



ANNUAL REPORT  
**2022-23**

### Forward-looking statement

In this annual report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make, contain forward-looking statements that set out anticipated results based on the management’s plans and assumptions.

We have tried wherever possible to identify such statements by using words such as ‘anticipates’, ‘estimates’, ‘expects’, ‘projects’, ‘intends’, ‘plans’, ‘believes’ and words of similar substance in connection with any discussion on future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions.

Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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# Board's Report

*Dear Members*

Your Directors are pleased to present the 107<sup>th</sup> Annual Report of your Company together with the Audited Financial Statements for the year ended March 31, 2023.

## Financial Results

(₹ in Lakhs)

Particulars	2022-2023	2021-2022
Turnover and other income	31,493.94	35,177.03
Profit before interest and depreciation	15,933.99	21,005.31
Interest	509.41	469.79
Profit before depreciation	15,424.58	20,535.52
Provision for depreciation	222.12	189.06
Profit before exceptional item and tax	15,202.46	20,346.46
Exceptional Item	-	-
Profit before tax	15,202.46	20,346.46
Provision for tax		
- Current tax	3,084.51	3,610.59
- Deferred tax	47.68	(174.85)
- Adjustment for earlier years*	-	(81.64)
<b>Profit after tax</b>	<b>12,070.27</b>	<b>16,992.36</b>
<b>Profit/(Loss) for the year</b>	<b>12,070.27</b>	<b>16,992.36</b>
Opening Balance of Retained Earnings (Surplus in Statement of Profit and Loss)	84,853.11	60,469.95
Profit/(Loss) for the year	12,070.27	16,992.36
Other Comprehensive Income	(0.52)	(3.03)
Total Comprehensive Income for the Year	12,069.75	16,989.33
Transfer within equity - Gain on sale of equity shares designated as FVOCI-transfer to retained earnings (net of tax)	3,234.62	8,269.45
Dividends paid	(1,400.99)	(875.62)
Tax on dividend	-	-
<b>Closing Balance in Retained Earnings</b>	<b>98,756.49</b>	<b>84,853.11</b>

\* Reversal of income tax for earlier years

## Operations

The income of your Company during the year under review comprised of mainly income/revenue from Investment and Trading activities, Royalty and Dividend from Joint Ventures.

## Global Pandemic - COVID-19

Your Company has considered the possible risk that may result from the pandemic relating to COVID-19 on the carrying amounts of assets including investments and other financial and non-financial



assets. As per the assessment carried out by the management based on the internal and external information available upto the date of approval of the financial statements, your Company does not foresee any uncertainty related to recoverability or liquidation of the assets and also about the ability of the non-financial assets to generate future economic benefits.

However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The impact of the global health pandemic may be different from that estimated as on the date of approval of the financial statements and your Company will continue to closely monitor any material changes to future economic conditions.

### **Material changes and commitments affecting financial position of the Company**

There are no material changes and commitment affecting financial position of your Company, which has occurred between the end of the financial year of your Company i.e. March 31, 2023 and the date of this Report.

### **Dividend**

Your Directors have recommended a dividend @ ₹5.00/- (Previous Year @ ₹4.00/-) per equity share of ₹10/- each for the year ended March 31, 2023 subject to the approval of the shareholders at the ensuing Annual General Meeting (AGM).

### **Transfer to Reserves**

During the year under review, your Company has not transferred any amount to the General Reserve and the entire amount of profit for the year forms part of the Retained Earnings.

### **Directors and Key Managerial Personnel (KMP)**

During the FY 2022-23, there has been no change in the Board as well as there was no change in the KMP of the Company.

Mr. C.K.Dhanuka, (DIN:00005684) will be re-appointed as the Executive Chairman & Managing Director of the Company w.e.f.

January 1, 2024 for a period of five years, based on the approval of the Board at its meeting held on May 24, 2023, subject to the approval of the members at this AGM. Your directors recommend approval of his re-appointment as the Executive Chairman & Managing Director of the Company.

Mr. R.K.Sharma, (DIN:05197101) will be re-appointed as the Executive Director (Finance) of the Company w.e.f. April 1, 2024 for a period of one year, based on the approval of the Board at its meeting held on May 24, 2023, subject to the approval of the members at this AGM. Your directors recommend approval of his re-appointment as the Executive Director (Finance) of the Company.

