



February 29, 2024

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

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

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

Sub: Notice of the 76th Annual General Meeting and Annual Report for the year ended December 31, 2023

Ref: Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Madam/Sir,

We hereby inform you that **Annual General Meeting (AGM) is scheduled to be held on Friday, March 22, 2024 at 11:00 AM through Video Conferencing (VC)/Other Audio Visual Means (OAVM)** in compliance with the applicable provisions of the Companies Act, 2013 read with MCA Circulars to transact the Ordinary and Special Businesses, as set out in the Notice of the 76th AGM.

Please find enclosed the Notice convening the 76th AGM and the Annual Report of the Company containing Directors' Report, Management Discussion & Analysis Report, Corporate Governance Report, Auditors Report, Financial Statements, and other information.

Further the Notice of AGM and the Annual Report of the Company for the year ended December 31, 2023 is sent on February 29, 2024 to all the Members of the Company whose e-mail addresses are registered with the Company / Depository Participant(s).

The Notice of AGM and the Annual Report of the Company is also uploaded on the Company's website at <https://www.dic.co.in/> and on the website of NSDL at www.evoting.nsdl.com.

Kindly acknowledge the receipt of the same.

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

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

DIC INDIA LIMITED

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

Tel: +033-48128955 | Fax: +91-20-6361443

CIN No. L24223WB1947PLC015202

Website: www.dic.co.in | Email id: investors@dic.co.in

Registered office: UB 03, Mani Tower, 31/41, Binova Bhawe Road, Kolkata -700 034



Color & Comfort

DIC India



Leading in Innovation



Innovation for Sustainable Future

Annual Report 2023

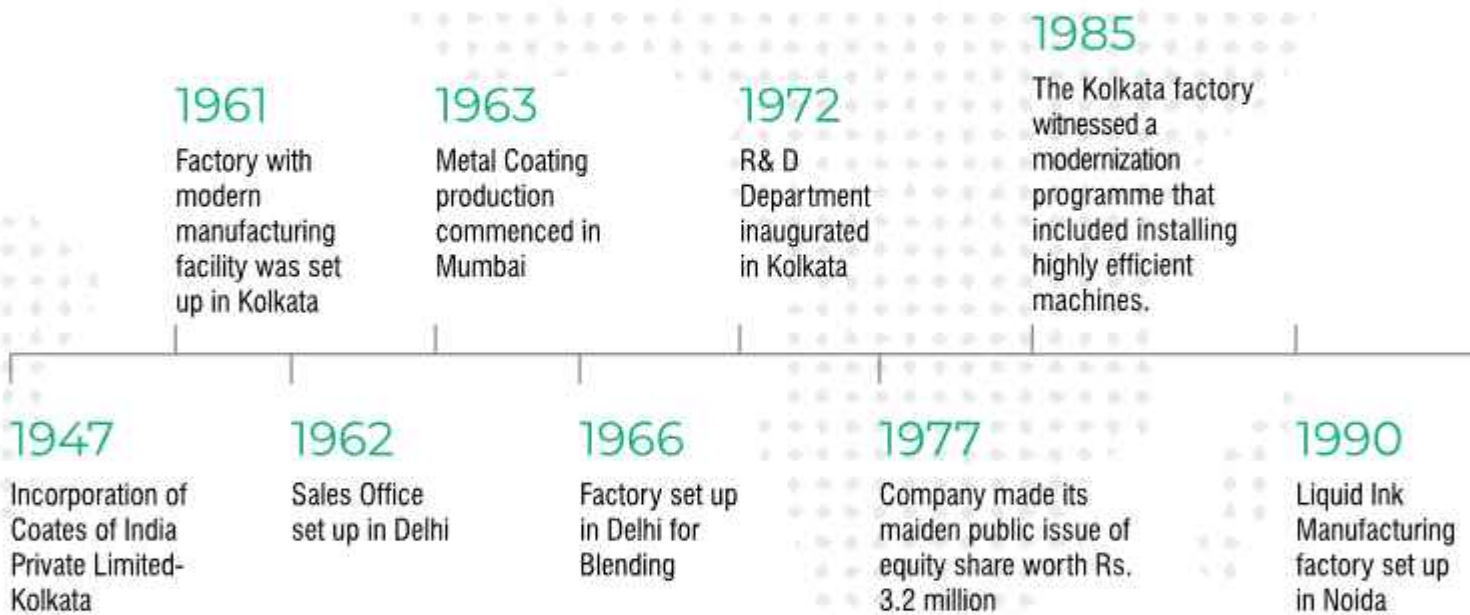
DIC India Limited

www.dic.co.in



Color & Comfort

KEY EVENTS AND MILESTONES IN THE HISTORY OF DIC INDIA



INDIA A LAND OF COLORS WHERE THE PAST MEETS THE FUTURE



2001

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

2004

Company changed to DIC India Limited from 6th August

2008

Opening Liquid Ink plant in Noida

2016

Started Flexo Product offering in India

2022

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

2002

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

2006

Opening News Ink plant in Noida

2012

Opening of Adhesive Plant in Bangalore

2019

Opening of Regional Technical Centre

2023

Opening of New Manufacturing Facility in Saykha, Gujarat



Board of Directors

As on February 22, 2024



Rajeev Anand
(Non- Executive
Independent Chairman)



Prabal Kumar Sarkar
(Non- Executive
Independent Director)



Pritha Dutt
(Non- Executive
Independent Director)



Adnan Wajhat Ahmad
(Non- Executive
Independent Director)



Paul Koek
(Non-Executive
Director)



Ji Xiang Jason Lee
(Non – Executive Director)



Ryohei Kohashi
(Non-Executive Director)



Manish Bhatia
(Managing Director &
Chief Executive Officer)

Our Presence

As on February 22, 2024





Color & Comfort

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Corporate Information-DIC India Limited

As on February 22, 2024 | CIN: L24223WB1947PLC015202

Board of Directors

Rajeev Anand

Chairman & Independent Director
(DIN: 02519876)

Prabal Kumar Sarkar

Independent Director
(DIN: 03124712)

Pritha Dutt

Independent Director
(DIN: 02910608)

Adnan Wajhat Ahmad

Independent Director
DIN: 00046742

Paul Koek

Non-Executive Director
(DIN: 00081930)

Ryohei Kohashi

Non-Executive Director
(DIN: 10043620)

Ji Xiang Jason Lee

Non – Executive Director
(DIN: 10485668)

Manish Bhatia

Managing Director &
Chief Executive Officer
(DIN: 08310936)

Key Managerial Personnel

Manish Bhatia

Managing Director &
Chief Executive Officer
(DIN: 08310936)

Gagandeep Singh

Chief Financial Officer
PAN: AQPPS7864M

Raghav Shukla

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

Board Committees

Audit Committee

Prabal Kumar Sarkar-Chairman
Adnan Wajhat Ahmad
Paul Koek

Stakeholders' Relationship Committee

Adnan Wajhat Ahmad-Chairman
Paul Koek
Rajeev Anand

Nomination & Remuneration Committee

Pritha Dutt- Chairperson
Prabal Kumar Sarkar
Paul Koek

Corporate Social Responsibility Committee

Pritha Dutt- Chairperson
Paul Koek
Adnan Wajhat Ahmad

Risk Management Committee

Adnan Wajhat Ahmad- Chairman
Prabal Kumar Sarkar
Manish Bhatia
Ryohei Kohashi

Corporate Office

DIC India Limited

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

Registered Office

DIC India Limited

UB03, Mani Tower 31/41, Binova
Bhave Road, Behala,
Kolkata-700034, West Bengal
Phone: 033-4812 8955
Email id: investors@dic.co.in
Website: www.dic.co.in

Auditor

Price Waterhouse Chartered Accountants LLP

(Reg No. 012754N/N500016)
Building No.8, 8th Floor, Tower-B,
DLF Cyber City, Gurugram-122002,
Haryana-HR
Phone: +91 (124) 4620000
Fax: +91 (124) 4620620

Bankers

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

Registrar & Share Transfer Agent

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

DIC India in Brief

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

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

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

Mission

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

Vision

Color & Comfort by Chemistry

We improve the human condition by safely bringing color and comfort into lives.*

Core Values

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

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

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

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

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

*=Annotation



Our Portfolio

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



Adhesives

Packaging Inks

Publication Inks

Innovations for Future

Touching your life every day



MO Free Ink Solutions for Rigid Packaging

DIC India offers complete solutions in the entire value chain for food-safe & low-migration solutions for food, cosmetics, healthcare, pharmaceutical, and tobacco packaging, to name a few. Sun Chemical Low migration solution is one of the best, with all required compliances. Our food-safe inks have a very low impact on the odour and taint of the foodstuff and a deficient formation of hexanol and other odorous by-products after being printed. It is ideal for food packaging where the foodstuff is in indirect contact with the printing ink, and our inks are mineral Oil-Free, Drier Free, and they do not dry by oxidation. The only mandatory element is inline overprinting with Aqueous Coating, and DIC India's food-safe inks have safe migration levels far below the Global Migration limit (as per EFSA). We also have fountain solution additives for water quality, press types, and IPA (alcohol) levels. For achieving the best values regarding odour, taint, and migration, selecting the suitable fountain solution additive is vital. Regarding fountain solution-related press performance, other parameters, such as water quality and press conditions, must be considered.

Below are some food-safe and low-migration ink brands from DIC India.



Toluene Free Solutions for Flexible Packaging

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

Presenting the Toluene-free range from DIC India:

Smart TF, Smart KF, Hikari HSTF, Ecovart and AquaSmart

DIC India, the global leader in innovation and development of the next generation of food inks welcomes the BIS and FSSAI ban on Toluene inks in food packaging. Connect with us to provide a healthy and eco-friendly experience to Indian consumers.



Our Portfolio

Barrier Coatings & Adhesives

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

- ✓ 1-Ply plus printable Barrier Coating
- ✓ Removal of one Barrier film layer and one layer of adhesive
- ✓ Lighter Weight Packaging & Improved Recycling



Excellent
resistance to Water,
Grease & Oil



Direct
Food Contact
Certified



Free from
Harmful Extrusions
Pvdc | Chronie



Recyclable
Material



Easy
Re-pulpable
"Barrier" Paper





Color & Comfort



Our Portfolio

Publication Inks

News

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

Offset Commercial

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



Aqueous Coatings

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

Text Book Inks

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



DIC Future Ready Inks

Innovations for Future

TF Series

Smart KF

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



Smart TF

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

Hikari HSTF

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

AquaSmart

Water-based gravure printing inks intended for printing on treated films for subsequent lamination. High pigmentation, fine gravure printability, excellent ink transfer onto the substrate, and strong adhesion to CC PET & BOPP.

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



Weather-protective outer layer:

Protects against environmental conditions and moisture ingress

Polyester core: Provides electrical insulation

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



Our Portfolio

Packaging Inks

Flexible Packaging

Gravure

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

Flexo

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

Corrugated Box Packaging

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

UV Packaging

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

MO Free Inks

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

UV Coatings

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

LMLO Inks

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





Our Portfolio

Adhesives

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



Solvent Based Adhesive Product Range

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

Solvent Free Adhesive Product Range

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

Speciality Inks

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

Ink for Brand Protection

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

Metal Deco Inks

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

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

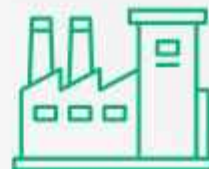
DIC India also brings the complete range of Metal Decorative Inks from Sun Chemicals. These inks are made with the most advanced technology in Sun Chemical's plants in Europe and cover the entire gamut of printing - conventional, UV, special effects and brand protection.



Technical Centre Noida

As on February 22, 2024





Manufacturing Facilities

As on February 22, 2024



Saykha Plant

Manufacturing facility for
Liquid Inks

Noida Plant

Manufacturing facility
for Liquid Inks &
News Colour Inks



Ahmedabad Plant

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

Bengaluru Plant

Manufacturing facility
for Adhesives & PU Resins



Noida

Manufacturing facility
for Flexo Inks

Manufacturing at Kolkata plant has stopped and factory is under the process of closure.

DIC Vision 2030

Our Vision

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

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

DIC Vision 2030 Basic Policy & Goals

To realize our Vision, we have devised a new long-term management plan, DIC Vision 2030, as our

basic policy to deliver greater social benefits that enhance stakeholder value and build long-term corporate value.

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

Securing Sustainable Prosperity

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



Water Based Flexible Inks



Toluene Free Inks



MO Free Inks



Barrier Coatings

Our Sustainability Policy

Our Approach

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

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

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

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

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

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

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

Our People

The year 2023 marked major changes for our organization. We adopted Technology, we worked on improving productivity and we also worked on improving capabilities.

Company had to take a difficult decision of closing oldest manufacturing facility in Kolkata. This was a major change. However, because of the strength of the culture, we were able to manage this change as efficiently as it could possibly have been. All the workmen, employees of service providers and many management employees had to be let off. Company provided all the possible support within its means to help impacted people manage this change and transition out of the Company.

We embraced digitization in 2023 with the launch of Contractual Labour Management System covering all manufacturing locations. The system would help in proactively ensuring that service providers are complying with all the key legal requirements of labour laws. We also launched FactoHR, a one stop portal which has completely digitized one of the key retiral benefit i.e. Provident Fund.

One of the major focus areas for 2023 was Capability Enhancement. Our learning & development initiatives focussed on improving technical / functional abilities and on behaviours. Lot of e-learning programs on safety at workplace were conducted. Technical / Functional trainings included topics like Liquid Ink Portfolio, Hikari HSTF Series - Costing Calculator & Refresher Training, UV Offset Training etc. Behaviour and other trainings included topics like Design Thinking for Breakthrough Solutions, Data Visualization using Power BI, Advanced MS Excel, MIS Reporting & Dashboard Creation, Effective Feedback & Coaching etc.

To strengthen employee morale, we launched an initiative called "Employee Connect: Building Bridges and Fostering Growth" through which Business Leadership Team connects with the Junior Management Team to develop rapport and understand / address morale and motivation drivers. We continued our ritual of celebrating various festivals across locations through employee events wherein our employees participated with full enthusiasm.

In 2024, we will continue to work on employee capability & productivity and will continue to ensure "Employee Safety" & "Employee well-being". As on 31st December 2023, the Company had 357 employees working with us.





Environment, Health and Safety

We are pleased to present our Report on Health, Safety, and Environment, highlighting our unwavering commitment to the well-being of our employees, the safety of our operations, and our dedication to environmental sustainability. These pillars form the foundation of our corporate values and guide our daily activities. At DIC India, we believe that Safety is License to operate.

Compliance with health, safety, and environmental regulations remains a top priority for our organization. We are proud to report that we have successfully adhered to all relevant regulations, and our commitment to meeting and exceeding industry standards is unwavering. DIC India has developed and implemented an internal regulatory compliance portal named "Sankalp" to identify/map/monitor the compliances across India.

Over the past year, we have achieved significant milestones in ensuring the health and safety of our workforce. Our proactive initiatives have resulted in Zero reportable incident and fire incident, showcasing our commitment to creating a secure working environment. Furthermore, our environmental efforts have led to substantial achievements in reducing our carbon footprint and minimizing waste generation.

Our performance metrics demonstrate a continuous improvement in safety standards. We have diligently tracked and managed our balance score card for safety, health, and environment. With regular and critical management actions and participation of the entire workforce, we are witnessing an improved safety culture compared to the previous year.

Despite increase in production and unexpected additions to the site operations we were able to achieve excellent performance in our operational eco efficiency parameters.

In terms of environmental metrics, our efforts have led to a 29% reduction in carbon emissions/ton of product, 13% decrease in water consumption/ton of product and 1% reduction on overall waste/Ton of product, over previous year.

We have implemented various initiatives and

programs to foster a culture of safety within our organization. Ongoing training programs have equipped our employees with the necessary skills and knowledge to identify and mitigate potential risks. Additionally, our environmental programs focus on sustainable practices, waste reduction, and responsible resource management.

ENVIRONMENT, HEALTH AND SAFETY (EHS)

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

Pollution prevention and natural resource conservation are integral part of the Company's business model. The Company also ensures safe work environment is provided to all employees, contract workmen and visitors when they are inside the Company's controlled work environment.

ENVIRONMENT

At DIC India we believe in adopting a cohesive approach to environmental sustainability in line with national & international requirements and mandates that encourage businesses to adopt greener processes. Considering that we have four (4) operational manufacturing plants and two (2) R&D centres, we seek to follow a systematic approach to minimize the environmental footprint of our operations while fulfilling the needs of our customers.

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

CO₂ EMISSION REDUCTION

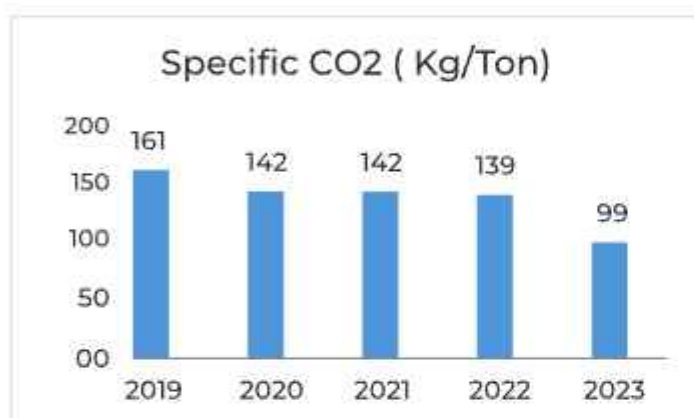
Some of the key project which DIC India has been implementing, which has resulted in the ongoing reduction of energy usages includes:

- Open Access Solar Power & Dual fuel (PNG and Diesel) for D.G set at Noida plant.
- Various initiatives in manufacturing operations to



- Various initiatives in manufacturing operations to reduce energy such as VFD for drives, throughout efficiency improvement for grinding mills, batch size increase keeping same cycle time, CFL to LED lights etc in all plants.

Various initiatives have contributed to approximately 29.0% reduction in CO2 emissions v/s 2022.



Water Conservation

We keep on improving our processes to ensure water consumption is kept as low as possible. In 2023 some of the key projects implemented which have contributed towards water reduction includes:

- Self-closing taps to reduce wastages of water.
- Improvement in cold and hot insulations.
- Batch time optimization (in heating & cooling process)



- Water metering and arresting of all possible leakages in water distribution system.

These initiatives have resulted in approximately 13.0 % reduction in freshwater consumption.

Waste Minimization

DIC India waste minimization program is focused on improving utilization of incoming materials, promoting **Reduce, always Reuse & Recycle and ensuring compliance.**

Initiatives helped in reducing approximately 1.0% reduction in waste per ton.

SAFETY

At DIC India we have Safety First Culture, and we follow industry-accredited best practices on



occupational health and safety across all our operations. Our manufacturing locations are certified to Integrated management system for QHSE (Quality, Health, Safety and environment) We believe maintaining high standards of safety and health is the cornerstone to our continued success. We have a robust management system to ensure safety of personnel and process and the approach is reflected in our safety policies, risk assessment framework, incident review and audit systems. We closely monitor safety performance parameters and set goal for improvements on incident rates.

We encourage our workforce to report any hazards or unsafe conditions, without the fear of any reprisals. We also track reported near miss incidents to monitor our safety performance. Frequent external and internal audits form a part of continual efforts in improving various leading and lagging



indicators. As part of our process, we carefully analyse the cause for any work-related incidents and make correction in the standard operating procedures to avoid such eventualities.

We continue to educate and encourage every member of our workforce to embrace safety as a value. Safety and occupational health are mandatory modules of induction process. Refresher training programmes are also conducted to enhance safety awareness and knowledge among employees and contractors. In 2023, we imparted more than 1000 Hrs/Month training on various EHS topics.

Our safety performance is regularly reviewed in



Monthly Business Review meeting, regional meetings and quarterly in board meetings. The Company has been achieving continuous

improvements in safety performance through a combination of systems and processes as well as cooperation, involvement, and support of all employees. In 2023, DIC India has reported Zero recordable or Loss Workdays incident. With this DIC India has also achieved more than 8.14 mill accident-free man-hours.

DIC India have taken some key initiatives for improving the safety culture:

- Daily toolbox meetings
- Review, validation, and training update on permit to work system.
- Air supplied hood for solvent handling.
- Improvement in material handling equipment.
- Regular on-site mock drills.
- Implementation of various checklists (Work at height/Confined space/Machine guarding Etc)
- Strengthening of MOC (Management of change)
- Thermography of all electrical installations at the sites.
- Cross functional audits
- Contractor Labor management system(CLMS)





Corporate Social Responsibility (CSR)

DIC India continues with its flagship "Deeksha" and "Saksham" programs to help communities.

DIC India had identified Education and Health as the two (2) thematic areas for intervention. This is per the guidelines laid down in Section 135 of the Companies Act.

Through its NGO partner, Jeevantirth, the "Deeksha" program for Children education was implemented in 5 primary schools in and around Saykha village of Bharuch District in Gujrat. 'Deeksha' program is in line with the Sustainable Development Goals (SDG) adopted by the United Nations focusing on Quality Education. Deeksha is focused on improving Foundational Literacy and Numeracy (FLN) standards in the students in the classes from 1st to 8th standard. Various interventions were made through the year which resulted in improving FLN results among students of these classes.

In the year 2023, DIC India commissioned a study by Maharaja Sayaji Rao university (MSU) of Vadodara to do 'Needs assessment' of social requirements of community in Saykha village, particularly with respect to 'Health'. Based on findings of MSU, DIC India initiated a project through a renowned NGO, 'Feedback Foundation', which aims to make Saykha village a 'Zero Waste' location. This project is being done as part of 'Saksham' initiative of the Company which aims to promote 'Health' SDG. With the involvement of the community and help of authorities, Feedback foundation was able to finalize the land location & profile for Sanitation Park. The work will continue in the next year as well.



Deeksha' Classes



Deeksha' Classes



Awareness Campaign for 'Zero Waste'



Sanitation Park Site

Notice

NOTICE is hereby given that the Seventy Sixth (76th) Annual General Meeting of the Members of DIC India Limited will be held on Friday, March 22, 2024, at 11:00 a.m. IST through video Conference ("VC")/Other Audio-Visual Means ("OAVM"), to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements of the Company for the Financial year ended December 31, 2023, and the Reports of the Board of Directors and the 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.

SPECIAL BUSINESS

3. **Appointment of Mr. Ji XIANG JASON LEE (DIN: 10485668) as a Non-Executive Non-Independent Director.**

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

"RESOLVED THAT pursuant to the provisions of Section 161 and other applicable provisions of the Companies Act, 2013 as amended from time to time, and Regulation 17 of Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, Mr. JI XIANG JASON LEE (DIN: 10485668) who was based on the recommendation of the Nomination and Remuneration Committee of the Board, appointed as an Additional Director w.e.f. February 22, 2024 by the Board, to hold office upto the date of the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Non-Executive Non-Independent Director of the Company, liable to retire by rotation."

The above appointment of Mr. JI XIANG JASON LEE (DIN: 10485668) as an Non-Executive Non-Independent Director of the Company has been recommended by the Board of Directors.

4. **Payment of Commission to Independent Directors**

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

"RESOLVED THAT pursuant to the provisions of Section 149(9), 197 and any other applicable provisions of the Companies Act, 2013 including any statutory modification(s) or reenactment thereof for the time being in force and the Article of Associations of the Company, consent of the members be and is hereby accorded to the payment of commission to Independent Directors of the Company (i.e. directors other than Managing Director and / or whole time directors and /or Other Non-Executive director) to be determined by the Board of Directors for each of such independent director for a period of five years beginning from January 1, 2024 and distributed between such directors in such a manner as the board of directors may from time to time determine within the overall limit 1% (one percent) per annum from time to time in this regard, of the net profits of the Company to be calculated in accordance with the provisions of Section 198 of the Act.

RESOLVED FURTHER THAT the above remuneration shall be in addition to the fee payable to the director(s) for attending the meeting of the board or Committee thereof or for any other purpose whatsoever as may be decided by the Board of Directors and reimbursement of expenses for participation in the board and other meetings."

The above payment of the Commission to Independent Directors has been recommended by the Board of Directors.



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By order of the Board Registered Office:

UB 03, MANI TOWER 31/41, BINOVA BHAVE ROAD,
Behala, Kolkata-700034, West Bengal.

