



DIC India Limited

Color & Comfort

ANNUAL REPORT 2017



BOARD OF DIRECTORS

As on December 31, 2017



Dipak Kumar Banerjee
Chairman



Shailendra Hari Singh
Managing Director & CEO



Subir Bose



Utpal Sengupta



Dr. Reena Sen



Partha Mitra



Kazunari Sakai



Naoyoshi Furuta



Paul Koek

Contents

Organisation Vision & Mission	02
Corporate Information	03
Management Team	04
Ten Years Record	05
Product Portfolio	06
Manufacturing Facility	07
Health, Safety and Environment	08
Corporate Social Responsibility	10
Notice	11
Report on Corporate Governance	20
Shareholder Information	28
Report of the Directors & Management Discussion and Analysis Report	36
Secretarial Auditors' Report	50
Independent Auditors' Report	53
Balance Sheet	60
Statement of Profit & Loss	61
Notes to the Financial Statements	62
Cash Flow Statement	86
Proxy Form	91

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, 2017

CIN - L24223WB1947PLC015202

Board of Directors

Dipak Kumar Banerjee <i>Chairman</i> (DIN: 00028123)		Shailendra Hari Singh <i>Managing Director & CEO</i> (DIN: 07147117)	
Dr. Reena Sen (DIN: 07082198)	Subir Bose (DIN: 00048451)	Utpal Sengupta (DIN: 02577237)	Partha Mitra (DIN: 00335205)
Kazunari Sakai (DIN: 05136308)	Naoyoshi Furuta (DIN: 01689951)	Paul Koek (DIN: 00081930)	
Sandip Chatterjee <i>Chief Finance Officer</i>		Banibrata DeSarkar <i>Company Secretary</i>	

Board Committees

Audit

Committee

Partha Mitra – *Chairman*
Subir Bose
Utpal Sengupta
Paul Koek

Stakeholders' Relationship

Committee

Utpal Sengupta – *Chairman*
Dipak Kumar Banerjee
Paul Koek

Nomination &

Remuneration Committee

Subir Bose – *Chairman*
Utpal Sengupta
Naoyoshi Furuta
Paul Koek

CSR Committee

Utpal Sengupta – *Chairman*
Subir Bose
Dr. Reena Sen
Paul Koek
Shailendra Hari Singh

Bankers

State Bank of India
Standard Chartered Bank
The Hongkong and Shanghai Banking Corporation Limited
HDFC Bank Limited
Mizuho Bank Limited
Bank of Tokyo – Mitsubishi UFJ

Auditors

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

Registrar and Share Transfer Agent

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

Registered Office

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

Management Team



Shailendra Hari Singh
Managing Director & CEO



Partha S Mukherjee
(Printing Inks -
Sales & Marketing)



Anil Nanda
(News Inks, Sheetfed Inks -
Commercial Printing)



Rishi Raj Bhaskar
(Liquid Inks, CI Flexo
Inks, Adhesives)

BUSINESS



Ashesh Mukherjee
(UV Flexo Inks,
Offset Packaging)



Mahesh Waichal
(Chemicals)



Utsab Choudhury
(Technology)



Prashant Limaye
(Operation)

TECHNOLOGY & OPERATIONS



Sandip Chatterjee
(CFO)



Manish Dwivedi
(HR)



Raghav Shukla
(Legal)

CORPORATE

Ten Years Record

TEN YEARS FINANCIAL STATISTICS

(Rs. in Million)

	2017 Dec-31	2016 Dec-31	2015 Dec-31	2014 Dec-31	2013 Dec-31	2012 Dec-31	2011 Dec-31	2010 Dec-31	2009 Dec-31	2008 Dec-31
Sales (Net)	7,371	7042	7461	7187	7087	7124	6,748	5,534	4593	4719
Profit before Tax	(167)	308	403	(181)	120 #	315 #	382 #	649	320	231
Tax	(43)	80	106	(83)	(5)	100	117	141	97	81
Profit after Tax	(124)	228	297 #	(309) \$	125 #	215 #	265 #	507	223	151
Dividend	-	44 *	44 *	-	43 *	43 *	43 *	54 *	43 *	38 *
Retained Profit	(124)	184	253	(309)	82	172	222	454	180	113
Earnings per Share (Rs.)										
– Basic	(13.48)	24.88	32.37	(33.65)	13.66 #	23.42 #	28.82 #	55.28	24.29	16.56
– Diluted	(13.48)	24.88	32.37	(33.65)	13.66 #	23.42 #	28.82 #	55.28	24.29	16.56
Dividend per Share (%)	-	40	40	-	40	40	40	50	40	35
Net Worth per										
Equity Share (Rs.)	315.68	329.16	309.08	283.77	317.44	308.46	289.69	265.53	216.04	196.47
PBT to Sales (%)	(0.63) **	4.38	5.40	(2.52) **	1.69	4.42	5.66	11.72	6.97	4.90
PAT on Shareholders										
Funds (%)	4.27	7.54	10.47	(11.86)	4.3	7.59	9.95	20.82	11.25	8.37
Debt Equity Ratio	0.12:1	-	0.01:1	0.14:1	0.08:1	0.12:1	0.09:1	0.05:1	0.22:1	0.28:1
Sources of Funds										
Share Capital	92	92	92	92	92	92	92	92	92	92
Share Application	-	-	-	-	-	-	-	-	-	-
Reserves & Surplus	2,806	2,930	2,745	2,513	2,822	2,740	2,567	2,345	1,891	1,712
Borrowings	350	-	25	352	233	340	227	115	427	497
	3,248	3,022	2,862	2,957	3,147	3,172	2,886	2,552	2,410	2,300
Application of Funds										
Net Fixed Assets	614	725	731	890	976	1,018	897	772	756	745
Investments	-	-	-	-	-	-	-	-	108	108
Net Current/ Non-Current Assets	2,634	2,297	2,131	2,067	2,171	2,153	1,989	1,780	1,546	1,448
	3,248	3,022	2,862	2,957	3,147	3,171	2,886	2,552	2,410	2,300

Notes:

- * Includes Tax on Dividend
- # After considering Extra-ordinary items
- \$ After considering Exceptional item
- ** Profit before Tax and Exceptional item

Product Portfolio

Offset Inks



Our indigenous & imperial Inks have been carefully crafted considering critical aspects of printing applications.

- Sheet fed Inks
- Heat set Inks
- Varnishes
- News Inks
- UV Inks

Lamination Adhesives



Our DICDRY range of lamination adhesive suits all types of flexible packaging applications and covers both

- Solvent based Adhesives
- Solvent free Adhesives

Print Finish



UV Varnish: Our Radicure range of UV Varnish products have excellent gloss with smooth finish on paper, board, PVC and Lamitube.

Water based Varnish: Our Aquatic range of Water based Varnish assures good gloss, slip mechanical resistance, deep freeze, heat resistance and glue ability.

Gravure and Flexo Inks



Low odour Polyurethane based Inks specially formulated for reverse printing for food & beverage industry.

- Gravure Inks
- Adhesives
- Flexo Inks
- Coatings

Chemical Solutions



The theme of the chemical business segment is to deal in products that support peace of mind, safety and pleasant lifestyle.

The range includes high performance colorants & engineering plastics like PPS compound.

Innovative Package Solution



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

Manufacturing Facility

DIC India has strategically established manufacturing locations throughout the Country to provide the most effective service to customers.



Noida Plant –Manufacturing facility for Liquid inks, News Inks Color and Flexo



Kolkata Plant –Manufacturing facility for Liquid Inks, News Inks Black and Offset Inks

Bangalore Plant –Manufacturing facility for Lamination Adhesives.



Ahmedabad Plant – Manufacturing facility for News Black



Health, Safety and Environment

Your Company is committed to adhere to the highest standards of Health, Safety and sustainability of the Environment (HSE). It strives to continuously improve the capabilities of its people and processes through adoption of international best practices.

In pursuance of above, your company has taken new initiatives and leads in the area of HSE in the year 2017, which was in additions to the continued engagement of our employees through various events and programs like National Safety Week, World Environment Week, Fire Safety Week etc.



Work Environment Week - June 5-11, 2017



National Safety Week - Mar-4-10, 2017

This year DIC India opened its first 'Safety DOJO Centre' at its Noida facility with six stations. It was inaugurated by Mr. Haruki Iwamatshu and Mr. Jun Takeuchi from DIC Corporation. Safety DOJO stations are designed to provide real time experience of safety hazards and its consequences to all participants. Followed by inauguration, training session for DIC India team was successfully completed by Mr. Jun Takeuchi, an HSE expert from DIC Corporation.



DOJO Station Inauguration & Training

DIC India in line with its mission of being customer focused has taken the lead in the flexible packaging industry to support its customers in their business sustainability as well.

DIC India has started to provide services of Technical Safety Audit to its existing & new customers as 'Value Added Services', which helps customers in identifying their key fire, safety risks & advising on remedial actions. Timely adopting these actions, leads to mitigating a lot of operational risks & business interruption. In the laminate converting industry which is prone to such safety hazards, this has become a great value addition. New customers setting up their new plants with less knowledge of the safety risks in such operations have shown great interest in using these services from us. This helps them in identifying safety risks in their new operations and control measures to address them. Some of the customers who have availed this service are really excited and have appreciated our effort put in engaging and supporting customers. We are committed to extend all possible support to our customers.

Corporate Social Responsibility

“Touching & Enriching Lives” - Strides towards Education of children

“**Enriching lives**” is the soul of DIC India Vision. DIC India with its two CSR partners namely “Child Rights & You” (CRY) and “SMILE Foundation“ has embarked on a journey to bring changes in the quality of child education to the children of marginalized section of our society.

Child education is the key focus of DIC India's CSR activity and is an attempt at not only “**touching lives**” of children, but also addressing other social issues like girl child marriage, child labour etc. through advocacy at relevant local stakeholders & authorities.

As a part of our CSR project, a model school of Vikramshila Education Research Society was adopted by DIC India in 2015 & has been running successfully for last 2 years to reinforce the quality of education impacting approx. 5,800 children in Burdhwari district of West Bengal. In the spirit of same initiative, another school “Sanskar Kendra” at Gadhi Chokhandi in Gautam Buddha Nagar (U.P.) was adopted in June 2017 with a commitment to augment quality of education impacting approx. 200 children of this school.





DIC INDIA LIMITED

CIN : L24223WB1947PLC015202.

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

Website : www.dicindia.co

Email id : investors@dic.co.in

Phone : 033 24496591

Notice

NOTICE is hereby given that the Seventieth Annual General Meeting of the Members of DIC India Limited, will be held at the Williamson Magor Hall in the premises of The Bengal Chamber of Commerce & Industry, Royal Exchange, No. 6, Netaji Subhas Road, Kolkata - 700 001 on Thursday, March 22, 2018 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive and consider the Statement of Profit & Loss for the financial year ended December 31, 2017, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Paul Koek (DIN: 00081930), who retires by rotation and being eligible, seeks re-appointment.
3. Appointment of Statutory Auditors and to fix their remuneration.

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

RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014, including any amendment, modification or variation thereof, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Firm Registration No. 117366W/W-100018), be and are hereby appointed as the Auditors of the Company in place of the retiring auditors, for a period of five years to hold office from the conclusion of this Annual General Meeting till the conclusion of the Seventy Fifth Annual General Meeting of the Company, to examine and audit the accounts of the Company, at such remuneration as may be mutually agreed between the Board of Directors and the Auditors.

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

SPECIAL BUSINESS

4. Re-appointment of Mr. Dipak Kumar Banerjee (DIN: 00028123) as an Independent Director of the Company for a term of three years.

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2013, as amended from time to time and Regulation 17 of the Securities &

Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, Mr. Dipak Kumar Banerjee (DIN: 00028123), Director of the Company who was appointed as an Independent Director for a term upto March 22, 2018 by the members, be and is hereby re-appointed as an Independent Director of the Company, whose term shall be with effect from March 22, 2018 to March 21, 2021, not liable to retirement by rotation.

5. Re-appointment of Mr. Subir Bose (DIN: 00048451) as an Independent Director of the Company for a term of three years.

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2013, as amended from time to time and Regulation 17 of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, Mr. Subir Bose (DIN: 00048451), Director of the Company who was appointed as an Independent Director for a term upto March 22, 2018 by the members, be and is hereby re-appointed as an Independent Director of the Company, whose term shall be with effect from March 22, 2018 to March 21, 2021, not liable to retirement by rotation.

6. Re-appointment of Dr Reena Sen (DIN: 07082198) as an Independent Director of the Company for a term of three years.

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2013, as amended from time to time and Regulation 17 of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, Dr Reena Sen (DIN: 07082198), Director of the Company who was appointed as an Independent Director for a term upto March 22, 2018 by the members, be and is hereby re-appointed as an Independent Director of the Company, whose term shall be with effect from March 22, 2018 to March 21, 2021, not liable to retirement by rotation.

7. Appointment of Mr Masahiro Kikuchi (DIN: 08024525) as Director of the Company.

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

RESOLVED THAT pursuant to the provisions of Sections 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2013, as amended from time to time, and Regulation 17 of Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, Mr. Masahiro Kikuchi (DIN: 08024525) who was appointed as an Additional Director of the Company with effect from February 6, 2018 and who, in terms of Section 161 of the Companies Act, 2013, holds office of directorship up to the date of the 70th Annual General Meeting be and is hereby appointed as an Director of the Company, liable to retirement by rotation.

8. Appointment of Mr Ho Yeu Guan (DIN: 08066136) as Director of the Company.

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

RESOLVED THAT pursuant to the provisions of Sections 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2013, as amended from time to time, and Regulation 17 of Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, Mr. Ho Yeu Guan (DIN: 08066136) who was appointed as an Additional Director of the Company with effect from February 6, 2018 and who, in terms of Section 161 of the Companies Act, 2013, holds office of directorship up to the date of the 70th Annual General Meeting be and is hereby appointed as an Director of the Company, liable to retirement by rotation.

9. 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, 2018, amounting to Rs. 30,000/-, exclusive of service tax and out of pocket expenses incurred by them in connection with the aforesaid audit, be and is hereby ratified and confirmed.

FURTHER RESOLVED 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.”

The Register of Members of the Company will remain closed from March 16, 2018 to March 22, 2018, both days inclusive.

By order of the Board

Registered Office:
Transport Depot Road
Kolkata - 700 088
Date : February 6, 2018

Banibrata DeSarkar
Company Secretary

Notes :

1. **A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on a poll instead of himself and such proxy need not be a member of the Company. Proxies, in order to be effective, must be received at the Registered Office of the Company, not less than forty-eight hours before the commencement of the Annual General Meeting. As per Secretarial Standard 2, the proxy should carry a valid photo-id card to the venue to tender vote.**
2. Corporate members are requested to send to the Company's Share Department, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
3. The relative Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of the Special Business to be transacted at the Annual General Meeting is annexed hereto.
4. Shareholders holding shares in identical order of names in more than one folio, are requested to write to the Company or to the office of the Registrar & Share Transfer Agent, M/s C B Management Services (P) Limited, P-22 Bondal Road, Kolkata - 700019 enclosing their share certificate(s) to enable the Company to consolidate their holdings in one single folio.
5. Members holding shares in physical form are requested to notify immediately any change in their address/mandate/bank details to the Company or to the office of the Registrar & Share Transfer Agent, M/s C B Management Services (P) Limited, quoting their folio number. The Members Updation Form forms a part of the Annual Report.
6. Securities and Exchange Board of India (SEBI) vide its Circular No. CIR/MRD/DP/10/2013 dated March 21, 2013, has mandated usage of electronic mode for making cash payments such as dividend, etc to the investors of Companies whose securities are listed on the Stock Exchanges. Payment of dividend through electronic mode is beneficial to the Members since the risks associated with receiving payment through dividend warrants such as

loss in transit/ misplacement /revalidation etc. can be easily mitigated. Therefore, Shareholders are requested to provide particulars of their bank account details for availing 'National Electronic Clearing Service' (NECS) facility. Further, ECS facility is also available to the beneficial owners of shares in demat form. Those desirous of availing the facility may provide their mandate for physical holding to the Company or to the Registrar & Share Transfer Agent, M/s C B Management Services (P) Limited and for demat holding to their DP in writing.

7. Pursuant to the provisions of the Companies Act, 2013, dividend for the year ended December 31, 2010 and thereafter, which remains unpaid or unclaimed for a period of seven years will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. Accordingly, members who have not encashed their dividend warrant(s) so far for the year ended December 31, 2010 or subsequent years, are requested to make their claim to the Company or to the office of the Registrar & Share Transfer Agent, M/s C B Management Services (P) Limited.
8. Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016('The Rules'), 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 also uploaded full details of such shareholders whose dividend remained unclaimed on its website www.dicindia ltd.co. Shareholders are requested to refer to verify the details of the same. Shareholders may note that both the unclaimed dividend and corresponding shares transferred to the IEPF Authority/Suspense Account including all benefits accruing on such shares, if any, can be claimed back from the IEPF Authority after following the procedure prescribed in the Rules. In case the Company does not receive any communication from the concerned shareholders by due date or such other date as may be extended, the Company shall, with a view to complying with the requirements set out in the Rules, transfer the shares to the IEPF Suspense Account by the due date as per procedure stipulated in the Rules. In case the shareholders have any queries on the subject matter and the Rules, they may contact the Company's Share Transfer Agent, C B Management Services (P) Limited.
9. Members desirous of making a nomination in respect of their shareholding in physical form, as permitted under Section 72 of the Companies Act, 2013, are requested to submit the prescribed Form SH13 and SH14, accordingly to the Share Department of the Company or to the office of the Registrar & Share Transfer Agent, M/s C B Management Services (P) Limited. The form for such registration can be obtained by mailing such request to our Registrar & Share Transfer Agent, M/s CB Management Services (P) Limited at rta@cbmsl.com.
10. Members are requested to bring the admission slips along with their copy of the Annual Report at the Meeting.
11. The Ministry of Corporate Affairs, Government of India, pursuant to its Green Initiative in Corporate Governance, has permitted under Section 20 of the Companies Act, 2013, the service of documents including the Annual Report consisting of Notice, Accounts and other relevant Reports through the electronic mode. Copies of the Annual Report 2017, notice of the AGM along with attendance slip, proxy form and instructions for e-voting are being sent by electronic mode to those members whose e-mail addresses are registered with the Company/ Depositories Participants unless any member has requested for a hard copy of the same. Shareholders holding shares in physical/dematerialized form are requested to register/update their e-mail addresses with the Company's Registrar and Share Transfer Agent. The form for such registration can be obtained by mailing such request to our Registrar & Share Transfer Agent, M/s C B Management Services (P) Limited at rta@cbmsl.com or to us on investors@dic.co.in
12. 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 at the Company's Registered Office during normal business hours on working days upto the date of AGM.

