Color & Comfort

ANNUAL REPORT 2019

Color & Comfort

DIC INDIA LIMITED

BOARD OF DIRECTORS

As on December 31, 2019



Dipak Kumar Banerjee
Chairman



Manish Bhatia
Managing Director & CEO



Taishi Nojima
Whole Time Director



Partha Mitra



Dr. Reena Sen



Paul Koek



Masahiro Kikuchi



Ho Yeu Guan

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Organisation Vision & Mission

Vision Statement

We enrich lives through Color & Chemistry that create identity & enable knowledge.

Mission Statement

We aim to become the preferred business partner to our printing ink & allied customers by delivering innovative solutions. We will achieve this by customer focus, engagement & best practices

Corporate Information

as on December 31, 2019

CIN - L24223WB1947PLC015202

Board of Directors

Dipak Kumar Banerjee
Chairman Independent Director
(DIN: 00028123)

Manish Bhatia
Managing Director &
Chief Executive Officer
(DIN: 08310936)

Taishi Nojima
Whole Time Director
(DIN: 08401012)

Partha Mitra
Independent Director
(DIN: 00335205)

Reena Sen
Independent Director
(DIN: 07082198)

Paul Koek
Non-Executive Director
(DIN: 00081930)

Masahiro Kikuchi
Non-Executive Director
(DIN: 08024525)

Ho Yeu Guan
Non-Executive Director
(DIN: 08066136)

Key Managerial Personnel

Manish Bhatia
Managing Director &
Chief Executive Officer
(DIN: 08310936)

Taishi Nojima
Whole Time Director
(DIN: 08401012)

Sandip Chatterjee
Chief Financial Officer
(PAN: ABVPC5782H)

Raghav Shukla
General Manager- Legal &
Company Secretary
(M. No. F5252)

Board Committees

Audit Committee

Partha Mitra – *Chairman*
Reena Sen
Paul Koek

Stakeholders' Relationship Committee

Partha Mitra – *Chairman*
Dipak Kumar Banerjee
Paul Koek

Nomination & Remuneration Committee

Reena Sen – *Chairperson*
Partha Mitra
Paul Koek

Corporate Social Responsibility Committee

Reena Sen – *Chairperson*
Partha Mitra
Paul Koek
Taishi Nojima

Risk Management Committee

Partha Mitra – *Chairman*
Manish Bhatia
Ho Yeu Guan
Taishi Nojima

Sale of Land Committee

Partha Mitra – *Chairman*
Reena Sen
Paul Koek – *Secretary*

Registered Office

DIC India Limited
Transport Depot Road,
Kolkata- 700 088
Phone: +91 33 2449 6591 – 95
Fax: +91 33 2449 7033
Email: investors@dic.co.in
Website: www.dicindialtd.co

Auditors

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

Bankers

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

Registrar & Share Transfer Agent

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

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

DIC India in brief

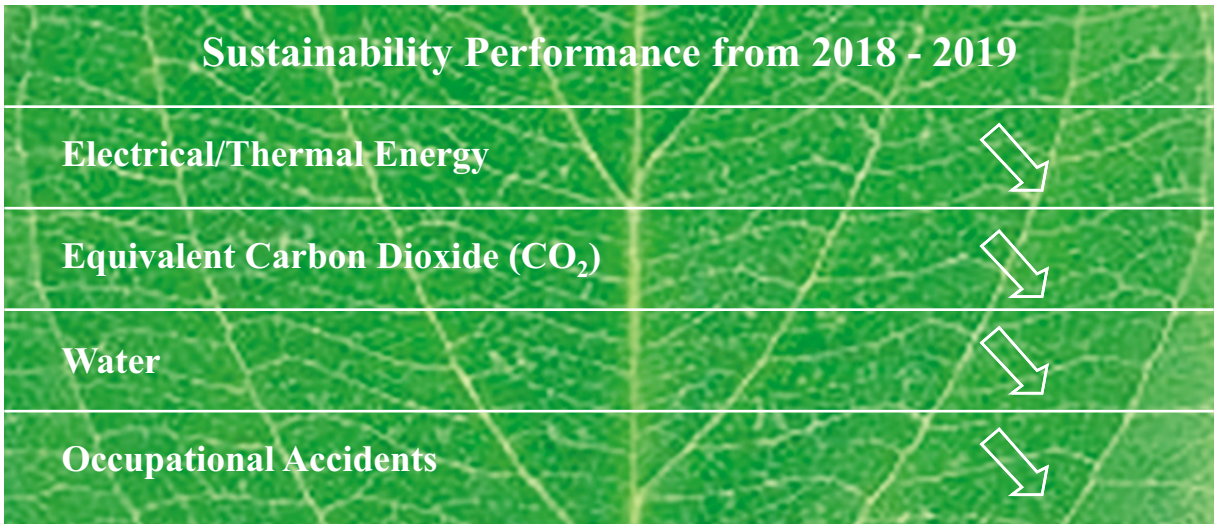
DIC India Limited, a member of the DIC group, is a leading producer of printing inks solutions for an exhaustive spectrum of substrates. DIC products, which are used for printing publications and packaging for leading Indian and global brands, touch the life of consumers daily.

The principal shareholder of DIC India is DIC Asia Pacific Pte Ltd. This is part of DIC group which had annual sales of more than $7.0 billion in 2019.

DIC India, with over 512 employees located at its four regional offices and four plants work to meet the needs of customers by improving performance on the essentials of business, such as reliable, on-time delivery and consistent product quality. DIC India is committed to providing solutions which meet the unique customer needs and brings new ideas and the latest technology to market.

DIC India extensive presence, in India, developed over 70 years of knowledge leadership and customer service allows for the delivery of local service and support that are customized to the markets it serves. Recognized as a leading source of innovation among its peers, DIC India actively leverages resources from DIC group and its own technical and research centre in Noida and Kolkata with a commitment to create solutions that improve productivity, create new revenue opportunities for customers, and contribute to a more sustainable future.

For more information, please visit our website at http://www.dicindialtd.co/.



Product Portfolio

Gravure Inks



Low Odour Polyurethane based Inks specially formulated for reverse printing for Food & Beverage Industry:

- Vinyl Inks
- Toluene Free Inks
- Nitrocellulose Inks
- Special Food Packaging
- Non Toluene Non Ketone Inks

Flexo Inks



Low Odour Polyurethane based Inks specially formulated for reverse printing for Food & Beverage Industry:

- UV Flexo Inks
- CI Flexo Inks
- WB Flexo Inks

Adhesives



Our DICDRY range of Lamination Adhesive suits all types of flexible packaging applications and covers both:

- Solvent based Adhesives (SBAD)
- Solvent free Adhesives (SFAD)

Speciality Products



- Barrier Adhesive & Functional Barrier coatings
- Low Migration Low Odour Ink
- Non Toluene Non Ketone Inks
- Tin Printing Inks
- Anti-Counterfeit & Brand Protection Offerings
- Cold Seal Adhesive

Paste Inks



- Sheetfed Inks
- Heatset Inks
- WB Varnishes
- UV Inks
- UV Varnishes
- LED Inks
- News Inks
- UV NW Inks

Our Portfolio : Flexible Packaging and Adhesives

Gravure Inks

Smart Ink

Low Odour Polyurethane based lamination Ink formulated for reverse printing on treated BOPP, treated and plain Polyester Film, Nylon, Cellophane and Polyvinyl acetate film. Suitable for packaging of food Products.

Smart KF

High Performance Polyurethane based Toluene and MEK free inks for reverse printing with extremely low solvent retention, high bond strength, excellent printability suitable for BOPP, PET, Nylon films. Suitable for Solvent based Solvent free & Extrusion Lamination. High bond characteristics of Smart KF make the inks suitable for Polyester laminates to pack liquid and heavy weight materials

Ultralam®

General Purpose ink with Excellent Price Performance. Applicable on PET, BOPP (with additive). Good adhesive lamination characteristics are in-built in these inks to make them suitable for lamination with polyethylene film, aluminium foil, board and metalized film to satisfy the need of a variety of packaging application. Suitable for Solvent based and Solvent free Lamination.

TAF

Low odour Ink having excellent bond strength, formulated for reverse printing on treated BOPP for direct PP extrusion lamination without AC agent.

Lotus

Surface Printing Ink suitable for High Gloss, excellent adhesion and high print on Polyolefin films, aluminium foils, paper and board.

Modflex™

Surface Printing Ink with Oil resistant properties, suitable for deep freeze application, Oil and Milk Packaging. Can be printed on Polyethylene and Polypropylene films.

Brightflex

Formulated for satisfying the demand of high gloss and high print strength on a wide range of substrates. Suitable for wide range of films, aluminium foils, paper and board with good crinkle and scratch resistance, suitable for twist wrap application on MET PVC and MET PET & general purpose application on PE film.

Srink™

Formulated for printing PVC film used for Shrink sleeve packaging.

Vulcan

For Shrink sleeve application Surface Printing Heat resisting Inks suitable for printing on Heat sealable treated BOPP and Polyethylene Film, suitable for packaging Crisp Snack Food.

AL/GR

General purpose surface printing on Papers. with excellent printability and low retained solvent levels.

GV Foil

Nitrocellulose based inks for printing on Al-foil, used for packaging and related applications. In Addition to regular GV-Foil inks, Metal Complex Dyes based inks are also available for highly Transparent and Bright colors on AL-Foil.

Matt 100

Overprint Varnish with Matt effect, applicable on BOPP & PET film. Excellent adhesion on PET and treated BOPP. Matt 100 gives heat resistance up to 180°C.

2K NTNK MATT COAT

Overprint Varnish with Matt effect, applicable on BOPP & PET film. Excellent adhesion on PET and treated BOPP.

Ramagloss

Gravure overprint varnish for over lacquering of printed and unprinted coated paper, aluminium, polypropylene and cellophane with high gloss, heat, chemical and rub resistance. Suitable for overprint process in line with printing using standard drying units. suitable for sterilization and deep-freeze applications.

Flexo Inks

GPL Lamination

High strength, high speed advantage with excellent high-fidelity reproductions. Can be used for surface and reverse printing.

Pinnacle

A series designed for Oil and Milk pouches

Aseptic Packaging

Water based complete range of aseptic packaging suitable for beverages sector

Corrugation Packaging

Complete range of preprint and post-print Corroflex Ink.

Adhesives

DICDRY

Range of lamination adhesive suits all types of flexible packaging applications available in both- Solvent based Adhesives & Solvent free Adhesives.

Our Portfolio : Commercial Publication and Rigid Packaging

Paste Inks

Fusion G

Product with excellent printing quality & colour reproduction. It has major application in excellent quality commercial jobs for fashion and high-grade catalogue, etc

Syner G HP

Product with excellent printing quality with strong density, dot sharpness, high gloss & excellent rub resistance.

Geos G

A Versitile Ink for superior performance on wide range of substrates, provides excellent print with dot sharpness and colour consistency.

Values G®

Ink for excellent Print Quality, efficient workability, easy operation and extensive usages on verity of coated stock.

Genxer™

Ink for high productivity and come-of-age print quality. Suitable for commercial and packaging Industry.

Syner G EX PLUS

Product with high printing quality with optimum density, good uniform gloss and brighter color along with excellent dot reproduction and trapping. It also has fast work & turn / substrate polyvalence.

Passion G PLUS

A robust product for general segment & good quality commercial jobs. It has reliable printing quality with visually higher density and optimum gloss with wider water window.

Magnum Plus™

Ink having high process stability for quality printing and economic efficiency. Optimized setting and drying on paper for fast work turn.

Xtra Power

Customized for tropical climate suitable for mid-segment packaging and commercial jobs

Superchromo™

Ink formulated to provide machine friendliness, suitable on variety of substrates like coated, semi coated and uncoated) Paper and Board for commercial and packaging printing job.

Eurostar

Oil Reach inks having substrate Polyvalence for Paper and Board

LT Spectro

Product with balance rheology to print on low gsm and low pick paper, with good litho property required for long print runs

Topsim™

Multi-purpose Ink for short run, fast work turn and immediate conversion and fabrication.

Plustick

Provides superior adhesion and drying on non-absorbent substrates, suitable for PVC Coated Paper, Polyethene, Polypropylene, Polyester, One Way Vision and lacquered cast coated stock.

SFG

Product for cost conscious segment suitable for general purpose commercial & packaging applications.

Ener G

Economic Grade Ink rich in Oil meant for commercial and general printing

Vynilon

PVC matt ink with non-reflective properties suitable for display jobs.

Polyfast

Suitable for printing on treated LDPE, HDPE and PP with surface treatment. Resistant to detergents, oils and similar products

UV & LED Inks

Radicure®

Range of UV Curing Ink formulated for excellent machine performance and adhesion on variety of packaging substrates like cast coated paper, treated PET, coated metallized polyester, PVC, Lamitube etc. suitable for packaging of liquor, cosmetics, health care products, and luxury goods.

LED Inks

Designed to achieve excellent curability, Suitable for printing presses equipped with ultraviolet light emitting LED lamps. LED inks are used in Commercial printing, Narrow web printing on heat sensitive substrates including non-critical packaging. Apart from feature of conventional UV of fast turn around and high gloss, UV LED inks are also having an advantage of High productivity with quick delivery and no waiting time, Cost effective, Energy savings, small press/lamp, no ozone generation, low odour and better working environment as powderless printing.

News Inks

Coldset

News Ink, available in Popular, Polar, Polar Plus, Polar Super, Classic High Speed, Colouman and Wifag series catering to varying speed application (from 25 IPH to 85 IPH)

Heatset

News Ink, available in IMPERIAL and SNP range along with products from SunChemical suitable for good print depth, superior picture clarity on SNP, GNP, Coated and LWC Stock.

Technical Centre – Noida







Manufacturing Facilities



Noida Plant- Manufacturing facility for Liquid inks, News colour inks



Kolkata Plant- Manufacturing facility for Liquid inks, News inks, Offset inks



Ahmedabad Plant- Manufacturing facility for News Black inks, Offset aquatic inks



Bengaluru Plant - Manufacturing facility for Adhesives and PU Resins

Our Sustainability Policy

Our Approach

At DIC India Limited, we see it as 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 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 robust development process and tools that guide our choice of materials and the safety of our products. We strive to use manufacturing process that demonstrate environmental excellence through reduced waste generation, lower energy and water usages, and strong safety performance as measured by several key metrics like energy and water consumption, carbon footprint and safety record. We commit to meeting local regulatory requirements, and to proactively work with government, industry trade groups, and business partners in the value chain to better define, measure, and promote sustainability.

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

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To ensure we understand our impact, we measure key metrics CO_2 emissions, energy and water consumption and safety 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 processes 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 in line with local guidelines as well as directions from DIC Group.

Our People

DIC India strongly believes in "Employee First" approach. This facilitates us in driving our organizational values & business commitment towards our customers by offering not only quality products, but also proactive solutions to help them in their business purposes through long term partnership. As a company, we always strive towards creating conducive working environment & strengthening our culture focusing on "DIC Values", Openness & Trust, respecting diverse views & collaboration to foster performance-oriented culture. In 2019, we started with an initiative called "Living our values" on quarterly basis to engage all our employees together as "One team" to share our business & functional updates. Internal Job Posting (IJP) was another initiative rolled out to help internal talent fulfilling their career aspirations by applying in suitable open job opportunities within DIC India which also helped in promoting "Meritocracy" & addressing talent retention. Through this initiative, DIC India also enables a culture of "diversity" wherein employee can move around to cross functional opportunities within DIC India based on their interest & capabilities. Our commitment to scale up the competence level of our employees is an on-going effort to make DIC India a High Performing Organization. As on 31st December 2019, the company had 512 employees on roll.



Celebrating Together



Learning Together



"Living our Values" Engagement



Collaborating for AOP-2019



Capability Building workshop

Environment, Health and Safety (EHS)

The Companies Environment, Health and Safety (EHS) initiatives are developed to create long-term sustainability and for the Company, its employees, shareholders and communities in which we operated. Pollution prevention and natural resource conservation are integral part of the Company's business model. The Company also ensures that safe work environment is provided to all employees, contract workmen and visitors when they are inside the company's controlled work environment.

ENVIRONMENT

DIC India Limited is committed to conserve natural resources as it is committed to protect the same for future generations. This year we have installed Wastewater Treatment Plant (WTP) cum Zero Liquid Discharge (ZLD) system at our Noida plant and plans to implement the same at other facilities. At the same time to reduce, reuse and recycle waste, company has invested in in-house solvent recycling systems at Noida and Bangalore plant. These initiatives have significantly contributed towards natural resource conservations.

CO_2 Emission Reduction

Various initiatives were taken to reduce the energy usages for our operations; such as replacement of old equipment with energy efficient equipment, arresting of leakages in compressed air lines, change of conventional lights fittings with energy efficient LED lights, use of Energy Management System etc. which resulted in reduction of carbon footprint and approximately 12% reduction in CO_2 emissions.

Water Conservation

Besides Wastewater Treatment Plant (WTP) Cum Zero Liquid Discharge (ZLD) system, reuse of RO rejects, installation of drip irrigation system, arresting of unwanted leakages etc. have significantly contributed towards conservation of water. These initiatives have resulted in approximately 12% reduction in freshwater consumption.

HEALTH

Health of employees and contract workmen is of utmost importance for DIC India Limited. Everyone exposed to hazardous processes goes through an annual medical checkup. Right level of engineering controls and PPE's are provided to ensure healthy work environment. We also monitor the same through Noise level monitoring, lux level monitoring, VOC (Volatile organic compound) monitoring, ambient air quality, drinking water quality etc.

SAFETY

We follow best practices adopted by DIC Group and take timely learnings from any incident happening in any DIC Group Company. We engage our employees in various activities to ensure their full participation and support in all safety programs. We organize event-based programs like National Safety Week, World Environment day etc, to keep employees engaged and motivated.

Our safety performance is routinely monitored by Board. 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. During the year, there was no fatal injury at any site. The First Aid Injury Rate (FAIR) and Total Recordable Injury Rate (TRIR) decreased during the year.

Road Safety





Safety Day





Environment Day





DIC INDIA LIMITED
CIN : L24223WB1947PLC015202.
Regd. Office : Transport Depot Road, Kolkata - 700 088
Website : www.dicindialtd.co
Email id : investors@dic.co.in
Phone : 033 24496591

Notice

NOTICE is hereby given that the Seventy Second (72nd) Annual General Meeting of the Members of DIC India Limited, will be held on Friday, June 12, 2020 at 11.00 a.m. through video conferencing, the Company will conduct the meeting from Registered office i.e. Transport depot road, Kolkata-700088, which shall be deemed to be venue of the meeting to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Financial Statements of the Company for the financial year ended December 31, 2019, and the Reports of the Board of Directors and the Auditors thereon.

2. To declare final Dividend of INR 4.50 (Four rupees and fifty paise) per equity share, for the financial year ended December 31, 2019

3. To appoint a Director in place of Mr. Masahiro Kikuchi (DIN: 08024525), who retires by rotation and being eligible, seeks re-appointment.

SPECIAL BUSINESS

4. Re-appointment of Mr. Partha Mitra (DIN: 00335205) as an Independent Director of the Company for a term of three years.

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

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, and the rules made thereunder, Regulation 16(1)(b), Regulation 17 of Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Partha Mitra (DIN: 00335205), who was appointed as Additional Independent Director w.e.f. March 24, 2020 and who holds office upto the date of this Annual General Meeting pursuant to Section 161 of the Companies Act, 2013, read with Article of Association of the Company and in respect of whom company has received a notice in writing under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of three years upto March 23, 2023."

5. 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 (Act) (including any statutory modification(s) or reenactment thereof for the time

being in force) and the Articles of Association 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 the Managing Director and/or Whole Time Directors and/or Other Non-Executive Directors) to be determined by the Board of Directors for each of such Independent Director for a period of 5 years beginning from January 1, 2019 and distributed between such Directors in such a manner as the Board of Directors may from time to time determine within the overall maximum limit of 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 meetings 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.**"**

6. Ratification of Remuneration of Cost Auditor

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

"**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder, as amended from time to time, the remuneration payable to M/s Sinha Chaudhuri & Associates (Firm Registration No. 000057) appointed as the Cost Auditors of the Company, to conduct the audit of the cost records of the notified products of the Company for the year ending on December 31, 2020, amounting to Rs. 45,000/-(Rupees Forty five thousand only), exclusive of applicable tax and out of pocket expenses incurred by them in connection with the aforesaid audit, be and is hereby ratified and approved.

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

By order of the Board

Registered Office:
Transport Depot Road
Kolkata – 700 088

Sd/-
Raghav Shukla
General Manager- Legal &
Company Secretary
FCS No. 5252

New Delhi, May 11, 2020

Notes:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed, the Government of India, Ministry of Corporate Affairs allowed conducting Annual General Meeting through video conferencing (VC) or other audio visual means (OAVM) and dispensed personal present of the members at the meeting. Accordingly, the Ministry of Corporate Affairs issued Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020, prescribing the procedures and manner of conducting the Annual General Meeting through VC/OAVM. In terms of the said Circulars, the 72nd Annual general meeting (AGM) of the members be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participating in the meeting through VC/OAVM is annexed herewith (Refer serial no. 21) and available at the Company's website www.dicindialtd.co.

2. The helpline number regarding any query/assistance for participation in the AGM through VC/OAVM is 1800-222-990.

3. Since, the AGM is being conducted through VC/OAVM, there is no provision for appointment of proxies. Accordingly, appointment of proxies by the members will not be available.

4. Members are requested to participate on first come first serve basis, as participation through video conferencing is limited and will be closed on expiry of 15 minutes from the schedule time of the AGM. However, the participation of members holding 2% or more is not restricted on first come first serve basis. Members can login and join 15 (fifteen) minutes prior to the schedule time of meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time. Participation is restricted upto 2000 members only.

5. Members can raise questions during the meeting or in advance at investors@dic.co.in. However, it is requested to raise the queries precisely and in short at the time of meeting to enable to answer the same.

6. Corporate members are requested to send at rta@cbmsl.com or pandey.tca@gmail.com before e-voting/ attending annual general meeting, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013.

7. 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.

8. The Register of Members and Share transfer books of the Company will remain closed from Saturday, June 6, 2020 to Friday, June 12, 2020, both days inclusive.

9. Shareholders holding shares in identical order of names in more than one folio, are requested to write to the Company or to the office of the Registrar & Share Transfer Agent, M/s C B Management Services (P) Limited, P-22 Bondal Road, Kolkata-700019 enclosing their share certificate(s) to enable the Company to consolidate their holdings in one single folio.

10. The Final Dividend for the financial year ended December 31, 2019, as recommended by the Board, if approved at the AGM, will be paid within 30 days of declaration, to those Members whose name appears in the Register of Members of the Company as on the record date, i.e. Friday, June 5, 2020. Members can submit details with the company for receiving dividend directly in their bank accounts through Electronic Clearing Services (ECS) by writing an email at investors@dic.co.in or rta@cbmsl.com . In case any Member is unable to submit their details for remittance of dividend through ECS, there dividend warrants/cheque shall be dispatched upon normalization of the postal services, post covid-19.