Sd/-
Raghav Shukla
Corp. GM- Legal &
Company Secretary
FCS No. 5252

Noida
February 22, 2024

NOTES:

1. The Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 09/2023 dated September 25, 2023, General Circular No. 10/2022 dated December 28, 2022, General Circular No. 21/2021 dated December 14, 2021, General Circular No. 02/2021 dated January 13, 2021, General Circular No. 20/2020 dated May 05, 2020 read with General Circular No. 17/2020 dated April 13, 2020 and General Circular No. 14/2020 dated April 08, 2020 ("MCA") (collectively referred to as 'MCA Circulars') and SEBI Circular dated 12th May 2020 and 15th January 2021 ('SEBI Circulars') and all other relevant MCA circulars and SEBI circulars if any issued from time to time since the outbreak of COVID-19 physical attendance of the Members to the EGM/AGM venue is not required and general meeting may be held through video conferencing (VC) or other audio visual means (OAVM). Hence, members can attend and participate in the ensuing EGM/AGM through VC/OAVM. The Company has appointed Registrar & Transfer Agent of the Company is C.B Management Services (P) Ltd as R&T Agent for carrying out activity for conducting the e-AGM and providing e-voting facility for casting the votes by the members using an electronic voting system.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
3. The members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the 76th Annual General Meeting through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the EGM/AGM will be provided by NSDL.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling

the AGM has been uploaded on the website of the Company at <https://www.dic.co.in/>. The notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with General Circular No. 09/2023 dated September 25, 2023 General Circular No. 10/2022 dated December 28, 2022, General Circular No. 21/2021 dated December 14, 2021, General Circular No. 02/2021 dated January 13, 2021, General Circular No. 20/2020 dated May 05, 2020 read with General Circular No.17/2020 dated April 13, 2020 and General Circular No. 14/2020 dated April 08, 2020.
8. Corporate members are requested to send at csbinita.tca@gmail.com with a copy marked to evoting@nsdl.com, investors@dic.co.in, rta@cbmsl.com before e-voting/attending annual general meeting, duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013
9. Pursuant to the provisions of the Companies Act, 2013, dividend for the year ended December 31, 2016, and thereafter, which remains unclaimed or unpaid for a period of seven (7) years will be transferred to the Investor Education and Protection Fund (IEPF).
- 10. The Register of Members and Share transfer books of the Company will remain closed from Saturday, March 16, 2024 to Friday, March 22, 2024, both days inclusive.**
11. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of the Special Business to be transacted at the Annual General Meeting is annexed hereto.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Tuesday March 19, 2024 at 09:00 A.M. and ends on Thursday, March 21, 2024 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Friday March 15, 2024, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Friday March 15, 2024

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

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

Step 1: Access to NSDL e-Voting system

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

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

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

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

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

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

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

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

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

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "[Forgot User Details/Password?](#)" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) [Physical User Reset Password?](#) (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

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

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

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

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of

the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer Ms. Binita Pandey, Practicing Company Secretaries, Partner of T. Chatterjee & Associates, Company Secretaries (FRN P2007WB067100), to act as the Scrutinizer to scrutinize the entire e-voting process in a fair and transparent manner by e-mail to csbinita.tca@gmail.com with a copy marked to evoting@nsdl.com, investors@dic.co.in, rta@cbmsl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Ms. Pallavi Mhatre, Senior Manager at evoting@nsdl.com

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investors@dic.co.in, rta@cbmsl.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investors@dic.co.in, rta@cbmsl.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-

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

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under **"Join meeting"** menu against Company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions as a speaker at the Meeting may pre-register themselves by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID/folio number, PAN and mobile number on e-mail id at investors@dic.co.in, rta@cbmsl.com, csbinita.tca@gmail.com between Tuesday, 17th March 2024 (9.00 a.m. IST) and Thursday, 20th March 2024 (5.00 p.m. IST). Only those Members who have pre-registered themselves as a speaker will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
6. Shareholders who would like to express their views/ask questions during the meeting and to register themselves during the meeting may register themselves by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID/folio number, PAN and mobile number on e-mail id at investors@dic.co.in or, rta@cbmsl.com, csbinita.tca@gmail.com
7. Shareholders attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

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

ITEM NO: 3

Mr. Ji Xiang Jason Lee, 40 years old, graduated with Bachelor of Accountancy (First Class Honors) and professional certification Chartered Accountant (Singapore) of the Institute of Singapore Chartered Accountants. He joined DIC group in April 2016 and has undertaken multiple roles across different functions including financial consolidation, Business Planning and Corporate Planning.

Mr. Jason is presently the Regional Internal Audit Director of DIC Asia Pacific Pte. Ltd., Singapore. Other Directorship and Committee Membership held by Mr. Ji Xiang Jason Lee as on December 31, 2023: Nil

ITEM NO: 4

Independent directors of the Company are to be paid commission not exceeding 1% of the net profits, computed in the manner laid down by the Companies Act, 2013 as approved by the members. The members at the general meeting held on June 12, 2020 had accorded their approval to payment of Commission by the Company, being for a period of five years commencing from January 01, 2019. The above



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approval expired on December 31, 2023. Accordingly, the approval of the member is sought for further period of five years commencing from January 01, 2024 till December 31, 2028. It may be noted that Article 106(3) of the Article of Association of the Company permits payment of such Commission by the Company.

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

Mr. Paul Koek

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 30 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.

Age - 63 Years

Nature of expertise in specific functional areas – Strategy Leadership, Industry Market & Sectorial Expertise, People & Talent understanding, Business Complexity, Technology & Digital Perspective, Governance Finance Risk, Diversity of Perspective

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

Registered Office:

UB 03, MANI TOWER 31/41, BINOVA BHAVE ROAD,
Behala, Kolkata-700034.

Noida

February 24, 2024

By order of the Board

Sd/-

Raghav Shukla
Corp. GM-Legal &
Company Secretary

Boards' Report

Dear Shareholders,

Your Directors take pleasure in presenting the 76th Annual Report on the business and operations of DIC India Limited ('Company'), along with the summary of financial statements for the year ended December 31, 2023.

FINANCIAL HIGHLIGHTS

(Rs.in Lakhs except EPS figure)

Particulars	Year ended	
	December 31, 2023 (Audited)	December 31, 2022 (Audited)
Revenue from operations	82,885.14	87,199.01
Other income	818.75	796.36
Total income	83,703.89	87,995.37
Total Expenses	84,149.60	86,864.07
Profit before exceptional item and tax	(445.71)	1,131.30
Exceptional Item:	(2,378.89)	3,300.00
Profit before tax	(2,824.60)	4,431.30
Total Tax Expense	(556.98)	332.89
Profit for the Year	(2,267.62)	4,098.41
Other comprehensive income	(141.11)	(8.19)
Total comprehensive income for the year	(2,408.73)	4,090.22
Paid-up Equity Share Capital	917.90	917.90
Earnings per equity share (of Rs.10 each) (not annualised)		
(a) Basic	(24.70)	44.65
(b) Diluted	(24.70)	44.65

STATE OF COMPANY'S AFFAIRS

Your Company recorded a turnover of Rs. 82,885.14 lakhs in the current year against Rs. 87,199.01 lakhs in the previous year. However, the Company registered a loss before tax of Rs. (2,824.60) lakhs in the current year against Rs. 4,098.41 lakhs in the previous year.

The losses were primarily on account of extra-ordinary expenses towards closure of Kolkata plant and low business yield.

MANAGEMENT DISCUSSION AND ANALYSIS

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

DIVIDEND

In view of loss recorded under current financial year your Board of Directors have decided not to recommend any dividend for the current financial year.

TRANSFER TO RESERVES

The Company has not transferred any amount to the General Reserve for the financial year ended December 31, 2023.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT



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

CHANGES IN THE NATURE OF BUSINESS

There has been no fundamental change in the nature of business of the Company during the financial year ended December 31, 2023.

SHARE CAPITAL AND LISTING OF SHARES

As on December 31, 2023, the authorized share capital of the Company is Rs. 1500 Lakh and subscribed & paid-up equity share capital of the Company is Rs.917.90 Lakh.

The Company's equity shares are listed on the National Stock Exchange of India Limited (NSE), BSE Limited (BSE) and Calcutta Stock Exchange. The equity shares are actively traded on NSE, BSE and CSE and have not been suspended from trading.

MEETINGS OF THE BOARD AND COMMITTEES OF THE BOARD

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

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received the necessary declaration from each Independent Director in accordance with Section 149(7) of the Act and Regulations 16(1)(b) and 25(8) of the SEBI Listing Regulations, that he/she meets the criteria of independence as laid out in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations.

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

EVALUATION OF BOARD'S PERFORMANCE

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

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

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

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

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

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

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

FAMILIARISATION PROGRAMME FOR DIRECTORS

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

REMUNERATION POLICY

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

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of loans given, investment made and guarantees provided by the Company, under Section 186 of the Companies Act, 2013, as at December 31, 2023, are furnished in **Annexure B** and forms part of this Report.

SUBSIDIARY/ASSOCIATES/JOINT VENTURE COMPANIES

The Company does not have any subsidiary/associate/joint venture company for the year ended December 31, 2023.

DEPOSITS

During the year under review, your Company did not accept any public deposits under Chapter V of the Companies Act, 2013 and as such, no amount on account of principal or interest on public deposits was outstanding as of December 31, 2023.

ANNUAL RETURN

In terms of Section 92(3) and Section 134(3)(a) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, copy of the Annual Return for the financial year 2023 of the Company is available on the website of the Company at <https://www.dic.co.in/investors/corporate-news>.



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ENERGY, TECHNOLOGY & FOREIGN EXCHANGE

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

HUMAN RESOURCES

DIC India believes that the competence and commitment of our employees are the key differentiating factors which enable our organization to create value by offering quality products & services to our customers. We strive to create a harmonious work environment & strengthen our work culture to drive high level of performance orientation. As a part of the culture, we are committed towards scaling up competence level of employees & offering them a long-term career to attract & retain talent. As on December 31, 2023, the Company had 357 employees (previous year 474) on its direct pay roll.

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

DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual harassment in line with the requirements of the Sexual harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('POSH Act') and the rules framed thereunder. Internal Complaints Committees (ICC) have been set up to redress complaints received regarding sexual harassment.

During the year under review, no complaint of sexual harassment was received by the Company and the policy is available on <https://www.dic.co.in/investors/policies>.

AUDIT COMMITTEE

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All the contracts/arrangements/transactions etc. entered into by the Company with related parties were in ordinary course of business and on arm length basis in terms of provisions of Companies Act, 2013.

Omnibus approval from the Audit Committee is obtained for all transactions with related parties and all such transactions are reviewed by the Audit Committee every quarter. The Audit Committee takes into consideration for approving all related party transactions from the perspective of fulfilling the criteria of meeting arm's length pricing.

As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, if any related party transactions exceeds Rs. 1000 crore or 10% of the annual turnover as per the latest audited financial statement, whichever is lower, would be considered as material and requires member approval. In this regard, the Company has not exceeded the limit as specified above and therefore no member's approval were required.

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

The Company in terms of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regularly submits within the prescribed time from the date of publication of its financial results for the half year, disclosure of related party transactions in the format specified to the stock exchange.

WHISTLE BLOWER MECHANISM

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior. The Company has vigil mechanism through its Whistle Blower Policy in compliance with the provision of Section 177(10) of the Companies Act, 2013 and Regulation 22 of Listing regulations.

The mechanism covers any instances of financial irregularities, breach of code of conduct, abuse of authority, disclosure of financial/price sensitive information, unethical/unfair actions concerning Company vendors/suppliers, malafide manipulation of Company record, discrimination to the code of conduct in an anonymous manner. The policy also provides protection to the employees and business associates who report unethical practices and irregularities.

The Company has an updated Whistle Blower Policy in place. The said policy may be referred to, at the Company's website https://www.dic.co.in/sites/default/files/202104/Whistle_Blower_Policy_0.pdf

INTERNAL CONTROL SYSTEMS

The Company has robust internal financial controls systems which is in line with requirement of Companies Act, 2013 which is intended to increase transparency and accountability in organizations process of designing and implementing a system of internal control.

The Company uses SAP ERP systems as a business enabler and to maintain its books of accounts. The transactional controls built into the SAP ERP systems ensure appropriate segregation of duties, appropriate level of approval mechanism and maintenance of supporting records. Detailed procedural manuals are in place to ensure that all the assets are protected against loss and all transactions are authorized, recorded and reported correctly. The internal control systems of the Company are monitored and evaluated by internal auditors and their audit reports are reviewed by the Audit Committee of the Board of Directors. The observations and comments of the Audit Committee are placed before the Board.

Based on the results of such assessments carried out by the management, no reportable material weakness or significant deficiencies in the design or operation of internal financial control was observed.

RISKS & MITIGATION STEPS

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

Pursuant to the provisions of Section 135 of the Companies Act, 2013 and applicable Rules, for the year ended December 31, 2023, the Company had a corpus of Rs. 25.91 Lakh in its CSR funds to be spent towards CSR activity.



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

In year 2023, the Company actively worked on the following three CSR initiatives under the thematic areas chosen:

Under the "Deeksha" programs, children from underprivileged families have been brought under our wings to be guided and groomed for a successful future with quality education. Our program of Deeksha is executed by our experienced NGO partner Jeevan Tirth, who have expertise in execution of United Nations sustainable goals.

In the year 2023, DIC commissioned a study by Maharaja Sayaji Rao university (MSU) of Vadodara to do 'Needs assessment' of social requirements of community in Saykha village, particularly with respect to 'Health'. Based on findings of MSU, DIC initiated a project through a renowned NGO, 'Feedback Foundation', which aims to make Saykha village a 'Zero Waste' location. This project is being done as part of 'Saksham' initiative of the Company which aims to promote 'Health' SDG. With the involvement of the community and help of authorities, Feedback foundation was able to finalize the land location & profile for Sanitation Park. The work will continue in the next year as well.

The Company, in the Financial Year 2023 has fully utilized the CSR Corpus and spent Rs. 26.09 Lakh towards Corporate Social Responsibility. The Annual Report on CSR activities, in terms of Section 135 of the Companies Act, 2013, and the Rules framed thereunder, is annexed to this report as **Annexure E**.

CORPORATE GOVERNANCE

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

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

SECRETARIAL STANDARDS

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

DIRECTORS

Pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013, one third of Directors as are liable to retire by rotation, shall retire by rotation every year and, if eligible, offer themselves for re-appointment at every Annual General Meeting (AGM). Consequently, Mr. Paul Koek (DIN: 00081930) retires by rotation and being eligible, offers himself for re-appointment. A resolution seeking shareholders' approval for his re-appointment forms part of the notice of 76th AGM.

Pursuant to the provisions of Section 149 of the Act, the independent directors have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). There has been no change in the circumstances affecting their status as independent directors of the Company.

The Independent Directors have complied with the Code for Independent Directors prescribed under Schedule IV of the Companies Act, 2013 and the Listing Regulations. The Board is of the opinion that the Independent

Directors of the Company possess requisite qualifications, experience and expertise and they hold highest standards of integrity.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees and reimbursement of expenses incurred, if any. None of the Directors of the Company are disqualified under Section 164(2) of the Companies Act, 2013 and rules made there under.

Particulars of change in directorship during the year:

Name of the Director	Category	Date of Appointment/ Cessation	Remarks
Mr. Adnan Wajhat Ahmad	Non-Executive Independent Director	February 08, 2023	Appointment
Mr. Ryohei Kohashi	Non-Executive Non-Independent Director	February 08, 2023	Appointment
Mr. Ho Yeu Guan	Non-Executive Non-Independent Director	February 08, 2023	Cessation
Mr. Taishi Nojima	Whole Time Director	May 11, 2023	Cessation
Mr. Partha Mitra	Non-Executive Independent Director	March 23, 2023	Cessation

Further, based on the recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company at their meeting held on August 04, 2023 re-appointed Mr. Rajeev Anand (DIN: 02519876), Mr. Prabal Sarkar (DIN: 03124712) and Ms. Pritha Dutt (DIN: 02910608) as Non-Executive Independent Director. The members of the Company via postal ballot (resolutions passed on September 05, 2023 respectively) also approved the re-appointment of Mr. Rajeev Anand, Mr. Prabal Sarkar and Ms. Pritha Dutt.

Mr. Masahiro Kikuchi (DIN: 08025525), consequent to his change of assignment from the Group, has resigned from the Board effective from January 11, 2024.

Mr. Ji Xiang Jason Lee (DIN:10485668), on February 22, 2024, was appointed as an Additional Director (Non-Executive Non-Independent) on the Board of the Company to hold office till ensuing AGM. The Board recommends his appointment as Non-Executive Non-Independent Director w.e.f. February 22, 2024.

KEY MANAGERIAL PERSONNEL

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

1. Mr. Manish Bhatia– Managing Director & Chief Executive Officer
2. Mr. Gagan Deep Singh - Chief Financial Officer
3. Mr. Raghav Shukla–Corp. General Manager-Legal & Company Secretary

During the year, Mr. Taishi Nojima (DIN: 08401012) resigned as Whole-Time Director of the Company with effect from May 11, 2023.

Mr. Sandip Chatterjee stepped down from the post of Chief Financial Officer w.e.f March 31, 2023 upon of his superannuation.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;



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

STATUTORY AUDITORS

As per the provisions of the Act, the Company appointed M/s. Price Waterhouse Chartered Accountants LLP as the Statutory Auditors of the Company for a period of five years commencing from the conclusion of the 75th Annual General Meeting held on March 22, 2023 till the conclusion of 80th Annual General Meeting.

STATUTORY AUDITORS' OBSERVATIONS

The Auditors' Report on the Financial Statements for the Financial Year ended December 31, 2023 is an Unmodified report and does not contain any qualification, report of fraud, reservation, adverse remark or disclaimer and do not call for any further comments.

SECRETARIAL AUDITOR

The provisions of Section 204 of the Companies Act, 2013 mandates Secretarial Audit of the Company by a Company Secretary in Practice. The Board appointed M/s. T. Chatterjee & Associates, Practicing Company Secretary (Firm Registration No. P2007WB067100) as the Secretarial Auditor for the financial year ending December 31, 2023. The Secretarial Auditors' Report for the financial year ending December 31, 2023 is annexed to this Report as **Annexure H**. There are no qualification, reservation, adverse remark or disclaimer in the said report and do not call for any further comments.

COST AUDITOR

During the Year, the provisions of Section 148 of the Companies Act, 2013 is not applicable on the Company.

DETAIL OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

During the financial year under review, neither any application is made by the Company nor any proceeding is pending under the Insolvency And Bankruptcy Code, 2016.

TRANSFER TO INVESTOR EDUCATION & PROTECTION FUND

During the financial year ended December 31, 2023, unpaid or unclaimed dividend for the financial year ended December 31, 2015 amounting to Rs. 3,07,741 were transferred to the Investor Education and Protection Fund established by the Central Government, in compliance with section 125 of the Companies Act, 2013. Further, 9,131 Shares were transferred to Investor Education and Protection Fund during Financial Year ended December 31, 2023.

SIGNIFICANT AND MATERIAL ORDERS

During the period under review, the Company initiated the process for closure of its manufacturing facilities at

Kolkata. While the formalities for closure are under process, the manufacturing facilities the Company has since stopped, and all the employees and workmen has separated/ transferred.

The decision for closure is in line with the Company philosophy and continuously improving operating efficiency.

OTHER DISCLOSURE

During the financial year under review, disclosure with respect to details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the banks or financial institutions along with the reason thereof is not applicable.

ACKNOWLEDGEMENT

The continued co-operation and support of its loyal customers has enabled the Company to make every effort to understand their unique needs and deliver maximum customer satisfaction. Our employees at all levels, have been core to our existence and their hard work, co-operation and support is helping us as a Company face all challenges. Our vendors, who form a part of our global footprint reinforce our presence across the globe and relentlessly push forward in establishing the DIC brand. Our Company is always grateful for their efforts. The flagbearers of fair play and regulations, which includes the regulatory authorities, the esteemed league of bankers, financial institutions, rating agencies, stock exchanges and depositories, auditors, legal advisors, consultants and other stakeholders have all played a vital role in instilling transparency and good governance. The Company deeply acknowledges their support and guidance.

For and on behalf of the Board

February 22, 2024
Noida

Sd/-
Rajeev Anand
Director
DIN: 02519876

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

Management Discussion and Analysis Report

Economic Environment

The Indian economy stands at a pivotal crossroads, characterized by resilience and growth amidst global economic uncertainties and geopolitical tensions. India has shown remarkable economic stability throughout the past year, supported by robust domestic demand and progressive government policies. This stability, which has allowed India to remain one of the fastest-growing major economies, is expected to continue into the new year despite the challenges posed by the global environment.

One of the critical concerns entering 2023 was inflation, which began to show signs of a gradual decline towards the end of the year. The Reserve Bank of India's monetary policy played a pivotal role in achieving this balance, carefully navigating between fostering economic growth and maintaining inflation control. As we enter 2024, maintaining this delicate equilibrium becomes even more critical, especially considering the potential shifts in the global economy.

The financial markets in India experienced a fair share of volatility throughout 2023, driven by both global economic trends and domestic factors. The Rupee, has started to show signs of stabilization. In 2024, the focus will shift towards strengthening the financial sector further, boosting investor confidence, and ensuring the currency's stability, all within the context of a changing global economic scenario.

Regarding sectoral growth, key industries such as Fast-Moving Consumer Goods (FMCG) and packaging inks have begun to show signs of recovery following the previous year's challenges. Regulatory changes aimed at promoting sustainable practices and innovation in packaging have started to show some positive impact. In 2024, these sectors are expected to continue adapting and growing, aligning themselves with broader economic trends and environmental considerations.

India's external trade dynamics in 2023 were significantly influenced by various global events, such as China's economic reopening and the evolving situation in Europe. In 2024, India's trade strategy will likely focus more on diversifying its markets and leveraging its substantial foreign exchange reserves to navigate potential regional instabilities effectively.

The shift towards eco-friendly practices, such as adopting toluene-free inks and exploring alternative packaging solutions, is expected to gain momentum.

In 2024, the Indian economy is prepared to capitalize on its growth momentum; however, it may face several key downside risks that could impact its growth and stability. A global economic slowdown, particularly in significant economies, poses a risk of reduced exports and investment alongside disruptions in global supply chains. Geopolitical tensions and conflicts could increase market volatility, affecting trade and foreign investment. Inflationary pressures if they resurge, could erode consumer purchasing power, dampening demand. Furthermore, environmental, and climatic risks, such as extreme weather events, have the potential to impact agriculture and demand, affecting overall economic activity significantly. Navigating these challenges will be crucial for maintaining India's economic resilience.

Opportunities

As DIC India strides into 2024, its unwavering commitment to innovation, manufacturing efficiency, and sustainability is at the forefront of its strategic goals. With a forward-thinking approach, DIC India continues to realign its operations, aiming to meet immediate needs and align with its long-term sustainability objectives.

Central to this vision is the company's ongoing investment in renewable energy. Building on the success of the Noida plant's transition to solar energy, DIC India is set to expand the use of renewable sources across its other facilities. This pivotal shift directly responds to the urgent need for climate action and is integral to DIC India's commitment to reducing carbon emissions and fulfilling its environmental responsibilities.

DIC India's strategies for 2024 are closely aligned with specific Sustainable Development Goals (SDGs). These goals frame the company's efforts in building resilient infrastructure, fostering innovation, promoting sustainable industrial practices, and prioritizing environmental conservation.

This alignment is not merely a corporate obligation but a strategic imperative that propels long-term growth and industry leadership. The company's regional research center continues to be an epicenter of innovation, focusing on developing new technologies for food packaging. This pursuit contributes to responsible production and consumption.

DIC India addresses both market needs and pressing environmental challenges by leading the shift towards safer and more environmentally friendly packaging solutions.

As a responsible corporation, DIC India will continue to ensure its commitment to governance and responsible corporate practices, integrating sustainable practices across all business facets. This holistic approach ensures that the company's growth is balanced with societal and environmental stewardship.

DIC India's commitment to society goes beyond its operations; we will continue to contribute positively to communities surrounding our plants. In 2023, we took a step in this direction and will continue to build on the same in 2024. This commitment reflects a broader focus on sustainable practices that benefit both society and the environment.

As we journey through 2024, DIC India is poised to face the dynamic challenges and opportunities of the economic environment. The company's commitment to sustainability, innovation, and responsible practices ensures DIC India remains at the forefront championing a future where economic growth and sustainability are inextricably linked.

Threats

In 2024, India's publication and packaging industry, as it aspires for growth, will continue to face several Challenges. Digital transformation and the growing preference for online media could reduce demand for traditional print publications. Environmental regulations and the push for sustainability may challenge the packaging sector, necessitating adaptations to eco-friendly materials and processes.

However, pricing pressures and competitiveness in the industry will ensure demand from customers will grow to become more sustainable and maintain price points established by less sustainable technologies in the past. This will put significant challenges to research and development.

Supply chain disruptions, exacerbated by global economic uncertainties, could lead to raw material shortages and increased costs. Additionally, fluctuating economic conditions might impact consumer spending patterns, affecting demand. We will have to continue to innovate while focusing on productivity and value creation to remain a step ahead.

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

Segment-wise performance and Industry Outlook

As DIC India embarks on 2024, the company's strategic focus continues to evolve, adapting to the dynamic industry landscape and building upon the lessons of 2023.

In 2023, the business experienced a shift in customer demand, primarily due to inflationary challenges. Customers increasingly sought cost-effective and fit-for-purpose ink solutions, which required DIC India to balance legislation, performance, and affordability adeptly. This trend necessitated innovation in product development and a strategic approach to market demands.

The commodities part of our portfolio, while having seen a stabilization in pricing, continued to face margin



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Annexure A

challenges throughout 2023. DIC India expanded its portfolio to include sustainable lamination and non-lamination products, which will see increased focus in the coming years. In flexible packaging, DIC India's aggressive strategy in 2023, including launching a couple of new product technologies, securing long-term contracts with key converters, and digitising its technical service, yielded positive results.

This approach demonstrated the company's ability to adapt to market needs and secure a competitive edge. We will continue to build on this for the future.

The rigid packaging inks segment saw mixed demand in 2023; the food segment showed buoyant demand, whereas the liquor industry exited cartons sizeably, impacting premium segment volumes. DIC was able to innovate and grow its share in this segment.

DIC India's publication business continued to expand its market share in 2023, focusing on asset productivity and refining its product portfolio. Despite a plateauing demand, the company maintained its leadership position through strategic market engagement and innovation.

Risk & Concerns

2023 brought its share of industry challenges, i.e. pricing pressures due to surplus capacity.

The packaging ink industry continues to grapple with Inflation and the growing need for sustainable practices, potentially increasing operational costs. Volatile raw material prices and supply chain disruptions can continue to further strain profitability. Additionally, intense competition and market saturation pose challenges to maintaining market share and margins. Adapting to these evolving risks while innovating to meet changing consumer and regulatory demands will be crucial for the business's sustainable growth.

Business Strategy

For 2024, the company's business strategy is firmly anchored in the learnings of 2023. Building on a foundation of I-ESG (Innovation, Environment, Sustainability, Governance), the focus remains steadfast on enhancing asset productivity, digitization, and developing a future-ready portfolio.

In 2023, DIC India adeptly navigated various challenges through innovation and a focus on asset productivity, taking essential steps that are expected to bolster its financial health in the long term. The digital transformation initiatives undertaken in 2023, such as implementing CRM and a robust digital marketing strategy, were pivotal in enhancing customer engagement and operational efficiency.

In 2024, DIC India plans to expand its digital capabilities further, leveraging new technologies to integrate and streamline processes, improve customer management, and maintain cost-effectiveness, especially during economic fluctuation.

The company's commitment to innovation remains a crucial pillar of its strategy. DIC India will continue to refresh its product portfolio, ensuring it aligns with sustainable practices and meets the market's evolving needs. This approach positions the company as a leader in its industry and aligns with DIC Corporation's broader Vision 2030.

In line with its long-standing commitment to sustainability, DIC India will continue to invest in initiatives that improve yield, reduce CO2 emissions, and enhance waste and water management. These efforts contribute to the company's overall sustainability goals and reflect its responsibility towards the environment.

