

*28<sup>th</sup>*

*Annual Report  
2016 - 2017*



**DYNAMIC INDUSTRIES LIMITED**

Registered Office : Plot No. 5501/2, Phase III, G.I.D.C., Vatva, Ahmedabad - 382 445.



## **BOARD OF DIRECTORS**



**HARIN D. MAMLATDARNA**  
CHAIRMAN & WHOLE TIME DIRECTOR

**DIPAKKUMAR N. CHOKSI**  
VICE CHAIRMAN & MANAGING DIRECTOR

**DINESH J. JAIN**  
WHOLE TIME DIRECTOR

**JATIN B. SURTI**  
(NON-EXECUTIVE DIRECTOR / INDEPENDENT)

**PRAVINCHANDRA D. MASTER**  
(NON-EXECUTIVE DIRECTOR / INDEPENDENT)

**MS. VIRAJ D. SHAH**  
(NON-EXECUTIVE DIRECTOR / INDEPENDENT)

**RAGHAVDAS H. LAKHMANI**  
(NON-EXECUTIVE DIRECTOR / INDEPENDENT)



### **AUDITORS**

G. K. CHOKSI & CO.  
Chartered Accountants  
"Madhuban", Nr. Madalpur Underbridge,  
Ellisbridge, Ahmedabad - 6.

### **BANKERS**

HDFC BANK LTD.  
Vatva Branch  
Vatva, Ahmedabad.

### **REGISTRARS & SHARE TRANSFER AGENTS**

LINK INTIME INDIA PVT. LTD.  
5<sup>th</sup> Floor, 506-508, Amarnath Business Centre-1 (ABC-1),  
Beside Gala Business Centre,  
Nr. St. Xavier's College Corner, Off. CG Road,  
Navrangpura, Ahmedabad-380009.



**REGISTERED OFFICE :**  
Plot No. 5501/2, Phase III,  
Nr. Trikamura Cross Roads, GIDC,  
Vatva, Ahmedabad - 382 445.  
**Website : [www.dynaind.com](http://www.dynaind.com)**  
**ISIN No. : INE457C01010**

**FACTORY :**  
Plot No. 125, Phase - I,  
Nr. Trikamura Cross Roads, GIDC,  
Vatva, Ahmedabad - 382 445.  
**E-mail : [accounts@dynaind.com](mailto:accounts@dynaind.com)**  
**CIN No. : L24110GJ1989PLC011989**

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## **CONTENTS**

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Notice .....	3
Director's Report .....	18
Management Discussion and Analysis Report .....	24
Financial Highlight .....	26
Annexures to Directors Report .....	27
Standalone Financial Report .....	56
Notes to standalone Financial Statement .....	65
Consolidated Financial Report .....	88

## NOTICE

Notice is hereby given that 28th (Twenty Eighth) Annual General Meeting of Dynamic Industries Limited will be held at the registered office of the Company situated at Plot No. 5501/2, Phase-III, Nr. Trikampura Cross Road, G. I. D. C. Vatva, Ahmedabad – 382445 on Monday, 14th Day of August, 2017 at 11:30 a.m. to transact following business:

### ORDINARY BUSINESS:

1. To receive, consider, and adopt the Financial Statements of the Company for the year ended 31st March, 2017 including audited Balance Sheet as at 31st March, 2017 and Statement of Profit and Loss for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To declare a dividend of ₹ 1.00 (10%) per Equity Share of the nominal value of ₹ 10.00 each for the year ended 31st March, 2017.
3. To re-appoint Mr. Dinesh Jasraj Jain (DIN: 00135889), who is liable to retire by rotation and being eligible, offers himself for re-appointment.
4. To appoint Ashok K. Bhatt & Co., Chartered Accountants (Firm registration number(100657W) as a Statutory Auditor of the Company and to fix their remuneration and to pass, with or without modification, the following resolution as an Ordinary Resolution.

RESOLVED THAT, pursuant to Sections 139 and 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, pursuant to the proposals of the audit committee of the Board and recommendation of the Board, Ashok K. Bhatt & Co., Chartered Accountants (Firm registration number 100657W) be and is hereby appointed as the statutory auditors of the Company, to hold office for a period of five consecutive years commencing from the financial year 2017-18.

### SPECIAL BUSINESS :

5. To re-appoint and re-designate Mr. Dipakkumar Navinchandra Choksi (DIN: 00536345) as Chairman and Whole Time Director of the Company and in this regard to consider and if thought fit, to pass with or without modification (s) as a Special Resolution:

“RESOLVED THAT pursuant to Provisions of Section 152, 196, 197, 198, 203 and Schedule V and all other provisions applicable, if any, (including any statutory modifications or re-enactment thereof, for the time being in force), read with Companies (Appointment and Remuneration) Rules, 2014 and any other statutory approval if any, the Company hereby re-appoints and re-designates Mr. Dipakkumar Navinchandra Choksi (DIN: 00536345) as Chairman and Whole Time Director from Vice Chairman and Managing Director for a period of 2 (Two) years commencing from 1st October, 2017 to 30th September, 2019, with such remuneration as recommended by Nomination and Remuneration Committee as set out in the explanatory statement Item No. 5 appended hereto and forming part of this Notice and with liberty to the Board of Directors to alter, vary or modify the terms and conditions of perquisites in such manner as may be agreed to between the Board of Directors and Mr. Dipakkumar Navinchandra Choksi within the limits specified in the Companies Act, 2013 and Rules made thereunder.”

“RESOLVED FURTHER THAT the remuneration and perquisites set out to be paid to Mr. Dipakkumar Navinchandra Choksi as minimum remuneration during the tenure of his re-appointment notwithstanding that in any financial year of the Company during the aforesaid period, the Company has made no profits or the profits made are inadequate.”

“RESOLVED FURTHER THAT the remuneration and perquisites including the monetary value thereof as specified be varied, increased, expanded, enhanced, enlarged, widened or altered in accordance with the provisions relating to the payment of Managerial remuneration under the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 or any amendments or re-enactments thereof and as may be mutually decided between the Company and Mr. Dipakkumar Navinchandra Choksi be suitably amended to give effect to the same in such manner as may be agreed to by and between the Board and Mr. Dipakkumar Navinchandra Choksi.”

“RESOLVED FURTHER THAT Board of Directors of the Company be and are hereby authorized, without any further reference or approval of members of the Company, to accept and alter and vary the terms and conditions of the said re-appointment or any amendments or modifications that may hereafter be made thereto within the permissible limits of Schedule V read with various provisions of the Act and rules made there under, once the same is approved by members of the company.”

## DYNAMIC INDUSTRIES LIMITED

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“RESOLVED FURTHER THAT Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and things incidental thereto to give effect to aforesaid resolution.”

6. To re-appoint and re-designate Mr. Harin Dhanvantlal Mamlatdarna (DIN: 00536250) as Vice Chairman and Managing Director of the Company and in this regard to consider and if thought fit, to pass with or without modification (s) as a Special Resolution:

“RESOLVED THAT pursuant to Provisions of Section 152, 196, 197, 198, 203 and Schedule V and all other provisions applicable, if any, (including any statutory modifications or re-enactment thereof, for the time being in force), read with Companies (Appointment and Remuneration) Rules, 2014 and any other statutory approval if any, the Company hereby re-appoints and re-designates Mr. Harin Dhanvantlal Mamlatdarna (DIN: 00536250) as Vice Chairman and Managing Director from Chairman and Whole Time Director for a period of 2 (Two) years commencing from 1st October, 2017 to 30th September, 2019, with such remuneration as recommended by Nomination and Remuneration Committee as set out in the explanatory statement Item No. 6 appended hereto and forming part of this Notice and with liberty to the Board of Directors to alter, vary or modify the terms and conditions of perquisites in such manner as may be agreed to between the Board of Directors and Mr. Harin Dhanvantlal Mamlatdarna (DIN: 00536250) within the limits specified in the Companies Act, 2013 and Rules made thereunder.”

“RESOLVED FURTHER THAT the remuneration and perquisites set out to be paid to Mr. Harin Dhanvantlal Mamlatdarna as minimum remuneration during the tenure of his re-appointment notwithstanding that in any financial year of the Company during the aforesaid period, the Company has made no profits or the profits made are inadequate.”

“RESOLVED FURTHER THAT the remuneration and perquisites including the monetary value thereof as specified be varied, increased, expanded, enhanced, enlarged, widened or altered in accordance with the provisions relating to the payment of Managerial remuneration under the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 or any amendments or re-enactments thereof and as may be mutually decided between the Company and Mr. Harin Dhanvantlal Mamlatdarna be suitably amended to give effect to the same in such manner as may be agreed to by and between the Board and Mr. Harin Dhanvantlal Mamlatdarna.”

“RESOLVED FURTHER THAT Board of Directors of the Company be and are hereby authorized, without any further reference or approval of members of the Company, to accept and alter and vary the terms and conditions of the said re-appointment or any amendments or modifications that may hereafter be made thereto within the permissible limits of Schedule V read with various provisions of the Act and rules made there under, once the same is approved by members of the company.”

“RESOLVED FURTHER THAT Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and things incidental thereto to give effect to aforesaid resolution.”

7. To re-appoint Mr. Dinesh Jasraj Jain (DIN: 00135889) as Whole Time Director of the Company and in this regard to consider and if thought fit, to pass with or without modification (s) as a Special Resolution:

“RESOLVED THAT pursuant to Provisions of Section 152, 196, 197, 198, 203 and Schedule V and all other provisions applicable, if any, (including any statutory modifications or re-enactment thereof, for the time being in force), read with Companies (Appointment and Remuneration) Rules, 2014 and any other statutory approval if any, the Company hereby re-appoints Mr. Dinesh Jasraj Jain (DIN: 00135889) as Whole Time Director for a period of 2 (Two) years commencing from 1st October, 2017 to 30th September, 2019, with such remuneration as recommended by Nomination and Remuneration Committee as set out in the explanatory statement Item No.7 appended hereto and forming part of this Notice and with liberty to the Board of Directors to alter, vary or modify the terms and conditions of perquisites in such manner as may be agreed to between the Board of Directors and Mr. Dinesh Jasraj Jain (DIN: 00135889) within the limits specified in the Companies Act, 2013 and Rules made thereunder.”

“RESOLVED FURTHER THAT the remuneration and perquisites set out to be paid to Mr. Dinesh Jasraj Jain (DIN:00135889) as minimum remuneration during the tenure of his re-appointment notwithstanding that in any financial year of the Company during the aforesaid period, the Company has made no profits or the profits made are inadequate.”

“RESOLVED FURTHER THAT the remuneration and perquisites including the monetary value thereof as specified be varied, increased, expanded, enhanced, enlarged, widened or altered in accordance with the provisions relating

to the payment of Managerial remuneration under the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 or any amendments or re-enactments thereof and as may be mutually decided between the Company and Mr. Dinesh Jasraj Jain (DIN: 00135889) be suitably amended to give effect to the same in such manner as may be agreed to by and between the Board and Mr. Dinesh Jasraj Jain (DIN:00135889).”

“RESOLVED FURTHER THAT Board of Directors of the Company be and are hereby authorized, without any further reference or approval of members of the Company, to accept and alter and vary the terms and conditions of the said re-appointment or any amendments or modifications that may hereafter be made thereto within the permissible limits of Schedule V read with various provisions of the Act and rules made there under, once the same is approved by members of the company.”

“RESOLVED FURTHER THAT Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and things incidental thereto to give effect to aforesaid resolution.”

**By Order of the Board**

-Sd/-

**DIPAKKUMAR CHOKSI**

*Vice Chairman & Managing Director*

DIN : 00536345

Place : Ahmedabad

Date : 30<sup>th</sup> May, 2017

## DYNAMIC INDUSTRIES LIMITED

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### NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten (10) percent 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 proxy for any other person or shareholder. The instrument 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.
2. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of the relevant Board Resolution together with the specimen signatures of their authorized representatives to attend and vote on their behalf at the Meeting.
3. The Board of Directors has recommended for consideration of the Members, a dividend of ₹ 1.00 (10%) per equity share of the nominal value of ₹ 10 each for the year ended 31st March, 2017.
4. The Register of Members and the Share Transfer books of the Company will remain closed from Saturday, 12th August, 2017 to Monday, 14th August, 2017 (both days inclusive) for purpose of Dividend, if declared. Dividend will be payable, if declared, on or before Tuesday, 12th September, 2017 to those members whose names are registered as such in the Register of Members of the Company as on Saturday, 12th August, 2017 and to the Beneficiary holders as per the beneficiary list as on Saturday, 12th August, 2017 provided by the NSDL and CDSL.
5. In accordance with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, the Company has fixed Monday, 7th August, 2017 as the "cut-off date" to determine the eligibility to vote by electronic means or in the general meeting. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. Monday, 7th August, 2017, shall be entitled to avail the facility of remote e-voting as well as voting in the general meeting.
6. Shareholders may be aware that the Companies Act, 2013, permits service of the Notice of the Annual General Meeting through electronic mode. Electronic copy of the Annual Report including Notice of the 28th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Admission Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes. However, those members who desire to have a physical copy may request for the same to the RTA. For members who have not registered their email IDs, physical copies of the Annual Report are being sent in the permitted mode.
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to RTA of the Company, i.e. Link Intime India Pvt. Ltd.
8. The shareholders who are holding shares in demat form and have not yet registered their e-mail IDs with their Depository Participant are requested to register their e-mail address at the earliest, to enable the Company to use the same for serving documents to them electronically, hereinafter. Shareholders holding shares in physical form may kindly provide their e-mail address to the RTA by sending an e-mail at [ahmedabad@linkintime.co.in](mailto:ahmedabad@linkintime.co.in). The Annual Report of the Company would also be made available on the Company's website [www.dynaind.com](http://www.dynaind.com).
9. Voting through Electronic means In compliance with Section 108 and other applicable provisions of the Companies Act, 2013, if any, read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, and Regulation 44 of the SEBI (LODR) Regulations, 2015, the Company is pleased to provide its Shareholders with the facility of "remote e-voting" (e-voting from a place other than venue of the AGM), to enable them to cast their votes at the 28th Annual General Meeting (AGM) and the business at the 28th AGM may be transacted through such voting. The Company has entered into an agreement with Central Depository Services (India) Ltd. (CDSL) for facilitating e-voting to enable all its Shareholders to cast their vote electronically. The facility for voting, either through electronic voting system or ballot/polling paper shall also be made available at the venue of the AGM, apart from the remote e-voting facility provided prior to the date of AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again at the AGM. The Company has appointed Chetan R. Shah, Practicing Company Secretaries, as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner. The Scrutinizer shall make a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, during the remote e-voting and voting at the AGM, not later than three days of conclusion of the meeting, to the Chairman or a person, authorized by him in writing. The Chairman or a person, authorized by him



in writing, shall declare the results of the AGM forthwith. The results declared along with the Scrutinizer's report shall be placed on the Company's website and on the website of CDSL and shall be communicated to the Stock Exchanges.

**THE INSTRUCTIONS TO SHAREHOLDERS OF THE COMPANY FOR E-VOTING ARE AS FOLLOWS:**

- (i) Members holding shares in physical form or in Demat form as on Monday, 7th August, 2017, the cut-off date, shall only be eligible for e-voting.
- (ii) The voting period begins on Friday, 11th August, 2017 at 9:00 a.m. IST and ends on Sunday, 13th August, 2017 at 5:00 p.m. IST. During this period the eligible shareholders of the Company, holding shares either in physical form or in Demat form, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (iii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iv) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (v) Click on Shareholders.
- (vi) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vii) Next enter the Image Verification as displayed and Click on Login.
- (viii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (ix) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
<b>PAN</b>	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the Sequence Number in the PAN field. The sequence number is printed on Postal Ballot / Attendance Slip / Address slips.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
<b>Dividend Bank Details</b>	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
<b>OR Date of Birth (DOB)</b>	<ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (x) After entering these details appropriately, click on "SUBMIT" tab.
- (xi) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xiii) Click on the EVSN for the <Dynamic Industries Limited> on which you choose to vote.
- (xiv) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

## DYNAMIC INDUSTRIES LIMITED

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- (xv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xvi) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL”, and accordingly modify your vote.
- (xvii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xviii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xix) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xx) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xxi) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

Additional information on Director recommended for re-appointment as required under Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Name of the Director	Mr. Dinesh Jasraj Jain
DIN	00135889
Date of Birth	10/01/1965
Brief Profile and Expertise	Mr. Dinesh Jasraj Jain is graduate in commerce and handling finance and banking, commercial matters, accounting and administration of the Company. He has experience of 31 years in the field of dyes and chemicals and as Whole Time Director of the Company from more than 9 years.
Chairman / Member of the Committee of the Board of Directors of the Company	Member of Stakeholder Relationship Committee
No. of Shares held in the Company	2,20,874 equity shares
Directorship held in other listed entities	NIL

**By Order of the Board**

-Sd/-

**DIPAKKUMAR CHOKSI**

*Vice Chairman & Managing Director*

DIN : 00536345

Place : Ahmedabad

Date : 30<sup>th</sup> May, 2017



## Annexure to the Notice

### EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

#### Item No. 5 :

Mr. Dipakkumar Navinchandra Choksi was re-appointed and re-designated as Vice Chairman and Managing Director of the Company for a period of 2 years (1st October, 2015 to 30th September, 2017) hence his term as Managing Director of the Company is going to be expired on 30th September, 2017. The Board Members re-appointed and re-designated Mr. Dipakkumar Navinchandra Choksi as Chairman and Whole Time Director of the Company on 30th May, 2017 for a period of two years w.e.f. 1st October, 2017 to 30th September, 2019 on the terms & conditions recommended by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee has considered the matter and recommended the terms of the Remuneration to the Board, subject to the approval of members by way of special resolution under various Sections of the Act read with Schedule- V of the Companies Act, 2013.

He is graduate in commerce and handling finance and banking, commercial matters, accounting and administration of the Company. He has experience of 36 years in the field of dyes and chemicals and as managing director of the Company from more than 27 years. He has vast experience in management, administration and effective policy formulations for efficient and smooth running of the Company. In view of the manifold increase in role and responsibility of Mr. Dipakkumar Navinchandra Choksi, the Board approved the re-appointment and re-designated Mr. Dipakkumar Navinchandra Choksi as Chairman and Whole Time Director of the Company for a period of two years w.e.f. 1st October, 2017 as his period of office is to be expired on 30th September, 2017. The details of the remuneration payable to Mr. Dipakkumar Navinchandra Choksi, as Chairman and Whole Time Director as contained in the resolution, are set out below:

- a) Salary: Basic Salary of ₹ 2.60 Lacs per month with suitable increment on 1st April each year at the discretion of the Board of Directors but within the limit of Schedule V and other applicable provisions of the Companies Act, 2013. So, long as he functions as such, he shall not be paid any sitting fees for attending meeting of the Board of Directors or committees thereof.
- b) Perquisites: Furnished accommodation, electricity, water, gas and furnishings, medical reimbursements, leave travel concessions for self and family, club fees, medical insurance, personal accident insurance, leave encashment, benefits of Provident Fund and Gratuity Fund, car and telephone, any other allowances etc. in accordance with the rules of the Company.

In case, no accommodation is provided to Mr. Dipakkumar Navinchandra Choksi, he will be paid House Rent Allowance as per rules of the Company.

The terms and conditions of the said appointment may be altered and varied from time to time by the Board as it may, in its discretion, deem fit, within the maximum amount payable to Managing and whole Time Directors in accordance with Schedule V to the Act or any amendments made hereafter in this regard. In the event of loss or inadequacy of profits in any financial year during the aforesaid period, the Company may pay to Mr. Dipakkumar Navinchandra Choksi remuneration by way of Salary, allowances and perquisites as per section II of part II of Schedule V of the Companies Act, 2013.

The Company shall reimburse actual entertainment and travelling expense incurred by the Managing Director in connection with the Company's business.

This statement containing following information is given as per Clause-A of Section II of part II of Schedule V of the Companies Act, 2013

I.	GENERAL INFORMATION	
	1) Nature of Industry	Manufacturing of Chemicals and Dyes.
	2) Date or expected date of commencement commercial production.	Existing Company and hence not applicable.
	3) In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Existing Company and hence not applicable.

## DYNAMIC INDUSTRIES LIMITED

	4) Financial Performance based on given indicators (As at 31st March, 2017)	<table border="1"> <thead> <tr> <th>Particulars</th> <th>₹. in Lacs</th> </tr> </thead> <tbody> <tr> <td>Turnover (Net Sales)</td> <td>4584.59</td> </tr> <tr> <td>Gross Profit</td> <td>745.13</td> </tr> <tr> <td>Net Profit Before Tax</td> <td>255.91</td> </tr> <tr> <td>Debt Equity Ratio</td> <td>0.57</td> </tr> <tr> <td>Current Ratio</td> <td>2.33</td> </tr> <tr> <td>Net Worth</td> <td>2222.91</td> </tr> </tbody> </table>	Particulars	₹. in Lacs	Turnover (Net Sales)	4584.59	Gross Profit	745.13	Net Profit Before Tax	255.91	Debt Equity Ratio	0.57	Current Ratio	2.33	Net Worth	2222.91
Particulars	₹. in Lacs															
Turnover (Net Sales)	4584.59															
Gross Profit	745.13															
Net Profit Before Tax	255.91															
Debt Equity Ratio	0.57															
Current Ratio	2.33															
Net Worth	2222.91															
	5) Export Performance	The Company has achieved export Turnover FOB value of ₹. 2275.39 lacs for the financial year ended on 31st March, 2017.														
	6) Foreign Investments or Collaborators, if any	None														
<b>II.</b>	<b>INFORMATION ABOUT THE APPOINTEE :</b>															
	1) Background Details	Mr. Dipakkumar Navinchandra Choksi is graduate in commerce and handling finance and banking, commercial matters, accounting and administration of the Company. He has experience of 36 years in the field of dyes and chemicals and as managing director of the Company from more than 27 years														
	2) Past Remuneration	Remuneration paid for the financial year 2016-17 is ₹. 27.13 Lacs.														
	3) Recognition or Awards	None														
	4) Job Profile and his suitability	Mr. Dipakkumar Navinchandra Choksi is handling multiple portfolio in field of Administration, finance and banking. He has wide knowledge of the industry and markets that the company operates in, and has been instrumental in the turnaround of the company over the last few years.														
	5) Remuneration Proposed	As mentioned in the abstract of remuneration given in the preceding paras.														
	6) Comparative remuneration profile with respect to industry size of the company, profile of the position and person.	The proposed remuneration is commensurate with level skills, experience of the appointee. Mr. Dipakkumar Navinchandra Choksi has been re-appointed and re-designated as Chairman and Whole Time Director having superintendence and control of the Board of Directors of the Company to carry out such duties on day to day basis as entrusted to him. The remuneration proposed is in line with and prevailing in similar industry and having regard to the size of the Company														
	7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	He belongs to promoter group and KMP of the Company apart from this There is no monetary pecuniary relation whether directly or indirectly with the company.														
<b>III.</b>	<b>OTHER INFORMATION :</b>															
	1) Reasons of loss or inadequate profits	Due to increase in competition in the Chemical industry the profit margin were low in order to survive in the market. So, profit for the financial year ended on 31 <sup>st</sup> March, 2017 was inadequate to for payment of such remuneration														

	2) Steps taken or proposed to be taken for improvement	Efforts are made for cost cutting for improving margins. Further other administrative and other expenses will be controlled.
	3) Expected increase in productivity and profits in measurable terms.	Strict steps will be taken to control fixed costs and inventory costs, which will enable Company to improve its turnover and profits in years to come with normative numbers calculated with reference to good returns from the Chemical Industry.
<b>IV.</b>	<b>DISCLOSURES :</b>	
	1) The remuneration package of Mr. Dipakkumar Navinchandra Choksi has been enumerated above. Resolution for the same include all the details.	
	2) The required disclosure to the shareholders of the Company about remuneration package of the managerial person and all elements of remuneration package such as salary, benefits, bonuses, stock options, pensions etc., of all the directors; details of fixed component and performance linked incentives along with the performance criteria; Service contract, notice period, severance fees; Stock option details, if any and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable has been made in the Annual Report of the Company for the Financial Year 2016-17, wherever applicable.	

The re-appointment and re-designation of Mr. Dipakkumar Navinchandra Choksi as Chairman and Whole Time Director of the company requires special majority of the members under Section 196, 197, 198 & 203 read with provisions of sub-clause (A) of section II of part II of Schedule V of the Companies Act, 2013, for payment of remuneration.

The re-appointment and re-designation of Mr. Dipakkumar Navinchandra Choksi as Chairman and Whole Time Director of the company requires a special majority of the members under Section 196(3)(a), for re-appointment after attending the age of Seventy years.

Justification for appointing Mr. Dipakkumar Navinchandra Choksi as Chairman and Whole Time Director of the company after attending the age of Seventy years.

Mr. Dipakkumar Navinchandra Choksi is graduate in commerce and handling finance and banking, commercial matters, accounting and administration of the Company. He has experience of 36 years in the field of dyes and chemicals and as managing director of the Company from more than 27 years.

Mr. Dipakkumar Navinchandra Choksi is handling multiple portfolio in field of Administration, finance and banking. He is also handling Purchase department of the Company. He has wide knowledge of the industry and markets that the company operates in, and has been instrumental in the turnaround of the company over the last few years. So the appointment of Mr. Dipakkumar Navinchandra Choksi on the Board is necessary and beneficial to the Company.

The Company has not made any default in repayment of any of its debts, loans (including public deposits) or debentures or interest payable thereon in terms of the proviso of sub clause (ii) of Clause B of section II of Part II of schedule V of the Companies Act, 2013.

Consequently the said resolution for re-appointment and re-designation of Mr. Dipakkumar Navinchandra Choksi as Chairman and Whole Time Director for a period of two years on the remuneration as set out in the resolution, requires approval of Members in General Meeting with special majority.

Hence, your directors recommend the resolution for your approval.