11. Members holding shares in physical form are requested to notify immediately any change in their address/mandate/bank details to the Company or to the office of the Registrar & Share Transfer Agent, M/s C B Management Services (P) Limited, quoting their folio number. The Members updation form forms a part of the Annual Report and is available on the website of the Company.

12. Pursuant to the provisions of the Companies Act, 2013, dividend for the year ended December 31, 2012 and thereafter, which remains unpaid or unclaimed for a period of seven years will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government.

13. Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016('The Rules') notified by the Ministry of Corporate Affairs effective September 7, 2016, all shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more would be transferred to the Investor Education and Protection Fund (IEPF) Suspense Account. The Company has no such shares on which dividend has not been claimed or paid for a consecutive period of seven years.

14. The Notice of AGM and Annual Report are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s). Members (Physical / Demat) who have not registered their email addresses with the company can get the same registered with the company by requesting in member updation form by sending an email to rta@cbmsl.com and investors@dic.co.in. Please submit duly filled and signed member updation form to the abovementioned email. Upon verification of the Form the email will be registered with the Company.

15. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode. Members can inspect the same by sending an email to investors@dic.co.in

16. Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of Listing Regulations, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on June 5, 2020, i.e. the date prior to the commencement of book closure, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. Members may cast their votes on electronic voting system from any place other than the venue of the meeting (remote e-voting). The remote e-voting period will commence at 9.00 Hours (IST) on Tuesday, June 9, 2020 and will end at 17.00 Hours (IST) on Thursday, June 11, 2020. In addition, the facility for voting through electronic voting system shall also be made available at the AGM and the Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to vote at the AGM (Refer point no. 22 for detailed procedure to vote through e-voting). The Company has appointed Ms. Binita Pandey-Company Secretary, failing her Ms. Sumana Mitra Company Secretary, both Partners of T. Chatterjee & Associates, Company Secretaries FRN P2007WB067100, to act as the Scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner. The Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given at Serial no.18. Members whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions are requested to refer the instructions provided at serial no. 20.

17. Members who are present in meeting through video conferencing facility and have not casted their vote on resolutions through remote e-voting, shall be allowed to vote through e-voting system during the meeting.

18. The details of the process and manner for remote e-voting are explained herein below:

    Step 1: Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

    Step 2: Cast your vote electronically on NSDL e-Voting system.

    Details on Step 1 are mentioned below:

    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 'Shareholders' section.
    3. A new screen will open. You will have to enter your User ID, your Password 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:**
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******
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**********
For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company. For example, if EVEN is 101456 and folio number is 001*** then user ID is 101456001***

5. Your password details 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.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

7. After entering your password, **click 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.

Details on Step 2 are mentioned below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting.

   Click on e-Voting. Then, click on Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see all the companies **"EVEN"** in which you are holding shares and whose voting cycle is in active status.

3. **Select "EVEN" of DIC India Limited.**

4. Now you are ready for e-Voting as the Voting page opens.

5. 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.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

19. General Guidelines for shareholders

a) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by email to pandey.tca@gmail.com with a copy marked to evoting@nsdl.co.in

b) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

c) In case of any queries , you may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.

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

a) In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investors@dic.co.in or rta@cbmsl.com .

b) In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investors@dic.co.in or rta@cbmsl.com.

c) Alternatively member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.

21. The details of the process and manner for participating in Annual General Meeting through Video conferencing are explained herein below:

a) Member will be provided with a facility to attend the Meeting through VC/OAVM through the NSDL e-Voting system. Members may access the same at https://www.evoting.nsdl.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed.

b) 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. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

c) Members can participate in AGM through smart phone/laptop, however, for better experience and smooth participation it is advisable to join the Meeting through Laptops connected through broadband.

d) Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

e) 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.

f) For ease of conduct, members who would like to ask questions / express their views may send their questions in advance atlease one (1) day before AGM mentioning their name demat account number/folio number, email id, mobile number at investors@dic.co.in or rta@cbmsl.com. The same will be replied by the company suitably.

22. The details of the process and manner for e-voting at the Annual General Meeting are explained herein below:

a) The procedure for e-Voting on the day of the Annual General Meeting is same as the instructions mentioned above for remote e-voting.

b) Only those Members/ shareholders, who will be present in the meeting through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the Annual General Meeting.

c) Members who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the meeting.

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

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

ITEM 4:

Mr. Partha Mitra is a Commerce graduate and a Fellow Member of the Institute of Chartered Accountants of India. He has also done his Chartered Accountancy from Institute of Chartered Accountants in England & Wales. Mr. Partha Mitra was a partner of M/s. Lovelock & Lewes / Price Waterhouse (Member firms of Price Waterhouse Coopers) from August 1985 till March 2012. During his 31 years of experience in audits and other business advisory services, he has handled a number of multi-national and Indian clients. Besides being a member of various committees of the Chambers of Commerce, Mr. Mitra had also been a member of various committees of The Institute of Chartered Accountants of India (Eastern India) including holding the position of its Chairman (1984-85). He has also presented various papers and participated as a speaker in various seminars from time to time. Mr. Partha Mitra is not related to any of the Directors of DIC India Limited. Further, Mr. Mitra does not hold any securities of the Company.

Other Directorship and Committee Membership held by Mr. Partha Mitra are as given below:

Name of the Company	Position in Board	Committee of the Board	Position in Committee
Netit Solutions Private Limited	Director	-	-

Other than Mr. Partha Mitra, none of the Directors or Key Managerial Personnel of the Company or their relatives are interested in the relevant resolution setting out his appointment.

ITEM 5:

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 member. The members, at the Annual General Meeting held on April 12, 2013, had accorded their approval to payment of commission by the Company, being for a period of 5 years commencing from January 1, 2014. The above approval expired on December 31, 2018, and accordingly approval of the members is sought for payment of commission for a further period of 5 years commencing from January 1, 2019. It may be noted that Article 106(3) of the Articles of Association of the Company permits payment of such commission by the Company.

Other than Mr. Dipak Banerjee, Dr. Reena Sen and Mr. Partha Mitra, none of the Directors or Key Managerial Personnel of the Company or their relatives are interested in the relevant resolution.

ITEM NO. 6

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

The Board at its meeting held on February 12, 2020 appointed M/s. Sinha Chaudhuri & Associates, (Firm Registration No. 000057) Cost Accountants as the Cost Auditor of the Company for the financial year ending on December 31, 2020 at a remuneration of Rs.45,000/-, exclusive of reimbursement of applicable tax and all out of pocket expenses incurred, if any, in connection with the cost audit. The remuneration of the cost auditor is required to be ratified subsequently in accordance to the provisions of the Act and Rule 14 of the abovementioned Rules.

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

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

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

Mr. Masahiro Kikuchi

Mr. Kikuchi is a graduate in Economics from the Waseda University, Tokyo. He joined DIC Corporation in April, 1986 and went to hold several positions within the group which includes Deputy Managing Director of DIC

Guangzhou Co. Ltd and as the Chairman & Managing Director of DIC Taiwan Ltd.

Age – 57 Years

Nature of expertise in specific functional areas – Business Planning and Marketing

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

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

Shareholding in the Company – NIL

Mr. Partha Mitra

Mr. Mitra is a Commerce graduate and a Fellow Member of the Institute of Chartered Accountants of India. He has also done his Chartered Accountancy from Institute of Chartered Accountants in England & Wales. Mr. Partha Mitra was a partner of M/s. Lovelock & Lewes / Price Waterhouse (Member firms of Price Waterhouse Coopers) from August 1985 till March 2012. He has also presented various papers and participated as a speaker in various seminars from time to time.

Age – 68 Years

Nature of expertise in specific functional areas – Financial and Accounting

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

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

Shareholding in the Company – NIL

By order of the Board

Registered Office:
Transport Depot Road
Kolkata – 700 088

Sd/-
Raghav Shukla
General Manager- Legal &
Company Secretary
FCS No. 5252

New Delhi, May 11, 2020

Report on Corporate Governance

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

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance in your Company refers to a combination of regulations, procedures and voluntary practices that enable the company to maximize stakeholders' value by attracting financial and human capital to secure efficient performance.

We aim at holding a balance between economic & social goals on one hand and individual & collective goals on the other. Our governance framework encourages the efficient use of resources and attributes accountability for the stewardship of those resources. The aim is to best align the interests of individual, Company and society at large. One of the principal pillars of this philosophy is to have a diverse Board with experts from various fields/industries optimizing the value addition.

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 as detailed below.

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.dicindialtd.co.

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.dicindialtd.co. 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 12, 2020 the Board 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, 2019 forms part of the Annual report.

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

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

All our Promoters, Directors, Employees have been identified as Designated Persons, and their Immediate Relatives and other Connected Persons such as auditors, consultants, 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, General Manager - Legal & Company Secretary of the Company is the 'Compliance Officer' in terms of this Code.

4. BOARD OF DIRECTORS

Size and Composition of the Board

Our policy is to have an appropriate mix of Executive Directors ('EDs'), Non-Executive, Non-Independent Directors ('NEDs') and Independent Directors ('IDs') to maintain the Board's independence and separate its

functions of governance and management. As on December 31, 2019, the Board comprised of Eight members, two of whom are EDs, three NEDs and three IDs, including a Woman Independent Director. The position of Chairman and Managing Director is separate, Chairman being an Independent Director and not related to Managing Director or CEO. The Board periodically evaluates the need for change in its composition and size. Detailed profile of our Directors is available on our website www.dicindialtd.co. None of our Directors serve as Director in more than eight listed companies, 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 Section149(6) of the Act 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 Section149 of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations and that they are independent of the management.

There are no inter-se relationships between our Board Members.

Composition of Board and Directorship held as on December 31, 2019

Name of the Director	Indian Public Companies*	Board Committees**		Directorship in other listed entity (Category of Directorship)
		Chairperson	Member	
Independent Directors				
Mr. Dipak Kumar Banerjee Chairman DIN: 00028123	5	1	4	a. Rupa & Company Ltd. (ID) b. Tayo Rolls Limited (ID) c. Shristi Infrastructure Development Corporation Limited (ID)
Mr. Partha Mitra DIN: 00335205	-	-	-	-
Dr. Reena Sen DIN: 07082198	-	-	-	-
Non-Executive, Non-Independent Directors				
Mr. Paul Koek DIN: 00081930	-	-	-	-
Mr. Masahiro Kikuchi DIN: 08024525	-	-	-	-
Mr. Ho Yeu Guan DIN: 08066136	-	-	-	-
Executive Directors				
Mr. Manish Bhatia Managing Director and Chief Executive Officer DIN: 08310936	-	-	-	-
Mr. Taishi Nojima Whole Time Director DIN: 08401012	-	-	-	-

ID – Independent Director

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

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

Particulars of change in directorship during the year:

Name of the Director	Category	Date of Appointment/ Cessation	Remarks
Mr. Manish Bhatia	Managing Director and Chief Executive Officer	January 30, 2019	Appointment
Mr. Taishi Nojima	Whole Time Director	April 26, 2019	Appointment
Mr. Subir Bose	Non-executive Independent Director	December 9, 2019	Cessation
Mr. Utpal Sengupta	Non-executive Independent Director	December 9, 2019	Cessation

Key Board Qualifications, Expertise and Attributes

The Directors are committed in ensuring that the Board is in compliance with the highest standards of Corporate Governance. The table below summarizes the key qualifications, skills and attributes which are taken into consideration by the NRC while recommending appointment of Directors to the Board

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

Skills and Attributes	Description
Alignment with Company culture and value system	Exhibit high levels of integrity and be appreciative of the core values of the Company and the DIC Group.
Experience in managing large corporations	Experience in leading and managing large corporations and have an understanding of the business environment, complex business processes, strategic planning, risk management, etc. Also, possess experience in driving growth and integration plans with the ability to evaluate opportunities that are in line with the Company's strategy.
Understanding of Industry and operations	Experience and knowledge of the functioning, operations, growth drivers, business environment and changing trends in the Ink and chemicals industries as well as experience in overseeing large supply chain operations.
Understanding of finance and related aspects	Experience in financial management of large corporations with understanding of capital allocation & funding and financial reporting processes.
Knowledge of technology and innovation	Understanding of emerging trends in technology and innovation that may have an impact on the business and have the ability to guide necessary interventions that can be utilised in making the business more competitive and sustainable.
Knowledge of Governance and Law	Understanding of the legal ecosystem within which the Company operates and possess knowledge on matters of regulatory compliance, governance, internal controls. Experience in policy advocacy at national and international level.

Familiarization Programme for Independent Directors

The Company has a structured Familiarization Programme through various reports/codes/policies/plant visit and the same are placed before the Board with a view to update them on the Company's policies and procedures on a regular basis. This includes various business review presentations at the Board Meetings where Company's performance, strategy, initiatives, risk mitigation programmes are discussed.

The details of Familiarization Programme have been posted on the Company's website www.dicindialtd.co.

5. BOARD MEETINGS

6 Board meetings were held during the year ended December 31, 2019 on January 30, 2019, April 26, 2019, July 26, 2019, October 9, 2019, October 22, 2019 and December 9, 2019. The gap between any two Board meetings

during this period did not exceed one hundred and twenty days.

Name of Director	Category	No. of Meetings Attended	Attendance % during the tenure
Mr. Dipak Kumar Banerjee	ID	6	100
Mr. Partha Mitra	ID	5	83
Dr. Reena Sen	ID	6	100
Mr. Subir Bose*	ID	6	100
Mr. Utpal Sengupta*	ID	4	67
Mr. Paul Koek	NED	6	100
Mr. Masahiro Kikuchi	NED	4	67
Mr. Ho Yeu Guan	NED	6	100
Mr. Manish Bhatia^	ED	5	100
Mr. Taishi Nojima~	ED	3	75

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

* Mr. Subir Bose and Mr. Utpal Sengupta ceased to be member of the Board effective December 9, 2019.

^ Mr. Manish Bhatia was appointed as Managing Director & Chief Executive Officer of the Company w.e.f. January 30, 2019

~ Mr. TaishiNojima was appointed as Whole Time Director w.e.f. April 26, 2019

All the Directors as on the date of the AGM were present at the AGM of the Company held on March 20, 2019.

Particulars of Directors retiring by rotation and seeking re-appointment have been given in the Notice convening the 72nd Annual General Meeting and Explanatory Statement, attached thereto.

In terms of DIC Group Policy on superannuation, Mr. Subir Bose (DIN: 00048451) and Mr. Utpal Sengupta (DIN: 02577237) resigned as Independent Directors of the Company w.e.f. December 9, 2019. Further, upon their resignation, and in terms of Regulation 30 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations 2015 they have submitted the confirmation that there is no material reason other than stated above for their resignation. The Confirmation so received have been duly intimated to the Stock Exchanges and also posted on Company's website www.dicindialtd.co.

Meeting of the Independent Directors

Pursuant to Schedule IV of the Companies Act, 2013, the Independent Directors met on April 10, 2019 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 considering views of Executive and Non-Executive Directors and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board.

6. COMMITTEES OF THE BOARD

Audit Committee

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

i) Oversight of the Company's financial reporting process and financial information disclosures;

ii) Review with the Management, the annual and quarterly financial statements/results before submission to the Board;

iii) Review with the Management, the Internal and External Audit Reports and the adequacy of internal control systems;

iv) Review the adequacy and effectiveness of accounting and financial controls of the Company, compliance with the Company's policies and applicable laws and regulations;

v) Recommending the appointment and removal of External Auditors and fixation of audit terms;

vi) Review of utilization of proceeds raised from Public/Rights issues.

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

4 meetings of the Committee were held during the year ended December 31, 2019, on January 29, 2019, April 25, 2019, July 25, 2019 and October 21, 2019.

The composition of the Committee and the attendance details of the Members for the year ended December 31, 2019 are given below:

Name of Members	Category	No. of Meetings Attended	Attendance %
Mr. Partha Mitra (Chairperson)	ID	4	100
Mr. Subir Bose*	ID	4	100
Mr. Utpal Sengupta*	ID	2	50
Mr. Paul Koek	NED	4	100
Dr. Reena Sen^	ID	-	-

ID – Independent Director; NED – Non-Executive Director

Mr. Partha Mitra, Chairman of the Audit Committee was present at the AGM of the Company on March 20, 2019

* Ceased to be Member of the Board effective December 9, 2019 and consequently ceased to be a Members of the Audit Committee effective same date.

^ Dr. Sen was inducted as Member of the Audit Committee w.e.f. December 9, 2019.

Nomination and Remuneration Committee

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

The Board has adopted the Nomination and Remuneration policy for the functioning of the Committee on December 5, 2014.

The NRC also discharges the Board's responsibilities relating to compensation of the Company's Executive Directors and Senior Management. The remuneration policy and the criteria for making payments to Non-Executive Directors is available on our website www.dicindialtd.co.

2 meetings of the Committee were held during the year ended December 31, 2019, on January 29, 2019 and April 25, 2019,

The composition of the Committee and the attendance details of the Members for the year ended December 31, 2019 are given below:

Name of Members	Category	No. of Meetings Attended	Attendance %
Dr. Reena Sen (Chairperson)^	ID	-	-
Mr. Partha Mitra^	ID	-	-
Mr. Subir Bose*	ID	2	100
Mr. Utpal Sengupta*	ID	1	50
Mr. Masahiro Kikuchi^	NED	2	100
Mr. Paul Koek	NED	2	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 20, 2019.

* Mr. Subir Bose and Mr. Utpal Sengupta ceased to be Members of the Board effective December 9, 2019 and consequently ceased to be a Chairman & Member and Member of the NRC respectively effective same date.

^ Dr. Reena Sen and Mr. Partha Mitra were inducted as Chairperson & Member and Member respectively of the Nomination and Remuneration Committee w.e.f. December 9, 2019. Mr. Masahiro Kikuchi ceased to be Member of the Committee pursuant to reconstitution of Committee on December 9, 2019.

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 www.dicindialtd.co. Details of remuneration for Directors in financial year ended December 31, 2019 are provided below

Shares held and remuneration paid to Directors for the year ended December 31, 2019

Name	Fixed Salary			Commission	Performance Bonus	Sitting Fees	Total Compensation
	Basic	Perquisite/ Allowance	Total Fixed Salary				
Independent Directors							
Mr. Dipak Kumar Banerjee	-	-	-	-	-	3,70,000	3,70,000
Mr. Partha Mitra	-	-	-	-	-	5,75,000	5,75,000
Dr. Reena Sen	-	-	-	-	-	2,75,000	2,75,000
Mr. Subir Bose*	-	-	-	-	-	4,85,000	4,85,000
Mr. Utpal Sengupta*	-	-	-	-	-	3,00,000	3,00,000
Non-Executive Non Independent Directors							
Mr. Paul Koek	-	-	-	-	-	-	-
Mr. Masahiro Kikuchi	-	-	-	-	-	-	-
Mr. Ho Yeu Guan	-	-	-	-	-	-	-
Executive Director							
Mr. Manish Bhatia^	60,95,520	1,26,74,916	1,87,70,436	-	-	-	1,87,70,436
Mr. Taishi Nojima~	82,68,000	12,70,200	95,38,200	-	-	-	95,38,200

* Mr. Subir Bose and Mr. Utpal Sengupta ceased to be member of the Board effective December 9, 2019.

^ Mr. Manish Bhatia was appointed as Managing Director & Chief Executive Officer of the Company w.e.f. January 30, 2019

~ Mr. Taishi Nojima was appointed as Whole Time Director w.e.f. April 26, 2019

Note:

1. None of our Directors hold shares, stock options, convertible securities or instruments of the Company as on December 31, 2019. None of the Executive Directors are eligible for payment of any severance fees and

the contracts with Executive Directors may be terminated by either party giving the other party three (3) months' notice or the Company paying three (3) months' salary in lieu thereof.

3. Except for the Executive Director and Independent Directors, all the members of the Board are liable to retire by rotation. The appointment of the Executive Director is governed by the resolution passed by the Board, as per recommendations of the Nomination and Remuneration Committee, which covers the terms and conditions of such appointment read with the service rules of the Company and ratified by Shareholders.

4. Performance Bonus / incentives payable to the Executive Directors is determined on the basis of profitability & other matrix set by NRC.

5. 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 April 12, 2013. The payment of the commission was approved for a period of 5 years commencing from January 1, 2014.

6. Further, the Company is seeking approval of its member in the ensuing general meeting to be held on April 16, 2020 for payment of commission to its Independent Directors for a period of 5 years commencing from January 1, 2019. The disclosure pertaining to the same is given in the Notice of AGM.

7. With effect from January 2019, sitting fees detailed below is paid to each Resident Indian Non-Executive Director (other than representative of holding company DIC Asia Pacifc Pte. Ltd.) 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 Sale of Land Committee	
Chairman	35,000
Members	35,000

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

9. Other than sitting fees and commission, there is no other pecuniary relationship or transactions with any of the Non-Executive Directors.

Stakeholders' Relationship Committee

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

2 meetings of the Committee were held during the year ended December 31, 2019 on April 26, 2019 and July 26, 2019.

The composition of the Committee and the attendance details of the Members for the year ended December 31, 2019 are given below:

Name of Members	Category	No. of Meetings Attended	Attendance %
Mr. Partha Mitra (Chairperson)	ID	-	-
Mr. Dipak Kumar Banerjee	ID	2	100
Mr. Paul Koek	NED	2	100
Mr. Utpal Sengupta*	ID	-	-

ID – Independent Director; NED – Non-Executive Director

* Mr. Utpal Sengupta ceased to be a Members of the Board effective December 9, 2019 and consequently ceased to be a Chairman &Members of the SRC effective same date.

Mr. Partha Mitra was inducted as Chairman & Member of the Stakeholders' Relationship Committee w.e.f. December 9, 2019.

In terms of Regulation 6 and Schedule V of the Listing Regulations, the Board has appointed Mr. Raghav Shukla, 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, 2019 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, 2019:

Opening as on January 1, 2019	0
Received during the year	1
Resolved during the year	1
Closing as on December 31, 2019	0

Corporate Social Responsibility Committee

The purpose of our Corporate Social Responsibility (**'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 at its meeting held on August 25, 2014. This Policy has been placed on Company's website www.dicindialtd.co.

The Company had no liability towards CSR for the FY 2019 in view of the losses in earlier financial years. Pursuant to provisions of Section 135 of the Companies Act 2013 and applicable rules and recent amendment, for the financial year 2019 the constitution of CSR Committee was not mandatory.

The composition of the Committee and the attendance details of the Members for the year ended December 31, 2019 are given below:

Name of Members	Category	No. of Meetings Attended	Attendance %
Dr. Reena Sen (Chairperson)	ID	-	-
Mr. Partha Mitra	ID	-	-
Mr. Paul Koek	NED	-	-
Mr. Taishi Nojima	WTD	-	-

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

Mr. Utpal Sengupta and Mr. Subir Bose ceased to be a Members of the Board effective December 9, 2019 and consequently ceased to be a Chairman & Member and Member of the CSR Committee respectively effective same date.

