rs.46.93 Million)
  - c) Service Tax matters Rs.38.86 Million (2013 - Rs.38.39 Million)
  - d) Sales Tax / VAT / Entry Tax matters Rs.24.76 Million (2013 - Rs.25.12 Million)
- iii) Rent under dispute Rs.3.72 Million (2013 - Rs.1.99 Million) pending in appeals.

In respect of above, it is not practicable for the Company to estimate the timings of cash outflows, if any, pending resolution of the respective proceedings. The Company does not expect any reimbursements in respect of the above contingent liabilities.

### 27. Derivative Instruments and Unhedged Foreign Currency Exposure

- (a) Foreign currency exposures that have been hedged by a Derivative Instrument (Forward Contracts) as at year end are as under:

(in Million)

Currency	As at 31st December 2014			As at 31st December 2013		
	Sell	Buy	Net	Sell	Buy	Net
USD	—	0.80	(0.80)	—	0.65	(0.65)
EURO	—	0.30	(0.30)	—	0.15	(0.15)
JPY	—	8.90	(8.90)	—	10.00	(10.00)
GBP	—	0.05	(0.05)	—	0.10	(0.10)

- (b) Foreign currency exposures that have not been hedged by a Derivative Instrument as at year end are as under:

(in Million)

Currency	As at 31st December 2014			As at 31st December 2013		
	Sell	Buy	Net	Sell	Buy	Net
USD	1.62	3.00	(1.38)	1.16	1.46	(0.30)
EURO	0.11	0.47	(0.36)	0.10	0.25	(0.15)
JPY	7.53	73.55	(66.02)	—	150.17	(150.17)
GBP	—	0.05	(0.05)	—	0.20	(0.20)
AUD	0.01	—	0.01	—	—	—
CHF	—	—	—	*	—	*

\* Figures are below the rounding off norm adopted by the Company

- (c) Mark-to-market losses provided for as at the year end : Rs.0.28 Million (2013 - Rs. NIL)

### 28. Assets acquired under Operating Lease

- (a) The Company's significant leasing arrangements are in respect of operating leases for premises (like residential property, office premises, stores, godowns etc). These leasing arrangements, which are cancellable, range between 11 months to 4 years generally, or longer, and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals in this regard amounting to Rs.25.07 Million (2013 - Rs.23.80 Million) are charged as Rent under Note 25.

## NOTES TO THE FINANCIAL STATEMENTS

- (b) The Company acquired certain assets under Operating lease, which are non-cancellable for a period of 4 years with an option to renew the same for a further period at a minimum rent. Details of Lease payments outstanding as at 31st December 2014 are given below:

	<b>2014</b>	2013
	<b>(Rs. in Million)</b>	(Rs. in Million)
Not later than one year	<b>1.77</b>	2.32
Later than one year and not later than five years	<b>1.56</b>	1.72
<b>Lease Payment recognised in the Statement of Profit and Loss (Note 25)</b>	<b>2.84</b>	3.74

### 29. Provision for Taxation

Provision for taxation made in these accounts is based on the results for the current financial period including the results for the period from 1st January 2014 to 31st March 2014 forming part of the assessment year 2014-2015. Ultimate liability for taxation for the assessment year 2015-2016 will be determined on the basis of the results for the last nine months of the current financial period together with that of subsequent three months upto 31st March 2015 as one composite income.

### 30. Disclosure pursuant to Section 22 of "The Micro, Small and Medium Enterprises Development Act, 2006" is as follows :

	<b>2014</b>	2013
	<b>(Rs. in Million)</b>	(Rs. in Million)
(i) The Principal amount and Interest due thereon remaining unpaid to any supplier		
Principal	<b>32.62</b>	30.84
Interest	*	—
(ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 alongwith the amount of the payment made to the supplier beyond the appointed day during the year		
Principal	—	7.58
Interest	—	4.51
(iii) The amount of interest due and payable for principal paid during the year beyond the appointed day during the year but without adding interest specified under MSMED		
Principal	<b>21.06</b>	1.85
Interest	<b>0.53</b>	0.02
(iv) The amount of interest accrued and remaining unpaid at the end of the accounting year [including Rs.4.03 Million (2013 : Rs.4.01 Million) being interest outstanding as at the beginning of the accounting year]	<b>4.56</b>	4.03
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due on above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	<b>0.53</b>	0.02

Note :

The above particulars, as applicable, have been given in respect of Micro and Small Enterprises to the extent they could be identified on the basis of the information available with the Company.

\* Amount is below the rounding off norm adopted by the Company.



## NOTES TO THE FINANCIAL STATEMENTS

## 31. (a) Raw Materials Consumed

Class of Goods	2014 (Rs. in Million)	2013 (Rs. in Million)
Pigments	1,402.69	1,402.05
Resins	1,234.52	1,173.06
Oil	731.77	655.04
Solvents	1,048.91	1,041.21
Miscellaneous Chemicals	488.24	379.52
Rubber Blanket	57.81	35.75
<b>TOTAL</b>	<b>4,963.94</b>	<b>4,686.63</b>

## (b) Details relating to Closing Stock of Raw Materials

Class of Goods	2014 (Rs. in Million)	2013 (Rs. in Million)
Pigments	162.30	176.25
Resins	178.04	148.40
Oil	13.15	10.22
Solvents	57.19	52.94
Miscellaneous Chemicals	110.47	75.30
Rubber Blanket	3.82	33.10
<b>TOTAL</b>	<b>524.97</b>	<b>496.21</b>

## 32. (i) Details relating to Opening Stock, Closing Stock and Turnover of Manufactured Items:

(Rs. in Million)

	Opening Stock	Closing Stock	Sales
Printing Inks	344.46 (341.52)	348.20 (344.46)	7,093.23 (7,025.01)
Press Room Chemicals	0.52 (0.42)	0.26 (0.52)	3.09 (3.42)
Rubber Blankets	2.82 (1.92)	0.49 (2.82)	44.55 (51.71)
Lamination Adhesive	24.45 (6.12)	47.69 (24.45)	508.40 (448.63)
<b>TOTAL</b>	<b>372.25</b> (349.98)	<b>396.64</b> (372.25)	<b>7,649.27</b> (7,528.77)

Figures within brackets relate to previous year.