As the resolution for re-appointment has been proposed for two years with remuneration within the limits prescribed under Clause-A of section II of part II of schedule V of the Act, and hence the approval of Central Government is not required.

Except Mr. Dipakkumar Navinchandra Choksi none of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested in the Resolution and recommend your acceptance thereof in the interest of the Company.

The notice and explanatory statement may be treated as an abstract of terms and memorandum of interest under section 190 of the Companies Act, 2013, regarding re-appointment and re-designation of Mr. Dipakkumar Navinchandra Choksi as Chairman and Whole Time Director of the Company to be circulated to the shareholders of the company and the requirement of the said act may be deemed to have been sufficiently complied with.

**Item No. 6 :**

Mr. Harin Dhanvantlal Mamlatdarna was re-appointed and re-designated as Chairman and Whole Time Director of the Company for a period of 2 years (1st October, 2015 to 30th September, 2017) hence his term as Whole Time Director of the Company is going to be expired on 30th September, 2017. The Board Members re-appointed and re-designated Mr. Harin

## DYNAMIC INDUSTRIES LIMITED

Dhanvantlal Mamlatdarna as Vice Chairman and Managing Director of the Company on 30th May, 2017 for a period of two years w.e.f. 1st October, 2017 to 30th September, 2019 on the terms & conditions recommended by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee has considered the matter and recommended the terms of the Remuneration to the Board, subject to the approval of members by way of special resolution under various Sections of the Act read with Schedule- V of the Companies Act, 2013.

He is graduate in commerce and handling marketing, finance, accounting, and administration of the Company. He has experience of 36 years in the field of dyes and chemicals and as managing director of the Company from more than 27 years. He had also visited number of European and Asian Countries as well as USA to acquaint himself with latest technology. He has vast experience in management, administration and effective policy formulations for efficient and smooth running of the Company In view of the manifold increase in role and responsibility Mr. Harin Dhanvantlal Mamlatdarna, the Board approved the re-appointment and re-designation of Mr. Harin Dhanvantlal Mamlatdarna as Vice Chairman and Managing Director of the Company for a period of two years w.e.f. 1st October, 2017 as his period of office is to be expired on 30th September, 2017. The details of the remuneration payable to Mr. Harin Dhanvantlal Mamlatdarna, as Vice Chairman and Managing Director and as contained in the resolution, are set out below:

- a) Salary: Basic Salary of ₹ 2.60 Lacs per month with suitable increment on 1st April each year at the discretion of the Board of Directors but within the limit of Schedule V and other applicable provisions of the Companies Act, 2013 So, long as he functions as such, he shall not be paid any sitting fees for attending meeting of the Board of Directors or committees thereof.
- b) Perquisites: Furnished accommodation, electricity, water, gas and furnishings, medical reimbursements, leave travel concessions for self and family, club fees, medical insurance, personal accident insurance, leave encashment, benefits of Provident Fund and Gratuity Fund, car and telephone, any other allowances etc. in accordance with the rules of the Company.

In case, no accommodation is provided to Mr. Harin Dhanvantlal Mamlatdarna, he will be paid House Rent Allowance as per rules of the Company. The terms and conditions of the said appointment may be altered and varied from time to time by the Board as it may, in its discretion, deem fit, within the maximum amount payable to Managing and whole Time Directors in accordance with Schedule V to the Act or any amendments made hereafter in this regard. In the event of loss or inadequacy of profits in any financial year during the aforesaid period, the Company may pay to Mr. Harin Dhanvantlal Mamlatdarna remuneration by way of Salary, allowances and perquisites as per section II of part II of Schedule V of the Companies Act, 2013.

The Company shall reimburse actual entertainment and travelling expense incurred by the Managing Director in connection with the Company's business.

This statement containing following information is given as per Clause-A of Section II of part II of Schedule V of the Companies Act, 2013

I.	GENERAL INFORMATION															
	1) Nature of Industry	Manufacturing of Chemicals and Dyes.														
	2) Date or expected date of commencement commercial production.	Existing Company and hence not applicable.														
	3) In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Existing Company and hence not applicable.														
	4) Financial Performance based on given indicators (As at 31st March, 2017)	<table> <thead> <tr> <th>Particulars</th> <th>₹. in Lacs</th> </tr> </thead> <tbody> <tr> <td><b>Turnover (Net Sales)</b></td> <td><b>4584.59</b></td> </tr> <tr> <td><b>Gross Profit</b></td> <td><b>745.13</b></td> </tr> <tr> <td><b>Net Profit Before Tax</b></td> <td><b>255.91</b></td> </tr> <tr> <td><b>Debt Equity Ratio</b></td> <td><b>0.57</b></td> </tr> <tr> <td><b>Current Ratio</b></td> <td><b>2.33</b></td> </tr> <tr> <td><b>Net Worth</b></td> <td><b>2222.91</b></td> </tr> </tbody> </table>	Particulars	₹. in Lacs	<b>Turnover (Net Sales)</b>	<b>4584.59</b>	<b>Gross Profit</b>	<b>745.13</b>	<b>Net Profit Before Tax</b>	<b>255.91</b>	<b>Debt Equity Ratio</b>	<b>0.57</b>	<b>Current Ratio</b>	<b>2.33</b>	<b>Net Worth</b>	<b>2222.91</b>
Particulars	₹. in Lacs															
<b>Turnover (Net Sales)</b>	<b>4584.59</b>															
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<b>Current Ratio</b>	<b>2.33</b>															
<b>Net Worth</b>	<b>2222.91</b>															
	5) Export Performance	The Company has achieved export Turnover FOB value of ₹. 2275.39 lacs for the financial year ended on 31st March, 2017.														
	6) Foreign Investments or Collaborators, if any	None														

<b>II. INFORMATION ABOUT THE APPOINTEE :</b>	
1) Background Details	Mr. Harin Dhanvantlal Mamlatdarna is graduate in commerce and handling production, marketing, finance, banking, commercial matters, accounting and administration of the Company. He has experience of 36 years in the field of dyes and chemicals and as managing director of the Company from more than 27 years.
2) Past Remuneration	Remuneration paid for the financial year 2016-17 is ₹. 27.17 Lacs.
3) Recognition or Awards	Mr. Harin Dhanvantlal Mamlatdarna is Member of Committee of Administration and Chairman - Dyes & Dyes Intermediates Panel of CHEMEXCIL.
4) Job Profile and his suitability	Mr. Harin Dhanvantlal Mamlatdarna Handling multiple portfolio in field of production, marketing, finance, banking, commercial matters, accounting and administration. He has wide knowledge of the industry and markets that the company operates in, and has been instrumental in the turnaround of the company over the last few years.
5) Remuneration Proposed	As mentioned in the abstract of remuneration given in the preceding paras.
6) Comparative remuneration profile with respect to industry size of the company, profile of the position and person.	The proposed remuneration is commensurate with level skills, experience of the appointee. Mr. Harin Dhanvantlal Mamlatdarna has been re-appointed and re-designated as Vice Chairman and Managing Director having superintendence and control of the Board of Directors of the Company to carry out such duties on day to day basis as entrusted to him. The remuneration proposed is in line with and prevailing in similar industry and having regard to the size of the Company.
7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	He belongs to promoter group and KMP of the Company apart from this There is no monetary pecuniary relation whether directly or indirectly with the company.
<b>III. OTHER INFORMATION :</b>	
1) Reasons of loss or inadequate profits	Due to increase in competition in the Chemical industry the profit margin were low in order to survive in the market. So, profit for the financial year ended on 31 <sup>st</sup> March, 2017 was inadequate to for payment of such remuneration
2) Steps taken or proposed to be taken for improvement	Efforts are made for cost cutting for improving margins. Further other administrative and other expenses will be controlled.
3) Expected increase in productivity and profits in measurable terms.	Strict steps will be taken to control fixed costs and inventory costs, which will enable Company to improve its turnover and profits in years to come with normative numbers calculated with reference to good returns from the Chemical Industry.



## DYNAMIC INDUSTRIES LIMITED

IV.	DISCLOSURES :
	1) The remuneration package of Mr. Harin Dhanvantlal Mamlatdarna has been enumerated above. Resolution for the same include all the details.
	2) The required disclosure to the shareholders of the Company about remuneration package of the managerial person and all elements of remuneration package such as salary, benefits, bonuses, stock options, pensions etc., of all the directors; details of fixed component and performance linked incentives along with the performance criteria; Service contract, notice period, severance fees; Stock option details, if any and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable has been made in the Annual Report of the Company for the Financial Year 2016-17, wherever applicable.

The re-appointment and re-designated Mr. Harin Dhanvantlal Mamlatdarna as Vice Chairman and Managing Director of the company requires special majority of the members under Section 196, 197, 198 & 203 read with provisions of sub-clause (A) of section II of part II of Schedule V of the Companies Act, 2013, for payment of remuneration.

The Company has not made any default in repayment of any of its debts, loans (including public deposits) or debentures or interest payable thereon in terms of the proviso of sub clause (ii) of Clause B of section II of Part II of schedule V of the Companies Act, 2013.

Consequently the said resolution for re-appointment and re-designated Mr. Harin Dhanvantlal Mamlatdarna as Vice Chairman and Managing Director for a period of two years on the remuneration as set out in the resolution, requires approval of Members in General Meeting with special majority.

Hence, your directors recommend the resolution for your approval

As the resolution for re-appointment has been proposed for two years with remuneration within the limits prescribed under Clause-A of section II of part II of schedule V of the Act, and hence the approval of Central Government is not required.

Except Mr. Harin Dhanvantlal Mamlatdarna none of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested in the Resolution and recommend your acceptance thereof in the interest of the Company.

The notice and explanatory statement may be treated as an abstract of terms and memorandum of interest under section 190 of the Companies Act, 2013, regarding re-appointment and re-designation of Mr. Harin Dhanvantlal Mamlatdarna Vice Chairman and Managing Director of the Company to be circulated to the shareholders of the company and the requirement of the said act may be deemed to have been sufficiently complied with.

### Item No. 7 :

Mr. Dinesh Jasraj Jain was re-appointed Whole Time Director of the Company for a period of 2 years (1st October, 2015 to 30th September, 2017) hence his term as Whole Time Director of the Company is going to be expired on 30th September, 2017. The Board Members re-appointed Mr. Dinesh Jasraj Jain as Whole Time Director of the Company on 30th May, 2017 for a period of two years w.e.f. 1st October, 2017 to 30th September, 2019, on the terms & conditions recommended by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee has considered the matter and recommended the terms of the Remuneration to the Board, subject to the approval of members by way of special resolution under various Sections of the Act read with Schedule- V of the Companies Act, 2013.

He is graduate in commerce and handling marketing, finance, accounting and administration of the Company. He has experience of 31 years in the field of dyes and chemicals and as managing director of the Company from more than 9 years. He had also visited number of European and Asian Countries as well as USA to acquaint himself with latest technology. He has vast experience in management, administration and effective policy formulations for efficient and smooth running of the Company In view of the manifold increase in Mr. Dinesh Jasraj Jain role and responsibility, the Board approved the re-appointment of Mr. Dinesh Jasraj Jain as Whole Time Director of the Company for a period of two years w.e.f. 1st October, 2017 as his period of office is to be expired on 30th September, 2017. The details of the remuneration payable to Mr. Dinesh Jasraj Jain, as Whole Time Director as contained in the resolution, are set out below:

- a) Salary: Basic Salary of ₹ 0.75 Lacs per month with suitable increment on 1st April each year at the discretion of the Board of Directors but within the limit of Schedule V and other applicable provisions of the Companies Act, 2013 So, long as he functions as such, he shall not be paid any sitting fees for attending meeting of the Board of Directors or committees thereof.



- b) Perquisites: Furnished accommodation, electricity, water, gas and furnishings, medical reimbursements, leave travel concessions for self and family, club fees, medical insurance, personal accident insurance, leave encashment, benefits of Provident Fund and Gratuity Fund, car and telephone, any other allowances etc. in accordance with the rules of the Company.

In case, no accommodation is provided to Mr. Dinesh Jasraj Jain, he will be paid House Rent Allowance as per rules of the Company. The terms and conditions of the said appointment may be altered and varied from time to time by the Board as it may, in its discretion, deem fit, within the maximum amount payable to Managing and whole Time Directors in accordance with Schedule V to the Act or any amendments made hereafter in this regard. In the event of loss or inadequacy of profits in any financial year during the aforesaid period, the Company may pay to Mr. Dinesh Jasraj Jain remuneration by way of Salary, allowances and perquisites as per section II of part II of Schedule V of the Companies Act, 2013.

The Company shall reimburse actual entertainment and travelling expense incurred by the Managing Director in connection with the Company's business.

This statement containing following information is given as per Clause-A of Section II of part II of Schedule V of the Companies Act, 2013

I. GENERAL INFORMATION															
1) Nature of Industry	Manufacturing of Chemicals and Dyes.														
2) Date or expected date of commencement commercial production.	Existing Company and hence not applicable.														
3) In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Existing Company and hence not applicable.														
4) Financial Performance based on given indicators (As at 31st March, 2017)	<table border="1"> <thead> <tr> <th>Particulars</th> <th>₹. in Lacs</th> </tr> </thead> <tbody> <tr> <td><b>Turnover (Net Sales)</b></td> <td><b>4584.59</b></td> </tr> <tr> <td><b>Gross Profit</b></td> <td><b>745.13</b></td> </tr> <tr> <td><b>Net Profit Before Tax</b></td> <td><b>255.91</b></td> </tr> <tr> <td><b>Debt Equity Ratio</b></td> <td><b>0.57</b></td> </tr> <tr> <td><b>Current Ratio</b></td> <td><b>2.33</b></td> </tr> <tr> <td><b>Net Worth</b></td> <td><b>2222.91</b></td> </tr> </tbody> </table>	Particulars	₹. in Lacs	<b>Turnover (Net Sales)</b>	<b>4584.59</b>	<b>Gross Profit</b>	<b>745.13</b>	<b>Net Profit Before Tax</b>	<b>255.91</b>	<b>Debt Equity Ratio</b>	<b>0.57</b>	<b>Current Ratio</b>	<b>2.33</b>	<b>Net Worth</b>	<b>2222.91</b>
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5) Export Performance	The Company has achieved export Turnover FOB value of ₹. 2275.39 lacs for the financial year ended on 31st March, 2017.														
6) Foreign Investments or Collaborators, if any	None														
II. INFORMATION ABOUT THE APPOINTEE :															
1) Background Details	Mr. Dinesh Jasraj Jain is graduate in commerce and handling finance and banking, commercial matters, accounting and administration of the Company. He has experience of 31 years in the field of dyes and chemicals and as Whole Time Director of the Company from more than 9 years.														
2) Past Remuneration	Remuneration paid for the financial year 2016-17 is ₹. 10.43 Lacs.														
3) Recognition or Awards	None														

## DYNAMIC INDUSTRIES LIMITED

	4) Job Profile and his suitability	Mr. Dinesh Jasraj Jain is Handling multiple portfolio in field of Administration, finance and banking. He has wide knowledge of the industry and markets that the company operates in, and has been instrumental in the turnaround of the company over the last few years.
	5) Remuneration Proposed	As mentioned in the abstract of remuneration given in the preceding paras.
	6) Comparative remuneration profile with respect to industry size of the company, profile of the position and person.	The proposed remuneration is commensurate with level skills, experience of the appointee. Mr. Dinesh Jasraj Jain has been re-appointed as Whole Time Director having superintendence and control of the Board of Directors of the Company to carry out such duties on day to day basis as entrusted to him. The remuneration proposed is in line with and prevailing in similar industry and having regard to the size of the Company.
	7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	He belongs to promoter group and KMP of the Company apart from this There is no monetary pecuniary relation whether directly or indirectly with the company.
<b>III.</b>	<b>OTHER INFORMATION :</b>	
	1) Reasons of loss or inadequate profits	Due to increase in competition in the Chemical industry the profit margin were low in order to survive in the market. So, profit for the financial year ended on 31 <sup>st</sup> March, 2017 was inadequate to for payment of such remuneration
	2) Steps taken or proposed to be taken for improvement	Efforts are made for cost cutting for improving margins. Further other administrative and other expenses will be controlled.
	3) Expected increase in productivity and profits in measurable terms.	Strict steps will be taken to control fixed costs and inventory costs, which will enable Company to improve its turnover and profits in years to come with normative numbers calculated with reference to good returns from the Chemical Industry.
<b>IV.</b>	<b>DISCLOSURES :</b>	
	1) The remuneration package of Mr. Dinesh Jasraj Jain has been enumerated above. Resolution for the same include all the details.	
	2) The required disclosure to the shareholders of the Company about remuneration package of the managerial person and all elements of remuneration package such as salary, benefits, bonuses, stock options, pensions etc., of all the directors; details of fixed component and performance linked incentives along with the performance criteria; Service contract, notice period, severance fees; Stock option details, if any and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable has been made in the Annual Report of the Company for the Financial Year 2016-17, wherever applicable.	

The re-appointment of Mr. Dinesh Jasraj Jain as Whole Time Director of the company requires special majority of the members under Section 196, 197, 198 & 203 read with provisions of sub-clause (A) of section II of part II of Schedule V of the Companies Act, 2013, for payment of remuneration.

The Company has not made any default in repayment of any of its debts, loans (including public deposits) or debentures or interest payable thereon in terms of the proviso of sub clause (ii) of Clause B of section II of Part II of schedule V of the Companies Act, 2013.

Consequently the said resolution for re-appointment of Mr. Dinesh Jasraj Jain as Whole Time Director for a period of two years on the remuneration as set out in the resolution, requires approval of Members in General Meeting with special majority.

Hence, your directors recommend the resolution for your approval.

As the resolution for re-appointment has been proposed for two years with remuneration within the limits prescribed under Clause-A of section II of part II of schedule V of the Act, and hence the approval of Central Government is not required.

Except Mr. Dinesh Jasraj Jain none of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested in the Resolution and recommend your acceptance thereof in the interest of the Company.

The notice and explanatory statement may be treated as an abstract of terms and memorandum of interest under section 190 of the Companies Act, 2013, regarding re-appointment of Mr. Dinesh Jasraj Jain as Whole Time Director of the Company to be circulated to the shareholders of the company and the requirement of the said act may be deemed to have been sufficiently complied with.

**By Order of the Board**

-Sd/-

**DIPAKKUMAR CHOKSI**

*Vice Chairman & Managing Director*

DIN : 00536345

Place : Ahmedabad

Date : 30<sup>th</sup> May, 2017

**DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting their 28<sup>TH</sup> (Twenty Eighth) Annual Report on the business and operations of the Company and the Audited Accounts for the Financial Year ended 31<sup>st</sup> March, 2017

**1) FINANCIAL SUMMARY / HIGHLIGHTS OF PERFORMANCE OF THE COMPANY :**

<b>Financial Results</b>		[₹ in Lacs]	
<b>Particulars</b>	<b>Year Ended 31-03-2017</b>	<b>Year Ended 31-03-2016</b>	
Total Revenue	4642.05	3,808.14	
Profit before Depreciation and Tax	342.00	293.96	
Depreciation	86.09	87.90	
Profit (Loss) before Tax	255.91	206.06	
Less : Tax Expenses	78.14	77.83	
<b>Net Profit (Loss) for the year</b>	<b>177.77</b>	<b>128.23</b>	

**2. PERFORMANCE :**

During the year under review, the Company has earned higher profit compared to the previous year. The situation of heavy pressure on margin continued in the year. Total Revenue stood at ₹ 4,642.05 Lacs from ₹ 3,808.14 Lacs i.e. increase of 21.90% in the total revenue of the Company as compared to previous year and due to increase in total revenue the Net Profit for the year under review increased from ₹ 128.23 Lacs to ₹ 177.77 resulting in increase of about 38.63% of Net Profit of the Company. But overall Performance of the Company was satisfactory as compared to the peers of the Company.

Further, the Company continues with its efforts to maintain growth even during the economic downturn and face new challenges.

**3. DIVIDEND:**

Your directors are pleased to recommend the dividend @ 10% (₹ 1.00/- per equity share) on equity shares of ₹ 10.00 each for the year ended 31st March, 2017. The total dividend pay-out excluding dividend distribution tax shall be ₹ 30.29 Lacs.

**4. SHARE CAPITAL:**

At present, the Company has only one class of shares – equity shares with face value of ₹ 10.00 each. The authorized share capital of the company is ₹ 350.00 Lacs divided into 35,00,000 equity shares of ₹ 10.00 each. The paid up share capital of the company is ₹ 302.85 Lacs divided into 30,28,500 equity shares of ₹ 10.00 each.

During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

**5. RESERVES:**

The Board has transferred ₹ 17.10 Lacs from Revaluation Reserve to General Reserve Account for the Financial Year ended on 31st March, 2017 as per requirement of Schedule II to Companies Act, 2013. Further, amount of ₹ 6.50 Lacs set aside as reserve for eco-development is transferred to general reserve as the same is not obligatory now as per opinion of pollution control consultant.

**6. DEPOSITS:**

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

**7. FUTURE OUTLOOK:**

The Company expects the market for chemicals and dyes to grow moderately. Company is taking effective steps to improve operational efficiency to maintain the earnings. At Present many policies are being formed/adopted by the present Government, which may be beneficial to the Company in future. As crude oil prices fluctuating frequently have directly impact on the economy and in same line we expect many more positive things to happen in the global market which may have positive impact on the Company.

India's stable macroeconomic environment and strong growth outlook stand out relative to other emerging markets. Growth in 2015-16 was 7.6 %, substantially higher than 7.3 % in 2014-15.

With India's ever growing requirements of energy and capacity addition planned by the Government through various initiatives, though demand is subdued at the moment, there exists substantial opportunity for future growth as the Company's products are geared up for the requirements.

**8. UNCLAIMED DIVIDEND:**

As on 31st March, 2017, dividend amounting to ₹ 2.88 Lacs has not been claimed by shareholders of the Company. Shareholders are required to lodge their claims with the Registrar, Link Intime India Pvt. Ltd., for unclaimed dividend. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on 13th August, 2016 (date of the last Annual General Meeting) on the website of the Company ([www.dynaind.com](http://www.dynaind.com)), as also on the website of the Ministry of Corporate Affairs ([www.mca.gov.in](http://www.mca.gov.in)).

**9. ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE:**

In accordance with the provisions of Clause (m) of Sub Section (3) of Section 134 the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, the relevant information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo is given in ANNEXURE - I and forms part of this report.

**10. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:**

There were no such material changes occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of the report which can affect the financial position of the Company.

**11. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS:**

No such Orders have been passed by the Regulators/Court or Tribunals which can impact the going concern status and Company's operation in future.

**12. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES:**

The Company has a Wholly Owned Subsidiary Company Named Neo Farbe Private Limited (CIN: U24100GJ2013PTC073930). Details relating to Subsidiary Company are provided in AOC-1 the statement also provide the details of performance and financial positions of Subsidiary.

**13. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT BY THE COMPANY:**

Details of Loans, Guarantees and Investments, if any covered under the provisions of Section 186 of the Act are given in the notes to the Financial Statements.

**14. MEETING OF BOARD OF DIRECTORS:**

During the year under the review, 7 (Seven) Board Meetings were held, with gap not exceeding the period prescribed under Companies Act, 2013 and Rules made thereunder. Details of Board and Board Committee Meetings held during the year are given in the Corporate Governance Report.

Board meeting dates are finalized in consultation with all Directors and agenda papers backed up by comprehensive notes and detailed background information are circulated well in advance before the date of the meeting thereby enabling the Board to take informed decisions. The intervening gap between the Board Meetings was within the period prescribed under the Companies Act, 2013.

**15. EXTRACTS OF ANNUAL RETURN:**

An extract of Annual Return in Form MGT-9 is attached herewith as ANNEXURE-II.

**16. INSURANCE:**

All the Properties of the Company are adequately insured.

**17. RELATED PARTY TRANSACTIONS:**

There were no materially significant related party transactions entered between the Company, Directors, management, or their relatives except for those disclosed in the financial statements.

All the contracts/arrangements/transactions entered into by the Company with the related parties during the financial year 2016-17 were in the ordinary course of business and on an arm's length basis.

Accordingly, particulars of contracts or arrangements with related parties referred to in Section 188(1) along with the justification for entering into such contract or arrangement in Form AOC-2 does not form a part of this report.

## DYNAMIC INDUSTRIES LIMITED

The Audit Committee has granted omnibus approval for Related Party Transactions as per the provisions and restrictions contained in the Listing Agreement.

The company has formulated a policy on “Materiality of Related Party transactions and on dealing with Related Party Transactions” and the same is on the company’s website at [http://www.dynaind.com/investor\\_zone/Policies/Related%20Party%20Transaction%20Policy.pdf](http://www.dynaind.com/investor_zone/Policies/Related%20Party%20Transaction%20Policy.pdf)

The details of related party disclosure form a part of the notes to the financial statements provided in the annual report.

### 18. DIRECTORATE AND KEY MANAGERIAL PERSONNEL:

The Board of Directors of your company has various executive and non-executive directors including Independent Directors who have wide and varied experience in different disciplines of corporate functioning.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, Mr. Dinesh Jasraj Jain (DIN: 00135889) retires by rotation at the ensuing Annual General Meeting and being eligible in terms of Section 164 of the Act offers himself for re-appointment.

The Company had, pursuant to the provisions of Regulation 17 read with Regulation 25 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 entered into with Stock Exchange, appointed Mr. Jatinbhai Biharilal Surti (DIN: 05195572), Mr. Pravinchandra Devidas Master (DIN: 05195587), Mr. Raghavdas Hiralal Lakhmani (DIN: 05304347) & Ms. Viraj Darshit Shah (DIN: 07220630), as an Independent Directors of the Company.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

There were no changes in the constitution of Board of Directors or Key Managerial Personnel during the year.