Dr. Reena Sen was designated as Chairperson of the Committee, and Mr. Taishi Nojima was inducted as Member of the CSR Committee w.e.f. December 9, 2019.

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, 2018	March 20, 2019	Williamson Magor Hall, Bengal Chamber of Commerce & Industry, Royal Exchange, 6, Netaji Subhas Road, Kolkata – 700 001	11.00 AM	To Appoint Mr. Manish Bhatia (DIN: 08310936) as Managing Director and Chief Executive Officer of the Company
December 31, 2017	March 22, 2018			1. Re-appointment of Mr. Dipak Kumar Banerjee as an Independent Director for a term of three years. 2. Re-appointment of Mr. Subir Bose as an Independent Director for a term of three years. 3. Re-appointment of Dr. Reena Sen as an Independent Director for a term of three years.
December 31, 2016	March 24, 2017			Re-appointment of Mr. Utpal Sengupta, as an Independent Director for a term of 3 years.

Postal Ballot

During the year under review, the Company has passed one Special Resolution through Postal Ballot for appointment of Mr. Taishi Nojima (DIN: 08401012) as Whole Time Director of the Company. The Notice and result of the Postal Ballot is posted on Company's website www.dicindialtd.co.

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, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Details of Voting Pattern of Postal Ballot:

	Vote Cast through Ballot	Vote Cast through E-voting	Total Vote Cast	% of total number of valid votes cast
In Favour	5860	6590708	6596568	99.97*
Against	70	1860	1930	0.03*

*Percentage of total votes casted (In favour + Against)

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

8. MEANS OF COMMUNICATION

A)	Half-Yearly Report sent to each Household of shareholders	:	No
B)	Quarterly Results		
	Newspapers published in	:	Business Standard (English daily) Aajkal (Bengali daily)
	Website where displayed	:	www.dicindialtd.co
C)	Audited Financial Results		Year ended December 31, 2019
	Newspaper published in	:	Business Standard (English daily) Aajkal (Bengali daily)
D)	Whether the website also displays official news releases and presentations to institutional investors/analysts	:	No presentation has been made to institutional investors/analysts. Audited/ Unaudited Financial Reports are displayed on the Website
E)	Whether Management Discussion & Analysis Report is a part of Annual Report	:	The Report of the Directors, forming part of the Annual Report, includes all aspects of the Management Discussion and Analysis Report

9. GENERAL SHAREHOLDER INFORMATION

Annual general Meeting 2020

Date	Friday, June 12, 2020
Time	11:00 AM
Mode	Video conferencing/Other audio visual means
Financial Year	January 1, 2019 to December 31, 2019
Book Closure Dates	June 6, 2020 to June 12, 2020 (both days inclusive)
Dividend Payment Date	On and from June 17, 2020, if approved by Shareholders at the AGM

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

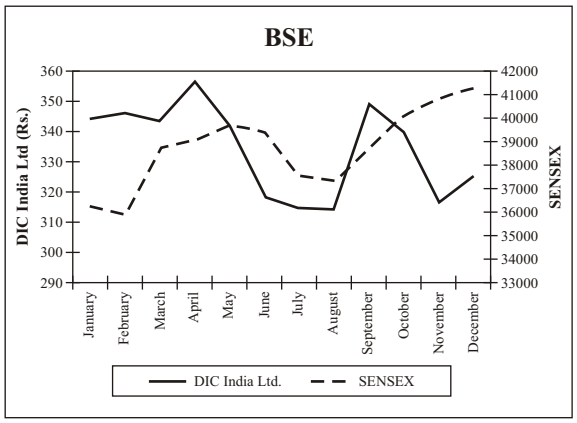
The Annual Listing Fees for the year 2018-19 and 2019-20 has been paid to all these Stock Exchanges within the stipulated time.

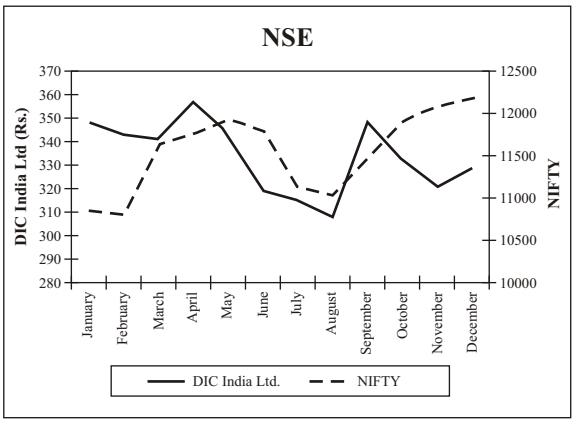
Further, The Company has paid Annual Custody Fees for the year 2018-19 and 2019-20 to both the depositories namely National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within the stipulated time.

Market Price Data – High, Low and volume during each month in Financial Year 2019

Month	BSE Limited			National Stock Exchange of India Limited		
	High (Rs.)	Low (Rs.)	Volume	High (Rs.)	Low (Rs.)	Volume
January 2019	389.95	341.00	3555	399.00	332.20	27915
February 2019	365.30	311.50	5590	372.00	313.55	15963
March 2019	387.30	335.30	15311	384.90	328.90	24003
April 2019	424.00	325.00	23914	421.35	331.50	180416
May 2019	360.00	312.20	3831	356.40	319.00	56699
June 2019	342.30	308.00	963	349.40	312.85	18386
July 2019	346.95	295.10	1903	334.90	295.70	18599
August 2019	334.00	294.10	5568	350.00	288.15	20779
September 2019	390.00	295.00	11215	379.90	295.00	29182
October 2019	371.95	311.05	6016	369.65	309.10	13855
November 2019	350.00	312.20	5621	348.00	311.00	17915
December 2019	363.40	301.30	3462	371.30	300.50	27247

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

Share Transfer System

For expeditious transfer of shares, the Board of Directors has authorized the Company Secretary and Compliance Officer of the Company to approve share transfers before being placed before the Board for ratification.

Distribution of Shareholding as on December 31, 2019

Share held	No. of Shareholders		No. of Shares	
	Total	% of Shareholders	Total	% to Share Capital
1 – 500	6723	93.12	577275	6.29
501 – 1000	233	3.23	178042	1.94
1001 – 2000	135	1.87	192393	2.10
2001 – 3000	36	0.50	86781	0.95
3001 – 4000	26	0.36	90137	0.98
4001 – 5000	16	0.22	74996	0.82
5001 – 10000	23	0.32	178251	1.94
10001 – 50000	22	0.30	375652	4.09
500001 – 100000	2	0.03	131486	1.43
100001 and above	4	0.05	7293964	79.46
Total	**7,220**	**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, 2019, 98.75% of the Company's total paid up capital representing 9064160 equity shares were held in dematerialized form and the balance 1.25% representing 114817 equity shares were held in physical form.

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

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

Commodity price risk or foreign exchange risk and hedging activities

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

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

Plant Location

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

Address for Correspondence

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

Mr. Raghav Shukla
General Manager- 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.dicindialtd.co

10. OTHER DISCLOSURES

Related Party Disclosure

The Board in its meeting held on December 5, 2014 has adopted Related Party Transaction Policy for determining the materiality of related party transactions and also on the dealings with related parties. This Policy has been placed on the Company's website http://www.dicindialtd.co.

During the year there were no transactions of material nature with related parties that had potential conflict with the interests of the Company. Details of all related party transactions form a part of the accounts as required under IndAs 24 as notified by the Companies (Accounting Standards) Rules, 2006 and the same are given in Note 39 to the Financial Statements.

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

Subsidiary Company

The Company had no subsidiary company during the financial year ended December 31, 2019.

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 www.dicindialtd.co. 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 a Risk Management Policy in the meeting of the Board of Directors held on March 3, 2006. Pursuant to the changing economic environment, the Board in its meeting held on December 11, 2018 has adopted an updated Risk Management Policy. It has laid down procedures to inform the Board Members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management controls risks through means of a properly defined framework.

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

Commodity Price Risk and Commodity Hedging Activities

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

Certificate from Statutory Auditors

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

Certificates from Practising Company Secretaries

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 2019.The secretarial audit report confirms that the Company has complied with all applicable provisions of the Companies Act, 2013, Secretarial Standards, Depositories Act 2018, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Prohibition of Insider Trading) Regulations, 2015, each as amended and all other regulations and guidelines of SEBI as applicable to the Company. The Secretarial Audit Report forms part of the Board's Report.

CEO and CFO Certification

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

Consolidated Fees paid to Statutory Auditors

During the Financial Year 2019, the total fees for all services paid by the Company, on a consolidated basis, to Deloitte Haskins & Sells LLP, Chartered Accountants, Statutory Auditors of the Company is as under:

Particulars	Amount (Rs. in Lakhs)
Services as Statutory Auditors	33.00
Taxation matters and audit	12.00
Other Services	4.25
Out of Pocket expenses	3.38
Total	52.63

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, 2019, there are no outstanding shares lying in the demat suspense account/unclaimed suspense account.

Reconciliation of Share Capital Audit

In terms of Regulation 40(9) and 61(4) of the Listing Regulations, certificates, on half-yearly 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 quarterly basis.

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 the Financial Year 2012 lying in the unclaimed dividend account of the Company as on May 11, 2020 will be transferred to IEPF on the due date i.e. May 12, 2020. 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. Accordingly, the Company has transferred unclaimed dividend and eligible Shares to IEPF Demat Account within statutory time lines.

The details of unclaimed dividends and shares transferred to IEPF during Financial Year 2019 are as follows:

Financial Year	Amount of Unclaimed Dividend transferred (Rs.)	Number of Shares Transferred
2011	225460.00	5149

The Company has sent 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 local Bengali newspapers.

Any person whose unclaimed dividend and shares pertaining thereto, has been transferred to the IEPF Fund can claim their due amount from the IEPF Authority by making an electronic application in e-form IEPF-5.Upon submitting a duly completed form, Shareholders are required to take print of the same and send physical copy duly signed alongwith requisite documents as specified in the form to the attention of the Nodal Officer of the Company. The e-form can be downloaded from the website of Ministry of Corporate Affairs at www.iepf.gov.inThe 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
2018	Nil	March 20, 2019	April 19, 2026
2017	Nil	March 22, 2018	April 21, 2025
2016	40	March 24, 2017	April 21, 2024
2015	40	April 22, 2016	May 20, 2023
2014	Nil	March 23, 2015	April 22, 2022
2013	40	June 27, 2014	July 26, 2021
2012	40	April 12, 2013	May 12, 2020

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:

Office of the Chairman of the Board and re-imbursement of expenses by the Company

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

Shareholders' Rights

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

Modified Opinion in Audit Report

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

Separate posts of Chairman and CEO

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

Reporting of Internal Auditor

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

GREEN INITIATIVE

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

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

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

CERTIFICATION

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

A. We have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief :

1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit committee:

1. significant changes in internal control over financial reporting during the year;
2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
3. no instances of significant fraud or the involvement therein, if any, of the management or an employee having a significant role have come to our notice.

For **DIC India Limited**

Sd/-
Manish Bhatia
Managing Director & CEO
DIN: 08310936

Sd/-
Sandip Chatterjee
Chief Finance Officer
PAN: ABVPC5782H

Place: : Noida
Date: February 12, 2020

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, 2019. The same has been duly noted by the Board in its meeting held on February 12, 2020.

For **DIC India Limited**

Sd/-
Manish Bhatia
Managing Director & CEO
DIN: 08310936

Place: : Noida
Date: February 12, 2020

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of DIC India Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 14 March, 2019.

2. We, Deloitte Haskins &Sells LLP, Chartered Accountants, the Statutory Auditors of DIC India Limited("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 December 2019, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements' Responsibility

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

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and there presentations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses(b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31 December, 2019.

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

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

Sd/-
(Sameer Rohatgi)
Partner
(Membership No. 094039)

Place: Noida
Date: February 12, 2020
UDIN:20094039AAAAAG6471

Management Discussion and Analysis Report

Economic Environment

Broad economic momentum remains weak. When some lead indicators indicated that the business cycle may be close to bottoming out, the Corona Virus cast a pall of gloom. GST collections exceeded the benchmark INR 1 trillion mark three months in a row though this may have been driven partly by the introduction of stricter compliance measures. Core sector growth continues to de-grow but at a decelerate.

The stumble that currently inhibits economic growth is a consequence of muted demand coupled with a dearth of credit to industry. Some banks stocked with capital, feel hesitant to lend as a result of a plausible rise in risk averseness. Short-term credit remains scarce.

This has had a cascading effect and coupled with decline in rural demand has impacted pickup in FMCG volumes. This has a direct correlation in packaging segment and indirectly effects publications with lower print spends resulting in lower pagination and hence lower ink demand.

The year 2019 saw softening of prices across critical raw material; however, the positive impact of many of these was subdued due to devaluation of Re to USD impacting import prices. The company has a sizeable import content of raw material in its endeavor to provide global solutions to its customers. The Corona virus impact on Chinese import has been severe.

The company was able to achieve import substitution in few categories due to value engineering programs.

Opportunities & Threats

The Economic demand slow down presents a real challenge to growing volumes. The inflation figures, and recent emerging developments across the world, like Corona virus has potential to de stabilize existing supply chain networks. . The company continues to work on import substitution more vigorously. .

Segment wise performance and Industry outlook

The printing inks is expected to grow at 1.5X of GDP in value terms for the coming 10 years in packaging business backed by expansion of processed food, pet food and pharma industry. The off take in construction industry which is a sizeable user of packaging products for cement could however play a potential dampener in case the revival is not in line with expectations.

With growing digitization, the publication industry could see potential head winds and in all likelihood record growths which will be equal to or lower than GDP growth. There has been sustained pace of installation of packaging printing machines especially for gravure and flexor inks despite the economic slowdown, which is a positive sign for industry. Commercial Offset printing continues to see muted demand and the trend is likely to continue.

The packaging segment products like adhesives are fast evolving for usage of solvent free adhesives and this segment is likely to see a growth of 8-10% over next few years driven by growth of flexible packaging industry and increased demand for sustainable packaging.

The company is putting suitable business strategy proactively to be ready for these developments. It is being suitably supported by DIC Corporation in this program.

Financial performance *vis-à-vis* Operational performance

The performance of the Company benefitted from improvement in raw material prices over last year, better product mix in sales and from value engineering in operation but were affected by lower consumption in the economy and volatile geo political situation leading to trade restrictions . The Company also focused on operating cost improvement and achieved the same in some areas over previous years. The volatility of Indian rupee and Oil prices driven by local and international issues had its impact during the year. With muted growth in manufacturing sector and tight liquidity conditions the Company took a cautious call on certain areas of growth.

Your Company recorded a turnover of Rs.7866.29 million in the current year as against Rs.8332.93 million in the previous year. The sales volume was lower by 10% against 2018 resulting in a lower value growth of 5.9 %. The Company operates in two segments Printing Inks and Lamination Adhesives. The turnover of Printing Inks

registered a lower growth by 3.9% at 7262 million in 2019 against a sale of 7547million in 2018. The Adhesive segment also registered a lower growth by 30% at 604 million in 2019 against 786 million in 2018. On an overall basis, the Company registered a Profit before tax (including Other Comprehensive Income) of 169.17 million for the year ended 31st December, 2019 against a Loss before tax (including Other Comprehensive Income) of 61.30 million in the previous year.

Risk & Concerns

Decline in demand has potentially impacted profitability of key consumer brands; leading to increased demand by them to reduce packaging prices to converters which got further cascaded to input suppliers like your company.

The company was able to manage the situation appropriately by a combination of value engineering and productivity enhancement projects.

Further the strong emphasis by government to eradicate single use plastic also resulted in softening of demand during festive season with customers and converters focused on inventory correction in line with potential ban on single use plastic.

The government agencies have also been actively propagating use of more sustainable technologies like toluene free Inks for food packaging.

Though your company, being a global leading player has relevant technology to provide substitute solutions to the customers; the potential ban likely on toluene based inks has also lead to stock correction with converters reflecting in slower offtake in H2, 2019.

The Current concern as highlighted above, is potential risk to global supply chain network to de stabilise availability of essential raw materials. The company has taken timely and due consideration and planned proactive steps.

Internal Control Systems

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

Business Strategy

To manage this slump in economic growth driven by external factors as detailed above andto correct past down turns in performance; your company adopted a multi-pronged approach to bring the business back into sustainable profit growth and drive towards an upturn:

Relentless focus on cost optimization

The company scaled back operational expense and put investment to leverage technology and cut down non-essential travel, entertainment. Wherever possible, your company has focused on cutting down overheads like overtime and surplus temporary workers at the same time, your company is driving productivity enhancement actions across functions; again by leveraging its digital assets and invested more in training manpower and putting greater emphasis on linking remuneration with performance.

Preserving cash and securing receivables

Servicing the more stressed customers in current liquidity environment has been a challenge and your company has strengthened system and processes and restricted business where risk assessment was relatively higher.

Building engaged people organization

The company has established open communication forums like Living Our Values Calls with a strong focus on ensuring, through constant communication, that employees remain positive, confident and co-opted into business improvement plans.

Introducing New Technologies

The company has put robust action plans with support from DIC Corporation to bring new technologies and deliver higher value to its customers and brand owners

In line with this, the India Research Centre at Noida has been upgraded to a Regional Research Centre for Asia Pacific. This will enhance technical cooperation and development.

Boards' Report

Dear Shareholder,

Your Directors have pleasure in presenting the Annual Report for the year ended December 31, 2019.

FINANCIAL HIGHLIGHTS

The highlights of your Company's financial results for the financial year ended December 31, 2019 ("FY 2019") are as follows:

Rs. in Lakhs

Particulars	FY 2019	FY 2018
Sales/ Operating Revenue	**79,113.28**	83,795.97
Other Income	**1,298.75**	1,455.15
Total Income	**80,412.03**	85,251.12
Profit/ (Loss) before Taxation and Exceptional Item	**1,746.57**	(588.97)
Tax Expenses	**(98.10)**	343.38
Net Profit / (loss)	**1,844.67**	(932.35)
Other Comprehensive Loss	**(41.06)**	(54.48)
Total Comprehensive income / (loss)	**1803.61**	(986.83)

STATE OF COMPANY'S AFFAIRS (OVERALL PERFORMANCE)

Your Company recorded a turnover of Rs.79,113.28 Lakhs as against Rs. 83,795.97 Lakhs. The Company operates in two segments printing Inks and Lamination Adhesives. On an overall basis, the Company registered profit before tax of Rs. 1,746.57 Lakhs for the year ended 31st December, 2019 against a Loss before tax (before exceptional item) of Rs. 588.97 Lakhs in the previous year.

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

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

CHANGES IN THE NATURE OF BUSINESS

There has been no fundamental change in the nature of business of the Company during the financial year ended December 31, 2019.

TRANSFER TO RESERVES

The Company has not transferred any amount to the General Reserve for the financial year ended December 31, 2019.

DIVIDEND

The Board of Directors have recommended a final dividend of Rs. 4.50 (Four rupees and fifty paise) per equity share for FY 2019 for the approval of the Members at the ensuing Annual General Meeting (AGM). The dividend if approved will be paid to the Shareholders within 30 days of declaration.

CHANGE IN SHARE CAPITAL

The paid-up share capital of the Company as on December 31, 2019 was Rs. 91.79 million and there has been no change in the capital structure of the Company.

PUBLIC DEPOSITS

The Company has not accepted any deposits during the year under review.

BOARD MEETINGS

The Board evaluates all the decisions on a collective consensus. 6 Board Meetings were held during the year ended December 31, 2019 on January 30, 2019, April 26, 2019, July 26, 2019, October 9, 2019, October 22, 2019 and December 9, 2019. The gap between any two Board meetings during this period did not exceed one hundred and twenty days.

The details of the Board Meetings held during the F.Y. 2019 have been furnished under Clause 5 in the Corporate Governance Report forming a part of this Annual Report.

DECLARATION BY INDEPENDENT DIRECTORS

All the Independent Directors have given declaration to the Company stating their independence pursuant to Section 149(6) of the Companies Act, 2013 and the same have been placed and noted by the Board in its meeting held on February 1, 2020.

REMUNERATION POLICY

A Nomination and Remuneration Policy formulated and adopted on December 5, 2014, 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 Directors' appointment and remuneration by the Nomination and Remuneration Committee.

The said policy may be referred to, at the Company's website www.dicindialtd.co.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Related Party Policy has been adopted by the Board of Directors at its meeting held on December 5, 2014 for determining the materiality of transactions with related parties and dealings with them. The said policy may be referred to, at the Company's website www.dicindialtd.co. The Audit Committee reviews all related party transactions quarterly.

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

EXTRACT OF ANNUAL RETURN

As required under Section 92 as extract of Annual Return forms part of this report and is annexed as **Annexure 'A'**.

ANNUAL EVALUATION OF BOARD'S PERFORMANCE

In terms of Regulation 25(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a meeting of the Independent Directors was held on April 10, 2019 to inter alia, evaluate the performance of the Non-Independent Directors, including the Chairman. The Board thereafter in its meeting held on April 26, 2019 evaluated the performance of the Independent Directors in terms of Schedule IV of the Companies Act, 2013.

As a familiarization programme to enable the Board members to take informed decisions, the Management presents a quarterly review of the Industry outlook, company performance, operations, financial statements etc before the Board.

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 marked as **Annexure 'B'**.

SUBSIDIARY/ASSOCIATES/JOINT VENTURE COMPANIES

The Company does not have any subsidiary/associate/joint venture company for the year ended December 31, 2019.

DEPOSITS

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

HUMAN RESOURCES

DIC India believes that the Competence and Commitment of the employees are 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. As a part of this 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, 2019, the Company had 512 employees (previous year 525) 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 marked as **Annexure 'C'**. As per the provisions of Section 197(12) of the Companies Act, 2013, read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Annual Report excluding the information on employee's particulars is being sent to the members which is, however, available for inspection at the Registered Office of the Company during working hours. Any member interested in obtaining such information may write to the Company Secretary and the same will be furnished without any fee.

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

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder, your Company has in place a Policy for Prevention of Sexual Harassment of Women at Work Place and constituted an Internal Complaints Committees (ICC). No complaint has been raised during the year ended December 31, 2019.

WHISTLE BLOWER MECHANISM

The Company has an updated Whistle Blower Policy in place. The said policy may be referred to, at the Company's website www.dicindialtd.co.

INTERNAL CONTROL SYSTEMS

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There were no significant material orders passed by the Regulators / Courts / Tribunals which would impact the going concern status of the Company and its future operations.

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 Annual Report. There had been no instances where the Board has not accepted the recommendations of the Audit Committee.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Pursuant to the provisions of Sec 135 of the Companies Act, 2013 and applicable Rules and recent amendment, for the year ended December 31, 2019, the Company was not required to make any expenditure towards 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 www.dicindialtd.co. The CSR Committee guides and monitors the activity undertaken by the Company in this sphere.