13. M/s. T Chatterjee and Associates (Firm Registration No. S2007WB097600) has been appointed as the Scrutinizer to scrutinize the remote e-voting process as well as voting in the AGM venue in a fair and transparent manner.
14. In compliance with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility to the members to cast their votes electronically as an alternative to participation at the Annual General meeting to be held on March 22, 2018, at 11.00 a.m. The Company has engaged the services of National Securities Depository Limited (NSDL) to provide e-voting facilities. The e-voting facility is available at the link <https://evoting.nsdl.com>.

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

The instruction for e-voting are as under:

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

Notes:

- I. In case of any queries, you may refer the Frequently Asked Questions (FAQ) for Shareholders and e-voting user manual for shareholders available at the Downloads section of www.evoting.nsdl.com.
- II. If you are already registered with NSDL for e-voting then you can use your existing user ID and Password for casting your vote.
- III. The e-voting period commences on March 19, 2018 (9.00 am) and ends on March 21, 2018 (5.00 pm). During this period, Shareholders of the Company holding shares in physical form or in dematerialized form, as on the cut-off date March 15, 2018, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.

- IV. The voting rights of the Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on March 15, 2018.
- V. The Scrutinizer shall within a period of not exceeding three (3) working days from the conclusion of the meeting unlock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- VI. The Result shall be declared after the 70th Annual General meeting of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's Website www.dicindia.co and on the website of NSDL.

Information pursuant to Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, relating to Documents & Information to shareholders.

ITEM NO. 2

Mr. Paul Koek

Born on June 14, 1960, Mr. Paul Koek is a qualified Certified Public Accountant and is registered with Institute of Certified Public Accountants of Singapore. He is a Fellow Member (FCCA) with the Chartered Association of Certified Accountants and a Senior Member with the Association of Accountant Technicians. Mr. Koek brings with him a wealth of more than 30 years in the field of regional tax, group accounting and treasury management. Mr. Koek is presently the Regional Managing Director of DIC Asia Pacific Pte. Ltd., Singapore. Mr. Koek was inducted on the Board with effect from 29th June, 2004 as a nominee of the Holding Company M/s. DIC Asia Pacific Pte. Ltd., Singapore. He is the Committee member of the Audit Committee, Stakeholders Relationship Committee, the Nomination and Remuneration Committee and Corporate Social Responsibility Committee of the Company. He is not related to any of the Directors of and does not hold any shares in the Company.

Other Directorship and Committee Membership held as on December 31, 2017 by Mr. Paul Koek are as given below:

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

ITEM NO. 4**Mr Dipak Kumar Banerjee**

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

Mr. Banerjee joined the Board of your Company on March 8, 2001 and is an Independent Director. He was the Chairman of the Audit Committee and the Nomination and Remuneration Committee of the Company. With effect from June 12, 2017, Mr Dipak Kumar Banerjee took over as the Chairman of the Company.

He is not related to any of the Directors and does not hold any shares in the Company.

Other Directorship and Committee Membership held as on December 31, 2017 by Mr. Dipak Kumar Banerjee are as given below:

Name of the Company	Board Position Held	Committees of Board	Committee Position Held
T M International Logistics Ltd	Director	Audit Committee	Chairman
Tata Sponge Iron Ltd	Director	Audit Committee	Member
M Junction Services Ltd	Director	Audit Committee	Chairman
The Tinsplate Co of India Ltd	Director	Audit Committee	Chairman
Tayo Rolls Limited	Director	Audit Committee	Member
Shristi Infrastructure Development Corp Ltd	Chairman	Audit Committee	Member
Rupa & Company Limited	Director	Audit Committee	Member
TKM Global Logistics Ltd	Director	-	-
A Treds Limited	Director	Audit Committee	Member

ITEM NO. 5**Mr Subir Bose**

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

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

Other Directorship and Committee Membership held as on December 31, 2017 by Mr. Subir Bose are as given below:

Name of the Company	Board Position Held	Committees of Board	Committee Position Held
Beepee Coatings Private Ltd	Chairman	-	-
Berger Paints (Cyprus) Ltd.	Director	-	-
BJN Paints India Ltd	Director	-	-
Lusako Trading Ltd., Cyprus	Alternate Director	-	-

ITEM NO. 6

Dr Reena Sen

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

Dr Reena Sen was inducted on the Board with effect from February 4, 2015 as an Independent Director and is a member of the CSR Committee. She is not related to any of the Director and does not hold any shares in the Company. Dr Reena Sen does not hold any other Directorship.

ITEM NO. 7

Mr. Masahiro Kikuchi

Mr. Masahiro Kikuchi, born on May 22, 1962, graduated in Economics in 1986 from the Waseda University, Tokyo. He joined DIC Corporation in April 1986 and went on to hold several positions within the Group which included Deputy Managing Director of DIC (Guangzhou) Co. Ltd and as the Chairman & Managing Director of DIC (Taiwan) Ltd. Mr. Kikuchi has been the Senior Manager in the Marketing Dept. at DIC Corporation since January 2015.

Mr. Kikuchi was inducted on the Board with effect from February 6, 2018 as a nominee of the Holding Company M/s. DIC Asia Pacific Pte. Ltd., Singapore. He does not hold any Committee membership of the Company. He is not related to any of the Directors of and does not hold any shares in the Company. Mr Kikuchi does not hold any other directorship.

ITEM NO. 8

Mr. Ho Yeu Guan

Born on January 29, 1958, Mr. Ho Yeu Guan graduated with a Degree in Accountancy from the National University of Singapore in 1982 and further obtained his Certified Public Accountant (CPA) status in 1989. In his entire career journey, Mr. Ho worked in reputable global MNCs and accumulated more than 32 years of valuable and in-depth knowledge in the Accounting and Finance functionality. In April 2005, Mr. Ho joined DIC Asia Pacific Pte. Ltd. in Singapore as a Regional Finance Manager. He worked diligently and developed the business acumen needed to successfully support the business managers from a financial and accounting perspective. Mr. Ho was promoted to Regional Internal Audit Director in January 2010 with a key focus on upholding governance, compliance, financial and system controls in DIC Asia Pacific Region.

Mr. Ho Yeu Guan was inducted on the Board with effect from February 6, 2018 as a nominee of the Holding Company, M/s. DIC Asia Pacific Pte. Ltd., Singapore. He does not hold any Committee membership of the Company. He is not related to any of the Directors of and does not hold any shares in the Company. Mr Ho does not hold any other directorship.

Other than Mr. Paul Koek, Mr. Dipak Kumar Banerjee, Mr Subir Bose, Dr Reena Sen, Mr Masahiro Kikuchi and Mr Ho Yeu Guan, no other Directors or Key Managerial Personnel of the Company or their relatives are interested in the relevant resolutions setting out their appointments.

In the opinion of the Board, Mr. Paul Koek, Mr. Dipak Kumar Banerjee, Mr Subir Bose, Dr Reena Sen, Mr Masahiro Kikuchi and Mr Ho Yeu Guan fulfill the conditions of the Companies Act, 2013 for such appointment/re-appointment and recommends the Resolutions nos. 2, 4, 5, 6, 7 and 8 for your approval.

ITEM NO. 9

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 6, 2018 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, 2018 at a remuneration of Rs.30,000/-, exclusive of reimbursement of GST 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 aforesaid Resolutions set out at item no. 9 of the Notice.

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

By order of the Board

Registered Office:
Transport Depot Road
Kolkata - 700 088
Date : February 6, 2018

Banibrata DeSarkar
Company Secretary

Report on Corporate Governance

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

I. MANDATORY REQUIREMENTS

1. Company's Philosophy on Corporate Governance

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

It aims 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 optimising 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 to its stakeholders.

2. Board of Directors

A) Composition as on December 31, 2017

The Board of Directors of the Company consisted of 9 members, comprising:

- One Executive Director in the whole-time employment of the Company.
- Five Non-executive & Independent Directors who are drawn from amongst persons with diverse experience in business, finance, legal, technology and management domain.
- Three Non-executive Directors nominated by and representing the Holding Company.

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

The composition of the Board is in conformity with Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

B) Other Directorships/Committee memberships held as on December 31, 2017:

Sl. No.	Name of the Director	Category	Directorships held in other Companies ^		Committee Memberships held in other Companies #	
			As Director	As Chairman	As Member	As Chairman
1.	Mr Dipak Kumar Banerjee	Chairman, Non-executive & Independent	8	1	6	3
2.	Mr. Shailendra Hari Singh	Managing Director & Chief Executive Officer	—	—	—	—
3.	Mr Subir Bose	Non-executive & Independent	1	—	—	—
4.	Mr Utpal Sengupta	Non-executive & Independent	2	—	—	1
5.	Dr. Reena Sen	Non-executive & Independent	—	—	—	—
6.	Mr Partha Mitra	Non-executive & Independent	—	—	—	—
7.	Mr Kazunari Sakai	Non-executive	—	—	—	—
8.	Mr Paul Koek	Non-executive	—	—	—	—
9.	Mr. Naoyoshi Furuta	Non-executive	—	—	—	—

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

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

No Director is related to any other Director on the Board in terms of the definition of 'Relative' given under the Companies Act, 2013.

C) Particulars of change in directorship during the year:

Name of the Director	Category	Date of Appointment/ Cessation	Remarks
Dr Prabir Kumar Dutt	Non-executive	April 28, 2017	Resigned as the Chairman and Director of the Board
Mr Partha Mitra	Non-executive & Independent	February 8, 2017	Appointed as Independent Director
Mr Naoyoshi Furuta	Non-executive	December 31, 2017	Resigned as Director of the Board

Pursuant to the resignation of Dr Prabir Kumar Dutt, the Board in its meeting held on June 12, 2017 appointed Mr Dipak Kumar Banerjee as the Chairman of the Board.

D) Board Meetings held during the year

During the financial year ended 31st December 2017, nine Board Meetings were held on February 8, 2017, March 24, 2017, April 28, 2017, June 12, 2017, July 21, 2017, September 22, 2017, October 27, 2017, December 8, 2017 and December 13, 2017.

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

Name of the Director	Board Meetings Attended	Last AGM Attended
Dr Prabir Kumar Dutt*	3	Yes
Mr Dipak Kumar Banerjee	7	Yes
Mr Shailendra Hari Singh	8	Yes
Mr Subir Bose	8	Yes
Mr Utpal Sengupta	7	No
Dr. Reena Sen	8	Yes
Mr Partha Mitra	7	No
Mr Kazunari Sakai	8	Yes
Mr Paul Koek	9	Yes
Mr. Naoyoshi Furuta	5	Yes

* - Refer Note 2(c) of the Report

F) Particulars of Directors retiring by rotation and seeking re-appointment have been given in the Notice convening the 70th Annual General Meeting and Explanatory Statement, attached thereto.

3. Audit Committee

A) Terms of Reference

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

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

B) Composition, Name of Members and Chairperson

The Audit Committee of the Company comprises four members, three of whom are Non-executive & Independent Directors and one Non-executive Director representing the Holding Company. All the members

of the Audit Committee are qualified and having insight to interpret and understand financial statements. On the appointment of Mr Dipak Kumar Banerjee as the Chairman of the Board, with effect from June 12, 2017, the Audit Committee was reconstituted and Mr Partha Mitra was inducted as the member and Chairman of the Audit Committee.

The Audit Committee of the Company as on December 31, 2017 comprises the following members:

Name of the Member	Position	Category
Mr Partha Mitra	Chairman	Non-executive & Independent Director
Mr Subir Bose	Member	Non-executive & Independent Director
Mr Utpal Sengupta	Member	Non-executive & Independent Director
Mr Paul Koek	Member	Non-executive Director

Mr Banibrata DeSarkar, Company Secretary, has been designated as the “Secretary” to the Audit Committee.

C) Meetings during the year

During the financial year ended December 31, 2017, four meetings were held on February 7, 2017, April 28, 2017, July 20, 2017 and October 26, 2017.

D) Attendance of Members at the Audit Committee Meetings

The attendance of the Members is as given below:

Name of the Member	Meetings Attended
Mr Dipak Kumar Banerjee*	2
Mr Partha Mitra	2
Mr Subir Bose	3
Mr Utpal Sengupta	4
Mr Paul Koek	4

* - Refer Note 3(b) of the Report

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

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

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

4. Nomination and Remuneration Committee

A) Terms of Reference

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

B) Composition, Name of Members and Chairperson

The Nomination and Remuneration Committee of the Company comprises four members, two of whom are Non-executive Directors representing the Holding Company and two Non-executive & Independent Directors of the Chairman is a Non-executive & Independent Director. Pursuant to the appointment of Mr Dipak Kumar Banerjee as the Chairman of the Board and subsequent re-constitution of the Committee, Mr Subir Bose was appointed as the Chairman of the Committee and Mr Utpal Sengupta was inducted into the Committee, both with effect from June 12, 2017.

As on December 31, 2017, the Nomination and Remuneration Committee of the Company comprises the following members:

Name of the Member	Position	Category
Mr Subir Bose	Chairman	Non-executive & Independent Director
Mr Utpal Sengupta	Member	Non-executive & Independent Director
Mr Naoyoshi Furuta	Member	Non-executive
Mr Paul Koek	Member	Non-executive

C) Meetings and Attendance during the year

During the year ended December 31, 2017, two meetings were held on February 7, 2017 and December 8, 2017. All the members who were part of the Committee on the respective dates, attended the meetings.

D) Nomination & Remuneration Policy

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

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

E) Remuneration paid/payable to the Directors for the financial year ended December 31, 2017

(Figure in Rs.)

Name of the Director	Salary	Performance Bonus	Commission	Allowances, Perquisites & Retirement Benefits	Sitting Fees	Total
Dr. Prabir Kumar Dutt	-	-	-	-	69,000	69,000
Mr. Shailendra Hari Singh	2,808,960	-	-	6,890,840	-	9,699,800
Mr. Dipak Kumar Banerjee	-	-	-	-	183,000	183,000
Mr. Subir Bose	-	-	-	-	240,000	240,000
Mr. Utpal Sengupta	-	-	-	-	300,000	300,000
Dr. Reena Sen	-	-	-	-	150,000	150,000
Mr. Partha Mitra	-	-	-	-	219,000	219,000
Mr. Kazunari Sakai	-	-	-	-	-	-
Mr. Paul Koek	-	-	-	-	-	-
Mr. Naoyoshi Furuta	-	-	-	-	-	-

- Mr. Shailendra Hari Singh was appointed as Managing Director and Chief Executive Officer for a period of 5 years with effect from March 23, 2015 till March 22, 2020.
- Except for the Wholetime Director and Independent Directors, all the members of the Board are liable to retire by rotation. The appointment of the Whole Time Director is governed by the resolutions passed by the Board, as per recommendations of the Nomination and Remuneration Committee, which cover the terms and conditions of such appointment read with the service rules of the Company, subject to final approval by the members.
- No Severance Fee is payable and no stock option has been given.
- Performance Bonus payable to the Executive Directors is determined on the basis of the status of the inventory and debtors, profitability and overall financial position of the Company.
- The erstwhile Non-executive Chairman, Dr. Prabir Kumar Dutt, held 133 equity shares of the Company. No other Directors hold any securities of the Company.
- Mr. Naoyoshi Furuta resigned from the Company with effect from closing of working hours of December 31, 2017.

- 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 is approved for a period of 5 years commencing from January 1, 2014.

The criteria of payment of commission to the Resident Non-executive Directors, as decided in the Board Meeting held on April 22, 2016, is as under:

- Non-Executive Chairman
 - 0.5% of the profits subject to annual ceiling of Rs 850,000/-
 - additional amount based on pro rata weightage given to attendance in the Board meetings
- Others Resident India Non-executive Directors
 - 0.5% of the profits subject to annual ceiling of Rs 180,000/- per Director.
 - additional amount based on pro rata weightage given to attendance of the individual Director in the Board meetings

- At present, sitting fees of Rs.18,000/- is paid to the Chairman of the Board and the Chairman of the Audit Committee. A sitting fees of Rs.15,000/- is paid to each Resident Indian Non-executive Director for attending each meeting of the Board and the Committees thereof.
- No commission and sitting fees are payable to the representatives of the holding Company, DIC Asia Pacific (P) Ltd.
- Other than sitting fees and commission, there is no other pecuniary relationship or transactions with any of the Non-executive Directors.

5. Stakeholders' Relationship Committee

A) Terms of Reference

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

B) Composition

On stepping down of Dr Prabir Kr. Dutt from the Board and the Committee, Mr. Dipak Kr. Banerjee was inducted in the Committee w.e.f June 12, 2017. As on December 31, 2017, the Stakeholders' Relationship Committee comprises:

Name of the Member	Position	Category
Mr. Utpal Sengupta	Chairman	Non-executive & Independent Director
Dr. Dipak Kumar Banerjee	Member	Non-executive & Independent Director
Mr. Paul Koek	Member	Non-executive Director

Mr. Banibrata DeSarkar, Company Secretary has been designated as the "Compliance Officer".

C) Attendance

A meeting had been held on February 8, 2017. All the members attended the meeting.

D) Status of Transfers

During the year ended December 31, 2017, 385 shares in physical form were processed for transfer. There were no pending share transfers as on December 31, 2017.

E) Complaints

During the year ended December 31, 2017, the Company had received no complaints and no complaints were pending for redressal either at the beginning or at the end of the year.

6. Corporate Social Responsibility Committee

A) Constitution, Terms and reference

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 in the Website of the Company at the weblink, <http://www.dicindia.co/corporate-social-responsibility.html>.