As required under Section 203 of the Companies Act, 2013, the Company has Mr. Dipakkumar Navinchandra Choksi as Managing Director, Mr. Harin Dhanvantlal Mamlatdarna as Whole-time Director, Mr. Dinesh Jasraj Jain as Whole-time Director, Mr. Punit Leelaram Chhattani as Chief Financial Officer, and Mr. Harsh Rameshbhai Hirpara as Company Secretary under Key Managerial Personnel of the Company.

Remuneration to Key Managerial Personnel, Senior Management and other employees will involve a balance between fixed and incentive pay reflecting short and long-term performance objectives of the employees in line with the working of the Company and its goals.

### 19. EVALUATION OF BOARD, COMMITTEES AND DIRECTORS:

In compliance with the Companies Act, 2013 and Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the performance evaluation of the Board was carried out during the year under review. More details on the same are given in the Corporate Governance Report.

### 20. POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS:

The Board has on the recommendation of the Nomination & Remuneration Committee, formulated criteria for determining Qualifications, Positive Attributes and Independence of a Director and also a Policy for remuneration of Directors, Key managerial Personnel and senior management.

### 21. MANAGERIAL REMUNERATION

Details of remuneration paid / payable to the Directors for Financial Year 2016-2017

[₹ in Lacs]

Name	Salary and Perquisites F.Y. 2016-17	Commission	Shares issued under ESOP	Details of Service contracts; notice period and severance fees
Dipakkumar N. Choksi	27.13	Nil	Nil	Special Resolution dt. 14-08-2015, valid up to 30-09-2017; no Notice period and no severance fees
Harin D. Mamlatdarna	27.17	Nil	Nil	
Dinesh J. Jain	10.43	Nil	Nil	



The statement containing particulars of employees as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report as Annexure - III.

**22. INDEPENDENT DIRECTORS' DECLARATION:**

The Company has received the necessary declaration from each Independent Director, in accordance with Section 149(7) of the Companies Act, 2013, that he/she met the criteria of independence as laid out in sub-section (6) of Section 149 of the Companies Act, 2013 and the Regulation 16(1)(B) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**23. COMMITTEES OF THE BOARD:**

During the year, in accordance with the Companies Act, 2013, the Board re-constituted some of its Committees.

There are currently four Committees of the Board, as follows:

1. Audit Committee
2. Corporate Social Responsibility Committee
3. Nomination and Remuneration Committee
4. Stakeholders' Relationship Committee

Details of all the Committees along with their charters, composition and meetings held during the year, are provided in the "Report on Corporate Governance", a part of this Annual Report.

**24. AUDITORS:****A. Statutory Auditors**

Under Section 139 of the Companies Act, 2013 and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of the maximum term permitted under the said section. The audit committee of the Company has proposed, and on 30th May 2017, the Board of Directors of the Company has recommended the appointment of Ashok K. Bhatt & Co., Chartered Accountants (Firm registration number 100657W) as the statutory auditors of the Company. Firm will hold office for a period of five consecutive years from the conclusion of the 28th Annual General Meeting of the Company scheduled to be held on 14th August, 2017, till the conclusion of the 33rd Annual General Meeting to be held in the year 2022, subject to the approval of the shareholders of the Company. The first year of audit will be of the financial statements for the year ending March 31, 2018 which will include the quarterly financial statements for the year.

The Company has obtained a written confirmation under section 139 of the Companies Act, 2013 from Ashok K. Bhatt & Co., Chartered Accountants, Ahmedabad (FRN 100657W) that their appointment, if made, would be in conformity with the limits specified under the Act.

It is proposed to appoint Ashok K. Bhatt & Co., Chartered Accountants, Ahmedabad (FRN 100657W) to audit the accounts of the Company for the financial year 2017-2018.

Further, the Audit Report for the financial year end 31st March, 2017 is given by the current auditors of the Company i.e. M/S. G.K. Choksi & Co., Chartered Accountants.

The Report given by the Auditors on the financial statements year ended March 2017 of the Company is part of the Annual Report. The notes to the accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

**B. Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Chetan R. Shah, Practicing Company Secretaries, Ahmedabad to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as Annexure IV

There is no qualification, reservation or adverse remark in the report

### 25. INTERNAL CONTROL SYSTEM AND COMPLIANCE FRAMEWORK:

The Company has an Internal Control System, commensurate with size, scale and complexity of its operations. The internal financial controls are adequate and are operating effectively to ensure orderly and efficient conduct of business operations. The Company has appointed M/s. VKJD & Associates, Chartered Accountant vide (FRN 128985W) as an Internal Auditors of the Company. The Audit Committee in consultation with the internal auditors formulates the scope, functioning, periodicity and methodology for conducting the internal audit. The internal auditors carry out audit, covering inter alia, monitoring and evaluating the efficiency & adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations and submit their periodical internal audit reports to the Audit Committee. Based on the internal audit report and review by the Audit committee, process owners undertake necessary actions in their respective areas. The internal auditors have expressed that the internal control system in the Company is robust and effective. The Board has also put in place requisite legal compliance framework to ensure compliance of all the applicable laws and that such systems are adequate and operating effectively.

### 26. RISK MANAGEMENT :

Company has implemented an integrated risk management approach through which it reviews and assesses significant risks on a regular basis to help ensure that there is a robust system of risk controls and mitigation in place. Senior management periodically reviews this risk management framework to keep updated and address emerging challenges. Major risks identified for the Company by the management are Currency fluctuation, Compliances of various applicable Laws, Regulatory changes, Manufacturing & Supply, Litigation, Technological Changes and new capital investments return. The management is however, of the view that none of the above risks may threaten the existence of the Company as robust Risk mitigation mechanism is put in place to ensure that there is nil or minimum impact on the Company in case any of these risks materialize.

### 27. VIGIL MECHANISM AND WHISTLE BLOWER POLICY:

In accordance with Section 177 of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Company has constituted a Whistle Blower Policy/ Vigil Mechanism to establish a vigil mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed and to report to the management instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct.

The detail of the Whistle Blower Policy is explained in the Corporate Governance Report.

None of the Non-Executive Directors has any pecuniary relationship or transactions with the Company other than sitting fees payable to them.

### 28. CORPORATE SOCIAL RESPONSIBILITY (CSR):

Pursuant to the provisions of section 135 of the Act, read with CSR Rules, the Company has constituted CSR committee and formulated CSR policy. The Policy primarily rests on four broad categories: Environment, Health, Education and Community Development.

The disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 are made and the same is enclosed as Annexure-V

### 29. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules made thereunder, your Company has assigned the responsibilities to Audit Committee. During the year, no complaint with allegations of sexual harassment was filed against the Company.

### 30. PREVENTION OF INSIDER TRADING:

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. All Board Directors and the designated employees have confirmed compliance with the Code.

**31. DIRECTORS' RESPONSIBILITY STATEMENT:**

In accordance with the provisions of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013 and to the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors state that-

- i. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 31st March, 2017 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 Companies Act, 2013 and Rules made thereunder 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.

**32. CORPORATE GOVERNANCE:**

As required by the Regulation 27 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 entered into with the Stock Exchanges, a detailed report on Corporate Governance is given as a part of the Annual Report. The Company is in full compliance with the requirements and disclosures that have to be made in this regard. The Auditors' Certificate of the compliance with Corporate Governance requirements by the Company is attached to the Report on Corporate Governance. Report on Corporate Governance is given elsewhere in this Annual Report, herewith attached as ANNEXURE VI.

**33. CORPORATE GOVERNANCE CERTIFICATE:**

The Compliance certificate from the auditors regarding compliance of conditions of Corporate Governance as stipulated in Regulation 27 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 is appended to the report on Corporate Governance., herewith attached as Annexure VII.

**34. RELATED PARTY DISCLOSURE:**

Related Party discloser as mentioned in Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is appended to the report of Director herewith attached as Annexure VIII.

**35. GENERAL SHAREHOLDER INFORMATION:**

General Shareholder Information is given in Report on Corporate Governance forming part of the Annual Report.

**36. ACKNOWLEDGMENT:**

Your Directors take this opportunity to express their gratitude for the unstinted commitment, dedication, hard work and significant contribution made by employees at all levels in ensuring sustained growth of the Company. Your Directors also sincerely thank all the stakeholders, customers, vendors, bankers, business associates, government, other statutory bodies and look forward to their continued assistance, co-operation and support.

**By Order of the Board**

-Sd/-

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2017

**DIPAKKUMAR CHOKSI**  
*Vice Chairman & Managing Director*  
DIN : 00536345

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

**INDUSTRIAL STRUCTURE AND DEVELOPMENT :**

The Company is in the business of manufacturing of Chemical and main product of the Company is Dye and Dye Stuffs. Significant Sales portion consists Export. However, Competition in the industry is continuously increasing but overall Performance of the Company is satisfactory.

**OVERVIEW :**

The financial statements have been prepared in compliance with the requirement of the Companies Act, 2013 and Generally Accepted Accounting Principles (GAAP) followed in India. The management of the company accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present the company's state of affairs and profit for the year.

**OPPORTUNITY :**

India is one of the largest exporter of Dyes & Intermediates across the globe. India's capability in low cost manufacturing, availability of technically trained manpower, better price realization globally and strong presence in market are the key growth drivers

**THREATS :**

**COMPETITION :**

Competition in the domestic as well as international market has intensified and forced the players to adopt aggressive marketing strategy and promotional campaigns to capture and protect their market shares. The Company has the plans to penetrate better into world market, especially through the customer retention and business development in the regions which have not been tapped.

Sharp fluctuations in the value of the Indian Rupee and the fluctuating inventory prices have put pressure on the profitability of the Company.

The Company sells its products through a well-established network in different countries, which are supported by the Company's strong marketing force. The Company has developed a well-defined Trade Relationship Management Policy. The Company's broad product range and frequent visits by its marketing people to the outlets and the importing countries ensure that the Company's products receive a maximum response and are adequately promoted.

**SEGMENT WISE AND PRODUCT WISE PERFORMANCE :**

The Company operates within a solitary business segment i.e. manufacturing of chemicals and pigments. Further, all products of the company are classified as "Dyes". Hence, Segment/Product wise report is not given separately.

**RISK AND CONCERN :**

The risk management function is integral to the company and its objectives include ensuring that critical risk is identified continuously, monitored and managed effectively in order to protect the company's business.

However, the changes in the tax laws, Government policies, and regulatory requirement might affect the company's business. Uncontrolled variation in the price of input materials could impact the company's profitability to the extent that the same are not absorbed by the market through a price increase and/or could have a negative impact on the demand in the market. Currency risks mainly arise out of overseas operations. Exchange rate fluctuation could significantly impact earnings because of earning in foreign currencies and expenditures in foreign currencies. The company is operating in the highly competitive market.

The management has already taken initiatives in advance for mitigating the above mentioned risk and concerns/challenges. The company has taken major initiatives like a hedging of exposure in foreign currencies, strong marketing efforts, focus on cost reduction through inventory management techniques, the introduction of new products and manufacturing process without compromising the quality of products and retain talented employees etc.

**INITIATIVES BY THE COMPANY :**

The Company has taken the following initiatives:

- Concentration on the reduction of costs by undertaking a specific exercise in different fields.
- Concentration in Increase of Exports.
- Stress on Far East Asian and Latin American markets which are growing on a regular basis.
- Focusing on the modernization of manufacturing process to improvise quality and reduction of costs.
- The Company is quite confident that the overall productivity, profitability would improve in a sustainable manner, as a result of this strategy.

**OUTLOOK :**

The profit margins in the industry are under pressure. However, the Company has taken remedial measures. The Company is confident to meet the challenges with its strength in marketing network, it's strategic planning, Research & Development productivity improvement and cost reduction exercise.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY :**

Your Company places significant emphasis and efforts on the internal control systems. The Company has appointed and independent firm of Chartered Accountant for the same with such powers and responsibilities that are required to ensure the adequacy of the internal Control System.

**HUMAN RESOURCE :**

Your Company firmly believes that employees are the most valuable assets and key players of business success and sustained growth. Various employee benefits, recreational and team building efforts are made to enhance employee skills, motivation as also to foster team spirit. Industrial relations were cordial throughout the year. The Company has 73 employees as on year ended 31st March, 2017.

**CAUTIONARY STATEMENT**

The statements in the "Management Discussion and Analysis Report" section describes the Company's objectives, projections, estimates, expectations and predictions, which may be "forward looking statements" within the meaning of the applicable laws and regulations. The annual results can differ materially from those expressed or implied, depending upon the economic and climatic conditions, Government policies and other incidental factors.

**FINANCIAL HIGHLIGHTS**

➤ **REVENUES :**

Total income during the year under review was ₹ 4642.05Lacs (Previous year ₹ 3808.14 Lacs).

➤ **OPERATING EXPENSES :**

The operating and other expenses for the year ended 31st March, 2017 were ₹ 567.60 (Previous year ₹ 469.75 Lacs).

➤ **PROFIT AFTER TAX :**

The net profit after tax during the year under review period was ₹ 177.77 Lacs (Previous year ₹ 128.23 Lacs).

➤ **INTEREST ON BORROWINGS :**

The Company has incurred interest cost of ₹ 29.50 Lacs (Previous year ₹ 30.29 Lacs).

➤ **CAPITAL EMPLOYED :**

The Return on Average Capital Employed (ROCE) for the year ended 31st March, 2017 was 5.02% as compared to 3.82% for the same period last year.

➤ **RETURN ON NET WORTH:**

The return on Average Net worth (RONW) for the year ended 31st March, 2017 was 4.73% as compared to 3.52% for the same period last year.

➤ **FIXED ASSETS:**

There was addition of ₹ 15.70 Lacs to the Fixed Assets of the Company. (Previous year ₹ 19.77 Lacs).

➤ **SHARE CAPITAL:**

At present, the Company has only one class of shares – equity shares with face value of ₹ 10/- each. The authorized share capital of the company is ₹ 3,50,00,000/- divided into 35,00,000 equity shares of ₹ 10/- each. The paid up share capital of the company is ₹ 3,02,85,000/- divided into 30,28,500 equity shares of ₹ 10/- each.

During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity. Out of the profits for the year ended March 31, 2017, a sum of ₹ Nil has been transferred to General Reserve. (Previous year ₹ Nil)

➤ **SUNDRY DEBTORS :**

Sundry debtors amount to ₹ 1288.30 Lacs as of March 31, 2017, as compared with ₹ 913.31 Lacs as of March 31, 2016. These debtors are considered good and realizable. The need for provisions is assessed based on various factors including collectability of specific dues, risk perceptions of the industry in which the customer operates and general economic factor, which could affect the customer's ability to settle.

➤ **CASH AND CASH EQUIVALENTS :**

The bank balances include both Rupee accounts and foreign currency accounts. Advances are primarily towards amounts paid in advance for value and services to be received in future. Advance income tax represents payments made towards tax liability and also refunds due for the previous year. The Company's liability towards income tax is provided for. Electricity and other deposits represent electricity deposits, telephone deposits, insurance deposits and advances of a similar nature. Sundry creditors for other liabilities represent amounts accrued for various other operational expenses. Advances received from clients denote monies received for the delivery in future. Provisions for taxation represent estimated income tax liabilities.

**By Order of the Board**

-Sd/-

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2017

**DIPAKKUMAR CHOKSI**  
*Vice Chairman & Managing Director*  
DIN : 00536345



## ANNEXURE - I TO THE DIRECTORS' REPORT

## CONSERVATION OF ENERGY / ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :

## A. TECHNOLOGY ABSORPTION:-

The Company has no foreign collaboration and is well versed with the indigenous technology.

## B. CONSERVATION OF ENERGY:-

(i) As power and energy expenditure are not main cost constituent of company's overall product costing. So at present company is not required to take any conservation measures.

(ii) Power and fuel consumption

[₹ in Lacs]

	2016-2017	2015-2016
<b>Electricity</b>		
Purchase Unit in KW	9,54,646	7,80,763
Total Amount	76.60	72.26
Average Rate ₹ per unit	8.02	9.26
<b>Light Diesel Oil / Diesel Oil / Furnace Oil</b>		
Quantity (in LTRS)	2,156.80	1,458.94
Total Amount	1.30	0.74
Average rate ₹ per unit	60.51	50.72
<b>Gas</b>		
Quantity (in scm.)	5,71,179	3,87,008.51
Total Amount	170.65	138.69
Average rate ₹ per unit	29.88	35.84

## C. RESEARCH AND DEVELOPMENT

## a. Specific areas in which R&amp;D carried out by the company:-

Dyes

## b. Benefits derived as a result of the above R&amp;D

By addition on new products the company has been able to improve presence in overseas market. R & D has also resulted in to cost reduction.

## c. Future plan of Action

R&D is being strengthened and equipped to play an effective role for improving the quality.

## d. Expenditure on R&amp;D

No separate expenditure on R&D is booked in the accounts but is included in laboratory expenses.

## D. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

## a. Efforts Made:-

The Company deploys indigenous technology and continues its efforts to increase its yield, production, scale of operations and upgradation of technology.

## b. Benefits derived as a result of above efforts

Product improved through high efficiency and energy saving has improved an overall working of the Company.

## E. Foreign Exchange earning and out go

	2016-2017	2015-2016
Foreign Exchange Earning	2275.39	2032.61
Foreign Exchange out go	1217.08	674.07

By Order of the Board

-Sd/-

Place : Ahmedabad

Date : 30<sup>th</sup> May, 2017

**DIPAKKUMAR CHOKSI**  
Vice Chairman & Managing Director  
DIN : 00536345

**ANNEXURE – II TO THE DIRECTORS REPORT****FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN  
As on financial year ended on 31.03.2017****Pursuant to Section 92 (3) of the Companies Act, 2013 and  
Rule 12(1) of the Company (Management & Administration) Rules, 2014.****I. REGISTRATION & OTHER DETAILS :**

1.	CIN	L24110GJ1989PLC011989
2.	Registration Date	10th March, 1989
3.	Name of the Company	Dynamic Industries Limited
4.	Category/Sub-category of the Company	Company limited by shares & Indian Non-Government Company
5.	Address of the Registered Office & Contact Details	Plot No. 5501/2, Phase-III, Nr. Trikampura Cross Road, G.I.D.C., Vatva, Ahmedabad - 382 445.
6.	Whether Listed Company	Yes
7.	Name, Address & Contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt. Ltd. 5 <sup>th</sup> Floor, 506-508, Amarnath Business Centre-1 (ABC-1), Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off. C. G. Road, Navrangpura, Ahmedabad-380009. Phone : 079-26465179

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :**

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

Sr. No.	Name & Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
1	Manufacture of Dyes	24114	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :**

Name & Address of the Company	CIN / GLN	Holding / Subsidiary / Associate / Joint Venture	% of Share Held	Applicable Section
<b>Neo Farbe Private Limited</b> FF/31/A, Dinubhai Estate, Nr. Gopal Petrol Pump, Trikampura Patia, Vatva, Ahmedabad - 382 445.	U24100GJ2013PTC073930	Subsidiary	100	2(87)

## IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

## A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year as on 1st April, 2016				No. of Shares held at the end of the year as on 31st March, 2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual / HUF	13,68,301	6,400	13,74,701	45.39	13,87,786	Nil	13,87,786	45.82	+0.43
b) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt. (s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corp.	1,48,774	Nil	1,48,774	4.91	1,21,738	Nil	1,21,738	4.02	-0.89
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any other Foreign Individual	3,780	Nil	3,780	0.12	3,780	Nil	3,780	0.12	Nil
<b>Total Shareholding of Promoter A</b>	<b>15,20,855</b>	<b>6,400</b>	<b>15,27,255</b>	<b>50.43</b>	<b>15,13,304</b>	<b>Nil</b>	<b>15,13,304</b>	<b>49.97</b>	<b>-0.46</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) State Govt. (s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g) FIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Other (Specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-Total (B)(1) :</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>2) Non-Institutions :</b>									
a) Bodies Corp.									
i) Indian	1,35,514	801	1,36,315	4.50	96,456	Nil	96,456	3.18	-1.32
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

**DYNAMIC INDUSTRIES LIMITED**

Category of Shareholders	No. of Shares held at the beginning of the year as on 1st April, 2016				No. of Shares held at the end of the year as on 31st March, 2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 2 Lakh	7,30,274	1,23,050	8,53,324	28.18	7,83,814	1,22,551	9,06,365	29.93	+1.75
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 Lakh	5,01,051	Nil	5,01,051	16.54	4,06,180	Nil	4,06,180	13.41	-3.13
c) Others (specify) NRI/REPT.	8,007	Nil	8,007	0.26	1,469	Nil	1,469	0.04	-0.21
NRI NON	1,368	Nil	1,368	0.05	16,870	Nil	16,870	0.68	+0.63
REPT. Others	1,180	Nil	1,180	0.04	Nil	Nil	Nil	Nil	-0.04
Non Resident Indians	Nil	Nil	Nil	Nil	54,153	Nil	54,153	1.78	+1.78
Overseas Corporate Bodies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Foreign Nationals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Clearing Members	Nil	Nil	Nil	Nil	33,703	Nil	33,703	1.11	+1.11
Trusts	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Foreign Bodies - D R	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-Total (B)(2) :</b>	<b>13,77,394</b>	<b>1,23,851</b>	<b>15,01,245</b>	<b>49.57</b>	<b>13,92,645</b>	<b>1,22,551</b>	<b>15,15,196</b>	<b>50.12</b>	<b>+0.55</b>
<b>Total Public Shareholding</b>	<b>13,77,394</b>	<b>1,23,851</b>	<b>15,01,245</b>	<b>49.57</b>	<b>13,92,645</b>	<b>1,22,551</b>	<b>15,15,196</b>	<b>50.12</b>	<b>+0.55</b>
<b>(B)=(B)(1) + (B)(2)</b>									
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Grand Total (A + B + C)</b>	<b>28,98,249</b>	<b>1,30,251</b>	<b>30,28,500</b>	<b>100</b>	<b>29,05,949</b>	<b>1,22,551</b>	<b>30,28,500</b>	<b>100</b>	<b>100</b>

## B) SHAREHOLDING OF PROMOTER

Shareholder's Name	No. of Shares held at the beginning of the year as on 1st April, 2016			No. of Shares held at the end of the year as on 31st March, 2017			% Change in share holding during the year
	No. of Shares	% of total Shares of the Co.	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Co.	% of Shares Pledged / encumbered to total shares	
1 Dipakkumar N. Choksi	2,71,487	8.96	Nil	2,84,572	9.40	Nil	+0.44
2 Harin D. Mamlatdarna	3,47,780	11.48	Nil	3,47,780	11.48	Nil	Nil
3 Mayaben H. Mamlatdarna	2,11,247	6.98	Nil	2,11,247	6.98	Nil	Nil
4 Beenaben D. Chokshi	85,937	2.84	Nil	85,937	2.84	Nil	Nil
5 Ronak D. Chokshi	99,086	3.27	Nil	99,086	3.27	Nil	Nil
6 Bimal D. Chokshi	93,657	3.09	Nil	93,657	3.09	Nil	Nil
7 Asita H. Mamlatdarna	88,285	2.92	Nil	88,285	2.92	Nil	Nil
8 Mansi Mamlatdarna	78,086	2.58	Nil	78,086	2.58	Nil	Nil
9 Ornet Intermediates Ltd.	1,48,774	4.91	Nil	1,12,738	4.02	Nil	-0.89
10 Dinesh Jain	99,136	3.27	Nil	99,136	3.27	Nil	Nil
11 Chandresh Mamlatdarna	3,780	0.12	Nil	3,780	0.12	Nil	Nil

**DYNAMIC INDUSTRIES LIMITED****C) CHANGE IN PROMOTER'S SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE)**

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding During the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>1.</b>	<b>Ornet Intermediates Ltd.</b>				
	At the beginning of the year	1,48,774	4.91	1,48,774	4.91
	Transaction Sale / Purchase	Sale of 27,063 shares	-0.89	1,12,738	4.02
	At the end of the year	1,21,738	4.02	1,21,738	4.02
<b>2.</b>	<b>Mr. Dipakkumar N. Choksi</b>				
	At the beginning of the year	2,71,487	8.96	2,71,487	8.96
	Transaction Sale / Purchase	13,484 received via Gift & Sale of 400 shares	+0.44	2,84,572	9.40
	At the end of the year	2,84,572	9.40	2,84,572	9.40



**D) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS AS ON 31ST MARCH, 2017  
(OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND DRS) :**

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>1.</b>	<b>Subramanian P.</b>				
	At the beginning of the year	21,730	0.71	21,730	0.71
	Transaction Sale / Purchase	1,20,130 shares purchased	+3.97	1,41,860	4.68
	At the end of the year	1,41,860	4.68	1,41,860	4.68
<b>2.</b>	<b>Proeco Stockcom Pvt. Ltd.</b>				
	At the beginning of the year	63,790	2.10	63,790	2.10
	Transaction Sale / Purchase	Sale of 18,790 shares	-0.61	45,000	1.49
	At the end of the year	45,000	1.49	45,000	1.49
<b>3.</b>	<b>Bijendra Katta</b>				
	At the beginning of the year	52,725	1.74	52,725	1.74
	Transaction Sale / Purchase	N.A.	N.A.	N.A.	N.A.
	At the end of the year	52,725	1.74	52,725	1.74
<b>4.</b>	<b>Mahendrabhai Patel</b>				
	At the beginning of the year	44,700	1.47	44,700	1.47
	Transaction Sale / Purchase	N.A.	N.A.	N.A.	N.A.
	At the end of the year	44,700	1.47	44,700	1.47
<b>5.</b>	<b>Rajesh Gupta</b>				
	At the beginning of the year	41,949	1.38	41,949	1.38
	Transaction Sale / Purchase	Sale of 4,655 shares	-0.15	37,294	1.23
	At the end of the year	37,294	1.23	37,294	1.23
<b>6.</b>	<b>Sharad Kanaiyalal Shah</b>				
	At the beginning of the year	0	0	0	0
	Transaction Sale / Purchase	36,000 shares purchased	+1.19	36,000	1.19
	At the end of the year	36,000	1.19	36,000	1.19
<b>7.</b>	<b>Sangeetha S</b>				
	At the beginning of the year	37,690	1.24	37,690	1.24
	Transaction Sale / Purchase	Sales of 10,320	-0.34	27,370	0.90
	At the end of the year	27,370	0.90	27,370	0.90
<b>8.</b>	<b>Supriya Prabhu</b>				
	At the beginning of the year	34,500	1.13	34,500	1.13
	Transaction Sale / Purchase	N.A.	N.A.	N.A.	N.A.
	At the end of the year	34,500	1.13	34,500	1.13