## (ii) Stock, Purchase and Sale of Goods traded in:

(Rs. in Million)

Class of Goods	Opening Stock	Purchase	Sales	Closing Stock
Press Aid	17.89 (19.29)	62.97 (74.08)	74.24 (83.97)	9.30 (17.89)
Printing Inks	19.98 (13.42)	54.59 (122.83)	60.00 (117.87)	7.49 (19.98)
Chemicals	12.94 (31.30)	146.43 (88.59)	182.55 (130.17)	12.85 (12.94)
Others	— (0.01)	52.82 (53.26)	58.40 (57.58)	— —
<b>TOTAL</b>	<b>50.81</b> (64.02)	<b>316.81</b> (338.76)	<b>375.19</b> (389.59)	<b>29.64</b> (50.81)

Figures within brackets relate to previous year.

## NOTES TO THE FINANCIAL STATEMENTS

	2014 (Rs. in Million)	2013 (Rs. in Million)
<b>(iii) Details of Work-in-Progress :</b>		
Printing Inks	127.06	120.59
Lamination Adhesive	2.12	3.87
	<b>129.18</b>	<b>124.46</b>
<b>33. Consumption of Stores and Spare Parts</b>		
Consumption of Stores and Spare parts debited to various heads included in Note 25 are as follows:		
(i) Repairs to Machinery	4.10	3.82
(ii) Consumption of Stores and Spare Parts	85.91	71.22
(iii) Power and Fuel	44.86	45.72
	<b>134.87</b>	<b>120.76</b>
<b>34. Aggregate amount paid/ payable to the Auditors</b>		
As Auditor		
(i) Audit Fees	1.60	1.50
(ii) Tax Audit	0.90	0.75
(iii) Other Matters	1.08	1.21
(iv) Out of Pocket Expenses	0.13	0.19
(v) Service Tax and Education Cess (net of cenvat credit)	—	—
	<b>3.71</b>	<b>3.65</b>
<b>35. CIF Value of Imports</b>		
Raw Materials	1,552.73	1,272.04
Containers	3.67	—
Spare Parts	20.88	11.18
Capital Goods	0.42	25.88
Goods Traded-in	232.02	246.79
<b>36. Expenditure in Foreign Currency on Account of</b>		
Royalty	97.72	95.79
Others (includes bank charges, commission and travelling)	51.86	52.65
<b>37. Details relating to Consumption</b>		
	<b>2014</b>	<b>2013</b>
	Value (Rs. in Million)	Value (Rs. in Million)
	% of Total Consumption	% of Total Consumption
<b>(i) Raw Material</b>		
Imported	1,692.94	1,595.87
Indigenous	3,271.00	3,090.76
Total	<b>4,963.94</b>	<b>4,686.63</b>
<b>(ii) Containers</b>		
Imported	3.64	3.08
Indigenous	319.19	314.52
Total	<b>322.83</b>	<b>317.60</b>
<b>(iii) Stores and Spare Parts</b>		
Imported	12.01	11.41
Indigenous	122.86	109.35
Total	<b>134.87</b>	<b>120.76</b>

NOTES TO THE FINANCIAL STATEMENTS

	<b>2014</b> <b>(Rs. in Million)</b>	2013 (Rs. in Million)
<b>38. Amount remitted during the year in Foreign Currency on account of Dividend</b>		
Amount Remitted - (INR)	<b>26.34</b>	26.34
<i>USD Value 0.44 Million (2013- USD 0.48 Million)</i>		
Year to which Dividend related	<b>2013</b>	2012
Number of Non-Resident Shareholders	<b>One</b>	One
Number of shares held by Non-Resident Shareholder(s) on which the dividends were due	<b>6,586,077</b>	6,586,077

	<b>2014</b> <b>(Rs. in Million)</b>	2013 (Rs. in Million)
<b>39. Earnings in Foreign Exchange</b>		
Export of goods on FOB basis	<b>505.05</b>	469.10
Management Fees	<b>1.09</b>	1.80
Commission	<b>1.03</b>	2.77

	<b>2014</b> <b>(Rs. in Million)</b>	2013 (Rs. in Million)	2012 (Rs. in Million)
<b>40. Expenditure on Research and Development</b>			
<b>(a) Under Section 35(2AB) of the Income Tax Act, 1961</b>			
Revenue Expenditure includes on account of Research and Development	<b>19.56</b>	21.80	23.63
Capital Expenditure includes on account of Research and Development	<b>1.02</b>	17.43	—
<b>(b) Under other Sections of the Income Tax Act, 1961</b>			
Capital Expenditure includes on account of Research and Development	<b>—</b>	0.06	3.24
	<b>20.58</b>	39.29	26.87

**41. Related Parties Disclosures (in accordance with Accounting Standard 18 prescribed under the Companies Act, 1956)**

**(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**

Benda-Lutz Werke GmbH	Fellow Subsidiary
Coates Screen Inks 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 Compounds (Malaysia) Sdn. Bhd.	Fellow Subsidiary

## NOTES TO THE FINANCIAL STATEMENTS

DIC Europe GmbH	Fellow Subsidiary
DIC Fine Chemicals Private Limited	Fellow Subsidiary
DIC Graphics (Hong Kong) Ltd.	Fellow Subsidiary
DIC Lanka (Private) Ltd.	Fellow Subsidiary
DIC New Zealand Ltd	Fellow Subsidiary
DIC Performance Resins GmbH	Fellow Subsidiary
Hartmann Druckfarben GmbH	Fellow Subsidiary
Nantong DIC Color Co., Ltd.	Fellow Subsidiary
P.T. Pardic Jaya Chemicals	Fellow Subsidiary
PT. DIC Graphics	Fellow Subsidiary
Siam Chemical Industry Co. Ltd.	Fellow Subsidiary
Sun Chemical AG	Fellow Subsidiary
Sun Chemical Group S.P.A.	Fellow Subsidiary
Sun Chemical N.V./S.A.	Fellow Subsidiary
Sun Chemical ZAO	Fellow Subsidiary
Sun Chemical (South Africa) (Pty.) Ltd.	Fellow Subsidiary
Sun Chemical Ltd.	Fellow Subsidiary
Tintas S.A.S	Fellow Subsidiary
Sun Chemical Corp.	Fellow Subsidiary
Sun Chemical Group Cooperatief U.A.	Fellow Subsidiary
Deqing DIC Synthetic Resins Ltd.	Fellow Subsidiary
DIC Graphics (Thailand) Co. Ltd.	Fellow Subsidiary
Mr. Yasuo Ikeda (w.e.f. 1st January, 2014)	Key Management Personnel
Mr. Samir Bhaumik (up to 26th April, 2014)	Key Management Personnel