B) Composition

Dr Reena Sen was inducted in the Committee as Member of February 8, 2017. As on December 31, 2017, the Corporate Social Responsibility Committee comprises :

Name of the Member	Position	Category
Mr. Utpal Sengupta	Chairman	Non-executive & Independent Director
Mr. Subir Bose	Member	Non-executive & Independent Director
Dr. Reena Sen	Member	Non-executive & Independent Director
Mr. Shailendra Hari Singh	Member	Managing Director & CEO
Mr. Paul Koek	Member	Non-executive Director

C) Meetings and Attendance during the year

During the year ended December 31, 2017, two meetings were held on February 7, 2017 and July 20, 2017. All the members who were part of the Committee on the respective dates, attended the meetings.

7. Meeting of the Independent Directors

As per Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors are required to hold at least one meeting in a year to discuss the following:

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

Accordingly, a meeting had been held on February 7, 2017. All the Independent Directors attended the meeting and discussed the above points.

Nomination and Remuneration Committee in its meeting held on February 4, 2015 adopted the performance evaluation criteria for the Independent Directors and the same had been applied by the Board in its meeting held on February 7, 2017 for evaluating the performance of the Independent Directors.

8. Subsidiary Company

The Company had no subsidiary during the Financial year ended December 31, 2017.

9. General Body Meetings

A) Particulars of last three Annual General Meetings :

AGM	Year Ended	Venue	Date	Time
69th	31.12.2016	Williamson Magor Hall Bengal Chamber of Commerce & Industry, Royal Exchange 6, Netaji Subhas Road, Kolkata - 700 001	24.03.2017	11.00 a.m
68th	31.12.2015	– Do –	22.04.2016	11.00 a.m
67th	31.12.2014	– Do –	23.03.2015	11.00 a.m

B) Postal Ballot Exercise

There was no instances of postal ballot being conducted for the year ended December 31, 2017.

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

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

AGM	Year ended	Particulars of Special Resolution	Date	Time
69th	31.12.2016	Re-appointment of Mr. Utpal Sengupta, Non-executive & Independent Director for a further term of 3 years.	23.03.2017	11.00 a.m.
68th	31.12.2015	NA	22.04.2016	11.00 a.m.
67th	31.12.2014	Amendment of the Articles of Association	23.03.2015	11.00 a.m.

D) Particulars of last three Extraordinary General Meetings

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

10. Disclosures

- A) The Board in its meeting held on 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 in the Website of the Company at the weblink, <http://www.dicindia ltd.co/policies.html>.
- B) During the year there were no transactions of material nature with related parties that had potential conflict with the interests of the Company.
- Details of all related party transactions form a part of the accounts as required under Accounting Standard 18 as notified by the Companies (Accounting Standards) Rules, 2006 and the same are given in Note 41 to the Financial Statements.
- The 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.
- C) During preparation of financial statements during the period under review, no accounting treatment which was different from that prescribed in the Accounting Standards was followed.
- D) The Company has complied with the requirements of regulatory authorities on capital markets and no penalties/strictures have been imposed against it in the last three years.
- E) The Company has adopted a Risk Management Policy in the meeting of the Board of Directors held on March 3, 2006. It has laid down procedures to inform the Board Members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management controls risks through means of a properly defined framework. The Management reviewed the various risks and the report of the same was placed before the Board in its Meeting held on December 8, 2017.
- F) 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.
- G) The Company has adopted Whistle Blower Policy(Vigil Mechanism) for Directors and employees which has been placed in the website of the Company at the weblink, <http://www.dicindia ltd.co/policies.html>. No personnel has been denied access to the audit committee.

11. Means of Communication

- A) Half-Yearly Report sent to each household of shareholders : No
- B) Quarterly Results
- Newspapers published in : Business Standard (English Daily), Aajkal (Bengali daily)
 - Website where displayed : www.dicindia ltd.co

- | | |
|---|---|
| C) Audited Financial Results | : Year ended December 31.12.2017 |
| n 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 including official news releases are displayed in the website. |
| E) Whether Management Discussion & Analysis Report is a part of Annual Report | : The Report of the Directors, forming part of the Annual Report, includes all aspects of the Management Discussion & Analysis Report. |

12. Code of Professional Conduct

The Company had formulated a Code of Business Conduct for the employees, including the Directors with all the stakeholders of the Company and the same was first adopted by the Board in the meeting held on April 29, 2005. Pursuant to the changing economic environment, the Board in its meeting held on October 28, 2016 has adopted a revised Code of Business Conduct. The Code *inter alia* covers conduct of employees, environment, health & safety, anti-trust/competition laws, anti-bribery & anti-corruption, proper accounting & internal controls. The updated Code is also available on the Company's official website at the weblink, <http://www.dicindialtd.co/policies.html>.

Apart from the above, the Independent Directors also have to comply with the Code for Independent Directors pursuant to the Schedule IV of the Companies Act, 2013.

In terms of the resolution passed by the Board of Directors in their meeting held on February 6, 2018, the Board has authorized Mr. Shailendra Hari Singh, 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, 2017 forms part of the Annual report.

13. CEO/CFO Certification

The Certificate duly signed by the Managing Director & Chief Executive Officer and the Chief Finance Officer in respect of the financial year ended December 31, 2017 has been placed before the Board at its meeting held on February 6, 2018 and forms a part of the Annual Report.

14. Familiarisation programme for Independent Directors

The Company has a structured Familiarisation programme through various reports/codes/policies 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 in the website of the Company under the weblink <http://www.dicindialtd.co/corporate-governance.html>.

II. NON-MANDATORY REQUIREMENTS

1. 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.

2. 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.

3. Modified Opinion in Audit Report

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

4. Separate posts of Chairman and CEO

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

5. Reporting of Internal Auditor

The Company's Internal Auditor has the access of reporting directly to the Audit Committee.

Shareholder Information

1. Annual General Meeting

The 70th Annual General Meeting will be held at 11.00 A.M. on Thursday, March 22, 2018 at Williamson Magor Hall, The Bengal Chamber of Commerce & Industry, Royal Exchange, 6, Netaji Subhas Road, Kolkata - 700 001.

2. Financial Year

The Financial Year of the Company is January 1 to December 31. For the year ended on December 31, 2017, results were announced on:

Approval of	Board Meeting Date
Unaudited Results for 1st quarter ended 31.03.2017	28.04.2017
Unaudited Results for 2nd quarter ended 30.06.2017	21.07.2017
Unaudited Results for 3rd quarter ended 30.09.2017	27.10.2017
Audited Results for financial year ended 31.12.2017	06.02.2018

3. Book Closure Date

The period of book closure is from March 16, 2018 to March 22, 2018, both days inclusive.

4. Dividend Payment Date

In view of the loss, the Board has not recommended any dividend.

5. Listing on Stock Exchanges

The equity shares of the Company are listed on :

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

6. Listing Fees to Stock Exchanges

The Annual Listing Fees for the year 2016-17 and 2017-18 has been paid to all these Stock Exchanges within the stipulated time.

7. Annual Custody Fees to Depositories

The Company has paid Annual Custody Fees for the year 2016-17 and 2017-18 to both the depositories namely National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within the stipulated time.

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

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

9. Commodity price Risk or Foreign Exchange Risk and Hedging Activities

The Board monitors the foreign exchange exposures on a quarterly basis and the steps taken by management to limit the risks of adverse exchange rate movement. Similarly, the management monitors commodities/raw materials whose prices are volatile and suitable steps are taken accordingly to minimize risk on the same.

10. Market Price Data

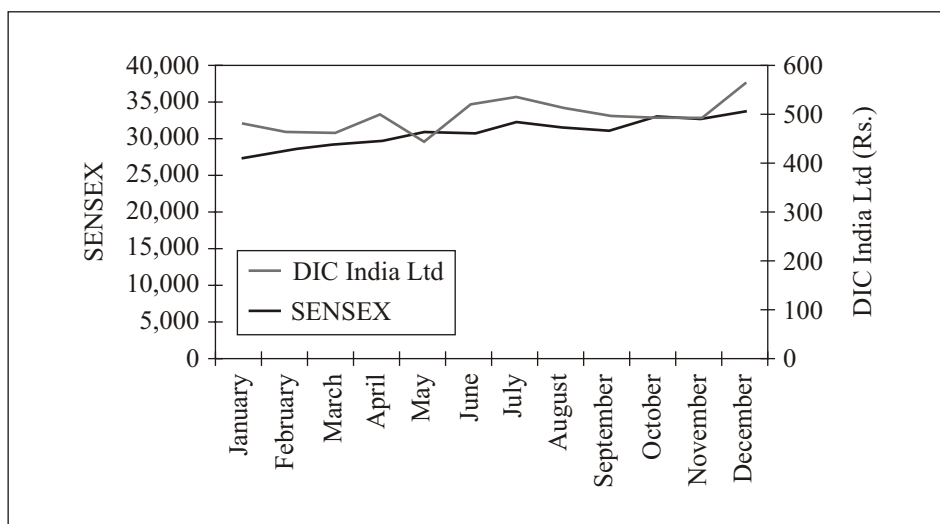
Monthly high and low price of Company's equity shares at the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) for the period from January 1, 2017 to December 31, 2017 are stated hereunder.

Month	NSE		BSE	
	High	Low	High	Low
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
January 2017	510.00	450.45	507.00	455.00
February 2017	495.00	452.00	500.00	460.00
March 2017	481.00	455.05	488.00	456.00
April 2017	519.95	465.00	519.85	465.10
May 2017	503.85	442.00	507.95	445.25
June 2017	571.40	434.00	569.55	432.65
July 2017	595.10	510.50	593.25	517.10
August 2017	543.70	495.00	573.00	495.70
September 2017	530.00	477.00	542.70	480.00
October 2017	549.80	476.95	538.55	480.00
November 2017	521.00	482.55	534.90	481.20
December 2017	599.90	485.00	605.00	489.00

There were no significant transactions on The Calcutta Stock Exchange Limited.

11. Movement of DIC India Limited Share Price with BSE Sensex

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



12. Registrar and Share Transfer Agent

Pursuant to the directive of The Securities and Exchange Board of India (SEBI), whereby all work related to share register in terms of both physical and electronic mode for maintenance had to be carried out at a single point, the Company has appointed M/s C B Management Services (P) Limited, Kolkata, from 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

13. Investor Grievances

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

14. Share Transfer System

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

15. Shareholding Pattern

Pattern of shareholding by ownership as on December 31, 2017

Category	No. of Shares	% to Share Capital
(A) Promoter's Holding		
Foreign Promoter	6,586,077	71.75
Sub Total (A)	6,586,077	71.75
(B) Non-Promoters Holding		
Financial Institutions/ Banks	5,333	0.06
Central/State Government/President of India	240	0.00
Public	2,558,427	27.88
Investor Education & Protection Fund	28,900	0.31
Sub Total (B)	2,592,900	28.25
Grand Total (A+B)	9,178,977	100.00

16. Distribution of Shareholding

Distribution of shareholding as on December 31, 2017 is as follows:

Slab	No. of Shareholders		No. of Shares	
	Total	% of Shareholders	Total	% to Share Capital
1 — 500	7,310	93.42	6,32,411	6.89
501 — 1000	238	3.04	1,84,154	2.01
1001 — 2000	140	1.79	2,05,374	2.24
2001 — 3000	45	0.58	1,12,021	1.22
3001 — 4000	22	0.28	76,710	0.84
4001 — 5000	17	0.22	80,946	0.88
5001 — 10000	24	0.31	1,85,164	2.02
10001 — 50000	23	0.29	3,77,811	4.12
50001 — above	6	0.08	73,24,386	79.80
Total	7,825	100.00	9,178,977	100.00

17. Reconciliation of Share Capital Audit

M/s. T Chatterjee & Associates, Practising Company Secretaries (Firm Registration No. S2007WB097600) has been appointed to carry out the Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges and to the Board of Directors. The audit confirms that the total listed and paid-up capital is in agreement with the aggregate of the total number of shares in dematerialized form and in physical form.

18. Dematerialization of Shares and Liquidity

As per notification issued by SEBI, with effect from 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, 2017, 98.48% of the Company's total paid up capital representing 9,039,871 equity shares were held in dematerialised form and the balance 1.52% representing 139,106 equity shares were held in physical form.

19. Disclosure with respect to demat suspense account/unclaimed suspense account

As on December 31, 2017, there are no outstanding shares lying in the demat suspense account/unclaimed suspense account.

20. Address for correspondence with Depositories

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

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

Telephone No : 022-2499 4200
Facsimile Nos : 022-2497 2993/6351
E-mail : info@nsdl.co.in
Website : www.nsdl.co.in

Telephone No : 022-2272 3333
Facsimile Nos : 022-2272 3199/2072
E-mail : investors@cdslindia.com
Website : www.cdslindia.com

21. 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.

22. Dividend History (last 10 years)

Sl. No.	Financial year	Dividend %	Total Dividend (Rs. in Million)
1	2017	Nil	0.00
2	2016	40	36.72
3	2015	40	36.72
4	2014	Nil	0.00
5	2013	40	36.72
6	2012	40	36.72
7	2011	40	36.72
8	2010	50	45.89
9	2009	40	36.72
10	2008	35	32.13

23. Unclaimed Dividend

Unclaimed dividend for the last three financial years, including 2009, has been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government, as per table given hereinbelow:

Financial year ended	Dividend Identification No.	Date of Declaration of Dividend	Total Dividend (Rs.)	Unclaimed Dividend as on date of Transfer (Rs.)	Transferred to IEPF on
31.12.2007	60th	12.06.2008	32,126,419.50	154,584.00	05.08.2015
31.12.2008	61st	12.05.2009	32,126,419.50	199,531.00	13.07.2016
31.12.2009	62nd	02.06.2010	36,715,908.00	233,972.00	31.07.2017

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

Financial year ended	Dividend Identification No.	Date of Declaration of Dividend	Total Dividend (Rs.)	Unclaimed Dividend as on 31.12.2017 (Rs.)	Due for transfer to IEPF on
31.12.2010	63rd	28.04.2011	45,894,885.00	271,675.00	04.06.2018
31.12.2011	64th	29.05.2012	36,715,908.00	224,824.00	05.07.2019
31.12.2012	65th	12.04.2013	36,715,908.00	235,088.00	12.05.2020
31.12.2013	66th	27.06.2014	36,715,908.00	247,712.00	26.07.2021
31.12.2014	67th	23.03.2015	Nil	Nil	NA
31.12.2015	68th	22.04.2016	36,715,908.00	288,233.00	20.05.2023
31.12.2016	69th	24.03.2017	36,715,908.00	336,440.00	21.04.2024

24. Plant Locations

Location	Address
Kolkata	Transport Depot Road, Kolkata - 700 088
Noida	C - 55 A & B, Phase II, Dist. Gautam Budh Nagar, Noida - 201 305
Ahmedabad	Plot No. 633 & 634, G.I.D.C. Industrial Estate, Phase IV, Vatva, Ahmedabad - 382 445
Bengaluru	66A, Bommasandra Industrial Area, Hosur Road, Anekal Taluk, Bengaluru - 562 158

25. Address for correspondence with the Compliance Officer / Investor Complaint Redressal Officer of the Company

Mr Banibrata DeSarkar

Company Secretary

DIC INDIA LIMITED

Transport Depot Road, Kolkata - 700 088

Phone : 033 2449 6591 to 96 (6 lines), Facsimile : 033 2449 5267

E-mail : b.desarkar@dic.co.in Website : www.dicindialtd.co

b

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

(Shailendra Hari Singh)
Managing Director & CEO

Place: Kolkata
Date: February 6, 2018

(Sandip Chatterjee)
Chief Finance Officer

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 of Members and senior management personnel for compliance. The Code of Conduct has also been posted on the website of the Company. The Company has since received declaration from all the Board Members and senior management personnel affirming compliance of the Code of Conduct of the Company in respect of the financial year December 31, 2017. The same has been duly noted by the Board in its meeting held on February 6, 2018.

For **DIC India Limited**

(Shailendra Hari Singh)
Managing Director & CEO

Place: Kolkata
Date: February 6, 2018

AUDITORS' CERTIFICATE

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of DIC India Limited

We have examined the compliance of conditions of Corporate Governance by DIC India Limited, for the year ended December 31, 2017 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015").

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

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

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

(Pinaki Chowdhury)

Partner

Membership No. 57572

Place : Kolkata
Date : February 6, 2018

Report of the Directors & Management Discussion and Analysis Report

Your Directors have pleasure in presenting the Annual Report for the year ended December 31, 2017.

ECONOMIC ENVIRONMENT

The year started in the backdrop of the demonetization declared by the Government on November 8, 2016. Although the long term objective was good, it affected the economy in the short-term with lower demand pushing the industrial production lower and impacting the capital investment cycle. India's growth slumped to a 2 year low during the quarter ended March 31, 2017. As the economy was recovering from the impact of demonetization, the Government introduced the Goods & Service Tax Act, 2017(GST) from July 1, 2017. Again, conceptually GST is good for the economy but it had teething troubles. It caused some uncertainty within the Industry in terms of the operation of GST specially on the Transition Rules. This affected the manufacturing activity and the manufacturing sector contracted to a 8 year low in July 2017. However, India's GDP is expected to have bottomed out and with the impact of demonetization and uncertainty in GST rollout behind us, the early signs of revival is evident in the quarter ended December 31, 2017. This indicates that the GDP growth can rebound to a healthy level in 2018.

The Global GDP for 2018 is projected to grow 4% which is higher than the growth of 3.7% of 2017. The strength in global growth is broad-based across advanced and emerging economies.

As per the Central Statistical Organization (CSO) as well as the International Monetary Fund (IMF), India turned out to be a fast growing economy. Various initiatives taken by the Government under the 'Make in India' and 'Digital India' schemes saw India improve its ranking in the latest edition of the World Bank's Ease of Doing Business Report by 30 spots over its 2017 ranking and is now at 100 among 190 countries. The recent push by the Government to recapitalise the Banks is expected to facilitate the credit demand from the Industry as growth picks up.

PERFORMANCE REVIEW

The impact of Demonetization followed by introduction of GST resulted in lower offtake particularly in the first half of 2017. In addition, the quarter ended March 31, 2017 witnessed the prices of some critical raw materials dramatically rising due to global shortage followed by rising crude prices during quarter ended September 30, 2017. All these negatively impacted the business in the first 9 months of operation resulting in loss. However, the revival of sales and limited adjustment of selling price helped the Company to get back to profitability in the quarter ended December 31, 2017.