## DYNAMIC INDUSTRIES LIMITED

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>9.</b>	<b>Usha Katta</b>				
	At the beginning of the year	31,731	1.04	31,731	1.04
	Transaction Sale / Purchase	N.A.	N.A.	N.A.	N.A.
	At the end of the year	31,731	1.04	31,731	1.04
<b>10.</b>	<b>Anju Lalit Gupta</b>				
	At the beginning of the year	18,000	0.59	18,000	0.59
	Transaction Sale / Purchase	N.A.	N.A.	N.A.	N.A.
	At the end of the year	18,000	0.59	18,000	0.59

### E) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>1.</b>	<b>Mr. Dinesh Jasraj Jain</b>				
	At the beginning of the year	99,136	3.27	99,136	3.27
	Transaction Sale / Purchase	N.A.	N.A.	N.A.	N.A.
	At the end of the year	99,136	3.27	99,136	3.27
<b>2.</b>	<b>Mr. Harin D. Mamlatdarna</b>				
	At the beginning of the year	3,47,780	11.48	3,47,780	11.48
	Transaction Sale / Purchase	N.A.	N.A.	N.A.	N.A.
	At the end of the year	3,47,780	11.48	3,47,780	11.48
<b>3.</b>	<b>Mr. Dipakkumar N. Choksi</b>				
	At the beginning of the year	2,71,487	8.96	2,71,487	8.96
	Transaction Sale / Purchase	13,485 Gift, Sale 400 shares	+0.44	2,84,572	9.40
	At the end of the year	2,84,572	9.40	2,84,572	9.40
<b>4.</b>	<b>Mr. Jatin Surti</b>				
	At the beginning of the year	500	0.02	500	0.02
	Transaction Sale / Purchase	N.A.	N.A.	N.A.	N.A.
	At the end of the year	500	0.02	500	0.02

**V. INDEBTEDNESS :**

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

[₹ in Lacs]

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	243.88	0.00	0.00	243.88
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.47	0.00	0.00	0.47
<b>Total (i+ii+iii)</b>	<b>244.35</b>	<b>0.00</b>	<b>0.00</b>	<b>244.35</b>
<b>Change in Indebtedness during the financial year</b>				
i) Addition	214.20	0.00	0.00	214.20
ii) Reduction	0.00	0.00	0.00	0.00
<b>Net Change</b>	<b>214.20</b>	<b>0.00</b>	<b>0.00</b>	<b>214.20</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	458.23	0.00	0.00	458.23
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.32	0.00	0.00	0.32
<b>Total (i+ii+iii)</b>	<b>458.55</b>	<b>0.00</b>	<b>0.00</b>	<b>458.55</b>

## DYNAMIC INDUSTRIES LIMITED

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :

#### A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER :

[₹ in Lacs]

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Dipakkumar Choksi MD	Dinesh Jain WTD	Harin Mamlatdarna WTD	
1	Gross Salary				
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	21.00	9.00	21.00	51.00
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	4.91	1.20	4.95	11.06
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission - as % of profit - others, specify...	NIL	NIL	NIL	NIL
5	Others, please specify 1. PF Contribution 2. Gratuity Accrued for the year (Payable at Retirement / resignation)	1.22 0.00	0.00 0.23	1.22 0.00	2.44 0.23
	Total (A)	27.13	10.43	27.17	64.73
	Ceiling as per the Companies Act, 2013	-----	-----	-----	252.00

#### B. REMUNERATION TO OTHER DIRECTORS :

[₹ in Lacs]

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Pravinchandra Master	Raghavdas Lakhmani	Viraj Shah	Jatin Surti	
1	Independent Directors					
	Fee for attending board committee meetings	0.06	0.18	0.18	0.18	0.60
	Commission	NIL	NIL	NIL	NIL	NIL
	Others, Please specify	NIL	NIL	NIL	NIL	NIL
	Total (1)	0.06	0.18	0.18	0.18	0.60
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	NIL				
	Commission					
	Others, Please specify					
	Total (2)					
	Total (B) = (1+2)	0.06	0.18	0.18	0.18	0.60
	Total Management Remuneration					65.33
	Overall Ceiling as per the Companies Act, 2013					252.00

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		CS	CFO	
1	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2.81	10.31	13.12
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil
	- as % of profit	Nil	Nil	Nil
	- others, specify...	Nil	Nil	Nil
5	Others, please specify			
	1. PF Contribution	0.00	0.22	0.22
	2. Gratuity Accrued for the year (Payable at Retirement / resignation)	0.09	0.21	0.30
	<b>Total</b>	2.90	10.74	13.64

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :**

There were no penalties / punishment / compounding of offences for the year ended March 31, 2017.

**By Order of the Board**

-Sd/-

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2017

**DIPAKKUMAR CHOKSI**  
Vice Chairman & Managing Director  
DIN : 00536345

**ANNEXURE – III TO THE DIRECTORS REPORT**

**1. Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 :**

- i. The ratio of the remuneration of each Director to the Median Remuneration of the Employees of the Company for the Financial Year 2015-16 and
- ii. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year.

[₹ in Lacs]

Sr. No.	Name of Director / KMP and its Designation	Remuneration to the Director/KMP for the Financial Year 2016-17	Remuneration to the Director/KMP for the Financial Year 2015-16	Percentage Increase/ decrease in remuneration in the Financial Year 2016-17	Ratio of Remuneration of each director to the Median Remuneration of Employees
1	Mr. Harin Dhanvantlal Mamlatdarna (Whole Time Director & Chairman)	27.17	25.63	6.01%	18.61
2	Mr. Dipakkumar Navinchandra Choksi (Managing Director & Vice Chairman)	27.13	24.81	9.35%	18.58
3	Mr. Dinesh Jasraj Jain Whole Time Director	10.43	10.43	0.00%	7.14
4	Mr. Jatinbhai Biharilal Surti (Independent Director)	0.18*	0.12*	N.A.	0.12
5	Mr. Pravinchandra Devidas Master (Independent Director)	0.06*	0.12*	N.A.	0.04
6	Mr. Raghavdas Hiralal Lakhmani (Independent Director)	0.18*	0.12*	N.A.	0.12
7	Ms. Viraj Darshit Shah (Independent Director)	0.18*	0.06*	N.A.	0.12
8	Mr. Punit Leelaram Chhattani (Chief Financial Office)	10.74	7.53	42.63%	7.36
9	Mr. Chintan Nareshkumar Amlani (Company Secretary)	Nil	2.90	N.A.	1.92

\*Only Sitting Fees is paid to Independent-Non-Executive Directors.

- iii. The Median Remuneration of Employees (MRE) of the Company is ₹ 1.46 Lacs for the Financial Year 2016-17. The MRE for the year decreased by 18.90% compared to ₹ 1.80 Lacs during the previous financial year.
- iv. The number of permanent employees on the rolls of the Company is 73 for the year ended 31<sup>st</sup> March, 2017.
- v. Average percentage decrease made in the salaries of employees other than the managerial personnel in the last Financial Year was 7.95%. Managerial Remuneration was increased during the year under consideration to the extent of 6.34% compared to previous year. The increase in remuneration is determined based on the performance by the employees of the Company.
- iv. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

2. There were no employee covered under rule 5(2) of the Companies (Appointment and Remuneration) Rules, 2014

**By Order of the Board**

-Sd/-

**DIPAKKUMAR CHOKSI**

*Vice Chairman & Managing Director*

DIN : 00536345

Place : Ahmedabad

Date : 30<sup>th</sup> May, 2017



**ANNEXURE – IV TO THE DIRECTORS REPORT****FORM NO. MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 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,

**Dynamic Industries Limited.**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Dynamic Industries Limited (hereinafter called the Company) (CIN: L24110GJ1989PLC011989) having its registered office at Plot No. 550/2, Phase-III, Nr. Trikampura Cross Roads, G. I. D. C. Vatva, Ahmedabad – 382445. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Dynamic Industries Limited (the Company) for the financial year ended on 31st March, 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. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (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 (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

## DYNAMIC INDUSTRIES LIMITED

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- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (i) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

VI. Other laws as may be applicable specifically to the Company:

- The Chemical Accidents (Emergency Planning, Preparedness and Response) Rules, 1996;
- Manufacture, Storage and Import of Hazardous Chemical Rules, 1989.
- Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange.
- (iii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- A) The Company has maintained a Register of Directors' Attendance as prescribed in the Secretarial Standards.
- B) The Directors have signed against their respective names after the meeting has been held.
- C) The Company had not received any proxy forms for the Annual General Meeting for the financial year ended 31st March, 2017.
- D) The Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited as stated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into with BSE Limited.
- E) The Company has obtained all necessary approvals under the various provisions of the Act;
- F) There was no prosecution initiated during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

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

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

The following mentioned observations are made:

- A) The Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings and directorships in other companies and interests in other entities;
- B) 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 and ethics for Directors and Management Personnel;

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

I further report that during the audit period, the Company has no major / specific events, actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above viz.

- i. Public/Right/Preferential issue of shares / debentures/sweat equity etc.
- ii. Redemption / buy-back of securities
- iii. Merger / amalgamation / reconstruction etc.
- iv. Foreign technical collaborations.

Sd/-

**Chetan R. Shah**  
Company Secretary in Practice  
**F.C.S. No. : 2703**  
**C. P. No. : 4253**

Place : Ahmedabad  
Date : 26<sup>th</sup> May, 2017

**ANNEXURE – V TO THE DIRECTORS REPORT**

**ANNUAL REPORT ON CSR ACTIVITIES CARRIED OUT BY THE COMPANY**

- 1 A brief outline of the company's CSR policy, including overview of projects or Programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or Programmes.

CSR policy is stated herein below:

The Mission and philosophy of the CSR function of the Company is "To contribute positively to the development of the society, by acting as a good neighbor, considerate of others, playing the role of a good corporate citizen with passion and compassion." Hence the CSR activities undertaken by the organization essentially focus on four core areas of Environment, Health, Education and Community Development.

The focus of the Company is to contribute to various institutions and initiatives around the manufacturing locations to provide social services to the needy. The CSR vision of the Company is to strive to be a responsible corporate by proactively partnering in the Environmental, Social and Economic development of the communities through the use of innovative technologies, products as well as through activities beyond normal business.

The Company endeavors to make a positive and significant contribution to the society by targeting social and cultural issues, maintaining a humanitarian approach and focusing on areas in and around its plants and where its establishments are

located. In particular, the Company will undertake CSR activities as specified in Schedule VII to the Companies Act, 2013 (including any amendments to Schedule VII and any other activities specified by the Government through its notifications and circulars) but will not be limited to the following:

1. Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
2. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation, including contribution to the Swachh Bharat Kosh set up by the Central Government for the promotion of sanitation and making available safe drinking water;
3. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
4. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set up by the Central Government for rejuvenation of river Ganga;
5. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;
6. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the scheduled castes, the scheduled tribes, other backward classes, minorities and women;
7. Slum area development.

**Disclosure:**

CSR activities will be undertaken either by the Company itself or through a Trust/Section 8 Company to be established by the Company or through any other Trust engaged in similar projects and activities.

## 2. Composition of CSR committee

Name of the Member	Designation
Mr. Pravinchandra Master	Chairperson
Mr. Raghavdas Lakhmani	Member
Mr. Jatinbhai Surti	Member
Ms. Viraj Shah	Member

## 3. Average net profit of the company for last three financial years: ₹ 392.47 Lacs

## 4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 7.85 Lacs

## 5. Details of CSR spend for the financial year:

- a) Total amount spent for the financial year: ₹ 8.00 Lacs  
b) Amount unspent if any : Nil  
c) Manner in which the amount spent during the financial year is detailed as below

Sr. No.	CSR Project or Activity	Sector	Location	Amount outlay project or Programme wise	Amount spent on the project or Programme	Cumulative Expenditure up to reporting period	Amount spent : or through out implementing agency
1	Avval Foundation	Old Age House	Ahmedabad	₹ 1,00,000/-	₹ 1,00,000/-	₹ 1,00,000/-	Directly
2	Akshaya Patra	Malnutrition and Hunger eradication	Ahmedabad	₹ 1,90,000/-	₹ 1,90,000/-	₹ 1,90,000/-	Directly
3	Manav Kartavya	Old Age Home General Purpose	Ahmedabad	₹ 1,50,000/-	₹ 1,50,000/-	₹ 1,50,000/-	Directly
4	Blind People's Association (India)	Education and Medical treatment of Disable People	Ahmedabad	₹ 2,00,000/-	₹ 2,00,000/-	₹ 2,00,000/-	Directly
5	Apang Manav Mandal	Provides education, training and rehabilitation to the persons with Disabilities	Ahmedabad	₹ 1,60,000/-	₹ 1,60,000/-	₹ 1,60,000/-	Directly
	<b>TOTAL</b>			₹ 8,00,000/-	₹ 8,00,000/-	₹ 8,00,000/-	

## 6. CSR Policy and Committee has been formulated

For, Dynamic Industries Limited

For, Dynamic Industries Limited

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2017

-Sd/-  
**DIPAKKUMAR CHOKSI**  
Vice Chairman & Managing Director  
DIN : 00536345

-Sd/-  
**PRAVINCHANDRA MASTER**  
Chairman - CSR Committee  
DIN : 05195587

**ANNEXURE – VI TO THE DIRECTORS REPORT**

**REPORT ON CORPORATE GOVERNANCE**

**COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Your Company adheres to good practices in Corporate Governance in its true spirit and benchmarks it with high standards. Corporate Governance is set of systems and practices to ensure that the operations of the Company are being managed in a way which ensures fairness, integrity, transparency and accountability in its dealings with its customers, stakeholders, dealers, lenders, government and employees. Company has guiding principles laid out through its Code of business conduct, duly adopted by directors and senior management personnel which has been posted on website of Company ([www.dynaind.com/investors\\_zone.html](http://www.dynaind.com/investors_zone.html)).

**1. ETHICS/GOVERNANCE POLICIES:**

At Dynamic Industries Limited, we strive to conduct our business and strengthen our relationships in a manner that is dignified, distinctive and responsible. We adhere to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Therefore, we have adopted various codes and policies to carry out our duties in an ethical manner. Some of these codes and policies are:

- Code of Conduct
- Vigil Mechanism and Whistle Blower Policy
- Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions
- Policy for Determination of Materiality of any Event or Information
- Familiarization of Independent Directors Policy
- Corporate Social Responsibility Policy
- Policy for Selection of Directors and determining Directors Independence
- Remuneration Policy for Directors, Key Managerial Personnel and other Employees
- Policy for determining Material Subsidiaries.
- Risk Management Policy
- Board Diversity Policy

**2. BOARD OF DIRECTORS:**

- Composition of the Board of Directors

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors Pursuant Regulation 17 of SEBI (LODR) Regulations, 2015. The composition of the Board and category of Directors are as follows

<b>Executive Director (Promoters)</b>	Dipak N. Choksi, Vice Chairman & Managing Director Harin Mamlatdarna, Chairman & Whole Time Director Dinesh Jain, Whole Time Director
<b>Independent (Non-Executive) Director</b>	Pravinchandra Master Jatin Surti Raghavdas Lakhmani Viraj D. Shah

- Number of Board Meetings and Attendance of Directors:

During the financial year 2016-17, 7 (Seven) Board Meetings were held on 21/04/2016, 30/05/2016, 15/06/2016, 11/08/2016, 19/09/2016, 14/11/2016 and 14/02/2017.

Board meeting dates are finalized in consultation with all the directors and agenda papers with detailed notes and other background information, which are essential for the Board to effectively and reasonably perform their duties and functions, are circulated well in advance before the meeting thereby enabling the Board to take informed decisions.

The composition of Directors and the attendance at the Board Meeting during the year 2016-2017 and last Annual General Meeting are as under :



Name of Director	Category	No. of other Director ships	Membership of Board Committees		No. of Board Meetings Attended	Attendance at last AGM
			Chairman	Member		
<b>Dipakkumar N. Choksi</b> (DIN : 00536345)	Vice Chairman & Managing Director	1	Nil	Nil	7	Yes
<b>Harin D. Mamlatdarna</b> (DIN : 00536250)	Chairman & Whole Time Director	1	Nil	1	6	Yes
<b>Dinesh J. Jain</b> (DIN : 00135889)	Whole Time Director	2	Nil	1	7	No
<b>Jatinbhai B. Surti</b> (DIN : 05195572)	Independent Director	Nil	Nil	3	7	Yes
<b>Pravinchandra D. Master</b> (DIN : 05195587)	Independent Director	Nil	4	4	3	No
<b>Raghavdas H. Lakhmani</b> (DIN : 05304347)	Independent Director	Nil	Nil	3	7	No
<b>Viraj D. Shah</b> (DIN : 07220630)	Independent Director	Nil	Nil	3	7	No

a) Separate Meeting of Independent Directors:

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the Listing (Obligation and Disclosure Requirements) Regulation, 2015, a separate meeting of the Independent Directors of the Company was held on February 14, 2017 to review the performance of Non-independent Directors (including the Chairman) and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and it's Committees which is necessary to effectively and reasonably perform and discharge their duties. The Independent Directors found the performance of Non-Independent Directors (including Chairman) and the Board as well as flow of information between the Management and the Board to be satisfactory. All independent directors were present in the meeting.

b) Induction & Training of Board Members (Familiarization programme for Independent Directors)

Letter of Appointment(s) issued to Independent Directors setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Director taken through a formal induction program including the presentation from the Chairman cum Managing Director and CEO & Whole Time Director on the Company's manufacturing, marketing, finance and other important aspects. The web link for the Familiarization Programmes for Independent Directors: [http://dynaind.com/investor\\_zone/Familiarization%20Programme/Details%20of%20Familiarization%20Programme-2016-17.pdf](http://dynaind.com/investor_zone/Familiarization%20Programme/Details%20of%20Familiarization%20Programme-2016-17.pdf)

c) Evaluation of the Board's Performance:

The Board has a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board based on the criteria laid down by Nomination and Remuneration Committee which included attendance, contribution at the meetings and otherwise, independent judgment, safeguarding of minority shareholders interest, adherence to Code of Conduct and Business ethics, monitoring of regulatory compliance, risk assessment and review of Internal Control Systems etc.

**3. ANNUAL GENERAL MEETING:**

The Annual General Meeting for the financial year ended on 31st March, 2016 was held on 13th August, 2016 and 16 Members were present at Annual general meeting including proxy.

**4. BOARD COMMITTEES:**

As per the requirement of the Companies Act, 2013 read with Rules and Regulations of SEBI (LODR) Regulations,

## DYNAMIC INDUSTRIES LIMITED

2015, various Board committees have been formed for better governance and accountability viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee.

The terms of reference of each committee are determined by the Board as per the requirement of law and their relevance is reviewed from time to time.

### A. AUDIT COMMITTEE:

As a measure of good Corporate Governance and to provide assistance to the Board of Directors in fulfilling the Board's responsibilities, an Audit Committee had been constituted by the Board. The terms of reference of this committee covers matters specified in Regulation read with Part C of Schedule II 18 of SEBI (LODR) Regulations, 2015 and Section 177 of the Companies Act, 2013 and other matters referred by the Board from time to time. Committee lays emphasis on adequate disclosures and compliance with all relevant statutes.

Main areas are deliberated as under.

- a. To provide an open avenue of communication between the independent auditors, internal auditors and the Board of Directors (BOD).
- b. To oversee the work of the independent auditors for the purpose of preparing or issuing an audit report or related work.
- c. Relying on the review and discussions with the management and the independent auditor, the Audit Committee believes that the Company's financial statements are fairly presented in conformity with Generally Accepted Accounting Principles in all material aspects.
- d. To consider and review the adequacy of internal control including computerized information system controls an periodically to the Board of Directors on significant activities.
- e. To ensure that the Company maintain effective risk management and internal control system and process.

The Constitution of the committee and the attendance of each member of the committee is given below:

The Committee comprises of four Directors and all the four Directors are Independent Directors. All members of the Audit Committee are financially literate. In the financial year 2016-17, four meetings were held on 30/05/2016, 11/08/2016, 14/11/2016, 14/02/2017.

Composition of committee as on 31st March, 2017 and member's attendance at the meetings during the year are as under:

Committee Members	Designation	Meetings Held	Meeting Attended
Mr. Pravinchandra Master	Chairman	4	2
Mr. Jatinbhai Surti	Member	4	4
Mr. Raghavdas Lakhmani	Member	4	4
Ms. Viraj D. Shah	Member	4	4

### B. NOMINATION AND REMUNERATION COMMITTEE:

Terms of reference of the committee comprise various matters provided under Part D of Schedule II of SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015 as well as section 178 of the Companies Act, 2013, and other matters referred by the Board from time to time. The Committee comprises of four Independent Directors. In the financial year 2016-17, one meeting of the Committee were held on 21<sup>st</sup> April, 2016.

The Constitution of the committee and the attendance of each member of the committee is given below

Committee Members	Designation	Meetings Held	Meeting Attended
Mr. Pravinchandra Master	Chairman	1	0
Mr. Jatinbhai Surti	Member	1	1
Mr. Raghavdas Lakhmani	Member	1	1
Ms. Viraj D. Shah	Member	1	1

**PERFORMANCE EVALUATION OF BOARD, COMMITTEES AND DIRECTORS:**

Based on the criteria laid down in the Policy for evaluation of Board and Independent Directors, the Board carried out the annual performance evaluation of Board Committees and the Independent Directors, whereas at a separate meeting, Independent Directors evaluated the performance of Executive Directors, Board as a whole and of the Chairman. Nomination and Remuneration Committee also evaluated individual directors' performance.

- I. As per the said Policy, evaluation criteria for evaluation Board inter alia covers: Composition in light of business complexities and statutory requirements; establishment of vision, mission, objectives and values for the Company; laying down strategic road map for the Company and annual plans; growth attained by the Company; providing leadership and directions to the Company and employees; effectiveness in ensuring statutory compliances and discharging its duties / responsibilities towards all stakeholders; identification, monitoring and mitigation of significant corporate risks; composition of various committees, laying down terms of reference and reviewing committee's working etc.
- II. Performance evaluation criteria for Executive Directors inter alia include: level of skill, knowledge and core competence; performance and achievement vis-à-vis budget and operating plans; effectiveness towards ensuring statutory compliances; discharging duties/responsibilities towards all stakeholders; reviewing/monitoring executive management performance, adherence to ethical standards of integrity; employment of strategic perception and business acumen in critical matters etc.
- III. Performance of Independent Directors is evaluated based on objectivity and constructiveness while exercising duties; providing independent judgment on strategy, performance, risk management and Board's deliberations; devotion of sufficient time for informed decision making; exercising duties in bona fide manner; safeguarding interests of all stakeholders, particularly minority shareholders; updating knowledge of the Company and its external environment.
- IV. Evaluation criteria for performance evaluation of Chairman are: providing guidance and counsel in strategic matters; providing overall direction to Board towards achieving Company's objectives; effectiveness towards ensuring statutory compliances; maintaining critical balance between the views of different Board Members; ensuring maximum participation and contribution by each Board member; monitoring effectiveness of Company's governance practices; conducting Board and Shareholders' meetings in effective and orderly manner.
- V. Committees of the Board are evaluated for their performance based on: effectiveness in discharging duties and functions conferred; setting up and implementation of various policies, procedures and plans, effective use of Committee's powers as per terms of reference, periodicity of meetings, attendance and participation of committee members; providing strategic guidance to the Board on various matters coming under committee's purview etc.

**Details of remuneration paid / payable to the Directors for Financial Year 2016-2017**

[₹ in Lacs]

Name	Salary and Perquisites	Commission	Shares issued under ESOP	Details of service contracts : notice period and severance fees
<b>Executive Director - Non Independent</b>				Special Resolution dt. 14-08-2015, valid up to 30-09-2017, no Notice period and no severance fees.
Dipakkumar N. Choksi	27.13	Nil	Nil	
Harin D. Mamlatdarna	27.17	Nil	Nil	
Dinesh J. Jain	10.43	Nil	Nil	
<b>Non Executive Independent Director</b>				
Pravinchandra Master	0.06*	Nil	Nil	
Jatin Surti	0.18*	Nil	Nil	
Raghavdas Lakhmani	0.18*	Nil	Nil	
Viraj Darshit Shah	0.18*	Nil	Nil	

\* Only Sitting Fees is paid to Independent Non-Executive Director

## DYNAMIC INDUSTRIES LIMITED

### C. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

Stakeholders' Relationship Committee performs various functions provided under the Listing Regulations and section 178 of the Companies Act, 2013. The Committee comprises of three Directors out of which one is independent. It is headed by Mr. Pravinchandra D. Master, an Independent Director

Name	Designation	Category
Mr. Pravinchandra Master	Chairman	Independent Non-Executive Director
Mr. Harin D. Mamlatdarna	Member	Chairman & Whole Time Director
Mr. Dinesh J. Jain	Member	Whole Time Director

The Stakeholders' Relationship Committee has been constituted to administer the following activities :

- Transfer of shares
- Transmission of shares
- Issue of Duplicate Share Certificates
- Change of Status
- Change of Name
- Transposition of Shares
- Sub-Division of Share Certificates
- Consolidation of folios
- Shareholders' requests for Dematerialization of shares
- Shareholders' requests for Rematerialization of shares

The Committee meets from time to time and approves the transfer and transmission of shares, deletion of names, issue of duplicate share certificates etc. The Committee facilitates prompt and effective redressal of investors' complaints and the reporting of the same to the Board of Directors.