Mr. B.Jhaver (DIN:00379111) retires by rotation and being eligible offers himself for re-appointment.

### **Declaration from Independent Directors on an Annual Basis**

Pursuant to the provisions of Section 149 of the Companies Act, 2013 ('the Act') and Regulation 25(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("the Listing Regulations"), the Independent Directors have given declarations that they meet the criteria of independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the SEBI (LODR) Regulations.

The Independent Directors have also declared that they have registered their name with the data bank maintained by the Indian Institute of Corporate Affairs as required under the provisions of Section 150 of the Act read with Rule 6(1) of Companies (Appointment and Qualification of Directors) Rules, 2014.

In the opinion of the Board, the Independent Directors possess the requisite expertise and experience and are persons of high integrity and repute. They fulfill the conditions specified in the Act as well as the Rules made thereunder and are Independent of the management.

### Policy on Directors' Appointment and Remuneration

The policy of your Company on Directors' appointment and remuneration, including the criteria for determining qualifications, positive attributes, Independence of a Director and other matters, as required under Sub-section (3) of Section 178 of the Companies Act, 2013, is available on our website at <http://aspetindia.com/wp-content/uploads/2014/10/TERMS-AND-CONDITIONS-OF-APPOINTMENT-OF-INDEPENDENT-DIRECTOR1.pdf>

We affirm that the remuneration paid to the Directors is as per the terms laid out in the Nomination and Remuneration Policy of your Company.

### Directors' Responsibility Statement Pursuant to Section 134(5) of the Companies Act, 2013

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (a) That in the preparation of the annual accounts, the applicable accounting standards aligned with IND AS had been followed along with proper explanation relating to material departures, if any;
- (b) That the Directors had selected such accounting policies aligned as per IND AS and applied them consistently, made judgements 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 FY and of the profit and loss of the Company for that period;
- (c) That 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;
- (d) That the Directors prepared the annual accounts on a going concern basis;

- (e) That the Directors, had laid down Internal Financial Controls for the Company and that such Internal Financial Control are adequate and were operating effectively; and
- (f) That 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.

### Holding, Subsidiaries and Joint Ventures:

#### I. Holding Company:

Dhunseri Investments Ltd. continues to be the holding company and is holding 56.44% of the equity share capital of your Company as on March 31, 2023.

#### II. Subsidiary Companies:

##### A. Dhunseri Infrastructure Ltd. (DIL), wholly-owned subsidiary (WOS)

Dhunseri Infrastructure Ltd. continues to be the WOS of the Company. The Government of India is considering certain changes in the existing rules of Special Economic Zone Act, 2005 to allow use of unutilised spaces in IT/ITES area for non-SEZ purposes. This move when implemented will free up the land area through partial de-notification.

Your Board feels that once the above changes are made, there would be ample opportunities for utilising the land. Your Board will take a decision as soon as the aforesaid changes are made and finalise in the best interest of your Company.

Further, an independent valuation was carried out and the valuation report does not show any impairment of assets.

##### B. Dhunseri Poly Films Pvt. Ltd. (DPFPL), wholly-owned subsidiary (WOS)

Your Company's wholly owned subsidiary, Dhunseri Poly Films Pvt. Ltd. (DPFPL) in the process of setting up State of the Art -10.6 Meter Biaxially Oriented Polyester Film (BOPET) Line at Panagarh in the state of West Bengal. Project construction work is in the advance stage of



implementation for achieving the targeted production which is likely to commence from second quarter of FY 2023-24. Power connection is expected to be available by July, 2023 which is required for starting the trial run and operations.

Further, DPFPL is also in the process of setting up State of the Art - 10.4 Meter 2 Biaxially Oriented Polypropylene (BOPP) production Plants. The 1<sup>st</sup> BOPP line is expected to commence production from the first quarter of FY 2025-26 in India.

#### **C. Twelve Cupcakes Pte. Ltd. (TCPL), subsidiary**

Your Company continues to hold 88.68% of the equity share capital in Twelve Cupcakes Pte. Ltd.