Your Company recorded a turnover of Rs.7371.38 million as against Rs. 7041.51 million in the previous year registering an increase of 5% in terms of value and 4% in terms of volume. The Company operates in two segments printing inks and lamination adhesives. The Company registered an increase of 4% in the turnover of printing inks at Rs. 6794.47 million (previous year Rs 6538.65 million) and an increase of 15% in the turnover of lamination adhesives which stood at Rs 576.91 million as against turnover of Rs. 502.86 million in the previous year. The operational profit from the Ink segment was Rs 116.44 million (previous year profit of Rs 414.95 million), the lamination adhesives business had an operational loss of Rs 160.45 million (previous year operational profit of Rs 7.83 million) respectively. On overall basis for the year ended December 31, 2017, the Company registered a Loss before tax (before exceptional item) of Rs. 46.20 million against Profit before Tax of Rs.308.15 million in the previous year. After considering the exceptional item of Rs. 120.59 million, the Company registered a Loss after Tax of Rs. 123.69 million as against a Profit after Tax of Rs. 228.42 million in the previous year.

In view of the negative results during the year and changed market situation in adhesive division, the management did an impairment testing of fixed assets in accordance with Accounting Standard 28 and decided to take an impairment of Rs. 116.16 Million (2016 - Rs. Nil) and capital work-in-progress to the extent of Rs.4.43 Million (2016 - Rs. Nil) which has been disclosed as 'Exceptional Item' in the Statement of Profit and Loss.

	(Rs. In Million)	
	2017	2016
Sales excluding Excise Duty	7406.00	7072.27
Other Income	46.93	66.87
Total Revenue	7452.93	7139.14
Profit / (Loss) before Taxation & Exceptional Item	(46.20)	308.15
Exceptional Item	(120.59)	-
Provision for Taxation including Deferred Taxation	(43.10)	(79.73)
Profit / (Loss) after Tax	(123.69)	228.42
Profit / (Loss) brought forward from the previous year	1618.77	1435.04
Amount available for Appropriation:	1495.08	1663.46
Appropriation-		
Proposed Dividend	-	36.72
Tax on Dividend	-	7.47
General reserve	-	0.50
Balance Carried Forward	1495.08	1618.77

Due to the market situation, the Company found it difficult to pass on the increase in the costs through sale price adjustments. The necessary corrective actions have been implemented during the quarter ended December 31, 2017. Your management is confident that various other steps taken to control cost, introduce new products, to improve operational efficiencies will ensure that the Company regain its profitability in the future years.

OPPORTUNITIES, THREATS, RISKS AND CONCERNS

Your company actively seeks out new opportunities in the market and works on converting the opportunities into viable business proposition. Direct customer interaction, provision of value added services are some of the ways exploited by the Company. The primary threat the Company faces are common to all industries in the form of higher input costs, macro-economic factors and competition. A combination of capacity addition, product innovations, improved quality and continuous enhancement of efficiency of distribution pipeline will help the Company stay ahead of competition. The Management monitors the risks and acts pro-actively to minimize them.

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 close 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, 2017.

OUTLOOK

The Indian printing ink market is estimated to be around INR 50 billion which is split between flexo, gravure and packaging sheet fed inks and digital inks. Amongst these, packaging inks is the main driver and has a significant share of the Indian ink market. Flexible packaging continues to grow, primarily in the food & beverage and personal care segments. The growth in the economy fuels the growth of the printing ink industry.

Though a drop in demand has been noticed in Publication and Commercial printing segment, the New Education Policy of the HRD Ministry, Government of India, which is expected to be submitted shortly may benefit the Company. The weakness in the publication and commercial printing sector has been offset by the growth in the packaging segment. As per various surveys, India accounts for 18% of the world population whereas its packaging

industry forms just 4% of the global packaging industry. Various factors like increase in middle class population, growth of workforce, rising affluence are expected to lead to industry growth, which your company is in a position to exploit. Volatility of crude prices and uncertainty over availability of certain raw materials remain a key concern.

TRANSFER TO RESERVES

The Company has not transferred any sum to Reserve for the financial year ended December 31, 2017.

DIVIDEND

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

CHANGE IN SHARE CAPITAL

The paid up share capital of the Company as on December 31, 2017 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 basis amongst the Directors. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

During the financial year ended December 31, 2017, 9 (nine) Meetings of the Board of Directors of the Company were held.

The details of the Board Meetings held during the F.Y. 2017 have been furnished under Clause I(2)(D) in the Corporate Governance Report forming a part of this Annual Report.

DECLARATION BY INDEPENDENT DIRECTORS

All the Independent Directors have given declaration to the Company stating their independence pursuant to Section 149(6) of the Companies Act, 2013 and the same have been placed and noted by the Board in its meeting held on February 8, 2017.

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 official website at the weblink, <http://www.dicindialtd.co/corp-gov-nrp.html>.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

A 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 official website at the weblink, <http://www.dicindialtd.co/corp-gov-rptp.html>. The Audit Committee reviews all related party transactions quarterly.

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

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

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 may be referred to, at the Company's official website at the weblink, <http://www.dicindia ltd.co>.

ANNUAL EVALUATION OF BOARD'S PERFORMANCE

According to 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 February 7, 2017 to inter alia, evaluate the performance of the Non-Independent Directors, including the Chairman. The Board thereafter in its meeting held on the same day 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.

The Nomination & Remuneration Committee evaluates and recommends to the Board the compensation and benefits of the executive Board member and Leadership Team of the Company. The MD&CEO in consultation with the Corporate General Manager - HR evaluates and decides the annual compensation of all other officers.

CAPITAL EXPENDITURE

Capital Expenditure during the year, towards tangible & intangible assets, amounted to Rs. 134.27 million, a major part of which was spent on Plant & Machinery.

ENERGY, TECHNOLOGY & FOREIGN EXCHANGE

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

SUBSIDIARY/ASSOCIATES/JOINT VENTURE COMPANIES

The Company does not have any subsidiary/associate/joint venture company for the year ended December 31, 2017.

HUMAN RESOURCES

DIC India believes that the Competence and Commitment of our employees are the key differentiating factors which enable our organization to create value by offering quality products & services to our customers. We strive to create harmonious work environment & strengthen our work culture to drive high level of performance orientation. As a part of the culture, we are committed towards scaling up competence level of employees & offering them long term career to attract & retain talent. As on December 31, 2017, the Company had 522 employees (previous year 498) 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 136(1) of the Companies Act, 2013, 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 and 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, 2017.

WEBSITE OF THE COMPANY

The Company maintains a website www.dicindia ltd.co where detailed information of the Company and its products are provided.

WHISTLE BLOWER MECHANISM

The Company has an updated Whistle Blower Policy in place. The said policy may be referred to, at the Company's official website at the weblink, <http://www.dicindia ltd.co/investers-wbp.html>.

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.

LISTING WITH STOCK EXCHANGES

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

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 I(3) 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)

Acknowledging its responsibility towards the society, your Company has put in place a CSR Policy, which may be referred to at the Company's official website at the weblink, <http://www.dicindia ltd.co/corp-gov-csr.html>. The CSR Committee guides and monitors the activity undertaken by the Company in this sphere.

Pursuant to the provisions of Sec 135 of the Companies Act, 2013 and applicable Rules, for the year ended December 31, 2017, the Company had a corpus of Rs. 3.60 million in its CSR funds to be expended towards CSR activity.

As informed, your Company has focussed on child education as its core CSR activity and has partnered with two NGOs' as given below:

- (i) Child Relief and You (CRY) to fund its Vikramshila Project in Monteswar block of Burdwan district in West Bengal
- (ii) SMILE Foundation to fund its Sanskar Kendra School based at Noida run by local NGO partner, Noida Lok Manch

These are expected to benefit students in those areas who due to various reasons like lack of infrastructure, have no access to proper education. Details of the project undertaken under CSR forms a part of the Report as **Annexure B**.

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 Lovelock & Lewes, 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 of the Stock Exchanges is annexed.

HEALTH, SAFETY AND ENVIRONMENT

Your Directors attach high importance to Health, Safety and Environment (HSE) which is monitored through the Company's HSE function. The operations of the Company are also reviewed on a global scale by the ultimate holding company, DIC Corporation, Japan through its Regional office in Singapore on periodic basis. All manufacturing sites of DIC India Limited are certified with ISO 9001, ISO 14001 and OHSAS 18001.

Year 2017 was good in terms of HSE performance. In the Year 2017, total number of recordable cases have reduced from 5 in 2016 to 3 in 2017. With this performance, the Total Recordable Incident Rate (TRIR) has come down to all time low to 1.33. Various renewed initiatives like Behavioural Safety, Contractual workers Safety, Safety Talk, DOJO Stations were introduced which has contributed towards this achievement.

The Company has fared well on the Environmental front also. In the year 2017, we have reduced our normalized water consumption by 7% and waste generation by 9%.

INFORMATION SYSTEM

Information Technology (IT) plays a vital role, facilitating informed decision-making to grow the business. Over the years, the Company has invested extensively in IT infrastructure, people and processes with the objective to capture, protect and transmit information with speed and accuracy. To align with the DIC Group requirement, the Company has installed SAP ERP suite for a reliable, comprehensive and integrated business solution. The integrated IT & SAP ERP Suite enables the Management team to make timely and informed business decisions based on MIS, which is directly derived from real time transactional data.

DIRECTORS

After being at the helm of affairs of the Company for 26 years, Dr Prabir Kumar Dutt, Non-executive Chairman, who had been on the Board of the Company since May 1984, stepped down with effect from April 30, 2017.

Mr Kazunari Sakai, the erstwhile Regional Managing Director and Mr Naoyoshi Furuta, the erstwhile Jt. Managing Director of the holding Company, DIC Asia Pacific Pte Ltd, had been in the Board of the Company since February 5, 2015. Subsequent to their taking up new assignment within the DIC Group, Mr Sakai and Mr Furuta have tendered their resignation with effect from February 6, 2018 and December 31, 2017 respectively, from the Board of Directors.

The Board recorded its appreciation for the dedication, foresightedness, leadership and contribution made by Dr Prabir Kumar Dutt, Mr. Kazunari Sakai and Mr. Naoyoshi Furuta to the Company.

Pursuant to the resignation of Mr Kazunari Sakai and Mr Naoyoshi Furuta, Mr. Masahiro Kikuchi, has been nominated to the Board of DIC India Limited with effect from February 6, 2018 as Additional Director. He does not hold any other directorship. Mr. Masahiro Kikuchi's appointment is valid till the date of forthcoming Annual General Meeting.

Mr. Ho Yeu Guan, Regional Internal Audit Director of DIC Asia Pacific Pte Ltd has also been inducted in the Board of the Company with effect from February 6, 2018 as an Additional Director. He does not hold any other directorship. Mr. Ho Yeu Guan's appointment is valid till the date of forthcoming Annual General Meeting.

In the Annual General Meeting held on March 23, 2015, the members had approved the appointment of Mr Dipak Kumar Banerjee, Mr Subir Bose and Dr Reena Sen, Independent Directors for a term of 3 years. As per the provision of Sec 149(6) of the Companies Act, 2013, an independent Director may be appointed for two consecutive terms not exceeding 5 years each. Accordingly, the Board in its meeting held on February 6, 2018 had approved and recommended the re-appointment of Mr Dipak Kumar Banerjee, Mr Subir Bose and Dr Reena Sen for a further tenure of 3 years with effect from March 22, 2018.

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

Appropriate resolution seeking the appointments of Mr. Paul Koek, Mr Dipak Kumar Banerjee, Mr Subir Bose, Dr Reena Sen, Mr Masahiro Kikuchi and Mr Ho Yeu Guan form part of the Notice of Annual General Meeting and the Resolutions are recommended for your approval. Their profiles are given in the Notice of the 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. Shailendra Hari Singh - Managing Director and Chief Executive Officer
2. Mr. Sandip Chatterjee - Chief Financial Officer
3. Mr. Banibrata DeSarkar- Company Secretary

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; and
- v. The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

COST AUDIT

In accordance with the provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014, the Company is required to appoint a cost auditor to audit the cost records of the applicable products of the Company relating to the business of manufacturing printing inks. Accordingly, M/s. Sinha Chaudhuri & Associates, Cost Accountants (Firm Regn. No. 000057) were appointed as the Cost Auditors for auditing the Company's cost accounts for the year ended December 31, 2017.

STATUTORY AUDITORS

The Companies Act, 2013 provides that for those of the companies that have firms audit their accounts for more than ten years as of April 1, 2014, such companies were allowed a transition period of three years to comply with the provisions of the Act. The current statutory auditors, M/s Lovelock & Lewes had completed two consecutive terms as of April 1, 2014. Accordingly, the Company had appointed M/s. Lovelock & Lewes, Chartered Accountants in its Annual General Meeting held on March 24, 2017 and whose tenure came to an end on December 31, 2017. As such, M/s. Lovelock & Lewes, who are the auditors of the Company will hold office until the conclusion of the ensuing AGM.

As per the provisions of the Act, the Company has to appoint a new audit firm to audit its books of account for the financial year ending December 31, 2018 and onwards. The Audit Committee of the Board considered and recommended appointment of M/s. Deloitte Haskins & Sells Llp, Chartered Accountants as the Statutory Auditors of the Company for a period of five years commencing from the conclusion of the ensuing 70th Annual General Meeting scheduled to be held on March 22, 2018. The Board, at its meeting held on February 6, 2018 accepted the decision of the Audit Committee and recommends for your approval the appointment of M/s. Deloitte Haskins & Sells Llp as the new Statutory Auditor of the Company.

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, reservation, adverse remark or disclaimer.

SECRETARIAL AUDITOR

The provisions of Section 204 read with Section 134(3) of the Companies Act, 2013 mandates Secretarial Audit of the Company to be done from the financial year commencing on or after April 1, 2014 by a Company Secretary in Practice. The Board in its meeting held on February 8, 2017 appointed M/s T Chatterjee & Associates, Practising Company Secretary (Firm Registration No. S2007WB097600) as the Secretarial Auditor for the financial year ending December 31, 2017. The Secretarial Auditors' Report for the financial year ending December 31, 2017 is annexed to the Boards' Report.

TRANSFER TO INVESTOR EDUCATION & PROTECTION FUND

During the financial year ended December 31, 2017, unpaid or unclaimed dividend for the financial year ended December 31, 2009 amounting to Rs 0.23 million was transferred to the Investor Education & Protection Fund established by the Central Government, in compliance with Section 125 of the Companies Act, 2013.

RESEARCH & DEVELOPMENT

The Company has obtained approval for In-house R&D facilities u/s 35(2AB) of Income Tax Act, 1961 for its units at Kolkata, Bengaluru and Noida from Government of India, Ministry of Science and Technology, New Delhi. This approval is valid till March 31, 2018. The Company will make suitable applications for renewal of approval for the above facilities in due course.

RISKS & MITIGATING STEPS

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

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.

On behalf of the Board

Partha Mitra

Director

Place: Kolkata

Date: February 6, 2018

Shailendra Hari Singh

Managing Director & CEO

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

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

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:

- Energy efficient screw compressor and pumps for chilling plant at Kolkata and Noida.
- PNG at Bangalore in place of LPG.
- LPG in place of Diesel at Third party processor units at Kolkata
- LED lights.

FORM - A

CONSERVATION OF ENERGY FOR THE ACCOUNTING PERIOD ENDED DECEMBER 31, 2017

(A) Power and Fuel Consumption

(a)	Fuel consumption	Units	2017	2016
1	Electricity			
(i)	Purchased from Electricity Board	Million	5.07	5.20
	KWH	Rs. in Million	42.46	40.53
	Total Amount	Rs./Units	8.37	7.79
	Average Rate			
(ii)	Purchased from Others	Million	6.33	6.80
	KWH	Rs. in Million	54.39	56.35
	Total Amount	Rs./Units	8.59	8.28
	Average Rate			
(iii)	Own Generation-through Diesel Generator			
	KWH	Million	0.20	0.35
	Unit generated per litre of diesel	Kwh	3.38	3.44
	Average Rate	Rs./Units	14.91	13.35
2.	HSD Used (other than 1(iii) above)			
	Ltrs	Million	0.06	0.37
	Total Amount	Rs in million	3.35	17.14
	Average Rate	Rs./Units	56.99	46.36
3.	Furnace Oil/ PNG			
	Ltrs (PNG)*	Million	0.38	0.11
	Total Amount	Rs in million	15.31	3.64
	Average Rate	Rs./Units	40.56	31.87

DIC does not use any Furnace oil.

(II) Steps taken for utilizing alternate sources of energy

- Introduction of LPG for TFH at Kokata (APP) plant in place of High Speed Diesel
- Conversion from LPG to PNG for TFH & Boiler at Bangalore plant .

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

Total amount invested in year of 2017 is Rs. 10.6 million.

(b) Research & Development

Electricity

HSD

Furnace Oil

Since the Company manufactures different types of products, it is not practical 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 colour range for Sheetfed application
- Development of Sheetfed process colours set for non-woven substrate
- Development of high-gloss Web Offset UV varnish
- Development of Water based primer and online UV varnish for twin coater application
- Development of Gravure UV varnish for paper

2. Benefits derived as a result of R&D

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

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

3. Future Plan of Action

The Company's R&D is working continuously, in collaboration with its 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:

- (a) Capital Expenditure of Rs. 19.66 million
- (b) Recurring Expenditure of Rs. 28.58 million,
- (c) Total Expenditure Rs. 48.24 million and
- (d) Total R&D Expenditure as a percentage to total Revenue from Operations was 0.65%.

C. Technology Absorption, Adoption and Innovation

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

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

2. Benefits derived as a Result of above Efforts

As a result of the aforesaid efforts, the Company has been able to expand its business reach apart from becoming more competitive. Some of the inks will provide import substitution.

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

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

The Company had also executed a 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.

D. Foreign Exchange Earnings and Outgo

Exports during the year stood at Rs. 580.10 million (from Rs. 502.44 million in 2016), registering a marginal increase of 15.45%. Earnings in foreign exchange through exports and other earnings amounted to Rs. 598.4 million (FY2015: Rs. 519.05 million). Outgo of foreign exchange on import of raw materials, spare parts, capital goods, traded goods and also in respect of royalty, dividend and other matters amounted to Rs. 2295.48 million (Rs. 2069.17 million in 2016).