CORPORATE GOVERNANCE

Your Company attaches considerable significance to good Corporate Governance as an important step towards building investor confidence, improving investors' protection and maximizing long-term shareholders' value. The certificate of the Statutory Auditors, M/s Deloitte Haskins & Sells LLPs, confirming compliance of conditions of Corporate Governance as stipulated under Schedule V(E) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed.

DIRECTORS

During the year under review, Mr. Manish Bhatia was appointed as Managing Director and Chief Executive Officer effective January 30, 2019. Further, Mr. Taishi Nojima was appointed as Whole Time Director w.e.f. April 26, 2019.

In terms of DIC Group Policy on superannuation, Mr. Subir Bose (DIN: 00048451) and Mr. Utpal Sengupta (DIN: 02577237) resigned as Independent Directors of the Company w.e.f. December 9, 2019. Further, upon their resignation, and in terms of Regulation 30 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations 2015 they have submitted the confirmation that there is no material reason other than stated above for their resignation. The Confirmation so received have been duly intimated to the Stock Exchanges and also posted on Company's website www.dicindialtd.co.

In terms of Articles of Association of the Company, Mr. Masahiro Kikuchi retires from the Board by rotation and being eligible, offer himself for re-appointment.

The Board recommends re-appointment of Mr. Partha Mitra (DIN: 00335205) to the shareholders. The detailed agenda forms part of Notice of Annual General Meeting.

The following persons have been designated as Key Managerial Personnel of the Company pursuant to Section 2 (51) and Section 203 of the Companies Act, 2013 read with the Rules framed thereunder.

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

COST AUDIT

In accordance with the provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014, the Company is required to appoint a cost auditor to audit the cost records of the applicable products of the Company relating to the business of manufacturing printing inks. Accordingly, M/s. Sinha Chaudhuri & Associates, Cost Accountants (Firm regn. No. 000057) were appointed as the Cost Auditors for auditing the Company's cost accounts for the year ended December 31, 2019.

STATUTORY AUDITORS

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

STATUTORY AUDITORS' OBSERVATIONS

The notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report is an Un-modified report and does not contain any qualification, report of fraud, reservation, adverse remark or disclaimer and do not call for any further comments.

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 in its meeting held on February 12, 2020 appointed M/s. T. Chatterjee & Associates, Practicing Company Secretary (Firm Registration No. S2007WB097600) as the Secretarial Auditor for the financial year ending December 31, 2019. The Secretarial Auditors' Report for the financial year ending December 31, 2019 is annexed to the Boards' Report as **Annexure 'D'**. There are no qualification, reservation, adverse remark or disclaimer in the said report and do not call for any further comments.

TRANSFER TO INVESTOR EDUCATION & PROTECTION FUND

During the financial year ended December 31, 2019, unpaid or unclaimed dividend for the financial year ended December 31, 2011 amounting to Rs. 0.23 million along with 5149 equity shares to which it relates were transferred to the Investor Education and Protection Fund established by the Central Government, in compliance with section 125 of the Companies Act, 2013.

RISKS & MITIGATING STEPS

The Board has adopted a risk management policy where various risks faced by the Company have been identified and aframework 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.

SIGNIFICANT AND MATERIAL ORDERS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

ii. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the Profit and Loss of the company for that period;

iii. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

iv. The Directors had prepared the annual accounts on a going concern basis;

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; and

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.

ACKNOWLEDGEMENT

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

For and on behalf of the Board

	Mr. Dipak Kumar Banerjee	Mr. Manish Bhatia
	Director	Managing Director &
February 12, 2020	DIN: 00028123	Chief Executive Officer
Noida		DIN: 08310936

ANNEXURE 'A'

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on financial year ended December 31, 2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS:

i	CIN	L24223WB1947PLC015202
ii	Registration Date	2nd April 1947
iii	Name of the Company	DIC INDIA LIMITED
iv	Category/Sub-category of the Company	Indian Non-Government Company
v	Address of the Registered office & contact details	Transport Depot Road, Kolkata - 700088, West Bengal, Tel: 033 24496591; Fax: 033 24495267; Email: investors@dic.co.in
vi	Whether listed company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	CB Management Services (P) Ltd, P-22 Bondel Road, Kolkata - 700019, Tel 033 40116700, Fax-033 22870263, email - rta@cbmsl.com

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Sl No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Printing Inks	20223	92.32
2	Lamination Adhesives		7.68

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

Sl No	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	DIC Asia Pacific Pte Ltd, 78 Shenton Way, #27-02/03 Singapore 079120	N.A.	Holding	71.75%	2(46)

IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on January 1, 2019)				No. of Shares held at the end of the year (As on December 31, 2019)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (1)	-	-	-	0.00%	-	-	-	0.00%	0.00%
(2) **Foreign**									
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	65,86,077	-	65,86,077	71.75%	65,86,077	-	65,86,077	71.75%	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (2)	65,86,077	-	65,86,077	71.75%	65,86,077	-	65,86,077	71.75%	0.00%
TOTAL (A)	65,86,077	-	65,86,077	71.75%	65,86,077	-	65,86,077	71.75%	0.00%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Banks / FI	179	-	179	0.00%	354	-	354	0.00%	0.01%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	240	240	0.00%	-	240	240	0.00%	0.00%
e) Venture Capital Funds			-	0.00%			-	0.00%	0.00%
f) Insurance Companies			-	0.00%			-	0.00%	0.00%
g) FIIs			-	0.00%			-	0.00%	0.00%
h) Foreign Venture Capital Funds			-	0.00%			-	0.00%	0.00%
i) Others (specify)			-	0.00%			-	0.00%	0.00%
Sub-total (B)(1):-	179	240	419	0.00%	354	240	594	0.01%	0.01%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	2,96,885	5,451	3,02,336	3.29%	301333	5451	3,06,784	3.34%	0.05%
ii) Overseas			-	0.00%			-	0.00%	0.00%

Category of Shareholders	No. of Shares held at the beginning of the year (As on January 1, 2019)				No. of Shares held at the end of the year (As on December 31, 2019)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	12,22,673	1,20,849	13,43,522	14.64%	1183507	107300	12,90,807	14.06%	-0.58%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	8,68,955	-	8,68,955	9.47%	913764	0	9,13,764	9.95%	0.48%
c) Others (specify)									
Non Resident Indians	41,627	1,826	43,453	0.47%	42311	1826	44,137	0.48%	0.01%
Overseas Corporate Bodies	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Nationals	-	-	-	0.00%	0	0	-	0.00%	0.00%
Clearing Members	3,099	-	3,099	0.03%	649	0	649	0.01%	-0.03%
Trusts	530	-	530	0.01%	430	0	430	0.00%	0.00%
IEPF	30,586	-	30,586	0.33%	35735	0	35,735	0.39%	0.06%
Foreign Bodies - D R			-	0.00%			-	0.00%	0.00%
Sub-total (B)(2):-	24,64,355	1,28,126	25,92,481	28.24%	24,77,729	1,14,577	25,92,306	28.24%	-0.01%
Total Public (B)	24,64,534	1,28,366	25,92,900	28.25%	24,78,083	1,14,817	25,92,900	28.25%	0.00%
C. Shares held by Custodian for GDRs & ADRs			-	0.00%				0.00%	0.00%
Grand Total (A+B+C)	90,50,611	1,28,366	91,78,977	100.00%	90,64,160	1,14,817	91,78,977	100.00%	0.00%

(ii) Share holding of promoters

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	No, of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	% change in share holding during the year
1	DIC Asia Pacific Pte. Ltd.	65,86,077	71.75%	0	65,86,077	71.75%	0	0.00%

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Date	Reason	Share holding at the beginning of the Year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares	No of shares	% of total shares
	At the beginning of the year			65,86,077	71.75%	65,86,077	71.75%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			65,86,077	100.00%	65,86,077	100.00%

(iv) **Shareholding Pattern of top ten Shareholders (other than Direcors, Promoters & Holders of GDRs & ADRs)**

Sl. No	For Each of the Top 10 Shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No.of shares	% of total shares of	No of shares	% of total shares
1	In30036020087818						
	HITESH RAMJI JAVERI						
	a) At the beginning of the year	01-01-2019	-	250000	2.72	250000	2.72
	b) Changes during the year	-	-	-	-	-	-
	c) At the end of the year	31-12-2019	-	-	-	250000	2.72
2	In30036020087795						
	HARSHA HITESH JAVERI						
	a) At the beginning of the year	01-01-2019	-	250000	2.72	250000	2.72
	b) Changes during the year	01-02-2019	Buy	6325	0.07	256325	2.79
		02-08-2019	Buy	175	0.00	256500	2.79
	c) At the end of the year	31-12-2019	-	-	-	256500	2.79
3	In30096610000088						
	GLOBE CAPITAL MARKET LTD						
	a) At the beginning of the year	01-01-2019	-	171079	1.86	171079	1.86
	b) Changes during the year	30-03-2019	BUY	2500	0.03	173579	1.89
		10-05-2019	BUY	4715	0.05	178294	1.94
		17-05-2019	BUY	5057	0.06	183351	2
		31-05-2019	BUY	6211	0.07	189562	2.07
		14-06-2019	BUY	954	0.01	190516	2.08
		21-06-2019	BUY	2469	0.02	192985	2.1
		28-06-2019	BUY	555	0.01	193540	2.11
		05-07-2019	BUY	244	0	193784	2.11
		12-07-2019	BUY	41	0	193825	2.11
		19-07-2019	BUY	269	0	194094	2.11
		04-10-2019	SALE	52	0	194042	2.11
		29-11-2019	BUY	239	0	194281	2.12
		06-12-2019	BUY	746	0.01	195027	2.12
		13-12-2019	BUY	3787	0.04	198814	2.16
		20-12-2019	BUY	2573	0.03	201387	2.19
	c) At the end of the year	31-12-2019				201387	2.19
4	In30009510813322						
	BISHWANATH PRASAD AGRAWAL						
	a) At the beginning of the year	01-01-2019		68365	0.74	68365	0.74
	b) Changes during the year	NO CHANGE					
	c) At the end of the year	31-12-2019				68365	0.74
5	In30154915620236						
	G SHANKAR						
	a) At the beginning of the year	01-01-2019		60617	0.66	60617	0.66
	b) Changes during the year	08-03-2019	BUY	141	0.00	60758	0.66
		15-03-2019	BUY	278	0.00	61036	0.66
		29-03-2019	BUY	261	0.01	61297	0.67
		05-04-2019	BUY	100	0.00	61397	0.67
		19-04-2019	BUY	28	0.00	61425	0.67
		26-04-2019	BUY	156	0.00	61581	0.67
		24-05-2019	BUY	80	0.00	61661	0.67
		09-08-2019	BUY	1100	0.02	62761	0.69
		13-09-2019	BUY	110	0.00	62871	0.69
		04-10-2019	BUY	100	0.00	62971	0.69
		06-12-2019	BUY	150	0.00	63121	0.69
	c) At the end of the year	31-12-2019				63121	0.69

Sl. No	For Each of the Top 10 Shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No.of shares	% of total shares of	No of shares	% of total shares
6	1202810000000286						
	CHETAN GOPALDAS CHOLERA						
	a) At the beginning of the year	01-01-2019		30297	0.33	30297	0.33
	b) Changes during the year	11-01-2019	SALE	3150	0.03	27147	0.3
		18-01-2019	SALE	871	0.01	26276	0.29
		25-01-2019	SALE	7744	0.09	18532	0.2
		12-04-2019	SALE	18532	0.2	0	0
	c) At the end of the year	31-12-2019				NIL	NIL
7	In30009511440476						
	IL AND FS SECURITIES SERVICES LIMITED						
	a) At the beginning of the year	01-01-2019		27535	0.30	27535	0.30
	b) Changes during the year	22-02-2019	BUY	100	0.00	27635	0.30
		08-03-2019	BUY	867	0.01	28502	0.31
		13-03-2019	SALE	100	0.00	28402	0.31
		29-03-2019	SALE	867	0.01	27535	0.30
		30-03-2019	SALE	27535	0.3	0	0.00
	c) At the end of the year	31/12/2019				NIL	NIL
8	In30115123072378						
	JAYASRI SURESH						
	a) At the beginning of the year	01-01-2019		25258	0.27	25258	0.27
	b) Changes during the year	04-10-2019	BUY	742	0.01	26000	0.28
	c) At the end of the year	31-12-2019				26000	0.28
9	In30009510813314						
	SUVARNA KUMARI AGRAWAL						
	a) At the beginning of the year	01-01-2019		23500	0.26	23500	0.26
	b) Changes during the year	NO CHANGE					
	c) At the end of the year	31-12-2018				23500	0.26
10	In30036010619416						
	MITALI HITESH JAVERI						
	a) At the beginning of the year	01-01-2019		9846	0.11	9846	0.11
	b)Changes during the year	11-01-2019	BUY	164	0	10010	0.11
		18-01-2019	BUY	711	0.01	10721	0.12
		25-01-2019	BUY	279	0	11000	0.12
		01-02-2019	BUY	500	0.01	11500	0.13
		02-08-2019	BUY	1500	0.01	13000	0.14
		09-08-2019	BUY	3518	0.04	16518	0.18
		16-08-2019	BUY	82	0	16600	0.18
		30-08-2019	BUY	700	0.01	17300	0.19
		13-09-2019	BUY	1460	0.01	18760	0.2
		20-09-2019	BUY	1840	0.02	20600	0.22
		27-09-2019	BUY	200	0	20800	0.23
		04-10-2019	BUY	1343	0.01	22143	0.24
		18-10-2019	BUY	862	0.01	23005	0.25
		22-11-2019	BUY	995	0.01	24000	0.26
		29-11-2019	BUY	500	0.01	24500	0.27
		20-12-2019	BUY	50	0	24550	0.27
	c)At the end of the year	31-12-2019				24550	0.27

Sl. No	For Each of the Top 10 Shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No.of shares	% of total shares of	No of shares	% of total shares
11	In30036010619779						
	AMI HITESH JAVERI						
	a) At the beginning of the year	01-01-2019		7391	0.08	7391	0.08
	b) Changes during the year	11-01-2019	BUY	3609	0.04	11000	0.12
		01-02-2019	BUY	500	0.01	11500	0.13
		02-08-2019	BUY	1500	0.01	13000	0.14
		09-08-2019	BUY	3300	0.04	16300	0.18
		16-08-2019	BUY	300	0	16600	0.18
		30-08-2019	BUY	700	0.01	17300	0.19
		13-09-2019	BUY	1533	0.02	18833	0.21
		20-09-2019	BUY	1767	0.02	20600	0.23
		27-09-2019	BUY	400	0	21000	0.23
		04-10-2019	BUY	2000	0.02	23000	0.25
		18-10-2019	BUY	5	0	23005	0.25
		22-11-2019	BUY	1495	0.02	24500	0.27
		20-12-2019	BUY	50	0	24550	0.27
	c) At the end of the year	31-12-2019				24550	0.27

(v) **Shareholding of Directors and Key Managerial Personnel:**

Sl. No	Shareholding of each Direction and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No.of shares	% of total shares of	No of shares	% of total shares
1	Sandip Chatterjee, CFO						
	At the beginning of the year			1	0.00%	1	0.00%
	Changes during the year			-	-	-	-
	At the end of the year			1	0.00%	1	0.00%

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	57,064,144.00	450,000,000.00	-	507,064,144.00
ii) Interest due but not paid	NIL	NIL	-	-
iii) Interest accrued but not due	NIL	898,767.00	-	898,767.00
Total (i+ii+iii)	**57,064,144.00**	**450,898,767.00**	-	**507,962,911.00**
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	(5,699,211.31)	(150,000,000.00)	-	(150,56,99,211.31)
Net Change	(5,699,211.31)	(150,000,000.00)	-	(150,56,99,211.31)
Indebtedness at the end of the financial year				
i) Principal Amount	5,13,64,932.69	300,000,000.00	-	351,364,932.69
ii) Interest due but not paid	Nil	NIL	-	-
iii) Interest accrued but not due	Nil	57,534.00	-	57,534.00
Total (i+ii+iii)	**5,13,64,932.69**	**300,057,534.00**	**-**	**351,422,466.69**

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

SN.	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount
	Name	Manish Bhatia	TaishiNojima*	(Rs)
	Designation	Managing Director and Chief Executive Officer	Whole Time Director	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	1,26,91,488	82,68,000	2,09,59,488
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	51,28,258	12,70,200	63,98,458
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock option		-	-
3	Sweat Equity		-	-
4	Commission		-	-
	as % of profit			
	others (specify)			
5	Others, please specify (Target Performance Bonus payable for 2019, PF, Gratuity)	9,50,690	-	9,50,690
	Total (A)	**1,87,70,436**	**95,38,200**	**2,83,08,636**
	Ceiling as per the Act	In Compliance with Section 197, read with Schedule V of the Companies Act, 2013		

* Mr. TaishiNojima was Appointed as Whole Time Director w.e.f. April 26, 2019

B. Remuneration to other Directors:

Sl. No	Particulars of Remuneration	Name of the Directors					Total Amount
1	Independent Directors	Mr. Dipak K Banerjee	Mr. Partha Mitra	Dr. Reena Sen	Mr. Subir Bose*	Mr. Utpal Sengupta*	
	(a) Fee for attending board/ committee meetings	3,70,000	5,75,000	2,75,000	4,85,000	3,00,000	
	(b) Commission	-	-	-	-	-	
	(c) Others, please specify Director Remuneration	-	-	-	-	-	
	Total (1)	**3,70,000**	**5,75,000**	**2,75,000**	**4,85,000**	**3,00,000**	**20,05,000**
2	Other Non Executive Directors	Mr. Paul Koek		Mr. Masahiro Kikuchi		Mr. Ho Yeu Guan	
	(a) Fee for attending board committee meetings	-		-		-	
	(b) Commission	-		-		-	
	(c) Others, please specify Director Remuneration	-		-		-	-
	Total (2)	-		-		-	
	Total (B)=(1+2)						**20,05,000**
	Total Managerial Remuneration						**3,03,13,636**
	Overall Ceiling as per the Act.	In Compliance with Section 197, read with Schedule V of the Companies Act, 2013					

* Mr. Subir Bose and Mr. Utpal Sengupta ceased to be members of Board effective December 9, 2019

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SN.	Particulars of Remuneration	Name of Key Managerial Personnel		Total
	Name	Sandip Chatterjee	Raghav Shukla	(Rs)
	Designation	CFO	General Manager - Legal & CS	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	55,85,598.00	31,62,972.00	87,48,570.00
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	8,17,542.00	12,88,495.00	21,06,037.00
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	as % of profit			
	others, specify			
5	Others, please specify (Target Performance Bonus, PF, Gratuity, Pension)	12,97,097.00	6,95,952.00	19,93,049.00
	Total	**77,00,237.00**	**51,47,419.00**	**1,28,47,656.00**

VII PENALTIES/PUNISHMENT/COMPPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeals made if any (give details)
A. COMPANY					
Penalty	NIL				
Punishment	NIL				
Compounding	NIL				
B. DIRECTORS					
Penalty	NIL				
Punishment	NIL				
Compounding	NIL				
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL				
Punishment	NIL				
Compounding	NIL				

ANNEXURE 'B'

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

A. Conservation of Energy

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

- Air washers replaced with energy efficient one.
- Old air drier replaced with energy efficient air drier.
- Automated PCC panel & DG synchronization panel installed to save electricity & fuel .
- Compressed air leakages plugged to save electricity.

FORM - A

CONSERVATION OF ENERGY FOR THE ACCOUNTING PERIOD ENDED DECEMBER 31, 2019

(A) Power and Fuel Consumption

	Fuel consumption	**Units**	**2019**	2018
1	**Electricity**			
(i)	Purchased from Electricity Board			
	KWH	Million	**4.41**	4.75
	Total Amount	Rs. in Million	**37.54**	39.97
	Average Rate	Rs./Units	**8.97**	8.42
(ii)	Purchased from Others			
	KWH	Million	**5.51**	6.45
	Total Amount	Rs. in Million	**49.08**	55.58
	Average Rate	Rs./Units	**8.91**	8.62
(iii)	**Own Generation-through Diesel Generator**			
	KWH	Million	**0.22**	0.24
	Unit generated per litre of diesel	Kwh	**3.0**	3.27
	Average Rate	Rs./Units	**20.76**	17.60
2.	**HSD Used (other than 1(iii) above)**			
	Ltrs	Million	**0.053**	0.07
	Total Amount	Rs in million	**3.49**	4.61
	Average Rate	Rs./Units	**67.05**	64.53
3.	**Furnace Oil / PNG**			
	Ltrs (PNG)*	Million	**0.329**	0.40
	Total Amount	Rs in million	**12.41**	14.63
	Average Rate	Rs./Units	**38.3**	37.01

(II) Steps taken for utilizing alternate sources of energy

- PNG already introduced at the place of HSD at Noida, Bangalore and Ahmedabad

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

- PCC PANEL AND DG SYNCRINIZATION PANEL – INR 5M
- Air drier and air washer – INR 3M

(IV) Consumption per Unit of Production

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

B. RESEARCH & DEVELOPMENT

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

- Development of Volatile Organic Content free semi-finished color range for Sheetfed application
- Development of environment friendly water based inks for flexible packaging
- Development of aromatic solvent free inks for food packaging
- Development of solvent free adhesive to reduce Volatile Organic Content
- Development of LED curing inks
- Introduction of Sun colour box system for easy colour matching and reduce press time.

2. Benefits derived as a result of R&D

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

- Opportunities to expand business in new areas
- Cost and quality advantage in highly competitive inks market.
- Develop indigenous production process
- Inks range expanded to cater high-end customers and will act as an import substitute
- Environment friendly products

3. Future Plan of Action

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

4. Expenditure on R&D

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

- Capital Expenditure of Rs. 7.51 million
- Recurring Expenditure of Rs. 55.94 million,
- Total Expenditure Rs. 63.45 million and
- Total R&D Expenditure as a percentage to total Turnover was 0.74%.

C. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

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

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

2. Benefits derived as a Result of above Efforts

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

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

The Company has executed an Agreement with its Parent Company, DIC Corporation (formerly Dainippon Ink & Chemicals Inc.) Japan to import technology and technical information for manufacturing poly-ester poly-urethane poly-urea resin solely for captive consumption. Poly-ester poly-urethane poly-urea resin is used to manufacture gravure inks, a finished product of the company and comes under the segment of liquid ink. Poly-ester poly urethane poly-urea resins are presently being imported and such manufacture in India through DIC technology will reduce the company's dependence on imported items. Further, it will reduce the cost of the company to a great extent.