#### **D. DVL USA INC., step-down subsidiary**

DVL USA INC. was incorporated as a new wholly owned subsidiary of the Company in United States (U.S) for exploration and expansion of the Cupcake Business in the U.S. Market.

Your Company is holding 49% of the equity share capital in DVL USA INC.

Further, Twelve Cupcakes Pte Ltd. (subsidiary of the Company) has infused funds in DVL USA INC. and is holding 51% of the equity share capital in DVL USA INC.

### **III. Associate Companies:**

#### **A. IVL Dhunseri Petrochem Industries Pvt. Ltd.**

Your Company continues to hold 50% of the equity share capital in IVL Dhunseri Petrochem Industries Pvt. Ltd. and the balance 50% stake is held by Indorama group.

#### **B. IVL Dhunseri Polyester Company S.A.E.**

Your Company continues to hold 50% stake in IVL Dhunseri Polyester Company S.A.E and the balance 50% stake is held by Indorama group.

### **Information about the Financial Performance/Financial Position of the Subsidiaries, Associate and Joint Venture**

A separate statement containing the salient features of Financial Statements of all Subsidiaries/Associate/Joint Ventures of your Company forms part of consolidated Financial Statements in compliance with Section 129 and other applicable provisions, if any, of the Companies Act, 2013. Shareholders desirous of obtaining the report and accounts of your Company's subsidiaries may obtain the same upon request. It is also available on the website of your Company [www.aspetindia.com](http://www.aspetindia.com). Members may send an advance request at the e-mail [investors@aspetindia.com](mailto:investors@aspetindia.com) for an electronic inspection of the aforesaid documents.

As required under the Companies Act, 2013 and the Listing Regulations, the Audited Consolidated Financial Statements of your Company are also attached and forms part of your Company's Annual Report.

### **Conservation of Energy, Technology Absorption, Foreign Exchange Earnings/Outgo**

There are no particulars in regard to the conservation of energy, technology absorption as prescribed under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.

The Foreign exchange outgo in the FY 2022-23 is ₹353.56 lakhs. Further, inflow/earnings in foreign exchange in the FY 2022-23 is ₹9,196.24 lakhs.

### **Annual Return**

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return as on March 31, 2023 is available on the Company's website at <http://aspetindia.com/stock-exchange-disclosure/annual-return/>

### **Corporate Social Responsibility**

A Corporate Social Responsibility Committee was reconstituted on July 3, 2020 with Mr. C.K.Dhanuka, as the Chairman, Dr. B.Sen and Mrs. A.Kanoria as the members.

The Corporate Social Responsibility Policy of your Company is available in the Company's website at <http://aspetindia.com/wp-content/uploads/2021/06/Corporate-Social-Responsibility-Policy.pdf>

Your Company carries out CSR activities mainly through Dhanuka Dhunseri Foundation (DDF) or any other implementing agency as the CSR Committee and the Board decides.

The Annual Report on CSR activities in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014, is attached as **"Annexure-A"** to this Report.

### **Details Relating to Remuneration to Directors, Key Managerial Personnel and Employees**

The information required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is attached as **"Annexure-B"** to this Report.

The statement containing names of top ten employees in terms of remuneration drawn and the particulars of the employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection and any Member interested in obtaining a copy of the same may write to the Company Secretary at [investors@aspetindia.com](mailto:investors@aspetindia.com).

The financial statements of Twelve Cupcakes Pte. Ltd. and Dhunseri Poly Films Pvt. Ltd., material subsidiaries, is available on the website of the Company.

### **Auditors and Auditors' Report**

#### **Statutory Auditors**

M/s B S R & Co. LLP, Chartered Accountants (Registration No. 101248W/W-100022) were appointed as the Statutory Auditors of the Company for a second term of five consecutive years

from the conclusion of 106<sup>th</sup> Annual General Meeting till the conclusion of 111<sup>th</sup> Annual General Meeting being approved by the Members of the Company at the previous Annual General Meeting.

No frauds are reported by auditors under Section 143(12) of the Companies Act, 2013 in Auditor's Report.