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to theweb-link to the CSR policy and projects or programmes.	<p>Your Company attaches great importance to the society and environment alongside its business activities. The Company understands that its activities have wider ramifications on the society as a whole and as such it gives due consideration to all stakeholders like shareholders, government, suppliers, employees, business patrons and its local communities.</p> <p>Your Company was guided by Schedule VII of the Companies Act, 2013 (as amended from time to time) in selecting its CSR activity and has decided to focus on promoting education, especially to children in rural /slum areas. Accordingly, it executed MOU with Child Relief and You (CRY) to provide support to children in the Vikramshila project in Burdhan district of West Bengal. In a bid to augment its CSR activities, the Company signed an MOU in June 8, 2017 with NGO partner, SMILE Foundation for running of Sanskar Kendra School in Noida district of Uttar Pradesh. Brief outline of the Company's CSR objectives and its projects/programmes are mentioned in the CSR section of the Annual Report.</p> <p>The details are also provided in the CSR policy which is available on the website of the Company viz. http://www.dicindia ltd.co/corp-gov-csr.html.</p>						
2	Composition of the CSR Committee	Mr Utpal Sengupta - Chairman, Independent Director Mr Subir Bose- Independent Director Dr Reena Sen - Independent Director Mr Paul Koek - Non-executive Director Mr Shailendra Hari Singh - Managing Director & CEO						
3	Average net Profit for last 3 financial years	Rs 179.87 million						
4	Prescribed CSR expenditure (two percent of the amount as in item 3 above)	Rs 3.60 million						
5	Details of CSR spent during the financial year							
a)	Total amount to be spent for the financial year;	Rs 3.60 million						
b)	Amount unspent, if any;	Rs nil						
c) Manner in which the amount spent during the financial year is detailed below :								
S. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs		Amount Outlay (budget)* project or programs wise	Amount spent on the project or programs	Cumulative expenditure upto the reporting period	Amount spent: direct or through Implementing agency
			Area	District				
1	Improve quality of education	Promoting education {Schedule VII (ii)}	Monteswar Block	Burdwan District, West Bengal	Rs 2.54 million	Rs 2.55 million	Rs 3.24 million	Implementing Agency Child Relief & You(CRY)
			Sanskar Kendra School	Noida District, Uttar Pradesh	Rs 1.44 million	Rs 1.13 million	Rs 1.13 million	Implementing Agency – SMILE Foundation

6	In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report	Not applicable
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The CSR Committee confirms that the implementation and monitoring of the CSR policy will be in compliance with the CSR objectives and policy of the Company.

Place: Kolkata
Date: February 6, 2018

Sd/-
Mr Utpal Sengupta
Chairman, CSR Committee

Sd/-
Mr Shailendra Hari Singh
Managing Director & CEO

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 2017 (Rs in million)	% increase in remuneration in the financial year 2017 (Rs in million)	Ratio of remuneration of each director to median remuneration of employees
1	Dr P K Dutt, Chairman@	0.07	NA	0.07
2	Mr Shailendra Hari Singh, Managing Director & CEO	9.7	3 %	10.77
3	Mr D Banerjee, Independent Director	0.18	NA	0.19
4	Mr S Bose Independent Director	0.24	NA	0.26
5	Mr U Sengupta Independent Director	0.30	NA	0.32
6	Dr R Sen Independent Director	0.15	NA	0.16
7	Mr Partha Mitra@ Independent Director	0.22	NA	0.24
8	Mr K Sakai, Non-executive Director	Nil	NA	NA
9	Mr N Furuta Non-executive Director	Nil	NA	NA
10	Mr P Koek Non-executive Director	Nil	NA	NA
12	Mr S Chatterjee, Chief Finance Officer	7.45	4 %	8
13	Mr B DeSarkar, Company Secretary	1.95	6 %	2.08

@ Part of the year;

(Median Salary of the employees in 2017) : INR 0.9 million Per Annum

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

The percentage increase in the median remuneration of all management employees in the financial year 2017 was 6.5%.

The pay structure and increment of the graded staff/workers were on the basis of Union Agreement (Agreement) which was valid till December 2015. The renewal of the Agreement is already completed & the revised increments have been rolled out w.e.f. December 2015. This revision will be valid till December 2019.

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

The Company had 522 permanent employees on its rolls as on December 31, 2017.

(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 6.5%.

(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 01-01-2017 to 31-12-2017)

[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. (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, 2017**, 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, 2017 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, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.
 - 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; and
 - 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

Binita Pandey - (Partner)

Membership No: 41594

COP No. : 19730

Place: Kolkata

Date: 19th February 2018

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

To,
The Members of
DIC India 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. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
5. The Secretarial Audit is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For T. Chatterjee & Associates

Binita Pandey - (Partner)
Membership No: 41594
COPNo. : 19730

Place: Kolkata
Date: 19th February 2018

Independent Auditors' Report

To the Members of DIC India Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of **DIC India Limited** ("the Company"), which comprise the Balance Sheet as at December 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

8. 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at December 31, 2017, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except that the back up of the books of accounts and other books 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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on December 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our comment in Paragraph 10 (b) above that the back up of the books of accounts and other books and papers maintained in electronic mode has not been maintained on servers physically located in India.
 - (g) 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.
 - (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company has disclosed the impact, if any, of pending litigations as at December 31, 2017 on its financial position in its financial statements - Refer Note 26(b) to the financial statements;
 - ii. The Company has long-term contracts and derivative contracts as at December 31, 2017 for which there were no material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended December 31, 2017.

Kolkata
February 6, 2018

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

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 10(g) of the Independent Auditors' Report of even date to the members of DIC India Limited on the financial statements for the year ended December 31, 2017

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

1. We have audited the internal financial controls over financial reporting of DIC India Limited ("the Company") as of December 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. 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 deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system 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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. 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

7. 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

8. In our opinion, 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, 2017, 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.

Kolkata
February 6, 2018

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

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of DIC India Limited on the financial statements as of and for the year ended December 31, 2017

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) According to the information and explanations given by the management and the records of the Company produced to us, the title deeds of immovable properties, as disclosed in Note 8 on tangible assets to the financial Statements, are held in the name of the Company except for the cases below:

No. of Cases	Asset Category	Gross Block as at December 31, 2017 (Rs. in Million)	Net Block as at December 31, 2017 (Rs. in Million)	Remarks
2	Freehold Land	0.41	0.41	The title deeds are in the name of 'Coates of India Limited' (the erstwhile name of the Company) and the mutation of the name is pending.
4	Leasehold Land	12.88	9.32	
3	Building	2.41	0.73	

- ii. The physical verification of inventory have been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not materials.
- 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 Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186 of the Act. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products.

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

- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of duty of excise, service tax, goods and service tax, income tax, provident fund, duty of customs, professional tax and works contract tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including employees' state insurance, sales tax, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.

- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax as at December 31, 2017 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in Million)	Period to which the amount relates	Forum where the dispute is pending
Income-tax Act 1961	Income Tax	2.77	1988-89 and 1989-90	Hon'ble High Court at Calcutta
		47.16	2011-12 and 2012-13	Income Tax Appellate Tribunal
		6.66	2014-15	Deputy Commissioner of Income Taxes
Central Sales Tax Act, 1956	Central Sales Tax	6.52	2005-06	Appellate and Revisional Board
		0.60	2008-09	Commercial Taxes Tribunal
		8.88	2013-14 and 2014-15	Additional Commissioner (Appeals)
		1.61	2010-11, 2012-13 and 2013-14	Joint Commissioner of Sales Tax (Appeals)
		0.24	2014-15	Senior Joint Commissioner of Sales Tax
		2.45	2003-04, 2011-12 and 2012-13	Deputy Commissioner
West Bengal Value Added Tax Act, 2003	Value Added Tax	7.40	2005-06 and 2013-14	Appellate and Revisional Board
		0.63	2014-15	Senior Joint Commissioner of Sales Tax
Uttar Pradesh Value Added Tax Act, 2008	Value Added Tax	1.81	2009-10, 2011-12 and 2012-13	Commercial Taxes Tribunal
		2.07	2013-14 and 2014-15	Additional Commissioner (Appeals)
Haryana Value Added Tax Act, 2008	Value Added Tax	5.72	2013-14	Excise & Taxation Officer Cum Assessing Authority
Maharashtra Value Added Tax Act, 2002	Value Added Tax	0.58	2013-14	Joint Commissioner of Sales Tax
Central Excise Act, 1944	Excise Duty	5.06	1994-95 to 1996-97	Customs, Excise & Service Tax Appellate Tribunal
		13.60	1994-95, 1997-98, 2005-06 to 2010-11	Commissioner (Appeals)
Finance Act, 1994	Service Tax	2.97	2007-08 to 2012-13	Customs, Excise & Service Tax Appellate Tribunal
		33.58	2001-02 to 2011-12	Commissioner (Appeals)
Customs Act, 1962	Customs Duty	3.43	1999-2000	Hon'ble High Court at Calcutta
		25.01	2005-06, 2009-10 to 2010-11	Customs, Excise & Service Tax Appellate Tribunal

- viii. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders, as applicable, as at the Balance Sheet date.

- ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans have been applied, on an overall basis, for the purposes for which they were obtained. The Company has not raised any moneys by way of initial public offer and further public offer (including debt instruments).
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

Kolkata
February 6, 2018

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

Balance Sheet

As at 31st December 2017

(Rs. in Million)

	Note	As at 31st December 2017	As at 31st December 2016
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	91.79	91.79
Reserves and Surplus	2	2,805.84	2,929.53
		2,897.63	3,021.32
Non-current Liabilities			
Long-term Provisions	3	40.56	34.70
Current Liabilities			
Short-term Borrowings	4	350.00	-
Trade Payables	5		
Total outstanding dues of Micro Enterprises and Small Enterprises		60.45	37.30
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		1,056.91	873.32
Other Current Liabilities	6	505.11	436.24
Short-term Provisions	7	7.75	46.77
		1,980.22	1,393.63
TOTAL		4,918.41	4,449.65
ASSETS			
Non-current Assets			
Fixed Assets			
Tangible Assets	8	546.74	684.45
Intangible Assets	9	1.62	4.85
Capital Work-in-progress		65.85	36.00
		614.21	725.30
Non-current Investments			
	10	—	—
Deferred Tax Assets (Net)			
	11	46.41	33.31
Long-term Loans and Advances			
	12	62.18	41.30
Current Assets			
Inventories	13	1,217.23	1,162.16
Trade Receivables	14	2,202.69	1,961.69
Cash and Bank Balances	15	341.95	217.24
Short-term Loans and Advances	16	423.84	305.40
Other Current Assets	17	9.90	3.25
		4,195.61	3,649.74
TOTAL		4,918.41	4,449.65

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

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

On behalf of the Board

For Lovelock and LewesFirm Registration Number - 301056E
Chartered Accountants**Pinaki Chowdhury**

Partner

Membership Number: 57572
Kolkata, 6th February 2018**Partha Mitra**

Director

B. DeSarkar

Company Secretary

Kolkata, 6th February 2018

Shailendra Hari Singh

Managing Director & CEO

S. Chatterjee

Chief Finance Officer

Statement of Profit & Loss

For the year ended 31st December 2017

(Rs. in Million)

	Note	Year ended 31st December 2017	Year ended 31st December 2016
REVENUE			
Revenue from Sale of Products (Gross) (Note 46)		7,766.69	7,846.42
Less: Excise Duty (Note 46)		395.31	804.91
		7,371.38	7,041.51
Other Operating Revenues	18	34.62	30.76
Revenue from Operations (Net)		7,406.00	7,072.27
Other Income	19	46.93	66.87
TOTAL REVENUE		7,452.93	7,139.14
EXPENSES			
Cost of Materials Consumed	20	5,240.01	4,641.31
Purchases of Stock-in-Trade		317.13	276.00
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	21	(32.55)	(59.33)
Employee Benefits Expense	22	610.65	580.41
Finance Costs	23	28.97	21.69
Depreciation and Amortisation Expense	24	156.37	153.14
Other Expenses	25	1,178.55	1,217.77
TOTAL EXPENSES		7,499.13	6,830.99
Profit / (Loss) before Exceptional Item and Tax		(46.20)	308.15
Exceptional Item - Loss (Note 45)		120.59	-
Profit / (Loss) before Tax		(166.79)	308.15
Tax Expense			
Current Tax - For the Year (Note 29)		-	93.50
Current Tax- Write Back Relating to Earlier Year	(30.00)	-	-
Deferred Tax - (Credit)	(13.10)	(43.10)	(13.77)
Profit / (Loss) for the Year		(123.69)	228.42
Earnings/(Loss) Per Equity Share [Nominal Value per Share Rs. 10.00 (2016: Rs. 10.00) (Note 44)]			
- Basic and Diluted (Rs.)		(13.48)	24.89

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

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

On behalf of the Board

For Lovelock and Lewes

Firm Registration Number - 301056E
Chartered Accountants

Pinaki Chowdhury

Partner

Membership Number: 57572
Kolkata, 6th February 2018

Partha Mitra

Director

B. DeSarkar

Company Secretary

Kolkata, 6th February 2018

Shailendra Hari Singh

Managing Director & CEO

S. Chatterjee

Chief Finance Officer

Notes to the Financial Statements

	As at 31st December 2017 (No. of Shares)	As at 31st December 2017 (Rs. in Million)	As at 31st December 2016 (No. of Shares)	As at 31st December 2016 (Rs. in Million)
Note 1				
SHARE CAPITAL				
Authorised				
Equity Shares of Rs.10.00 each	15,000,000	150.00	15,000,000	150.00
Issued, Subscribed and Paid up				
Equity Shares of Rs 10.00 each fully paid	9,178,977	91.79	9,178,977	91.79
	9,178,977	91.79	9,178,977	91.79

- (a) Rights, preferences and restrictions attached to Equity Shares:

The Company has one class of Equity Shares having a par value of Rs.10.00 per Equity Share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

	As at 31st December 2017 (No. of Shares)	As at 31st December 2017 (% of holding)	As at 31st December 2016 (No. of Shares)	As at 31st December 2016 (% of holding)
(b) Shares held by the Holding Company				
DIC Asia Pacific Pte. Limited	6,586,077	71.75	6,586,077	71.75
(c) Shareholders holding more than 5% of the Shares in the Company				
DIC Asia Pacific Pte. Limited	6,586,077	71.75	6,586,077	71.75

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

NOTES TO THE FINANCIAL STATEMENTS

(Rs. in Million)

	As at 31st December 2017	As at 31st December 2016
Note 2		
RESERVES AND SURPLUS		
Capital Reserve		
At the beginning and at the end of the year	0.05	0.05
Securities Premium Account		
At the beginning and at the end of the year	654.81	654.81
General Reserve		
At the beginning of the year	655.90	655.40
Add: Transfer from Surplus in Statement of Profit and Loss	-	0.50
At the end of the year	655.90	655.90
Surplus in Statement of Profit and Loss		
At the beginning of the year	1,618.77	1,435.04
Add: Profit/(Loss) for the year	(123.69)	228.42
Amount available for Appropriation	1,495.08	1,663.46
Less: Appropriation:		
Transfer to General Reserve	-	0.50
Proposed Dividend on Equity Shares [Rs. Nil (2016: Rs. 4) per share]	-	36.72
Dividend Distribution Tax on Proposed Dividend	-	7.47
At the end of the year	1,495.08	1,618.77
	2,805.84	2,929.53
Note 3		
LONG TERM PROVISIONS		
Provision for Employee Benefits	40.56	34.70
	40.56	34.70
Note 4		
SHORT TERM BORROWINGS		
Unsecured Loans		
Loan repayable on demand:		
From a Bank		
Working Capital Demand Loan	350.00	-
	350.00	-

NOTES TO THE FINANCIAL STATEMENTS

(Rs. in Million)

	As at 31st December 2017	As at 31st December 2016
Note 5		
TRADE PAYABLES		
Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note 30)	60.45	37.30
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	1,056.91	873.32
	<u>1,117.36</u>	<u>910.62</u>
Note 6		
OTHER CURRENT LIABILITIES		
Unpaid Dividend	1.60	1.51
Other Payables		
Payable for Purchase of Fixed Assets	4.57	0.33
Payable to Government Authorities	31.69	128.80
Advance from Customers	4.31	4.30
Employee Related Liabilities	56.74	92.91
Royalty Liability to a Related Party	46.04	41.54
Security Deposits	62.18	43.47
Interest Payable	20.52	15.48
Directors' Commission Payable	-	1.57
Sales Commission and Discount Liabilities	140.46	106.33
Advance for Sale of Land	137.00	-
	<u>505.11</u>	<u>436.24</u>
Note 7		
SHORT TERM PROVISIONS		
Provision for Employee Benefits	7.23	2.20
Others		
Provision for Mark-to-Market Losses on Derivatives	0.52	0.38
Proposed Dividend on Equity Shares	-	36.72
Dividend Distribution Tax on Proposed Dividend	-	7.47
	<u>7.75</u>	<u>46.77</u>

NOTES TO THE FINANCIAL STATEMENTS

Note 8

TANGIBLE ASSETS

(Rs. in Million)

Particulars	Gross Block				Depreciation/ Amortisation				Impairment	Net Block	
	Cost as at 1st January 2017	Additions during the year	Disposals during the year	Cost as at 31st December 2017	As at 1st January 2017	For the year	On Disposals during the year	As at 31st December 2017	For the year and as at 31st December 2017 (Note 45)	As at 31st December 2017	As at 31st December 2016
Land-Freehold	9.72	-	-	9.72	-	-	-	-	-	9.72	9.72
Land-Leasehold	17.47	-	-	17.47	6.45	0.45	-	6.90	-	10.57	11.02
Buildings	286.15	25.38	-	311.53	142.33	15.80	-	158.13	28.89	124.51	143.82
Plant and Equipments	1,507.14	98.31	20.22	1,585.23	1,008.12	125.91	17.78	1,116.25	85.11	383.87	499.02
Furniture and Fixtures	34.03	5.22	1.24	38.01	23.39	5.32	1.12	27.59	1.59	8.83	10.64
Vehicles	1.45	-	0.36	1.09	1.04	0.19	0.31	0.92	-	0.17	0.41
Office Equipments	7.72	-	0.14	7.58	7.16	0.10	0.13	7.13	-	0.45	0.56
Computers	47.20	5.36	4.85	47.71	37.94	5.37	4.80	38.51	0.58	8.62	9.26
Total	1,910.88	134.27	26.81	2,018.34	1,226.43	153.14	24.14	1,355.43	116.17	546.74	684.45

Particulars	Gross Block				Depreciation/ Amortisation				Impairment	Net Block	
	Cost as at 1st January 2016	Additions during the year	Disposals during the year	Cost as at 31st December 2016	As at 1st January 2016	For the year	On Disposals during the year	As at 31st December 2016	For the year and as at 31st December 2016 (Note 45)	As at 31st December 2016	As at 31st December 2015
Land-Freehold	9.72	-	-	9.72	-	-	-	-	-	9.72	9.72
Land-Leasehold	17.47	-	-	17.47	6.00	0.45	-	6.45	-	11.02	11.47
Buildings	266.95	22.17	2.97	286.15	129.63	14.37	1.67	142.33	-	143.82	137.32
Plant and Equipments	1,432.12	99.17	24.15	1,507.14	905.33	124.38	21.59	1,008.12	-	499.02	526.79
Furniture and Fixtures	29.50	8.11	3.58	34.03	23.07	3.69	3.37	23.39	-	10.64	6.43
Vehicles	1.94	0.17	0.66	1.45	1.44	0.15	0.55	1.04	-	0.41	0.50
Office Equipments	7.58	0.14	-	7.72	7.00	0.16	-	7.16	-	0.56	0.58
Computers	40.72	7.99	1.51	47.20	35.73	3.70	1.49	37.94	-	9.26	4.99
Total	1,806.00	137.75	32.87	1,910.88	1,108.20	146.90	28.67	1,226.43	-	684.45	697.80

Title deeds of the above immovable properties are held in the name of DIC India Limited except two cases of Freehold Land [Gross Block and Net Block Rs. 0.41 Million (Previous Year – Rs. 0.41 Million)], four cases of Leasehold Land [Gross Block Rs. 12.88 Million (Previous Year- Rs. 12.88 Million), Net Block Rs. 9.32 Million (Previous year – Rs. 9.46 Million)] and three cases of Buildings [Gross Block Rs. 2.41 Million (Previous Year – Rs. 2.41 Million), Net Block Rs. 0.73 Million (Previous Year – Rs. 0.77 Million)], which are in the name of 'Coates of India Limited' (the erstwhile name of the Company) and the mutation of the name is pending.