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

C. Foreign Exchange Earnings and Outgo

Exports during the year stood at Rs. 6674.38 Lakhs (from Rs. 7977.36 Lakhs in 2018), registering a decrease of 16.33%. Earnings in foreign exchange through exports and other earnings amounted to Rs. 6377.74 Lakhs (FY2018: Rs. 7008.30 Lakhs). 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. 18677 Lakhs (FY2018: Rs. 23977 Lakhs)

ANNEXURE 'C'

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

(i) Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year

Sl. No	Name of Director / KMP and designation	Remuneration during the financial year 2019 (Rs in million)	% increase in remuneration in the financial year 2019	Ratio of remuneration of each director to median remuneration of employees
1	MrManish Bhatia, Managing Director & CEO	18.77	NA	19.75
2	Mr D Banerjee, Independent Director	0.37	NA	0.39
3	Mr S Bose, Independent Director	0.485	NA	0.51
4	Mr U Sengupta, Independent Director	0.30	NA	0.32
5	Dr R Sen, Independent Director	0.275	NA	0.29
6	Mr Partha Mitra, @ Independent Director	0.575	NA	0.61
7	Mr M. Kikuchi, Non-executive Director	Nil	NA	NA
8	Mr Francis Ho, Non-executive Director	Nil	NA	NA
9	Mr P Koek, Non-executive Director	Nil	NA	NA
10	Mr S Chatterjee, Chief Finance Officer	7.70	3.5%	8.10
11	Mr R Shukla, Company Secretary	5.15	5%	5.42
12	Taishi Nojima @	9.54	NA	10.04

@ Part of the year.

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

The percentage increase in the median remuneration of all Non-unionised employees in the financial year 2019 was 5.82%.

The pay structure and increment of the graded staff/workers were on the basis of Union Agreement (Agreement) which was valid till December 2019. The renewal of the Agreement is under discussion as a part of Long Term Wages settlement process for 4 years.

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

The Company had 512 permanent employees on its rolls as on December 31, 2019.

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

Average percentile increase, other than managerial personnel was 5.82%. However, the managerial remuneration was slightly lower than the average increase in 2019.

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

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

Secretarial Audit Report

FORM MR-3

(For the period 01-01-2019 to 31-12-2019)

[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 Ltd.

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period ended on **31st December, 2019**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the audit period ended on 31st December, 2019 according to the provisions of:

   I. The Companies Act, 2013 (**the Act**) and the rules made thereunder;

   II. The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the rules made thereunder;

   III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

   IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

   V. Secretarial Standards as prescribed by Institute of Company Secretaries of India.

   VI. 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, 2009;

      d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.

      e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

      f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.

      g. The Securities and Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015;

   We have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with BSE Limited, National Stock Exchange of India Limited and The Calcutta Stock Exchange Limited.

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

2. We further report that:

a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

b. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

c. The 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.

d. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

e. The Company has obtained all necessary approvals under the various provisions of the Act. However, the Company has made an application pursuant to Section 196 read with Schedule V of the Companies Act, 2013, for appointment of Mr. Taishi Nojima as a Whole-time Director of the Company to the Central Government for its approval under SRN: H77996379, approval is awaited.

f. There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement, Rules, Regulations and Guidelines framed under these Acts against/ on the Company, its Directors and Officers.

g. The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;

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

For T. Chatterjee & Associates
FRN No. - P2007WB067100

Sd/-
Binita Pandey - (Partner)
Membership No: 41594
COP No. : 19730
UDIN: A041594B000136667

Place: Kolkata
Date: February 12, 2020

This report is to be read with our letter of even date which is annexed as Annexure 1 and forms an integral part of this report.

'Annexure I'

To,
The Members of
DIC India Ltd.

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. Wherever 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.

For T. Chatterjee & Associates
FRN No. - P2007WB067100

Sd/-
Binita Pandey - (Partner)
Membership No: 41594
COP No. : 19730
UDIN: A041594B000136667

Place: Kolkata
Date: February 12, 2020

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

We have examined the relevant registers, records, forms, returns and disclosures received in respect of the Directors of **DIC India Limited, CINL24223WB1947PLC015202, having registered office at Transport Depot Road Kolkata West Bengal 700088** (hereinafter referred to as 'the Company'), 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 ofour belief, information and according to the verifications (including Directors Identification Number (DIN) status of the respective directors at the portal www.mca.gov.in as considered necessary and written representation made by the respective directors, we hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on **31st December, 2019** have been debarred or disqualified from being appointed or continuing as Director of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority

Ensuring the eligibility of 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.

For T. Chatterjee & Associates
FRN No. - P2007WB067100

Sd/-
Binita Pandey - (Partner)
Membership No: 41594
COP No. : 19730
UDIN: A041594B000136667

Place: Kolkata
Date: February 12, 2020

Independent Auditor's Report

To The Members of DIC India Limited

Report on the Ind AS Financial Statements

Opinion

We have audited the accompanying financial statements of DIC India Limited ("the Company"), which comprise the Balance Sheet as at December 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flows Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at December 31, 2019, and its profit, total comprehensive income, its cash flows statement and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Key Audit Matter	Auditor's Response
Impairment of property, plant and equipment (Refer note 3.12 and 5 to the Ind AS Financial Statements) The Company assesses impairment of property, plant and equipment at the end of each reporting period or when events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. The Company reviews the carrying amount of its property, plant and equipment for the "Cash Generating Unit" (CGU) to assess whether there is any indication that those assets have suffered any impairment loss. In assessing, whether there is an indication of impairment, management applies estimates and assumptions, in determining the recoverable amount, being the higher of the assets fair value less costs to sell and its value in use. We identified the impairment of property, plant and equipment as a key audit matter because of the significant estimates and assumptions that management makes to evaluate the recoverability of these assets.	**Principal Audit Procedures** Our audit procedures included following: ● Obtaining an understanding of the methodology used by the management for impairment assessment including evaluation around the appropriateness of those methods used for impairment assessment. ● We evaluated the design and implementation of key controls, and tested the operating effectiveness of the controls over management's assessment of recoverability of property, plant and equipment. ● We evaluated fair value less cost to sell analysis by (i) Comparing sale price of asset with similar assets available and assumptions used by management with external sources and (ii) testing the mathematical accuracy of the data. ● We evaluated management's assessment by comparing the assets fair value less costs to sell with the carrying amounts of respective CGU in the books of account.

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the 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 will not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Management's Responsibility for the Financial Statements

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company and so far as it appears from our examination of those books, except that the backup of the books of account and other records and papers maintained in electronic mode has not been maintained on servers physically located in India.

    c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

    d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors as on December 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. (Refer Note no 33(a) of the Ind AS financial statements)

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. (Refer Note no 43 of the Ind AS financial statements)

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company. (Refer Note no 33 (c) of the Ind AS financial statements)

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Sameer Rohatgi
Partner
Membership No. 094039
UDIN: 20094039AAAAAC9109

Place: Noida
Date: February 12, 2020

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **DIC INDIA LIMITED** ("the Company") as of December 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at December 31, 2019, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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

Sameer Rohatgi
Partner
Membership No. 094039
UDIN: 20094039AAAAAC9109

Place: Noida
Date: February 12, 2020

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

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

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

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.

(b) The Company has a program of verification of Property, plant and equipment to cover all the items in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, plant and equipment were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date except as mentioned below. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as Lease prepayments in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement except as mentioned below:

(Amount Rs in Lakhs)

No. of Cases	Asset Category	Gross Block as at 31 December, 2019	Net Block as at 31 December, 2019	Remarks
1	Freehold Land	0.86	0.86	The title deeds are in the name of 'Coates of India Limited' (erstwhile name of the Company) and the mutation of the name is pending.
4	Leasehold Land	128.77	90.28	
2	Building	15.03	4.61	

ii. As explained to us, the inventories (other than goods in transit) were physically verified during the year by the Management at the reasonable intervals and no material discrepancies have been noticed on physical verification. Inventories in transit, were verified by the management based on subsequent delivery challans.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

iv. The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the Order 2016 is not applicable.

v. According to the information and explanations given to us, the Company has not accepted any deposit during the year. The Company does not have any unclaimed deposits and accordingly, the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 are not applicable to the Company.

vi. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii. According to the information and explanations given to us in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Goods and Services Tax, Custom Duty, Value Added Tax and Cess with the appropriate authorities. Also, refer to the note 33(d) to the financial statements regarding management assessment on certain matters relating to the provident fund.

(b) There are no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Goods and Services Tax, Custom Duty, Value Added Tax and Cess in arrears as at December 31, 2019 for a period of more than six months from the date they became payable.

(c) Details of dues of Income tax, Sales Tax, Service Tax, Custom Duty and Excise Duty which have not been deposited as on December 31, 2019 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the amount relates	Amount involved (Rupees in Lakhs)	Amount unpaid (Rupees in Lakhs)
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	2012-13	102.80	-
		Deputy Commissioner of Income Tax	2013-14	209.90	-
		Hon'ble High court at Calcutta	1989-1990 and 1988-1989	27.77	27.77
Central sales Tax Act, 1956	Central Sales tax	Commercial Taxes Tribunal	2008-09	6.00	6.00
		Joint commissioner of Sales Tax (Appeals)	2010-11 and 2012-13	30.67	23.15
		Deputy Commissioner	2003-04, 2011-12	1.42	1.42
West Bengal Value Added Tax Act, 2003	Value Added Tax	Sr. Joint Commissioner, WBVAT	2017-2018	0.22	0.20
Uttar Pradesh Value Added Tax Act, 2008	Value Added Tax	Commercial Taxes Tribunal	2009-10 and 2010-11	19.23	7.04
		Additional Commissioner (Appeals)	2013-14, 2014-15 and 2016-17	28.52	17.07
Central Excise Act, 1944	Excise Duty	Custom, Excise & Service Tax Appellate Tribunal	1994-95 to 1996-97, 2008-09	89.74	87.78
		Commissioner of Central Excise	1997-98	120.24	120.24
		Commissioner (Appeals)	2005-06 to 2010-11	94.85	93.86
Finance Act, 1944	Service Tax	Custom, Excise & Service Tax Appellate Tribunal	2003-04 to 2005-06	56.60	53.77
		Commissioner (Appeals)	2001-02 to 2011-12	260.18	260.18
Custom Act, 1962	Customs Duty	Custom, Excise & Service Tax Appellate Tribunal	2005-06, 2009-10 to 2010-11	254.02	250.09

We have been informed that there are no dues of Goods and Services Tax which have not been deposited as on December 31, 2019 on account of disputes.

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has neither obtained any loan or borrowings from government or financial institution nor has it issued any debentures.

ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.

x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.

xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Sameer Rohatgi
Partner
Membership No. 094039
UDIN: 20094039AAAAAC9109

Place: Noida
Date: February 12, 2020

Balance Sheet

As at December 31, 2019

All amounts in Rupees in Lakhs, unless otherwise stated

	Particulars	Note No.	As at December 31, 2019	As at December 31, 2018
A	**ASSETS**			
	1 Non-current assets			
	(a) Property, plant and equipment	5	**5,921.31**	5,699.11
	(b) Capital work-in-progress	5	**136.08**	303.24
	(c) Intangible assets	6	**17.57**	28.65
	(d) Financial assets			
	(i) Other financial assets	7	**393.61**	451.08
	(e) Deferred tax assets (net)	8	**729.33**	-
	(f) Other non-current assets	9	**2,048.37**	2,117.15
	(g) Non-Current Tax assets (Net)	10	**495.99**	904.04
	Total Non - Current Assets		**9,742.26**	9,503.27
	2 Current assets			
	(a) Inventories	11	**9,848.57**	13,941.20
	(b) Financial assets			
	(i) Trade receivables	12	**20,076.01**	24,497.89
	(ii) Cash and cash equivalents	13	**1,493.29**	1,478.31
	(iii) Bank balances other than (ii) above	13	**17.27**	1,664.37
	(iv) Other financial assets	14	**495.96**	3,672.87
	(c) Other current assets	15	**3,182.53**	5,563.48
			35,113.63	50,818.12
	Assets classified as held for sale	16	**2,029.31**	4.23
	Total Current Assets		**37,142.94**	50,822.35
	Total Assets (1+2)		**46,885.20**	60,325.62
B	**EQUITY AND LIABILITIES**			
	1 Equity			
	(a) Equity share capital	17	**917.90**	917.90
	(b) Other equity	17.1	**28,873.83**	27,070.22
	Total Equity		**29,791.73**	27,988.12
	2 Non-current liabilities			
	(a) Provisions	18	**414.76**	371.83
	Total Non - Current Liabilities		**414.76**	371.83
	3 Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	19	**3,513.65**	5,070.64
	(ii) Trade payables	20		
	Total outstanding dues of micro and small enterprises;		**282.83**	224.34
	Total outstanding dues of creditors other than micro and small enterprises		**10,796.03**	18,994.39
	(iii) Other financial liabilities	21	**1,394.40**	1,233.53
	(b) Provisions	22	**162.98**	174.30
	(c) Other current liabilities	23	**411.88**	6,151.53
	(d) Current tax liabilities (net)	24	**116.94**	116.94
	Total Current Liabilities		**16,678.71**	31,965.67
	Total Equity and Liabilities (1+2+3)		**46,885.20**	60,325.62

See accompanying notes to the Ind AS financial statements

In terms of our report attached.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

Sameer Rohatgi
Partner

Place: Noida
Date : February 12, 2020

For and on behalf of the Board of Directors

Partha Mitra
Director
DIN: 00335205

Manish Bhatia
Managing Director & CEO
DIN: 08310936

Raghav Shukla
Company Secretary

Sandip Chatterjee
Chief Finance Officer

Place: Noida
Date : February 12, 2020

Statement of Profit & Loss

For the year ended December 31, 2019

All amounts in Rupees in Lakhs, unless otherwise stated

	Particulars	Note No.	Year ended December 31, 2019	Year ended December 31, 2018
I	Revenue from operations	25	**79,113.28**	83,795.97
II	Other income	26	**1,298.75**	1,455.15
III	**Total Income (I + II)**		**80,412.03**	85,251.12
IV	**Expense**			
	(a) Cost of materials consumed	27(a)	**52,518.13**	61,859.44
	(b) Purchases of Stock-in-Trade	27(b)	**3,196.08**	4,949.39
	(c) Changes in stock of finished goods, stock-in-Trade and work-in-progress	28	**2,171.71**	(1,164.95)
	(d) Employee benefits expense	29	**6,967.85**	6,436.12
	(e) Finance costs	30	**465.69**	583.02
	(f) Depreciation and amortisation expense	31	**1,116.60**	1,329.96
	(g) Other expenses	32	**12,229.40**	11,847.11
V	**Total expenses**		**78,665.46**	85,840.09
VI	**Profit/ (Loss) before tax (III- V)**		**1,746.57**	(588.97)
VII	**Tax Expense**			
	(1) Current tax			
	(i) Current tax expense		**617.42**	-
	(ii) Excess provision for tax relating to prior years		**-**	(90.20)
	(2) Deferred tax expense/ (income)		**(715.52)**	433.58
	Total tax expense/ (income)		**(98.10)**	343.38
VIII	**Profit/ (Loss) for the year (VI - VII)**		**1,844.67**	(932.35)
IX	**Other comprehensive loss**			
	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurement loss of the defined benefit liabilities		**(54.87)**	(23.97)
	(ii) Income tax credit/ (charge) on above		**13.81**	(30.51)
	Total Other comprehensive loss		**(41.06)**	(54.48)
X	**Total comprehensive income/(loss) for the year (VIII + IX)**		**1,803.61**	(986.83)
XI	**Earnings per equity share (of Rs 10 each):**			
	(1) Basic	41	**20.10**	(10.16)
	(2) Diluted	41	**20.10**	(10.16)

See accompanying notes to the Ind AS financial statements

In terms of our report attached.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

Sameer Rohatgi
Partner

Place: Noida
Date : February 12, 2020

For and on behalf of the Board of Directors

Partha Mitra
Director
DIN: 00335205

Manish Bhatia
Managing Director & CEO
DIN: 08310936

Raghav Shukla
Company Secretary

Sandip Chatterjee
Chief Finance Officer

Place: Noida
Date : February 12, 2020

Cash Flow Statement

For the year ended December 31, 2019

All amounts in Rupees in Lakhs, unless otherwise stated

	Particulars	Year ended December 31, 2019	Year ended December 31, 2018
A.	**Cash flow from operating activities:**		
	Profit/ (Loss) before tax	**1,746.57**	(588.97)
	Adjustments for:		
	Finance costs	**465.69**	583.02
	Depreciation and amortisation expense	**1,116.60**	1,329.96
	Bad trade receivables, other assets and Financial assets written off	**66.30**	72.48
	Loss/ (gain) on disposal of property, plant and equipment (net)	**1.41**	(5.25)
	Property, plant and equipment written off	**76.70**	17.44
	Provision for impairment loss recognised on trade receivables (net)	**607.66**	120.63
	Liabilities no longer required written back	**(151.44)**	(327.98)
	Interest income	**(924.26)**	(955.59)
	Net unrealised foreign exchange (gain)/ loss	**(3.92)**	19.66
	Operating profit before working capital changes	**3,001.31**	265.40
	Adjustments for changes in working Capital :		
	- Increase/ (decrease) in trade payables	**(7,928.61)**	5,961.58
	- Increase/ (decrease) in short term provisions	**(66.19)**	78.05
	- Increase/(decrease) in long term provisions	**42.93**	(33.78)
	- Increase/(decrease) in other current liabilities	**0.35**	51.45
	- Increase/(decrease) in Other financial liabilities	**300.08**	209.56
	- (Increase)/decrease in other non current assets	**19.85**	19.43
	- (Increase)/decrease in non current financial assets	**57.47**	(149.46)
	- (Increase)/ decrease in inventories	**4,092.63**	(1,768.90)
	- (Increase)/ decrease in trade receivables	**3,751.37**	(2,704.62)
	- (Increase)/ decrease in current financial assets	**407.09**	(196.47)
	- (Increase)/ decrease in other current assets	**2,380.95**	(2,717.01)
	Cash generated/ (used) in operating activities	**6,059.23**	(984.77)
	- Net income tax (paid) / refunds	**(209.37)**	107.49
	Net cash generated/ (used) in operating activities (A)	**5,849.86**	(877.28)
B.	**Cash flow from investing activities:**		
	Capital expenditure on property, plant and equipment (including capital advances)	**(1,196.81)**	(1,359.66)
	Acquisition of leasehold land	**-**	(1,754.92)
	Proceeds from sale of property, plant and equipment	**3.79**	8.96
	Advance received/ (repayment) for proposed sale of land	**(4,350.00)**	4,370.00
	Amount paid on behalf of buyer for proposed sale of land	**-**	(2,025.08)
	Change in bank balances other than cash and cash equivalents	**1,647.10**	(1,647.15)
	Interest received	**219.65**	211.09
	Net cash used in investing activities (B)	**(3,676.27)**	(2,196.76)

Cash Flow Statement *(Contd.)*

All amounts in Rupees in Lakhs, unless otherwise stated

	Particulars	Year ended December 31 , 2019	Year ended December 31, 2018
C.	**Cash flow from Financing Activities:**		
	Proceeds/ (repayment) on borrowings	**(1,556.99)**	1,570.64
	Finance costs paid	**(601.62)**	(420.50)
	Net Cash from/ (used) in financing activities (C)	**(2,158.61)**	1,150.14
	Net Increase/(Decrease) in Cash & cash equivalents (A+B+C)	**14.98**	(1,923.90)
	Cash and cash equivalents as at 1st January (opening balance)	**1,478.31**	3,402.21
	Cash and cash equivalents as at 31st December (closing balance)	**1,493.29**	1,478.31
	Cash and cash equivalents comprise (Refer Note 13)		
	Cash on hand	**0.75**	1.11
	Balance with banks	**1,492.54**	1,477.20
		1,493.29	1,478.31

See accompanying notes to the Ind AS financial statements

In terms of our report attached.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

Sameer Rohatgi
Partner

Place: Noida
Date : February 12, 2020

For and on behalf of the Board of Directors

Partha Mitra
Director
DIN: 00335205

Manish Bhatia
Managing Director & CEO
DIN: 08310936

Raghav Shukla
Company Secretary

Sandip Chatterjee
Chief Finance Officer

Place: Noida
Date : February 12, 2020

Statement of changes in equity

For the year ended December 31, 2019

All amounts in Rupees in Lakhs, unless otherwise stated

a. Equity share capital

	Amount
Balance as at January 1, 2018	917.90
Changes in equity share capital during the year	-
Balance as at December 31, 2018	917.90
Changes in equity share capital during the year	-
Balance as at December 31, 2019	917.90

b. Other equity

Particulars	Reserves and Surplus				Total
	General reserves	Securities premium	Capital reserve	Retained earnings	
Balance as at January 1, 2018	6,559.12	6,548.08	0.59	14,949.26	28,057.05
Loss for the year	-	-	-	(932.35)	(932.35)
Other comprehensive income, net of tax	-	-	-	(54.48)	(54.48)
Balance as at December 31, 2018	**6,559.12**	**6,548.08**	**0.59**	**13,962.43**	**27,070.22**
Profit for the year	-	-	-	1,844.67	1,844.67
Other comprehensive income, net of tax	-	-	-	(41.06)	(41.06)
Balance as at December 31, 2019	**6,559.12**	**6,548.08**	**0.59**	**15,766.04**	**28,873.83**

Notes:

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

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

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

See accompanying notes to the Ind AS financial statements

In terms of our report attached.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

Sameer Rohatgi
Partner

Place: Noida
Date : February 12, 2020

For and on behalf of the Board of Directors

Partha Mitra
Director
DIN: 00335205

Manish Bhatia
Managing Director & CEO
DIN: 08310936

Raghav Shukla
Company Secretary

Sandip Chatterjee
Chief Finance Officer

Place: Noida
Date : February 12, 2020

Notes to the financial statements

for the year ended December 31, 2019

All amounts in Rupees in Lakhs, unless otherwise stated

1. General information

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

The accompanying Indian Accounting Standards (Ind AS) (as amended) financial statements reflect the results of the activities undertaken by the Company during the year ended December 31, 2019.

2. Application of new and amended Ind AS

On 16 February 2015, the Ministry of Corporate Affairs ("MCA") notified the Companies (Indian Accounting Standards) Rules, 2015. The rules specify the Indian Accounting Standards (Ind AS) applicable to certain class of companies and set out dates of applicability. The Company is required to apply the standards as specified in Companies (Indian Accounting Standards) Rules 2015 and accordingly, the Company has adopted Ind AS (as amended time to time) from annual period beginning from January 1, 2018 with transition date as January 1, 2017.

As at the date of authorisation of the financial statements, the Company has not applied the following Ind AS (as amended from time to time) that have been issued by MCA but are not yet effective:

(i) Applicability of Ind AS 116 - Leases

Ind AS 116 *Leases*, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months. Lessees are required to initially recognize a lease liability for the obligation to make lease payments and a right-to-use asset for the right to use the underlying asset for the lease term. The lease liability is measured at the present value of the lease payments to be made over the lease term.

The new standard permit lessees to use either a full retrospective or a modified retrospective approach on transition for leases existing at the date of transition, with options to use certain transition reliefs.