The Board has delegated the power of Share Transfer to Registrar and Share Transfer Agent, M/s. Link Intime India Pvt. Ltd., who processes the transfers.

- No. of shareholders' complaints received -- NIL.
- No. of complaints not solved to the satisfaction of shareholders -- NIL.
- No. of pending share transfers -- NIL.
- As at 31<sup>st</sup> March, 2017 no equity Shares were pending for transfer.

### D. Corporate Social Responsibility Committee (CSR)

In terms of section 135 of Companies Act, 2013, the Committee comprises of three Directors. In the financial year 2016-17, one meeting of the Committee were held on 14<sup>th</sup> February, 2017. Composition of committee as on 31<sup>st</sup> March, 2017 and member's attendance at the meeting during the year are as under:

Committee Members	Designation	Meetings Held	Meeting Attended
Mr. Pravinchandra Master	Chairman	1	1
Mr. Jatinbhai Surti	Member	1	1
Mr. Raghavdas Lakhmani	Member	1	1
Ms. Viraj D. Shah	Member	1	1

Corporate Social Responsibility at the Company stems from the ideology of providing sustainable value to the society in which the Company operates and contributing towards development of the underprivileged sections of the society. Based on the recommendations of the CSR Committee, the Company has laid down the CSR policy, which is displayed on the website of the Company.

The Committee oversees the execution of Policy and provides guidance on various CSR activities to be undertaken by the Company. The policy is within the ambit of Schedule VII of the Companies Act, 2013.

**5. PREVENTION OF INSIDER TRADING:**

The Company has adopted a Code of Conduct for fair disclosure and prevention of Insider Trading in order to regulate, monitor and control trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

**6. SUBSIDIARY COMPANY:**

Audited Annual Financial Statements of Subsidiary Company are tabled at the Audit Committee and Board Meetings. Copies of the Minutes of the Board Meetings of Subsidiary Company are individually given to all the Directors and are tabled at the subsequent Board Meetings.

**7. POSTAL BALLOT :**

During the year, the Company had not sought approval from the shareholders through Postal Ballot. The Company had provided e-voting facility at the time of Annual General Meeting for the year ended 31<sup>st</sup> March, 2015. The Company had appointed Mr. Chetan R. Shah, Practising Company Secretary to act as Scrutinizer for the entire e-voting process.

**8. ANNUAL GENERAL MEETINGS**

Details of last three AGMs held

Year	Date	Time	Venue	No. of Special Resolutions passed
2013-2014	14-08-2014	11-30 a.m.	Plot No. 5501/2, Phase-III, Nr. Trikamura Cross Road, G.I.D.C., Vatva, Ahmedabad - 382 445.	--
2014-2015	14-08-2015	11-30 a.m.		8
2015-2016	13-08-2016	11-30 a.m.		--

No Resolutions were put through postal ballot.

**9. DEMAT / REMAT OF SHARES**

Details of Shares Dematerialized / Rematerialized during the last financial year is as below:

a) Number of Demat requests approved	20
b) Number of Shares Dematerialized	7,700
c) Percentage of Shares Dematerialized	0.25%
d) Number of Remat requests approved	Nil
e) Number of Shares Rematted	Nil

Representatives of the Company are constantly in touch with M/s. Link Intime India Pvt. Ltd., Share Transfer Agents of the Company and review periodically the outstanding matters.

**10. DISCLOSURES:**

**A.** There were no transactions of material nature with its related parties that may have the potential conflict with the interest of the Company at large. Transactions with related parties are disclosed in Note No. 33 of the Financial Statements.

**B.** There is an instance of non-compliance regarding non-appointment of Women Director on the Board of Company, as per BSE notice dated 3<sup>rd</sup> July, 2015 company had paid ₹ 50,000/- as a penalty for the same. No other penalty imposed by any statutory authority on any matter related to capital market. However, during the year there is no instance of non-compliance of Listing Regulations.

**C. CEO certification:**

The CEO of the Company has certified to the Board with regard to the compliance made by them in terms of Schedule V of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and the certificate forms part of Annual Report.

**D. Accounting treatment**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Act. The financial statements have been prepared on accrual basis under the historical cost convention.

## DYNAMIC INDUSTRIES LIMITED

### 11. MEANS OF COMMUNICATION:

1. Quarterly Results	Published in the newspapers every quarter
2. Newspapers wherein results normally published	i. Chanakya Ni Pothi (English) ii. The Newslines (Gujarati)
3. Any website, where results are displayed	www.dynaind.com
4. The presentation made to Institutional Investors or to the analysts	No presentation has been made during the year.

Further, all other price sensitive and other information is sent to the Stock Exchange where shares of the Company are listed, enabling them to display the same on their website.

### VIII. ADDITIONAL INFORMATION TO SHAREHOLDERS

#### a) Annual General Meeting :

Date: 14<sup>th</sup> August, 2017

Day: Monday

Time: 11.30 a.m.

Address: Plot No. 5501/2, Phase III, Near Trikampura Cross Roads,  
G.I.D.C. Vatva, Ahmedabad – 382445.

#### Calendar of Financial Year ended 31st March, 2017

The meetings of Board of Directors for approval of quarterly financial results during the Financial Year ended 31st March, 2017 were held on the following dates:

<b>First Quarter Results :</b>	11 <sup>th</sup> August, 2016
<b>Second Quarter and Half Yearly Results :</b>	14 <sup>th</sup> November, 2016
<b>Third Quarter Results :</b>	14 <sup>th</sup> February, 2017
<b>Fourth Quarter and Annual Results :</b>	30 <sup>th</sup> May, 2017

#### Tentative Calendar for financial year ending 31st March, 2018

The tentative dates of meeting of Board of Directors for consideration of quarterly financial results for the financial year ending 31st March, 2018 are as follows :

<b>First Quarter Results :</b>	11 <sup>th</sup> September, 2017
<b>Second Quarter and Half Yearly Results :</b>	14 <sup>th</sup> November, 2017
<b>Third Quarter Results :</b>	14 <sup>th</sup> February, 2018
<b>Fourth Quarter and Annual Results :</b>	30 <sup>th</sup> May, 2018

#### b) Date of Book Closure

From 12<sup>th</sup> August, 2017 to 14<sup>th</sup> August, 2017 (both days inclusive) for Annual General Meeting and dividend.

#### c) Dividend will be paid within 30 days from the date of AGM if declared by members of the Company.

#### d) Regd. Office

Plot no. 5501/2, Phase III, Near Trikampura Cross Roads,  
G.I.D.C. Vatva, Ahmedabad -382445

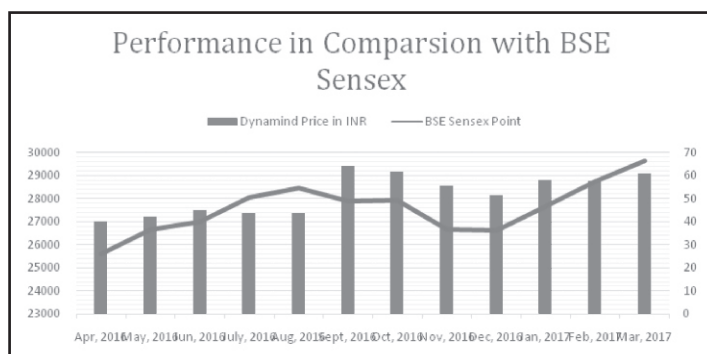
#### e) Equity shares of the Company are listed on BSE Limited Stock Exchange.

#### f) Scrip Code:-524818 (BSE), Scrip ID: DYNAMIND, ISIN : INE457C01010



## Stock Market Data (in ₹ / Per Share)

Month	The Bombay Stock Exchange Ltd.	
	Month's High	Month's Low
April, 2016	49.20	30.00
May, 2016	56.55	37.20
June, 2016	49.95	38.10
July, 2016	46.90	40.00
August, 2016	46.90	41.60
September, 2016	65.25	42.05
October, 2016	82.90	58.35
November, 2016	64.85	46.15
December, 2016	62.00	49.55
January, 2017	62.40	49.60
February, 2017	66.10	53.50
March, 2017	75.15	56.30



## g) Share Transfer System

Applications for transfer of shares held in physical form are received at the office of the Registrars and Share Transfer Agents of the Company, M/s. Link Intime India Pvt. Ltd. All valid transfers are processed within 15 days from the date of receipt

## h) Shareholding pattern as on 31-03-2017 is as given below :

Sr. No.	Category	No. of Shares	% of holding
1	Promoters	15,13,304	49.97
2	Persons acting in Concert	-----	-----
3	Mutual Funds, UTI, Banks, Financial -	-----	-----
4	Institutions, Insurance Companies, Central / State Govt. Government Institutions	-----	-----
5	FIs	-----	-----
6	NRIs	18,339	0.60
7	Bodies Corporate	96,456	3.19
8	Others	14,00,401	46.24
<b>Grand Total</b>		<b>30,28,500</b>	<b>100.00</b>

## i) Distribution of Shareholding as on 31-03-2017 is as under :

Slab of Share Holding	No. of Shareholders	% of Shareholders	No. of Shares	Amount (₹)	% of Capital
1 to 500	2306	85.15	3,39,720	33,97,200	11.21
501 to 1,000	203	7.50	1,66,317	16,63,170	5.49
1,001 to 2,000	90	3.32	1,34,655	13,46,550	4.45
2,001 to 3,000	31	1.14	77,907	7,79,070	2.57
3,001 to 4,000	25	0.92	88,533	8,85,330	2.92
4,001 to 5,000	9	0.33	41,198	4,11,980	1.36
5,001 to 10,000	15	0.55	1,03,517	10,35,170	3.41
10,001 and above	29	1.07	20,76,653	2,07,66,530	68.57
<b>Total</b>	<b>2708</b>	<b>100.00</b>	<b>30,28,500</b>	<b>3,02,85,000</b>	<b>100.00</b>

## DYNAMIC INDUSTRIES LIMITED

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**j. Dematerialization of Shares and liquidity**

The Securities and Exchange Board of India (SEBI), through a notification have made it compulsory that delivery in the Company's shares against Stock Exchange trades became compulsory in Demat format. As on 31<sup>st</sup> March, 2017, 29,05,949 equity shares 95.95% of the total number of shares have been dematerialized.

**k. Outstanding GDRs / ADRs / Warrants or Conversion instruments, Conversion date and like impact on equity- Not applicable**

- l. Plant Location :**
- 1) Plot No. 125, Phase I,  
GIDC, Vatva, Ahmedabad – 382 445.
  - 2) Plot No. 5501/2, Phase III,  
Near Trikampura Cross Roads,  
G.I.D.C., Vatva, Ahmedabad -382 445.

**m. Investors' correspondence :**

For transfer / dematerialization of shares, Change of Address, Change in Status of investors, payment of dividend on shares and other query relating to the shares of the Company:

Link Intime India Pvt. Ltd.  
(Ahmedabad Branch)  
5th Floor, 506-508, Amarnath Business Center-1 (ABC-1)  
Nr. St. Xavier's College Corner, Off C. G. Road,  
Navrangpura, Ahmedabad – 380 009  
E-mail : ahmedabad@linkintime.co.in  
Contact Person : Mr. Narendra Tavde

**n. Share Transfer System**

Shares in physical form sent for registering transfer, to the Registrar and Shares Transfer Agents, M/s. Link Intime India Private Limited are registered and returned within a period of 15 days from the date of receipt, if the documents are in order in all respects. The Share Transfer Committee of the Company meets as often as required.

**o. Compliance Officer of the Company: Mr. Harsh R. Hirpara**

### Compliance Certificate of the Auditors

A Certificate from the Auditors of the Company regarding compliance of conditions of corporate Governance as stipulated under Schedule V of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 is attached to this Report.

**For and on behalf of the Board**

-Sd/-

**DIPAKKUMAR CHOKSI**  
*Vice Chairman & Managing Director*  
DIN : 00536345

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2017

## DECLARATION

Pursuant to the Schedule V (Part D) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, I hereby confirm that the Company has received affirmations on compliance with the Code of Conduct for the financial year ended March 31, 2017 from all the Board Members and Senior Management Personnel.

**For and on behalf of the Board**

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2017

-Sd/-

**DIPAKKUMAR CHOKSI**  
*Vice Chairman & Managing Director*  
DIN : 00536345

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## CEO CERTIFICATION

To,  
The Board of Directors,  
**DYNAMIC INDUSTRIES LIMITED**  
Ahmedabad.

I hereby certify that :

- i. I have reviewed the financial statements and the cash flow statement of the Financial Year 2016-17 and that to the best of our knowledge and belief.
  - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b. 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.
- ii. 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 violated of the Company's code of conduct.
- iii. I accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we hereby disclose to the Auditors and the Audit Committee that there have been no efficiencies in the design or operation of internal controls, prevailing in the company.
- iv. I hereby certify that :
  - a. There have been no significant changes in internal control during the year.
  - b. There have been no significant changes in accounting policies during the year and
  - c. No instances of fraud were observed in the Company by the management or an employee having a significant role in the company's internal control system

**For and on behalf of the Board**

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2017

-Sd/-

**DIPAKKUMAR CHOKSI**  
*Vice Chairman & Managing Director*  
DIN : 00536345

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**ANNEXURE – VII TO THE DIRECTORS REPORT**

**CORPORATE GOVERNANCE CERTIFICATE**

To the Members of the DYNAMIC INDUSTRIES LIMITED

We have examined the compliance of conditions of Corporate Governance by Dynamic Industries Limited ('the Company') for the year ended on 31st March 2017, as stipulated Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring compliance with 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 provisions as specified in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with the Bombay Stock Exchange Limited.

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

For, **G. K. CHOKSI & CO.**  
[Firm Registration No. 101895W]  
*Chartered Accountants*

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2017

Sd/-  
**ROHIT K. CHOKSI**  
*Partner*  
Membership No. 31103

**ANNEXURE - VIII TO THE DIRECTOR'S REPORT**

Disclosures under regulation 34(3) read with schedule V of Listing Regulations

Sr. No.	Disclosure of loans / advances / investments / Outstanding during the year	As at 31 <sup>st</sup> March, 2017	Maximum amount during the year
1	Loans and Advances in the nature of loans to subsidiary	Nil	Nil
2	Loans and Advances in the nature of loans to associate	Nil	Nil
3	Loans and Advances in the nature of loans to firms / companies in which directors are interested	Nil	Nil

**For and on behalf of the Board**

-Sd/-

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2017**DIPAKKUMAR CHOKSI**  
*Vice Chairman & Managing Director*  
DIN : 00536345

**INDEPENDENT AUDITORS' REPORT**

To,  
The Members,  
DYNAMIC INDUSTRIES LIMITED  
Ahmedabad.

**Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of Dynamic Industries Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management’s Responsibility for the Standalone Financial Statements**

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 standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting 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 provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, 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.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s 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 true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company’s Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on standalone financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 31<sup>st</sup> March, 2017 and its profit and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor’s Report) Order 2016 (“the Order”) issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the “Annexure-A”, a statement of the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.



2. 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 appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone 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 written representations received from the directors as on 31 March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure-B”; and
  - (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 and to our best of our information and according to the explanations given to us :
    - (i) The Company has disclosed pending litigations which would impact its financial position – Refer Note 34 to the financial statements;
    - (ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
    - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - (iv) The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the company. Refer Note 41 to the financial statements.

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2017

For, **G. K. CHOKSI & CO.**  
[Firm Registration No. 101895W]  
*Chartered Accountants*

Sd/-  
**ROHIT K. CHOKSI**  
*Partner*  
Membership No. 31103

**ANNEXURE - A  
INDEPENDENT AUDITOR'S REPORT**

To the Independent Auditors' Report of even date on standalone financial statements of DYNAMIC INDUSTRIES LIMITED

- (i) (a) The Company is in the process of compiling fixed assets records to show full particulars, including quantitative details and situation of fixed assets.
- (b) We were informed that all major items of fixed assets were physically verified by the Management at the end of the year and that no discrepancy was noticed on such verification, which on account of proper records being still under compilation, could not be verified.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) According to information and explanation given to us, the Management of the Company has conducted physical verification of inventory at reasonable intervals and no material discrepancies were noticed on such physical verification during the year.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly the clause 3 (iii) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments, guarantees and securities.
- (v) According to information and explanations given to us, the Company has not accepted any deposits as defined in The Companies (Acceptance of Deposits) Rules 2014. Accordingly, the provisions of Clause 3(v) of the Order are not applicable to the Company.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to rules made by the Central Government. We are of the opinion that prima facie the prescribed accounts and records have been maintained and being made. We have not, however, made a detailed examination of these records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues and Company had no arrears of such outstanding statutory dues as at 31<sup>st</sup> March, 2017 for a period more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the Company has no disputed outstanding statutory dues as at to 31<sup>st</sup> March, 2017 other than those stated below:

Name of the Statute	Nature of Dues	Amount ₹ in lacs	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	0.88	2012-2013	CIT(A), Ahmedabad
Customs Act, 1962	Customs Duty	171.14	2006-2007 & 2007-2008	CESTAT, Ahmedabad
Customs Act, 1962	Customs Duty	5.51	2007-2008	CESTAT, Mumbai
Finance Act, 1994	Service Tax	79.24	2012-2013	CESTAT, Ahmedabad

- (viii) According to the information and explanations given to us, the Company has not defaulted in the repayment of loans and borrowings to financial institutions, banks, government or dues to debenture holders during the year.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
- (x) According to the information and explanations given to us, no fraud by company or any fraud on the company by its officers and employees have been noticed or reported during the year.

- (xi) According to the information and explanations give to us, the Company has paid/provided for managerial remuneration in accordance with the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us, transactions with the related parties are in compliance with sections 177 and 188 of the Act and details of transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For, **G. K. CHOKSI & CO.**  
[Firm Registration No. 101895W]  
*Chartered Accountants*

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2017

Sd/-  
**ROHIT K. CHOKSI**  
*Partner*  
Membership No. 31103

**ANNEXURE - B**

Annexure-B to the Independent Auditors' Report of even date on the Standalone Financial Statements of DYNAMIC INDUSTRIES LIMITED

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

We have audited the internal financial controls over financial reporting DYNAMIC INDUSTRIES LIMITED ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 Companies Act, 2013.

**Auditors' Responsibility**

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

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, 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 31<sup>st</sup> March 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.

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2017

For, **G. K. CHOKSI & CO.**  
[Firm Registration No. 101895W]  
*Chartered Accountants*

Sd/-  
**ROHIT K. CHOKSI**  
*Partner*  
Membership No. 31103

# DYNAMIC INDUSTRIES LIMITED

## Balance Sheet as at 31st March, 2017

[₹ in Lacs]

Particulars	Notes	As at 31st March 2017	As at 31st March 2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	302.85	302.85
Reserves and Surplus	3	3,527.60	3,386.44
		3,830.45	3,689.29
<b>Non-Current Liabilities</b>			
Long Term Borrowings	4	25.41	44.34
Deferred Tax Liabilities (Net)	5	54.55	67.86
Long Term Provisions	6	8.73	15.39
		88.69	127.59
<b>Current Liabilities</b>			
Short Term Borrowings	7	413.91	175.50
Trade Payables			
Dues to Micro, Small and Medium	40	----	----
Dues to Other	8	604.28	637.01
Other Current Liabilities	9	52.03	42.22
Short Term Provisions	10	117.40	128.10
		1,187.62	982.83
<b>Total</b>		5,106.76	4,799.71
<b>ASSETS</b>			
<b>Non Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	11	2,214.70	2,287.69
Intangibles Assets	12	0.16	0.24
Capital Work in Progress	13	30.84	0.00
		2,245.70	2,287.93
Non Current Investments	14	65.00	5.00
Long Term Loans and Advances	15	26.30	16.30
<b>Current Assets</b>			
Inventories	16	1,228.25	997.26
Trade Receivables	17	1,288.30	913.31
Cash and Cash Equivalents	18	36.94	226.09
Short Term Loans and Advances	19	214.71	352.62
Other Current Assets	20	1.56	1.21
		2,769.76	2,490.49
<b>Total</b>		5,106.76	4,799.71
Significant Accounting Policy	1		

The accompanying notes are an integral part of the standalone financial statements.

As per our attached report of even date.

### FOR AND ON BEHALF OF THE BOARD

**FOR, G. K. CHOKSI & CO.**  
[Firm Registration No. 101895W]  
Chartered Accountants  
Sd/-  
**ROHIT K. CHOKSI**  
Partner  
Membership No. 31103

Sd/-  
**DIPAKKUMAR CHOKSI**  
Vice Chairman & Managing Director  
(DIN : 00536345)

Sd/-  
**DINESH JAIN**  
Whole Time Director  
(DIN : 00135889)

Sd/-  
**PUNIT CHHATTANI**  
Chief Financial Officer

Sd/-  
**HARSH R. HIRPARA**  
Company Secretary

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2017

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2017

**Statement of Profit and Loss for the year ended 31st March, 2017** [₹ in Lacs]

Particulars	Notes	2016-2017	2015-2016
<b>INCOME</b>			
Revenue from Operations	21	4,882.40	3,824.84
Less : Excise Duty		(256.59)	(179.19)
		<u>4,625.81</u>	<u>3,645.65</u>
Other Income	22	16.24	162.49
<b>Total Revenue</b>		<u>4,642.05</u>	<u>3,808.14</u>
<b>EXPENSES</b>			
Cost of Materials / Products Consumed	23	3,224.87	2,294.42
Purchase of Stock in Trade	24	124.75	82.38
Changes in Inventories of Finished Goods, Stock-in-process and Stock-in-trade	25	(1.72)	266.19
Employee Benefit Expenses	26	279.22	242.83
Financial Costs	27	37.31	37.09
Depreciation and Amortizations		86.09	87.90
Other Expenses	28	635.62	484.32
<b>Total Expenses</b>		<u>4,386.14</u>	<u>3,495.13</u>
Profit Before Exceptional Item and Tax		255.91	313.01
Exceptional Items	29	0.00	106.95
<b>Profit Before Tax</b>		255.91	206.06
<b>Tax Expenses</b>			
Current Tax		94.00	85.00
Short provision of tax of earlier years (net)		(2.55)	(4.14)
Deferred Tax		(13.31)	(3.03)
		<u>78.14</u>	<u>77.83</u>
<b>Profit / (Loss) for the year carried to Balance Sheet</b>		<u>177.77</u>	<u>128.23</u>
Earnings per equity share :	30		
Basic and diluted		5.87	4.23

The accompanying notes are an integral part of the standalone financial statements.  
As per our attached report of even date.

**FOR AND ON BEHALF OF THE BOARD**

**FOR, G. K. CHOKSI & CO.**  
[Firm Registration No. 101895W]  
Chartered Accountants  
Sd/-  
**ROHIT K. CHOKSI**  
Partner  
Membership No. 31103

Sd/-  
**DIPAKKUMAR CHOKSI**  
Vice Chairman & Managing Director  
(DIN : 00536345)

Sd/-  
**PUNIT CHHATTANI**  
Chief Financial Officer

Sd/-  
**DINESH JAIN**  
Whole Time Director  
(DIN : 00135889)

Sd/-  
**HARSH R. HIRPARA**  
Company Secretary

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2017

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2017



# DYNAMIC INDUSTRIES LIMITED

## Cash Flow Statement for the year ended 31st March, 2017

[₹ in Lacs]

Particulars	2016-2017	2015-2016
<b>A. Cash flow from operating activities :</b>		
Profit / (Loss) for the year before taxation	255.91	206.06
Adjustments for :		
Depreciation	86.09	87.90
Loss on sale of assets / discarded assets	(1.81)	0.44
Provision no longer required	10.55	72.41
Sundry Balance (Written back) / Written off	0.00	0.01
Interest Income	(3.81)	(27.45)
Financial Cost	37.31	37.09
<b>Operating profit before working capital changes</b>	<b>384.24</b>	<b>376.46</b>
Adjustments for :		
Trade and other receivables	(248.13)	(68.86)
Inventories	(230.99)	255.55
Trade payables	(42.90)	48.28
<b>Cash generated from operations</b>	<b>(137.78)</b>	<b>611.43</b>
Taxes paid (net of refunds)	(99.41)	(58.25)
<b>Net cash from operating activities (A)</b>	<b>(237.19)</b>	<b>553.18</b>
<b>B. Cash flow from investing activities :</b>		
Purchase of fixed assets	(46.54)	(19.77)
Purchase of Investments	(60.00)	0.00
Sales of fixed assets	4.50	0.00
Interest received	3.46	27.42
<b>Net cash used in investing activities (B)</b>	<b>(98.58)</b>	<b>7.65</b>
<b>C. Cash flow from financing activities :</b>		
Procurement / (Repayment) of long / short term borrowings	219.48	(417.64)
Payment of dividend	(36.45)	(36.45)
Interest paid	(37.46)	(37.31)
<b>Net cash flow from financial activities (C)</b>	<b>145.57</b>	<b>(491.40)</b>
<b>Net Increase/(Decrease) in cash and cash equivalents (A)+(B)+(C)</b>	<b>(190.20)</b>	<b>69.43</b>
Opening cash and cash equivalents	215.39	145.96
Closing cash and cash equivalents	25.19	215.39
<b>Components of cash and cash equivalent</b>		
Balances with scheduled banks	24.03	214.78
Cash in Hand	1.16	0.61
	<b>25.19</b>	<b>215.39</b>

### Explanatory Notes to Cash Flow Statement

- The Cash Flow Statement is prepared under indirect method in accordance with the format prescribed by Securities and Exchange Board of India & Accounting Standard 3 as prescribed by The Institute of Chartered Accountants of India.
- In Part A of the Cash Flow Statements, figures in brackets indicates deductions made from the net profit for deriving the cash flow from operating activities. In part B & part C, figures in brackets indicates cash outflows.
- Figures of the previous year have been regrouped wherever necessary, to confirm to current years presentation.