In 2023, the company took significant steps to improve its asset productivity. Improvement in asset productivity will remain an area of focus, and it will continue to strive towards improved operational efficiency.

The focus on safety and safe operations remains paramount. DIC India's strong safety record in previous years is a benchmark for ongoing efforts to ensure a secure working environment for all employees.

As DIC India progresses through 2024, its business strategy is attuned to the dynamic market conditions and

societal needs. The company's dedication to I-ESG principles and its commitment to innovation, digitization, and sustainable development positions it well to navigate the challenges and capitalize on the new year's opportunities, continuing its journey toward sustainable prosperity and societal well-being.

Internal Control System and their adequacy

The Company's Internal Control System details and their adequacy have been furnished in the Boards' Report forming a part of this Annual Report. Even though not mandated by Law, the Company has constituted the Risk Management Committee, with oversight by an independent director. Its risk register continues to measure the Company's ability to mitigate potential risks through structured risk mitigation programs with a line of sight to the board of directors.

Financial performance impacted by operational performance.

This Year 2023 financial performance was impacted by steps taken by the Company to consolidate its manufacturing footprints to improve its assets productivity. During the year the Company continued its journey to increase its market share in the premium segment of flexible packaging and rigid packaging. The exports got impacted due to geo-political issues and reduced demand in overseas market.

Human Resource

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

Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor, including.

Ratios	December 31,2023	December 31,2022	Variance	Reason of variance
Return on equity ratio	-1.39%	2.54%	-154.63%	Due to loss incurred in current year
Net Profit	-3%	-5%	-158.21%	Due to loss incurred in current year
Debt service coverage ratio	(0.02)	2.42	-100.65%	Due to working capital loan taken in current year for operations and loss incurred in current year.
Operating profit ratio	-3%	6%	-152.75%	Due to loss incurred in current year.
Return on capital employed	(0.00)	0.04	-102.09%	Due to loss incurred in current year.
Return on investment	(0.04)	0.06	-161.81%	Due to loss incurred in current year

Disclosure of Accounting Treatment

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



Color & Comfort

Annexure B

Detail of Investments as on December 31, 2023

Name of the Company	Amount (Rs. In Lakhs)
Solarstream Renewable Services Private Limited	49.60

Details of Loan as on December 31, 2023.

As on December 31, 2023, the Company has not given any loan.

Details of Guarantee as on December 31, 2023.

As on December 31, 2023, the Company has not given any guarantee.

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

A. Conservation of Energy

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

- Reduction of fresh air blower fan speed by 50% at Kolkata Plant*
- Motion sensor & illumination level-based lighting in offices & warehouses of Kolkata Plant.*
- Reduction of cycle time of UV ink production at Kolkata Plant.*
- Reduction of compressed air setpoint at Kolkata & increase of chilled water setpoint at Noida & Saykha plant
- Throughput improvement of News Ink bead mills & timer installation in LI bulk mixers at Noida plant
- Arresting of leakages in compressed air network of Noida plant
- Introduction of VFD in air compressor of Ahmedabad plant
- Water source change from ground to river water caused water savings of 26% and RO plant power consumption reduced by 90% compared to last year at Bangalore plant.
- MDI melting water collection instead of leaving to drain resulted in water saving of 64KL for Q4 at Bangalore
- Batch size increase of solvent recovery plant at Bengaluru.

FORM - A

Conservation of Energy for the Accounting Period Ended December 31, 2023

(i) Power and Fuel Consumption

(Rs.in Lakhs except EPS figure)

	Fuel Consumption	Units	2023	2022
1.	Electricity			
1.1	Purchased from Electricity Board			
	KWH	Million	4.22	3.66
	Total Amount *	Rs. in Million	39.03	34.03
	Average Rate	Rs./Units	9.25	9.30
1.2	Purchased from Others			
	KWH	Million	3.03	3.10
	Total Amount	Rs. in Million	31.06	30.30
	Average Rate	Rs./Units	10.25	9.78
1.3	Own Generation-through Diesel Generator			
	KWH	Million	0.194	0.14
	Unit Generated Per Liter of Diesel**	KWH	3.98	3.39
	Average Rate	Rs./Units	22.05	26.50
2.	HSD Used (Other than Kill) Above)			
	Liters	Million	0.02	0.02
	Total Amount	Rs. in Million	1.76	1.79
	Average Rate	Rs./Units	87.86	89.82
3.	Furnace Oil / PNG			
	SCM (PNG)*	Million	0.33	0.28
	Total Amount	Rs. in Million	22.18	18.59
	Average Rate	Rs./Units	68.06	68.04

*Manufacturing at Kolkata Plant has since stopped.

**Including benefit of solar at Noida plant.

***At Noida plant dual fuel - HSD & PNG are used simultaneously. So, Unit generated per liter of diesel is high)

(II) Steps taken for utilizing alternate sources of energy

- Daylighting system at Noida plant – use of direct solar lighting - Capital Investment sanctioned/incurred for energy conservation equipment.
 - Daylight system at Noida: Rs. 3.84 Lakh
 - Dual fuel at 2 more DG sets, Noida plant: Rs. 35.69 Lakh
 - AC replacement at Noida: Rs. 6.88 Lakh
 - Fast operating filling machine at Bangalore: Rs. 3.90 Lakh

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

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

B. RESEARCH & DEVELOPMENT

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

- Development and commercialization of various aromatic solvent free inks for food packaging in compliance with IS 15495:2020 Standards. These inks are specially formulated in accordance with Indian and International standards. A new plant has been built to produce these inks avoiding any contamination of aromatic solvents.
- Development of environment friendly water-based ink system for plastic film reverse application and gravure printing process with minimal VOC level providing safe and economical option for converter. These inks can be used for food packaging and comply with IS 15495:2020.
- Development of LED coating and LED offset inks to reduce energy and make it more environmentally friendly. This will work as a cost-effective replacement of UV technology soon.
- Development of a new generation Flexography ink system for flexible packaging. These inks are specially formulated for Flexography process with finer aniloxes and plates making it economical w.r.t. application cost.
- Development and establishment of solar panel adhesive (sustainable solution.)
- Establishment of barrier coating and adhesive for flexible packaging to improve recyclability with mono material structure. Barrier coating and adhesive can help to make structure with reduced weight with same barrier properties (OTR and MVTR)
- Development of mineral oil free inks for offset packaging. This will help in food packaging segments.
- Development of Low PAH inks for newspaper printing. These inks are more environmentally friendly and comply with international regulations.
- PVC free ink system for Flexible packaging for better recyclability.



2. Benefits derived as a result of R&D

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

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

3. Future Action Plan:

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

4. Expenditure on R&D

The Company has modern R&D Centers at Bengaluru and Noida. During the year, the Company has incurred the following expenditures on R&D Facilities:

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

C. TECHNOLOGY ABSORPTION, ADOPTION, AND INNOVATION

1. The efforts made towards Technology Absorption, Adoption and Innovation the Company has been successfully developing the technologies and products listed in B1 above.

2. Benefits derived as a Result of above Efforts.

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

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

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

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

D. Foreign Exchange Earnings and Outgo

Exports during the year stood at Rs. 7,557.50 Lakhs (from Rs. 10,220 Lakhs in 2022), and 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. 18,256.20 Lakhs (from Rs. 22,401 Lakhs in 2022).

Disclosure under Section 197 (12) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014
Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year.

S.No	Name of Director/KMP and Designation	Remuneration during the financial year 2023 (Rs in million)	% Increase in remuneration in the financial year 2023	Ratio of remuneration of each director to median remuneration of employees
1	Mr. Manish Bhatia, Managing Director & CEO	33.19*	7.0 %	26.98
2	Mr. Adnan Ahmad (Independent Director)	0.815	NA	0.66
3	Mr. Prabal Kumar Sarkar (Independent Director)	1.02	NA	0.83
4	Ms. Pritha Dutt (Independent Director)	0.79	NA	0.64
5	Mr. Rajeev Anand (Independent Director)	0.79	NA	0.64
6	Mr. Paul Koel (Non-Executive Director)	Nil	NA	NA
7	Mr. Masahiro Kikuchi (Non-Executive Director)	Nil	NA	NA
8	Mr. Ryohei Kohashi (Non-Executive Director)	Nil	NA	NA
9	Mr. Gagandeep Singh (CFO)	9.06	20.8%	7.37
10	Mr. Raghav Shukla (Company Secretary)	6.65	6.9%	5.40
11.	Mr. Partha Mitra Independent Director	0.20	NA	0.16
12.	Mr. Sandip Chatterjee Chief Finance Officer	3.04	NA	2.47
13.	Mr. Taishi Nojima	3.03	NA	2.46
14.	Mr. Ho Yeu Guan	Nil	NA	NA

*It includes variable pay disbursement for 2022

Percentage increase in the median remuneration of employees in the financial year:

The percentage increase in the median remuneration of all non-unionised employees in the financial year 2023 was 3.4%.

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

Number of permanent employees on the rolls of Company.

The Company had 357 permanent employees on its rolls as on December 31, 2023.

Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

Average percentile increase, other than managerial personnel was 6.77%. However, the managerial remuneration salary increase was in line with the overall salary increase approach.

Affirmation that the remuneration is as per the remuneration policy of the Company.

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

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

1. Brief outline on CSR Policy of the Company:

As a part of DIC India Corporate Social Responsibility, the Company has identified Education and Health as the 2 thematic areas for intervention which are related to UN's Sustainable Development Goals (SDG) 3, 4, 6, 11, 12, 13 15. These are as per the areas identified as per the guidelines laid down in Section 135 of the Companies Act.

In year 2023, the Company actively worked on the following three CSR initiatives under the thematic areas chosen:

Under the "Deeksha" programs, children from underprivileged families have been brought under our wings to be guided and groomed for a successful future with quality education. Our program of Deeksha is executed by our experienced NGO partner Jeevan Tirth, who have expertise in execution of United Nations sustainable goals.

In the year 2023, DIC commissioned a study by Maharaja Sayaji Rao university (MSU) of Vadodara to do 'Needs assessment' of social requirements of community in Saykha village, particularly with respect to 'Health'. Based on findings of MSU, DIC initiated a project through a renowned NGO, 'Feedback Foundation', which aims to make Saykha village a 'Zero Waste' location. This project is being done as part of 'Saksham' initiative of the Company which aims to promote 'Health' SDG. With the involvement of the community and help of authorities, Feedback foundation was able to finalize the land location & profile for Sanitation Park. The work will continue in the next year as well.

2. Composition of CSR Committee:

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

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

<https://www.dic.co.in/sites/default/files/2024-02/CSR-Policy.pdf>

<https://www.dic.co.in/sites/default/files/2023-10/Composition%20of%20Board%20Committees.pdf>

https://www.dic.co.in/sites/default/files/2022-05/CSR_Annual%20Action%20Plan-%20FY2022.pdf

- | | |
|---|----------------|
| 4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable. | Not Applicable |
| 5. a) Average Net Profit of the company as per sub-section (5) of section 135. | 1295.58 Lakh |
| b) Two percent of average Net Profit of the Company as per sub-section (5) of section 135. | 25.91 Lakh |
| c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years. | NIL |
| d) Amount required to be set-off for the financial year, if any. | NIL |
| e) Total CSR obligation for the financial year [(b)+(c)-(d)]. | 25.91 Lakh |
| 6. a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project). | 26.09 Lakh |
| b) Amount spent in Administrative Overheads. | NIL |
| c) Amount spent on Impact Assessment, if applicable | NIL |
| d) Total amount spent for the Financial Year [(a)+(b)+(c)]. | 26.09 Lakh |
| e) CSR amount spent or unspent for the Financial Year: | NIL |

Total Amount Spent for the Financial Year. (Rs. in Lakh)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per subsection (6) of section 135.		Total Amount transferred to Unspent CSR Account as per subsection (6) of section 135.		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
26.09	NIL	NA	NIL	NIL	NIL

- f) Excess amount for set-off, if any: 0.18 Lakh

Sl. No.	Particular	Amount (Rs. in Lakh)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	25.91 Lakh
(ii)	Total amount spent for the Financial Year	26.09 Lakh
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	0.18 Lakh
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	NIL
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	0.18 Lakh

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

1	2	3	4	5	6	7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (Rs. in Lakh)	Balance Amount in Unspent CSR Account Under subsection (6) of section 135 (Rs. in Lakh)	Amount Spent in the Financial Year (Rs. in Lakh)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any	Amount remaining to be spent in succeeding Financial Years (Rs. in Lakh)	Deficiency, if any
					Amount (Rs. in Lakh)	Date of Transfer	
1	2022	NIL	NIL	33.58	NA	NIL	NA
2	2021	NIL	NIL	20.51	NA	NIL	NA
3	2020	NIL	NIL	14.50	NA	NIL	NA

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: ☐ Yes ☐ No
- If Yes, enter the number of Capital assets created/ acquired NIL
- Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not Applicable

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

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

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

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

Sd/-
Pritha Dutt
Chairperson CSR Committee

Corporate Governance Report

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

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

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

2. CODE OF BUSINESS CONDUCT

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

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

In terms of the resolution passed by the Board of Directors in their meeting held on February 22, 2024 the Board has authorized Mr. Manish Bhatia, Managing Director & Chief Executive Officer to sign all Certificates as may be required, to comply with the statutory requirements. Accordingly, a declaration from the Managing Director & Chief Executive Officer that all Board Members and Senior Management personnel have duly complied with the Code of Conduct for the financial year ended December 31, 2023 forms part of the Annual report.

3. DIC INDIA - CODE OF FAIR DISCLOSURE, CONDUCT & INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING

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

All our Promoters, Directors, Employees of the Company have been identified as Designated Persons, and their immediate relatives and other Connected Persons such as auditors, consultants, bankers amongst

others, who could have access to the unpublished price sensitive information of the Company, are governed under this Insider Trading Code.

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

4. BOARD OF DIRECTORS

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

Size and Composition of the Board

Our policy is to have an appropriate combination of Executive Director ('ED'), Non-Executive Non-Independent Directors ('NEDs') and Independent Directors ('IDs') to maintain the Board's independence and separate its functions of governance and management. As on December 31, 2023, the Board comprised of eight members, one is ED, three NEDs and Four IDs, including one-woman Independent Director. The Board periodically evaluates the need for change in its composition and size. Detailed profiles of our directors are available on our website <https://www.dic.co.in/board-of-director>.

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

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

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

During the Financial Year 2023, none of our directors acted as a member in more than 10 committees or as Chairperson in more than 5 committees across all listed entities where they serve as a director. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations. Further, there are no inter-se relationships between our Board Members.



Color & Comfort

Composition of Board and Directorship held as on December 31, 2023

Name of the Director	Indian Public Companies*		Board Committees**		Directorship in other listed entity (Category of Directorship)
	Chairperson	Member	Chairperson	Member	
Independent Directors					
Mr. Adnan Wajhat Ahmad DIN: 00335205	1	1	1	-	Coromandel International Limited
Mr. Rajeev Anand DIN: 02519876	-	-	-	-	-
Mr. Prabal Kumar Sarkar DIN: 03124712	-	1	1	-	Merino Industries Limited
Ms. Pritha Dutt DIN: 02910608	-	-	-	-	
Non-Executive, Non-Independent Directors					
Mr. Paul Koek DIN: 00081930	-	-	-	-	-
Mr. Masahiro Kikuchi*** DIN: 08024525		-	-	-	-
Mr. Ryohei Kohashi DIN: 10043620	-	-	-	-	-
Executive Director					
Mr. Manish Bhatia Managing Director and Chief Executive Officer DIN: 08310936	-	-	-	-	-

NEID – Non-Executive Independent Director

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

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

*** Ceased from the position of directorship w.e.f January 11, 2024.

Key Board Qualifications, Expertise and Attributes

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

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

Matrix on skill sets possessed by the Board of Directors

DIC India Board comprises directors from diverse backgrounds possessing a range of professional experiences, capabilities, and viewpoints. This helps to create a robust and vibrant board. The capabilities and experiences sought in our directors' are detailed below:

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

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

Selection of New Directors and Board Membership Criteria

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

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

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

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

Director Name / Skills	Age (Years)	Appoint ment Year	Gen- der	Commi ttee Memb erships	Strategic Leader ship and Manag ement Experi nces	Industry, Market and Sectorial Expertise	People and Talent Unders tanding	Experi ence of Business Compl exity	Techno logy and Digital Perspe ctive	Govern ance, Finance and Risk	Diversity of Perspect ive
Mr. Adnan Wajhat Ahmad	62	2023	M	AC, CSR, SRC, RMC*	✓	✓	✓	✓	✓	✓	
Mr. Rajeev Anand	63	2020	M	SRC,	✓		✓	✓		✓	✓
Mr. Prabal Kumar Sarkar	66	2020	M	AC, NRC, RMC*	✓		✓			✓	✓
Ms. Pritha Dutt	59	2020	F	NRC, CSR	✓	✓	✓	✓		✓	✓
Mr. Paul Koek	63	2004	M	AC, NRC, SRC, CSR	✓	✓	✓	✓	✓	✓	✓
Mr. Masahiro Kikuchi	61	2018	M	NA	✓		✓	✓			✓
Mr. Ryohei Kohashi	43	2023	M	RMC*	✓			✓	✓	✓	✓
Mr. Manish Bhatia	52	2019	M	RMC*	✓	✓	✓	✓	✓	✓	✓

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

Familiarization Programme for Independent Directors

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

The details of Familiarization Programme have been posted in the Company's website

<https://www.dic.co.in/sites/default/files/2021-01/familiarisation-program-independent-directors.pdf>

Board Evaluation

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

Remuneration Policy for Board and Senior Management

The Board has approved the Remuneration Policy for Directors, Key Managerial Personnel ('KMP') and all other employees of the Company. The same is available on our website

<https://www.dic.co.in/sites/default/files/2021-01/remuneration-policy.pdf>.

Details of remuneration for Directors in financial year ended December 31, 2023 are provided below:

Shares held and remuneration paid to Directors for the year ended December 31, 2023

Name	Fixed Salary			Performance Bonus	Commission	Sitting Fees	Total Compensation
	Basic	Perquisites/ Allowances	Total Fixed Salary				
Independent Directors							
Mr. Partha Mitra*	-	-	-	-	964,975	2,00,000.00	11,64,975
Mr. Adnan Wajhat Ahmad**					-	8,15,000.00	8,15,000.00
Mr. Rajeev Anand	-	-	-	-	204,350	7,90,000.00	9,94,350
Mr. Prabal Kumar Sarkar	-	-	-	-	204,350	10,20,000.00	12,24,350
Ms. Pritha Dutt	-	-	-	-	204,350	7,90,000.00	9,94,350
Non-Executive Directors							
Mr. Paul Koek	-	-	-	-	-	-	-
Mr. Ho Yeu Guan*							
Mr. Masahiro Kikuchi*	-	-	-	-	-	-	-
Mr. Ryohei Kohashi**	-	-	-	-	-	-	-
Executive Directors							
Mr. Manish Bhatia	81,01,995	1,69,22,686	2,50,24,681	8,16,8,812	-	-	3,31,93,493
Mr. Taishi Nojima*	26,00,000	4,29,600	30,29,600	-	-	-	30,29,600

*Mr. Partha Mitra ceased to be independent director with effect from 23.03.2023

* Mr. Ho Yeu Guan ceased to be non-executive director with effect from 08.02.2023

* Mr. Taishi Nojima ceased to be whole time director with effect from 11.05.2023

** Mr. Adnan Wajhat Ahmad appointed as an Independent Director with effect from 08.02.2023.

** Mr. Ryohei Kohashi appointed as a Non Executive Director with effect from 08.02.2023



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Note:

1. None of our Directors hold shares, stock options, convertible securities or instruments of the Company as on December 31, 2023. None of the Executive Directors are eligible for payment of any severance fees and the contracts with Executive Director may be terminated by either party giving the other party three (3) months' notice or the Company paying three (3) months' salary in lieu thereof.
2. Except for the Executive Directors and Independent Directors, all the members of the Board are liable to retire by rotation.
3. Performance Bonus / incentives payable to the Executive Director is determined based on the status of the inventory and debtors, profitability and overall financial position of the Company.
4. In addition to the sitting fees, the Company had approved payment of commission to its resident non-executive directors pursuant to approval of the members at the Annual General Meeting held on June 12, 2020. The payment of the commission was approved for a period of 5 years commencing from January 1, 2019.
5. The criteria for payment of commission to eligible directors as approved by the Board is as under:
 - Non-Executive Independent Chairman
 - 0.5% of the profits subject to annual ceiling of Rs.850,000/-
 - Additional amount based on pro rata weightage given to attendance in Board & Committee Meetings
 - Other Non-Executive Independent Directors
 - 0.5% of the profits subject to annual ceiling of Rs.180,000/- per Director
 - Additional amount based on pro rata weightage given to attendance of the individual director in Board & Committee Meetings
6. At Present sitting fees, details of which are provided below, are paid to Non-Executive Independent Directors for attending each meeting of the Board and the Committees thereof:

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

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

5. BOARD MEETINGS

Scheduling and selection of agenda items for Board Meetings

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

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

(11) Eleven Board meetings were held during the year ended December 31, 2023 on January 06, 2023, February 08, 2023, February 24, 2023, March 22, 2023, May 11, 2023, August 04, 2023, August 28, 2023, September 06, 2023, October 27, 2023, November 09, 2023 and December 23, 2023. The gap between any two Board meetings during this period did not exceed one hundred and twenty days.

Attendance details of Directors for the year ended December 31, 2023, are given below:

Name of Director	Category	No. of Meetings held during tenure	No. of Meetings Attended	Attendance %
Mr. Partha Mitra*	ID	4	4	100
Mr. Adnan Wajhat Ahmad**	ID	10	9	90
Mr. Rajeev Anand	ID	11	11	100
Mr. Prabal Kumar Sarkar	ID	11	11	100
Ms. Pritha Dutt	ID	11	11	100
Mr. Paul Koek	NED	11	9	81.8
Mr. Masahiro Kikuchi	NED	11	5	45.5
Mr. Ho Yeu Guan*	NED	2	0	0
Mr. Manish Bhatia	ED	11	11	100
Mr. Taishi Nojima*	WTD	5	2	40
Mr. Ryohei Kohashi**	NED	10	9	90

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

*Mr. Partha Mitra ceased to be independent director with effect from 23.03.2023

* Mr. Ho Yeu Guan ceased to be non-executive director with effect from 08.02.2023

* Mr. Taishi Nojima ceased to be whole time director with effect from 11.05.2023

** Mr. Adnan Wajhat Ahmad appointed as an Independent Director with effect from 08.02.2023.

** Mr. Ryohei Kohashi appointed as a Non-Executive Director with effect from 08.02.2023

All the Directors were present at the date of last AGM of the Company held on March 22, 2023.

Particulars of directors retiring by rotation and seeking re-appointment have been given in the Notice convening the 76th Annual General Meeting and Explanatory Statement, attached thereto.

Meeting of the Independent Directors

Pursuant to Schedule IV of the Companies Act, 2013, the Independent Directors met on November 9, 2023, without the presence of Non-Independent Directors and members of the Management. The Independent Directors, *inter alia*, evaluated the performance of the non-independent directors and the Board of directors as a whole, evaluated the performance of the Chairman of the Board taking into account views of Executive and Non-Executive Directors and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the management and the Board.

6. COMMITTEES OF THE BOARD**Audit Committee**

The Audit Committee acts as a link between the Internal and Statutory Auditor 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 Regulation 18(3) of SEBI Listing Regulations and to review with the management and/or Internal Auditor and/or Statutory Auditor, inter alia in the following areas:

- i)** Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii)** Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- iii)** Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- iv)** Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval.
- v)** Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- vi)** Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- vii)** Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- viii)** Approval or any subsequent modification of transactions of the listed entity with related parties;
- ix)** Scrutiny of inter-corporate loans and investments
- x)** Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- xi)** Evaluation of internal financial controls and risk management systems;
- xii)** Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- xiii)** Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- xiv)** Discussion with internal auditors of any significant findings and follow up there on;
- xv)** Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- xvi)** Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- xvii)** Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

- xviii)** To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- xix)** To review the functioning of the whistle blower mechanism.
- xx)** Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate.
- xxi)** Carrying out any other function as is mentioned in the terms of reference of the audit committee.

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

(6) Six meetings of the Committee were held during the year ended December 31, 2023, on February 08, 2023, February 24, 2023, May 11, 2023, August 04, 2023, October 27, 2023 and November 09, 2023.

The composition of the Committee and the attendance details of the Members for the year ended December 31, 2023 are given below:

Name of Members	Category	No. of Meetings held during tenure	No. of Meetings Attended	Attendance %
Mr. Rajeev Anand	ID	2	2	100
Mr. Prabal Kumar Sarkar	ID	6	6	100
Mr. Adnan Wajhat Ahmad	ID	5	5	100
Mr. Paul Koel	NED	6	6	100

ID – Independent Director; NED – Non-Executive Director

The Chairman of the Audit Committee was present at the AGM of the Company on March 22, 2023.

Nomination and Remuneration Committee

- The purpose of the Nomination and Remuneration Committee ('NRC') are in compliance with the provision of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI Listing Regulations.
- To formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees,
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal, recommend to the board, all remuneration, in whatever form, payable to senior management.
- Devising a policy on diversity of board of directors,
- Every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director and whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors and to formulation of criteria for evaluation of performance of independent directors and the board of directors
- Recommend to the board, all remuneration, in whatever form, payable to senior management.

Director and Senior Management. The remuneration policy and the criteria for making payments to Non-Executive Directors is available on our website <https://www.dic.co.in/sites/default/files/2021-01/remuneration-policy.pdf>.

4) Four meetings of the Committee were held during the year ended December 31, 2023 on February 07, 2023, March 22, 2023, August 08, 2023, November 09, 2023.

The composition of the Committee and the attendance details of the Members for the year ended December 31, 2023 are given below:

Name of Members	Category	No. of Meetings held during tenure	No. of Meetings Attended	Attendance %
Ms. Pritha Dutt	ID	4	4	100
Mr. Prabal Kumar Sarkar	ID	4	4	100
Mr. Paul Koek	NED	4	4	100

ID – Independent Director; NED – Non-Executive Director

The Chairman of the Nomination and Remuneration Committee was present at the AGM of the Company on March 22, 2023.