Note 9

INTANGIBLE ASSETS

Particulars	Gross Block				Amortisation				Net Block	
	Cost as at 1st January 2017	Addition during the year	Disposals during the year	Cost as at 31st December 2017	As at 1st January 2017	For the year	Disposals during the year	As at 31st December 2017	As at 31st December 2017	As at 31st December 2016
Computer Software - Acquired	56.51	-	-	56.51	51.66	3.23	-	54.89	1.62	4.85
Total	56.51	-	-	56.51	51.66	3.23	-	54.89	1.62	4.85

Particulars	Gross Block				Amortisation				Net Block	
	Cost as at 1st January 2016	Addition during the year	Disposals during the year	Cost as at 31st December 2016	As at 1st January 2016	For the year	Disposals during the year	As at 31st December 2016	As at 31st December 2016	As at 31st December 2015
Computer Software - Acquired	56.08	1.83	1.40	56.51	46.70	6.24	1.28	51.66	4.85	9.38
Total	56.08	1.83	1.40	56.51	46.70	6.24	1.28	51.66	4.85	9.38

As at
31st December
2017

As at
31st December
2016

Note 10

NON CURRENT INVESTMENTS (At Cost)

Long-Term Investments - Unquoted

Other than Trade - Investment in Equity Instruments

Magnum Tower Co-operative Housing Society Ltd., 10 Equity shares of Rs. 50.00 each fully paid (Rs.500.00)*	- #	- #
Sheffield Towers Co-operative Housing Society Ltd., 5 Equity shares of Rs. 50.00 each fully paid (Rs.250.00)*	- #	- #
Mani Towers Flat Owners Association, 20 Equity shares of Rs 10.00 each fully paid (Rs.200.00)*	- #	- #

Aggregate Amount of Unquoted Investments

* These investments relate to ownership flats included in fixed assets

Figures are below the rounding off norm adopted by the Company

NOTES TO THE FINANCIAL STATEMENTS

(Rs. in Million)

	As at 31st December 2017	As at 31st December 2016
Note 11		
DEFERRED TAX ASSETS (NET)		
Deferred Tax Assets		
Employees' Separation Costs	11.06	26.48
Provision for Doubtful Debts	12.36	12.06
Depreciation	6.11	-
Expenses allowable for tax purpose on payment	16.88	38.72
	46.41	77.26
Deferred Tax Liabilities		
Depreciation	-	43.95
Deferred Tax Assets (Net)	46.41	33.31
Note 12		
LONG TERM LOANS AND ADVANCES		
Unsecured, Considered good		
Capital Advances	9.90	6.62
Security Deposits	34.25	34.02
Prepaid / Advance for Expenses	17.57	-
Employee Loans	0.46	0.66
	62.18	41.30
Note 13		
INVENTORIES (At lower of Cost and Net Realizable Value)		
Raw Materials (includes in Transit Rs. 84.51 Million; 2016: Rs. 68.30 Million)	592.67	519.70
Work-in-Progress (includes in Transit Rs. 6.63 Million; 2016: Rs. 4.40 Million)	143.44	149.06
Finished Goods (includes in Transit Rs. 83.19 Million; 2016: Rs. 70.17 Million)	420.38	433.15
Stock-in-Trade (includes in Transit Rs. 0.38 Million; 2016: Rs. 10.33 Million)	26.52	30.63
Stores and Spares (includes in Transit Rs. 0.71 Million; 2016: Rs. 0.11 Million)	20.47	17.08
Containers (includes in Transit Rs. 0.46 Million; 2016: Rs. 0.01 Million)	13.75	12.54
	1,217.23	1,162.16
Note 14		
TRADE RECEIVABLES		
Debts outstanding for a period exceeding six months from the date they are due for payment		
Considered Good - Secured	0.63	0.50
Considered Good - Unsecured	5.15	0.85
Considered Doubtful	23.08	18.52
	28.86	19.87
Less : Provision for Doubtful Debts	23.08	18.52
	5.78	1.35
Other Debts		
Considered Good - Secured	55.87	39.28
Considered Good - Unsecured	2,141.04	1,921.06
Considered Doubtful	12.65	16.32
	2,209.56	1,976.66
Less : Provision for Doubtful Debts	12.65	16.32
	2,196.91	1,960.34
	2,202.69	1,961.69

NOTES TO THE FINANCIAL STATEMENTS

(Rs. in Million)

	As at 31st December 2017	As at 31st December 2016
Note 15		
CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Cash on hand	0.20	0.18
Balances with Banks in Current Accounts	340.03	215.47
	<u>340.23</u>	<u>215.65</u>
Other Bank Balances		
Fixed Deposit Accounts (original maturity of more than twelve months)	0.12	0.08
Balances with Banks in Unpaid Dividend Accounts	1.60	1.51
	<u>341.95</u>	<u>217.24</u>
Note 16		
SHORT TERM LOANS AND ADVANCES		
Unsecured, Considered good		
Loans and Advances to Related Parties [Note 41 (ii)]	44.77	55.15
Others		
Advances / Deposits with Government Authorities	221.29	133.37
Supplier Advances	60.36	52.38
Prepaid Expenses	10.05	8.94
Loans / Advances to Employees	6.93	8.62
Advance Payment of Current Tax [Net of Provision Rs. 655.73 Million (2016: Rs. 689.86 Million)]	80.44	46.94
	<u>379.07</u>	<u>250.25</u>
	<u>423.84</u>	<u>305.40</u>
Note 17		
OTHER CURRENT ASSETS		
Unsecured, Considered Good		
Duty Drawback Receivable	5.94	1.70
Insurance Claim Receivable	1.92	0.99
Interest Receivable	0.55	0.44
Other Receivable	1.49	0.12
	<u>9.90</u>	<u>3.25</u>

NOTES TO THE FINANCIAL STATEMENTS

(Rs. in Million)

	Year ended 31st December 2017		Year ended 31st December 2016
Note 18			
OTHER OPERATING REVENUES			
Sale of Containers	15.94		16.42
Commission Income	8.54		3.91
Duty Drawback	7.56		7.35
Insurance Claim	2.58		3.08
	<u>34.62</u>		<u>30.76</u>
Note 19			
OTHER INCOME			
Interest Income on Loans and Deposits	0.71		1.79
Management / Service Fees	10.70		13.51
Provision for Doubtful Debts Written Back	19.23		28.14
Liabilities no longer Required Written Back	15.39		22.94
Miscellaneous Receipts	0.90		0.49
	<u>46.93</u>		<u>66.87</u>
Note 20			
COST OF MATERIALS CONSUMED			
Raw materials consumed			
Opening Inventory	519.70		434.66
Add : Purchases	4,947.75		4,401.05
Less : Closing Inventory	<u>592.67</u>		<u>519.70</u>
Cost of Raw Materials Consumed	4,874.78		4,316.01
Containers consumption			
Opening Inventory	12.54		14.83
Add : Purchases	366.44		323.01
Less : Closing Inventory	<u>13.75</u>		<u>12.54</u>
Cost of Containers Consumed	365.23		325.30
	<u>5,240.01</u>		<u>4,641.31</u>
Note 21			
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE			
Finished Goods			
Opening Inventory	433.15		374.67
Closing Inventory	<u>420.38</u>	12.77	<u>433.15</u>
			(58.48)
Work-in-Progress			
Opening Inventory	149.06		127.29
Closing Inventory	<u>143.44</u>	5.62	<u>149.06</u>
			(21.77)
Stock-in-Trade			
Opening Inventory	30.63		44.31
Closing Inventory	<u>26.52</u>	4.11	<u>30.63</u>
			13.68
Excise Duties on Increase / (Decrease) of Finished Goods	(55.05)		7.24
	<u>(32.55)</u>		<u>(59.33)</u>

NOTES TO THE FINANCIAL STATEMENTS

(Rs. in Million)

	Year ended 31st December 2017	Year ended 31st December 2016
Note 22		
EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	513.88	486.87
Contribution to Provident and Other Funds (Note 43)	55.44	46.25
Staff Welfare Expenses	41.33	47.29
	<u>610.65</u>	<u>580.41</u>
Note 23		
FINANCE COSTS		
Interest Expenses	28.37	20.84
Other Borrowing Costs	0.60	0.85
	<u>28.97</u>	<u>21.69</u>
Note 24		
DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation on Tangible Assets	152.69	146.45
Amortisation on Leasehold Land	0.45	0.45
Amortisation on Intangible Assets	3.23	6.24
	<u>156.37</u>	<u>153.14</u>
Note 25		
OTHER EXPENSES		
Consumption of Stores and Spare Parts (Note 33)	79.62	88.75
Power and Fuel	130.81	139.59
Rent (Note 28)	38.49	38.96
Repairs to Buildings	4.90	11.65
Repairs to Machinery	36.30	45.04
Other Repairs	4.16	6.42
Insurance	15.39	17.08
Rates and Taxes, excluding Taxes on Income	57.63	102.00
Selling Agents' Commission	106.15	75.07
Travelling Expenses	56.17	44.85
Despatching Expenses	275.55	263.97
Processing Charges	49.65	50.81
Royalty	94.20	93.08
Net Loss on Foreign Currency Transaction and Translation	9.05	8.47
Provision for Doubtful Debts	20.12	21.94
Bad Debts Written Off	0.24	18.11
Auditors' Remuneration (Note 34)	4.94	4.34
Loss on Disposal of Tangible Fixed Assets	2.20	3.45
Expenditure towards Corporate Social Responsibility Activities (Note 25.1)	3.68	1.96
Miscellaneous Expenses	189.30	182.23
	<u>1,178.55</u>	<u>1,217.77</u>
Note 25.1		
Corporate Social Responsibility (CSR) Expenditure:		
(a) Gross amount required to be spent by the Company during the year	3.60	2.53
(b) Amount spent during the year on:		
- Construction / Acquisition of any Asset	-	-
- On Other Purposes (Paid)	3.68	1.96

NOTES TO THE FINANCIAL STATEMENTS

26. (a) Commitments

Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) Rs. 33.55 Million (2016- Rs. 10.05 Million)

(b) Contingent Liabilities

Claims against the Company not acknowledged as debt :

- i) Income Tax matters Rs.34.64 Million (2016 - Rs. 84.38 Million) pending in appeals.
- ii) Disputed Indirect Tax matters for which appeals before the relevant authorities are pending disposal are as follows :
 - a) Custom Duty matters Rs.20.16 Million (2016 - Rs.20.16 Million)
 - b) Excise Duty matters Rs.30.68 Million (2016 - Rs.44.49 Million)
 - c) Service Tax matters Rs. 36.88 Million (2016 - Rs.41.05 Million)
 - d) Sales Tax / VAT / Entry Tax matters Rs. 42.33 Million (2016 - Rs.26.30 Million)

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

27. Derivative Instruments and Unhedged Foreign Currency Exposure

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

(in Million)

Currency	As at 31st December 2017			As at 31st December 2016		
	Sell	Buy	Net	Sell	Buy	Net
USD	-	1.10	(1.10)	-	0.60	(0.60)
EURO	-	-	-	-	0.27	(0.27)
JPY	-	15.00	(15.00)	-	40.00	(40.00)
GBP	-	-	-	-	-	-

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

(in Million)

Currency	As at 31st December 2017			As at 31st December 2016		
	Sell	Buy	Net	Sell	Buy	Net
USD	2.03	2.71	(0.68)	1.46	2.39	(0.93)
EURO	0.10	0.14	(0.04)	0.07	0.24	(0.17)
JPY	22.83	109.61	(86.78)	17.84	95.88	(78.04)
GBP	-	0.01	(0.01)	-	0.03	(0.03)
AUD	-	0.11	(0.11)	-	0.01	(0.01)
SGD	-	0.01	(0.01)	-	-	-
CHF	-	-	-	0.03	0.03	*

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

- (c) Mark-to-market losses provided for as at the year end Rs.0.52 Million (2016 - Rs. 0.38 Million)

28. Assets acquired under Operating Lease

- (a) The Company's significant leasing arrangements are in respect of operating leases for premises (like residential property, office premises, godowns, etc). These leasing arrangements, which are cancellable, range between 11 months to 4 years generally, or longer, and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals in this regard amounting to Rs. 34.85 Million (2016 - Rs.34.56 Million) are charged as Rent under Note 25.

NOTES TO THE FINANCIAL STATEMENTS

- (b) The Company acquired certain assets under Operating lease, which are non-cancellable for a period of four to five years with an option to renew the same for a further period at a minimum rent. Details of Lease payments outstanding as at 31st December 2017 are given below:

	Minimum lease payments due	
	2017 (Rs. in Million)	2016 (Rs. in Million)
Not later than one year	8.26	2.92
Later than one year and not later than five years	22.56	5.22
Lease Payment recognised in the Statement of Profit and Loss (Note 25)	3.64	4.40

29. Provision for Taxation

Provision for taxation made in these accounts is based on the results for the current financial period including the results for the period from 1st January 2017 to 31st March 2017 forming part of the assessment year 2017-2018. Ultimate liability for taxation for the assessment year 2018-2019 will be determined on the basis of the results for the last nine months of the current financial period together with that of subsequent three months upto 31st March 2018 as one composite income.

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

	2017 (Rs. in Million)	2016 (Rs. in Million)
(i) The Principal amount and Interest due thereon remaining unpaid to any supplier		
Principal	60.45	37.30
Interest	-	-
(ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 alongwith the amount of the payment made to the supplier beyond the appointed day during the year		
Principal	-	-
Interest	-	4.59
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding interest specified under MSMED Act, 2006.		
Principal	26.85	35.37
Interest	0.38	0.56
(iv) The amount of interest accrued and remaining unpaid at the end of the accounting year [including Rs. 2.92 Million (2016 - Rs. 2.36 Million) being interest outstanding as at the beginning of the accounting year]	3.30	2.92
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due on above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	0.38	0.56

Note :

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

NOTES TO THE FINANCIAL STATEMENTS

31. (a) Details relating to Raw Materials Consumed

Class of Goods	2017 (Rs. in Million)	2016 (Rs. in Million)
Pigments	1,446.14	1,392.93
Resins	1,267.35	1,142.88
Oil	398.90	433.98
Solvents	1,085.18	846.34
Miscellaneous Chemicals	677.21	499.88
Rubber Blanket	-	*
TOTAL	4,874.78	4,316.01

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

(b) Details relating to Closing Stock of Raw Materials

Class of Goods	2017 (Rs. in Million)	2016 (Rs. in Million)
Pigments	170.87	146.05
Resins	209.66	178.38
Oil	13.85	14.62
Solvents	50.45	47.03
Miscellaneous Chemicals	147.84	133.62
TOTAL	592.67	519.70

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

(Rs. in Million)

	Opening Stock	Closing Stock	Sales
Printing Inks	405.93 (338.69)	377.04 (405.93)	6,786.38 (6,917.50)
Press Room Chemicals	* *	- *	- *
Rubber Blankets	0.04 (0.69)	- (0.04)	- (1.31)
Lamination Adhesive	27.18 (35.29)	43.34 (27.18)	599.30 (547.04)
TOTAL	433.15 (374.67)	420.38 (433.15)	7,385.68 (7,465.85)

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

Figures within brackets relate to previous year.

(ii) Details relating to Stock, Purchases and Sales of Goods Traded-in:

(Rs. in Million)

Class of Goods	Opening Stock	Purchase	Sales	Closing Stock
Press Aid	0.54 (0.78)	0.50 (0.58)	0.60 (0.83)	0.11 (0.54)
Printing Inks	16.59 (15.20)	30.77 (16.65)	36.97 (27.63)	10.92 (16.59)
Chemicals	13.50 (28.33)	239.71 (244.77)	296.40 (334.62)	15.49 (13.50)
Others	- -	46.15 (14.00)	47.04 (17.49)	- -
Total	30.63 (44.31)	317.13 (276.00)	381.01 (380.57)	26.52 (30.63)

Figures within brackets relate to previous year.