**FOR, G. K. CHOKSI & CO.**  
 [Firm Registration No. 101895W]  
*Chartered Accountants*  
 Sd/-  
**ROHIT K. CHOKSI**  
*Partner*  
 Membership No. 31103

**FOR AND ON BEHALF OF THE BOARD**  
 Sd/-  
**DIPAKKUMAR CHOKSI**  
*Vice Chairman & Managing Director*  
 (DIN : 00536345)

Sd/-  
**DINESH JAIN**  
*Whole Time Director*  
 (DIN : 00135889)

Place : Ahmedabad  
 Date : 30<sup>th</sup> May, 2017

Sd/-  
**PUNIT CHHATTANI**  
*Chief Financial Officer*

Sd/-  
**HARSH R. HIRPARA**  
*Company Secretary*

Place : Ahmedabad  
 Date : 30<sup>th</sup> May, 2017

## NOTES TO FINANCIAL STATEMENTS

### SIGNIFICANT ACCOUNTING POLICIES

#### 1. Significant Accounting Policies

##### (a) Basis of Preparation of Financial Statements

- (i) The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply, in all material respects, with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014.
- (ii) The financial statements have been prepared on an accrual basis under the historical cost convention. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

##### (b) Use of estimates

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reported period. Differences between the actual result and estimates are recognised in the period in which the results are known/ materialized.

##### (c) Fixed Assets and Depreciation & Amortisation

- (i) Tangible Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation and impairment losses, if any. Cost comprises of the purchase price and any other attributable cost of bringing the assets to its working condition for its intended use.

Intangible assets are stated at acquisition cost net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives.

- (ii) Depreciation on Tangible Fixed Assets is provided on straight line method over the useful lives of assets specified in Part C of Schedule II to the Companies Act 2013 read with the relevant notifications issued by the Department of Company affairs.

Intangible assets are amortised over their respective individual estimated useful lives on a straight line basis, commencing from the date the assets is available to the company for its use. The management estimates useful life for intangible assets as follows:

Software : Over a period of Three years

Depreciation on assets acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition/disposal.

In accordance with the provisions contained in Schedule II to the Companies Act, 2013 components of an asset, which have significant cost to total cost of assets and its own useful life, are required to be depreciated separately over its useful life. Pursuant to such requirement, the company has retained a technical expert to identify such components and based on certificate obtained from such technical expert, the company does not have any such components. Accordingly, the company is not required to determine depreciation separately.

- (iii) Lease hold land is amortised over the period of lease.
- (iv) An assessment is done to determine whether there is any indication of impairment. An asset is treated as impaired when its carrying cost exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

The company has adopted the policy of carrying out impairment test once in the span of every three financial years.

### (d) Borrowing Costs

Borrowing cost including interest, guarantee fees commitment charges etc., that is directly attributable to the acquisition, construction or production of a qualifying asset is capitalized as part of the cost of that asset up to period the project is commissioned or asset is put to use. The borrowing cost incurred on common funds borrowed generally and used for the purpose of obtaining a qualifying asset, is apportioned on rational basis, the remaining borrowing cost is charged to revenue.

### (e) Investments

Investments are classified into current and long term investments. Current investments are stated at the lower of cost and fair value. Long term investments are stated at cost price. Provision for diminution in the value of Long Term Investment is made only if; such decline is not temporary in nature in the opinion of the management.

### (f) Inventories

(i) Raw Materials, Stock-in-process, Finished Goods are valued at lower of cost or net realizable value. Cost of stock-in-process and finished goods include materials, labour, manufacturing overhead and other cost incurred in bringing the inventories to their present location. Excise duty on goods manufactured by the company and remaining in inventory is included as a part of valuation of finished goods.

(ii) Stock of stores, spares, consumable and packing materials are valued at cost.

### (g) Revenue Recognition

(i) Revenue in respect of domestic sale of products is recognised when the risks and rewards of ownership are passed on to the customers, which is upon dispatch of products. Sales are stated at contractual realizable values, net of excise duty, sales tax and trade discount.

(ii) Export Sales are recognized at invoiced value converted in to reporting currency by applying the exchange rate prevailing on transaction date i.e. Bill of lading date.

(iii) Export Incentives are accounted for on accrual basis.

### (h) Foreign Currency Transactions

(i) Foreign currency transactions and forward exchange contracts used to hedge foreign currency transactions are initially recognised at the spot rate on the date of the transaction/contract.

(ii) Monetary assets and liabilities relating to foreign currency transactions and forward exchange contracts remaining unsettled at the end of the year are translated at year end rates.

The difference in translation and realised gains and losses on foreign exchange transactions, are recognised in the Profit and Loss Account. Further in respect of transaction covered by forward exchange contract, the difference between the contract rate and the spot rate on the date of the transaction is charged to the Profit and Loss account over the period of the contract.

### (i) Retirement Benefits

#### Defined Contribution Plan

The Company has Defined Contribution Plan for its employees' retirement benefit comprising of provident fund and Employees Death Linked Insurance. The company and eligible employees make monthly contributions to provident fund scheme equal to specified percentage of the covered employees' salary.

The company has no further obligations to the above referred plans beyond its monthly contributions.

#### Defined Benefit Plan

Liabilities with regard to Defined Benefit Plan are determined by actuarial valuation, performed by independent actuary, at each Balance Sheet date using the Projected Unit Credit Method. Actuarial Gains or Losses are recognised in full in the Profit and Loss Account for the period in which they occur.

#### Gratuity

The company provides for Gratuity, a defined benefit retirement plan ("Gratuity Plan") covering eligible employees. The Gratuity Plan provides for lump sum payment to vested employees at retirement, death, incapacitation while in employment or on termination of employment, of an amount based on the respective employee's salary and tenure of employment of the company. Vesting occurs upon completion of five years of service.

The company contributes ascertained liabilities to the Dynamic Industries Limited Group Gratuity Scheme (the Trust). Trustees administer contributions made to the trust and contributions are invested in a scheme with Life Insurance Corporation of India, as permitted by law of India. The company recognize the net obligation of the gratuity plan in the Balance Sheet as an asset or liability, respectively in accordance with Accounting Standard (AS) 15, "Employee Benefits". Actuarial gains and losses from experience adjustments and changes in actuarial assumptions are recognized in the statement of profit and loss in the period in which they arise. The company's overall expected long-term-rate-of-return on assets and discount rate have been determined by Actuarial Valuation.

**(j) Excise/Custom Duty and Service Tax**

Excise duty has been accounted on the basis of both payments made in respect of goods cleared from factory premises and also provision made for manufactured goods lying unsold at year end in factory premises.

**(k) Research and Development Expenditure**

Revenue Expenditure in respect of Research and Development is charged to the Profit and Loss Account and Capital Expenditure is added to the cost of Fixed Assets in the year in which it is incurred.

**(l) Stores and Spares**

Stores, spares and consumables, except L.D.O. and Diesel are charged to profit and loss account as and when they are procured and stock of such items as at the end of the year is accounted at cost.

**(m) Taxation**

(i) Current year tax is provided based on taxable income computed in accordance with the provisions of the Income-tax Act, 1961.

(ii) The Deferred Tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent period using the tax rates and laws that have been enacted or substantively enacted as at the balance sheet date.

Deferred tax assets are recognised on unabsorbed depreciation and carry forward of losses based on virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax on timing differences other than those referred above is recognised and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such assets can be realised.

**(n) Provision, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

**(o) Prior Period Items and Extra - Ordinary Items**

Adjustments arising due to errors or omission in the financial statements of earlier years are accounted under "Prior Period". Items of Income & Expenditure, which are not of recurring nature viz., damages due to floods, earth quakes etc. are disclosed as extra ordinary items.

**(p) Provisions and Prepayment of Expenses**

Provisions and Prepayment of expenses up to ₹ 5,000/- in each case are charged to revenue.

**(q) Earnings Per Share**

In determining the earnings per share, the Company considers the net profit after tax and extraordinary items and includes post-tax effect of any extraordinary items. The number of shares used in computing the earnings per share is the weighted average number of shares outstanding during the period. For computing diluted earnings per share, potential equity is added to the above weighted average number of shares.

## DYNAMIC INDUSTRIES LIMITED

### Notes to Financial Statements

#### 2 Share Capital

[₹ in Lacs]

Particulars	As at	As at
	31st March, 2017	31st March, 2016
<b>(a) Authorised</b>		
35,00,000 (P. Y. 35,00,000) Equity Shares of ₹ 10/- each	350.00	350.00
<b>(b) Issued, Subscribed and Paid up</b>		
30,28,500 (P. Y. 30,28,500) Equity Shares of ₹ 10/- each full paid	302.85	302.85

#### Note :

During the period of five financial years immediately preceding the Balance Sheet date, the company has not;

- (i) allotted any fully paidup equity shares by way of bonus shares;
- (ii) allotted any equity shares pursuant to any contract without payment being received in cash;
- (iii) brought back any equity shares

#### (c) Reconciliation of number of shares

Particulars	Number of Equity Shares	
	2016-2017	2015-2016
<b>At the beginning of the year</b>	30,28,500	30,28,500
<b>Add</b>		
Shares issued for Cash or Right Issue or Bonus	0	0
Exercise of Share Option under ESOS / ESOP	0	0
Shares issued in Business Combination	0	0
	30,28,500	30,28,500
<b>Less</b>		
Shares bought back / Redemption etc.	0	0
<b>As the end of the year</b>	30,28,500	30,28,500

#### (d) Rights, preferences and restrictions attached to shares

The Company has only class of equity shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors, if any, 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, if any, in proportion to their shareholding.

#### (e) Details of Shareholding

##### Shareholder holding more than 5%

Particulars	Number of Equity Shares		Percentage (%)	
	As at		As at	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
Harin D. Mamlatdarna	3,47,780	3,47,780	11.48	11.48
Deepak N. Chokshi	2,84,572	2,71,487	9.40	8.96
Mayaben H. Mamlatdarna	2,11,247	2,11,247	6.98	6.98

## 3 Reserves and Surplus

[₹ in Lacs]

Particulars	As at	As at
	31st March, 2017	31st March, 2016
<b>Revaluation Reserve</b>		
Balance as per previous financial statements	1,624.64	1,641.74
Add / Less : Addition / (Deduction) during the year	(17.10)	(17.10)
Balance as at year end	1,607.54	1,624.64
<b>Reserve Fund for Eco-Development</b>		
Balance as per previous financial statements	6.50	6.50
Add / Less : Addition / (Deduction) during the year	(6.50)	0.00
Balance at year end	0.00	6.50
<b>Share Premium Account</b>		
Balance as per previous financial statements	178.60	178.60
Add / Less : Addition / (Deduction) during the year	0.00	0.00
Balance as at year end	178.60	178.60
<b>General Reserve</b>		
Balance as per previous financial statements	200.83	183.73
Add / Less : Addition / (Deduction) during the year	23.60	17.10
Balance as at year end	224.43	200.83
<b>Surplus</b>		
Balance as per previous financial statements	1,375.88	1,284.07
Add : Profit for the year	177.77	128.23
Balance available for appropriation	1,553.65	1,412.30
Less : Appropriations for :		
- Proposed Dividend	30.29	30.29
- Provision for Dividend Distribution Tax	6.33	6.17
- Excess Provision of DDT in previous year	0.00	(0.04)
<b>Net Surplus / (Deficit)</b>	1,517.03	1,375.88
	3,527.60	3,386.44

## 4 Long Term Borrowings

[₹ in Lacs]

Particulars	Non-current portion		Current maturities	
	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
<b>Term Loans Secured</b>				
<b>From Banks (refer note 1 below)</b>				
HDFC Bank Ltd.	25.41	44.34	18.91	16.88
<b>From Others</b>				
(refer note 2 below)				
Toyota Financial Services India Ltd.	0.00	0.00	0.00	7.16
	25.41	44.34	18.91	24.04
Less :				
Amount disclosed under the head "Other Current Liabilities"	0.00	0.00	18.91	24.04
	25.41	44.34	0.00	0.00

## DYNAMIC INDUSTRIES LIMITED

### Nature of Security

- The above term loans from HDFC Bank Ltd. are primarily secured against Hypothecation of present and future stocks and book debts and Plant and Machineries. It is further secured by Equitable Mortgage on Leasehold land bearing Plot / Shed No 125, in aggregate admeasuring 1330 Sq mts in phase I, Vatva Industrial Estate, Survey no. 494 Paiki, lying at Mouje: Vatva, in Taluka Dascroi, and building constructed thereon AND Equitable Mortgage on Non Agricultural Constructed Leasehold Property bering plot / Shed No. 5501/2, in aggregare admeasuring 7383 Sq. Mtrs. in Phase III, in Vatva Industrial Estate and building constructed thereon.
- The above loans are secured against hypothecation of vehicles

### Terms of Repayment of Loans

HDFC Bank Ltd.	It is repayable in 60 numbers of monthly installments of ₹ 1.91 lacs each (including interest) commencing from July, 2015. The last installment falls due in June, 2019.
Toyota Financial Services India Limited	It is repayable in 36 numbers of equal monthly installments of ₹ 0.94 lacs each (including interest) commencing from January, 2014. The last installment falls due in November, 2016.

### 5. Deferred tax liabilities (Net)

The Company estimates deferred tax/(charge) using the applicable rate of taxation based on the impact of timing difference between financial statements and estimated taxable income for the current year.

[₹ in Lacs]

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>Deferred Tax Liabilities</b>		
Difference of book depreciation and tax depreciation	61.94	78.57
<b>Deferred Tax Assets</b>		
Disallowance u/s. 43(b) allowable on payment	7.39	10.71
<b>Net Deferred Tax Liability / (Asset)</b>	<b>54.55</b>	<b>67.86</b>

### 6. Long Term Provisions

[₹ in Lacs]

Particulars	As at 31st March, 2017	As at 31st March, 2016
For Employee Benefits		
Gratuity	13.08	10.10
Priviledged / Earned Leave	0.00	10.55
	<b>13.08</b>	<b>20.65</b>
Less :		
Amount disclosed under the head "Short Term Provisions"		
Gratuity	4.35	3.76
Priviledged / Earned Leave	0.00	1.50
	<b>4.35</b>	<b>5.26</b>
	<b>8.73</b>	<b>15.39</b>



## 7. Short Term Borrowings

[₹ in Lacs]

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>Secured Loans</b>		
<b>Working Capital Loan</b>		
HDFC Bank Ltd. (Cash Credit A/c.)	0.00	128.46
HDFC Bank Ltd. (Export Packing Credit)	150.00	0.00
HDFC Bank Ltd. (Export Bills Purchase)	263.91	47.04
	<b>413.91</b>	<b>175.50</b>

**Nature of Security**

The above loans are secured by hypothecation of inventories, book debt, bills, claims, monies receivables, outstandings, invoice documents, contracts, guarantees, movable plant and machinery & other fixed assets.

## 8. Trade Payables

[₹ in Lacs]

Particulars	As at 31st March, 2017	As at 31st March, 2016
For Goods and Services		
Related Party	0.00	3.87
(Refer note 33)		
Others	604.28	633.14
	<b>604.28</b>	<b>637.01</b>

## 9. Other Current Liabilities

[₹ in Lacs]

Particulars	As at 31st March, 2017	As at 31st March, 2016
Current Maturities of Long Term Debt	18.91	24.05
Interest accrued but not Due	0.32	0.47
Advances from Customers	2.71	0.00
Trade Deposit	3.10	0.00
Payable towards capital goods	1.10	0.00
Unclaimed Dividend	2.88	2.06
Other Payables		
Statutory Dues	8.95	3.88
Others	14.06	11.76
	<b>23.01</b>	<b>15.64</b>
	<b>52.03</b>	<b>42.22</b>

## DYNAMIC INDUSTRIES LIMITED

### 10. Short Term Provisions

[₹ in Lacs]

Particulars	As at 31st March, 2017	As at 31st March, 2016
Provision for Employee Benefits		
Gratuity	4.35	3.76
Privileged / Earned Leave	0.00	1.50
	<u>4.35</u>	<u>5.26</u>
Others		
Provision for Taxation (Net of Advance Tax & TDS)	30.82	38.77
Provision for Proposed Dividend (Inclusive of Tax)	36.62	36.45
Provision for Excise on Closing Stock	45.61	47.62
	<u>113.05</u>	<u>122.84</u>
	<u>117.40</u>	<u>128.10</u>

[₹ in Lacs]

**11. Tangible Assets**

Sr. No.	Name of Assets	Gross Block (At Cost)				Depreciation / Amortisation				Net Block	
		As at 01/04/2016	Additions / Adjustments	Deductions / Adjustments	As at 31/03/2017	Upto 31/03/2016	For the Year	Deductions / Adjustments	As at 31/03/2017	As at 31/03/2017	As at 31/03/2016
1	Leasehold Land	1742.60	0.00	0.00	1742.60	79.25	17.60	0.00	96.85	1645.75	1663.35
2	Building	398.21	0.00	0.00	398.21	175.92	12.92	0.00	188.84	209.37	222.29
3	Machinery	847.86	4.33	0.00	852.19	530.97	35.80	0.00	566.77	285.42	316.89
4	Computer	34.26	0.00	0.00	34.26	29.64	1.60	0.00	31.24	3.02	4.62
5	Office Equipments	15.49	0.00	0.00	15.49	12.24	1.08	0.00	13.32	2.17	3.25
6	Furniture and Fixture	59.32	0.00	0.00	59.32	41.62	2.95	0.00	44.57	14.75	17.70
7	Vehicles	138.01	11.37	9.56	139.82	78.42	14.06	6.88	85.60	54.22	59.59
	<b>Total :</b>	3235.75	15.70	9.56	3241.89	948.06	86.01	6.88	1027.19	2214.70	2287.69
	Previous Year :	3237.37	19.51	21.13	3235.75	867.80	87.88	7.62	948.06	2287.69	

**Note :**

1) Pursuant to Board Resolution passed by Board of Director in its meeting held on 31st March, 2012 with regard to Revaluation of Lease Hold Land, the company has, based on Valuation Report dated 31st March, 2012 by approved valuer, revalued the Lease Hold Land and accordingly stated at revalued amount with corresponding credit to revaluation Reserve Account.

**12. Intangible Assets**

[₹ in Lacs]

Sr. No.	Name of Assets	Gross Block (At Cost)				Depreciation / Amortisation				Net Block	
		As at 01/04/2016	Additions / Adjustments	Deductions / Adjustments	As at 31/03/2017	Upto 31/03/2016	For the Year	Deductions / Adjustments	As at 31/03/2017	As at 31/03/2017	As at 31/03/2016
1	Software	0.26	0.00	0.00	0.26	0.02	0.08	0.00	0.10	0.16	0.24
	<b>Total :</b>	0.26	0.00	0.00	0.26	0.02	0.08	0.00	0.10	0.16	0.24
	Previous Year :	0.00	0.26	0.00	0.26	0.00	0.02	0.00	0.02	0.24	

**13. Capital Work in Progress**

[₹ in Lacs]

Sr. No.	Name of Assets	As at 01/04/2016	Additions during the year	Deductions / Adjustments during the year	Capitalised	As at 31/03/2017
1	Plant & Machinery	0.00	30.84	0.00	0.00	30.84
	<b>Total :</b>	0.00	30.84	0.00	0.00	30.84
	Previous Year :	0.00	0.00	0.00	0.00	0.00

## DYNAMIC INDUSTRIES LIMITED

### 14. Non Current Investments

[₹ in Lacs]

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>Investment in Equity Instruments</b>		
Subsidiary Company		
Neo Farbe Private Limited [50,000 Equity Shares (P. Y. 50,000) of ₹ 10/- each, fully paid up]	5.00	5.00
Others		
Amplus Reality Fund II	20.00	0.00
Indiabulls High Yield Fund	40.00	0.00
	<u>65.00</u>	<u>5.00</u>

### 15. Long Term Loans and Advances

(Unsecured, considered good unless otherwise stated)

[₹ in Lacs]

Particulars	As at 31st March, 2017	As at 31st March, 2016
Security Deposit	16.30	16.30
Capital Advances	10.00	0.00
	<u>26.30</u>	<u>16.30</u>
The amount dues by :		
Directors	NIL	NIL
Officers either severally or jointly with other persons	NIL	NIL
Firms or Private Companies in which any director is partner or director or a member	NIL	NIL

### 16. Inventories

(As taken, valued and certified by the Management)

[₹ in Lacs]

Particulars	As at 31st March, 2017	As at 31st March, 2016
Raw Materials	696.73	463.14
Work in Progress	102.45	83.57
Finished Goods	409.87	421.75
Stock In Trade	0.62	6.77
Stores, Spares and Consumables	2.91	6.72
Others	15.67	15.31
	<u>1,228.25</u>	<u>997.26</u>

Inventory items have been valued considering the significant accounting policy disclosed in note 1 [f] to this financial statement

## 17. Trade Receivable

[₹ in Lacs]

Particulars	As at 31st March, 2017	As at 31st March, 2016
Debtors outstanding for the period exceeding six months		
Unsecured considered good	108.87	104.82
Considered Doubtful	28.26	14.70
	137.13	119.52
Less : Provisions for Doubtful Debts	28.26	14.70
	108.87	104.82
Others		
Unsecured considered good	1,179.43	808.49
	1,288.30	913.31
The amount dues by :		
Directors	NIL	NIL
Officers either severally or jointly with other persons	NIL	NIL
Firms or Private companies in which any director is partner or director or a member.	91.81	77.53

## 18. Cash and Cash Equivalents

[₹ in Lacs]

Particulars	As at 31st March, 2017	As at 31st March, 2016
Balances with Scheduled Banks		
Current Accounts	24.03	214.78
Cash in Hand	1.16	0.61
	25.19	215.39
Other Bank Balances		
Fixed Deposits (with maturity of more than 3 months but less than 12 months)	11.75	10.70
	36.94	226.09

The amount of fixed deposits with banks includes deposits placed as Margin Money amounting ₹ 11.75 (P. Y. ₹ 10.70 lacs) for bank guarantees.

## DYNAMIC INDUSTRIES LIMITED

### 19. Short Term Loans and Advances

[₹ in Lacs]

Particulars	As at 31st March, 2017	As at 31st March, 2016
Advance to :		
Employees	3.64	2.16
Contractors & Suppliers	5.26	1.67
Others Advances		
Balances with Revenue Authorities	13.73	100.28
Prepaid Expenses	9.08	8.61
Other Recoverables	183.00	239.90
	205.81	348.79
	214.71	352.62
The amount dues by :		
Directors	NIL	NIL
Officers either severally or jointly with other persons	NIL	NIL
Firms or Private companies in which any director is partner or director or a member.	NIL	NIL

### 20. Other Current Assets

[₹ in Lacs]

Particulars	As at 31st March, 2017	As at 31st March, 2016
Interest accrued but not due	1.56	1.21
	1.56	1.21

### 21. Revenue from Operations

[₹ in Lacs]

Particulars	2016-2017	2015-2016
Sale of Products (Gross)	4,841.18	3,783.94
Less : Excise Duty	(256.59)	(179.19)
Revenue from Operation	4,584.59	3,604.75
Other Operating Revenue	41.22	40.90
	4,625.81	3,645.65
<b>Breakup of Sale of Product (Net of Excise)</b>		

[₹ in Lacs]

Particulars	2016-2017	2015-2016
<b>Manufactured</b>		
Dyes, Pigments and Chemicals		
Export	2,224.65	1,979.42
Local	2,224.99	1,534.95
	4,449.64	3,514.37
Stock in Trade		
Dyes, Pigments and Chemicals		
Export	62.29	61.99
Local	72.66	28.39
	134.95	90.38
	4,584.59	3,604.75

**Breakup of Other Operating Revenue**

[₹ in Lacs]

Particulars	2016-2017	2015-2016
Export Benefits (Net)	41.22	40.90
	41.22	40.90

**22. Other Income**

[₹ in Lacs]

Particulars	2016-2017	2015-2016
Interest Income		
from Banks	0.87	2.12
from Others	2.94	25.33
Gain on Foreign Exchange Fluctuation (Net)	0.00	15.59
Incremental Export Incentivisation Scheme (IEIS)	0.00	28.35
Provision no longer required	10.55	72.41
Other Non-Operating Income		
Insurance Claim	0.00	17.44
Sundry Balance Written Back	0.00	0.01
Profit on Sale of Assets	1.81	0.00
Miscellaneous Income	0.07	1.24
	16.24	162.49

**23. Cost of Materials / Products Consumed**

[₹ in Lacs]

Particulars	2016-2017	2015-2016
Raw Materials	3,081.55	2,178.28
Packing Materials	98.83	84.70
Freight, Octroi & Inward Clearing	44.49	31.44
	3,224.87	2,294.42

**Breakup of Raw Material Consumed**

[₹ in Lacs]

Particulars	2016-2017	2015-2016
Beta Nephthol	134.39	99.52
6 Nitro	466.15	304.23
H. Acid	118.43	147.71
Others	2,362.59	1,626.82
	3,081.56	2,178.28

**24. Purchase of Stock in Trade**

[₹ in Lacs]

Particulars	2016-2017	2015-2016
Stock in Trade		
Dyes, Pigments and Chemicals	124.75	82.38
	124.75	82.38



## DYNAMIC INDUSTRIES LIMITED

### 25. Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-trade

[₹ in Lacs]

Particulars	2016-2017	2015-2016
Closing Stocks		
Finished Goods	409.87	421.75
Stock in Trade	0.62	6.77
Work in Progress	102.45	83.57
	<u>512.94</u>	<u>512.09</u>
Opening Stock		
Finished Goods	421.75	766.57
Stock in Trade	6.77	4.29
Less : Transferred for own consumption	<u>0.87</u>	<u>0.28</u>
	5.90	4.01
Work in Progress	83.57	7.70
	<u>511.22</u>	<u>778.28</u>
Decrease / (Increase) in Inventories	<u>(1.72)</u>	<u>266.19</u>

### 26. Employees Benefits Expenses

[₹ in Lacs]

Particulars	2016-2017	2015-2016
Salary, Allowance, Wages and Bonus	257.02	217.06
Contribution to Provident Fund & Other Funds	18.01	21.64
Staff Welfare and Training	4.19	4.13
	<u>279.22</u>	<u>242.83</u>

### 27. Finance Cost

[₹ in Lacs]

Particulars	2016-2017	2015-2016
<b>Interest to</b>		
Banks	29.24	28.99
Others	0.26	1.30
	<u>29.50</u>	<u>30.29</u>
<b>Other Borrowing Cost</b>		
Ancillary cost in connection with borrowings	0.00	0.00
LC Charges	4.17	1.85
Loan Processing Charges	3.64	4.95
	<u>7.81</u>	<u>6.80</u>
	<u>37.31</u>	<u>37.09</u>

## 28. Other Expenses

[₹ in Lacs]

Particulars	2016-2017	2015-2016
<b>Manufacturing Expenses</b>		
Power, Fuel and Water Charges	256.47	220.43
Stores and Other Consumables	3.54	3.02
Laboratory Expenses	13.35	10.51
Job Work Charges	0.00	2.03
Pollution Plant Treatment	54.32	43.11
Excise Duty on finished goods	(2.00)	(38.04)
Repairs and Maintenance		
Building	5.34	1.26
Plant and Machinery and Office Equipment	29.45	24.47
Others	5.89	3.29
<b>Establishment Expenses</b>		
Rates and Taxes	6.19	4.35
Insurance	21.76	20.83
Fees and Legal Expenses	23.35	20.88
Auditors' Remuneration (refer note below)	6.00	6.00
Travelling Expenses	6.11	6.19
Bank Charges	10.50	9.60
Telephone Expenses	7.70	7.89
Membership and Subscription	0.75	0.53
Vehicle Expenses	6.50	6.30
Security Services Charges	7.48	7.14
Donation		
Corporate Social Responsibility (CSR)	8.00	7.50
Others	0.05	0.05
Loss of Stock by Fire	0.00	0.00
Loss on Sale / Discard of Assets	0.00	0.44
Foreign Exchange Fluctuation	7.62	0.00
Provision for Bad debts	13.56	0.00
Miscellaneous Expenses	18.09	18.88
<b>Selling and Distribution Expenses</b>		
Advertisement Expenses	0.55	0.58
Commission and Discount	64.95	49.72
Sales Promotion	0.30	0.59
Freight Outward	59.80	46.77
	<b>635.32</b>	<b>484.32</b>
<b>Auditor's Remuneration is made of</b>		
Statutory Audit Fees	4.75	4.75
Tax Audit Fees	1.00	1.00
Fees for other service	0.25	0.25
	<b>6.00</b>	<b>6.00</b>

## 29. Exceptional Item

[₹ in Lacs]

Particulars	2016-2017	2015-2016
Custom Duty	0.00	49.26
Interest on Custom Duty	0.00	57.69
	<b>0.00</b>	<b>106.95</b>

## DYNAMIC INDUSTRIES LIMITED

### 30. Earning per Share

Particulars	2016-2017	2015-2016
Net Profit after tax and prior period adjustments (₹ in lacs)	177.77	128.23
Number of equity shares (in lacs)	30.29	30.29
Nominal value of the share (₹)	10.00	10.00
Earnings per Share (₹)	5.87	4.23

**Note :** There is no change in the number of equity shares during the year.

### 31 Employee Benefits

(a) Defined contribution to Provident Fund and Employee state insurance

The company makes contribution towards employees' provident fund and employees' state insurance plan scheme. Under the rules of these schemes, the Company is required to contribute a specified percentage of payroll costs. The Company during the year recognized ₹ 11.78 lacs (P. Y. ₹ 8.92 lacs) as expense towards contributions to these plans.