## NOTES TO THE FINANCIAL STATEMENTS

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

(Rs. in Million)

Particulars	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	Key Management Personnel	Total
<b>Transactions during the year</b>					
Purchases of Goods	88.98 (92.84)	127.02 (135.34)	231.13 <sup>(1)</sup> (266.02)	— (—)	447.13 (494.20)
Purchases of Fixed Assets	— (11.43)	— (—)	— (—)	— (—)	— (11.43)
Maintenance Charges incurred	— (—)	32.97 (30.04)	— (—)	— (—)	32.97 (30.04)
Royalty Expense	97.72 (95.79)	— (—)	— (—)	— (—)	97.72 (95.79)
Sale of Products	0.25 (0.13)	(—) (—)	178.01 <sup>(2)</sup> (120.88)	— (—)	178.26 (121.01)
Sale of Fixed Assets	— (—)	— (—)	0.05 <sup>(8)</sup> (—)	— (—)	0.05 (—)
Commission Income	0.84 (1.36)	— (—)	0.19 <sup>(3)</sup> (1.41)	— (—)	1.03 (2.77)
Management Fee Income	— (—)	1.09 (1.80)	— (—)	— (—)	1.09 (1.80)
Dividend Paid	— (—)	26.34 (26.34)	— (—)	— (—)	26.34 (26.34)
Managerial Remuneration	— (—)	— (—)	— (—)	12.31 <sup>(9)</sup> (7.42)	12.31 (7.42)
Reimbursement of Expenses	9.60 (—)	14.71 (6.62)	1.41 <sup>(4)</sup> (0.48)	— (—)	25.72 (7.10)
Advance Recovered	— (—)	— (—)	— (—)	0.03 <sup>(10)</sup> (0.13)	0.03 (0.13)
<b>Outstanding as at the year end :</b>					
Trade Payables	23.31 (17.31)	122.54 (68.38)	86.27 <sup>(5)</sup> (58.30)	— (—)	232.12 (143.99)
Payable for Purchase of Fixed Assets	— (10.79)	— (32.11)	— (—)	— (—)	— (42.90)
Employee Related Liabilities	— (—)	— (—)	— (—)	— <sup>(11)</sup> (0.80)	— (0.80)
Royalty Liability	43.54 (46.94)	— (—)	— (—)	— (—)	43.54 (46.94)
Trade Receivables	— (—)	— (—)	53.98 <sup>(6)</sup> (30.85)	— (—)	53.98 (30.85)
Short-term Loans and Advances	3.67 (0.26)	6.86 (4.65)	0.77 <sup>(7)</sup> (1.56)	— <sup>(12)</sup> (0.03)	11.30 (6.50)

Figures within brackets relate to previous year.

- Purchases of Goods from Fellow Subsidiaries include purchases from Hartmann Druckfarben GmBH Rs. 27.79 Million (2013- Rs. 69.71 Million), Nantong DIC Color Co. Ltd. Rs. 34.43 Million (2013- Rs. 48.86 Million), DIC Fine Chemicals Private Ltd. Rs.87.73 Million (2013 - Rs.37.70 Million) and Sun Chemical Limited Rs.28.76 Million (2013- Rs.23.53 Million).
- Sale of Products to Fellow Subsidiaries include sales to DIC Australia Pty Ltd. Rs. 68.25 Million (2013- Rs.59.22 Million), Sun Chemicals ZAO Rs. 46.88 Million (2013 - Rs.39.40 Million) and Tintas S.A.S Rs. 23.87 Million (2013- NIL).
- Commission Income from Fellow Subsidiaries include income from Sun Chemical N.V./S.A. Rs.0.04 Million (2013 - Rs. 1.38 Million) and DIC (Malaysia) Sdn. Bhd. Rs.0.15 Million (2013 - NIL).
- Reimbursement of Expenses from Fellow Subsidiaries include reimbursement from Siam Chemical Industry Co. Ltd. Rs.1.41 Million (2013 - Rs.0.48 Million).
- Trade Payables to Fellow Subsidiaries include payable to DIC Fine Chemicals Private Limited Rs. 51.35 Million (2013 - Rs.23.05 Million) and DIC Compounds (Malaysia) Sdn. Bhd. Rs. 11.83 Million (2013 - NIL).
- Trade Receivables from Fellow Subsidiaries include receivable from DIC Australia Pty Ltd. Rs. 20.64 Million (2013 - Rs.16.47 Million), Sun Chemical ZAO Rs. 8.08 Million (2013 - Rs.11.99 Million), Tintas S.A.S Rs. 13.67 Million (2013 - NIL) and Sun Chemical (South Africa) (Pty) Ltd. Rs. 5.56 Million (2013 - NIL).
- Short-term Loans and Advances to Fellow Subsidiaries include receivable from Sun Chemical N.V./S.A. Rs. 0.55 Million (2013 - Rs.1.08 Million) and Siam Chemical Industry Co., Ltd. Rs. 0.22 Million (2013 - Rs.0.48 Million).
- Sale of Fixed Assets include Sale to Mr Samir Bhaumik Rs. 0.05 Million (2013 : Rs. Nil).
- Remuneration includes remuneration to Mr. Samir Bhaumik Rs. 5.79 Million (2013 : Rs. 7.42 Million) and Mr. Yasuo Ikeda Rs. 6.52 Million (2013: Rs. NIL).
- Advance recovered includes advance recovered from Mr. Samir Bhaumik Rs. 0.03 Million (2013: Rs. 0.13 Million).
- Employee Related Liabilities include payable to Mr. Samir Bhaumik Rs. NIL (2013: Rs.0.80 Million).
- Short-term Loans and Advances include receivable from Mr. Samir Bhaumik Rs. NIL (2013: Rs. 0.80 Million).