Stakeholders' Relationship Committee

- The constitution and the terms of reference of the SRC are in compliance with Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations are given below:
- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

(2) Two meetings of the Committee were held during the year ended December 31, 2023 on May 11, 2023 and August 04, 2023.

The composition of the Committee and the attendance details of the Members for the year ended December 31, 2023 are given below:

Name of Members	Category	No. of Meetings held during tenure	No. of Meetings Attended	Attendance %
Mr. Adnan Wajhat Ahmad	ID	2	2	100
Mr. Rajeew Anand	ID	2	2	100
Mr. Paul Koek	NED	2	2	100

ID – Independent Director; NED – Non-Executive Director

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

The details of complaints received and resolved during the Financial Year ended December 31, 2023 are given below. The complaints relate to non-receipt of annual report, dividend, share transfers and other investor grievances.

Details of complaints received and resolved during the year ended December 31, 2023:

Opening as on January 1, 2023	0
Received during the year	0
Resolved during the year	0
Closing as on December 31, 2023	0

Corporate Social Responsibility Committee

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

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

(5) Five meetings of the Committee were held during the year ended December 31, 2023 on February 07, 2023, March 22, 2023, May 10, 2023, August 03, 2023 and September 26, 2023.

The composition of the Committee and the attendance details of the Members for the year ended December 31, 2023 are given below:

Name of Members	Category	No. of Meetings held during tenure	No. of Meetings Attended	Attendance %
Ms. Pritha Dutt (Chairperson)	ID	5	5	100
Mr. Paul Koek	NED	5	5	100
Mr. Adnan Wajhat Ahmad	ID	4	3	75
Mr. Rajeev Anand	ID	2	2	100
Mr. Taishi Nozima	ED	3	2	66.67

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

7. GENERAL BODY MEETINGS

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

Financial Year Ended	Date	Venue	Time	Special Resolution Passed
December 31, 2022	March 22, 2023	AGM held through VC / OAVM (Deemed Venue: DIC India Limited, Transport Depot Road, Kolkata 700088)	11.00 AM	<ol style="list-style-type: none"> Appointment of Mr. Adnan Wajhat Ahmad (DIN:00046742) as a Non-Executive Independent Director of the Company. Appointment of Mr. Ryohei Kohashi (DIN: 10043620) as a Non-Executive Non-Independent Director of the Company, Ratification of Remuneration of cost auditor.
December 31, 2021	March 22, 2022			<ol style="list-style-type: none"> Ratification of Remuneration of cost auditor.
December 31, 2020	March 19, 2021			<ol style="list-style-type: none"> Appointment of Mr. Rajeev Anand (DIN:02519876) as a Non-Executive Independent Director of the Company Appointment of Mr. Prabal Kumar Sarkar (DIN:03124712) as a Non-

				Executive Independent Director of the Company
			3	Appointment of Ms. Pritha Dutt (DIN:02910608) as a Non-Executive Independent Director of the Company
			4	Ratification of Remuneration of cost auditor.

Postal Ballot

During the year under review, the Company conducted Postal Ballot for the following matters as follows:

Re-appointment of Mr. Rajeev Anand (DIN:02519876) as a Non-Executive Independent Director of the Company

Re-appointment of Mr. Prabal Kumar Sarkar (DIN:03124712) as a Non-Executive Independent Director of the Company

Re-Appointment of Ms. Pritha Dutt (DIN:02910608) as a Non-Executive Independent Director of the Company.

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

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

1. Re-appointment of Mr. Rajeev Anand (DIN:02519876) as an Independent Director of the Company a further period of three years and up to April 30, 2027 with effect from 6th November, 2023 (both day inclusive)

Vote in favor of the Resolution:

No. of members voted	No. of votes cast by them	% of total number of valid votes cast
98	6604297	99.93

Vote against the Resolution:

No. of members voted	No. of votes cast by them	% of total number of valid votes cast
11	4758	0.07

2. Re-appointment of Mr. Prabal Kumar Sarkar (DIN:03124712) as an Independent Director of the Company for a further period of three years and up to April 30, 2027 with effect from 6th November, 2023 (both day inclusive)

Vote in favor of the Resolution:

No. of members voted	No. of votes cast by them	% of total number of valid votes cast
96	6604271	99.93

Vote against the Resolution:

No. of members voted	No. of votes cast by them	% of total number of valid votes cast
11	4758	0.07

3. Re-appointment of Ms. Pritha Dutt (DIN:02910608) as an Independent Director of the company for a further period of three years and up to 30th April, 2027 with effect from 6th November, 2023 (both day inclusive)

Vote in favor of the Resolution:

No. of members voted	No. of votes cast by them	% of total number of valid votes cast
96	6604271	99.93

Vote against the Resolution:

No. of members voted	No. of votes cast by them	% of total number of valid votes cast
11	4758	0.07

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

8. MEANS OF COMMUNICATION

- Half-Yearly Report sent to each Household of shareholders : No
- Quarterly Results : Business Standard (English daily)
Newspapers published in Financial Express (English daily)
Aajkal (Bengali daily)
Website where displayed www.dic.co.in
- Audited Financial Results : Year ended December 31, 2023
Newspaper published in Financial Express (English daily)
Business Standard (English daily)
Aajkal (Bengali daily)
- Whether the website also displays official news releases and presentations to institutional investors/analysts : No presentation has been made to institutional investors/analysts.
Audited/ Unaudited Financial Reports including official news releases are displayed on the Website
- Whether Management Discussion & Analysis Report is a part of Annual Report : The aspects of the Management Discussion and Analysis Report forms part of the Annual Report.

9. GENERAL SHAREHOLDER INFORMATION

Annual general Meeting 2023

Date	March 22, 2024
Time	11:00 AM
Venue	Video Conferencing/Other Audio-Visual Means
Financial Year	January 01, 2023, to December 31, 2023
Book Closure Dates	Saturday, March 16, 2024, to Friday, March 22, 2024 (Both Days Inclusive)



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

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

The Annual Listing Fees for the year have been paid to all these Stock Exchanges within the stipulated time.

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

Market Price Data–High, Low and volume during each month in Financial Year 2023

Performance in comparison to Indices



Registrar and Share Transfer Agent

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

M/s C B Management Services (P) Limited

P-22, Bondel Road, Kolkata - 700 019

Phone: 033-2280 6692-94/40116700

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

Share Transfer System

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

The Form ISR-4 is available on the website of the Company and can be downloaded from

<https://www.dic.co.in/sites/default/files/2022-01/Form%20ISR-4.pdf>.

Distribution of Shareholding as on December 31, 2023

Share held	No. of Shareholders		No. of Shares	
	Total	% of Shareholders	Total	% to Share Capital
1-500	6853	93.65	525237	5.72
501 – 1000	201	2.75	151609	1.66
1001 – 2000	127	1.73	187468	2.04
2001 -3000	40	0.55	98717	1.08
3001 – 4000	20	0.27	69191	0.75
4001 – 5000	22	0.30	103252	1.13
5001 – 10000	27	0.37	211317	2.30
10001 – 50000	21	0.29	376638	4.10
50001 – 100000	4	0.05	279378	3.04
100001 and above	3	0.04	7176170	78.18
Total	7318	100.00	9178977	100.00

Dematerialization of Shares and Liquidity

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

As on December 31, 2023, 99.09% of the Company's total paid up capital representing 9101084 equity shares were held in dematerialized form and the balance 0.85% representing 77893 equity shares were held in physical form.

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

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



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Commodity price risk or foreign exchange risk and hedging activities

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

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

Plant Location

Location	Address
Kolkata*	Transport Depot Road, Kolkata – 700 088
Noida	C - 55 A & B, Phase II, Dist. Gautam Budh Nagar, Noida – 201 305
Ahmedabad	Plot No. 633 & 634, G.I.D.C. Industrial Estate, Phase IV, Vatva, Ahmedabad – 382 445
Bengaluru	66A, Bommasandra Industrial Area, Anekal Taluk, Bengaluru – 560099
Saykha	T-18 to T-21, Saykha Industrial Estate, Saykha, Vagra, Bharuch, Gujrat-392001

*Kolkata Plant has stopped manufacturing since December, 2023.

Address for Correspondence

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

Mr. Raghav Shukla

Corp. GM- Legal & Company Secretary

DIC India Limited

Fusion Square, 5th Floor

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

Phone: 0120 6361420

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

Website: www.dic.co.in

10. OTHER DISCLOSURES

Related Party Disclosure

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

During the year there were no transactions of a material nature with related parties that had potential conflict with the interests of the Company. Details of all related party transactions form a part of the accounts as required under Ind AS 24 as notified by the Ministry of Corporate Affairs and the same are given in Note 43 to the Financial Statements.

The omnibus approval of the Audit Committee is taken for all proposed related party transactions to be entered into during the forthcoming year and the details of all related party transactions entered in the preceding quarter is placed before them. During the preparation of financial statements during the period

under review, no accounting treatment which was different from that prescribed in the Accounting Standards was followed.

Subsidiary Company

The Company had no subsidiary Company during the financial year ended December 31, 2023.

Details of non-compliance

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

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

Vigil Mechanism and Whistle Blower Policy

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

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

Risk Management Policy

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

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

Commodity Price Risk and Commodity hedging activities

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

Certificate from Statutory Auditors

As required by Regulation 34(3) and Schedule V Part E of the Listing Regulations, the certificate given by Price Waterhouse Chartered Accountants LLP, Statutory Auditors of the Company, is annexed to this report.

Certificate from Practicing Company Secretary

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

Secretarial Audit

The Company's Board of Directors appointed T. Chatterjee and Associates, Practising Company Secretaries Firm, to conduct secretarial audit of its records and documents for the Financial Year 2023. The secretarial audit report confirms that the Company has complied with all applicable provisions of the Companies Act, 2013, Secretarial Standards, Depositories Act 2018, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Prohibition of Insider Trading) Regulations, 2015, each as amended and all other



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regulations and guidelines of SEBI as applicable to the Company. The Secretarial Audit Report forms part of the Board's Report.

CEO and CFO Certification

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

Consolidated Fees paid to Statutory Auditors

During the Financial Year 2023, the total fees for all services paid by the Company, on a consolidated basis, to Price Waterhouse Chartered Accountants LLP, Statutory Auditors of the Company is as under:

Particulars	Amount (Rs.)
Services as Statutory Auditor	7,850,000.00
Other Services	200,000.00
Out of Pocket expenses	356,825.00
Total	84,06,825/-

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

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

Demat suspense account/unclaimed suspense account

As on December 31, 2023, there are no outstanding shares lying in the demat suspense account/unclaimed suspense account.

Annual Certificate on Security Transfer

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

Reconciliation of Share Capital Audit

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

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

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

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

Accordingly, unclaimed dividends of shareholders for FY 2016 lying in the unclaimed dividend account of the Company as on May 19, 2024 will be due for transfer to IEPF on the due date i.e. May 20, 2024. Further, the

shares (excluding the disputed cases having specific orders of the Court, Tribunal or any Statutory Authority restraining such transfer) pertaining to which dividend remains unclaimed for a consecutive period of seven years from the date of transfer of the dividend to the Unpaid Dividend Account is also mandatorily required to be transferred to the IEPF Authority established by the Central Government.

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

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

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

Financial Year	Dividend %	Date of Declaration	Due Date for Transfer to IEPF
2022	20	March 22, 2023	April 21, 2030
2021	30	March 22, 2022	April 21, 2029
	20		
2020	60	March 19, 2021	April 17, 2028
2019	45	June 12, 2020	July 11, 2027
2018	Nil	March 23, 2019	April 22, 2026
2017	Nil	March 22, 2018	April 21, 2025
2016	40	March 24, 2017	April 21, 2024
2015	40	April 22, 2016	May 20, 2023

11. COMPLIANCE WITH DISCRETIONARY REQUIREMENTS

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

Maintenance of Chairman's office

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

Shareholders' Rights

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

Modified Opinion in Audit Report

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



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

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

Mr. Rajeev Anand	ID	Chairman
Mr. Manish Bhatia	ED	Managing Director & Chief Executive Officer

ID- Independent Director, ED- Executive Director

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

Reporting of Internal Auditor

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

Green Initiative

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

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

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



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Annexure G

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 December 31, 2023 as stipulated in Regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (collectively referred to as "SEBI Listing Regulations, 2015").

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, 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 SEBI Listing Regulations, 2015.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Price Waterhouse Chartered Accountants LLP (FRN: 012754N/N500016)

Rajib Chatterjee

Partner

Membership No: 057134

UDIN: 24057134BKGTZY5692

Place: Gurugram

Date: February 22, 2024

SECRETARIAL AUDIT REPORT

FORM MR-3

(For the financial year ended December 31, 2023)

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

To,

The Members of
DIC India Limited,
UB 03, Mani Tower
31/41, Binova Bhave Road
Behala, Kolkata 700034
West Bengal

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

Based on verification of the books, papers, minute books, forms, returns filed and other records maintained by the Company, information provided by the Company, its officers (including RTA), electronic records available in the official portal of the Ministry of Corporate Affairs www.mca.gov.in, portal of the Stock Exchanges, representation made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering financial year ended on **31st December 2023**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed with the stock exchange, in the official portal of the ministry of corporate affairs (MCA) etc and other records maintained by the company for the financial year ended on **31st December 2023**, according to the applicable provisions of:

- I. The Companies Act, 2013 (**the Act**) and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**) to the extent applicable to the company:-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (not applicable to the Company during audit period)
 - d. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulation, 2021; (not applicable to the Company during audit period)

- e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client;
 - f. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014. (not applicable to the company during audit period)
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations , 2009 ; (not applicable to the Company during audit period) and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations 2018 ; (not applicable to the Company during audit period)
 - i. The Securities and Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015;
 - j. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
- VI.** The Management of the Company represented that fiscal, labour and environmental laws and other Statutes which are applicable to such type of companies, are generally complied with which inter-alia includes the followings which are specifically applicable to the company:
- a) Air (Prevention and Control of Pollution) Act, 1981;
 - b) Water (Prevention and Control of Pollution) Act, 1974;
 - c) Hazardous and other Wastes (Management & Transboundary Movement) Rules, 2016;
 - d) Legal Metrology (Packaged Commodities) Rules, 2011;
 - e) Factories Act, 1948;
 - f) Petroleum Rules, 2002; and
 - g) All other applicable laws

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

- a. Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- b. The Listing Agreements entered into by the Company with the Stock Exchange(s) read with the provisions of the Securities and Exchange Board of India (SEBI) [Listing Obligations & Disclosure Requirements] Regulations 2015;

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

We further report that:

- a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period

The company experienced a change in directorship following the resignation of Mr. Taishi Nozima (DIN: 08401012) from the position of Whole-Time Director, effective May 11, 2023. Mr. Ho Yeu Guan (DIN: 08066136) resigned as a Non-Executive Independent Director, effective February 08, 2023, and Mr. Partha Mitra (DIN: 00335205) also resigned as a Non-Executive Independent Director. Meanwhile, Mr. Ryohei Kohashi (DIN: 10043620) was appointed as a Non-Executive Non-Independent Director, effective February 08, 2023, and Mr. Adnan Wajhat Ahmad (DIN: 00046742) was appointed as a Non-Executive Independent Director, effective February 08, 2023.



- b. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c. The dissenting views of the members of the Board of Directors and Committees thereof were captured and minutes whenever arises. However, no such case has arisen during the period under review.
- d. The Company has complied Secretarial Standard, SS-1 and SS-2 as applicable to it with respect to Board Meeting, General Meeting and meetings of the Committee of the Board.
- e. The Company has obtained all necessary approvals under the various provisions of the Act.
- f. There were no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement, Rules, Regulations and Guidelines framed under these Acts against/ on the Company, its Directors and Officers.
- g. The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;

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

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

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

Place: Kolkata

Date: February 22, 2024

For T.Chatterjee & Associates
FRN No.- P2007WB067100

Binita Pandey
Partner
Membership No: 41594
COP No.: 19730
UDIN: A041594E003470316

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

To,
The Members of
DIC India Limited

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the Guidance Notes on ICSI Auditing Standard, audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
5. The Secretarial Audit is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Kolkata
Date: February 22, 2024

For T.Chatterjee & Associates
FRN No.- P2007WB067100

Binita Pandey
Partner
Membership No: 41594
COP No.: 19730
UDIN: A041594E003470316



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

Certification

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

- A.** We have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
 - 1.** these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 2.** these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B.** There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C.** We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D.** We have indicated to the auditors and the Audit committee:
 - 1.** significant changes in internal control over financial reporting during the year;
 - 2.** significant changes in accounting policies during the year and that the same have been disclosed in the
 - 3.** notes to the financial statements; and
 - 4.** no instances of significant fraud or the involvement therein, if any, of the management or an employee
 - 5.** having a significant role have come to our notice.

For **DIC India Limited**

Manish Bhatia
Managing Director & CEO
DIN: 08310936

Date: February 22, 2024

Place: Noida

Gagan Deep Singh
Chief Finance Officer
PAN: AQPP57864M



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CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To

The Members,
DIC India Limited
UB 03, Mani Tower
31/41, Binova Bhabe Road
Behala, Kolkata 700034
West Bengal

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of DIC India Limited, CIN: L24223WB1947PLC015202 and having registered office at UB 03, Mani Tower, 31/41, Binova Bhabe Road, Behala, Kolkata- 700034 (hereinafter referred to as 'the Company'), listed BSE Ltd. (Scrip Code- 500089), National Stock Exchange of India Ltd., (Stock Code-DICIND) and The Calcutta Stock Exchange Ltd. (Scrip Code-10013217) produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the [Securities Exchange Board of India \(Listing Obligations and Disclosure Requirements\) Regulations, 2015](#).

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number ("DIN") status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st December 2023, have been debarred or disqualified from being appointed or continuing as Directors of company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

Serial No.	Name of the Directors	DIN	Date of Appointment *
1	Mr. Masahiro Kikuchi	08024525	06-02-2018
2	Mr. Manish Bhatia	08310936	30-01-2019
3	Mr. Paul Koek	00081930	29-06-2004
4	Mr. Rajeev Anand	02519876	06-11-2020
5	Ms. Pritha Dutt	02910608	06-11-2020
6	Mr. Prabal Kumar Sarkar	03124712	06-11-2020
7	Mr. Adnan Wajhat Ahmad	00046742	08-02-2023
8	Mr. Ryohei Kohashi	10043620	08-02-2023

* Date of appointment is as per details available at the official portal of the Ministry of Corporate Affairs, www.mca.gov.in

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

Place: Kolkata
Date: February 22, 2024

For T. Chatterjee & Associates
Company Secretaries
FRN - P2007WB067100
Binita Pandey - Partner
Membership No: 41594
COP No.: 19730
UDIN: A041594E003470338



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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 April 29, 2005 and thereafter on October 28, 2016 adopted an updated Code of Conduct. After adoption of the Code of Conduct, the same was circulated to all the Board Members and senior management personnel for compliance. The Code of Conduct has also been posted on the website of the Company. The Company has since received declaration from all the Board Members and senior management personnel affirming compliance of the Code of Conduct of the Company in respect of the financial year December 31, 2023. The same has been duly noted by the Board in its meeting held on February 22, 2024.

For **DIC India Limited**

Manish Bhatia
Managing Director & CEO
DIN: 08310936

Date: February 22, 2024
Place: Noida

Independent Auditor's Report

To the Members of DIC India Limited
Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of DIC India Limited ("the Company"), which comprise the Balance Sheet as at December 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at December 31, 2023, and total comprehensive income (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key audit matters

4. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Revenue Recognition</p> <p>Refer Note 3.3 and 28 to the Financial Statements.</p> <p>The Company recognises revenue in accordance with Ind AS 115 "Revenue from Contracts with Customers".</p> <p>Revenue from the sale of products is recognized when control of products being sold is transferred to customer and there is no unfulfilled obligation and it is measured at an amount that reflects the consideration the Company expects to receive in exchange for those goods, after deduction of any discounts and taxes or duties collected on behalf of the government such as goods and services tax etc.</p>	<p>Our testing of revenue transactions was designed to cover a sample of customer contracts. Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Understanding, evaluating the design and testing the operating effectiveness of controls over revenue recognition process including contract monitoring, billings, and approvals; • Evaluating the contract terms for assessment of the timing of transfer of control to the customer to assess whether revenue is recognised in appropriate period; • Testing whether the revenue recognition is in line

Key audit matter	How our audit addressed the key audit matter
We have considered revenue recognition as a key audit matter as this has been identified as a significant risk and additional disclosures are required to be made in accordance with the applicable accounting standards.	<p>with the terms of customer contracts;</p> <ul style="list-style-type: none"> Assessing whether transaction price net of the estimated discount incentive scheme has been determined appropriately in terms of the customer contract, reviewing customer correspondence and verifying that pre and post year end cut-off had been appropriately applied; Testing of journal entries for unusual revenue transactions which are not in the normal course of business; and Evaluating adequacy of the presentation and disclosures <p>Based on the above procedures, no significant exceptions were noted in revenue recognition, including those relating to presentation and disclosures.</p>

Other Information

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

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

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

When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of management and those charged with governance for the financial statements

6. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true

and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Other Matter

13. The financial statements of the Company for the year ended December 31, 2022, were audited by another firm of chartered accountants under the Act who, vide their report dated February 8, 2023, expressed an unmodified opinion on those financial statements.

Report on other legal and regulatory requirements

14. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
15. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except that the backup of books of account and other books and papers maintained in electronic mode has not been maintained on a daily basis on servers physically located in India during the year.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on December 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our comment in paragraph 15(b) above that the back-up of the books of account and other books and papers maintained in electronic mode has not been maintained on a daily basis on servers physically located in India.
 - (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note 37 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year.
- iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer note 46(j)(i) to the financial statements);
- (b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer note 46(j)(ii) to the financial statements); and
- (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for maintaining books of account in accounting software having a feature of recording audit trail of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled, is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.
- 16. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Rajib Chatterjee

Partner

Membership Number: 057134

UDIN: 24057134BKGTZW3969

Place: Gurugram

Date: February 22, 2024



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Annexure A to Independent Auditors' Report

Referred to in paragraph 15(g) of the Independent Auditor's Report of even date to the members of DIC India Limited on the financial statements for the year ended December 31, 2023

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of DIC India Limited ("the Company") as of December 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the

transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at December 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Rajib Chatterjee

Partner

Membership Number: 057134

UDIN: 24057134BKGTZW3969

Place: Gurugram

Date: February 22, 2024

Annexure B to Independent Auditors' Report

Referred to in paragraph 14 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, 2023

- I. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.
(B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 5 to the financial statements, are held in the name of the Company, except for the following:

Description of property	Gross carrying value (Amount in INR lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held since	Reason for not being held in the name of the Company
Freehold land – Chennai	2.93	Coates of India Limited	No	1991	Held in the erstwhile name of the Company.
Building – Chennai	3.36			1991	
Building – Ahmedabad	11.67			1997	
Leasehold land – Noida	41.21			1995	
Leasehold land – Ahmedabad	161.34			1993	

- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.
- ii. (a) The physical verification of inventory excluding goods-in-transit and stocks with third parties have been conducted at reasonable intervals by the Management during the year and in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them and for goods-in-transit subsequent evidence of receipts have been linked with inventory records. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory noticed on physical verification of inventory by Management, and have been appropriately dealt with in the books of account.
- (b) During the year, the Company has been sanctioned/renewed working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are not in agreement with the unaudited/audited books of account, however such differences between the amounts disclosed to the

banks and those as per the books of accounts as given in the table below have been reconciled:

Name of the Bank/ Financial Institution	Aggregate working capital limits sanctioned (in INR lakhs)	Nature of current Asset/Liabilities where differences were observed	Quarter ended	Amount disclosed as per quarterly return/statement (in INR lakhs)	Amount as per books of account (in INR lakhs)	Difference (INR in lakhs)	Reasons for difference (in INR lakhs)
Standard Chartered Bank	3,900	Stock	March 31, 2023	12,309	14,136	(1,827)	Note-1
		Debtor		25,209	22,921	2,288	Note-2
		Trade Payables		15,162	17,994	(2,832)	Note-3
Standard Chartered Bank	3,900	Stock	June 30, 2023	11,370	13,677	(2,307)	Note-1
		Debtor		26,292	23,554	2,738	Note-2
		Trade Payables		12,840	16,242	(3,402)	Note-3
Standard Chartered Bank	3,900	Stock	September 30, 2023	11,639	13,592	(1,953)	Note-1
		Debtor		26,632	24,288	2,344	Note-2
		Trade Payables		12,217	16,830	(4,613)	Note-3
Standard Chartered Bank	3,900	Stock	December 31, 2023	9,589	10,429	(840)	Note-1
		Debtor		23,850	22,015	1,835	Note-2
		Trade Payables		9,197	11,670	(2,473)	Note-3
State Bank of India	770	Stock	March 31, 2023	12,309	14,136	(1,827)	Note-1
		Debtor		25,209	22,921	2,288	Note-2
		Trade Payables		15,162	17,994	(2,832)	Note-3
State Bank of India	770	Stock	June 30, 2023	11,370	13,677	(2,307)	Note-1
		Debtor		26,292	23,554	2,738	Note-2
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		Debtor		26,632	24,288	2,344	Note-2
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State Bank of India	770	Stock	December 31, 2023	9,589	10,429	(840)	Note-1
		Debtor		23,850	22,015	1,835	Note-2
		Trade Payables		9,197	11,670	(2,473)	Note-3

(Also refer note 46(I) to the financial statements)

The Company has filed the revised quarterly returns / statements with such banks for above instances, in February 2024, with the correct amounts, which are in agreement with the books of account.

Note-1 Impact of slow moving/non-moving provision, net realisable value provision of finished goods, sales reversal wherein risk/rewards were not transferred to the customers within period end, goods purchased but not received wherein risk/rewards were transferred to the Company within period end, adjustments related to physical counts and Inventory of stores and spares are not considered in the statements submitted to Banks.

Note-2 Impact of sales reversal wherein risk/rewards were not transferred to the customers within period end, adjustments arising out of provision for debit and credit notes/expected credit loss provision/non-adjustment of advance received from customers and foreign exchange reinstatement gain/(loss) are not considered in statements submitted to the Banks.