(b) Defined Contribution Plans

The following table sets out the status of the gratuity scheme plans as at 31st March, 2017.

[₹ in Lacs]

Particulars	Gratuity	
	2016-2017	2015-2016
<b>Changes in the present value of obligation</b>		
Present value of obligation (Opening)	36.26	22.07
Interest Cost	1.96	1.30
Past service cost	(0.07)	--
Current service cost	3.76	3.82
Curtailment Cost / (Gain)	--	--
Settlement Cost / (Gain)	--	--
Benefits paid	(3.29)	--
Actuarial (Gain) / Loss	2.29	9.07
Excess provision written back	--	--
Present value of obligation (Closing)	40.91	36.26
<b>Changes in the fair value of plan assets</b>		
Present value of plan assets (Opening)	26.16	16.02
Expenses deducted	--	(0.32)
Expected return on plan assets	1.52	1.13
Actuarial Gain / (Loss)	0.19	0.34
Recoverable from trust	--	--
Employers Contributions (Net)	3.25	9.00
Employees Contributions	--	--
Benefits paid	(3.29)	--
Fair Value of Plan Assets (Closing)	27.83	26.16
<b>Percentage of each category of plan assets to total fair value of plan assets at the year end</b>		
Bank Deposits	--	--
(Special Deposit Scheme, 1975)		
Debt Instruments	--	--
Administered by	100%	100%
Life Insurance Corporation of India		
<b>Amount recognised in the balance sheet</b>		
Present value of obligation as at the year end	40.91	36.26
Fair value of plan assets as at the year end	27.83	26.16
(Asset) / Liability recognised in the balance sheet	13.08	10.10

... Continued ...

(b) Defined Contribution Plans ...Continued...

[₹ in Lacs]

Particulars	Gratuity	
	2016-2017	2015-2016
<b>Expenses recognised in the Profit &amp; Loss Account</b>		
Current service cost	3.76	3.82
Past service cost	(0.07)	--
Interest cost	1.96	1.30
Expected return on plan assets	(1.52)	(1.13)
Curtailment Cost / (Credit)	--	--
Settlement Cost / (Credit)	--	--
Net Actuarial (Gain) / Loss	2.10	8.74
Employee's Contribution	--	--
Total expenses recognised in the profit and loss account	6.23	12.72

**Principal actuarial assumption****(Rate of Discounting)**

Rate of Discounting	6.75%	7.65%
Expected return on plan assets	6.75%	8.75%
Rate of increase in salaries	7.00%	7.00%
Attrition Rate (Employees opting for early retirement)	15% at younger ages reducing to 3% at older ages	15% at younger ages reducing to 3% at older ages

**32 Segment Reporting**

The Company operates within a solitary business segment i.e., manufacturing of Dyes, Chemicals and Pigments, the disclosure requirements of Accounting Standard - 17 "Segment Reporting", issued by the Institute of Chartered Accountants of India is not applicable.

**33 Related Party Disclosures**

As per Accounting Standard 18, issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below :

(a) List of related parties with whom transactions have taken place during the year and relationship :

Sr. No.	Name of related party	Relationship
1 2 3	Harin D. Mamlatdarna Dipakkumar N. Choksi Dinesh Jain	Key Management Personnel
4 5 6 7	Ronak D. Chokshi Bimal D. Chokshi Mansi Talati Asita Mamlatdarna	Relatives of Key Management Personnel
8	Ornet Intermediates Pvt. Ltd.	Enterprise over which director of the company exercises significant influence / control.
9	Neo Farbe Pvt. Ltd.	Wholly Owned Subsidiary

## DYNAMIC INDUSTRIES LIMITED

### (b) Transactions with related parties

[₹ in Lacs]

Sr. No.	Particulars	Relationship	2016-2017	2015-2016
(i)	Managerial Remuneration			
	- Harin D. Mamlatdarna	Key Management Personnel	27.17	25.63
	- Dipakkumar N. Choksi	Key Management Personnel	27.13	24.81
	- Dinesh Jain	Key Management Personnel	10.43	10.43
(ii)	Expenditure on other service (Salary)			
	- Ronak D. Chokshi	Relative of KMP	4.87	4.42
	- Bimal D. Chokshi	Relative of KMP	5.31	4.41
	- Mansi Talati	Relative of KMP	5.61	4.67
	- Asita Mamlatdarna	Relative of KMP	4.39	2.19
(iii)	Assignment of Keyman Insurance Policy (Refer Note No. 37)			
	- Harin D. Mamlatdarna	Key Management Personnel	45.01	--
(iv)	Sales			
	- Ornet Intermediates Pvt. Ltd.	Enterprise over which director of the company exercises significant influence/control.	118.89	151.11
(v)	Purchase			
	- Ornet Intermediates Pvt. Ltd.	Enterprise over which director of the company exercises significant influence/control.	19.43	0.00
(vi)	Sales			
	- Neo Farbe Pvt. Ltd.	Wholly Owned Subsidiary	83.09	21.60

### (c) Outstanding Balances as at March, 31, 2017

[₹ in Lacs]

Sr. No.	Particulars	Relationship	2016-2017	2015-2016
(i)	Balance Payable			
	As Trade Payable			
	- Harin D. Mamlatdarna	Key Management Personnel	--	1.52
	- Dipakkumar N. Choksi	Key Management Personnel	--	1.70
	- Dinesh Jain	Key Management Personnel	--	0.65
(ii)	Balance Receivable			
	As Trade Receivable			
	- Ornet Intermediates Pvt. Ltd.	Enterprise over which director of the company exercises significant influence/control	51.59	70.44
	- Neo Farbe Pvt. Ltd.	Wholly Owned Subsidiary	40.22	7.09
(iii)	Investment in Subsidiary Company			
	- Neo Farbe Pvt. Ltd.	Wholly Owned Subsidiary	5.00	5.00

34. Pursuant to Accounting Standard - 29. "Provisions, Contingent, Liabilities and Contingent Assets", the disclosure relating to contingent liabilities and provisions made in the accounts for the year ended 31<sup>st</sup> March, 2017 is as follows :

**(a) Contingent Liabilities**

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
(a) Claims not acknowledge by the company in respect of :		
- Income Tax (See Note - (i) below)	0.88	2.99
- Custom Duty (See Note - (ii) below)	171.14	171.14
- Custom Duty (See Note - (ii) below)	5.51	5.51
- Service Tax (See Note - (iii) below)	79.24	79.24
(b) Custom Duty (Import under Advance Licenses Export Obligation Pending)	8.93	65.80

(i) The Company has not recognized and acknowledged the Income Tax demand as liability in its books of accounts aggregating to ₹ 0.88 lacs in respect of Assessment Year 2013-14 since the company has disputed the demand and has filed appeals before appropriate authorities. The same are pending for final adjudication.

(ii) In the Financial year 2008-2009 the Department of Excise and Customs had inspected certain records related to materials imported under license removed for jobwork to various parties whose name did not appear in the license as job-worker or as supporting manufacturer. The department had objected such removal and also observed that aforesaid materials have not been returned back under job work challan from the above parties but under sales invoices. The department also seized certain records related to job work for the Financial Year 2006-07 and 2007-08. The company had deposited a sum of ₹ 5.08 lacs under protest. However based on legal opinion obtained from the excise consultant, the company has transferred the aforesaid deposit to PLA under intimation to department concerned. After that the company has received an order on 28<sup>th</sup> March, 2012 confirming the demand of custom duty amounting to ₹ 85.57 lacs and penalty of ₹ 85.57 lacs under section 114A of the Custom Act aggregating to ₹ 171.14 lacs and interest at applicable rates on the amount of duty evaded. Further, the department has also raised demand of ₹ 5.51 lacs being custom duty on imported goods for financial year 2007-08.

The company has filed an appeals and Hon'ble Tribunal has granted stay against aforesaid demand. The Custom Authority against such stay has referred the matter to Hon'ble High court, Gujarat which is yet to be heard. Pending final outcome, the company does not expect any liability and accordingly no provision in respect thereof has been made but disclosed the same as contingent liability.

The Custom Authorities Mumbai, in another case, has raised the demand of ₹ 5.51 lacs against which the Hon'ble Tribunal Mumbai has granted stay. The matter is pending for final disposal.

(iii) The company has been served with show cause notices in respect of service tax credit aggregating amounting to ₹ 77.13 lacs availed by the company in the earlier financial years. The Company has already filed its reply against the aforesaid show cause notices before appropriate authorities & such authorities are yet to react on such replies.

The Company has not recognised and acknowledged the service tax demand as liability in its books of accounts amounting to ₹ 2.11 lacs, since the company has disputed such demand and filed appeals before appropriate authorities. The same are pending for final adjudication.

**(b) Capital Commitments**

[₹ in Lacs]

	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
Estimated Value of Capital Commitment	170.00	NIL

**35. Provisions**

[₹ in Lacs]

Pursuant to Accounting Standard-29, Provisions, Contingent Liabilities and Contingent Assets, the disclosure relating to provisions made in the accounts for the year ended 31<sup>st</sup> March, 2017 is as follows:

Particulars	Provision for Leave Encashment	Provision for Bonus Payable	Provision for Excise Duty on Closing Stock of Finished Goods	Provision for Gratuity
Opening Balance	10.55	11.76	47.61	36.26
Additions	NIL	13.73	45.60	7.94
Utilization / Reversals	10.55	11.76	47.61	3.29
Closing Balance	NIL	13.73	45.60	40.91

## DYNAMIC INDUSTRIES LIMITED

### 36. Reserve Fund for Eco-Development

The company had earmarked fund for eco-development measures including community welfare measures in a manner mentioned in a Circular bearing no.J-21011/8/98-IA, II(I) of Ministry of Environment Forests, Government of India. However, in view of opinion obtained from pollution control consultant, the same is not now obligatory and therefore, the same has been transferred to "General Reserve".

### 37. Assignment of Keyman Insurance Policy

During the financial year 2002-2003, the company had taken insurance policy bearing number 834822547 assuring life of Mr. Harin D. Mamlatdarna, a key managerial personnel with sum assured of ₹ 27.00 lacs. During the current financial year, the company has, vide resolution passed by the board of directors in a meeting held on 30<sup>th</sup> May, 2016, assigned the aforesaid policy, having surrender value of ₹ 45.01 lacs, in favour of Mr. Harin D. Mamlatdarna without any consideration.

38. Balances of trade payables, trade receivables and loans and advances are subject to confirmations and reconciliations by the parties concerned.

39. Additional information as required under para 5(viii)(c) of general instructions of profit and loss as per Schedule III to the Companies Act, 2013.

#### (A) Composition of Raw Materials Consumption

[₹ in Lacs]

Raw Material Consumption	2016-2017		2015-2016	
	Value	Percentage (%)	Value	Percentage (%)
Imported	982.14	31.88	578.59	26.56
Indigenous	2099.41	68.12	1599.69	73.44
<b>Total :</b>	<b>3081.55</b>	<b>100.00</b>	<b>2178.28</b>	<b>100.00</b>

#### (B) Value of Imports on CIF Basis :

[₹ in Lacs]

Particulars	2016-2017	2015-2016
Raw Materials	1153.04	498.77
Traded Goods	15.49	18.73

#### (C) Earning in Foreign Currency

[₹ in Lacs]

Particulars	2016-2017	2015-2016
F.O.B. Value of Export	2275.39	2032.61

#### (D) Expenditure in Foreign Currency (on payment basis) :

[₹ in Lacs]

Particulars	2016-2017	2015-2016
Travelling	4.96	2.88
Commission	43.58	153.58



## 40. Due to Micro, Small and Medium Enterprise

[₹ in Lacs]

Particulars	2016-2017	2015-2016
Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	NIL	NIL
The amount of interest paid by the buyer in terms of section 16, of the Micro, Small and Medium Enterprise Development Act., 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	NIL	NIL
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 the interest specified under Micro Small and Medium Enterprise Development Act., 2006.	NIL	NIL
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	NIL	NIL
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	NIL	NIL

The company has initiated the process of obtaining confirmation from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). The above mentioned information has been compiled to the extent of responses received by the company from its suppliers with regard to their registration under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006).

## 41. Disclosure on Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes or other denomination notes as defined in the MAC notification G.S.R. 308(E) dated 31st March, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016, the denomination wise SBNs and other notes as per the notification is given below:

[₹ in Lacs]

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 8th November, 2016	2.76	0.78	3.54
(+) Permitted receipts	0	7.00	7.00
(-) Permitted payments	0	2.79	2.79
(-) Amount deposited in Banks	2.76	0	2.76
<b>Closing cash in hand as on 30th December, 2016</b>	<b>0</b>	<b>4.99</b>	<b>4.99</b>

## DYNAMIC INDUSTRIES LIMITED

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### 42. Statement of Management

- (a) The current assets, loans and advances are good and recoverable and are approximately of the values, if realized in the ordinary courses of business unless and to the extent stated other wise in the Accounts. Provision for all known liabilities is adequate and not in excess of amount reasonably necessary. There are no contingent liabilities except those stated in the notes.
- (b) Balance Sheet, Profit & Loss Account and Cash Flow Statement read together with the schedules to the accounts and notes thereon, are drawn up so as to disclose the information required under the Companies Act, 2013 as well as give a true and fair view of the statement of affairs of the Company as at the end of the year and results of the Company for the year under review.

43. Previous year figures have been regrouped, reclassified and reworked wherever necessary for comparative purpose.

#### FOR, G. K. CHOKSI & CO.

[Firm Registration No. 101895W]

*Chartered Accountants*

Sd/-

**ROHIT K. CHOKSI**

*Partner*

Membership No. 31103

Place : Ahmedabad

Date : 30<sup>th</sup> May, 2017

#### FOR AND ON BEHALF OF THE BOARD

Sd/-

**DIPAKKUMAR CHOKSI**

*Vice Chairman & Managing Director*

DIN : 00536345

Sd/-

**PUNIT CHHATTANI**

*Chief Financial Officer*

Sd/-

**DINESH JAIN**

*Whole Time Director*

DIN : 00135889

Sd/-

**HARSH HIRPARA**

*Company Secretary*

Place : Ahmedabad

Date : 30<sup>th</sup> May, 2017

## Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129  
read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of  
subsidiaries/associate companies/joint ventures

### Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹ in Lacs)

Name of the subsidiary: **Neo Farbe Private Limited**

	As at / For the Year Ended 31st March, 2017
Share Capital	5.00
Reserves & Surplus	(0.09)
Total Assets	45.77
Total Liabilities	40.86
Investments	0.00
Turnover	86.57
Profit before taxation	0.49
Provision before taxation	0.17
Profit after taxation	0.32
Proposed Dividend	0.00
% of shareholding	100.00

Notes:

1. The reporting period for the subsidiary is same as that of the holding company i.e. 1st April, 2016 to 31st March, 2017.
2. Names of subsidiaries which are yet to commence operations — NIL
3. Name of subsidiaries which have been liquidated or sold during the year — NIL

Part "B" : Associates and Joint Ventures - **None**

For, Dynamic Industries Limited

-Sd/-

**DIPAKKUMAR CHOKSI**

*Managing Director*

DIN : 00536345

Place : Ahmedabad

Date : 30<sup>th</sup> May, 2017

For, Dynamic Industries Limited

-Sd/-

**DINESH JAIN**

*Whole Time Director*

DIN : 00135889

**INDEPENDENT AUDITOR'S REPORT**

To,  
The Members,

**DYNAMIC INDUSTRIES LIMITED**

Ahmedabad.

**Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **DYNAMIC INDUSTRIES LIMITED** ("the Holding Company") and its subsidiary (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise of the Consolidated Balance Sheet as 31<sup>st</sup> March, 2017, the Consolidated Statement of Profit and Loss, Consolidated cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information ( hereinafter referred to as " the Consolidated financial statements").

**Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 ( hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and Consolidated 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. The respective Board of Directors of the Companies included in the group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the group 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the company as at 31<sup>st</sup> March, 2017 and their consolidated profit and their consolidated cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. 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 relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - (c) The consolidated balance sheet, the consolidated statement of profit and loss and the consolidated cash flow statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid consolidated 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 written representations received from the directors of the Holding Company as on 31 March, 2017 taken on record by the Board of Directors of Holding Company, none of the directors of the Group companies incorporated in India is disqualified as on 31 March, 2017 from being appointed as a director that company in terms of Section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to our best of our information and according to the explanations given to us :
    - (i) The Group has disclosed the impact of pending litigations on its consolidated financial position in its consolidated financial statements - Refer notes 34 to the financial statements.
    - (ii) The Group did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
    - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.
    - (iv) The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the company. Refer Note 42 to the financial statements.

**FOR, G. K. CHOKSI & CO.**  
[Firm Registration No. 101895W]  
*Chartered Accountants*

Sd/-

**ROHIT K. CHOKSI**  
*Partner*  
Membership No. 31103

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2017

**ANNEXURE - A**

**Annexure - A to the Independent Auditors' Report of even date on the Consolidated Financial Statements of Dynamic Industries Limited.**

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

We have audited the internal financial controls over financial reporting of **DYNAMIC INDUSTRIES LIMITED** ("the Holding Company") and its one subsidiary company as of and for the year ended 31<sup>st</sup> March, 2017 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Respective Board of Directors of the Holding Company and its one subsidiary company, which are companies incorporated in India, are 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 Companies Act, 2013.

**Auditors' Responsibility**

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

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

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

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, the Holding Company and its one subsidiary company, which are companies incorporated in India, have, 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 31 March 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 ICAI..

**FOR, G. K. CHOKSI & CO.**  
[Firm Registration No. 101895W]  
*Chartered Accountants*

Sd/-

**ROHIT K. CHOKSI**  
*Partner*  
Membership No. 31103

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2017



# DYNAMIC INDUSTRIES LIMITED

## Consolidated Balance Sheet as at 31st March, 2017

[₹ in Lacs]

Particulars	Notes	As at 31st March 2017	As at 31st March 2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	302.85	302.85
Reserves and Surplus	3	3,527.52	3,386.05
			3,830.37
			3,688.90
<b>Non-Current Liabilities</b>			
Long Term Borrowings	4	25.41	44.34
Deferred Tax Liabilities (Net)	5	54.55	67.86
Long Term Provisions	6	8.73	15.39
			88.69
			127.59
<b>Current Liabilities</b>			
Short Term Borrowings	7	413.91	175.50
Trade Payables			
Dues to Micro, Small and Medium	41	--	--
Dues to Other	8	604.75	637.28
Other Current Liabilities	9	52.03	42.22
Short Term Provisions	10	117.55	128.07
			1,188.24
			983.07
<b>Total</b>			5,107.30
			4799.56
<b>ASSETS</b>			
<b>Non Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	11	2,214.70	2,287.69
Intangibles Under Development	12	0.16	0.24
Capital Work in Progress	13	30.84	0.00
			2,245.70
			2,287.92
Non Current Investments	14		60.00
Long Term Loans and Advances	15		26.60
			0.00
			16.70
<b>Current Assets</b>			
Inventories	16	1,228.25	997.26
Trade Receivables	17	1,288.42	913.41
Cash and Cash Equivalents	18	39.17	229.63
Short Term Loans and Advances	19	217.57	353.34
Other Current Assets	20	1.59	1.29
			2,775.00
			2,494.93
<b>Total</b>			5,107.30
			4,799.55
Significant Accounting Policy	1		

The accompanying notes are an integral part of the consolidated financial statements.

As per our attached report of even date.

### FOR AND ON BEHALF OF THE BOARD

**FOR, G. K. CHOKSI & CO.**  
[Firm Registration No. 101895W]  
Chartered Accountants

Sd/-  
**ROHIT K. CHOKSI**  
Partner  
Membership No. 31103

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2017

Sd/-  
**DIPAKKUMAR CHOKSI**  
Vice Chairman & Managing Director  
DIN : 00536345

Sd/-  
**PUNIT CHHATTANI**  
Chief Financial Officer

Sd/-  
**DINESH JAIN**  
Whole Time Director  
DIN : 00135889

Sd/-  
**HARSH R. HIRPARA**  
Company Secretary

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2017

**Consolidated Statement of Profit and Loss for the year ended 31st March, 2017**

[₹ in Lacs]

Particulars	Notes	2016-2017	2015-2016
<b>INCOME</b>			
Revenue from Operations	21	4,885.88	3,828.44
Less : Excise Duty		(256.59)	(181.89)
		<u>4,629.29</u>	<u>3,646.55</u>
Other Income	22	16.41	162.81
<b>Total Revenue</b>		<u>4,645.70</u>	<u>3,809.36</u>
<b>EXPENSES</b>			
Cost of Materials / Products Consumed	23	3,224.87	2,294.42
Purchase of Stock in Trade	24	125.58	82.62
Changes in Inventories of Finished Goods, Stock-in-process and Stock-in-trade	25	(1.72)	266.19
Employee Benefit Expenses	26	279.22	242.83
Financial Costs	27	37.31	37.09
Depreciation and Amortizations		86.09	87.90
Other Expenses	28	637.95	485.33
<b>Total Expenses</b>		<u>4,389.30</u>	<u>3,496.38</u>
<b>Profit Before Exceptional Item and Tax</b>		<u>256.40</u>	<u>312.98</u>
Exceptional Items	29	0.00	106.95
<b>Profit Before Tax</b>		<u>256.40</u>	<u>206.03</u>
<b>Tax Expenses</b>			
Current Tax		94.17	85.00
Deferred Tax		(2.55)	(4.14)
Short provision of tax of earlier years (net)		(13.31)	(3.03)
		<u>78.31</u>	<u>77.83</u>
<b>Profit / (Loss) for the year carried to Balance Sheet</b>		<u>178.09</u>	<u>128.20</u>
Earnings per equity share :	30		
Basic and diluted		5.88	4.23

The accompanying notes are an integral part of the consolidated financial statements.  
As per our attached report of even date.