## NOTES TO THE FINANCIAL STATEMENTS

### 42. Segment Information

Information about Primary Business Segments

(Rs. in Million)

	Printing Ink		Adhesive		Total	
	2014	2013	2014	2013	2014	2013
<b>REVENUE</b>						
External Sales	6,717.11	6,673.27	469.85	413.37	7,186.96	7,086.64
<b>Total Revenue</b>	<b>6,717.11</b>	<b>6,673.27</b>	<b>469.85</b>	<b>413.37</b>	<b>7,186.96</b>	<b>7,086.64</b>
<b>RESULTS</b>						
Segment Results *	(211.05)	198.52	(11.79)	35.46	(222.84)	233.98
Unallocable Expenses	—	—	—	—	(116.47)	(74.83)
Unallocable Income					9.98	5.56
Interest Expenses (including other borrowing cost)					(62.91)	(44.73)
Tax Expense					83.34	5.39
<b>Profit/ (Loss) for the Year</b>	<b>(211.05)</b>	<b>198.52</b>	<b>(11.79)</b>	<b>35.46</b>	<b>(308.90)</b>	<b>125.37</b>
<b>OTHER INFORMATION</b>						
Segment Assets	3,698.07	3,717.54	409.05	428.64	4,107.12	4,146.18
Unallocable Assets					240.91	328.20
<b>Total Assets</b>	<b>3,698.07</b>	<b>3,717.54</b>	<b>409.05</b>	<b>428.64</b>	<b>4,348.03</b>	<b>4,474.38</b>
Segment Liabilities	1,205.60	1,098.82	55.05	32.92	1,260.65	1,131.74
Un-allocable Liabilities					482.52	428.88
<b>Total Liabilities</b>	<b>1,205.60</b>	<b>1,098.82</b>	<b>55.05</b>	<b>32.92</b>	<b>1,743.17</b>	<b>1,560.62</b>
Depreciation and Amortisation	108.35	94.31	6.40	15.48	114.75	109.79
<b>Capital Expenditure</b>	<b>45.07</b>	<b>59.50</b>	<b>1.61</b>	<b>9.42</b>	<b>46.68</b>	<b>68.92</b>
Non-Cash Expenditure other than Depreciation and Amortisation	61.38	33.12	0.35	-	61.73	33.12

\* After considering exceptional item

Notes:

- 1 The Company has considered business segment as the primary segment for disclosure. The components of this business segment is Printing Inks (including allied products) and Adhesives.
- 2 The Segment wise revenue, results, assets and liabilities relate to the respective amounts directly 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.
- 3 The Company operates predominantly within the geographical limits of India and accordingly secondary segments have not been considered.

## NOTES TO THE FINANCIAL STATEMENTS

## 43. Post Employment Defined Benefit Plans

(a) The following table set forth the particulars in respect of Pension (Funded), Gratuity (Funded) and Retirement Benefit (Unfunded) Plans of the Company :

(i) Amount recognised in the Balance Sheet are as follows: (Rs. in Million)

		Pension	Gratuity	Retirement Benefit
Present value of Defined Benefit Obligation	<b>2014</b>	<b>37.13</b>	<b>82.28</b>	<b>5.34</b>
	2013	43.18	88.30	5.46
	2012	50.18	84.99	5.81
	2011	73.06	86.30	5.83
	2010	75.15	82.07	5.92
Fair Value of Plan Assets	<b>2014</b>	<b>42.95</b>	<b>80.46</b>	—
	2013	55.32	89.59	—
	2012	68.62	88.96	—
	2011	98.39	83.50	—
	2010	105.50	65.77	—
Net Asset / (Liability)	<b>2014</b>	—	<b>(1.82)</b>	<b>(5.34)</b>
	2013	12.14	1.29	(5.46)
	2012	18.44	3.97	(5.81)
	2011	25.33	(2.80)	(5.83)
	2010	30.35	(16.30)	(5.92)
Experience Adjustments of Plan Assets [Gain/ (Loss) during the year]	<b>2014</b>	<b>0.41</b>	<b>0.13</b>	—
	2013	0.99	1.24	—
	2012	(2.35)	0.18	—
	2011	(2.74)	(2.08)	—
	2010	7.90	2.71	—
Experience Adjustments on Obligations [(Gain)/ Loss during the year]	<b>2014</b>	<b>3.05</b>	<b>14.58</b>	<b>6.89</b>
	2013	(1.15)	5.09	0.32
	2012	1.87	1.78	0.15
	2011	(4.99)	(0.81)	0.70
	2010	(5.06)	27.06	0.02

(ii) Amount recognised in the Statement of Profit and Loss are as follows: (Rs. in Million)

		Pension	Gratuity	Retirement Benefit
Current Service Cost	<b>2014</b>	—	<b>5.01</b>	<b>0.18</b>
	2013	—	4.90	0.19
Interest Cost	<b>2014</b>	<b>3.25</b>	<b>6.23</b>	<b>0.03</b>
	2013	3.81	6.58	0.43
Expected Return on Plan Assets	<b>2014</b>	<b>(4.21)</b>	<b>(7.32)</b>	—
	2013	(5.04)	(7.15)	—
Actuarial Loss/(Gain)	<b>2014</b>	<b>4.32</b>	<b>20.86</b>	<b>8.52</b>
	2013	(0.16)	3.85	0.32
Past service cost	<b>2014</b>	—	—	<b>1.35</b>
	2013	—	—	—
<b>Total*</b>	<b>2014</b>	<b>3.36</b>	<b>24.78</b>	<b>10.08</b>
	2013	<b>(1.39)</b>	<b>8.18</b>	<b>0.94</b>

\* Recognised under 'Contribution to Provident and Other Funds' in Note 22 for Pension and Gratuity and under 'Staff Welfare Expenses' in Note 22 for Retirement Benefit.

## ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS

### (iii) Reconciliation of Opening and Closing Balances of the Present Value of Defined Benefit Obligation

(Rs. in Million)

		Pension	Gratuity	Retirement Benefit
Opening Present Value of Defined Benefit Obligation	<b>2014</b>	<b>43.18</b>	<b>88.30</b>	<b>5.46</b>
	2013	50.18	84.99	5.81
Current Service Cost	<b>2014</b>	<b>—</b>	<b>5.01</b>	<b>0.18</b>
	2013	—	4.90	0.19
Interest Cost	<b>2014</b>	<b>3.25</b>	<b>6.23</b>	<b>0.03</b>
	2013	3.81	6.58	0.43
Actuarial Loss/(Gain)	<b>2014</b>	<b>4.73</b>	<b>20.99</b>	<b>8.52</b>
	2013	(1.15)	5.09	0.32
Plan Amendments	<b>2014</b>	<b>—</b>	<b>—</b>	<b>1.35</b>
	2013	—	—	—
Benefits Paid	<b>2014</b>	<b>(14.03)</b>	<b>(38.25)</b>	<b>(10.20)</b>
	2013	(9.66)	(13.26)	(1.29)
<b>Closing Present Value of Defined Benefit Obligation</b>	<b>2014</b>	<b>37.13</b>	<b>82.28</b>	<b>5.34</b>
	2013	43.18	88.30	5.46

### (iv) Reconciliation of Opening and Closing Balances of the Fair Value of Plan Assets (Rs. in Million)

		Pension	Gratuity
Opening Fair Value of Plan Assets	<b>2014</b>	<b>55.32</b>	<b>89.59</b>
	2013	68.62	88.96
Expected Return on Plan Assets	<b>2014</b>	<b>4.21</b>	<b>7.32</b>
	2013	5.04	7.15
Actuarial Gain/ (Loss)	<b>2014</b>	<b>0.41</b>	<b>0.13</b>
	2013	(0.99)	1.24
Contributions by Employer	<b>2014</b>	<b>(2.96)</b>	<b>21.67</b>
	2013	(7.69)	5.50
Benefits Paid	<b>2014</b>	<b>(14.03)</b>	<b>(38.25)</b>
	2013	(9.66)	(13.26)
<b>Closing Fair Value of Plan Assets</b>	<b>2014</b>	<b>42.95</b>	<b>80.46</b>
	2013	55.32	89.59

### (v) Major Categories of Plan Assets as a percentage of Fair Value of the total Plan Assets:

		Pension	Gratuity
Govt. of India Securities / Deposits	<b>2014</b>	<b>46%</b>	<b>11%</b>
	2013	35%	10%
PSU Bonds / State Securities	<b>2014</b>	<b>18%</b>	<b>—</b>
	2013	14%	—
Corporate Bonds	<b>2014</b>	<b>15%</b>	<b>13%</b>
	2013	12%	12%
Insurance Managed Funds	<b>2014</b>	<b>17%</b>	<b>74%</b>
	2013	39%	78%
Bank Balances	<b>2014</b>	<b>7%</b>	<b>2%</b>
	2013	—	—
<b>Total</b>	<b>2014</b>	<b>100%</b>	<b>100%</b>
	2013	100%	100%



## ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS

### (vi) Actual Return on Plan Assets :

	2014	2013
Pension	4.62	4.05
Gratuity	7.45	8.39

### (vii) Principal Actuarial assumptions used:

		2014	2013
Discount rates		7.93%	9.00%
Expected rate of return on plan assets		9.00%	9.00%
Expected salary increase rates	For Management Staff	5% and NIL for pension	5% and NIL for pension
	For Unionised Staff	4% and NIL for pension	4% and NIL for pension
Mortality rates		Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

The estimate of future salary increases considered in the actuarial valuation takes into account inflation, seniority, promotion and other relevant factors, such as demand and supply in the employment market.

The expected return on plan assets is determined after taking into consideration composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets, the Company's policy for plan asset management and other relevant factors.

- (b) In terms of Guidance on implementing Accounting Standard 15 (Revised 2005) 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 no future anticipated shortfall with regard to interest rate obligation of the Company as at the Balance Sheet date. Further during the year, the Company's contribution of Rs.17.53 Million (2013 - Rs.18.62 Million) to the Provident Fund Trust has been expensed under the 'Contribution to Provident and Other Funds' in Note 22. Disclosures given hereunder are restricted to the information available as per the Actuary's Report -

	2014	2013
Discount rates	7.94%	9.44%
Expected yield on plan assets	9.51%	9.44%
Guaranteed Interest Rate	8.75%	8.50%

- (c) During the year the Company has recognised an amount of Rs. 17.81 Million (2013 - Rs.18.82 Million) as expenditure towards defined contribution plans of the Company :

## NOTES TO THE FINANCIAL STATEMENTS

### 44. Computation of Earnings / (Loss) per Equity Share (Basic and Diluted)

Particulars	2014	2013
<b>(I) Basic</b>		
(a) (i) Number of Equity Shares at the beginning of the year	<b>9,178,977</b>	9,178,977
(ii) Number of Equity Shares at the end of the year	<b>9,178,977</b>	9,178,977
(iii) Weighted average number of Equity Shares outstanding during the year	<b>9,178,977</b>	9,178,977
(iv) Face Value of each Equity Share (in Rs.)	<b>10</b>	10
(b) Amount of Profit / (Loss) after tax attributable to Equity Shareholders		
Profit / (Loss) for the Year (Rs. in Million)	<b>(308.90)</b>	125.37
(c) Basic Earnings / (Loss) per Equity Share Rs. [(b)/(a)(iii)]	<b>(33.65)</b>	13.66
<b>(II) Diluted</b>		
(a) Dilutive Potential Equity Shares	—	—
(b) Diluted Earning / (Loss) per Equity Share (Rs.) [Same as (I)(c) above]	<b>(33.65)</b>	13.66

**45** The Board of Directors of the Company at its meeting held on 26th March, 2014, approved the closure of the manufacturing unit related to Printing Inks segment of the Company located at Chandivali Farm, off Saki Vihar Road, Mumbai - 400072 effective 1st April, 2014. Exceptional Item refers to voluntary retirement expense pursuant to the said closure.

**46** Previous year's figures have been re-grouped / re-arranged, wherever necessary to conform to current year's classification.

## NOTES TO THE FINANCIAL STATEMENTS

### Note 47

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### BASIS OF PREPARATION

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to circular 15/2013 dated 13th September, 2013 read with circular 08/2014 dated 4th April, 2014, till the Standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 (the 'Act') shall continue to apply. Consequently, these financial statements have been prepared to comply, in all material aspects, with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956 (the 'Act').

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Act.