Note-3 Impact of accrued expenses, liability for goods received but invoices not accounted for, goods purchased but not received wherein risk/rewards were transferred to the Company within period end, adjustments arising out of provision for debit and credit notes/non-adjustment of advance given to vendors and foreign exchange reinstatement gain/(loss) are not considered in statements submitted to the Banks.

- iii. (a) The Company has granted unsecured advances in nature of loan to 5 employees. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such advances are as per the table given below:

Particulars	Advances in nature of loan (In INR lakhs)
Aggregate amount granted during the year	37.55
Balance outstanding as at balance sheet date in respect of the above cases	22.06

As the Company has not made any investment, granted secured/ unsecured loan or stood guarantee, or provided security to any parties during the year, the reporting under clause 3(iii), (iii)(a), (iii)(b) of the Order are not applicable to the Company with respect to investment or security or guarantee.

- (b) In respect of the aforesaid advances in nature of loan, the terms and conditions under which such loans were granted are not prejudicial to the Company's interest. These advances in the nature of loan are given for a period less than 12 months and are interest free.
- (c) In respect of the aforesaid advances in nature of loan, the schedule of repayment of principal have been stipulated, and the parties are repaying the principal amount, as stipulated.
- (d) In respect of the aforesaid advances in nature of loan, there are no amount which is overdue for more than ninety days.
- (e) Following advance in nature of loan was granted to a party, which has fallen due during the year and was extended:

Name of the party	Aggregate amount dues extended (In INR lakhs)	Percentage of the aggregate to the total advance in the nature of loan granted during the year
P. Asthana	7.00	23.34%

- (f) There were no loans/advances in nature of loan which were granted during the year, including to promoters/related parties.
- iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(l) of the Act in respect of its products. We have broadly reviewed the same 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.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, except for dues in respect of sales tax and custom duty, the Company is generally regular in depositing undisputed statutory dues in respect of income tax, goods and services tax, and provident fund, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including duty of excise, value added tax, cess, and other material statutory

dues, as applicable, with the appropriate authorities. The extent of the arrears of statutory dues outstanding as at December 31, 2023, for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of dues	Amount (Rs. in INR lakhs)	Period to which the amount relates	Due date as per order issued by the statutory authorities	Date of Payment
Central Sales Tax Act, 1956	Sales Tax	0.28	2008-09	January 25, 2022	Unpaid as on reporting date
Customs Act, 1962	Customs Duty	1.59	2005-06	August 23, 2017	Unpaid as on reporting date

As per information and explanations given to us and the records of the Company, there are no statutory dues of provident fund, cess and other material statutory dues, as applicable which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub-clause (a) as at December 31, 2023 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in INR lakhs)	Amount paid under protest (Rs. in INR lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961*	Income Tax	316.08	-	2016-17 and 2019-20 to 2020-21	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961*	Income Tax	27.71	-	1988-89 and 1989-90	Hon'ble High court at Calcutta
Central Sales Tax Act, 1956	Sales Tax	0.50	-	2003-04	Deputy Commissioner
Uttar Pradesh Value Added Tax Act, 2008	Value Added Tax	4.08	11.64	2008-09 to 2009-10	Commercial Taxes Tribunal
Uttar Pradesh Value Added Tax Act, 2008	Value Added Tax	17.14	10.31	2010-11 to 2013-14	Allahabad High Court
CGST/SGST Act, 2017	Goods and Service Tax	22.07	1.02	2017-18	Joint commissioner (Appeals)
CGST/SGST Act, 2017	Goods and Service Tax	17.32	-	2017-18	Appeal pending to file against the order dated December 30, 2023.
Central Excise Act, 1944	Excise Duty	89.74	1.96	1994-95 to 1996-97 and 2008-09	Customs, Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise Duty	81.48	-	1992-93 to 1993-94 and 2005-06 to 2007-08	Commissioner (Appeals)

Name of the statute	Nature of dues	Amount (Rs. in lakhs)	Amount under protest (Rs. in lakhs)	Period to which the amount relates*	Forum where the dispute is pending
Finance Act, 1944	Service Tax	172.21	-	2001-02 to 2005-06	Deputy Commissioner
Customs Act, 1962	Customs Duty	252.43	3.93	2009-10 to 2010-11	Customs, Excise and Services Tax Appellate Tribunal

* period refers to the Assessment Year.

- viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- ix. (a) 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 loans or other borrowings or in the payment of interest to any lender during the year.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- (c) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any term loans.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) 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 by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) 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, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

- (c) 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, the Company has received whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting under this clause.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.
- xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
(b) The reports of the Internal Auditor for the period under audit have been considered by us.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
(d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has incurred cash losses of Rs. 492.62 lakhs in the financial year and had not incurred cash losses in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer note 45 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the



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balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

- xx. As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Rajib Chatterjee

Partner

Membership Number: 057134

UDIN: 24057134BKGTZW3969

Place: Gurugram

Date: February 22, 2024

Balance Sheet

As at December 31, 2023

All amounts in Rupees Lakhs, unless otherwise stated

Particulars		Note No.	As at December 31, 2023	As at December 31, 2022
A	ASSETS			
1	Non-current assets			
	(a) Property, plant and equipment	5	12,085.16	4,872.38
	(b) Right of use assets	41	2,220.75	3,878.57
	(c) Capital work-in-progress	5	1,495.28	7,723.91
	(d) Intangible assets	6	25.12	11.19
	(e) Financial assets			
	(i) Investments	7	29.51	49.60
	(ii) Other financial assets	8	360.94	356.18
	(f) Deferred tax assets	9	1,351.87	790.84
	(g) Income tax assets (net)	11	814.98	616.22
	(h) Other non-current assets	10	72.79	291.16
	Total non-current assets		18,456.40	18,590.05
2	Current assets			
	(a) Inventories	12	10,428.95	11,003.98
	(b) Financial assets			
	(i) Trade receivables	13	22,015.49	25,066.41
	(ii) Cash and cash equivalents	14	4,696.36	6,707.40
	(iii) Bank balances other than (ii) above	15	12.84	14.51
	(iv) Other financial assets	16	335.86	427.77
	(c) Other current assets	17	2,161.47	3,089.20
			39,650.97	46,309.27
	(d) Asset classified as held for sale	18	-	14.53
	Total current assets		39,650.97	46,323.80
	Total assets (1+2)		58,107.37	64,913.85
B	EQUITY AND LIABILITIES			
1	Equity			
	(a) Equity share capital	19	917.90	917.90
	(b) Other equity	20	38,714.55	41,306.86
	Total Equity		39,632.45	42,224.76
2	Liabilities			
2.1	Non-current liabilities			
	(a) Financial liabilities			
	(i) Lease liabilities	41	302.07	2,022.71
	(b) Provisions	21	329.82	544.65
	Total non-current liabilities		631.89	2,567.36
2.2	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	22	1,500.00	-
	(ii) Lease liabilities	41	166.36	381.81
	(iii) Trade payables	23		
	Total outstanding dues of micro and small enterprises;		1,119.06	1,433.50
	Total outstanding dues other than micro and small enterprises		10,551.20	13,889.13
	(iv) Other financial liabilities	24	3,469.33	3,558.56
	(b) Other current liabilities	25	658.88	554.50
	(c) Provisions	26	378.20	279.00
	(d) Current tax liabilities (net)	27	-	25.23

Balance Sheet

As at December 31, 2023

All amounts in Rupees Lakhs, unless otherwise stated

		Total current liabilities	17,843.03	20,121.73
		Total liabilities	18,474.92	22,689.09
		Total equity and liabilities (1+2)	58,107.37	64,913.85

The above Balance Sheet should be read in conjunction with the accompanying notes forming part of these financial statements.

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

For Price Waterhouse Chartered Accountants LLP

Firm's Registration Number: 012754N/N500016

Rajib Chatterjee

Partner

Membership Number: 057134

Place: Gurugram

Date: February 22, 2024

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

Prabal Sarkar

Director

DIN: 03124712

Raghav Shukla

Company Secretary

Place : Noida

Date: February 22, 2024

Manish Bhatia

Managing Director & CEO

DIN: 08310936

Gagan Deep Singh

Chief Finance Officer

Statement of Profit and Loss

For the year ended December 31, 2023

All amounts in Rupees Lakhs, unless otherwise stated

Particulars	Note No.	Year ended December 31, 2023	Year ended December 31, 2022
I Revenue from operations	28	82,885.14	87,199.01
II Other income	29	818.75	796.36
III Total Income (I + II)		83,703.89	87,995.37
IV EXPENSES			
(a) Cost of materials consumed	30	57,769.68	60,560.63
(b) Purchases of stock-in-trade	31	4,873.44	6,318.08
(c) Changes in stock of finished goods, stock-in-trade and Work in progress	32	33.41	970.36
(d) Employee benefits expense	33	7,649.74	7,586.94
(e) Finance costs	34	415.14	369.36
(f) Depreciation and amortisation expense	35	1,821.42	1,342.78
(g) Other expenses	36	11,586.77	9,715.92
Total expenses		84,149.60	86,864.07
V Profit/(loss) before exceptional items and tax (III - IV)		(445.71)	1,131.30
VI Exceptional items			
Expense related to Kolkata plant closure	50		
- Impairment of property, plant and equipment (also refer note 5 and 41)		(576.28)	-
- Staff separation cost (also refer note 33)		(1,466.55)	-
- Legal and other ancillary cost (also refer note 36)		(336.06)	-
Profit on sale of land	49	-	3,300.00
VII Profit/(loss) before tax (V + VI)		(2,824.60)	4,431.30
VIII Income tax expense			
(a) Current tax			
(i) Current tax expense		(66.19)	334.00
(ii) Income tax expense of prior years		22.77	41.34
(b) Deferred tax credit	9	(513.56)	(42.45)
Total tax expense		(556.98)	332.89
IX Profit/(loss) for the year (VII - VIII)		(2,267.62)	4,098.41
X Other comprehensive income			
(i) Item that will not be reclassified to profit or loss			
- Remeasurements of post employment benefit obligations (refer note 39.2 and 50)		(188.58)	(10.94)
(ii) Income tax on above		47.47	2.75
		(141.11)	(8.19)
XI Total comprehensive income for the year (IX + X)		(2,408.73)	4,090.22

Statement of Profit and Loss

For the year ended December 31, 2023
All amounts in Rupees Lakhs, unless otherwise stated

XII Earnings per equity share (of Rs 10 each) attributable to owners of DIC India Limited:			
(1) Basic	48	(24.70)	44.65
(2) Diluted	48	(24.70)	44.65

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes forming part of these financial statements.

This is the Statement of Profit and Loss referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP

Firm's Registration Number: 012754N/N500016

Rajib Chatterjee

Partner

Membership Number: 057134

Place: Gurugram

Date: February 22, 2024

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

Prabal Sarkar

Director

DIN: 03124712

Raghav Shukla

Company Secretary

Place : Noida

Date: February 22, 2024

Manish Bhatia

Managing Director & CEO

DIN: 08310936

Gagan Deep Singh

Chief Finance Officer

Statement of Cash Flows

For the year ended December 31, 2023

All amounts in Rupees Lakhs, unless otherwise stated

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
A. Cash flow from operating activities:		
Profit/(loss) before tax	(2,824.60)	4,431.30
Adjustments for:		
Finance costs	415.14	369.36
Depreciation and amortisation expense	1,821.42	1,342.78
Impairment of property, plant and equipment and capital work in progress	669.56	-
Profit on sale of land	-	(3,300.00)
Bad debt and advances written off	49.96	4.50
(Profit)/loss on disposal of property, plant and equipment (net)	(282.65)	7.72
Gain on lease modification	(93.86)	(9.42)
Property, plant and equipment written off	6.32	9.30
Provision for doubtful debts on trade and other receivables and advances (net)	97.72	36.56
Liabilities/provisions no longer required, written back	(3.36)	(63.49)
Interest income from financial assets at amortised cost	(107.01)	(170.05)
Unwinding of discount on security deposit	(3.35)	(4.27)
Diminution in fair value of Investment	20.09	-
Unrealised foreign exchange (gain)/ loss	(6.59)	(1.73)
Operating profit/(loss) before working capital changes	(241.21)	2,652.56
<u>Adjustments for (increase)/decrease in operating assets:</u>		
- Trade receivables	2,901.80	(1,761.05)
- Inventories	575.03	3,927.23
- Other assets	933.92	980.63
- Other financial assets	86.36	(43.10)
<u>Adjustments for increase/(decrease) in operating liabilities:</u>		
- Trade payables	(3,640.98)	(1,952.15)
- Provisions	(304.21)	(59.83)
- Other liabilities	186.38	(79.38)
- Other financial liabilities	209.19	448.94
Cash generated from operating activities	706.28	4,113.85
Income tax paid (net)	(180.58)	(416.93)
Net cash generated from operating activities	525.70	3,696.92
B. Cash flow from investing activities:		
Purchase of property, plant and equipment and capital work-in-progress	(3,331.92)	(6,950.30)
Proceeds from sale of property, plant and equipment	218.63	23.40
Receipt of deferred proceeds from Sale of land	-	3,300.00
Receipt of advance for sale of property, plant and equipment	-	82.00
Investments made in equity shares	-	(49.60)
Change in bank balances other than cash and cash equivalents	1.67	(2.18)
Interest received	111.15	180.19
Net cash used in investing activities	(3,000.47)	(3,416.49)

Statement of Cash Flows

For the year ended December 31, 2023
All amounts in Rupees Lakhs, unless otherwise stated

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
C. Cash flow from Financing Activities:		
Interest paid	(283.27)	(85.05)
Repayment of lease liabilities	(567.32)	(305.62)
Proceeds from working capital demand loan	1,500.00	-
Dividend paid	(185.68)	(458.95)
Net cash generated from / (used) in financing activities	463.73	(849.62)
Net decrease in cash and cash equivalents (A+B+C)	(2,011.04)	(569.19)
Cash and cash equivalents as at beginning of the year	6,707.40	7,276.59
Cash and cash equivalents as at end of the year	4,696.36	6,707.40
Cash and cash equivalents comprise (Refer note 14)		
Cash on hand	0.21	0.21
Balance with banks		
-In current accounts	3,696.15	3,257.19
-In deposit accounts (with original maturity of less than 3 months)	1,000.00	3,450.00
	4,696.36	6,707.40

Non-cash investing activities

- Acquisition of right-of-use assets	155.37	1,969.68
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Notes:

(i) The above Statement of Cash Flows has been prepared under the indirect method as set out in "Ind AS 7 Statement of Cash Flows".

(ii) Amounts in bracket represent outflows.

The above Statement of Cash flows should be read in conjunction with the accompanying notes forming part of these financial statements.

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

For Price Waterhouse Chartered Accountants LLP

Firm's Registration Number: 012754N/N500016

Rajib Chatterjee

Partner

Membership Number: 057134

Place: Gurugram

Date: February 22, 2024

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

Prabal Sarkar

Director

DIN: 03124712

Raghav Shukla

Company Secretary

Place : Noida

Date: February 22, 2024

Manish Bhatia

Managing Director & CEO

DIN: 08310936

Gagan Deep Singh

Chief Finance Officer

Statement of changes in equity

For the year ended December 31, 2023

All amounts in Rupees Lakhs, unless otherwise stated

a. Equity share capital

Balance as at January 1, 2023

Changes in equity share capital during the year

Balance as at December 31, 2023

Balance as at January 1, 2022

Changes in equity share capital during the year

Balance as at December 31, 2022

Amount

917.90

-

917.90

917.90

-

917.90

b. Other equity

Particulars	Reserves and Surplus				Total
	General Reserves	Securities Premium	Capital Reserve	Retained Earnings	
Balance as at January 1, 2023	6,559.12	6,548.08	0.59	28,199.07	41,306.86
Profit for the year	-	-	-	(2,267.62)	(2,267.62)
Other comprehensive income, net of tax	-	-	-	(141.11)	(141.11)
Dividend paid	-	-	-	(183.58)	(183.58)
Balance as at December 31, 2023	6,559.12	6,548.08	0.59	25,606.76	38,714.55
Balance as at January 1, 2022	6,559.12	6,548.08	0.59	24,567.80	37,675.59
Profit for the year	-	-	-	4,098.41	4,098.41
Other comprehensive income, net of tax	-	-	-	(8.19)	(8.19)
Dividend paid	-	-	-	(458.95)	(458.95)
Balance as at December 31, 2022	6,559.12	6,548.08	0.59	28,199.07	41,306.86

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes forming part of these financial statements.

This is the Statement of Changes in Equity referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP

Firm's Registration Number: 012754N/N500016

Rajib Chatterjee

Partner

Membership Number: 057134

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

Prabal Sarkar

Director

DIN: 03124712

Manish Bhatia

Managing Director & CEO

DIN: 08310936

Raghav Shukla

Company Secretary

Place : Noida

Date: February 22, 2024

Gagan Deep Singh

Chief Finance Officer

Place: Gurugram

Date: February 22, 2024

Notes to the financial statements for the year ended December 31, 2023

All amounts in Rupees Lakhs, unless otherwise stated

1. General information

DIC India Limited ('DIC' or 'the Company') [CIN: L24223WB1947PLC015202] is a public limited company incorporated on April 02, 1947. The Company is a subsidiary of DIC Asia Pacific Pte Limited, Singapore and the ultimate holding Company is DIC Corporation, Japan. The Company is listed on Bombay Stock Exchange (BSE), National Stock Exchange (NSE) and Calcutta Stock Exchange (CSE). The Company is engaged in the business of manufacturing of printing inks, which covers newsprint ink, offset ink and liquid ink used in newspapers, other publications and packaging industries. The Company also provides lamination adhesive. The Company has five manufacturing plants one each at Kolkata (West Bengal) [refer note 50], Noida (Uttar Pradesh), Ahmedabad (Gujarat), Bangalore (Karnataka) and Saykha (Gujarat) and its registered office is situated at Kolkata, West Bengal, India.

2. Basis of preparation

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

The Company has consistently applied the accounting policies used in the preparation for all periods presented. The Significant accounting policies used in preparing the financial statements are set out in Note 3.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

3. Significant accounting policies**3.1 Basis of Measurement**

The financial statements have been prepared on accrual basis and under the historical cost convention except following which have been measured at fair value:

- certain financial assets and liabilities (including derivative financial instruments),
- defined benefit plans – plan assets measured at fair value,

The financial statements are presented in Indian Rupees, which is the Company's functional currency.

3.2 Recent accounting pronouncements**New and amended standards adopted by the Company**

The Ministry of Corporate Affairs had vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective 1 April 2022. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New and amended standards issued but not effective

The Ministry of Corporate Affairs has vide notification dated 31 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective 1 April 2023.

The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the Company's accounting policy already complies with the now mandatory treatment.

3.3 Revenue recognition

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

Notes to the financial statements for the year ended December 31, 2023

All amounts in Rupees Lakhs, unless otherwise stated

The Company derives revenue from Sale of Goods and revenue is recognized upon transfer of control of promised goods to customers in an amount that reflects the consideration the Company expects to receive in exchange for those goods. The Company recognises revenue once the control of promised goods is transferred to the customer i.e. when goods are delivered to the customer (point in time).

Revenue is recognised based on the price specified in the contract, net of the estimated discounts/incentive schemes. Accumulated experience is used to estimate and provide for such variable consideration, and the revenue is only recognised to the extent that it is highly probable that a significant reversal in the revenue will not occur. A refund liability (included in other financial liabilities) is recognised for the variable consideration payable to the customer in relation to sales made until the end of the reporting period. Revenue is net of sales returns. The validity of assumptions used to estimate variable consideration and expected return of products is reassessed annually.

A receivable is recognised when the goods are delivered as this is the point in time when the consideration is unconditional because only passage of time is required before the payment is due.

No significant element of financing is deemed present as the sales are made with a credit term of 30 to 120 days, which is consistent with market practice.

3.4. Other income

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

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

Income from management fees are recognised once the terms and conditions of the related agreements/contracts are fulfilled.

3.5. Leases

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

The Company as lessor

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

The Company as lessee

The Company as lessee measure the right-of-use asset at cost by recognition of a right-of-use asset and a lease liability on initial measurement of the right-of-use asset at the commencement date of the lease.

The cost of the right-of-use asset will comprise:

- i) the amount of the initial measurement of the lease liability,
- ii) any lease payments made at or before the commencement date less any incentives received,
- iii) any initial direct costs incurred
- iv) an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Lease liability is initially measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if the rate cannot be readily determined incremental borrowing rate will be considered. Interest on lease liability in each period during the lease will be the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability.

Notes to the financial statements for the year ended December 31, 2023

All amounts in Rupees Lakhs, unless otherwise stated

Lease payments will comprise the following payments of the underlying assets for the right-of-use during the lease term that are not paid at the commencement date:

- i) fixed payments less any lease incentives receivable
- ii) variable lease payments
- iii) amounts expected to be payable under residual value guarantees
- iv) the exercise price of a purchase option, if the Company is reasonably certain to exercise that option
- v) payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate the lease.

Subsequent measurement of the right-of-use asset is at cost, the value of right-of-use asset is at cost less accumulated depreciation and impairment loss and adjustment (if any), for re-measurement of the lease liability.

The right-of-use asset is depreciated from the commencement date to the earlier of the end of the useful life of the asset or the end of lease term, unless lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-asset reflects that the Company will exercise a purchase option, in such case the Company will depreciate asset to the end of the useful life.

Subsequent measurement of the lease liability after the commencement date will reflect the initially measured liability increased by interest on lease liability, reduced by lease payments and re-measuring the carrying amount to reflect any reassessment or lease modification.

Right-of-use asset and lease liability are presented on the face of balance sheet. Depreciation charge on right-to-use is presented under depreciation expense as a separate line item. Interest charge on lease liability is presented under finance cost as a separate line item. Under the cash flow statement, cash flow from lease payments including interest are presented under financing activities.

Short-term lease payments, payments for leases of low-value assets and variable lease payments that are not included in the measurement of the lease liabilities are presented as cash flows from operating activities.

3.6 Foreign currencies

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

Transactions in currencies other than the Company's functional currency are recognised at the rate prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the year-end exchange rates are recognised in statement of profit and loss.

Exchange gain and loss on debtors, creditors and other than financing and investing activities on a net basis are presented in the statement of profit and loss, as other income and as other expenses respectively.

3.7 Borrowing costs

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

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

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

3.8 Employee benefits

- (a) Short-term Employee Benefits

Notes to the financial statements for the year ended December 31, 2023

All amounts in Rupees Lakhs, unless otherwise stated

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

(b) Post-employment benefits:

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

(i) Defined Contribution Plans

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

(ii) Defined Benefit Plans

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

1. Gratuity

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

2. Provident Fund

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

3. Pension Fund

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

4. Other retirement Benefits

Liability accrued during the year in respect of other retirement benefit payable to certain employees governed by agreement with the unions representing them are treated as a defined benefit plan. As per the scheme, a lumpsum benefit is paid to the eligible employees on cessation of service with the Company.

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial

Notes to the financial statements for the year ended December 31, 2023

All amounts in Rupees Lakhs, unless otherwise stated

gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
 - net interest expense or income; and
 - remeasurement
- (c) Other Long-term Employee Benefits (unfunded)

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

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised based on actuarial valuation.

(d) Termination Benefits

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

3.9 Taxation

Current Tax

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

Deferred Tax

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

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

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

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

Notes to the financial statements for the year ended December 31, 2023

All amounts in Rupees Lakhs, unless otherwise stated

and liabilities.

Current and deferred tax for the year

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

3.10 Property, plant and equipment

Property, Plant and Equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

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

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

3.10.1 Depreciation and amortisation

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

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

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

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

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

Freehold land is not depreciated.

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

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

3.11 Intangible Assets

Notes to the financial statements for the year ended December 31, 2023

All amounts in Rupees Lakhs, unless otherwise stated

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

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

3.12 Impairment of Non-financial assets

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

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

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

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

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

3.13 Inventories

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

Cost is determined on first-in-first-out formula for all categories of inventories except stores and spare parts for which it is determined under weighted average formula. The cost comprises of cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their respective present location and condition.

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

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

3.14 Provisions and Contingent Liabilities

a. Provision

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

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

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a

Notes to the financial statements for the year ended December 31, 2023

All amounts in Rupees Lakhs, unless otherwise stated

receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

b. Contingent Liabilities

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

3.15 Earnings per share (EPS)

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

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

3.16 Cash and Cash equivalent

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

3.17 Segment Reporting

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

3.18 Financial instruments

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

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

3.19 Financial assets

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

All other financial assets are subsequently measured at fair value.

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

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

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

3.19.2 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at

Notes to the financial statements for the year ended December 31, 2023

All amounts in Rupees Lakhs, unless otherwise stated

amortised cost, lease receivables, trade receivables and other financial assets.

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

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

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

3.19.3 Derecognition of financial assets

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

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

3.19.4 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss.

3.20 Financial liabilities and equity instruments

3.20.1 Classification as debt or equity

Debt and equity instruments issued by a Company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

3.20.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are recognised at the proceeds received, net of direct issue costs.

3.20.3 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

3.20.3.1 Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or it is designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

3.20.3.2 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL, are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured

Notes to the financial statements for the year ended December 31, 2023

All amounts in Rupees Lakhs, unless otherwise stated

at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

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

3.20.3.3 Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in statement of profit and loss.

3.20.3.4 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in statement of profit and loss.

3.21 Derivative financial instruments

The Company enters into derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in statement of profit and loss.

3.22 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

3.23 Government grant

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

The Company receive government grants in the form of Merchandise Exports from India Scheme (MEIS) and RoDTEP licenses, which are issued as export benefits and are recognised as revenue grants. Export incentives are recognised as Other operating income in the Statement of Profit and Loss at the time of submission of application to the concerned Government authority after ascertaining the amount of benefit permissible under the scheme.