Ind AS 116, was notified on 30 March 2019 by Ministry of Corporate Affairs and will be effective for periods beginning on or after 1 April 2019. This standard will replace the existing lease standard, Ind AS 17 *Leases,* and related interpretations. The Company is currently evaluating the impact that the adoption of this standard will have on its Ind AS financial statements.

(ii) Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

On March 30, 2019, the Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12 Income Taxes in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not expect any material impact of the amendment on its Ind AS financial statements.

NOTES TO FINANCIAL STATEMENT

(iii) Amendment to Appendix C of Ind AS 12 - Uncertainty over Income Tax Treatments

On March 30, 2019 the Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting such tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition:

- Full retrospective approach: Under this approach, Appendix C will be applied Retrospectively to each prior reporting period presented in accordance with Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors', without using hindsight.
- Retrospectively with cumulative effect of initially applying Appendix C recognised by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company does not expect any material impact of the amendment on its Ind AS financial statements.

(iv) Ind AS 109 prepayment features with negative compensation

The amendments enable entities to measure at amortised cost some prepayable financial assets with negative compensation. The assets, which include some loan and debt securities, would otherwise have been measured at fair value through profit or loss. To qualify for amortised cost measurement, the negative compensation must be 'reasonable compensation for early termination of the contract' and the asset must be held within a 'held to collect' business model. The Company does not expect this amendment to have any material impact on its Ind AS financial statements.

(v) Amendment to Ind AS 19 - Plan amendments, curtailments or settlement

On March 30, 2019 the Ministry of Corporate Affairs issued amendment to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

The effective date for adoption of this amendment is annual period beginning on or after April 1, 2019. The Company does not expect any material impact of the amendment on its Ind AS financial statements.

(vi) Ind AS 23 Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect this amendment to have any material impact on its Ind AS financial statements.

(vii) Ind AS 28 Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 *Financial Instruments*, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company does not expect this amendment to have any material impact on its Ind AS financial statements.

(viii) Ind AS 103 Business Combinations and Ind AS 111 Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company does not expect this amendment to have any impact on its Ind AS financial statements.

3. Significant accounting policies

3.1 Statement of compliance

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

3.2 Basis of preparation and presentation

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

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

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.

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

The principal accounting policies are set out below.

3.3 Revenue recognition

Effective January 1, 2019, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of January 1, 2019. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 does not have any significant impact on the retained earnings as at January 1, 2019.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes collected on behalf of the government which are levied on sales such as GST, sales tax, value added tax, etc.

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 FINANCIAL STATEMENT

Sale of goods

The transfer of control on sale of goods occurs when the goods are dispatched and title have passed, depending upon the contractual conditions.

Rendering of services

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

3.4. Other income

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

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

3.5. Leases

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

The Company as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

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. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Company as lessee

Rental expense 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 lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Leasehold lands where the ownership of the land will not be transferred to Company at the end of lease period are classified as operating leases. Upfront operating lease payments are recognized as prepayments and amortised on a straight-line basis over the term of the lease.

3.6 Foreign currencies

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

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

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

3.7 Borrowing costs

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

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

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

3.8 Employee benefits

(a) Short-term Employee Benefits

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

(b) Post-employment benefits:

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

(i) Defined Contribution Plans

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

(ii) Defined Benefit Plans

Defined benefit plans comprises of 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.

NOTES TO FINANCIAL STATEMENT

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 1st May 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 30 April 2009 is actuarially determined at the end of each year by discounting the present value of crystallised pension as at 30 April 2009.

4. Retirement Benefits

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

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

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

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

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

(d) Termination Benefits

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

3.9 Taxation

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

Current tax

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

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as a Deferred tax asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax

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

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

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

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

Current and deferred tax for the year

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

3.10 Property, plant and equipment

The Company had elected to continue with the carrying value of all of its Property, Plant and Equipment recognised as of January 1, 2017 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as of the transition date.

NOTES TO FINANCIAL STATEMENT

Property, plant and equipment is stated at cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and, for assets that necessarily take a substantial period of time to get ready for their intended use, finance costs. Cost includes net of interest on capital advances and duty credits and is inclusive of freight, duties, taxes (not recoverable) and other incidental expenses. In respect of assets due for capitalization, where final bills/claims are to be received/passed, the capitalisation is based on the engineering estimates. Final adjustments, for costs and depreciation are made retrospectively in the year of ascertainment of actual cost and finalisation of claim. Items such as spare parts, stand-by equipment and servicing equipment are recognised in accordance with this Ind AS 16 when they meet the definition of property, plant and equipment.

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

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

3.10.1 Depreciation and amortisation

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

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

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

(a) Buildings- 3 to 60 years, written down value method

(b) Vehicles- 2 to 16 years, written down value method

(c) Furniture and fixtures- 2 to 30 years, written down value method

(d) Office equipment- 2 to 30 years, written down value method

(e) Plant and equipment used in manufacturing- 2 to 20 years, straight-line method

(f) Computer- 3-10 years, straight-line method

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

Freehold land is not depreciated.

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

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

3.11 Intangible Assets

The Company had elected to continue with the carrying value of all of its intangible assets recognised as of January 1, 2017 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as of the transition date.

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. Cost includes expenditure incurred in the normal course of business in bringing inventories to its present location, condition, direct labour and related production overheads, where applicable.

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

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

3.14 Provisions & Contingent Liabilities

a. <u>Provision</u>

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.

NOTES TO FINANCIAL STATEMENT

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

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

b. Contingent Liabilities

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

3.15 Earnings per share (EPS)

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

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

3.16 Cash and Cash equivalent and cash flow statement

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

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

3.17 Segment Reporting

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

3.18 Financial instruments

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

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

NOTES TO FINANCIAL STATEMENT

3.19 Financial assets

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

3.19.1 Classification of financial assets

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

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

For the impairment policy on financial assets measured at amortised cost, refer Note 3.19.4.

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

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

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

All other financial assets are subsequently measured at fair value.

3.19.2 Effective interest method

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

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

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

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

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

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

3.19.4 Impairment of financial assets

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

NOTES TO FINANCIAL STATEMENT

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

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

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

3.19.5 Derecognition of financial assets

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

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

3.19.6 Foreign exchange gains and losses

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

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

3.20 Financial liabilities and equity instruments

3.20.1 Classification as debt or equity

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

3.20.2 Equity instruments

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

3.20.3 Financial liabilities

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

3.20.3.1 Financial liabilities at FVTPL

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

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

3.20.3.2 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

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

3.20.3.3 Foreign exchange gains and losses

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

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

3.20.3.4 Derecognition of financial liabilities

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

3.21 Derivative financial instruments

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

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

3.22 Non-current assets held for sale

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

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

3.23 Government grant

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

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

NOTES TO FINANCIAL STATEMENT

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

4. Critical accounting estimates and assumptions

In the application of the Company's accounting policies, which are described in note 2, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

4.1 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

a) Defined benefit plans

The cost of the defined benefit plan and the present value are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

b) Useful life of Property, plant and equipment

Property, plant and equipment (asset) represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

c) Impairment of Property, plant and equipment

Property, plant and equipment are tested for impairment at least annually and when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of the the cash generating unit is higher of value in use and fair value less cost of disposal. The calculation of value in use and fair value of a cash generating unit involves use of significant estimates and assumptions which includes turnover, growth rates and net margins used to calculate projected future cash flows, riskadjusted discount rate, future economic and market conditions, sale price of comparable assets.

d) Taxes

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the losses can be utilised. In assessing the probability, the Company considers whether the entity has sufficient taxable temporary differences, which will result in taxable amounts against which the unused tax losses or unused tax credits can be utilised before they expire. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

All amounts in Rupees in Lakhs, unless otherwise stated

5. Property, plant and equipment and capital work-in-progress

Carrying amount of	As at December 31, 2019	As at December 31, 2018
Land-Freehold	**96.07**	96.07
Buildings	**1,273.75**	1,129.92
Plant and equipment	**4,385.09**	4,299.77
Furniture and Fixtures	**73.27**	90.55
Vehicles	**0.70**	1.02
Office Equipment	**7.77**	3.75
Computers	**84.66**	78.03
Total	**5,921.31**	**5,699.11**
Capital work-in-progress	**136.08**	303.24
	6,057.39	6,002.35

Description of assets	Land-Freehold	Buildings	Plant and equipment	Furniture and Fixtures	Vehicles	Office equipment	Computers	Total
I. Cost								
Balance as at January 1, 2018	97.21	1,691.69	5,949.08	157.38	3.69	5.51	146.14	8,050.70
Additions during the period	-	43.66	1,538.19	49.72	-	0.38	47.38	1,679.33
Deletions during the period	-	2.62	58.08	0.77	0.30	0.42	3.17	65.36
Reclassified as held for sale	1.14	3.09	-	-	-	-	-	4.23
Balance as at December 31, 2018	**96.07**	**1,729.64**	**7,429.19**	**206.33**	**3.39**	**5.47**	**190.35**	**9,660.44**
Balance as at January 1, 2019	96.07	1,729.64	7,429.19	206.33	3.39	5.47	190.35	9,660.44
Additions during the period	-	365.81	949.03	30.33	-	4.97	59.48	1,409.62
Deletions during the period	-	92.71	111.84	28.50	1.11	0.16	15.26	249.58
Balance as at December 31, 2019	**96.07**	**2,002.74**	**8,266.38**	**208.16**	**2.28**	**10.28**	**234.57**	**10,820.48**
II. Accumulated depreciation and impairment								
Balance as at January 1, 2018	-	446.89	2,110.15	69.12	1.88	1.05	59.50	2,688.59
Depreciation expense	-	152.94	1,061.37	46.81	0.54	0.67	54.62	1,316.95
Eliminated on disposal of assets	-	0.11	42.10	0.15	0.05	-	1.80	44.21
Balance as at December 31, 2018	**-**	**599.72**	**3,129.42**	**115.78**	**2.37**	**1.72**	**112.32**	**3,961.33**
Balance as at January 1, 2019	-	599.72	3,129.42	115.78	2.37	1.72	112.32	3,961.33
Depreciation expense	-	151.69	858.12	42.01	0.21	0.94	52.55	1,105.52
Eliminated on disposal of assets	-	22.42	106.25	22.90	1.00	0.15	14.96	167.68
Balance as at December 31, 2019	**-**	**728.99**	**3,881.29**	**134.89**	**1.58**	**2.51**	**149.91**	**4,899.17**
Net block (I-II)								
Balance as at December 31, 2019	96.07	1,273.75	4,385.09	73.27	0.70	7.77	84.66	**5,921.31**
Balance as at December 31, 2018	96.07	1,129.92	4,299.77	90.55	1.02	3.75	78.03	**5,699.11**
Balance as at January 1, 2018	97.21	1,244.80	3,838.93	88.26	1.81	4.46	86.64	**5,362.11**

Note:

5.1 During the year 2017, consequent to losses incurred in adhesive division and after evaluation of the expected future performance of the division, the management had performed an impairment testing of property, plant and equipment and capital work-in-progress of the adhesive division and impaired the value of its property, plant and equipment and capital work-in-progress to the extent of Rs. 1161.66 Lakhs and capital work-in-progress to the extent of Rs.44.26 Lakhs. While recognising the impairment loss, the Company had considered its adhesive business division as a cash generating unit, in

5. Property, plant and equipment and Capital work-in-progress (Cont'd)

keeping with the accounting policy on Impairment set out in Note 3.12, and the value in use as the recoverable amount. The Company had used a discount rate of 12% for discounting future cash flows while estimating the value in use.

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 the management, there is no change in the impairment indicators and the management has future projection of losses in this CGU in coming years. Accordingly, the management has continued with the impairment charge recorded in the previous year ending December 31, 2017 in respect of Adhesive division.

5.2 During the current year, the management has carried out an assessment as per Ind AS 36- Impairment of assets for its printing ink business. In view of the management, the net recoverable value (higher of discounted cash flow and net realisable value) of its ink business is more than its the carrying value and no impairment is required to be recognised under Ind AS 36.

6. Intangible assets

Carrying amount of	**As at December 31, 2019**	As at December 31, 2018
Computer software	**17.57**	28.65

Description of Assets	**Computer Software**
I. Cost	
Balance as at January 1, 2018	48.52
Additions during the period	25.41
Deletions during the period	**-**
Balance as at December 31, 2018	**73.93**
Balance as at January 1, 2019	73.93
Additions during the period	**-**
Deletions during the period	**-**
Balance as at December 31, 2019	**73.93**
II. Accumulated depreciation and impairment	
Balance as at January 1, 2018	**32.27**
Amortisation expense	13.01
Eliminated on disposal of assets	-
Balance as at December 31, 2018	**45.28**
Balance as at January 1, 2019	45.28
Amortisation expense	11.08
Eliminated on disposal of assets	-
Balance as at December 31, 2019	**56.36**
Net block (I-II)	
Balance as at December 31, 2019	17.57
Balance as at December 31, 2018	28.65
Balance as at January 1, 2018	16.25

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

All amounts in Rupees in Lakhs, unless otherwise stated

		As at December 31, 2019	As at December 31, 2018
7.	**Other financial assets**		
	Unsecured, considered good unless otherwise stated		
	(a) Deposits with Lessors and others	**361.60**	449.20
	(b) Advance to employee	**0.38**	1.88
	(c) Finance lease receivables (Refer to note 37 (ii))	**31.63**	-
	Total Other financial assets	**393.61**	451.08
8.	**Deferred tax assets (net)**		
	The following is the analysis of deferred tax assets/ (liabilities) presented in the balance sheet:		
	Deferred tax assets	729.33	-
		729.33	**-**

Particulars	**Balance as on January 1, 2018**	**Recognised in profit and Loss**	**Recognised in other comprehensive income**	**Balance as on December 31, 2018**
Deferred tax assets				
(i) Provision for Doubtful Debts	123.64	(123.64)	-	-
(ii) Provision for employee benefits	110.58	(80.07)	(30.51)	-
(iii) Property, plant and equipment's and intangible assets	61.06	(61.06)	-	-
(iv) Expenses allowable for tax purpose on payment	168.81	(168.81)	-	-
Net deferred tax assets	**464.09**	**(433.58)**	**(30.51)**	**-**

Particulars	**Balance as on January 1, 2019**	**Recognised in profit and Loss**	**Recognised in other comprehensive income**	**Balance as on December 31, 2019**
Deferred tax assets				
(i) Provision for Doubtful Debts	-	273.21	-	273.21
(ii) Provision for employee benefits	-	148.73	13.81	162.54
(iii) Property, plant and equipment's and intangible assets	-	151.67	-	151.67
(iv) Expenses allowable for tax purpose on payment	-	141.91	-	141.91
Net deferred tax assets	**-**	**715.52**	**13.81**	**729.33**

8.1 Unrecognised deductible temporary differences and unused tax losses

Particulars	As at December 31, 2019	As at December 31, 2018
Deductible temporary differences and unused tax losses for which no deferred tax assets have been recognised are attributable to the following:		
- Business losses*	-	500.42
- Deductible temporary differences	-	472.25
	-	972.67

* The above tax losses will expire upto year 2025-26.

Note:

The Company has chosen to exercise the option of lower tax rate of 25.17% (Inclusive of Surcharge & Cess) under section 115BBA of the Income Tax Act,1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019. The impact of this change is included in the tax expense for the year ended December 31, 2019. Further, the Company is of view that it is probable that sufficient taxable income will be available, against which deductible temporary differences can be utilised. Accordingly, deferred tax assets amounting to Rs 729.33 Lakhs has been created in books of account, as required under IND- AS 12 'Income Taxes'.

8.2 The reconciliation of estimated income tax to income tax expense is as below:

Particulars	Year ended 31 December 2019
Profit before tax as per statement of Profit and loss	1,746.57
Income tax expenses calculated as per tax rates of Income tax act of 25.168%	439.58
Adjustments in respect of unrecognised deferred tax assets of previous years	(243.27)
Utilisation of previously unrecognised tax losses	(129.41)
Adjustments in respect of differences in current tax rates and deferred tax rates	(118.29)
Others	(46.70)
Income tax expense recognised in profit or loss	**(98.10)**

9. Other non current assets

Particulars	As at December 31, 2019	As at December 31, 2018
Unsecured - considered good		
(a) Capital advances	**27.76**	76.69
(b) Prepaid expenses	**137.52**	161.35
(c) Deferred rent expense	**24.02**	23.08
(d) Prepaid lease land payments	**1,859.07**	1,856.03
Total other non current assets	**2,048.37**	2,117.15

10. Non current tax assets (net)

Advance tax and tax deducted at source receivable	**4,033.83**	5,711.14
Provision for income tax	**(3,537.84)**	(4,807.10)
Total non current tax assets (net)	**495.99**	904.04

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

All amounts in Rupees in Lakhs, unless otherwise stated

11. Inventories (measured at lower of cost or net realisable value)

Particulars	As at December 31, 2019	As at December 31, 2018
(a) Raw material	**4,606.87**	6,493.70
(b) Work-in-progress	**1,311.90**	1,436.46
(c) Finished Goods	**3,493.66**	4,991.89
(d) Stock- in- trade	**91.05**	639.97
(e) Store and spares	**251.77**	218.35
(f) Containers	**93.32**	160.83
Total inventories	**9,848.57**	13,941.20
Details of stock in transit included above:		
(a) Raw materials	**571.28**	1,419.49
(b) Finished Goods	**702.84**	1,130.99
(c) Stock- in- trade	**3.84**	207.73
(d) Store and spares	**-**	2.27
Total goods-in-transit	**1,277.96**	2,760.48

11.1 The cost of inventories recognised as an expense during the year in respect of operations was Rs. 60,308.48 Lakhs (for the year ended December 31, 2018: Rs. 68,550.98 Lakhs).

11.2 The cost of inventories recognised as an expense includes write back of Rs. 49.97 Lakhs (expense in December 2018: Rs. 23.10 Lakhs) in respect of write-downs of inventory to net realisable value. The provision for net realisable value has been reduced to Rs. 14.59 Lakhs (December 2018: Rs. 64.56 Lakhs). Previous year's write-downs have been reversed as a result of increased sales prices in certain markets.

11.3 The mode of valuation of inventories has been stated in note 3.13.

12. Trade receivables

Particulars	As at December 31, 2019	As at December 31, 2018
Current		
(a) Secured, considered good	**885.46**	713.95
(b) Unsecured, considered good	**19,190.55**	23,783.94
(c) Unsecured and considered doubtful	**1,085.55**	477.89
	21,161.56	24,975.78
Less: Allowance for doubtful debts (expected credit loss allowance)	**1,085.55**	477.89
Total trade receivables	**20,076.01**	24,497.89

12.1 The average credit period on sales of goods is 30 to 120 days. No interest is charged on the trade receivables for the amount overdue above the credit period. There are no customers who represent more than 5% of the total balance of trade receivables.

12.2 The Company assesses the potential customer's credit quality and defines credit limits by customer.

12. Trade receivables (Cont'd)

12.3 The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix under simplified approach. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due. For computation of expected credit loss allowance, the Company excludes intercompany balances and trade receivables which are secured by dealer deposits. Based on internal assessment which is driven by the historical experience and current facts available in relation to default and delays in collection thereof, the credit risk for these trade receivables is considered low. The provision matrix at the end of the reporting period is as follows:

Ageing wise % of expected credit loss	**As at December 31, 2019**	As at December 31, 2018
Within the credit period	**0%-3.21%**	0%-2.32%
90 days overdue	**1.08%-4.87%**	0.43%-3.14%
91-180 days overdue	**3.92%-15.45%**	1.72%-9.87%
181-270 days overdue	**4.92%-74.15%**	20.00%-63.40%
271-365 days overdue	**100.00%**	100.00%
More than 365 days overdue	**100.00%**	100.00%

Age of receivables	**As at December 31, 2019**	As at December 31, 2018
Within the credit period	**16,935.57**	19,937.23
90 days overdue	**3,350.22**	4,359.25
91-180 days overdue	**341.89**	394.51
181-270 days overdue	**126.04**	56.16
271-365 days overdue	**143.80**	107.65
More than 365 days overdue	**264.04**	120.98
	21,161.56	24,975.78

Movement in the expected credit loss allowance	**Year ended December 31, 2019**	Year ended December 31, 2018
Balance at the beginning of the year	**477.89**	357.26
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	**607.66**	120.63
Balance at the end of the year	**1,085.55**	477.89

13. Cash and cash equivalents

Particulars	**As at December 31, 2019**	**As at** December 31, 2018
1. Cash and cash equivalents		
(a) Cash on hand	**0.75**	1.11
(b) Bank balances		
(i) in current accounts	**1,492.54**	1,477.20
Total-Cash and cash equivalents [A]	**1,493.29**	1,478.31
2. Other bank balances		
(a) Balance with banks		
(i) In deposit accounts (with original maturity of more than 3 months upto 12 months)	**5.69**	1,650.85
(ii) Balances with banks in Unpaid dividend accounts	**11.58**	13.52
Total-Other bank balances [B]	**17.27**	1,664.37
Cash and cash equivalents (A+B)	**1,510.56**	3,142.68

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

All amounts in Rupees in Lakhs, unless otherwise stated

14. Other current financial assets

Unsecured, considered good measured at amortised cost

Particulars	As at December 31, 2019	As at December 31, 2018
(a) Deposits with lessors and others	**24.87**	51.46
(b) Receivables from related parties	**316.72**	671.96
(c) Advance to employee	**95.31**	149.74
(d) Interest accrued on deposits	**0.23**	40.32
(e) Amount paid on behalf of buyer for proposed sale of land (Refer note 16(i))	**-**	2,025.08
(f) Interest accrued on late payment of consideration for proposed sale of land (Refer note 16(i))	**-**	704.65
(g) Finance lease receivables (Refer to note 37 (ii))	**39.34**	-
(h) Others		
(i) Insurance Claim receivable	**13.74**	25.06
(ii) Other receivables	**5.63**	2.98
Measured at Fair Value		
(a) Fair value of foreign currency forward contracts	**0.12**	1.62
Total other current financial assets	**495.96**	3,672.87

15. Other current assets

(a) Prepaid expense	**374.85**	87.88
(b) Advance to vendor	**393.16**	832.49
(c) Prepaid lease payments	**22.83**	22.56
(d) Advance contribution to gratuity fund (net) [Refer Note 35]	**2.72**	-
(e) Balance with government authorities		
(i) Vat credit receivable	**4.05**	4.10
(ii) Goods and services tax credit receivable	**2,279.51**	4,559.26
(iii) Duty Drawback receivable	**72.60**	57.19
(iv) MEIS License receivable	**32.81**	-
Total other current assets	**3,182.53**	5,563.48

16. Assets classified as held for sale (refer to note (i))

Freehold land held for sale	**2,026.22**	1.14
Building held for sale	**3.09**	3.09
Total assets classified as held for sale	**2,029.31**	4.23

(i) The Company had entered into a Memorandum of understanding (MOU) cum agreement including a related addendum thereto, to sell its freehold land at Mumbai, which was previously used for the Company's ink operations. As at December 31, 2018, the Company had received as per MOU, an advance of Rs 5,740.00 Lakhs from the buyer.