### FIXED ASSETS

Fixed Assets are stated at cost of acquisition less accumulated depreciation/amortisation and accumulated impairment losses, if any.

Cost comprises cost of acquisition including non-refundable taxes/duties, freight and other incidental expenses related to acquisition and installation. Cost of software includes license fees and cost of implementation / system integration services, where applicable.

Subsequent expenditures related to an item of fixed asset (tangible or intangible) are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

### DEPRECIATION AND AMORTISATION

Depreciation on tangible fixed assets is provided over the estimated useful lives of the assets in accordance with Schedule XIV to the Act as under:

- (i) On Plant and Machinery and Computers added during the period 1st November 1977 to 31st October, 1987 on Straight Line Method, on the basis of specified period [within the meaning of Section 205(2)(b) of the Act] determined in the year of acquisition, at rates prescribed under the Income-tax Act, 1961 and rules framed thereunder, as was in force during the relevant financial year.
- (ii) On Plant and Machinery added from 1st November 1987, on Straight Line Method at rates specified in Schedule XIV to the Act as existing at the time of capitalisation.
- (iii) On Silos and Rollers included in Plant and Machinery added from 1st January 2006, on Straight Line Method @ 20%.
- (iv) On Research Equipment added from 1st January 2003, on Straight Line Method @ 25%.
- (v) On Air conditioners, on Written Down Value Method @ 13.91%.
- (vi) On Computers added from 1st November 1987, on Straight Line Method @ 25%.
- (vii) On all other assets, on Written Down Value Method, at rates specified in Schedule XIV to the Act.
- (viii) All assets costing Rs 5,000 or less are fully depreciated in the year of additions.
- (ix) In respect of assets acquired, sold or discarded during the period, prorated depreciation, for the period during which each such asset was in use, after rounding off part of the month to the whole month.

Leasehold land is amortised on straight-line basis over the lease period. Intangible assets (Computer Software) are amortised on a straight-line basis over a period of four years.

## **Notes to the Financial Statements**

### **IMPAIRMENT**

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired.

An impairment loss, if any, is recognised wherever the carrying amount of the fixed assets exceeds the recoverable amount i.e. the higher of the assets' net selling price and value in use.

After impairment, depreciation is provided on the revised carrying amount of the fixed asset over its remaining useful life.

### **INVESTMENTS**

Investments that are readily realisable and are intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Long-term investments are carried at cost less write down for any diminution, other than temporary, in carrying value.

### **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 normal course of business in bringing inventories to its present location, condition, labour and overheads, where applicable.

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

### **FOREIGN CURRENCY TRANSACTIONS AS APPLICABLE UNDER ACCOUNTING STANDARD 11 ON 'THE EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATES'**

Transactions in foreign currency are recorded at exchange rates prevailing on the date of the transaction. At the year-end, monetary assets and liabilities denominated in foreign currencies are restated at the year-end exchange rates. The resultant exchange differences arising from settlement of foreign currency transactions and from the year-end restatement are recognised in the Statement of Profit and Loss.

Premium or discount arising at the inception of a forward exchange contract entered into to hedge an existing asset / liability is amortised as expense or income over the life of the contract. Exchange differences on such a contract are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates changed. Profit or loss arising on cancellation or renewal of forward contract is recognised as income or expense of the period.

### **DERIVATIVE CONTRACTS**

In respect of derivative contracts (other than forward exchange contracts covered under Accounting Standard 11 on 'The Effects of Changes in Foreign Exchange Rates'), gains/losses on settlement and mark-to-market loss, if any, on outstanding contracts as at the Balance Sheet date are recognised in the Statement of Profit and Loss and mark-to-market gain, if any, on outstanding contracts as at the Balance Sheet date is ignored.

Refer Note on Foreign Currency Transactions above for forward exchange contracts covered under Accounting Standard 11 on 'The Effects of Changes in Foreign Exchange Rates'.

### **REVENUE**

Revenue from sale of goods are recognised when the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract. It includes excise duty but excludes value added tax/sales tax, trade discounts, returns, as applicable.

### **BORROWING COSTS**

Borrowing costs, if any, attributable to the acquisition and construction of qualifying assets (i.e., the assets that necessarily take a substantial period of time to get ready for their intended use) are added to the cost up to the date when such assets are ready for their intended use. Other borrowing costs are recognised as expense in the period in which these are incurred.

## Notes to the Financial Statements

### RESEARCH & DEVELOPMENT EXPENDITURE (R & D)

Revenue expenditure on research is expensed in the period in which it is incurred. Expenditure on Development is expensed / capitalised in compliance with the provisions of the Accounting Standard 26 on 'Intangible Assets'.

### EMPLOYEE BENEFITS

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

Short term Employee Benefits (i.e. benefits falling due within one year after the end of the period in which employees render the related service) are recognised as expense in the period in which employee services are rendered as per the Company's scheme based on expected obligations on undiscounted basis.

#### (b) Post-Employment Benefit Plans

Post-employment benefits comprise Provident Fund, Superannuation Fund, Gratuity, Pension and Retirement Benefits which are accounted for as follows:

- i. 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 Company has an obligation to fund any shortfall in return on plan assets over the interest rates prescribed by the authorities from time to time. In view of the Company's obligation to meet the shortfall, this is a defined benefit plan. Actuarial valuation of the Company's liability under such scheme is carried out under the Projected Unit Credit (PUC) Method at the year end and the charge, if any, is recognised in the Statement of Profit and Loss. Actuarial gains/ losses are recognised immediately in the Statement of Profit and Loss as income/expense.
- ii. Superannuation Fund - This is a defined contribution plan. 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 and recognises such contributions as expense in the period in which the related employee services are rendered.
- iii. Gratuity - This is a defined benefit plan covering eligible employees. As per the scheme, the Gratuity Fund Trust administered by Trustees, makes payment to vested employees at retirement, death, incapacitation, or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service. The liability is determined based on year-end actuarial valuation using PUC Method. Actuarial gains/losses are recognised immediately in the Statement of Profit and Loss as income/expense.
- iv. Pension - The Company has discontinued the Defined Pension Benefit scheme with effect from 1st May 2009 and all the employees who were member of the erstwhile Defined Pension Benefit scheme has been brought under the Defined Contribution scheme for benefit provisions under the Pension plan. The present value of benefit obligation is actuarially determined at the end of each year by discounting the present value of crystallised pension as at 30th April 2009. Actuarial gains/ losses are recognised immediately in the Statement of Profit and Loss as income/expense.
- v. Retirement Benefit - Liability accrued during the year in respect of retirement benefit payable to certain employees governed by agreement with the Union 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. The Company's liability is actuarially determined using the PUC method at the end of each year. Actuarial gains/ losses are recognised immediately in the Statement of Profit and Loss as income/expense.