4. Critical accounting estimates and assumptions

Notes to the financial statements for the year ended December 31, 2023

All amounts in Rupees Lakhs, unless otherwise stated

In the application of the Company's accounting policies, which are described in note 3, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

a) Defined benefit plans

The cost of the defined benefit plan and the present value are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

b) Useful life of Property, plant and equipment

Property, plant and equipment (asset) represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

c) Taxes

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the losses can be utilised. In assessing the probability, the Company considers whether the entity has sufficient taxable temporary differences, which will result in taxable amounts against which the unused tax losses or unused tax credits can be utilised before they expire. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Notes forming part of the Financial Statements

As at December 31, 2023

All amounts in Rupees Lakhs, unless otherwise stated

5. Property, plant and equipment and Capital work-in-progress

Description of assets	Land Freehold	Buildings	Plant and equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computers	Total	Capital work in progress
I. Gross carrying amount									
Balance as at January 1, 2022	96.07	2,119.61	9,368.06	333.23	2.94	13.29	401.17	12,334.37	869.14
Add: Additions during the year	-	87.47	452.89	30.98	-	-	44.02	615.36	7,470.13
Less: Deletions/ transfers during the year	-	13.25	38.76	0.23	-	0.16	4.11	56.51	615.36
Less: Reclassified as held for sale (refer note 18)	-	34.18	-	0.68	-	-	-	34.86	-
Balance as at December 31, 2022	96.07	2,159.65	9,782.19	363.30	2.94	13.13	441.08	12,858.36	7,723.91
Balance as at January 1, 2023	96.07	2,159.65	9,782.19	363.30	2.94	13.13	441.08	12,858.36	7,723.91
Add: Additions during the year	-	3,488.54	5,545.96	168.98	80.94	5.98	109.66	9,400.06	3,216.39
Less: Deletions/ transfers during the year	-	0.08	32.09	6.16	-	-	37.87	76.20	9,400.06
Balance as at December 31, 2023	96.07	5,648.11	15,296.06	526.12	83.88	19.11	512.87	22,182.22	1,540.24
II. Accumulated depreciation and impairment									
Balance as at January 1, 2022	-	1,026.57	5,499.72	248.68	2.52	8.72	282.93	7,069.14	-
Add: Depreciation expense	-	150.51	674.23	51.62	0.11	1.16	75.63	953.26	-
Less: Deletions during the year	-	3.73	9.37	-	-	-	2.99	16.09	-
Less: Reclassified as held for sale (refer note 18)	-	19.68	-	0.65	-	-	-	20.33	-
Balance as at December 31, 2022	-	1,153.67	6,164.58	299.65	2.63	9.88	355.57	7,985.98	-
Balance as at January 1, 2023	-	1,153.67	6,164.58	299.65	2.63	9.88	355.57	7,985.98	-
Add: Depreciation expense	-	506.65	886.70	72.74	8.43	2.35	76.04	1,552.91	-
Add: Provision for impairment during the year (refer note 50)	-	149.38	456.22	17.04	0.09	0.81	1.06	624.60	44.96
Less: Deletions during the year	-	0.01	25.11	4.78	-	-	36.53	66.43	-
Balance as at December 31, 2023	-	1,809.69	7,482.39	384.65	11.15	13.04	396.14	10,097.06	44.96
Net carrying amount (I-II)									
Balance as at December 31, 2023	96.07	3,838.42	7,813.67	141.47	72.73	6.07	116.73	12,085.16	1,495.28
Balance as at December 31, 2022	96.07	1,005.98	3,617.61	63.65	0.31	3.25	85.51	4,872.38	7,723.91

Notes forming part of the Financial Statements

As at December 31, 2023

All amounts in Rupees Lakhs, unless otherwise stated

5. Property, plant and equipment and capital work-in-progress (Cont'd)

Note:

- (i) During the year 2017, consequent to losses incurred in adhesive division and after evaluation of the expected future performance of the division, the Company had performed an impairment analysis and recorded impairment of property, plant and equipment of the adhesive division Rs. 1,195.80 lakhs. While recognising the impairment loss, the Company had considered its adhesive business division as a cash generating unit, in keeping with the accounting policy on Impairment set out in Note 3.12, and the value in use as the recoverable amount.

During the current year, the management has carried out an assessment of impaired adhesive division as per Ind AS 36- Impairment of assets. In view of management, there is no change in impairment indicators and the management has future projection of losses in this CGU in coming years. Accordingly, the management continued with the provision for impairment recorded in the previous year ended December 31, 2017 in respect of Adhesive division as per above assessment made by the management.

- (ii) During the year 2023, consequent to the closure of the Kolkata Plant situated on the land of Kolkata Port Trust, the Company has analysed that no cash can be further generated from the property, plant and equipment situated at Kolkata plant and considering the same, the Company has recognised provision for impairment on property, plant and equipment and capital work in progress amounting to Rs. 624.60 lakhs and Rs. 44.96 lakhs respectively, situated at the Kolkata plant which can not be transferred to another location.

- iii) Refer note 37(b) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

Ageing of capital work-in-progress as at December 31, 2023:

Particulars	Less than 1 year	1 - 2 years	2-3 years	More than 3 years	Total
Projects in progress	1,495.28	-	-	-	1,495.28
Projects temporarily suspended	-	-	-	-	-
Total	1,495.28	-	-	-	1,495.28

Ageing of capital work-in-progress as at December 31, 2022:

Particulars	Less than 1 year	1 - 2 years	2-3 years	More than 3 years	Total
Projects in progress	6,820.20	854.53	49.18	-	7,723.91
Projects temporarily suspended	-	-	-	-	-
Total	6,820.20	854.53	49.18	-	7,723.91

Note: There are no projects whose completion is overdue or has exceeded its cost compared to its original plan.

Notes forming part of the Financial Statements

As at December 31, 2023

All amounts in Rupees Lakhs, unless otherwise stated

6. Intangible assets

Particulars	Computer Software
I. Gross carrying amount	
Balance as at January 1, 2022	99.58
Add: Additions during the year	-
Less: Deletions during the year	-
Balance as at December 31, 2022	99.58
Balance as at January 1, 2023	99.58
Add: Additions during the year	22.10
Less: Deletions during the year	-
Balance as at December 31, 2023	121.68
II. Accumulated amortisation	
Balance as at January 1, 2022	80.98
Add: Amortisation expense	7.41
Balance as at December 31, 2022	88.39
Balance as at January 1, 2023	88.39
Add: Amortisation expense	8.17
Balance as at December 31, 2023	96.56
Net carrying amount (I-II)	
Balance as at December 31, 2023	25.12
Balance as at December 31 2022	11.19

Notes forming part of the Financial Statements

All amounts in Rupees Lakhs, unless otherwise stated

7. Investments

Particulars	As at December 31, 2023	As at December 31, 2022
Investment in equity instruments (measured at fair value through profit or loss)		
Unquoted, fully paid:		
496,000 (December 31, 2022: 496,000) equity shares of Rs. 10 each fully paid in Solarstream Renewable Energies Private Limited	29.51	49.60
Total	29.51	49.60
Aggregate amount of unquoted instrument	29.51	49.60

Note:

The Company holds 5.10% (December 31, 2022 : 5.10%) equity shares of Solarstream Renewable Services Private Limited, a Company engaged in the business of providing solar energy to its customers.

8. Other non-current financial assets

Unsecured, considered good

Security deposits *	360.94	356.18
Total	360.94	356.18

* Includes amount paid under protest Rs. 50.12 lakhs (December 31, 2022: 49.31 lakhs) for indirect tax litigations, where the matter is disputed.

9. Deferred tax assets

Deferred tax assets	1,351.87	790.84
Total	1,351.87	790.84

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

Particulars	Balance as on January 1, 2022	Recognised in statement of profit and Loss	Recognised in other comprehensive income	Balance as on December 31, 2022
(i) Provision for doubtful debts	124.44	9.20	-	133.64
(ii) Provision for employee benefits	224.99	(21.70)	2.75	206.04
(iii) Property, plant and equipment's and intangible assets	209.08	14.22	-	223.30
(iv) Expenses allowable for tax purpose on payment	187.13	40.73	-	227.86
Deferred tax assets	745.64	42.45	2.75	790.84

Particulars	Balance as on January 1, 2023	Recognised in statement of profit and Loss	Recognised in other comprehensive income	Balance as on December 31, 2023
(i) Provision for doubtful debts	133.64	16.28	-	149.92
(ii) Provision for employee benefits	206.04	(68.97)	47.47	184.54

Notes forming part of the Financial Statements

All amounts in Rupees Lakhs, unless otherwise stated

(iii) Property, plant and equipment's and intangible assets	223.30	(56.84)	-	166.46
(iv) Expenses allowable for tax purpose on payment	227.86	132.09	-	359.95
(v) Current year's loss	-	491.00	-	491.00
Deferred tax assets	790.84	513.56	47.47	1,351.87

Note:

A reconciliation of income tax provision to the amount computed by applying the statutory income tax rate to the income before income tax is summarized below:

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
Profit before tax *	(2,824.60)	4,431.30
Income tax expenses calculated at 25.168%	(710.90)	284.73
Tax effect of amounts which are not deductible (taxable) in calculating taxable income	49.41	49.57
Others	104.51	(1.41)
Income tax expense recognised in statement of profit and loss	(556.98)	332.89

* The Long term capital gain tax on profit on sale of land (shown as exceptional item in the year 2022) was paid in the year 2021.

Note: Provisions for taxation has been recognised with reference to profit for the year ended December 31, 2023, in accordance with the provisions of Income-tax Act, 1961 and rules framed thereunder. The ultimate tax liability for the financial year 2023-24 will be determined on the basis of total taxable income for the nine months ended December 31, 2023 and 3 months ending March 31, 2024.

10. Other non-current assets

Particulars	As at December 31, 2023	As at December 31, 2022
Unsecured, considered good		
(a) Capital advances*	51.19	259.06
(b) Prepaid expenses	15.99	26.36
(c) Balance with banks:		
(i) Balance held as margin money or security against guarantees and other commitments	5.61	4.74
(ii) In deposit accounts (with original maturity of more than 12 months)	-	1.00
Total	72.79	291.16

* net of provision for doubtful advances amounting to Rs. 11.51 lakhs (December 31, 2022: Nil)

11. Current tax assets (net)

Particulars	As at December 31, 2023	As at December 31, 2022
Advance tax including tax deducted at source	5,441.45	5,242.69
Less: Provision for income tax	(4,626.47)	(4,626.47)
Total	814.98	616.22

12. Inventories

(a) Raw material	4,714.11	5,274.50
(b) Work-in-progress	1,482.25	1,392.23
(c) Finished goods	3,463.55	3,583.41
(d) Stock-in-trade	483.90	487.47
(e) Store and spares	177.63	162.93
(f) Containers	107.51	103.44
Total	10,428.95	11,003.98

Notes forming part of the Financial Statements

All amounts in Rupees Lakhs, unless otherwise stated

Details of stock in transit (Included in inventories) are as follows:

- (a) Raw materials
- (b) Finished goods
- (c) Stock in trade
- (d) Containers

Total

As at December 31, 2023	As at December 31, 2022
67.31	1,085.52
965.54	902.16
54.19	95.15
10.80	-
1,097.84	2,082.83

12.1 Write-downs of inventories to net realisable value amounted to Rs. 133.62 lakhs (December 31, 2022 – Rs. (11.26) lakhs). These were recognised as an income during the year and included in 'Changes in stock of finished goods, stock-in-trade and work-in-progress' in statement of profit and loss.

12.2 Write-downs of inventories due to provision for slow moving inventories / (reversal of provision) amounted to Rs. (91.62) lakhs (December 31, 2022 – Rs. (12.51) lakhs). These were recognised as an income during the year and included in "Cost of materials consumed" in statement of profit and loss.

13. Trade receivables

Particulars	As at December 31, 2023	As at December 31, 2022
Current		
(a) Trade receivables from contract with customers – billed	22,040.05	24,651.12
(b) Trade receivables from contract with customers – related parties (refer note 43)	571.10	946.29
Less: Loss allowance	(595.66)	(531.00)
Total	22,015.49	25,066.41
Break-up of security details		
(a) Trade receivables considered good – secured	1,128.06	985.06
(b) Trade receivables considered good – unsecured	21,483.09	24,612.35
	22,611.15	25,597.41
Less: Loss allowance	(595.66)	(531.00)
Total	22,015.49	25,066.41

13.1 The average credit period on sales of goods is 30 to 120 days. No interest is charged on the trade receivables for the amount overdue above the credit period.

13.2 The Company assesses the potential customer's credit quality and defines credit limits by customer.

13.3 The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix under simplified approach. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due. For computation of expected credit loss allowance, the Company excludes intercompany balances and trade receivables which are secured by dealer deposits. Based on internal assessment which is driven by the historical experience and current facts available in relation to default and delays in collection thereof, the credit risk for these trade receivables is considered low. The provision matrix at the end of the reporting period is as follows:

Ageing wise % of expected credit loss

	As at December 31, 2023	As at December 31, 2022
Within the credit period	0.17%-0.95%	0%-1.52%
90 days overdue	0.20%-1.14%	0.42%-1.8%
91-180 days overdue	1.25%-7.33%	2.05%-12.84%
181-270 days overdue	25.95%-40.93%	21.39%-57.37%
271-365 days overdue	41.71%-76.61%	100.00%
More than 365 days overdue	100.00%	100.00%

Notes forming part of the Financial Statements

All amounts in Rupees Lakhs, unless otherwise stated

13. Trade receivables (cont'd)

Age of receivables

	As at December 31, 2023	As at December 31, 2022
Within the credit period	18,968.06	21,522.87
90 days overdue	2,807.26	3,329.85
91-180 days overdue	156.57	285.12
181-270 days overdue	68.35	66.78
271-365 days overdue	281.04	79.00
More than 365 days overdue	329.87	313.79
	22,611.15	25,597.41

Movement in the expected credit loss allowance

	Year ended December 31, 2023	Year ended December 31, 2022
Balance at the beginning of the year	531.00	494.44
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses (net)	114.62	36.56
Bad debt written off	(49.96)	-
Balance at the end of the year	595.66	531.00

13.4 Ageing of trade receivables and credit risk arising there from is as below:

Particulars		As at March 31, 2023					
	Unbilled	Outstanding for following periods from due date of payment					Total
		Not yet due	Less than six months	Six months 1 Year	1-2 Years	More than 2 Years	
(a) Undisputed trade receivables							
- considered good	-	18,968.06	2,963.83	349.39	115.48	214.39	22,611.15
- credit impaired	-	-	-	-	-	-	-
(b) Disputed trade receivables							
- considered good	-	-	-	-	-	-	-
- credit Impaired	-	-	-	-	-	-	-
Total	-	18,968.06	2,963.83	349.39	115.48	214.39	22,611.15

Particulars	As at December 31, 2022						Total
	Unbilled	Outstanding for following periods from due date of payment					
		Not yet due	Less than six months	Six months- 1 Year	1-2 Years	More than 2 Years	
(a) Undisputed trade receivables							
- considered good	-	21,522.87	3,614.97	145.78	115.07	198.72	25,597.41
- credit impaired	-	-	-	-	-	-	-
(b) Disputed trade receivables							
- considered good	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-
Total	-	21,522.87	3,614.97	145.78	115.07	198.72	25,597.41

Notes forming part of the Financial Statements

All amounts in Rupees Lakhs, unless otherwise stated

14. Cash and cash equivalents

Particulars	As at December 31, 2023	As at December 31, 2022
(a) Cash on hand	0.21	0.21
(b) Bank balances		
(i) In current accounts	3,696.15	3,257.19
(ii) In deposit accounts (with original maturity of less than 3 months)	1,000.00	3,450.00
Total	4,696.36	6,707.40

15. Bank balance other than cash and cash equivalents

(a) Bank deposit accounts (with original maturity more than 3 months but less than 12 months)	0.43	-
(b) Balances with banks in Unpaid dividend accounts	12.41	14.51
Total	12.84	14.51

16. Other current financial assets

Unsecured, Considered good

(a) Security deposits	24.98	26.29
(b) Receivables from related parties (refer note 43)	268.84	291.67
(c) Advance to employees*	41.34	95.61
(d) Interest accrued on bank deposits	0.51	4.65
(e) Others		
(i) Insurance Claim receivable	-	9.35
(ii) Other receivables	0.19	0.20
Total	335.86	427.77

* Net of provision for doubtful advances amounting to Rs. 33.86 lakhs (December 31, 2022: Rs. 5.50 lakhs)

17. Other current assets

Particulars	As at December 31, 2023	As at December 31, 2022
(a) Prepaid expense	130.74	171.78
(b) Advance to vendors	233.40	589.84
(c) Balance with government authorities		
(i) Vat credit receivable	4.05	4.05
(ii) Goods and services tax credit receivable *	1,718.35	2,124.85
(iii) Duty Drawback receivable	25.22	31.13
(iv) RoDTEP License receivable	49.71	86.88
(v) MEIS License **	-	80.67
Total	2,161.47	3,089.20

* Net of Provision for doubtful receivable amounting to Rs.102.75 lakhs (December 31, 2022: Rs. 134.68 lakhs)

** Net of provision for doubtful receivable amounting to Rs. 21.53 lakhs (December 31, 2022: Nil)

18. Assets classified as held for sale

Building held for sale	-	14.50
Furniture and Fixtures held for sale	-	0.03
Total	-	14.53

Note:

During the year ended December 31, 2023, the Company has sold its apartment located at Sarvapriya Vihar, New Delhi vide a conveyance deed dated January 16, 2023 for a sale consideration of Rs. 160.00 lakhs.

Notes forming part of the Financial Statements

All amounts in Rupees Lakhs, unless otherwise stated

19. Equity share capital

Particulars	As at December 31, 2023		As at December 31, 2022	
	No. of shares	Rs. lakh	No. of shares	Rs. lakh
Authorised share capital:				
Equity shares of Rs 10 each with voting rights	15,000,000	1,500.00	15,000,000	1,500.00
Issued, subscribed and fully paid:				
Equity shares of Rs 10 each with voting rights	9,178,977	917.90	9,178,977	917.90
Total	9,178,977	917.90	9,178,977	917.90

(i) Rights, preferences and restrictions attached to Equity shares:

The Company has one class of Equity shares having a par value of Rs.10 per Equity Share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

Particulars	As at December 31, 2023		As at December 31, 2022	
	No. of shares	(% of holding)	No. of shares	(% of holding)
DIC Asia Pacific Pte. Limited, Singapore- Holding company	6,586,077	71.75	6,586,077	71.75

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

Particulars	As at December 31, 2023		As at December 31, 2022	
	No. of shares	(% of holding)	No. of shares	(% of holding)
DIC Asia Pacific Pte. Limited, Singapore- Holding company	6,586,077	71.75	6,586,077	71.75

(iv) Reconciliation of number of shares

Particulars	As at December 31, 2023		As at December 31, 2022	
	No. of shares	(% of holding)	No. of shares	(% of holding)
Balance at the beginning of the year	9,178,977	917.90	9,178,977	917.90
Add: Issue of Shares	-	-	-	-
Balance at the end of the year	9,178,977	917.90	9,178,977	917.90

(v) Details of shares held by the promoters:

Particulars	As at December 31, 2023		As at December 31, 2022	
	No. of shares	(% of holding)	No. of shares	(% of holding)
DIC Asia Pacific Pte. Limited, Singapore- Holding company	6,586,077	71.75	6,586,077	71.75

(vi) There were no shares issued pursuant to contracts without payment being received in cash, by way of bonus issue and no shares were bought back in the period of five years immediately preceding the date as at which the Balance Sheet is prepared.

Notes forming part of the Financial Statements

All amounts in Rupees Lakhs, unless otherwise stated

20. Other equity

Particulars	As at December 31, 2023	As at December 31, 2022
General reserve	6,559.12	6,559.12
Securities premium	6,548.08	6,548.08
Capital reserve	0.59	0.59
Retained earnings	25,606.76	28,199.07
Total	38,714.55	41,306.86
(i) General reserve		
Opening balance	6,559.12	6,559.12
Closing balance	6,559.12	6,559.12
(ii) Securities premium		
Opening balance	6,548.08	6,548.08
Closing balance	6,548.08	6,548.08
(iii) Capital reserve		
Opening balance	0.59	0.59
Closing balance	0.59	0.59
(iv) Retained earnings		
Opening balance	28,199.07	24,567.80
Profit/(loss) for the year	(2,267.62)	4,098.41
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation, net of tax	(141.11)	(8.19)
Dividend paid	(183.58)	(458.95)
Closing balance	25,606.76	28,199.07

Nature and purpose of reserves

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

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

Capital reserve: It pertains to capital reserve acquired pursuant to the scheme of arrangement under the Companies Act accounted under pooling of interest method and excess of purchase consideration over fair value of net assets (for certain business combinations).

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

21. Long term provisions

Particulars	As at December 31, 2023	As at December 31, 2022
Provision for employee benefits		
- Compensated absences	307.77	471.26
- Other retirement benefits (refer note 39.2)	22.05	73.39
Total	329.82	544.65

Notes forming part of the Financial Statements

All amounts in Rupees Lakhs, unless otherwise stated

22. Borrowing

Unsecured loan from Bank - at amortised cost

Working capital demand loan (refer note below)

Total

Notes:

(i) The rate of interest on working capital short term borrowings is 8.25% p.a.(December 31, 2022: Nil). Interest accrued on current borrowings of Rs. 7.01 lakhs (December 31, 2022: Rs. Nil) is shown under other current financial liabilities, refer Note 24.

(ii) The principal and interest is repayable as per payment schedule of 29 days. There is no default in repayment of principal and interest thereon.

Net debt reconciliation

Cash and cash equivalents	4,696.36	6,707.40
Less: Borrowings	(1,500.00)	-
Less: Lease liabilities	(468.43)	(2,404.52)
Net cash	2,727.93	4,302.88

Particulars	Year ended December 31, 2022				Year ended December 31, 2023			
	Lease liabilities	Borrowings	Cash and bank overdraft	Total	Lease liabilities	Borrowings	Cash and bank overdraft	Total
Net debt as on January 1 (544.87)	-	-	7,276.59	6,731.72	(2,404.52)	-	6,707.40	4,302.88
Cash flows	-	-	(569.19)	(569.19)	-	(1,500.00)	(2,011.04)	(3,511.04)
New leases	(1,914.96)	-	-	(1,914.96)	1,495.66	-	-	1,495.66
Interest expense	(250.31)	-	-	(250.31)	(126.89)	-	-	(126.89)
Lease payments	305.62	-	-	305.62	567.32	-	-	567.32
Net debt as on December 31	(2,404.52)	-	6,707.40	4,302.88	(468.43)	(1,500.00)	4,696.36	2,727.93

23. Trade payables

Particulars	As at December 31, 2023	As at December 31, 2022
Total outstanding dues of micro and small enterprises (refer note 38)	1,119.06	1,433.50
Total outstanding dues other than micro and small enterprises (refer note 43)	10,551.20	13,889.13
Total	11,670.26	15,322.63

The normal credit period for these trade payables is generally from 30 to 120 days. No interest is charged by the vendors (except micro and small enterprises) on overdue payables, if any.