NOTES TO THE FINANCIAL STATEMENTS

	2017 (Rs. in Million)	2016 (Rs. in Million)
(iii) Details relating to Work-in-Progress		
Printing Inks	136.41	144.66
Lamination Adhesive	7.03	4.40
	143.44	149.06
33. Consumption of Stores and Spare Parts		
Consumption of Stores and Spare parts debited to various heads included in Note 25 are as follows:		
(i) Repairs to Machinery	5.98	4.80
(ii) Consumption of Stores and Spare Parts	79.62	88.75
(iii) Power and Fuel	33.38	40.84
	118.98	134.39
34. Aggregate amount paid/ payable to the Auditors		
As Auditor		
(i) Audit Fees	2.20	2.40
(ii) Tax Audit	1.15	1.00
(iii) Other Matters	1.35	0.80
(iv) Out of Pocket Expenses	0.22	0.11
(v) Service Tax and Education Cess (net of cenvat credit)	0.02	0.03
	4.94	4.34
35. CIF Value of Imports		
Raw Materials	1,787.44	1,587.84
Containers	2.31	0.09
Spare Parts	16.64	22.86
Capital Goods	17.56	37.77
Goods Traded-in	267.57	253.04
36. Expenditure in Foreign Currency on Account of		
Royalty	94.20	93.08
Others (includes bank charges, maintenance charges, commission and travelling)	83.42	48.15
37. Details relating to Consumption		
	2017	2016
	Value (Rs. in Million)	Value (Rs. in Million)
(i) Raw Material		
Imported	1,906.59	1,695.51
Indigenous	2,968.19	2,620.50
Total	4,874.78	4,316.01
(ii) Containers		
Imported	2.49	1.70
Indigenous	362.74	323.60
Total	365.23	325.30
(iii) Stores and Spare Parts		
Imported	8.74	12.06
Indigenous	110.24	122.33
Total	118.98	134.39

NOTES TO THE FINANCIAL STATEMENTS

	2017 (Rs. in Million)	2016 (Rs. in Million)
38. Amount remitted during the year in Foreign Currency on account of Dividend		
Amount Remitted - (INR)	26.34	26.34
USD Value 0.40 Million (2016- 0.40 Million)		
Year to which such Dividend related	2016	2015
Number of Non-resident Shareholder(s)	One	One
Number of shares held by Non-resident Shareholder(s) on which the dividends were due	6,586,077	6,586,077

	2017 (Rs. in Million)	2016 (Rs. in Million)
39. Earnings in Foreign Exchange		
Export of goods on FOB basis	580.10	502.44
Management / Service Fees	9.76	12.70
Commission Income	8.54	3.91

40. Expenditure on Research and Development			
	2017 (Rs. in Million)	2016 (Rs. in Million)	2015 (Rs. in Million)
Revenue Expenditure includes on account of Research and Development	28.58	33.15	27.79
Capital Expenditure includes on account of Research and Development	19.66	32.51	4.55
	48.24	65.66	32.34

41. Related Parties Disclosures (in accordance with Accounting Standard 18 specified under the Act)**(i) Related Parties****Names of Related Parties****Relationship****(A) Where control exists**

DIC Corporation, Japan

Ultimate Holding Company

DIC Asia Pacific Pte Ltd., Singapore

Holding Company

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

Benda-Lutz Werke GmbH

Fellow Subsidiary

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 Graphics Corporation

Fellow Subsidiary

DIC Graphics (Thailand) Co. Ltd.

Fellow Subsidiary

NOTES TO THE FINANCIAL STATEMENTS

DIC Performance Resins GmbH	Fellow Subsidiary
DIC Lanka (Private) Ltd.	Fellow Subsidiary
DIC New Zealand Ltd	Fellow Subsidiary
Hartmann Druckfarben GmbH	Fellow Subsidiary
Nantong DIC Color Co., Ltd.	Fellow Subsidiary
PT. DIC Graphics	Fellow Subsidiary
Siam Chemical Industry Co., Ltd.	Fellow Subsidiary
Sun Chemical AG	Fellow Subsidiary
Sun Chemical B.V.	Fellow Subsidiary
Sun Chemical Ltd, Canada	Fellow Subsidiary
Sun Chemical Group S.p.A.	Fellow Subsidiary
Sun Chemical N.V./S.A.	Fellow Subsidiary
Sun Chemical ZAO	Fellow Subsidiary
Sun Chemical (South Africa) (Pty.) Ltd.	Fellow Subsidiary
Sun Chemical S.A.U	Fellow Subsidiary
Sun Chemical Limited	Fellow Subsidiary
Sun Chemical S.A.S	Fellow Subsidiary
Sun Chemical Corporation	Fellow Subsidiary
Sun Chemical matbaa Murekkepleri Ve Gerecleri Sanayii Ve Ticaret A.S.	Fellow Subsidiary
Sun Chemical (Chile) S.A.	Fellow Subsidiary
Sun Chemical S.A.	Fellow Subsidiary
Mr. Yasuo Ikeda (up to 11th November, 2016)	Key Management Personnel
Mr. Shailendra Hari Singh	Key Management Personnel

NOTES TO THE FINANCIAL STATEMENTS

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

(Rs. in Million)

Particulars	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	Key Management Personnel	Total
Transactions during the year					
Purchases of Goods	191.29 (184.66)	188.67 (135.60)	380.23 ⁽¹⁾ (318.51)	- (-)	760.19 (638.77)
Maintenance Charges / Other Expenses incurred	7.86 (-)	36.26 (36.45)	1.98 (-)	- (-)	46.10 (36.45)
Royalty Expense	94.20 (93.08)	- (-)	- (-)	- (-)	94.20 (93.08)
Sale of Products	0.15 (-)	- (-)	178.30 ⁽²⁾ (135.74)	- (-)	178.45 (135.74)
Commission Income	8.54 (3.82)	- (-)	- (0.09)	- (-)	8.54 (3.91)
Management Fee Income	10.01 (12.52)	0.69 (0.99)	- (-)	- (-)	10.70 (13.51)
Dividend Paid	- (-)	26.34 (26.34)	- (-)	- (-)	26.34 (26.34)
Remuneration	- (-)	- (-)	- (-)	9.70 ⁽⁹⁾ (23.05)	9.70 (23.05)
Reimbursement of Expenses	44.39 (50.11)	32.64 (39.13)	4.32 ⁽³⁾ (3.31)	- (-)	81.35 (92.55)
Purchase of MEIS License	- (-)	- (-)	12.68 ⁽⁴⁾ (-)	- (-)	12.68 (-)
Outstanding as at the year end :					
Trade Payables	47.17 (42.11)	68.03 (79.00)	108.89 ⁽⁵⁾ (76.03)	- (-)	224.09 (197.14)
Payable for Purchase of MEIS License	- (-)	- (-)	9.32 ⁽⁶⁾ (-)	- (-)	9.32 (-)
Employee Related Liabilities	- (-)	- (-)	- (-)	1.22 ⁽¹⁰⁾ (9.10)	1.22 (9.10)
Royalty Liability	46.04 (41.54)	- (-)	- (-)	- (-)	46.04 (41.54)
Trade Receivables	- (-)	- (-)	56.87 ⁽⁷⁾ (27.72)	- (-)	56.87 (27.72)
Short-term Loans and Advances	31.21 (43.90)	13.41 (10.86)	0.15 ⁽⁸⁾ (0.39)	- (-)	44.77 (55.15)

Figures within brackets relate to previous year.

- (1) Purchases of Goods from Fellow Subsidiaries include purchases from DIC Fine Chemicals Private Limited Rs.123.28 Million (2016 - Rs.115.28 Million), DIC Compounds (Malaysia) Sdn. Bhd. Rs.67.84 Million (2016 - Rs.58.04 Million) and Nantong DIC Colour Co. Ltd Rs. 46.73 Million (2016 - Rs Nil).
- (2) Sale of Products to Fellow Subsidiaries include sales to DIC Australia Pty Ltd. Rs. 159.36 Million (2016- Rs.104.96 Million).
- (3) Reimbursement of Expenses from Fellow Subsidiaries include reimbursement from DIC Fine Chemicals Private Limited Rs. 2.39 Million (2016- Rs.3.31 Million) and DIC Graphics Corporation Rs. 1.86 Million (2016 - Rs Nil).
- (4) Purchase of MEIS License from Fellow Subsidiaries include purchase from DIC Fine Chemicals Private Limited Rs.12.68 Million (2016 - Rs. Nil).
- (5) Trade Payables to Fellow Subsidiaries include payable to DIC Fine Chemicals Private Limited Rs. 60.08 Million (2016 - Rs.32.39 Million), DIC (Shanghai) Co. Ltd Rs. 13.16 Million (2016 - Rs Nil) and Nantong DIC Colour Co. Ltd Rs. 11.89 Million (2016- Rs. 3.05 Million).
- (6) Payable for Purchase of MEIS License from Fellow Subsidiaries include payable to DIC Fine Chemicals Private Limited Rs. 9.32 Million (2016 - Rs. Nil).
- (7) Trade Receivables from Fellow Subsidiaries include receivable from DIC Australia Pty Ltd. Rs. 54.37 Million (2016 - Rs.20.02 Million).
- (8) Short-term Loans and Advances to Fellow Subsidiaries include receivable from DIC Fine Chemical Private Limited. Rs. 0.07 Million (2016 - Rs.Nil), Siam Chemical Industry Co. Ltd Rs.0.04 Million (2016- Rs. Nil) and DIC Lanka (Private) Ltd. Rs. 0.03 Million (2016 - Rs Nil).
- (9) Remuneration includes remuneration to Mr. Shailendra Hari Singh Rs. 9.70 Million (2016 : Rs. 12.59 Million).
- (10) Employee Related Liabilities include payable to Mr. Shailendra Hari Singh Rs.1.22 Million (2016 : Rs. 5.13 Million).

NOTES TO THE FINANCIAL STATEMENTS

42. Segment Information

Information about Primary Business Segments

(Rs. in Million)

	Printing Ink		Adhesive		Total	
	2017	2016	2017	2016	2017	2016
REVENUE						
External Sales (Net of Excise Duty)	6,794.47	6,538.65	576.91	502.86	7,371.38	7,041.51
Total Revenue	6,794.47	6,538.65	576.91	502.86	7,371.38	7,041.51
RESULTS						
Segment Results*	116.43	414.95	(160.45)	7.83	(44.02)	422.78
Unallocable Expenses					(108.70)	(111.81)
Unallocable Income					14.90	18.87
Interest Expenses (including other borrowing cost)					(28.97)	(21.69)
Tax Expense / (Credit)					43.10	(79.73)
Profit / (Loss) for the Year	116.43	414.95	(160.45)	7.83	(123.69)	228.42
OTHER INFORMATION						
Segment Assets	3,787.17	3,501.58	345.49	407.38	4,132.66	3,908.96
Unallocable Assets					785.76	540.69
Total Assets	3,787.17	3,501.58	345.49	407.38	4,918.41	4,449.65
Segment Liabilities	1,422.44	1,022.38	87.18	81.60	1,509.62	1,103.98
Unallocable Liabilities					511.16	324.35
Total Liabilities	1,422.44	1,022.38	87.18	81.60	2,020.78	1,428.33
Depreciation and Amortisation	137.06	133.38	8.56	9.22	145.62	142.60
Impairment Loss	-	-	120.59	-	120.59	-
Capital Expenditure including CWIP	147.48	126.02	17.59	8.53	165.07	134.55
Non-Cash Expenditure other than Depreciation and Amortisation and Impairment	22.55	38.57	0.01	4.93	22.56	43.50

* Including exceptional item

Notes:

- The Company has considered business segment as the primary segment for disclosure on the basis that the risks and returns of the Company is primarily determined by the nature of products. The components of this business segment is Printing Inks (including allied products) and Adhesives.
- The Segment wise revenue, results, assets and liabilities relate to the respective amounts identifiable to each of the segments. Unallocable income/ expenses refer to income/ expenses which relate to the Company as a whole and are not allocable to segments on a reasonable basis.
- The Company operates predominantly within the geographical limits of India and accordingly secondary segments have not been considered.

NOTES TO THE FINANCIAL STATEMENTS

43. Post Employment Defined Benefit Plans

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

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

		Pension	Gratuity	Retirement Benefit
Present value of Defined Benefit Obligation	2017	25.36	98.54	6.69
	2016	27.71	90.14	6.17
	2015	27.23	79.56	5.35
	2014	37.13	82.28	5.34
	2013	43.18	88.30	5.46
Fair Value of Plan Assets	2017	23.32	96.18	-
	2016	27.62	89.88	-
	2015	27.13	84.32	-
	2014	42.95	80.46	-
	2013	55.32	89.59	-
Net Asset / (Liability)	2017	(2.04)	(2.37)	(6.69)
	2016	(0.09)	(0.26)	(6.17)
	2015	(0.10)	*	(5.35)
	2014	-	(1.82)	(5.34)
	2013	12.14	1.29	(5.46)
Experience Adjustments on Plan Assets [Gain/ (Loss) during the year]	2017	(0.44)	0.90	-
	2016	1.88	1.88	-
	2015	(0.54)	0.07	-
	2014	0.41	0.13	-
	2013	0.99	1.24	-
Experience Adjustments on Obligations [(Gain)/ Loss during the year]	2017	2.95	12.76	0.90
	2016	1.30	1.13	0.27
	2015	0.52	1.89	0.03
	2014	3.05	14.58	6.89
	2013	(1.15)	5.09	0.32

* Restricted to lower of the amount per computation above and present value of any economic benefits available in the form of refunds from the Plan or reductions in future contributions to the Plan.

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

		Pension	Gratuity	Retirement Benefit
Current Service Cost	2017	-	6.61	0.18
	2016	-	6.24	0.21
Interest Cost	2017	1.72	5.86	0.41
	2016	2.05	5.99	0.40
Expected Return on Plan Assets	2017	(1.72)	(6.20)	
	2016	(2.02)	(6.56)	-
Actuarial Loss/(Gain)	2017	2.14	6.13	0.53
	2016	(0.67)	4.35	0.71
Total*	2017	2.14	12.40	1.12
	2016	(0.64)	10.02	1.32

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

NOTES TO THE FINANCIAL STATEMENTS

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

(Rs. in Million)

		Pension	Gratuity	Retirement Benefit
Opening Present Value of Defined Benefit Obligation	2017	27.71	90.14	6.17
	2016	27.23	79.56	5.35
Current Service Cost	2017	-	6.61	0.18
	2016	-	6.24	0.21
Interest Cost	2017	1.72	5.86	0.41
	2016	2.05	5.99	0.40
Actuarial Loss/(Gain)	2017	1.70	7.03	0.53
	2016	1.21	6.23	0.71
Benefits Paid	2017	(5.77)	(11.10)	(0.60)
	2016	(2.78)	(7.88)	(0.50)
Closing Present Value of Defined Benefit Obligation	2017	25.36	98.54	6.69
	2016	27.71	90.14	6.17

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

		Pension	Gratuity
Opening Fair Value of Plan Assets	2017	27.62	89.88
	2016	27.13	84.32
Expected Return on Plan Assets	2017	1.72	6.20
	2016	2.02	6.56
Actuarial Gain/ (Loss)	2017	(0.44)	0.90
	2016	1.88	1.88
Contributions by Employer	2017	0.19	10.30
	2016	(0.63)	5.00
Benefits Paid	2017	(5.77)	(11.10)
	2016	(2.78)	(7.88)
Closing Fair Value of Plan Assets	2017	23.32	96.18
	2016	27.62	89.88

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

		Pension	Gratuity
Govt. of India Securities / Deposits	2017	67%	9%
	2016	67%	10%
PSU Bonds / State Securities	2017	22%	-
	2016	19%	-
Corporate Bonds	2017	4%	11%
	2016	4%	12%
Insurance Managed Funds	2017	4%	78%
	2016	5%	77%
Bank Balances	2017	3%	2%
	2016	5%	1%
Total	2017	100%	100%
	2016	100%	100%

NOTES TO THE FINANCIAL STATEMENTS

(vi) Actual Return on Plan Assets :

	2017	2016
Pension	1.28	3.90
Gratuity	7.10	8.44

(vii) Principal Actuarial assumptions used:

		2017	2016
Discount rates			
Pension		7.34%	6.93%
Gratuity		7.59%	6.93%
Retirement Benefit		7.61%	6.93%
Expected rate of return on plan assets		6.93%	7.92%
Expected salary increase rates	For Management Staff	5% and NIL for pension / retirement benefits	5% and NIL for pension / retirement benefits
	For Unionised Staff	4% and NIL for pension / retirement benefits	4% and NIL for pension / retirement benefits
Mortality rates		Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

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

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

- (b) In terms of Guidance on implementing Accounting Standard 15 (Revised 2005) on Employee Benefits issued by the Accounting Standard Board of the Institute of Chartered Accountants of India (ICAI), a provident fund set up by the Company is treated as a defined benefit plan in view of the Company's obligation to meet shortfall, if any, on account of interest.

The Actuary has carried out actuarial valuation of plan's liabilities and interest rate guarantee obligations as at the balance sheet date using Projected Unit Credit Method and Deterministic Approach as outlined in the Guidance Note 29 issued by the Institute of Actuaries of India. Based on such valuation, there is no future anticipated shortfall with regard to interest rate obligation of the Company as at the Balance Sheet date. Further during the year, the Company's contribution of Rs.20.66 Million (2016 - Rs.16.45 Million) to the Provident Fund Trust has been expensed under the 'Contribution to Provident and Other Funds' in Note 22. Disclosures given hereunder are restricted to the information available as per the Actuary's Report -

	2017	2016
Discount rates	7.59%	6.93%
Expected yield on plan assets	9.51%	9.50%
Guaranteed Interest Rate	8.65%	8.65%

- (c) During the year the Company has recognised an amount of Rs. 20.24 Million (2016 - Rs.20.42 Million) as expenditure towards defined contribution plans of the Company.