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

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.

## Notes to the Financial Statements

(d) Terminal benefits are recognised as expense as and when incurred.

### PROVISIONS AND CONTINGENT LIABILITIES

Provisions are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation as at the Balance Sheet date and are not discounted to its present value.

A disclosure for contingent liabilities is made 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.

### TAXATION

Current tax represents the amount that otherwise would have been payable under the Income-tax Act, 1961 had this financial year been reckoned as the basis for computation of tax payable under the prevailing taxation laws. (Also refer Note 29).

Deferred tax is provided on timing differences between taxable income and accounting income measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets are recognised only if there is a virtual / reasonable certainty, as applicable, in keeping with Accounting Standard 22 on 'Accounting for Taxes on Income' that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are reviewed for the appropriateness of their respective carrying amount at each Balance Sheet date.

### LEASES

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of lease.

Signatures to Notes 1 to 47

On behalf of the Board

#### For Lovelock and Lewes

Firm Registration Number - 301056E  
Chartered Accountants

**Pinaki Chowdhury**  
*Partner*

Membership Number: 57572  
Kolkata, 4th February 2015

**Sandip Chatterjee**  
*Chief Finance Officer*

**Yasuo Ikeda**  
*Chief Executive Officer*

**Bhaskar Nath Ghosh**  
*Director*

**B. DeSarkar**  
*Company Secretary*

Kolkata, 4th February 2015

# Cash Flow Statement

For the year ended 31st December 2014

(Rs. in Million)

	Year ended 31st December 2014	Year ended 31st December 2013
<b>A. Cash Flows from Operating Activities:</b>		
Profit / (Loss) before Tax	(392.24)	119.98
Adjustments for :		
Depreciation and Amortisation Expenses	126.51	121.86
Loss on Disposal of Tangible Fixed Assets	8.04	0.28
Bad Debt written off	36.88	9.50
Provision for Doubtful Debts	16.81	23.34
Interest Income	(0.78)	(3.76)
Finance Costs	62.91	44.73
Provision for Doubtful Debts Written Back	(21.52)	(0.81)
Provision for Mark-to-Market Losses on Derivatives	0.28	—
Liabilities no Longer Required Written Back	—	(2.54)
Foreign Exchange Loss (Net)	—	(3.06)
<b>Operating Profit / (Loss) before Working Capital Changes</b>	<b>(163.11)</b>	<b>309.52</b>
Changes in Working Capital :		
Increase / (Decrease) in Trade and Other Payables	213.43	(8.59)
Increase in Trade and Other Receivables	(8.05)	(4.39)
Increase / (Decrease) in Inventories	(35.91)	61.46
<b>Cash Generated from Operations</b>	<b>6.36</b>	<b>358.00</b>
Income Taxes paid / (refund)	17.21	(26.91)
<b>Net Cash from Operating Activities</b>	<b>23.57</b>	<b>331.09</b>
<b>B. Cash Flows from Investing Activities:</b>		
Purchase of Tangible / Intangible Fixed Assets	(101.64)	(117.69)
Proceeds of Disposal of Tangible Fixed Assets	0.45	1.08
Interest Received	3.11	1.06
<b>Net Cash used in Investing Activities</b>	<b>(98.08)</b>	<b>(115.55)</b>

**Cash Flow Statement (Contd.)**

(Rs. in Million)

	<b>Year ended 31st December 2014</b>	<b>Year ended 31st December 2013</b>
<b>C. Cash Flows from Financing Activities :</b>		
Dividends Paid	<b>(36.62)</b>	(36.63)
Dividend Distribution Tax Paid	<b>(6.24)</b>	(5.96)
Finance Costs Paid	<b>(61.18)</b>	(50.60)
Increase / (Decrease) in Cash Credit / Working Capital Facilities	<b>118.91</b>	(107.50)
<b>NET CASH FROM / (USED IN) FINANCING ACTIVITIES</b>	<b>14.87</b>	(200.69)
<b>Net Cash Inflow / (Outflow)</b>	<b>(59.64)</b>	14.85
<b>Cash and Cash Equivalents - Opening</b>	<b>62.43</b>	47.58
<b>Cash and Cash Equivalents - Closing</b>	<b>2.79</b>	62.43
	<b>(59.64)</b>	14.85
 <b>Cash and Cash Equivalents comprise</b>		
Cash on hand	<b>0.52</b>	0.86
Balance with Banks in Current Accounts	<b>2.27</b>	61.57
Total	<b>2.79</b>	62.43

## Notes :

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statement.
2. Previous Year's figures have been rearranged / regrouped , wherever necessary.

This is the Cash Flow Statement referred to in our report of even date.

On behalf of the Board

**For Lovelock and Lewes**

Firm Registration Number - 301056E  
Chartered Accountants

**Pinaki Chowdhury**  
Partner

Membership Number: 57572  
Kolkata, 4th February 2015

**Sandip Chatterjee**  
Chief Finance Officer

**Yasuo Ikeda**  
Chief Executive Officer

**Bhaskar Nath Ghosh**  
Director

**B. DeSarkar**  
Company Secretary

Kolkata, 4th February 2015



# NOTES



DIC INDIA LIMITED

### Proxy form

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

CIN: L24223WB1947PLC015202

Name of the company : DIC India Limited

Registered office : Transport Depot Road, Kolkata – 700088

Name of the member (s) : \_\_\_\_\_

Registered address : \_\_\_\_\_

E-mail Id : \_\_\_\_\_

Folio No/ Client Id/ DP ID : \_\_\_\_\_

I/We, being the member (s) of ..... shares of the above named Company, hereby appoint:

1. Name :	
2. E-mail Id :	
3. Address :	
4. Signature :	

or failing him,

1. Name	
2. E-mail Id:	
3. Address	
4. Signature	

or failing him

1. Name	
2. E-mail Id:	
3. Address	
4. Signature	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 67th Annual General Meeting of the Company, to be held on 23rd March, 2015 at 11.00 a.m. in the Williamson Magor Hall of The Bengal Chamber of Commerce & Industry, Royal Exchange, No. 6, NetajiSubhas Road, Kolkata – 700001 and at any adjournment thereof in respect of such resolutions as are indicated below:

**Resolution No.**

1.	To receive and consider the Statement of Profit & Loss for the financial year ended 31st December 2014, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2.	To appoint a Director in place of Mr. Paul Koek (DIN : 00081930), who retires by rotation and being eligible, seeks re-appointment.
3.	To appoint M/s. Lovelock & Lewes, Chartered Accountants (Firm Regn. No. 301056E), as the statutory auditors of the Company to hold office from the conclusion of this annual general meeting until the conclusion of the next annual general meeting and to authorize the Board to fix their remuneration
4.	Appointment of Mr. Dipak Kumar Banerjee (DIN : 00028123) as an Independent Director of the Company for a term of three years.
5.	Appointment of Mr. Subir Bose (DIN : 00048451) as an Independent Director of the Company for a term of three years.
6.	Appointment of Mr. Bhaskar Nath Ghosh (DIN : 00225086) as an Independent Director of the Company for a term of three years.
7.	Appointment of Dr. Reena Sen (DIN : 07082198) as an Independent Director of the Company for a term of three years.
8.	Appointment of Mr. Kazunari Sakai (DIN : 05136308) as an Director of the Company.
9.	Appointment of Mr. Naoyoshi Furuta (DIN : 01689951) as a Director of the Company.
10.	To alter the Articles of Association of the Company
11.	Ratification of the remuneration paid to M/s SinhaChaudhuri& Associates, Cost Accountants (Firm Regn. No. 000057) as Cost Auditors of the Company

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

Affix  
Revenue  
Stamp

Signature of shareholder : \_\_\_\_\_

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

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



# DIC INDIA LIMITED

CIN : L24223WB1947PLC015202

Regd. Office: Transport Depot Road, Kolkata 700088  
Ph : (033) 2449-6591/95 Fax : (033) 2449-7033 / 2448-9039  
e-mail : investors@dic.co.in website : www.dicindia ltd.co

## ATTENDANCE SLIP

67<sup>th</sup> Annual General Meeting, 23<sup>rd</sup> March 2015 at 11.00 A.M.

Registered Folio No/ DP ID & Client Id	
Name and Address of the Shareholder	
Name of joint holders, if any	
No. of Shares held	

I hereby record my presence at the 67<sup>th</sup> Annual General Meeting of the Company at the premises of The Bengal Chamber of Commerce & Industry, 6, Netaji Subhas Road, Kolkata 700 001.

Signature of the shareholder or the proxy attending the Meeting

If Member, please sign below	If Proxy, please sign below

Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip, duly signed, to the meeting and hand it over at the entrance.

Shareholder/Proxy holder desiring to attend the meeting may bring his/her copy of the Annual Report for reference at the meeting.

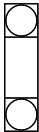
**Note: Please cut here and bring the above Attendance Slip to the meeting.**

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## ELECTRONIC VOTING PARTICULARS

EVEN (E-voting event number)	User ID	Password

Note: The Voting period starts from 06.00 hours on 16<sup>th</sup> March 2015 and ends at 18.00 hours on 18<sup>th</sup> March 2015. Thereafter, the voting module shall be disabled by NSDL. Kindly refer to the e-voting instructions furnished in the Notice of the 67<sup>th</sup> Annual General Meeting before exercising the vote.



# DIC INDIA LIMITED

CIN - L24223WB1947PLC015202

## Registered Office

Transport Depot Road, Kolkata - 700 088, West Bengal  
Telephone : (033) 2449 6591-95, 2449 3984-85, Fax : (033) 2449 7033, 2448 9039

## FACTORIES

### KOLKATA

Transport Depot Road  
Kolkata - 700 088, West Bengal  
Telephone : (033) 2449 6591-95/2449 3984-85  
Fax : (033) 2449 7033, 2448 9039  
E-mail : coi@dic.co.in

### NOIDA

C-55A & B, Phase II  
Dist. Gautam Buddh Nagar  
Noida - 201 305, Uttar Pradesh  
Telephone : (0120) 465 5100/110  
Fax : (0120) 465 5150

### AHMEDABAD

Plot No. 633 & 634  
G.I.D.C. Industrial Estate, Phase IV, Vatva  
Ahmedabad - 382 445, Gujarat  
Telephone : (079) 2589 0861/0865  
Fax : (079) 2583 5706

### BENGALURU

66A, Bommasandra Industrial Area  
Hosur Road, Anekal Taluk  
Bengaluru - 560 099,  
Karnataka  
Telefax : (080) 2783 1874

## SALES DEPOTS & OFFICES

### BENGALURU

F-58, Industrial Estate  
Rajaji Nagar  
Bengaluru - 560 044, Karnataka  
Telephone : (080) 2311 3446 / 3467  
Fax : (080) 2311 3478

### MUMBAI

Chandivali Farm  
Off Saki Vihar Road  
Mumbai - 400 072, Maharashtra  
Telephone : (022) 2847 4655-58  
Fax : (022) 2847 2149/6231

### HYDERABAD

Plot No. B-7, IDA,  
Uppal,  
Hyderabad- 500 039,  
Telangana  
Telephone : (040) 2720 6821/ 6281

### KANPUR

301, Urvashi Apartment, 3rd Floor  
Plot No.7/29  
Tilak Nagar  
Kanpur - 208 002, Uttar Pradesh  
Telephone : (0522) 2557 7001  
Mobile : 091612 90488

### DELHI

A-122 & 123, Okhla Industrial Area  
Phase II  
New Delhi - 110 020  
E-mail : delhi@dic.co.in

### MADURAI

Gladways Green City  
A2 - First Avenue  
Avaniapuram  
Madurai - 625 012  
Telephone : 099948 27764

### CHENNAI

Door No. 83/A,  
GNT Road (NH-5)  
Madhavaram  
Chennai - 600 110