Ageing of trade payables:

Particulars	As at December 31, 2023						Total
	Unbilled	Not yet due	Outstanding for following periods from due date				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(a) Undisputed trade payables							
- Micro and small enterprises	-	919.27	170.35	29.44	-	-	1,119.06
- Others	1,141.59	6,100.40	3,223.17	82.55	0.56	2.93	10,551.20
(b) Disputed trade payables							
- Micro and small enterprises	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-
Total	1,141.59	7,019.67	3,393.52	111.99	0.56	2.93	11,670.26

Notes forming part of the Financial Statements

All amounts in Rupees Lakhs, unless otherwise stated

Ageing of trade payables:

Particulars	As at December 31, 2022						Total
	Unbilled	Not yet due	Outstanding for following periods from due date				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(a) Undisputed trade payables							
- Micro and small enterprises	-	1,426.21	7.29	-	-	-	1,433.50
- Others	589.35	3,363.01	9,856.45	62.80	4.72	12.80	13,889.13
(b) Disputed trade payables							
- Micro and small enterprises	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-
Total	589.35	4,789.22	9,863.74	62.80	4.72	12.80	15,322.63

24. Other current financial liabilities

Particulars	As at December 31, 2023	As at December 31, 2022
Measured at amortised cost		
(a) Payables on purchase of property, plant and equipment	124.01	174.02
(b) Security deposit received from customers	1,254.06	1,029.53
(c) Interest payable on customers' security deposits	271.68	273.71
(d) Employee payables	470.59	567.70
(e) Sales commission and discount liabilities	1,132.29	1,029.23
(f) Retention money payable	197.24	448.53
(g) Directors' commission payable	-	16.00
(h) Payable to related parties (refer note 43)	-	5.32
(i) Unpaid/ Unclaimed dividend	12.41	14.51
(j) Interest accrued but not due on short term working capital loan	7.01	-
Measured at Fair value		
(k) Fair value of foreign currency forward contracts	0.04	0.01
Total	3,469.33	3,558.56

25. Other current liabilities

(a) Advances from customers	54.66	58.64
(b) Statutory remittances	604.22	413.86
(c) Advance received for sale of asset (refer note 18)	-	82.00
Total	658.88	554.50

Notes forming part of the Financial Statements

All amounts in Rupees Lakhs, unless otherwise stated

26. Short term provisions

Particulars	As at December 31, 2023	As at December 31, 2022
(a) Provision for employee benefits		
- Gratuity obligation (refer note 39.2)	195.32	89.48
- Compensated absence	49.23	53.90
- Other retirement benefit (refer note 39.2)	2.79	4.88
- Pension (refer note 39.2)	16.94	60.78
(b) Provision for litigations (indirect tax)	113.92	69.96
Total	378.20	279.00

Movement in the provision for litigations

	Year ended December 31, 2023	Year ended December 31, 2022
Balance at the beginning of the year	69.96	62.90
Provision created during the year	43.96	7.06
Provision released/utilised during the year	-	-
Balance at the end of the year	113.92	69.96

27. Current tax liabilities (Net)

Particulars	As at December 31, 2023	As at December 31, 2022
(a) Provision for income tax	-	232.17
(b) Advance tax and tax deducted at source receivable	-	(206.94)
Total	-	25.23

Notes forming part of the Financial Statements

All amounts in Rupees Lakhs, unless otherwise stated

28. Revenue from operations

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

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
(a) Revenue from sale of goods [refer note (i) below]	82,584.60	86,802.35
(b) Other operating income [refer note (ii) below]	300.54	396.66
Total	82,885.14	87,199.01
Notes:		
(i) Disaggregated revenue information		
A. Geographical region:		
a. India	74,844.05	75,140.16
b. Outside India	8,041.09	12,058.85
Total revenue from operations	82,885.14	87,199.01
B. Reconciliation of revenue recognised with contract price:		
Contract price (Gross)	83,615.99	87,499.11
Adjustments for:		
Discount and Incentives	(1,031.39)	(696.76)
Revenue from sale of goods	82,584.60	86,802.35
(ii) Other operating income comprises of		
(a) Sale of containers	169.91	133.31
(b) Duty drawback	66.38	118.64
(c) Income from RoDTEP licenses and MEIS scripts	54.40	122.85
(d) Insurance claims	9.86	21.86
Total	300.55	396.66
29. Other income		
(a) Interest income from financial assets at amortised cost	107.01	170.05
(b) Unwinding of discount on security deposit	3.35	4.27
(c) Management fees	405.67	533.41
(d) Recovery of bad debts	10.50	12.82
(e) Liabilities/ provisions no longer required, written back	3.36	63.49
(f) Gain on disposal of property, plant and equipment (net)	282.65	-
(g) Gain on lease modifications (net)	0.58	9.42
(h) Miscellaneous receipts	5.63	2.90
Total	818.75	796.36
30. Cost of materials consumed*		
(a) Raw material		
Opening stock	5,274.50	8,170.66
Add: Purchases	53,737.80	54,196.03
	59,012.30	62,366.69
Less: Closing stock	4,714.11	5,274.50
Total	54,298.19	57,092.19

Notes forming part of the Financial Statements

All amounts in Rupees Lakhs, unless otherwise stated

	Year ended December 31, 2023	Year ended December 31, 2022
(b) Containers		
Opening stock	103.44	133.54
Add: Purchases	3,475.56	3,438.34
	3,579.00	3,571.88
Less: Closing stock	107.51	103.44
Total	3,471.49	3,468.44
Total (a) + (b)	57,769.68	60,560.63

*excludes pre-operative cost related to capitalisation of Saykha plant. refer note 53

31. Purchase of stock in trade

Purchase of stock in trade	4,873.44	6,318.08
Total	4,873.44	6,318.08

32. Changes in stock of finished goods, stock-in-trade and work-in-progress

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
Inventories at the end of the year:		
Finished goods	3,463.55	3,583.41
Work-in-progress	1,482.25	1,392.23
Stock-in-trade	483.90	487.47
a)	5,429.70	5,463.11
Inventories at the beginning of the year:		
Finished goods	3,583.41	4,542.35
Work-in-progress	1,392.23	1,340.38
Stock-in-trade	487.47	550.74
b)	5,463.11	6,433.47
Net decrease in inventory	c)=b-a	970.36

33. Employee benefits expense

(a) Salaries and wages, including bonus*	6,431.36	6,619.37
(b) Contribution to provident and other fund (refer note 39)	621.06	490.84
(c) Staff welfare expenses	597.32	476.73
Total	7,649.74	7,586.94

*excludes pre-operative cost related to capitalisation of Saykha plant. refer note 53

34. Finance cost

(a) Borrowings	7.17	39.48
(b) Other Borrowing Costs		
- Interest on dealer deposit	64.32	59.88
- Interest on delayed payment of lease rent	154.75	-
- Interest others*	62.01	19.69
(c) Interest expense on lease liabilities	126.89	250.31
Total	415.14	369.36

*Includes interest on delayed payment to MSME vendors amounting to Rs. 46.64 lakhs (December 31, 2022: Rs. 9.34 lakhs)

Notes forming part of the Financial Statements

All amounts in Rupees Lakhs, unless otherwise stated

	Year ended December 31, 2023	Year ended December 31, 2022
35. Depreciation and amortisation expenses		
(a) Depreciation on Property, plant and equipment (refer note 5)	1,552.91	953.26
(b) Amortisation on Intangible assets (refer note 6)	8.17	7.40
(c) Depreciation on Right-of-use assets (refer note 41)	260.34	382.12
Total	1,821.42	1,342.78

36. Other expenses*

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
(a) Consumption of stores and spare parts	518.79	482.34
(b) Power and fuel	1,034.78	950.94
(c) Rent (refer note 41)	519.43	397.23
(d) Repairs and maintenance - buildings	45.74	53.16
(e) Repairs and maintenance - machinery	377.01	399.95
(f) Repairs and maintenance - others	23.72	29.94
(g) Insurance	304.77	293.91
(h) Rates and Taxes, excluding taxes on income	84.82	37.48
(i) Selling agents' commission	223.39	360.53
(j) Travelling expenses	777.33	705.97
(k) Freight and forwarding	2,423.60	2,268.53
(l) Processing charges	594.43	342.99
(m) Royalty	995.63	1,025.83
(n) Net Loss on foreign currency transaction, translation and derivatives	43.17	77.72
(o) Provision for doubtful debts on trade and other receivables and advances (net)	97.72	36.56
(p) Bad debt and advances written off	49.96	4.50
(q) Payments to auditors [refer note (i) below]	84.07	64.67
(r) Expenditure towards corporate social responsibility activities [refer note (ii) below]	26.09	33.58
(s) Property, plant and equipment written off	6.32	9.30
(t) Legal and professional	706.66	464.42
(u) Communication expenses	36.63	40.13
(v) Printing and stationery	35.76	23.74
(w) Outsource expense	1,250.05	600.29
(x) (Gain)/Loss on disposal of property, plant and equipment (net)	-	7.72
(y) IT handling charges	327.88	358.79
(z) Diminution in fair value of investment	20.09	-
(aa) Miscellaneous expenses	978.93	645.70
Total	11,586.77	9,715.92

*excludes pre-operative cost related to capitalisation of Saykha plant. Refer note 53

Notes forming part of the Financial Statements

All amounts in Rupees Lakhs, unless otherwise stated

36. Other expenses (cont'd)

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
Notes:		
(i) Payments to auditors		
Payments to the auditors comprises (excluding GST):		
(i) As auditors (including quarterly reviews)	78.50	44.50
(ii) For taxation matters	-	13.50
(iii) For other services	2.00	3.00
(iv) Auditors out-of-pocket expenses	3.57	3.67
	84.07	64.67

(ii) Expenditure on corporate social responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee has been formed by the Company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which were specified in schedule VII of the Companies Act, 2013. The details of corporate social responsibility expenditure made in during the year is as follows:

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
(a) Amount required to be spent as per section 135 of Companies Act, 2013	25.91	33.58
(b) Amount spent during the year on:		
- Construction/ acquisition of any asset	-	-
- On purposes other than above	26.09	31.69
(c) Provision made for liability	-	1.89
(d) Shortfall at the end of the year	-	-
(e) The total of previous years' shortfall amounts	-	-
(f) Reason for above shortfalls	See note below	See note below
(g) Nature of CSR activities undertaken by the Company	Promoting education, PM relief fund and development projects.	
(h) Details of related party CSR transactions	None	None
(i) Movement in provision; where a provision is made with respect to a liability incurred by entering into a contractual obligation	Not applicable	Not applicable

Note:

Consequent to the Companies (Corporate Social Responsibility Policy) Amended Rules, 2021 (the rules), the Company has subsequent to balance sheet date deposited amount of Rs Nil (December 31, 2022 :Rs 1.89 lakhs) in PM relief fund.

Notes forming part of the Financial Statements

All amounts in Rupees Lakhs, unless otherwise stated

37. Contingent Liabilities and commitments

(a) Contingent Liabilities	As at December 31, 2023	As at December 31, 2022
Claims against the Company not acknowledged as debt:		
(a) Income tax matters	343.79	228.16
(b) Disputed indirect tax matters for which appeals before the relevant authorities are pending disposal are as follows :		
(i) Custom duty matters	200.00	201.59
(ii) Excise duty matters	284.14	283.14
(iii) Service tax matters	205.16	172.21
(iv) Sales tax / Value added tax / Entry tax matters	13.37	45.57
(v) Goods and Service tax	523.69	-

Note: The Company as well as the Income tax department have filed appeals on various matters arising from these assessments. Based on the available documentation and tax experts view, the Company has created provisions wherever required and for the balance matters, it believes that more likely than not, these disputes would not result in additional outflow of resources.

The Company is contesting certain claims raised by authorities towards custom, excise, service tax, goods and service tax and sales tax/VAT dues at various forums. Based on the available documentation and expert view, the Company has created provisions wherever required and for the balance matters, it believes that more likely than not, these disputes would not result in additional outflow of resources.

The assessments undertaken in recognising provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events requires best judgement by management considering the probability of exposure to potential loss. Judgement includes consideration of experts opinion, facts of the matter, underlying documentation and historical experience. Changes in assumptions about these factors could affect the reported value of contingencies and provisions.

It is not practicable for the Company to estimate the timing of cash outflow, if any, in respect of the above pending resolution of the respective proceedings.

(b) Commitment	As at December 31, 2023	As at December 31, 2022
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	82.34	1,879.46

(ii) The Company has other commitments, for purchase orders which are issued after considering requirements per operating cycle for purchase of services, employee's benefits. The Company does not have any other long term commitments or material non-cancellable contractual commitments/contracts, including derivative contracts for which there were any material foreseeable losses.

(c) There has been no delays in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Notes forming part of the Financial Statements

All amounts in Rupees Lakhs, unless otherwise stated

38. Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act')

In terms of notification dated September 4, 2015 issued by the Central Government of India, the disclosure related trade payables as at December 31, 2023 and December 31, 2022 are as follows:

Particulars	As at December 31, 2023	As at December 31, 2022
'(i) Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
'(a) Principal amount	1,026.06	1,374.41
'(b) Interest amount	93.00	59.09
	1,119.06	1,433.50
'(ii) Amount of interest paid by the buyer under MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;		
'(a) Principal amount	1,227.99	1,510.04
'(b) Interest amount	12.73	17.88
'(iii) Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
'(iv) Amount of interest accrued and remaining unpaid at the end of the accounting year	93.00	59.09
'(v) Amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act	-	-

Note: The above disclosure is based on information available with the Company regarding status of the suppliers as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006.

Notes forming part of the Financial Statements

All amounts in Rupees Lakhs, unless otherwise stated

39. Employee benefit plan

39.1 Defined contribution plans

During the year the Company has recognised an amount of Rs. 409.19 lakhs (December 31, 2022 Rs. 138.48 lakhs) as expenditure towards defined contribution plans of the Company.

39.2 Defined benefit plans

The Company offers the employee benefit schemes of Pension (funded), Gratuity (funded) and Other retirement benefit (unfunded) to its employees. Benefits payable to eligible employees of the Company with respect to these schemes, defined benefit plans are accounted for on the basis of an actuarial valuation as at the balance sheet date.

The present value of defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method with actuarial valuations being carried out at each balance sheet date.

These plans typically expose the Company to actuarial risks such as:

Investment risk	The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. For other defined benefit plans, the discount rate is determined by reference to market yields at the end of the reporting period on high quality corporate bonds when there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit. Currently, the plans have a relatively balanced mix of investments in government securities, and other debt instruments.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	Valuation as at	
	As at December 31, 2023	As at December 31, 2022
<u>Pension Fund</u>		
Interest rate for discounting	7.00%	7.10%
Expected rate of return on plan assets	7.00%	7.10%
<u>Gratuity Obligation</u>		
Interest rate for discounting	7.10%	7.20%
Salary increase rate:		
(a) Management staff	5.00%	5.00%
(b) Union staff	4.00%	4.00%
Expected rate of return on plan assets	7.10%	7.20%
<u>Other retirement Benefit</u>		
Interest rate for discounting	7.10%	7.30%

(i) Amount recognised in the Balance sheet are as follows

Particulars	As at December 31, 2023				As at December 31, 2022			
	Pension	Gratuity	Other retirement benefit	Total	Pension	Gratuity	Other retirement benefit	Total
Present value of defined benefit obligation	105.75	1,399.50	24.84	1,530.09	176.47	1,291.68	78.27	1,546.42
Less: fair value of plan assets	88.81	1,204.18	-	1,292.99	115.69	1,202.20	-	1,317.89
Net asset / (liability)	(16.94)	(195.32)	(24.84)	(237.10)	(60.78)	(89.48)	(78.27)	(228.53)
Current	(16.94)	(195.32)	(2.79)	(215.05)	(60.78)	(89.48)	(4.88)	(155.14)
Non-current	-	-	(22.05)	(22.05)	-	-	(73.39)	(73.39)

Notes forming part of the Financial Statements

All amounts in Rupees Lakhs, unless otherwise stated

Experience adjustments on plan assets [gain/ (loss) during the year]	(13.80)	(38.39)	-	(52.19)	(0.95)	(8.72)	-	(9.67)
Experience adjustments on obligations [(gain)/ loss during the year]	11.80	19.83	4.83	36.46	4.15	58.16	(21.90)	40.41

(ii) Amount recognised in the statement of profit and loss and other comprehensive income are as follows:

Particulars	Year ended December 31, 2023				Year ended December 31, 2022			
	Pension	Gratuity	Other retirement benefit	Total	Pension	Gratuity	Other retirement benefit	Total
Current service cost	-	92.45	3.92	96.37	-	89.75	4.82	94.57
Interest cost	1.78	1.21	0.57	3.56	4.13	2.02	6.33	12.48
Past Service cost	-	-	-	-	-	-	-	-
Actuarial loss/(gain)- Other comprehensive loss	25.90	63.72	5.17	94.79	(15.15)	50.90	(24.81)	10.94
Settlement Cost/ (Credit)	-	93.79	77.91	171.70	-	-	-	-
Total expense	27.68	251.17	87.57	366.42	(11.02)	142.67	(13.66)	117.99
Recognised in statement of profit and loss *	1.78	93.66	4.49	99.93	4.13	91.77	11.15	107.05
Actuarial loss/(gain) recognised in other comprehensive income	25.90	157.51	5.17	188.58	(15.15)	50.90	(24.81)	10.94
Recognised in exceptional item - Kolkata plant closure	-	-	77.91	77.91	-	-	-	-

* Recognised under "Contribution to Provident and Other Funds" in note 29 for Pension, Gratuity and under "Staff welfare expenses" in note 29 for other retirement benefit.

(iii) Reconciliation of opening and closing balances of the present value of Defined Benefit Obligation:

Particulars	As at December 31, 2023				As at December 31, 2022			
	Pension	Gratuity	Other retirement benefit	Total	Pension	Gratuity	Other retirement benefit	Total
Opening present value of defined benefit obligation	176.47	1,291.68	78.27	1,546.42	200.93	1,259.38	96.93	1,557.24
Current service cost	-	92.45	3.92	96.37	-	89.75	4.82	94.57
Interest cost	9.26	86.16	0.57	95.99	11.00	78.87	6.33	96.20
Settlement Cost	-	93.79	77.91	171.70	-	-	-	-
Past service cost	-	-	-	-	-	-	-	-
Actuarial loss/(gain)	12.10	25.33	5.17	42.60	(16.10)	42.18	(24.81)	1.27
Benefits paid	(92.08)	(189.91)	(141.00)	(422.99)	(19.36)	(178.50)	(5.00)	(202.86)
Closing present value of defined benefit obligation	105.75	1,399.50	24.84	1,530.09	176.47	1,291.68	78.27	1,546.42

(iv) Reconciliation of opening and closing balances of the fair value of plan assets

Particulars	As at December 31, 2023			As at December 31, 2022		
	Pension	Gratuity	Total	Pension	Gratuity	Total
Opening fair value of plan assets	115.69	1,202.20	1,317.89	129.13	1,146.22	1,275.35
Expected return on plan assets	7.48	84.95	92.43	6.87	76.85	83.72
Actuarial gain/ (loss)	(13.80)	(38.39)	(52.19)	(0.95)	(8.72)	(9.67)
Contributions by employer	71.52	145.33	216.85	-	166.35	166.35
Benefits paid	(92.08)	(189.91)	(281.99)	(19.36)	(178.50)	(197.86)
Closing fair value of plan assets	88.81	1,204.18	1,292.99	115.69	1,202.20	1,317.89

Notes forming part of the Financial Statements

All amounts in Rupees Lakhs, unless otherwise stated

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

Particulars	As at December 31, 2023		As at December 31, 2022	
	Pension	Gratuity	Pension	Gratuity
Govt. of India Securities/Deposits	40.00%	2.30%	40.00%	1.40%
PSU Bonds / State Securities	0.00%	4.28%	0.00%	5.26%
Corporate bonds	0.00%	0.00%	0.00%	0.00%
Insurance managed funds	9.60%	87.20%	9.60%	87.98%
Bank balances	50.40%	6.22%	50.40%	5.36%
Total	100.00%	100.00%	100.00%	100.00%

(vi) Actual return on plan assets

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
Pension	(6.32)	5.92
Gratuity	46.56	68.13

(vii) Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Particulars	As at December 31, 2023		As at December 31, 2022	
	Discount rate	Salary increase	Discount rate	Salary increase
<u>Pension fund</u>				
Decrease in Defined benefit obligation due to increase by 1%	(2.95)	-	(4.11)	-
Increase in Defined benefit obligation due to decrease by 1%	3.13	-	4.41	-
<u>Gratuity obligation</u>				
Decrease in Defined benefit obligation due to increase by 1%	(52.27)	58.28	(76.79)	86.20
Increase in Defined benefit obligation due to decrease by 1%	58.80	(52.65)	86.11	(78.52)
<u>Other retirement Benefit</u>				
Decrease in Defined benefit obligation due to increase by 1%	(1.66)	-	(4.47)	-
Increase in Defined benefit obligation due to decrease by 1%	1.88	-	4.97	-

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

39.3 Defined Benefit plans- Provident Fund

In terms of Guidance on implementing Ind AS 19 on Employee Benefits issued by the Accounting Standard Board of the Institute of Chartered Accountants of India (ICAI), a provident fund set up by the Company is treated as a defined benefit plan in view of the Company's obligation to meet shortfall, if any, on account of interest.

The Actuary has carried out actuarial valuation of 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, shortfall in the fund as ascertained by the actuary provided during the year amounts to Rs. 117.47 lakhs (December 31, 2022: (8.00) lakhs) which is included in 'Contribution to Provident and Other Funds' in Note 33.

Further during the year, the Company's contribution of Rs 323.79 Lakhs (2022 - Rs. 239.64 lakhs) to the Provident Fund Trust has been expensed under the 'Contribution to Provident and Other Funds' in Note 33. Disclosures given hereunder are restricted to the information available as per the Actuary's Report.

	As at December 31, 2023	As at December 31, 2022
Discount rate	7.10%	7.20%
Expected yield on plan assets	8.10%	8.10%
Guaranteed interest rate	8.25%	8.25%

Notes forming part of the Financial Statements

All amounts in Rupees Lakhs, unless otherwise stated

40. Financial Instruments

(i) Capital management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimization of the debt and equity balance. The Company is not subject to any externally imposed capital requirements. The Company's board of directors reviews the capital structure of the Company on a periodic basis. As part of this review, the Board of directors considers the cost of capital and the risks associated with capital. The Company's gearing ratio at the end of the reporting period was as follows:

Particulars	As at December 31, 2023	As at December 31, 2022
(a) Debt- Borrowings	1,500.00	-
(b) Cash and cash equivalents	(4,696.36)	(6,707.40)
(c) Net debt	(3,196.36)	(6,707.40)
(d) Equity*	39,632.45	42,224.76
Net debt to equity ratio	(0.08)	-

* Equity includes all capital and reserves of the Company that are managed as capital.

Note: No debt to equity ratio has been computed in previous year, since there is no debt

(ii) Category wise details as to carrying value, fair value and the level of fair value measurement hierarchy of the Company's financial instruments are as follows:

Financial assets

Measured at amortised cost

(a) Trade receivables		22,015.49	25,066.41
(b) Cash and cash equivalents		4,696.36	6,707.40
(c) Bank balances other than Cash and cash equivalents		12.84	14.51
(d) Other financial assets		696.80	783.95

Measured at fair value through profit or loss

(e) Investments	Level 3	29.51	49.60
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Financial liabilities

Measured at amortised cost

(a) Trade payables		11,670.26	15,322.63
(b) Other financial liabilities		3,469.29	3,558.55
(c) Lease liabilities		468.43	2,404.52
(d) Borrowings		1,500.00	-

Measured at fair value through profit or loss

(e) Other financial asset- Fair value of Derivative instrument	Level 2	0.04	0.01
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Method/ assumption used to estimate the fair value:

(a) The carrying value of trade receivables, cash and cash equivalents, bank deposits, trade payables, other current financial assets and financial liabilities measured at amortised cost approximate their fair value due to the short-term maturities of these instruments.

(b) The fair values of the derivative financial instruments has been determined using valuation techniques with market observable inputs. The models incorporate various inputs including the credit quality of counter-parties and foreign exchange forward rates.

(c) The fair value of unquoted equity shares is based on market multiples derived from quoted prices and price earning multiples of companies comparable to the investee and the net assets value and price earning multiples of the investee. The estimate is adjusted for the effect of the non-marketability of the relevant equity securities.

(d) There were no transfers between Level 1, Level 2 and Level 3 of financial assets and liabilities.

(iii) Financial risk management objectives

The Company's management monitors and manages key financial risks relating to the operations of the Company by analysing exposures by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

Notes forming part of the Financial Statements

All amounts in Rupees Lakhs, unless otherwise stated

40. Financial Instruments (Cont'd)

The Company seeks to minimise the effects of currency risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

(iv) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include foreign currency receivables, deposits and borrowings.

The Company enters into a derivative financial instruments to manage its exposure to foreign currency risk, including forward foreign exchange contracts to hedge the exchange rate risk arising on the imports.

(v) Foreign Currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The Company uses a foreign exchange forward contracts to hedge its exposure in foreign currency risk. The Company generally enters into forward exchange contracts to cover specific foreign currency payments to reduce foreign exchange fluctuation risk.

The carrying amounts of the company's foreign currency denominated monetary assets (trade receivables) and monetary liabilities (trade payables) at the end of the reporting period are as follows:

Currency	Liabilities as at		Assets as at	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
USD	6.74	18.26	11.15	15.87
Equivalent amount in INR	560.03	1,511.51	926.75	1,313.68
EUR	1.35	0.85	0.17	0.35
Equivalent amount in INR	123.98	74.94	15.21	30.88
JPY	752.48	814.66	-	-
Equivalent amount in INR	442.24	508.49	-	-
AUD	0.39	0.24	1.57	-
Equivalent amount in INR	21.88	13.64	89.07	-
SGD	2.33	0.13	-	-
Equivalent amount in INR	146.19	7.88	-	-

Of the above foreign currency denominated monetary assets and monetary liabilities, foreign currency exposures which have been hedged are as below:

Currency	Liabilities as at		Assets as at	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
USD	2.20	-	-	-
Equivalent amount in INR	183.22	-	-	-
JPY	-	40.00	-	-
Equivalent amount in INR	-	25.27	-	-

The Company has hedged its trade payable for Import of raw material. Accordingly, the year end foreign currency exposure that have not been hedged by a derivative instrument or otherwise are given:

Currency	Liabilities as at		Assets as at	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
USD	4.54	18.26	11.15	15.87
Equivalent amount in INR	376.81	1,511.51	926.75	1,313.68
EUR	1.35	0.85	0.17	0.35
Equivalent amount in INR	123.98	74.94	15.21	30.88
JPY	752.48	774.66	-	-
Equivalent amount in INR	442.24	483.22	-	-
AUD	0.39	0.24	1.57	-
Equivalent amount in INR	21.88	13.64	89.07	-
SGD	2.33	0.13	-	-
Equivalent amount in INR	146.19	7.88	-	-

Notes forming part of the Financial Statements

All amounts in Rupees Lakhs, unless otherwise stated

40. Financial Instruments (Cont'd)

(v)(a) Foreign Currency sensitivity analysis

The Company is mainly exposed to the fluctuation in the value of USD and JPY. The following table details the company sensitivity to a 10% increase and decrease in INR against the relevant foreign currency. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjust there translation at the period end for a 10% change in foreign currency rate. A positive number below indicates an increase in profit or equity where the Rs. strengthens 10% against the relevant currency. For a 10% weakening of the Rs. against the relevant currency, there would be a comparable impact on the profit or equity.

	As at December 31, 2023	As at December 31, 2022
USD Impact in INR (increase by 10%)		
Impact on profit or loss for the year	54.99	(19.78)
Impact on total equity as at the end of the reporting period	54.99	(19.78)
USD Impact in INR (decrease by 10%)		
Impact on profit or loss for the year	(54.99)	19.78
Impact on total equity as at the end of the reporting period	(54.99)	19.78
EUR Impact in INR (increase by 10%)		
Impact on profit or loss for the year	(10.88)	(4.41)
Impact on total equity as at the end of the reporting period	(10.88)	(4.41)
EUR Impact in INR (decrease by 10%)		
Impact on profit or loss for the year	10.88	4.41
Impact on total equity as at the end of the reporting period	10.88	4.41
AUD Impact in INR (increase by 10%)		
Impact on profit or loss for the year	6.72	(1.36)
Impact on total equity as at the end of the reporting period	6.72	(1.36)
AUD Impact in INR (decrease by 10%)		
Impact on profit or loss for the year	(6.72)	1.36
Impact on total equity as at the end of the reporting period	(6.72)	1.36
SGD Impact in INR (increase by 10%)		
Impact on profit or loss for the year	(14.62)	(0.79)
Impact on total equity as at the end of the reporting period	(14.62)	(0.79)
SGD Impact in INR (decrease by 10%)		
Impact on profit or loss for the year	14.62	0.79
Impact on total equity as at the end of the reporting period	14.62	0.79
JPY Impact in INR (increase by 10%)		
Impact on profit or loss for the year	(44.22)	(48.32)
Impact on total equity as at the end of the reporting period	(44.22)	(48.32)
JPY Impact in INR (decrease by 10%)		
Impact on profit or loss for the year	44.22	48.32
Impact on total equity as at the end of the reporting period	44.22	48.32

The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 10%.

Notes forming part of the Financial Statements

All amounts in Rupees Lakhs, unless otherwise stated

(vi) Interest rate risk management

The Company is subject to variable interest rate on its interest bearing liabilities. The Company's interest rate exposure is mainly related to debt obligations. The Company's exposure to interest rates on financial liabilities are detailed in the liquidity risk management.