#### **Explanation to Auditors' Comment**

The Auditors' Qualification has been appropriately dealt with in Note No. 37 of the Notes to the standalone audited financial statements and Note No. 44 of the Notes to the consolidated audited financial statements. The Auditors' Report is enclosed with the financial statements in this Annual Report.

#### **Secretarial Auditors and Secretarial Audit**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mamta Binani & Associates, Practicing Company Secretaries was appointed as the Secretarial Auditor of your Company for the FY 2022-23.

The Secretarial Audit Report issued by Mamta Binani & Associates, Practicing Company Secretaries for the FY ended March 31, 2023 is attached as an **"Annexure-C"** to this Report.

The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

#### **Cost Records and Cost Auditors**

The provisions of Cost Audit and Records as prescribed under Section 148 of the Companies Act, 2013, are not applicable to your Company.

#### **Dividend Distribution Policy**

The Board of Directors of your Company has adopted the Dividend Distribution Policy as required by Regulation 43A of the Listing Regulations and is available at our website <http://aspetindia.com/wp-content/uploads/2022/06/Dividend-Distribution-Policy-1.pdf>





## Business Responsibility and Sustainability Report

In terms of Regulation 34(2)(f) of the Listing Regulations, the requirement of submitting a business responsibility report has been discontinued after the financial year 2021–22. The Company has prepared the Business Responsibility and Sustainability Report (BRSR) describing the initiatives taken by the Board from an environmental, Social, Governance and Sustainability perspective. The Business Responsibility Policy is available at <http://aspetindia.com/wp-content/uploads/2022/06/Business-Responsibility-Policy.pdf>

The said BRSR is forming part of the Annual Report and is attached as an “Annexure-E” to this Report and is available at [www.aspetindia.com](http://www.aspetindia.com).

## Adequacy of Internal Financial Controls with reference to Financial Statements

Your Company has in place adequate internal financial controls as required u/s 134(v)(e) of the Companies Act, 2013. Your Company has adopted policies and procedures 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 disclosures. During the year, such controls were tested with reference to Financial Statements and no material weakness in the design or operation was observed.

## Particulars of Loans, Guarantees and Investments

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in note no. 7 of the Standalone Financial Statements.

## Risk Management

Your Company has a Risk Management Committee comprising of Mr. R.K.Sharma, Executive Director (Finance), Mr. J.P.Kundra, Non-Executive & Independent Director and Dr. Sen, Non-Executive & Independent Director.

Your Company has established a Risk Management Policy as approved by the Board. The major mechanisms of risk management are the Monitoring of Statutory, Legal, Investment Compliances and the Internal Audit.

## Related Party Transactions

All the contracts/arrangements/transactions entered by your Company during the financial year with related parties were in the ordinary course of business and on an arm’s length basis, details of which are provided in the notes to Accounts.

None of the transactions with any of the related parties was in conflict with the Company’s interest. Further, omnibus approval is obtained on a yearly basis for transactions which are repetitive in nature.

Particulars of Material Contracts/arrangements/transactions at arm's length basis as on March 31, 2023 with Related parties pursuant to the provisions of Section 134 (3)(h) of the Companies Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in “Annexure – D” in form AOC-2 and the same forms part of this Report.

Your Company has also formulated a policy on dealing with the Related Party Transactions and necessary approval of the Audit Committee and the Board of Directors were taken wherever required in accordance with the Policy.

## Annual evaluation of the performance of the Board, its Committees and Individual Directors

The Independent Directors of your Company had reviewed the performance of non-Independent Directors and the Board as a whole along with the performance of the Chairman of your Company at its meeting held on February 11, 2023.

The Independent Directors well appreciated the functioning of the Board of Directors as well as the Committees of the Board. They were also highly satisfied with the leadership role played by the Chairman. The Board of Directors works as a team and



there were detailed discussion at the meetings on various agenda items. The Board is a well-diversified team consisting of persons having expertise in the fields of Banking, Finance, Law as well as professionals and industrialist. The Board through its Committees i.e. Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee is in a position to have its executed overall supervision at all these key areas. All the Directors participate effectively without any restraint to express their views.