The above MOU and addendum thereto, have been amicably terminated as per the settlement agreement dated October 8, 2019. On termination, the Company has paid Rs 4,350.00 Lakhs to the buyer as per the settlement agreement. Further, interest accrued till December 31, 2018 amounting to Rs 704.65 Lakhs, interest accrued for the period January 1, 2019 to June 30, 2019 amounting to Rs 744.70 Lakhs and other settlement cost arising out of the Settlement agreement have been adjusted against the advance received from the buyer.

Pursuant to the termination, amount of Rs 2,025.08 Lakhs paid to Reserve Bank of India towards requisite approval for transfer / sale of land under the Urban Land (Ceiling and Regulation) Act 1976, has been added to the cost of land classified as held for sale. The Company continues to be the exclusive owner and holds possession of land and will continue to evaluate other offers.

No impairment loss was recognised on land held for sale as at December 31, 2019 as the Company expects its fair value less costs to sell to be higher than the carrying amount.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

All amounts in Rupees in Lakhs, unless otherwise stated

17. Equity Share Capital

Particulars	As at December 31, 2019		As at December 31, 2018	
	No. of shares	Rs in lakhs	No. of shares	Rs in lakhs
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 and its subsidiary:

Particulars	As at December 31, 2019		As at December 31, 2018	
	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, 2019		As at December 31, 2018	
	No. of shares	(% of holding)	No. of shares	(% of holding)
DIC Asia Pacific Pte. Limited, Singapore- Holding Company	**6,586,077**	**71.75**	6,586,077	71.75

(iv) There were no shares issued pursuant to contracts without payment being received in cash, by way of bonus issue and no shares were bought back in the period of five years immediately preceding the date as at which the Balance Sheet is prepared.

17.1 Other equity

Particulars	Reserves and Surplus				Total
	General s reserve	Securities premium	Capital reserve	Retained earnings	
Balance as at January 1, 2018	6,559.12	6,548.08	0.59	14,949.26	28,057.05
Loss for the year	-	-	-	(932.35)	(932.35)
Other comprehensive income, net of tax	-	-	-	(54.48)	(54.48)
Balance as at December 31, 2018	**6,559.12**	**6,548.08**	**0.59**	**13,962.43**	**27,070.22**
Profit/ (Loss) for the year	-	-	-	1,844.67	1,844.67
Other comprehensive income, net of tax	-	-	-	(41.06)	(41.06)
Balance as at December 31, 2019	**6,559.12**	**6,548.08**	**0.59**	**15,766.04**	**28,873.83**

Note: For nature and purpose of reserves, refer to statement of changes in equity.

18. Long term provisions

Particulars	As at December 31, 2019	As at December 31, 2018
Provision for employee benefits		
Compensated absence	**337.60**	304.15
Retirement benefits (Refer note 35)	**77.16**	67.68
Total long term provisions	**414.76**	371.83

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

All amounts in Rupees in Lakhs, unless otherwise stated

19. Borrowings

Particulars	As at December 31, 2019	As at December 31, 2018
Unsecured- at amortised cost		
Loan repayable on demand		
(a) From a Bank working capital loan (Refer note (i))	**3,000.00**	4,500.00
Secured- at amortised cost		
(a) Bank overdraft (Refer note (ii))	**513.65**	570.64
Total borrowings	**3,513.65**	5,070.64

Note:

(i) The weighted average rate of interest on above borrowings is 7.67% (December 31, 2018: 7.63%)

(ii) The Company's borrowings from the Banks (bank overdraft) are secured by first pari pasu charge on inventory and trade receivables of the Company, both present and future.

20. Trade payables

Particulars	As at December 31, 2019	As at December 31, 2018
Total outstanding dues of micro and small enterprises;(Refer note 34)	**282.83**	224.34
Total outstanding dues of creditors other than micro enterprises and small enterprises	**10,796.03**	18,994.39
Total trade payables	**11,078.86**	19,218.73

21. Other current financial liabilities

Measured at amortised cost		
(a) Payables on purchase of property, plant and equipment	**9.94**	13.22
(b) Deposit from customers	**954.61**	839.10
(c) Interest payable on customer deposits	**231.74**	367.67
(d) Director's commission payable	**15.70**	-
(e) Book Overdraft	**170.83**	-
(f) Unclaimed dividend	**11.58**	13.54
Total other current financial liabilities	**1,394.40**	1,233.53

22. Short term provisions

Provision for employee benefits		
(a) Gratuity obligation (Refer note 35)	**-**	23.89
(b) Compensated absence	**100.42**	108.59
(c) Retirement benefit (Refer note 35)	**6.81**	5.77
(d) Pension (Refer note 35)	**55.75**	36.05
Total short term provisions	**162.98**	174.30

23. Other current liabilities

(a) Advances from customers	**28.19**	34.06
(b) Statutory remittances	**383.69**	377.47
(c) Advance for proposed sale of land (Refer note 16(i))	**-**	5,740.00
Total other current liabilities	**411.88**	6,151.53

24. Current tax liabilities (net)

Provision for income tax	**1,660.00**	1,660.00
Advance tax and tax deducted at source receivable	**(1,543.06)**	(1,543.06)
Total Current tax liabilities (net)	**116.94**	116.94

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

All amounts in Rupees in Lakhs, unless otherwise stated

25. Revenue from operations

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

		Year ended December 31, 2019	Year ended December 31, 2018
(a)	Revenue from sale of goods	**78,662.94**	83,329.27
(b)	Other operating income (Refer note: 25(i))	**450.34**	466.70
Total revenue from operations		**79,113.28**	83,795.97

25(i) Other operating income comprises of

(a)	Sale of containers	**115.45**	167.64
(b)	Commission income	**74.50**	135.40
(c)	Duty drawback	**96.95**	88.93
(d)	MEIS License received	**126.26**	-
(e)	Insurance claim	**37.18**	48.73
(f)	Bad debts recovered	**-**	26.00
		450.34	466.70

26. Other income

(a)	Interest income		
	- Interest on deposit and others	**117.22**	200.26
	- Interest on refund of Income tax	**62.34**	50.68
	- Interest on delayed payment on proposed sale of land (refer to note 16 (i))	**744.70**	704.65
(b)	Management/ service fees	**213.79**	140.83
(c)	Liabilities no longer required written back	**151.44**	327.98
(d)	Gain on disposal of property, plant and equipment (Net)	**-**	5.25
(e)	Miscellaneous receipts	**9.26**	25.50
Total other income		**1,298.75**	1,455.15

27 (a) Cost of materials consumed

(i)	**Raw material**		
	Opening stock	**6,493.70**	5,926.75
	Add: Purchases	**47,115.95**	58,311.50
		53,609.65	64,238.25
	Less: Closing stock	**4,606.87**	6,493.70
	Cost of materials consumed raw material	**49,002.78**	57,744.55

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

All amounts in Rupees in Lakhs, unless otherwise stated

		Year ended December 31, 2019	Year ended December 31, 2018
27(a)	**Cost of materials consumed (Cont'd)**		
	(ii) Containers		
	Opening stock	**160.83**	137.51
	Add: Purchases	**3,447.84**	4,138.21
		3,608.67	4,275.72
	Less: Closing stock	**93.32**	160.83
	Cost of materials consumed containers	**3,515.35**	4,114.89
	Total of Cost of materials consumed ((i)+(ii))	**52,518.13**	61,859.44
27(b)	**Purchase of stock in trade**		
	Purchase of stock in trade	**3,196.08**	4,949.39
	Total Purchase of stock in trade	**3,196.08**	4,949.39
28.	**Changes in Inventories of finished goods, work in progress and stock in trade**		
	Inventories at the end of the year:		
	Finished goods	**3,493.66**	4,991.89
	Work-in-progress	**1,311.90**	1,436.46
	Stock-in-trade	**91.05**	639.97
		4,896.61	7,068.32
	Inventories at the beginning of the year:		
	Finished goods	**4,991.89**	4,203.77
	Work-in-progress	**1,436.46**	1,434.40
	Stock-in-trade	**639.97**	265.20
		7,068.32	5,903.37
	Net (increase) / decrease in inventory	**2,171.71**	(1,164.95)
29.	**Employee benefits expense**		
	(a) Salaries and wages, including bonus	**5,941.58**	5,377.36
	(b) Contribution to provident and other fund (Refer note 35)	**490.75**	509.18
	(c) Staff welfare expenses	**535.52**	549.58
	Total employee benefits expense	**6,967.85**	6,436.12
30.	**Finance cost**		
	Interest cost		
	(a) Borrowings	**387.45**	386.67
	(b) Other Borrowing Costs		
	- Interest on dealer deposit	**64.83**	52.10
	- Interest on trade payable	**-**	95.66
	- Interest others	**13.41**	48.59
	Total Finance cost	**465.69**	583.02

		Year ended December 31, 2019	Year ended December 31, 2018
31.	**Depreciation and amortisation expenses**		
	(a) Depreciation on Property, plant and equipment	**1,105.52**	1,316.95
	(b) Amortisation on Intangible assets	**11.08**	13.01
	Total depreciation and amortisation expenses	**1,116.60**	1,329.96
32.	**Other Expenses**		
	(a) Consumption of stores and spare parts	**744.48**	907.50
	(b) Power and fuel	**1,181.94**	1,345.99
	(c) Rent (Note 37)	**712.65**	509.20
	(d) Repairs and maintenance - buildings	**111.06**	69.68
	(e) Repairs and maintenance - machinery	**397.98**	411.78
	(f) Repairs and maintenance - others	**27.61**	33.67
	(g) Insurance	**138.86**	96.83
	(h) Rates and Taxes, excluding taxes on income	**90.74**	161.93
	(i) Selling agent's commission	**379.63**	591.26
	(j) Travelling expenses	**411.51**	453.08
	(k) Freight and forwarding	**2,720.69**	3,180.00
	(l) Processing charges	**496.14**	653.61
	(m) Royalty	**919.56**	1,013.64
	(n) Net Loss on foreign currency transaction, translation and derivatives	**99.24**	191.73
	(o) Provision for impairment loss recognised on trade receivables (net)	**607.66**	120.63
	(p) Bad trade receivables, other assets and Financial assets written off	**66.30**	72.48
	(q) Payments to auditors (Refer Note (i) below)	**52.63**	66.97
	(r) Loss on disposal of property, plant and equipment (net)	**1.41**	-
	(s) Expenditure towards corporate social responsibility activities (Note (ii))	**-**	11.93
	(t) Property, plant and equipment written off	**76.70**	17.44
	(u) Legal and professional expenses	**867.47**	297.15
	(v) Communication expenses	**86.09**	98.62
	(w) Printing and stationery	**35.77**	32.81
	(x) Outsource expenses	**383.51**	365.06
	(y) Miscellaneous expenses	**1,619.77**	1,144.12
	Total other expense	**12,229.40**	11,847.11

Notes:

(i) Payments to auditors

(a) Payments to auditors includes (excluding GST):		
(i) For audit (including quarterly reviews)	**33.00**	33.00
(ii) For taxation matters	**12.00**	12.00
(iii) For other services	**4.25**	18.18
(iv) For reimbursement of expenses	**3.38**	3.79
	52.63	66.97

(ii) Expenditure on corporate social responsibility

Section 135(5) of the Companies Act, 2013 as amended via Notification No.1/2018 read with the Companies (Corporate social responsibility policy) Rules, 2014, requires that if the Company reports profit in the immediate preceding year, then the board of directors of every eligible Company, shall ensure that the Company spends at least 2% of the average net profits made during the immediately preceding three financial years, in pursuance of its Corporate Social Responsibility Policy. The Company has reported loss during the immediately preceding financial year. Accordingly, the Company is not required to contribute to the CSR activities during the year.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

All amounts in Rupees in Lakhs, unless otherwise stated

33. Contingent Liabilities and commitments

(a) Contingent Liabilities

	As at December 31, 2019	As at December 31, 2018
Claims against the Company not acknowledged as debt:		
(a) Income tax matters	**340.47**	340.47
(b) Disputed indirect tax matters for which appeals before the relevant authorities are pending disposal are as follows :		
i) Custom duty matters	**201.59**	235.87
ii) Excise duty matters	**302.83**	302.83
iii) Service tax matters	**316.79**	322.37
iv) Sales tax / Value added tax / Entry tax matters	**73.71**	474.15
(c) Other Cases	**211.24**	211.24

The Company has been legally advised that the above demand are likely to be either deleted or substantially reduced and accordingly no provision has been made in the books of account.

(b) Commitment

(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**220.76**	235.57

(ii) The Company has other commitments, for purchase orders which are issued after considering requirements per operating cycle for purchase of services, employee's benefits. The Company does not have any other long term commitments or material non-cancellable contractual commitments /contracts, including derivative contracts for which there were any material foreseeable losses.

(c) There has been no delays in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

(d) Based upon the legal advise obtained by the management, there are various interpretation issues and thus the management is in the process of evaluating the impact of the recent Supreme Court Judgement in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purpose of determining contribution to provident fund under the Employees Provident Fund & Miscellaneous provisions Act, 1952.

34. Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

In terms of notification dated September 4, 2015 issued by the Central Government of India, the disclosure related trade payables as at December 31, 2019 are as follows:

Particulars	As at December 31, 2019	As at December 31, 2018
Balance of trade payables as at the end of the year		
Total outstanding dues of micro enterprises and small enterprises	**282.83**	224.34
Total outstanding dues of creditors other than micro enterprises and small enterprises	**10,796.03**	18,994.39
	11,078.86	19,218.73
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	**282.83**	223.92
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	**-**	0.42
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	**789.57**	884.98
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year)	**9.06**	14.14
(v) The amount of interest accrued & remaining unpaid at the end of each accounting year	**9.06**	14.14
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	**56.21**	47.15

The above disclosure is based on information available with the Company regarding status of the suppliers as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006. This has been relied upon by the auditors.

35 Employee benefit plan

35.1 Defined contribution plans

During the year the Company has recognised an amount of Rs. 189.71 Lakhs (December 31, 2018 Rs. 196.50 Lakhs) as expenditure towards defined contribution plans of the Company.

35.2 Defined benefit plans

The Company offers the employee benefit schemes of Pension (funded), Gratuity (funded) and Retirement benefit (unfunded) to its employees. Benefits payable to eligible employees of the Company with respect to these schemes, defined benefit plans are accounted for on the basis of an actuarial valuation as at the balance sheet date.

The present value of defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method with actuarial valuations being carried out at each balance sheet date.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

All amounts in Rupees in Lakhs, unless otherwise stated

35 Employee benefit plan (Contd.)

These plans typically expose the Company to actuarial risks such as:

Investment risk	The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. For other defined benefit plans, the discount rate is determined by reference to market yields at the end of the reporting period on high quality corporate bonds when there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The principal assumptions used for the purposes of the actuarial valuations were as follows

	Valuation as at	
Financial assumption	**As at December 31, 2019**	As at December 31, 2018
Pension Fund		
Interest rate for discounting	**6.63%**	7.36%
Salary increase rate	**0.00%**	0.00%
Expected rate of return on plan assets	**6.63%**	7.36%
Gratuity Obligation		
Interest rate for discounting	**6.86%**	7.50%
Salary increase rate:		
(a) Management staff	**5.00%**	5.00%
(b) Union staff	**4.00%**	4.00%
Expected rate of return on plan assets	**6.86%**	7.50%
Retirement Benefit		
Interest rate for discounting	**6.84%**	7.50%
Salary increase rate	**0.00%**	0.00%

35 Employee benefit plan (Cont'd)

(i) Amount recognised in the Balance sheet are as follows

		Pension	Gratuity	Retirement benefit
Present value of defined benefit obligation	2019	201.25	1,087.70	83.97
	2018	234.90	1,055.27	73.45
Fair value of plan assets	2019	145.50	1,090.42	-
	2018	198.85	1,031.38	-
Net asset / (liability)	2019	(55.75)	2.72	(83.97)
	2018	(36.05)	(23.89)	(73.45)
Experience adjustments on plan assets	2019	2.73	26.87	-
[gain/ (loss) during the year]	2018	3.99	(5.96)	-
Experience adjustments on obligations	2019	13.42	2.30	1.37
[(gain)/ loss during the year]	2018	37.02	(23.19)	0.08

(ii) Amount recognised in the Statement of Profit and Loss and Other comprehensive loss are as follows:

		Pension	Gratuity	Retirement benefit
Current service cost	2019	-	74.06	5.26
	2018	-	67.98	3.90
Interest cost	2019	2.39	(2.80)	4.85
	2018	0.84	(2.54)	4.91
Actuarial loss/(gain)- Other comprehensive loss	2019	17.31	32.15	5.41
	2018	32.83	(9.55)	0.69
Past service cost	2019	-	-	-
	2018	-	59.31	-
Total expense*	2019	19.70	103.41	15.52
	2018	33.67	115.20	9.50
Recognised in statement of Profit and Loss	2019	2.39	71.26	10.11
	2018	0.84	124.75	8.81
Actuarial loss/(gain) recognised in	2019	17.31	32.15	5.41
Other comprehensive loss	2018	32.83	(9.55)	0.69

* Recognised under "Contribution to Provident and Other Funds" in Note 29 for Pension, Gratuity and under "Staff welfare expenses" in Note 29 for retirement benefit.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

All amounts in Rupees in Lakhs, unless otherwise stated

35 Employee benefit plan (Cont'd)

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

		Pension	Gratuity	Retirement benefit
Opening present value of defined benefit obligation	2019	234.90	1,055.27	73.45
	2018	253.62	985.46	66.95
Current service cost	2019	-	74.06	5.26
	2018	-	127.29	3.90
Interest cost	2019	13.35	66.65	4.85
	2018	16.03	69.72	4.91
Actuarial loss/(gain)	2019	20.04	59.02	5.41
	2018	36.82	(15.51)	0.69
Benefits paid	2019	(67.04)	(167.30)	(5.00)
	2018	(71.57)	(111.69)	(3.00)
Closing present value of defined benefit obligation	2019	201.25	1,087.70	83.97
	2018	234.90	1,055.27	73.45

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

		Pension	Gratuity
Opening fair value of plan assets	2019	198.85	1,031.38
	2018	233.18	961.77
Expected return on plan assets	2019	10.96	69.47
	2018	15.19	72.26
Actuarial gain/ (loss)	2019	2.73	26.87
	2018	3.99	(5.96)
Contributions by employer	2019	-	130.00
	2018	18.06	115.00
Benefits paid	2019	(67.04)	(167.30)
	2018	(71.57)	(111.69)
Closing fair value of plan assets	2019	145.50	1,090.42
	2018	198.85	1,031.38

35 Employee benefit plan (Cont'd)

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

		Pension	Gratuity
Govt. of India Securities/Deposits	2019	40%	10%
	2018	40%	10%
PSU Bonds / State Securities	2019	15%	0%
	2018	0%	0%
Corporate bonds	2019	0%	9%
	2018	5%	10%
Insurance managed funds	2019	6%	80%
	2018	4%	77%
Bank balances	2019	39%	1%
	2018	51%	2%
Total	2019	100%	100%
	2018	100%	100%

(vi) Actual return on plan assets

	2019	2018
Pension	**13.69**	15.81
Gratuity	**96.34**	66.30

(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, 2019**		As at December 31, 2018	
	Discount rate	**Salary increase**	Discount rate	Salary increase
Pension Fund				
Decrease in Defined benefit obligation due to increase by 1%	(8.97)	-	(9.23)	-
Increase in Defined benefit obligation due to decrease by 1%	9.74	-	10.06	-
Gratuity Obligation				
Decrease in Defined benefit obligation due to increase by 1%	(86.57)	99.44	(80.44)	92.50
Increase in Defined benefit obligation due to decrease by 1%	99.17	(88.14)	92.00	(82.04)
Retirement Benefit				
Decrease in Defined benefit obligation due to increase by 1%	(6.00)	-	(5.25)	-
Increase in Defined benefit obligation due to decrease by 1%	6.78	-	5.93	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

All amounts in Rupees in Lakhs, unless otherwise stated

Employee benefit plan (Cont'd)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

35.3 Defined benefit plans- Provident Fund

In terms of Guidance on implementing Ind AS 19 on Employee Benefits issued by the Accounting Standard Board of the Institute of Chartered Accountants of India (ICAI), a provident fund set up by the Company is treated as a defined benefit plan in view of the Company's obligation to meet shortfall, if any, on account of interest.

The Actuary has carried out actuarial valuation of plan's liabilities and interest rate guarantee obligations as at the balance sheet date using Projected Unit Credit Method and Deterministic Approach as outlined in the Guidance Note 29 issued by the Institute of Actuaries of India. Based on such valuation, there is future anticipated shortfall with regard to interest rate obligation of the Company as at the Balance Sheet date amounting to Rs. 11.17 Lakhs, which has been charged to 'Contribution to Provident and Other Funds' in Note 29. Further during the year, the Company's contribution of Rs. 221.63 Lakhs (2018 - Rs. 198.08 Lakhs) to the Provident Fund Trust has been expensed under the 'Contribution to Provident and Other Funds' in Note 29. Disclosures given hereunder are restricted to the information available as per the Actuary's Report.

	Valuation as at	
	As at December 31, 2019	As at December 31, 2018
Discount rate	6.86%	7.50%
Expected yield on plan assets	9.50%	9.47%
Guaranteed interest rate	8.55%	8.55%

36. Financial Instruments

(i) Capital management

The Company manages it's 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, 2019**	As at December 31, 2018
(a) Debt- Borrowings	**3,513.65**	5,070.64
(b) Cash and cash equivalents	**(1,493.29)**	(1,478.31)
(c) Net debt	**2,020.36**	3,592.33
(d) Equity*	**29,791.73**	27,988.12
Net debt to equity ratio	**6.78%**	**12.84%**

* Equity includes all capital and reserves of the Company that are managed as capital.

36. Financial Instruments (Contd.)

(ii) Category wise details as to carrying value, fair value and the level of fair value measurement hierarchy of the Company's financial instruments are as follows:

	Level	As at December 31, 2019	As at December 31, 2018
Financial assets			
Measured at amortised cost			
(a) Trade receivables		**20,076.01**	24,497.89
(b) Cash and cash equivalents		**1,493.29**	1,478.31
(c) Bank balances other than Cash and cash equivalents		**17.27**	1,664.37
(d) Other financial assets		**818.48**	4,122.33
Measured at fair value through profit and loss			
(a) Fair value of foreign currency forward contracts	Level 2	**0.12**	1.62
Finance lease receivables (Refer to note 37 (ii))		**70.97**	-
Financial liabilities			
Measured at amortised cost			
(a) Borrowings		**3,513.65**	5,070.64
(b) Trade payables:		**11,078.86**	19,218.73
(c) ther financial liabilities		**1,394.40**	1,233.53

Method/ assumption used to estimate the fair value:

(a) The carrying value of trade receivables, cash and cash equivalents, bank deposits, trade payables, other current financial assets and other current financial liabilities measured at amortised cost approximate their fair value due to the short-term maturities of these instruments.