NOTES TO THE FINANCIAL STATEMENTS

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

Particulars	2017	2016
(I) Basic		
(a) (i) Number of Equity Shares at the beginning of the year	9,178,977	9,178,977
(ii) Number of Equity Shares at the end of the year	9,178,977	9,178,977
(iii) Weighted average number of Equity Shares outstanding during the year	9,178,977	9,178,977
(iv) Face Value of each Equity Share (in Rs.)	10	10
(b) Amount of Profit / (Loss) after tax attributable to Equity Shareholders		
Profit / (Loss) for the Year (Rs. in Million)	(123.69)	228.42
(c) Basic Earnings / (Loss) per Equity Share Rs. [(B)/(a)(iii)]	(13.48)	24.89
(II) Diluted		
(a) Dilutive Potential Equity Shares	-	-
(b) Diluted Earning / (Loss) per Equity Share (Rs.) [Same as (I)(c) above]	(13.48)	24.89

- 45** In view of loss incurred during the year in Adhesive division, after evaluation of the expected future performance of the division and the Company's business strategy, the management has performed an impairment testing of fixed assets and impaired the value of its tangible fixed assets (Refer Note 8 for asset class-wise breakup) to the extent of Rs. 116.17 Million (2016 – Rs. Nil) and capital work-in-progress to the extent of Rs.4.42 Million (2016 – Rs. Nil) relating to its Adhesives Division and disclose the same under "Exceptional Item" in the Statement of Profit and Loss. While recognising the impairment loss, the Company has considered its adhesive business division as a cash generating unit, in keeping with the accounting policy on Impairment set out in Note 48, and the value in use as the recoverable amount. The Company has used a discount rate of 12% for discounting future cash flows while estimating the value in use.
- 46** Post applicability of Goods and Service Tax (GST) w.e.f. July 1, 2017, revenue from sale of products is disclosed net of GST. However, revenue for the period up to June 30, 2017 is inclusive of excise duty. Accordingly, revenue from sale of products and excise duty for the current year are not comparable with the previous year.
- 47.** Previous year's figures have been re-grouped / re-arranged, wherever necessary to conform to current year's classification.

NOTES TO THE FINANCIAL STATEMENTS

Note 48

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the Standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply, in all material aspects, with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013 (the 'Act').

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

FIXED ASSETS (TANGIBLE / INTANGIBLE)

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

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

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

DEPRECIATION AND AMORTISATION

Depreciation on tangible fixed assets is provided over the estimated useful lives of the assets in keeping with the requirements of Schedule II to the Act which is in line with the technical evaluation carried out by the Management's expert as under:

- (i) On Silos and Rollers included in Plant and Equipments on Straight Line Method @ 20%.
- (ii) On Research Equipment included in Plant and Equipments on Straight Line Method @ 25%.
- (iii) On Computers on Straight Line Method @ 33.33%.
- (iv) For assets set out in (i) to (iii) above, estimated useful lives are different from those specified in Schedule II to the Act. On Plant and Equipments other than (i) and (ii) above, depreciation is provided on Straight Line Method over the useful lives specified in Schedule II to the Act. On all other tangible assets, depreciation is provided on Written Down Value Method over the useful lives specified in Schedule II to the Act.
- (v) In respect of assets acquired, sold or discarded during the period, prorated depreciation, for the period during which each such asset was in use, after rounding off part of the month to the whole month.

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

The useful life, residual value and the depreciation method are reviewed at least at each financial year end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.

IMPAIRMENT

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made.

Notes to the Financial Statements

Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For the purpose of assessing impairment, the recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets or the asset's net selling price is higher than its carrying amount. The smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit (CGU). An asset or CGU whose carrying value exceeds its recoverable amount is considered impaired and is written down to its recoverable amount.

Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset or CGU in prior accounting periods may no longer exist or may have decreased. An impairment loss is reversed to the extent that the asset's or CGU's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

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

INVESTMENTS

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

INVENTORIES

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

Cost is determined on first-in-first-out formula for all categories of inventories except stores and spare parts for which it is determined under weighted average formula.

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

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

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

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

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

DERIVATIVE CONTRACTS

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Derivatives (other than those which are covered under Accounting Standard 11) are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period, with changes included in 'Other Income'/'Other Expenses'.

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

REVENUE

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

Notes to the Financial Statements

BORROWING COSTS

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

RESEARCH & DEVELOPMENT EXPENDITURE

Research costs are expensed as incurred. Expenditure on Development is expensed / capitalised in compliance with the provisions of the Accounting Standard 26 on 'Intangible Assets'.

EMPLOYEE BENEFITS

(a) Short-term Employee Benefits

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

(b) Post-employment Benefit Plans

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

- i. **Provident Fund** - Certain employees of the Company receive provident fund benefits, which are administered by the Provident Fund Trust set up by the Company. Aggregate contributions along with interest thereon are paid at retirement, death, incapacitation or termination of employment. Both the employees and the Company make monthly contributions at specified percentage of the employees' salary to such Provident Fund Trust. The Company has an obligation to fund any shortfall in return on plan assets over the interest rates prescribed by the authorities from time to time. In view of the Company's obligation to meet the shortfall, this is a defined benefit plan. Actuarial valuation of the Company's liability under such scheme is carried out under the Projected Unit Credit (PUC) Method at the year end and the charge, if any, is recognised in the Statement of Profit and Loss. Actuarial gains/ losses are recognised immediately in the Statement of Profit and Loss as income/expense.
- ii. **Superannuation Fund** - This is a defined contribution plan. The Company contributes a certain percentage of the eligible salary for employees covered under the scheme towards superannuation fund administered by the Trustees. The Company has no further obligations for future superannuation benefits other than its contributions and recognises such contributions as expense in the period in which the related employee services are rendered.
- iii. **Gratuity** - This is a defined benefit plan covering eligible employees. As per the scheme, the Gratuity Fund Trust administered by Trustees, makes payment to vested employees at retirement, death, incapacitation, or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service. The liability is determined based on year-end actuarial valuation using PUC Method. Actuarial gains/losses are recognised immediately in the Statement of Profit and Loss as income/expense.
- iv. **Pension** - The Company has discontinued the Defined Pension Benefit scheme with effect from 1st May 2009 and all the employees who were members of the erstwhile Defined Pension Benefit scheme has been brought under the Defined Contribution scheme for benefit provisions under the Pension plan. The present value of benefit obligation is actuarially determined at the end of each year by discounting the present value of crystallised pension as at 30th April 2009. Actuarial gains/ losses are recognised immediately in the Statement of Profit and Loss as income/expense.
- v. **Retirement Benefit** - Liability accrued during the year in respect of retirement benefit payable to certain employees governed by agreement with the Union representing them are treated as a defined benefit plan. As per the scheme, a lumpsum benefit is paid to the eligible employees on cessation of service with the Company. The Company's liability is actuarially determined using the PUC method at the end of each year. Actuarial gains/ losses are recognised immediately in the Statement of Profit and Loss as income/expense.

Notes to the Financial Statements

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

The cost of providing other long-term employee benefits (Leave Encashment) is determined using Projected Unit Credit Method, with actuarial valuation being carried out at each Balance Sheet date. Actuarial gains and losses and past service cost are recognised immediately in the Statement of Profit and Loss for the period in which they occur. Other long-term employee benefit obligation recognised in the Balance Sheet represents the present value of related obligation.

(d) Termination benefits in the nature of voluntary retirement benefits are recognised as expense as and when incurred.

PROVISIONS AND CONTINGENT LIABILITIES

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

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

CURRENT AND DEFERRED TAX

Current tax is provided as the amount of tax expected to be paid in respect of taxable income for the year, measured using the applicable tax rates and tax laws.

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

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

Also refer Note 29.

LEASES

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

Signatures to Notes 1 to 48

On behalf of the Board

For Lovelock and Lewes

Firm Registration Number - 301056E
Chartered Accountants

Pinaki Chowdhury

Partner

Membership Number: 57572
Kolkata, 6th February 2018

Partha Mitra

Director

Shailendra Hari Singh

Managing Director & CEO

B. DeSarkar

Company Secretary

S. Chatterjee

Chief Finance Officer

Kolkata, 6th February 2018

Cash Flow Statement

For the year ended 31st December 2017

(Rs. in Million)

	Year ended 31st December 2017	Year ended 31st December 2016
A. Cash Flows from Operating Activities:		
Profit / (Loss) before Tax	(166.79)	308.15
Adjustments for :		
Exceptional Item - Impairment loss	120.59	-
Depreciation and Amortisation Expense	156.37	153.14
Loss on Disposal of Tangible Fixed Assets	2.20	3.45
Bad Debts Written Off	0.24	18.11
Provision for Doubtful Debts	20.12	21.94
Interest Income	(0.71)	(1.79)
Finance Costs	28.97	21.69
Provision for Doubtful Debts Written Back	(19.23)	(28.14)
Provision for Mark-to-Market Losses on Derivatives	0.14	0.07
Liabilities no Longer Required Written Back	(15.39)	(22.94)
Operating Profit before Working Capital Changes	126.51	473.68
Changes in Working Capital :		
Increase in Trade and Other Payables	155.52	237.80
(Increase) / Decrease in Trade and Other Receivables	(351.34)	19.88
Increase in Inventories	(55.07)	(147.81)
Cash Generated from / (Used in) Operations	(124.38)	583.55
Income Taxes Paid	(3.50)	(122.97)
Net Cash from / (Used in) Operating Activities	(127.88)	460.58
B. Cash Flows from Investing Activities:		
Purchase of Tangible/ Intangible Fixed Assets	(167.58)	(154.11)
Proceeds on Disposal of Tangible Fixed Assets	0.47	0.87
Advance Received for Sale of Land	137.00	-
Interest Received	0.60	1.79
Net Cash used in Investing Activities	(29.51)	(151.45)

Cash Flow Statement (Contd.)

(Rs. in Million)

	Year ended 31st December 2017	Year ended 31st December 2016
C. Cash Flows from Financing Activities :		
Dividends Paid	(36.63)	(36.64)
Dividend Distribution Tax Paid	(7.47)	(7.47)
Finance Costs Paid	(23.93)	(30.09)
Increase / (Decrease) in Cash Credit / Working Capital Facilities	350.00	(24.83)
Net Cash from / (used in) Financing Activities	281.97	(99.03)
Net Cash Inflow	124.58	210.10
Cash and Cash Equivalents- Opening	215.65	5.55
Cash and Cash Equivalents- Closing	340.23	215.65
	124.58	210.10
Cash and Cash Equivalents comprise of :		
Cash on hand	0.20	0.18
Balances with Banks in Current Accounts	340.03	215.47
Total	340.23	215.65

Notes :

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

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

On behalf of the Board

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

Pinaki Chowdhury
Partner
Membership Number: 57572
Kolkata, 6th February 2018

Partha Mitra
Director

B. DeSarkar
Company Secretary

Shailendra Hari Singh
Managing Director & CEO

S. Chatterjee
Chief Finance Officer

Kolkata, 6th February 2018

NOTES

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 Name of the Bank Branch Name Address MICR Code IFS Code	: : : : : : :	Savings/Current/NRO/NRE (please tick appropriately)

(Signature of 1st Holder)

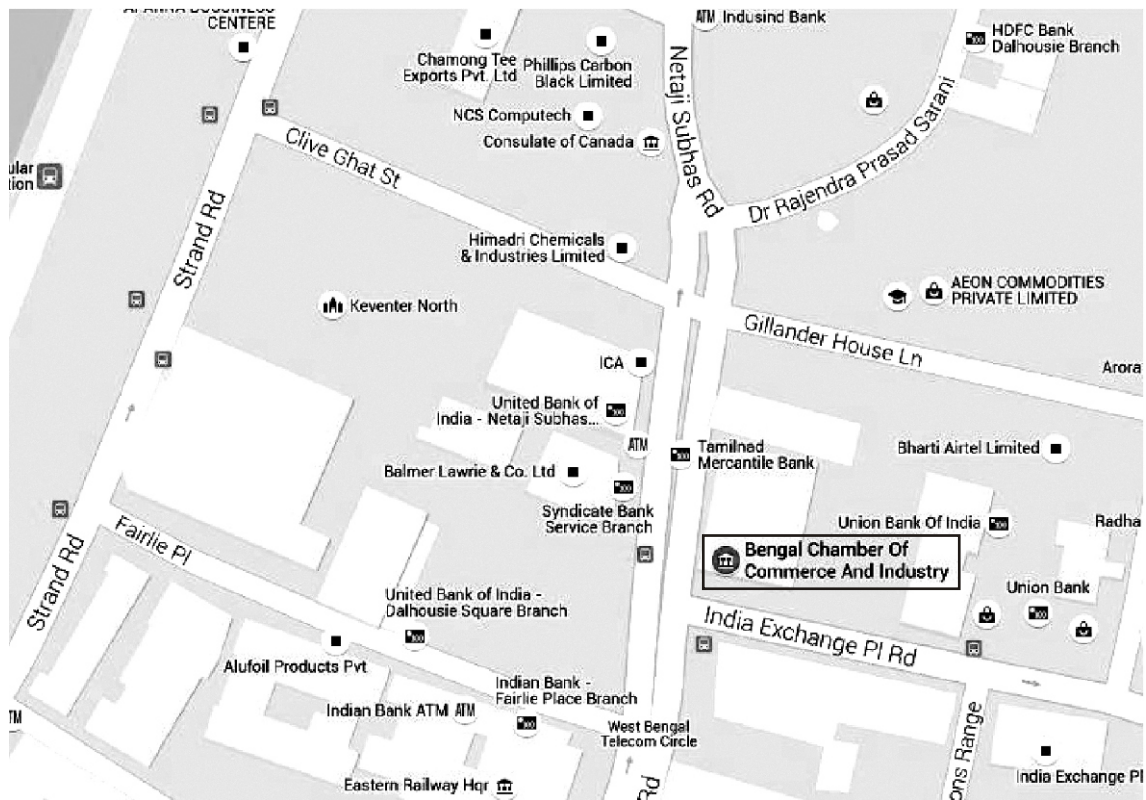
(Signature of 2nd Holder)

(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	:	

AGM Venue Map





DIC INDIA LIMITED

Proxy form

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

CIN: L24223WB1947PLC015202

Name of the company : DIC India Limited

Registered office : Transport Depot Road, Kolkata – 700088

Name of the member (s) : _____

Registered address : _____

E-mail ID : _____

Folio No/ Client Id/ DP ID : _____

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

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

or failing him,

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

or failing him

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 70th Annual General Meeting of the Company, to be held on March 22, 2018 at 11.00 a.m. in the premises of The Bengal Chamber of Commerce & Industry, Royal Exchange, No. 6, Netaji Subhas Road, Kolkata - 700001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl.No.	Resolutions	Vote (See Note 4) (Please mention no. of shares)		
		For	Against	Abstain
1.	To receive and consider the Statement of Profit & Loss for the financial year ended 31st December 2017, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.			
2.	To appoint a Director in place of Mr. Paul Koek (DIN: 00081930), who retires by rotation and being eligible, seeks re-appointment.			
3.	To appoint M/s. Deloitte Haskins & Sells Llp, Chartered Accountants (FRN 117366W/W-100018) as the statutory auditors of the Company for a period of five years to hold office from the conclusion of this annual general meeting until the conclusion of the 75th annual general meeting and to authorize the Board to fix their remuneration.			
4.	Re-appointment of Mr Dipak Kumar Banerjee (DIN: 00028123) as an Independent Director for a term of 3 years.			
5.	Re-appointment of Mr Subir Bose (DIN: 00048451) as an Independent Director for a term of 3 years			
6.	Re-appointment of Dr Reena Sen (DIN: 07082198) as an Independent Director for a term of 3 years			
7.	Appointment of Mr Masahiro Kikuchi (DIN: 08024525) as an Director			
8.	Appointment of Mr Ho Yeu Guan (DIN:08066136) as an Director			
9.	Ratification of the remuneration paid to M/s Sinha Chaudhuri & Associates, Cost Accountants (FRN 000057) as Cost Auditors of the Company			

Signed this day of 2018

Affix
Revenue
Stamp

Signature of shareholder :

Signature of Proxy holder(s) :

Note:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
- A Proxy need not be a member of the Company.
- A person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.
- This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For', 'Against' or Abstain column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she may deem appropriate.

DIC INDIA LIMITED

CIN - L24223WB1947PLC015202

Registered Office

Transport Depot Road, Kolkata - 700 088, West Bengal

Telephone : (033) 2449 6591-95, 2449 3984-85, Fax : (033) 2449 7033, 2448 9039

FACTORIES

KOLKATA

Transport Depot Road

Kolkata - 700 088, West Bengal

Telephone : (033) 2449 6591-95/2449 3984-85

Fax : (033) 2449 7033, 2448 9039

E-mail : coi@dic.co.in

NOIDA

C-55A & B, Phase II

Dist. Gautam Buddh Nagar

Noida - 201 305, Uttar Pradesh

Telephone : (0120) 465 5100/110

Fax : (0120) 465 5150

AHMEDABAD

Plot No. 633 & 634

G.I.D.C. Industrial Estate, Phase IV, Vatva

Ahmedabad - 382 445, Gujarat

Telephone : (079) 2589 0861/0865

Fax : (079) 2583 5706

BENGALURU

66A, Bommasandra Industrial Area

Hosur Road, Anekal Taluk

Bengaluru - 560 099,

Karnataka

Telefax : (080) 2783 1874

SALES DEPOTS & OFFICES

MUMBAI

Unit No. B2-408, 4th Floor, Wing "B2",

"BOOMERANG",

Near Chandivali Studio,

Chandivali Farm Road,

Andheri (East), Mumbai - 400 072

HYDERABAD

Plot No. B-7, IDA,

Uppal,

Hyderabad- 500 039,

Telangana

Telephone : (040) 2720 6821/ 6281

KANPUR

301, Urbashi Apartment, 3rd Floor

Plot No.7/29, Tilak Nagar

Kanpur - 208 002, Uttar Pradesh

Telephone : (0522) 2557 7001

Mobile : 091612 90488

DELHI

A-122 & 123, Okhla Industrial Area

Phase II

New Delhi - 110 020

E-mail : delhi@dic.co.in

CHENNAI

Plot No. 4, 2nd Floor (Above Dominoz)

Phase - 1 Nolambur Mogappair West

Chennai - 600 037

Tamil Nadu

Telephone : 044-48530416

CHENNAI

Eastern Side Shed (Godown-1),

198/2, Nageshwar II Road,

Athipet, Ambattur

Chennai - 600 058

Telephone : 044-26880096

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