The Board of Directors at its meeting held on May 24, 2023 had evaluated the performance of the Independent Directors based on a list of evaluation criteria for performance evaluation. The effectiveness of the Board was discussed and evaluated based on the evaluation criteria as well as the performance evaluation of the Board Committees was also conducted at the same meeting.

The evaluation process focused on various aspects of the functioning of the Board and Committees such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, governance issues, etc. The guidance note issued by SEBI on Board Evaluation was duly considered while conducting the evaluation exercise. Separate exercise was carried out to evaluate the performance of Individual Directors on parameters such as qualifications, experience, availability and attendance, constructive contribution, knowledge and competency etc.

As an outcome of the above exercise, it was noted that the Board as a whole is functioning as a cohesive body, which is well engaged with different perspectives and is believed that it is the collective effectiveness of the Board that impacts Company's performance. The Board Members from different backgrounds bring about different complementarities that help Board discussions to be rich and value adding. It was also noted that the Committees are functioning well and besides the Committee's terms of reference as mandated by law, important issues are brought up and discussed in the Committee Meetings.

## **Corporate Governance, Management Discussion and Analysis Reports**

Your Company has taken adequate steps to adhere to all the stipulations laid down in Regulation 34(3) and Schedule V of the Listing Regulations. A report on Corporate Governance and Management Discussion and Analysis Report are included as a part of this Report.

Certificate from the Secretarial Auditors of your Company confirming the compliance with the conditions of Corporate Governance as stipulated under the Listing Regulations forms part of the Annual Report.

The details of Board Meetings, details of Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Risk Management Committee held during the FY 2022-23, Nomination and Remuneration policy and Vigil Mechanism/Whistle Blower Policy are covered in the Corporate Governance Report.

## **Environment, Health and Safety**

Environment, Health and Safety are of great importance to your Company. Your Company continuously strives to ensure environment sustainable practices and provides a safe and healthy workplace for its employees.

## **Prevention of Sexual Harassment at Workplace**

As per the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ("POSH Act") and Rules made thereunder, your Company has an Internal Complaints Committee to address complaints pertaining to sexual harassment in the workplace.

## **Credit Rating by Infomerics Valuation and Rating Pvt. Ltd.**

Your Directors inform that Infomerics Valuation and Rating Pvt. Ltd. had reaffirmed the credit rating of IVR AA- / Stable Outlook (IVR Double A Minus with Stable Outlook) rating to the Long Term Bank facilities of your Company. Infomerics Valuation and Rating Pvt. Ltd. has assigned the credit rating of IVR A1+ (IVR A One Plus) to the Short Term Bank Facilities of your Company.



### **Compliance with Secretarial Standards**

Your Company is in compliance with the relevant provisions of the Secretarial Standard issued by The Institute of Company Secretaries of India and approved by the Central Government.

#### **General**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions in regard to the under-mentioned items during the year under review:

- (a) Issue of equity shares with differential rights as to dividend, voting or otherwise.
- (b) Issue of sweat equity shares to employees of the Company/ Issue of Employees Stock Option Scheme.

Further, your Company has not accepted any deposits from the public. There were no outstanding balances relating to Fixed Deposits as at the beginning and end of the FY 2022-23.

There is no change in the nature of business of your Company and no significant material orders were passed by the Regulators or Courts or Tribunals which would impact the going concern status of your Company and its future operations.

During the year under review, there were no proceedings that were filed by your Company or against your Company, which

are pending under the Insolvency and Bankruptcy Code, 2016 as amended, before National Company Law Tribunal or other Courts.

During the year under review, there were no instances of one-time settlement with any Bank or Financial Institutions.

#### **Employees**

Your Company believes that 'employees' are the most valuable assets of any organization. Your Directors wish to place on record their deep sense of appreciation for the co-operation, dedication and committed services by all the employees of your Company who plays a pivotal role in the growth of your Company.

#### **Acknowledgement**

The Directors wish to place on record their sincere appreciation for the whole-hearted support received from the banks, shareholders and all other associated with your Company. The Board of Directors also thank the employees of your Company for their valuable service and support during the year.

For and on behalf of  
The Board of Directors

Place: Kolkata  
Date: May 24, 2023

**C.K.Dhanuka**  
*Executive Chairman*