(vi)(a) Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. For floating rate borrowings, the analysis is prepared assuming the amount of the borrowings outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used for disclosing the sensitivity analysis.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's loss for the year ended December 31, 2023 would increase/decrease by Rs Nil (for the year ended December 31, 2022: increase/decrease by Rs Nil). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

(vii) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

Trade Receivable and other financial assets

The company has adopted a policy of dealing with creditworthy counterparties and obtaining deposits, where appropriate, as a means of mitigating the risk of financial loss from defaults. Before accepting any new customer, the Company assess the potential customers credit quality and defines credit limit by customers. Limits attributed to customer are reviewed annually. Ongoing credit evaluation is performed on the financial condition of accounts receivable. Concentration of credit risk to any counterparty did not exceed 10% of total monetary assets at any time during the year.

Cash and cash equivalents and bank deposits

The Company maintains its cash and cash equivalents and bank deposits with reputed banks. The credit risk on these instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

(viii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short-term, medium-term and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the contractual maturities of financial liabilities based on contractual undiscounted payments:

Particulars	As at December 31, 2023			As at December 31, 2022		
	Carrying amount	Due in 1 year	Due in after 1 year	Carrying amount	Due in 1 year	Due in after 1 year
(a) Trade payables	11,670.26	11,670.26	-	15,322.63	15,322.63	-
(b) Other financial liabilities	3,469.33	3,469.33	-	3,558.56	3,558.56	-
(c) Lease liabilities	468.43	188.78	1,061.83	2,404.52	652.18	2,305.82
(d) Borrowings	1,500.00	1,500.00	-	-	-	-

Notes forming part of the Financial Statements

All amounts in Rupees Lakhs, unless otherwise stated

41. Leases

This note provides information for leases where the Company is a lessee. The Company leases various lands, buildings, plant and equipment and vehicles. Rental contracts are typically made for fixed periods of 2 years to 5 years except in case of leasehold land where it is upto 99 years, but may have extension options as described in (e) below.

The changes in the carrying value of ROU assets are as follows:

Description of assets	Category of ROU Asset				Total
	Building	Leasehold land	Vehicle	Plant and equipment	
I. Cost					
Balance as at January 1, 2022	961.69	1,885.73	29.36	85.35	2,962.13
Add: Additions during the year	404.31	1,565.57	-	-	1,969.68
Less: Deletions during the year	114.32	-	-	-	114.32
Balance as at December 31, 2022	1,251.48	3,451.30	29.36	85.35	4,817.49
Balance as at January 1, 2023	1,251.48	3,451.30	29.36	85.35	4,817.49
Add: Additions during the year	79.48	75.89	-	-	155.37
Less: Deletions during the year	576.45	1,572.01	29.36	85.35	2,263.17
Balance as at December 31, 2023	754.51	1,955.18	-	-	2,709.69
II. Accumulated depreciation					
Balance as at January 1, 2022	505.27	45.71	19.58	55.26	625.82
Add: Depreciation expense	234.13	115.61	9.78	22.60	382.12
Less: Eliminated on disposal of assets	69.02	-	-	-	69.02
Balance as at December 31, 2022	670.38	161.32	29.36	77.86	938.92
Balance as at January 1, 2023	670.38	161.32	29.36	77.86	938.92
Add: Depreciation expense	203.67	56.17	-	0.50	260.34
Less: Eliminated on disposal of assets	464.97	137.63	29.36	78.36	710.32
Balance as at December 31, 2023	409.08	79.86	-	-	488.94
Net block (I-II)					
Balance as at December 31, 2023	345.43	1,875.32	-	-	2,220.75
Balance as at December 31, 2022	581.10	3,289.98	-	7.49	3,878.57

The aggregate depreciation expense on Right-Of-Use assets is included under depreciation and amortization expense in the statement of profit and loss. (refer note 35)

(a) The break-up of current and non-current lease liabilities is as follows:

Particulars	As at December 31, 2023	As at December 31, 2022
Current	166.36	381.81
Non-current	302.07	2,022.71
Total	468.43	2,404.52

(b) The movement in lease liabilities is as follows:

Particulars	As at December 31, 2023	As at December 31, 2022
Opening liabilities as on January 1	2,404.52	544.87
Add: Addition	151.05	1,969.68
Add: Interest expense [refer note 34(c)]	126.89	250.31
Less: Liability on discontinued leased assets	-	(54.72)
Less: Payment of lease liabilities	(567.32)	(305.62)
Less: Lease written back	(1,646.71)	-
Closing liability as on December 31	468.43	2,404.52

Notes forming part of the Financial Statements

All amounts in Rupees Lakhs, unless otherwise stated

(c) The details of the contractual maturities of lease liabilities on an undiscounted basis are as follows:

Particulars	As at December 31, 2023	As at December 31, 2022
Less than one year	188.78	652.18
One to five years	262.56	970.40
More than five years	799.27	1,335.42
Total	1,250.61	2,958.00

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

(d) Rental expense recorded for short-term leases and low value lease:

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
Short term lease	504.95	365.07
Low value lease	14.48	32.16
Total	519.43	397.23

(e) **Extension and termination options**

Extension and termination options are included in a number of leases across the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor.

(f) In respect of two leasehold lands on which Kolkata Plant is located, the lease agreements with Kolkata Port Trust Authority (KOPT) expired on March 13, 2021 and August 13, 2021 respectively.

In respect of leasehold land whose lease agreement expired on March 13, 2021, as per the communication received from KOPT, a fresh lease was offered by KOPT for 30 years on certain terms and conditions, which was under negotiation.

Consequent to the decision of the board to close the plant subject to necessary approval (refer note 50 below) the management has requested KOPT to allow the Company continue possessing the premise until closure of the plant. Accordingly, the Right of use and lease liability recognized earlier, based on the offered lease terms has been reversed during the year and net gain of Rs. 93.28 lakhs has been recognized as an exceptional item in current year.

Further, the Company has cleared all dues for rental demand till March 13, 2024.

In respect of leasehold land whose lease agreement expired on August 13, 2021, the Company had vacated the said land and handed it over to KOPT on January 02, 2023. The Company had earlier accrued for lease rent payable amounting to Rs. 46.14 lakhs, for the period from August 13, 2021 to December 31, 2022 on an estimated basis. During the year, the Company had received a demand from KOPT for the above-mentioned period for Rs. 132.93 lakhs and has paid the said demand.

The Company further received two letters from KOPT on the aforesaid land, in which additional compensation has been demanded. On prudent basis, a provision of Rs. 142.18 lakhs has been made and balance amount of Rs. 142.17 lakhs, based on legal opinion assessment, has not been acknowledged as debt by the Company. The Company is actively engaging with KOPT on the matter and will address it appropriately.

42. Expenditure on Research and Development

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
Capital Expenditure includes on account of Research and Development	24.59	76.47
Total	24.59	76.47

Notes forming part of the Financial Statements

All amounts in Rupees Lakhs, unless otherwise stated

43. Related Parties Disclosures

i) Related Parties :

Names of Related Parties	Relationship
(a) Where control exists	
DIC Corporation, Japan	Ultimate Holding Company
DIC Asia Pacific Pte Ltd., Singapore	Holding Company

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

DIC (VIETNAM) CO. LTD.	Fellow Subsidiary
DIC Graphics (Thailand) Co. Ltd.	Fellow Subsidiary
DIC (Malaysia) Sdn. Bhd.	Fellow Subsidiary
Sun Chemical A.O	Fellow Subsidiary
DIC Australia Pty Ltd	Fellow Subsidiary
DIC Bangladesh Pvt. Ltd.	Fellow Subsidiary
DIC Philippines, Inc.	Fellow Subsidiary
DIC Graphics Chia Lung Corp.	Fellow Subsidiary
DIC Fine Chemicals Private Limited	Fellow Subsidiary
DIC South Asia Private Limited	Fellow Subsidiary
DIC Graphics Corporation	Fellow Subsidiary
DICAP Jurong - Graphics	Fellow Subsidiary
DIC Lanka (Private) Ltd.	Fellow Subsidiary
DIC New Zealand Ltd	Fellow Subsidiary
Nantong DIC Color Co., Ltd.	Fellow Subsidiary
Sun Chemical Corp.	Fellow Subsidiary
Sun Chemical UK	Fellow Subsidiary
Sun Chemical S.A.U. Spain	Fellow Subsidiary
Sun Chemical Group GmbH	Fellow Subsidiary
Sun Chemical Group S.p.A.	Fellow Subsidiary
Sun Chemical N.V./S.A.	Fellow Subsidiary
Sun Chemical AG (S.A., Ltd.)	Fellow Subsidiary
Sun Chemical S.A.U	Fellow Subsidiary
Sun Chemical Limited	Fellow Subsidiary
Sun Chemical S.A.S	Fellow Subsidiary
Ideal Chemi Plast Private Limited	Fellow Subsidiary
Nissin Trading Co. Ltd.	Fellow Subsidiary
Sun Chemical Group GmbH	Fellow Subsidiary
P.T. DIC Graphics	Fellow Subsidiary
Sun Chemical Turkey	Fellow Subsidiary
DIC Graphics Chia Lung Corp.	Fellow Subsidiary
P.T. Pardic Jaya Chemicals	Fellow Subsidiary
P.T. DIC Graphics(Pulo Gadung)	Fellow Subsidiary
Sun Chemical Saudi Arabia Ltd.	Fellow Subsidiary
PT DIC Trading Indonesia	Fellow Subsidiary

(c) Key Management Personnel

Mr. Manish Bhatia	Managing Director and Chief Executive Officer
Mr. Taishi Nojima	Whole time Director (upto May 11, 2023)
Mr. Rajeev Anand	Independent Director
Ms. Pritha Dutt	Independent Director
Mr. Partha Mitra	Independent Director (upto March 23, 2023)
Mr. Paul Koek	Non-executive Director
Mr. Prabal Kumar Sarkar	Independent Director
Mr. Adnan Wajhat Ahmad	Independent Director (since February 8, 2023)
Mr. Ryohei Kohashi	Non-executive Director (since February 8, 2023)
Mr. Masahiro Kikuchi	Non-executive Director (upto January 11, 2024)

Notes forming part of the Financial Statements

All amounts in Rupees Lakhs, unless otherwise stated

43. Related Parties Disclosures (Cont'd)

(d) Employee benefit trusts

DIC India Employees Gratuity Fund
DIC India Management Staff Pension Fund
DIC India Staff Provident Fund

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

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
(a) Transactions during the year		
1. Revenue from sale of goods		
Ultimate Holding Company	0.17	-
Holding Company	210.17	210.84
Fellow Subsidiary		
DIC Australia Pty Ltd.	1,380.62	2,588.36
Sun Chemical Russia	235.99	1,346.45
PT DIC Trading Indonesia	245.59	
Others	491.28	864.79
2. Management/ service fees income		
Ultimate Holding Company	165.04	179.30
Holding Company	204.32	307.56
Fellow Subsidiary		
DIC South Asia Private Limited	22.42	29.39
Ideal Chemi Plast Pvt. Ltd.	13.88	17.16
3. Purchases of goods		
Ultimate Holding Company	773.43	965.08
Holding Company	3,351.11	4,880.55
Fellow Subsidiary		
DIC Fine Chemicals Private Limited	2,640.90	3,944.92
Nantong DIC Color Co., Ltd.	370.43	431.01
Nissin Trading Co. Ltd.	568.81	-
Others	980.95	1,890.64
4. Purchase of MEIS Scrips		
Fellow Subsidiary		
DIC Fine Chemicals Private Limited	-	81.49
5. Salaries and wages, Travelling expense and IT handling charges		
Ultimate Holding Company	510.41	644.31
Holding Company	247.68	25.11
Fellow Subsidiary		
Others	53.38	-
6. Royalty expense		
Ultimate Holding Company	999.97	1,025.83
7. Remuneration expenses		
Short Term Benefits	342.16	399.05
Post - Employment Benefits	13.97	12.40
Other long term employee benefits	2.72	0.45
Sitting fees	36.15	18.90
Director's Commission	-	16.00

Notes forming part of the Financial Statements

All amounts in Rupees Lakhs, unless otherwise stated

43. Related Parties Disclosures (Cont'd)

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

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
8. Reimbursement of expenses		
<i>Ultimate Holding Company</i>		
Salaries & wages	240.13	229.76
Travelling Expenses	9.06	1.52
Miscellaneous Expenses	73.89	1.45
<i>Holding Company</i>		
Salaries & wages	101.83	62.07
Travelling expenses	4.92	14.09
IT handling charges	20.97	194.43
<i>Fellow Subsidiary</i>		
Salaries & wages	-	-
Travelling Expenses	-	-
Miscellaneous Expenses	28.63	18.20
9. Contribution to Funds		
DIC India Employees Gratuity Fund	145.33	166.35
DIC India Management Staff Pension Fund	71.52	-
DIC India Staff Provident Fund	254.05	242.04
(b) Outstanding as at year end:		
Particulars	As at December 31, 2023	As at December 31, 2022
1. Trade payable		
<i>Ultimate Holding Company</i>	911.15	500.39
<i>Holding Company</i>	223.74	742.12
<i>Fellow Subsidiary</i>		
DIC Fine Chemicals Private Limited	345.92	836.31
Others	222.23	446.53
2. Employee related liabilities		
Key Management Personnel		
Post Employment Benefits	13.97	9.47
Short Term Benefits	2.72	10.26
Director's commission	-	16.00
3. Trade receivables		
<i>Ultimate Holding Company</i>	0.17	132.57
<i>Holding Company</i>	52.71	161.24
<i>Fellow Subsidiary</i>		
DIC Australia Pty Ltd	299.72	467.13
Others	218.50	185.35
4. Other Current financial assets		
<i>Ultimate Holding Company</i>	169.55	97.28
<i>Holding Company</i>	94.58	193.23
<i>Fellow Subsidiary</i>		
Others	4.71	1.16
5. Other current financial liabilities		
<i>Fellow Subsidiary</i>		
Ideal Chemi Plast Private Limited	-	4.53
DIC South Asia Private Limited	-	0.79

Notes forming part of the Financial Statements

All amounts in Rupees Lakhs, unless otherwise stated

43. Related Parties Disclosures (Cont'd)

6. Provision for employee benefits

DIC India Employees Gratuity Fund	195.32	89.48
DIC India Management Staff Pension Fund	16.94	60.78

7. Other current liabilities

DIC India Staff Provident Fund	261.21	90.45
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44. Segment Information

The Company's operations are predominantly manufacture of 'Printing Inks' and according to the management this is the single segment as envisaged in "Ind AS-108-Operating Segments. Accordingly, no operating segment disclosures including comparatives are required to be made in these financial statements.

Refer note 28(i) for revenue from external customers.

The Company do not have any customer from whom they have 10% or more revenue.

45. Financial Ratios as per the Schedule III requirements

Particulars	Numerator	Denominator	December 31, 2023	December 31, 2022	Variance	Reason of variance
Current ratio	Current assets	Current liabilities	2.22	2.30	-3.47%	Variance below 25% threshold
Debt-equity ratio	Total debt	Shareholder's equity	0.05	0.06	-12.78%	Variance below 25% threshold
Debt service coverage ratio	Earnings available for debt service	Total debt	(0.02)	2.42	-100.65%	Due to working capital loan taken in current year for operations and loss incurred in current year.
Return on equity ratio	Net profit after tax	Average shareholder's equity	-1.39%	2.54%	-154.63%	Due to loss incurred in current year
Inventory turnover ratio	Cost of goods sold	Average inventory	5.85	5.23	11.78%	Variance below 25% threshold
Trade receivables turnover ratio	Total sales	Average trade receivables	3.51	3.59	-2.18%	Variance below 25% threshold
Trade payables turnover ratio	Total purchases	Average trade payables	4.60	3.73	23.20%	Variance below 25% threshold
Net capital turnover ratio	Total sales	Working capital	3.79	3.31	14.31%	Variance below 25% threshold
Net profit ratio	Net profit after tax	Total sales	(0.03)	0.05	-158.21%	Due to loss incurred in current year
Return on capital employed	Earnings before interest and tax	Capital employed	(0.00)	0.04	-102.09%	Due to loss incurred in current year
Return on Investment	Net profit after tax	Total assets	(0.04)	0.06	-161.81%	Due to loss incurred in current year

Note:

(i) Total debt = total borrowings + Lease liabilities

(ii) Earning available for debt service = Profit after tax + Finance costs + Depreciation and amortization expense

(iii) Total purchases = Purchase of stock-in-trade + Purchases of raw materials + Purchase of containers

(iv) Total sales = Revenue from operations

(v) Working capital = Current assets - Current liabilities

(vi) Earning before interest and taxes = Profit before tax + Finance costs

(vii) Capital employed = Tangible net worth + Total debt + Deferred tax assets (net)

(viii) Wherever the term "average" is used, the average has been computed as follows: (Balance as at beginning of the year + Balance as at end of year)/2.

46. Additional regulatory information not disclosed elsewhere in the financials statements

a) Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

b) Willful defaulter

The Company has not been declared willful defaulter by any bank or financial institution or other lender.

c) Relationship with struck off companies

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

d) Registration of charges or satisfaction with Registrar of Companies

The Company has a charge of Rs. 30.00 lakhs with IDBI bank w.e.f. February 5, 1992, which is yet to be satisfied with the registrar of the companies beyond the statutory period due to unavailability of sufficient documents for satisfaction.

e) Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

f) Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

g) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

h) Details of crypto currency or virtual currency

The company has not traded or invested in crypto currency or virtual currency during the current or previous financial year.

i) Valuation of property, plant and equipment, intangible asset and investment property

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous financial year.

j) Utilisation of borrowed funds and share premium

(i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

(ii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

k) Fund based and non fund based working capital facilities extended to the Company are secured by hypothecation of the Company's inventories and book receivables, both present and future, by way of first charge in favour of State Bank of India and Standard chartered ranking pari passu.

46. Additional regulatory information not disclosed elsewhere in the financials statements (cont'd)
I) Reconciliation of stock statement

The Company has been sanctioned working capital facilities from banks on the basis of security of current assets. The company has filed quarterly returns/ statements with such banks which are not in agreement with the audited books of account, however such differences between the amounts disclosed to the banks and those as per the books of accounts have been reconciled. Refer table below for summary of reconciliation and reasons of material discrepancies.

Name of the Bank/ Financial Institution	Quarter ended	Nature of current Assets / Liabilities where differences were observed	Amount disclosed as per quarterly return/ statement	Amount as per books of account	Amount of difference	Reasons for material difference
Standard Chartered	December 31, 2023	Stock	9,589	10,429	(840)	Note-1
		Debtor	23,850	22,015	1,835	Note-2
		Trade Payables	9,197	11,670	(2,473)	Note-3
	September 30, 2023	Stock	11,639	13,592	(1,953)	Note-1
		Debtor	26,632	24,288	2,344	Note-2
		Trade Payables	12,217	16,830	(4,613)	Note-3
	June 30, 2023	Stock	11,370	13,677	(2,307)	Note-1
		Debtor	26,292	23,554	2,738	Note-2
		Trade Payables	12,840	16,242	(3,402)	Note-3
	March 31, 2023	Stock	12,309	14,136	(1,827)	Note-1
		Debtor	25,209	22,921	2,288	Note-2
		Trade Payables	15,162	17,994	(2,832)	Note-3
State Bank of India	December 31, 2023	Stock	9,589	10,429	(840)	Note-1
		Debtor	23,850	22,015	1,835	Note-2
		Trade Payables	9,197	11,670	(2,473)	Note-3
	September 30, 2023	Stock	11,639	13,592	(1,953)	Note-1
		Debtor	26,632	24,288	2,344	Note-2
		Trade Payables	12,217	16,830	(4,613)	Note-3
	June 30, 2023	Stock	11,370	13,677	(2,307)	Note-1
		Debtor	26,292	23,554	2,738	Note-2
		Trade Payables	12,840	16,242	(3,402)	Note-3
	March 31, 2023	Stock	12,309	14,136	(1,827)	Note-1
		Debtor	25,209	22,921	2,288	Note-2
		Trade Payables	15,162	17,994	(2,832)	Note-3

Note1: Impact of slow moving/non-moving provision, net realisable value provision of finished goods, sales reversal wherein risk/rewards were not transferred to the customers within period end, goods purchased but not received wherein risk/rewards were transferred to the Company within period end, adjustments related to physical counts and inventory of stores and spares are not considered in the statements submitted to Banks.

Note2: Impact of sales reversal wherein risk/rewards were not transferred to the customers within period end, adjustments arising out of provision for debit and credit notes/expected credit loss provision/non-adjustment of advance received from customers and foreign exchange reinstatement gain/(loss) are not considered in statements submitted to the Banks.

Note3: Impact of accrued expenses, liability for goods received but invoices not accounted for, goods purchased but not received wherein risk/rewards were transferred to the Company within period end, adjustments arising out of provision for debit and credit notes/non-adjustment of advance given to vendors and foreign exchange reinstatement gain/(loss) are not considered in statements submitted to the Banks.

47. Below is the title deed of Immovable Property not held in the name of the Company

Description of Property	Gross carrying value		Held in the name of	Whether promoter, director or their relative or employee	Period held since	Reason for not being held in name of Company
	As at December 31, 2023	As at December 31, 2022				
Freehold land – Chennai	2.93	2.93	Coates of India Limited	No	1991	The conveyance deed are erstwhile name of the Company.
Building – Chennai	3.36	3.36			1991	
Building – Ahmedabad	11.67	11.67			1997	
Leasehold land – Noida	41.21	41.21			1995	
Leasehold land – Ahmedabad	161.34	161.34			1993	

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

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
Profit for the year attributable to owners of the Company	(2,267.62)	4,098.41
Weighted average number of equity shares in Lakhs	917.90	917.90
Basic and diluted earning per share (Rs.)	(24.70)	44.65
Face value per equity share (Rs.)	10.00	10.00

49. Sale of land

On June 18, 2020, the Conveyance deed was executed in respect of the sale of Land of the Company located at Chandivali, Mumbai to Godrej Properties Limited (GPL). The Company received Rs. 12,000.00 lakhs from GPL towards fixed consideration. As per the Conveyance deed, an additional consideration amounting to Rs. 3,300.00 lakhs was contingent on achieving certain milestones with respect to height clearance, to be obtained by GPL, from the appropriate authorities.

During the previous year, GPL had received necessary height clearances from the appropriate authorities and accordingly, the contingent consideration of Rs. 3,300.00 lakhs has been received and recognised as an exceptional item.

50. Exceptional item - Kolkata Port Trust matters

During the current year, the Board of Directors of the Company in their meeting held on September 06, 2023 decided to close the manufacturing plant of the Company located at Kolkata, subject to requisite statutory and regulatory approvals and duly intimated the same to the Stock Exchanges. The management had also filed an application with the Secretary, Government of West Bengal, Labour Department on September 11, 2023, seeking approval for closure of the Plant. On November 7, 2023, the Labour department passed an order wherein it has not approved the Company's request for closure of Kolkata plant and requested the Company to run the said plant. The Company filed a writ petition on December 4, 2023 to Hon'ble Calcutta High Court challenging the said order and the matter is sub judice. Further, without prejudice to the said writ petition and on the request of the workmen, the Company introduced Voluntary Retirement Schemes ("Schemes") for the workmen of the Kolkata Plant and Honorable High Court was duly updated. All the workmen employed at the Kolkata Plant applied under the Schemes and the Company duly accepted their applications and paid benefits accordingly. The Production at the Kolkata plant has been stopped and the Company is awaiting the outcome of the judicial and administrative proceedings before formally vacating the premises.

The management has assessed/estimated the potential financial impact of closure amounting to Rs. 2,378.89 lakhs and disclosed the same as an exceptional item in these financial statements. The estimated impact includes Provision for Impairment of Property Plant and Equipment (net of gain on lease modification of Rs. 93.28 lakhs) Rs. 576.28 lakhs, Staff Separation Costs Rs. 1,466.55 lakhs (excluding Rs. 94.86 lakhs related to remeasurement loss of the defined benefit liabilities which has been considered under Other Comprehensive Income) and other legal and ancillary costs relating to closure amounting to Rs. 336.06 lakhs (including site restoration cost amounting to Rs. 78.93 lakhs).

51. During the year ended December 31, 2023, the Company has reclassified following comparatives. These reclassification are primarily to conform to the current years classification, which do not have material impact on the financial statements:

Note No.	Note Description	Previously reported amount	Revised amount	Change	Purpose
Balance sheet					
26	Provisions (current liabilities)	209.04	279.00	69.96	For better presentation
25	Other current liabilities	624.46	554.50	(69.96)	For better presentation
23	Trade payables	16,919.56	15,322.63	(1,596.93)	For better presentation
24	Other financial liabilities (current liabilities)	1,961.63	3,558.56	1,596.93	For better presentation

52. Transfer pricing

The Company has a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company appoints independent consultants for conducting a Transfer Pricing Study to determine whether the transactions with associate enterprises are undertaken, during the financial year, on an "arms length basis". Adjustments, if any, arising from the transfer pricing study shall be accounted for as and when the study is completed for the current financial year. However, the management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation. The transfer pricing study for the year ended March 31, 2023 did not result in any adjustment.

53. During the year, the Company has capitalised a manufacturing plant in Saykha, Bharuch, Gujrat (Project "Optima") amounting to Rs. 8,520.89 lakhs including preoperative expenses of Rs. 514.89 lakhs as follows:

Particulars	As at December 31, 2023	As at December 31, 2022
Cost of material used	27.44	-
Employee benefit expenses	27.14	195.37
Other expenses	48.35	216.59
	<u>102.93</u>	<u>411.96</u>
Add: Brought forward from previous year	411.96	-
Total	<u>514.89</u>	<u>411.96</u>
Less: Capitalised during the year	(514.89)	-
Balance under capital work in progress	<u>-</u>	<u>411.96</u>

54. Approval of financial statement

The financial statements for the year ended December 31, 2023 were approved and authorised for issue by the board of directors on February 22, 2024.

For Price Waterhouse Chartered Accountants LLP
Firm's Registration Number: 012754N/N500016

Rajib Chatterjee
Partner
Membership Number: 057134

Place: Gurugram
Date: February 22, 2024

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

Prabal Sarkar Manish Bhatia
Director Managing Director & CEO
DIN: 03124712 DIN: 08310936

Raghav Shukla Gagan Deep Singh
Company Secretary Chief Finance Officer
Place : Noida
Date: February 22, 2024



Color & Comfort

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