(b) The fair values of the derivative financial instruments has been determined using valuation techniques with market observable inputs. The models incorporate various inputs including the credit quality of counter-parties and foreign exchange forward rates.

(c) There were no transfers between Level 1, Level 2 and Level 3 of financial assets and liabilities.

(iii) Financial risk management objectives

The Company's management monitors and manages key financial risks relating to the operations of the Company by analysing exposures by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of currency risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

(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.

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36. Financial Instruments (Contd.)

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, 2019	December 31, 2018	**December 31, 2019**	December 31, 2018
USD	**24.90**	**31.00**	13.67	23.20
Equivalent amount in INR	**1,774.45**	**2,163.91**	974.14	1,619.25
EUR	**0.68**	**3.53**	0.36	1.08
Equivalent amount in INR	**54.45**	**281.83**	28.71	86.39
JPY	**986.08**	**488.67**	55.50	47.22
Equivalent amount in INR	**646.48**	**309.03**	36.39	29.86
AUD	**-**	**0.13**	-	-
Equivalent amount in INR	**-**	**6.36**	-	-
THB	**-**	**0.18**	-	-
Equivalent amount in INR	**-**	**0.39**	-	-

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, 2019	December 31, 2018	**December 31, 2019**	December 31, 2018
USD	**6.00**	6.60	**-**	-
Equivalent amount in INR	**427.61**	460.47	**-**	-
JPY	**-**	87.00	**-**	-
Equivalent amount in INR	**-**	55.02	**-**	-

The Company has hedged it's 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:

36. Financial Instruments (Contd.)

Currency	Liabilities as at		Assets as at	
	December 31, 2019	December 31, 2018	**December 31, 2019**	December 31, 2018
USD	**18.90**	**24.40**	13.67	23.20
Equivalent amount in INR	**1,346.84**	**1,703.44**	974.14	1,619.25
EUR	**0.68**	**3.53**	0.36	1.08
Equivalent amount in INR	**54.45**	**281.83**	28.71	86.39
JPY	**986.08**	**401.67**	55.50	47.22
Equivalent amount in INR	**646.48**	**254.01**	36.39	29.86
AUD	**-**	**0.13**	-	-
Equivalent amount in INR	**-**	**6.36**	-	-
THB	**-**	**0.18**	-	-
Equivalent amount in INR	**-**	**0.39**	-	-

(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, 2019	**As at December 31, 2018**
USD Impact		
Impact on profit or loss for the year (Gain/Loss)	**(37.27)**	(8.42)
Impact on total equity as at the end of the reporting period	**(37.27)**	(8.42)
JPY Impact		
Impact on profit or loss for the year (Gain/Loss)	**(61.01)**	(22.41)
Impact on total equity as at the end of the reporting period	**(61.01)**	(22.41)

The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 10%.

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All amounts in Rupees in Lakhs, unless otherwise stated

36. Financial Instruments (Contd.)

(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, 2019 would increase/decrease by Rs 13.47 Lakhs (for the year ended December 31, 2018: increase/decrease by 19.34 Lakhs). 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.

Finance Lease receivables

The Company monitors the credit rating of the counterparties on regular basis. These instruments carry very minimal credit risk based on the financial position of parties and Company's historical experience of dealing with the parties.

(viii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short-term, medium-term and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the contractual maturities of financial liabilities based on contractual undiscounted payments.

Particulars	**December 31, 2019**		December 31, 2018	
	Carrying amount	**Due in 1st year**	**Carrying amount**	**Due in 1st year**
Financial Liabilities				
(a) Borrowings	**3,513.65**	**3,513.65**	5,070.64	5,070.64
(b) Trade payables	**11,078.86**	**11,078.86**	19,218.73	19,218.73
(c) Other financial liabilities	**1,394.40**	**1,394.40**	1,233.53	1,233.53

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

All amounts in Rupees in Lakhs, unless otherwise stated

37 (i) Operating Lease arrangements

(a) The Company's significant leasing arrangements are in respect of operating leases for premises (like residential property, office premises, godowns, etc). These leasing arrangements, which are cancellable, range between 1 year to 6 years generally, or longer, and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals in this regard amounting to Rs.712.65 lakhs (2018 - Rs.509.20 lakhs) are charged as Rent under Note 32.

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

Non-cancellable operating lease commitments

	Year ended December 31, 2019	**Year ended** December 31, 2018
Not later than one year	**198.28**	80.96
Later than one year and not later than five years	**266.00**	146.36
Lease Payment recognised in the Statement of Profit and Loss (Note 32)	**141.87**	74.76

(ii) Finance Lease arrangements

		Year ended December 31, 2019	**Year ended** December 31, 2018
(a)	Reconciliation between the gross investment in the lease at the end of the reporting period, and the present value (P.V.) of minimum lease payments receivable at the end of the reporting period:		
	Gross Investment	**76.30**	-
	P.V. of Minimum Lease payments receivable at the end of the year	**70.97**	-
	Unearned Finance Income	**5.33**	-
(b)	The gross investment in the lease and the present value of minimum lease payments receivable at the end of the reporting period, for each of the following periods		
	Not later than one year;		
	-Gross Investment	**43.60**	-
	-P.V. of Minimum Lease payments receivable	**39.34**	-
	later than one year and not later than five years		
	-Gross Investment	**32.70**	-
	-P.V. of Minimum Lease payments receivable	**31.63**	-
(c)	unearned finance income.	**5.33**	-
(d)	Description of the lessor's material leasing arrangements		Lease agreement of dispenser for 3 years

38 Expenditure on research and development

	Year ended December 31, 2019	**Year ended** December 31, 2018
Revenue Expenditure includes on account of Research and Development	**-**	559.40
Capital Expenditure includes on account of Research and Development	**10.40**	75.10
	10.40	634.50

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

All amounts in Rupees in Lakhs, unless otherwise stated

39 Related Parties Disclosures

i) Related Parties :

Names of Related Parties	Relationship
(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

Names of Related Parties	Relationship
Benda-Lutz Werke GmbH	Fellow Subsidiary
DIC (Malaysia) Sdn. Bhd.	Fellow Subsidiary
DIC (Shanghai) Co., Ltd.	Fellow Subsidiary
DIC Alkylphenol Singapore Pte., Ltd.	Fellow Subsidiary
DIC Australia Pty Ltd	Fellow Subsidiary
DIC Compounds (Malaysia) Sdn. Bhd.	Fellow Subsidiary
DIC Europe GmbH	Fellow Subsidiary
DIC Fine Chemicals Private Limited	Fellow Subsidiary
DIC Graphics (Guangzhou) Co. Ltd.	Fellow Subsidiary
DIC South Asia Private Limited	Fellow Subsidiary
DIC Graphics Corporation	Fellow Subsidiary
DIC Graphics (Thailand) Co. Ltd.	Fellow Subsidiary
DIC Performance Resins GmbH	Fellow Subsidiary
DIC Lanka (Private) Ltd.	Fellow Subsidiary
DIC New Zealand Ltd	Fellow Subsidiary
Hartmann Druckfarben GmbH	Fellow Subsidiary
Nantong DIC Color Co., Ltd.	Fellow Subsidiary
PT. DIC Graphics	Fellow Subsidiary
Siam Chemical Industry Co., Ltd.	Fellow Subsidiary
Sun Chemical AG	Fellow Subsidiary
DIC Pakistan Ltd	Fellow Subsidiary
DIC (Vietnam) Co. Ltd.	Fellow Subsidiary
Sun Chemical Inks S.A.	Fellow Subsidiary
Sun Chemical Group GmbH	Fellow Subsidiary
Sun Chemical de Guatemala, S.A	Fellow Subsidiary
Sun Chemical Peru S.A.	Fellow Subsidiary
Sun Chemical Colombia S.A.S.	Fellow Subsidiary
Sun Chemical B.V.	Fellow Subsidiary
Sun Chemical Canada	Fellow Subsidiary
Sun Chemical Group S.p.A.	Fellow Subsidiary
Sun Chemical N.V./S.A.	Fellow Subsidiary
Sun Chemical (South Africa) (Pty.) Ltd.	Fellow Subsidiary
Sun Chemical S.A.U	Fellow Subsidiary
Sun Chemical Limited	Fellow Subsidiary
Sun Chemical S.A.S	Fellow Subsidiary
Sun Chemical Corporation	Fellow Subsidiary
Sun Chemical (Chile) S.A.	Fellow Subsidiary
Sun Chemical matbaa Murekkepleri Ve Gerecleri Sanayii Ve Ticaret A.S.	Fellow Subsidiary
Sun Chemical S.A.	Fellow Subsidiary
DIC COLOR DESIGN, Inc.	Fellow Subsidiary
DIC Graphics Chia Lung Corp.	Fellow Subsidiary
Sun Chemical Trading (Shanghai) Co.	Fellow Subsidiary
DIC South Asia Private Limited	Fellow Subsidiary
Sun Chemical Turkey	Fellow Subsidiary
Executive Directors	
Mr. Shailendra Hari Singh, Managing Director & CEO (Upto December 10, 2018)	Key Management Personnel
Mr. Manish Bhatia, Managing Director & CEO (From December 11, 2018)	Key Management Personnel
Mr. Taishi Nojima, Whole time Director (From April 26, 2019)	Key Management Personnel
Non Executive Directors	
Mr. Dipak Kumar Banerjee, Independent Director	Key Management Personnel
Mr. Partha Mitra, Independent Director	Key Management Personnel
Dr. Reena Sen, Independent Director	Key Management Personnel
Mr. Subir Bose, Independent Director (Upto December 9, 2019)	Key Management Personnel
Mr. Utpal Sengupta, Independent Director (Upto December 9, 2019)	Key Management Personnel

39 Related Parties Disclosures (Contd.)

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

	Year ended December 31, 2019	Year ended December 31, 2018
A. Transactions during the year		
(i) Revenue from sale of goods		
Ultimate Holding Company	**4.83**	-
Fellow Subsidiary		
DIC Pakistan Ltd	**476.07**	939.57
DIC Australia Pty Ltd	**1,413.00**	1,597.11
Others	**501.61**	1,015.37
(ii) Commission Income		
Ultimate Holding Company	**71.52**	129.23
Fellow Subsidiary		
Sun Chemical N.V./S.A.	**10.56**	6.17
(iii) Management/ service fees income		
Ultimate Holding Company	**143.95**	126.77
Holding Company	**10.91**	14.06
Fellow Subsidiary		
DIC South Asia Private Limited	**27.70**	-
(iv) Purchases of Goods		
Ultimate Holding Company	**1,475.32**	2,215.15
Holding Company	**2,413.81**	2,602.10
Fellow Subsidiary		
DIC Fine Chemicals Private Limited	**942.84**	1,593.51
DIC Compounds (Malaysia) Sdn. Bhd.	**702.36**	813.45
Nantong DIC Color Co., Ltd.	**732.70**	709.38
Other	**852.69**	1,827.25
(v) Salaries and wages, Travelling expense and miscellaneous expenses		
Ultimate Holding Company	**155.17**	83.35
Holding Company	**546.35**	405.32
Fellow Subsidiary		
Others	**-**	104.85
(vi) Royalty Expense		
Ultimate Holding Company	**919.56**	1,013.64
(vii) Remuneration of expenses		
Key Managerial Personnel		
Short Term Benefits	**348.23**	109.06
Post-Employment Benefits	**9.51**	0.10
Termination Benefits	**-**	24.01
Other long-term employee benefits	**3.65**	7.99
Sitting fees	**20.05**	8.73
Director's commission	**15.70**	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

All amounts in Rupees in Lakhs, unless otherwise stated

39 Related Parties Disclosures (Contd.)

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

	Year ended December 31, 2019	Year ended December 31, 2018
(viii) Reimbursement of expenses		
Ultimate Holding Company		
Communication expenses	**1.25**	1.01
Salaries and wages	**443.83**	452.88
Travelling expenses	**138.09**	50.43
Miscellaneous expenses	**14.74**	34.32
Holding Company		
Communication expenses	**87.77**	95.07
Salaries and wages	**251.58**	249.35
Travelling expenses	**42.04**	42.66
Fellow Subsidiary		
Salaries and wages	**21.43**	29.86
Travelling expenses	**4.85**	3.05
Miscellaneous expenses	**4.56**	6.91
(ix) Purchase of merchandise exports from India Scheme (MEIS) license		
Fellow Subsidiary		
DIC Fine Chemicals Private Limited	**-**	96.10
B Outstanding as at year end:		
(i) Trade payable		
Ultimate Holding Company	**721.23**	1,465.51
Holding Company	**932.10**	992.86
Fellow Subsidiary		
DIC Fine Chemicals Private Limited	**160.31**	1,669.58
Others	**329.83**	613.52
(ii) Employee related liabilities		
Key Managerial Personnel		
Post-Employment Benefits	**2.19**	0.10
Short Term Benefits	**3.65**	0.47
Leave Travel Allowance	**10.16**	-
Director's commission payable	**15.70**	-
(iii) Trade receivable		
Fellow Subsidiary		
DIC Australia Pty Ltd	**316.86**	354.29
Sun Chemical de Guatemala, S.A	**-**	152.34
Sun Chemical Inks S.A.	**-**	90.91
DIC South Asia Private Limited	**222.37**	-
Others	**61.03**	273.43
(iv) Other current financial assets		
Receivables from related parties		
Ultimate Holding Company	**233.13**	368.21
Holding Company	**47.83**	277.66
Fellow Subsidiary		
DIC South Asia Private Limited	**31.37**	-
Others	**4.11**	26.09

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

All amounts in Rupees in Lakhs, unless otherwise stated

40 Segment Information

Information reported to the Chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on two segments i) Printing Inks and ii) Adhesives. The segment wise revenue, assets and liabilities, in accordance with the Indian Accounting Standard on Segment Reporting (AS-108) is as under:

	Printing Inks		Adhesives		Total	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**
REVENUE						
External sales	73,039.31	75,885.74	6,073.97	7,910.23	79,113.28	83,795.97
Total revenue	**73,039.31**	**75,885.74**	**6,073.97**	**7,910.23**	**79,113.28**	**83,795.97**
RESULTS						
Segment results	1,744.29	(67.68)	741.56	46.46	2,485.85	(21.22)
Unallocable expenses					(1,492.35)	(1,106.65)
Unallocable income					1,218.76	1,121.92
Interest expenses (including other borrowing cost)					(465.69)	(583.02)
Tax (expense) / credit					98.10	(343.38)
Profit / (loss) for the year	**1,744.29**	**(67.68)**	**741.56**	**46.46**	**1,844.67**	**(932.35)**
OTHER INFORMATION						
Segment assets	32,033.53	41,397.98	2,185.59	3,803.50	34,219.12	45,201.48
Unallocable assets					12,666.08	15,124.14
Total assets	**32,033.53**	**41,397.98**	**2,185.59**	**3,803.50**	**46,885.20**	**60,325.62**
Segment liabilities	9,563.26	17,642.94	526.94	1,130.71	10,090.20	18,773.65
Unallocable liabilities					7,003.27	13,563.85
Total liabilities	**9,563.26**	**17,642.94**	**526.94**	**1,130.71**	**17,093.47**	**32,337.50**
Depreciation and amortisation	1,034.72	1,245.67	6.42	2.04	1,041.14	1,247.71
Unallocable depreciation					75.46	82.25
Total depreciation	**1,034.72**	**1,245.67**	**6.42**	**2.04**	**1,116.60**	**1,329.96**
Capital expenditure including Capital work-in-progress	1,252.85	1,277.64	106.52	71.84	1,359.37	1,349.48
Non-cash expenditure other than depreciation and amortisation & impairment	682.07	224.50	-	0.46	682.07	224.96

Notes :

1 The Company has considered business segment as the segment for disclosure on the basis that the risks and returns of the Company is primarily determined by the nature of products. The reporting segments are Printing Inks (including allied products) and Adhesives.

2 The Segment wise revenue, results, assets and liabilities relate to the respective amounts identifiable to each of the segments. Unallocable income/ expenses refer to income/ expenses which relate to the Company as a whole and are not allocable to segments on a reasonable basis. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

3 The Company operates predominantly within the geographical limits of India and accordingly this segment have not been considered.

4 Administrative and corporate expenses, interest expense, unallocated other income and provision for tax have not been allocated to reportable segments. Consequently, segment wise net profit has not been disclosed.

5 Unallocated other income has not been measured and reported segment wise as these components are not realistically allocable and identifiable.

6 Unallocated corporate expenses include expenses such as depreciation, employee remuneration and benefits, administrative and other expenses which are not directly related to the specific segments.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

All amounts in Rupees in Lakhs, unless otherwise stated

40 Segment Information (Contd.)

7 Unallocated assets includes Property, plant and equipment, Capital work in progress, Intangible assets, cash & bank balances, deferred tax assets and other assets which are not directly related to the specific segments.

8 Unallocated liabilities include provision for staff benefits and other current liabilities.

9 No single customers contributes 10% or more to the Company's revenue.

41 Computation of earnings / (loss) per Equity Share (Basic and Diluted)

Particulars	Year ended December 31, 2019	Year ended December 31, 2018
Profit/ (Loss) for the year attributable to owners of the Company used in calculating basic and diluted earnings per share	**1,844.67**	(932.35)
Weighted average number of equity shares	**917.90**	917.90
Basic and diluted earning/ (Loss) per share (Rs)	**20.10**	(10.16)
Face value per equity share (Rs)	**10.00**	10.00

42 Reconciliation of liabilities arising from financing activities

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

Particulars	Opening balance as at January 1, 2019	Financing cash flows	Non- cash changes	Closing balance as at December 31, 2019
Borrowings	5,070.64	(1,556.99)	-	3,513.65

Particulars	Opening balance as at January 1, 2018	Financing cash flows	Non- cash changes	Closing balance as at December 31, 2018
Borrowings	3,500.00	1,570.64	-	5,070.64

The cash flows arising from bank loans make up the net amount of proceeds from borrowings and repayments of borrowings in the statement of cash flows.

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

44 Events after the reporting period

There are no events which have occurred after the reporting period except the below.

The board of directors in their meeting dated February 12, 2020, have proposed a dividend of Rs 413.05 Lakhs (Rs 4.5 per equity share) for the year 2019. The equity dividend is subject to approval by the shareholders at the ensuring annual general meeting and therefore it has not been included as a liability as at balance sheet date in accordance with IND AS- 10 on 'Events after the Reporting Period'.

45 Approval of financial statement

The financial statements for the year ended December 31, 2019 were approved and authorised for issue by the board of directors on February 12, 2020.

In terms of our report attached.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

Sameer Rohatgi
Partner

Place: Noida
Date : February 12, 2020

For and on behalf of the Board of Directors

Partha Mitra
Director
DIN: 00335205

Manish Bhatia
Managing Director & CEO
DIN: 08310936

Raghav Shukla
Company Secretary

Sandip Chatterjee
Chief Finance Officer

Place: Noida
Date : February 12, 2020

MEMBERS UPDATION FORM

Date :

CB Management Services (P) Ltd.

Unit : DIC India Ltd.

P-22, Bondel Road, Kolkata 700 019

Dear Sirs,

I/We furnish hereunder the following details for necessary updation in the register of members of the Company in respect of the shares of your company registered in my/our name/s under registered **Folio No**. _____ :-

PARTICULARS	**1ST / SOLE HOLDER**	**1ST JOINT HOLDER**	**2ND JOINT HOLDER**
NAME			
FATHER's/MOTHER's SPOUSE NAME			
PAN *(self attested photocopy/ ies enclosed)*			
UIN (Aadhaar Card) *(self attested photocopy/ ies enclosed)*			
OCCUPATION			
MOBILE NO.			
e-mail ID *(only 1st Holder):*			

BANK ACCOUNT DETAILS (*) *(only 1st Holder)* *(*) Please enclose a cancelled cheque or photocopy thereof*	Account No	:	
	Account Type	:	Savings/Current/NRO/NRE *(please tick appropriately)*
	Name of the Bank	:	
	Branch Name	:	
	Address	:	
	MICR Code	:	
	IFS Code	:	

(Signature of 1st Holder) **(Signature of 2nd Holder)** **(Signature of 3rd Holder)**

ATTESTATION PARTICULARS : Signature(s) of the above named persons, holders of S.B./C.A. Account No. _____ maintained with us, verified as per our records.

Name of the Bank	:	
Full Address of the Bank (with Branch Name)	:	
Phone No./ e-mail ID	:	
Signature of the Attesting Officer under Official Seal with Name and Employee Code	:	

DIC INDIA LIMITED

CIN - L24223WB1947PLC015202

Registered Office

Transport Depot Road, Kolkata - 700 088
Phone: +91 33 2449 6591-95, 2449 3984-85; Fax: +91 33 2449 7033 / 2448 9039
Email: investors@dic.co.in; Website: www.dicindialtd.co

FACTORIES

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Fax: +91 33 2449 7033 / 2448 9039

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Dist. Gautam Buddh Nagar
Noida- 201 305, Uttar Pradesh
Phone: +91 120 465 5100
Fax: +91 120 486 8545

AHMEDABAD
Plot No. 633 & 634
G.I.D.C. industrial Estate, Phase-IV, Vatva
Mehmedabad Highway
Ahmedabad- 382 445, Gujarat
Phone: +91 79 2589 0861 / 865 / 2583 2202
Fax: +91 79 2583 5706

BENGALURU
66A, Bommasandra Industrial Area
Hosur Road, Anekal Taluk
Bengaluru- 560 099, Karnataka
Phone: +91 80 2783 1847 / 4865 5415
Fax: +91 80 4155 8548

SALES DEPOTS & OFFICES

MUMBAI
Unit No. B2-303, 3rd Floor, Wing "B2"
"BOOMERANG"
Near Chandiwali Studio, Chandiwali Farm Road
Andheri (E), Mumbai- 400 072
Phone: +91 22 2847 4655 / 56

GREATER NOIDA
D 35-36, Site- B, UPSIDC,
Surajpur Industrial Area
Greater Noida- 201 306, Uttar Pradesh
Phone: +91 95997 70950

BHIWANDI
Gala No. 3,4,5 , Building No. F/2,
SAGAR COMPLEX,
Ovali Village, Opp. Sai Petrol Pump,
Tal. Bhiwandi, Dist. Thane - 421302

HOWRAH
Vill. Chak Kamaria,
P.O. Jala Biswanathpur,
Ranihati Amta Road, Howrah
West Bengal

CHENNAI
Survey.NO:47/1, 48/2B
Nallur, Solavaram,
Ponneri taluk, Chennai - 600 067.
Landmark: Near Redhills Toll plaza.

DIC INDIA LIMITED
CIN: L24223WB1947PLC015202

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Transport Depot Road, Kolkata 700 088 (West Bengal)
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