**FOR AND ON BEHALF OF THE BOARD**

Sd/-

**DIPAKKUMAR CHOKSI**

Vice Chairman &amp; Managing Director

DIN : 00536345

Sd/-

**DINESH JAIN**

Whole Time Director

DIN : 00135889

Sd/-

**ROHIT K. CHOKSI**

Partner

Membership No. 31103

Sd/-

**PUNIT CHHATTANI**

Chief Financial Officer

Sd/-

**HARSH R. HIRPARA**

Company Secretary

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2017

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2017

**DYNAMIC INDUSTRIES LIMITED**

**Consolidated Cash Flow Statement for the year ended 31st March, 2017**

[₹ in Lacs]

Particulars	2016-2017	2015-2016
<b>A. Cash flow from operating activities :</b>		
Profit / (Loss) for the year before taxation	256.40	206.03
Adjustments for :		
Depreciation	86.09	87.90
Loss on sale of assets / discarded assets	(1.81)	0.44
Provision no longer required	10.55	72.41
Sundry Balance (Written Back) / Written Off	0.00	0.00
Interest Income	(3.98)	(27.77)
Financial Cost	37.31	37.09
<b>Operating profit before working capital changes</b>	<b>384.56</b>	<b>376.10</b>
Adjustments for :		
Trade and other receivables	(249.10)	(68.11)
Inventories	(230.99)	255.55
Trade payables	(42.70)	48.28
<b>Cash generated from operations</b>	<b>(138.23)</b>	<b>611.82</b>
Taxes paid(net of refunds)	(99.40)	(58.22)
<b>Net cash from operating activities</b>	<b>(A) (237.63)</b>	<b>553.60</b>
<b>B. Cash flow from investing activities :</b>		
Purchase of fixed assets	(46.54)	(19.77)
Purchase of Investments	(60.00)	0.00
Sales of fixed assets	4.50	0.00
Interest received	3.68	27.83
<b>Net cash used in investing activities</b>	<b>(B) (98.36)</b>	<b>8.06</b>
<b>C. Cash flow from financing activities :</b>		
Procurement / (Repayment) of long / short term borrowings	219.48	(417.64)
Payment of dividend	(36.45)	(36.45)
Interest paid	(37.46)	(37.31)
<b>Net cash flow from financial activities</b>	<b>(C) 145.57</b>	<b>(491.40)</b>
<b>Net Increase/(Decrease) in cash and cash equivalents</b>	<b>(A) + (B) + (C) (190.42)</b>	<b>70.26</b>
Opening cash and cash equivalents	216.58	146.32
Closing cash and cash equivalents	26.16	216.58
<b>Components of cash and cash equivalent</b>		
Balances with scheduled banks	24.97	215.91
Cash in Hand	1.19	0.67
	<b>26.16</b>	<b>216.58</b>

**Explanatory Notes to Cash Flow Statement**

- The Cash Flow Statement is prepared under indirect method in accordance with the format prescribed by Securities and Exchange Board of India & Accounting Standard 3 as prescribed by The Institute of Chartered Accountants of India.
- In Part A of the Cash Flow Statements, figures in brackets indicates deductions made from the net profit for deriving the cash flow from operating activities. In part B & part C, figures in brackets indicates cash outflows.
- Figures of the previous year have been regrouped wherever necessary, to confirm to current year's presentation

**FOR AND ON BEHALF OF THE BOARD**

**FOR, G. K. CHOKSI & CO.**  
[Firm Registration No. 101895W]  
Chartered Accountants

Sd/-

**ROHIT K. CHOKSI**

Partner

Membership No. 31103

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2017

Sd/-

**DIPAKKUMAR CHOKSI**

Vice Chairman & Managing Director

DIN : 00536345

Sd/-

**PUNIT CHHATTANI**

Chief Financial Officer

Sd/-

**DINESH JAIN**

Whole Time Director

DIN : 00135889

Sd/-

**HARSH R. HIRPARA**

Company Secretary

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2017

## SIGNIFICANT ACCOUNTING POLICIES

### 1. Basis of Consolidation

#### (a) Basis of preparation

- (i) The Consolidated Financial Statements of Dynamic Industries Limited (the Company), its subsidiary (together “the Group”), have been prepared and presented in accordance with the generally accepted accounting principle under the historical cost convention on an accrual basis. The Company has prepared these financial statements to comply in all material respects with the Accounting Standards as prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014.
- (ii) The Consolidated Financial Statements have been prepared on an accrual basis under the historical cost convention. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year. The accounting policies adopted in the preparation of the financial statements are consistent with those of previous year.
- (iii) The notes and the significant accounting policies to the consolidated financial statements are intended to serve as a guide for better understanding of the group’s position. In this respect, the company has disclosed such notes and policies, which represent the needed disclosures.

#### (b) Principle of Consolidation

The Consolidated financial statements relate to Dynamic Industries Limited and its Subsidiary Company. The Consolidated Financial Statements have been prepared on the following basis:

- (i) Subsidiaries are consolidated from the date on which control is transferred to the group and are not consolidated from the date that control ceases. The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealized profits or losses are fully eliminated.
- (ii) The difference between cost to the Company of its investments in the subsidiary companies and its share of the equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies are made, is recognized as Goodwill or Capital Reserve as the case may be.
- (iii) Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity subsequent to the dates of investments.
- (iv) Minority Interest’s share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company. Net Losses attributable to the minorities have been adjusted to extent of their capital contribution. The excess and any further losses attributable to minority have been adjusted against the majority interest as the minority has no binding obligation to make good the losses. If the subsidiary subsequently makes profits, all such profits will be allocated to the majority interest until the minority’s share of losses previously absorbed by the majority have been recovered.

#### (c) Enterprises consolidated as subsidiary in Accordance with Accounting Standard 21–Consolidated Financial Statements

Name of the Enterprise	Country of Incorporation	Proportion of Ownership Interest
Neo Farbe Pvt. Ltd.	India	100%

**(d) Use of estimates**

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reported period. Differences between the actual result and estimates are recognised in the period in which the results are known/ materialized.

**(e) Fixed Assets and Depreciation & Amortisation**

- (i) Tangible Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation and impairment losses, if any. Cost comprises of the purchase price and any other attributable cost of bringing the assets to its working condition for its intended use.

Intangible assets are stated at acquisition cost net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives.

- (ii) Depreciation on Tangible Fixed Assets is provided on straight line method over the useful lives of assets specified in Part C of Schedule II to the Companies Act 2013 read with the relevant notifications issued by the Department of Company affairs.

Intangible assets are amortised over their respective individual estimated useful lives on a straight line basis, commencing from the date the assets is available to the company for its use. The management estimates useful life for intangible assets as follows:

Software : Over a period of Three years

Depreciation on assets acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition/disposal.

In accordance with the provisions contained in Schedule II to the Companies Act, 2013 components of an asset, which have significant cost to total cost of assets and its own useful life, are required to be depreciated separately over its useful life. Pursuant to such requirement, the company has retained a technical expert to identify such components and based on certificate obtained from such technical expert, the company does not have any such components. Accordingly, the company is not required to determine depreciation separately.

- (iii) Lease hold land is amortised over the period of lease.
- (iv) An assessment is done to determine whether there is any indication of impairment. An asset is treated as impaired when its carrying cost exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

The company has adopted the policy of carrying out impairment test once in the span of every three financial years.

**(f) Borrowing Costs**

Borrowing cost including interest, guarantee fees commitment charges etc., that is directly attributable to the acquisition, construction or production of a qualifying asset is capitalized as part of the cost of that asset up to period the project is commissioned or asset is put to use. The borrowing cost incurred on common funds borrowed generally and used for the purpose of obtaining a qualifying asset, is apportioned on rational basis, the remaining borrowing cost is charged to revenue.

**(g) Investments**

Investments are classified into current and long term investments. Current investments are stated at the lower of cost and fair value. Long term investments are stated at cost price. Provision for diminution in the value of Long Term Investment is made only if; such decline is not temporary in nature in the opinion of the management.

**(h) Inventories**

- (i) Raw Materials, Stock-in-process, Finished Goods are valued at lower of cost or net realizable value. Cost of stock-in-process and finished goods include materials, labour, manufacturing overhead and other cost incurred in bringing the inventories to their present location. Excise duty on goods manufactured by the company and remaining in inventory is included as a part of valuation of finished goods.
- (ii) Stock of stores, spares, consumable and packing materials are valued at cost.

**(i) Revenue Recognition**

- (i) Revenue in respect of domestic sale of products is recognised when the risks and rewards of ownership are passed on to the customers, which is upon dispatch of products. Sales are stated at contractual realizable values, net of excise duty, sales tax and trade discount.
- (ii) Export Sales are recognized at invoiced value converted in to reporting currency by applying the exchange rate prevailing on transaction date i.e. Bill of lading date.
- (iii) Export Incentives are accounted for on accrual basis.

**(j) Foreign Currency Transactions**

- (i) Foreign currency transactions and forward exchange contracts used to hedge foreign currency transactions are initially recognised at the spot rate on the date of the transaction/contract.
- (ii) Monetary assets and liabilities relating to foreign currency transactions and forward exchange contracts remaining unsettled at the end of the year are translated at year end rates.

The difference in translation and realised gains and losses on foreign exchange transactions, are recognised in the Profit and Loss Account. Further in respect of transaction covered by forward exchange contract, the difference between the contract rate and the spot rate on the date of the transaction is charged to the Profit and Loss account over the period of the contract.

**(k) Retirement Benefits****(i) Defined Contribution Plan**

The Company has Defined Contribution Plan for its employees' retirement benefit comprising of provident fund and Employees Death Linked Insurance. The company and eligible employees make monthly contributions to provident fund scheme equal to specified percentage of the covered employees' salary.

The company has no further obligations to the above referred plans beyond its monthly contributions.

**(ii) Defined Benefit Plan**

Liabilities with regard to Defined Benefit Plan are determined by actuarial valuation, performed by independent actuary, at each Balance Sheet date using the Projected Unit Credit Method. Actuarial Gains or Losses are recognised in full in the Profit and Loss Account for the period in which they occur.

**Gratuity**

The company provides for Gratuity, a defined benefit retirement plan ("Gratuity Plan") covering eligible employees. The Gratuity Plan provides for lump sum payment to vested employees at retirement, death, incapacitation while in employment or on termination of employment, of an amount based on the respective employee's salary and tenure of employment of the company. Vesting occurs upon completion of five years of service.

The company contributes ascertained liabilities to the Dynamic Industries Limited Group Gratuity Scheme (the Trust). Trustees administer contributions made to the trust and contributions are invested in a scheme with Life Insurance Corporation of India, as permitted by law of India. The company recognize the net obligation of the gratuity plan in the Balance Sheet as an asset or liability, respectively in accordance with Accounting Standard (AS) 15, "Employee Benefits". Actuarial gains and losses from experience adjustments and changes in actuarial assumptions are recognized in the statement of profit and loss in the period in which they arise. The company's overall expected long-term-rate-of-return on assets and discount rate have been determined by Actuarial Valuation.

## DYNAMIC INDUSTRIES LIMITED

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**(l) Excise/Custom Duty and Service Tax**

Excise duty has been accounted on the basis of both payments made in respect of goods cleared from factory premises and also provision made for manufactured goods lying unsold at year end in factory premises.

**(m) Research and Development Expenditure**

Revenue Expenditure in respect of Research and Development is charged to the Profit and Loss Account and Capital Expenditure is added to the cost of Fixed Assets in the year in which it is incurred.

**(n) Stores and Spares**

Stores, spares and consumables, except L.D.O. and Diesel are charged to profit and loss account as and when they are procured and stock of such items as at the end of the year is accounted at cost.

**(o) Taxation**

(i) Current year tax is provided based on taxable income computed in accordance with the provisions of the Income-tax Act, 1961.

(ii) The Deferred Tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent period using the tax rates and laws that have been enacted or substantively enacted as at the balance sheet date.

Deferred tax assets are recognised on unabsorbed depreciation and carry forward of losses based on virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax on timing differences other than those referred above is recognised and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such assets can be realised.

**(p) Provision, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

**(q) Prior Period Items and Extra - Ordinary Items**

Adjustments arising due to errors or omission in the financial statements of earlier years are accounted under "Prior Period". Items of Income & Expenditure, which are not of recurring nature viz., damages due to floods, earth quakes etc. are disclosed as extra ordinary items.

**(r) Provisions and Prepayment of Expenses**

Provisions and Prepayment of expenses up to ₹ 5,000/- in each case are charged to revenue.

**(s) Earnings Per Share**

In determining the earnings per share, the Company considers the net profit after tax and extraordinary items and includes post-tax effect of any extraordinary items. The number of shares used in computing the earnings per share is the weighted average number of shares outstanding during the period. For computing diluted earnings per share, potential equity is added to the above weighted average number of shares.



## Notes to consolidated financial statements

## 2 Share Capital

[₹ in Lacs]

Particulars	As at	As at
	31st March, 2017	31st March, 2016
<b>(a) Authorised</b>		
35,00,000 (P. Y. 35,00,000) Equity Shares of ₹ 10/- each	350.00	350.00
<b>(b) Issued, Subscribed and Paid up</b>		
30,28,500 (P. Y. 30,28,500) Equity Shares of ₹ 10/- each full paid	302.85	302.85

**Note :**

During the period of five financial years immediately preceding the Balance Sheet date, the company has not;

- (i) allotted any fully paid up equity shares by way of bonus shares;
- (ii) allotted any equity shares pursuant to any contract without payment being received in cash;
- (iii) bought back any equity shares

**(c) Reconciliation of number of shares**

Particulars	Number of Equity Shares	
	2016-2017	2015-2016
<b>At the beginning of the year</b>	30,28,500	30,28,500
<b>Add</b>		
Shares issued for Cash or Right Issue or Bonus	0	0
Exercise of Share Option under ESOS / ESOP	0	0
Shares issued in Business Combination	0	0
	30,28,500	30,28,500
<b>Less</b>		
Shares bought back / Redemption etc.	0	0
<b>As the end of the year</b>	30,28,500	30,28,500

**(d) Rights, preferences and restrictions attached to shares**

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors, if any, 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, if any, in proportion to their shareholding.

**(e) Details of Shareholding****Shareholder holding more than 5%**

Particulars	Number of Equity Shares		Percentage (%)	
	As at	As at	As at	As at
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
Harin D. Mamlatdarna	3,47,780	3,47,780	11.48	11.48
Deepak N. Chokshi	2,84,572	2,71,487	9.40	8.96
Mayaben H. Mamlatdarna	2,11,247	2,11,247	6.98	6.98

## DYNAMIC INDUSTRIES LIMITED

### 3 Reserves and Surplus

[₹ in Lacs]

Particulars	As at	As at
	31st March, 2017	31st March, 2016
<b>Revaluation Reserve</b>		
Balance as per previous financial statements	1,624.64	1,641.74
Add / Less : Addition / (Deduction) during the year	(17.10)	(17.10)
Balance as at year end	1,607.54	1,624.64
<b>Reserve Fund for Eco-Development</b>		
Balance as per previous financial statements	6.50	6.50
Add / Less : Addition / (Deduction) during the year	(6.50)	0.00
Balance as at year end	0.00	6.50
<b>Share Premium Account</b>		
Balance as per previous financial statements	178.60	178.60
Add / Less : Addition / (Deduction) during the year	0.00	0.00
Balance as at year end	178.60	178.60
<b>General Reserve</b>		
Balance as per previous financial statements	200.83	183.72
Add / Less : Addition / (Deduction) during the year	23.60	17.10
Balance as at year end	224.43	200.83
<b>Surplus</b>		
Balance as per previous financial statements	1,375.48	1,283.70
Add : Profit for the year	178.09	128.20
Balance available for appropriation	1,553.57	1,411.90
Less : Appropriations for :		
- Proposed Dividend	30.29	30.29
- Provision for Dividend Distribution Tax	6.33	6.17
- Excess Provision of DDT in previous year	0.00	(0.04)
<b>Net Surplus / (Deficit)</b>	1,516.95	1,375.48
	3,527.52	3,386.05

### 4 Long Term Borrowings

[₹ in Lacs]

Particulars	Non-current portion		Current maturities	
	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
<b>Secured Loans</b>				
<b>Term Loans from Banks (refer note 1 below)</b>				
HDFC Bank Ltd.	25.41	44.34	18.91	16.88
<b>Term Loans from Others</b> (refer note 2 below)				
Toyota Financial Services India Limited	0.00	0.00	0.00	7.16
	25.41	44.34	18.91	24.04
Less : Amount disclosed under the head "Other Current Liabilities"	0.00	0.00	18.91	24.04
	25.41	44.34	0.00	0.00

**Nature of Security**

- The above term loans from HDFC Bank Ltd. are primarily secured against Hypothecation of present and future stocks and book debts and Plant & Machineries. It is further secured by Equitable Mortgage on Leasehold land bearing Plot / Shed No 125, in aggregate admeasuring 1330 Sq mts in phase I, Vatva Industrial Estate, Survey no. 494 Paiki, lying at Mouje: Vatva, in Taluka Dascroi, and building constructed thereon AND Equitable Mortgage on Non Agricultural Constructed Leasehold Property bearing plot / Shed No. 5501/2, in aggregate admeasuring 7383 Sq. Mtrs. in Phase III, in Vatva Industrial Estate and building constructed thereon.
- The above loans are secured against hypothecation of vehicles

**Terms of Repayment of Loans**

HDFC Bank Ltd.	It is repayable in 60 numbers of monthly installments of ₹ 1.91 lacs each (including interest), commencing from July 2015. The last installment falls due in June 2019.
Toyota Financial Services India Limited	It is repayable in 36 numbers of equal monthly installments of ₹ 0.94 lacs each (including interest) commencing from January, 2014. The last installment falls due in November, 2016.

**5. Deferred tax liabilities (Net)**

The Company estimates deferred tax/(charge) using the applicable rate of taxation based on the impact of timing difference between financial statements and estimated taxable income for the current year.

[₹ in Lacs]

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>Deferred Tax Liabilities</b>		
Difference of book depreciation and tax depreciation	61.94	78.57
<b>Deferred Tax Assets</b>		
Disallowance u/s. 43(b) allowable on payment	7.39	10.71
<b>Net Deferred Tax Liability / (Asset)</b>	<b>54.55</b>	<b>67.86</b>

**6. Long Term Provisions**

[₹ in Lacs]

Particulars	As at 31st March, 2017	As at 31st March, 2016
For Employee Benefits		
Gratuity	13.08	10.10
Priviledged / Earned Leave	0.00	10.55
	<b>13.08</b>	<b>20.65</b>
<b>Less :</b>		
Amount disclosed under the head "Short Term Provisions"		
Gratuity	4.35	3.76
Priviledged / Earned Leave	0.00	1.50
	<b>4.35</b>	<b>5.26</b>
	<b>8.73</b>	<b>15.39</b>

## DYNAMIC INDUSTRIES LIMITED

### 7. Short Term Borrowings

[₹ in Lacs]

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>Secured</b>		
<b>Working Capital Loan</b>		
HDFC Bank Ltd. (Cash Credit A/c.)	0.00	128.46
HDFC Bank Ltd. (Export Packing Credit)	150.00	0.00
HDFC Bank Ltd. (Export Bills Purchase)	263.91	47.04
	<b>413.91</b>	<b>175.50</b>

#### Nature of Security

The above loans are secured by hypothecation of inventories, book debt, bills, claims, monies receivables, outstandings, invoice documents, contracts, guarantees, movable plant and machinery & other fixed assets.

### 8. Trade Payables

[₹ in Lacs]

Particulars	As at 31st March, 2017	As at 31st March, 2016
For Goods and Services		
Related Party	0.00	3.87
(Refer note 33)		
Others	604.75	633.41
	<b>604.75</b>	<b>637.28</b>

### 9. Other Current Liabilities

[₹ in Lacs]

Particulars	As at 31st March, 2017	As at 31st March, 2016
Current Maturities of Long Term Debt	18.91	24.05
Interest Accrued but not Due	0.32	0.47
Advance from Customers	2.71	0.00
Trade Deposit	3.10	0.00
Payable towards capital goods	1.10	0.00
Unclaimed Dividend	2.88	2.06
Other Payables		
Statutory Dues	8.95	3.88
Others	14.06	11.76
	<b>23.01</b>	<b>15.64</b>
	<b>52.03</b>	<b>42.22</b>

## 10. Short Term Provisions

[₹ in Lacs]

Particulars	As at 31st March, 2017	As at 31st March, 2016
Provision for Employee Benefits		
Gratuity	4.35	3.76
Priviledged / Earned Leave	0.00	1.50
	4.35	5.26
Others		
Provision for Taxation (Net of Advance Tax)	30.97	38.74
Provision for Dividend	36.62	36.45
Provision for Excise on Closing Stock	45.61	47.62
	113.20	122.81
	117.55	128.07

[₹ in Lacs]

**11. Tangible Assets**

Sr. No.	Name of Assets	Gross Block (At Cost)			Depreciation / Amortisation			Net Block		
		As at 01/04/2016	Additions / Adjustments	Deductions / Adjustments	As at 31/03/2017	Upto 31/03/2016	For the Year	Deductions / Adjustments	As at 31/03/2017	As at 31/03/2016
1	Leasehold Land	1742.60	0.00	0.00	1742.60	79.25	17.60	0.00	1645.75	1663.35
2	Building	398.21	0.00	0.00	398.21	175.92	12.92	0.00	209.37	222.29
3	Machinery	847.86	4.33	0.00	852.19	530.97	35.80	0.00	285.42	316.89
4	Computer	34.26	0.00	0.00	34.26	29.64	1.60	0.00	3.02	4.62
5	Office Equipments	15.49	0.00	0.00	15.49	12.24	1.08	0.00	2.17	3.25
6	Furniture and Fixture	59.32	0.64	0.00	59.32	41.62	2.95	0.00	14.75	17.70
7	Vehicles	138.01	11.37	9.56	139.82	78.42	14.06	6.88	54.22	59.59
	<b>Total :</b>	3235.75	15.70	9.56	3241.89	948.06	86.01	6.88	2214.70	2287.69
	Previous Year :	3237.37	19.51	21.13	3235.75	867.80	87.88	7.62	2287.69	

**Note :**

1) Pursuant to Board Resolution passed by Board of Director in its meeting held on 31st March, 2012 with regard to Revaluation of Lease Hold Land, the company has, based on Valuation Report dated 31st March, 2012 by approved valuer, revalued the Lease Hold Land and accordingly stated at revalued amount with corresponding credit to revaluation Reserve Account.

**12. Intangible Assets**

[₹ in Lacs]

Sr. No.	Name of Assets	Gross Block (At Cost)			Depreciation / Amortisation			Net Block		
		As at 01/04/2016	Additions / Adjustments	Deductions / Adjustments	As at 31/03/2017	Upto 31/03/2016	For the Year	Deductions / Adjustments	As at 31/03/2017	As at 31/03/2016
1	Software	0.26	0.00	0.00	0.26	0.02	0.08	0.00	0.16	0.24
	<b>Total :</b>	0.26	0.00	0.00	0.26	0.02	0.08	0.00	0.16	0.24
	Previous Year :	0.00	0.26	0.00	0.26	0.00	0.02	0.00	0.24	

**13. Capital Work in Progress**

[₹ in Lacs]

Sr. No.	Name of Assets	As at 01/04/2016	Additions during the year	Deductions / Adjustments during the year	Capitalised	As at 31/03/2017
1	Plant & Machinery	0.00	30.84	0.00	0.00	30.84
	<b>Total :</b>	0.00	30.84	0.00	0.00	30.84
	Previous Year :	0.00	0.00	0.00	0.00	0.00

**14. Non Current Investments**

[₹ in Lacs]

Particulars	As at 31st March, 2017	As at 31st March, 2016
In Real Estate Funds		
Amplus Reality Fund II	20.00	0.00
Indiabulls High Yield Fund	40.00	0.00
	<b>60.00</b>	<b>0.00</b>

**15. Long Term Loans and Advances**

(Unsecured, considered good unless otherwise stated)

[₹ in Lacs]

Particulars	As at 31st March, 2017	As at 31st March, 2016
Security Deposit	16.60	16.70
Capital Advances	10.00	0.00
	<b>26.60</b>	<b>16.70</b>
The amount dues by :		
Directors	NIL	NIL
Officers either severally or jointly with other persons	NIL	NIL
Firms or Private Companies in which any director is partner or director or a member	NIL	NIL

**16. Inventories**

(As taken, valued and certified by the Management)

[₹ in Lacs]

Particulars	As at 31st March, 2017	As at 31st March, 2016
Raw Materials	696.73	463.14
Work in Process	102.45	83.57
Finished Goods	409.87	421.75
Stock In Trade	0.62	6.77
Stores, Spares and Consumables	2.91	6.72
Others	15.67	15.31
	<b>1,228.25</b>	<b>997.26</b>

Inventory items have been valued considering the significant accounting policy disclosed in note 1 [h] to this financial statement



## DYNAMIC INDUSTRIES LIMITED

### 17. Trade Receivable

[₹ in Lacs]

Particulars	As at 31st March, 2017	As at 31st March, 2016
Debtors outstanding for the period exceeding six months		
Unsecured considered good	108.87	104.82
Considered Doubtful	28.26	14.70
	<b>137.13</b>	119.52
Less : Provisions for Doubtful Debts	28.26	14.70
	<b>108.87</b>	104.82
Others		
Unsecured considered good	1,179.55	808.59
	<b>1,288.42</b>	913.41
The amount dues by :		
Directors	NIL	NIL
Officers either severally or jointly with other persons	NIL	NIL
Firms or Private companies in which any director is partner or director or a member.	51.59	70.44

### 18. Cash and Cash Equivalents

[₹ in Lacs]

Particulars	As at 31st March, 2017	As at 31st March, 2016
Balances with Scheduled Banks in		
Current Accounts	24.97	215.91
Cash in Hand	1.19	0.67
	<b>26.16</b>	216.58
Other Bank Balances		
Fixed Deposits (with maturity of more than 3 months but less than 12 months)	13.01	13.05
	<b>39.17</b>	229.63

The amount of fixed deposits with banks includes deposits placed as Margin Money amounting ₹ 11.75 lacs (P. Y. ₹ 10.70 Lacs) for bank guarantees.

**19. Short Term Loans and Advances**

[₹ in Lacs]

Particulars	As at 31st March, 2017	As at 31st March, 2016
Advances to :		
Employees	3.64	2.16
Contractors & Suppliers	5.26	1.67
Others Advances		
Balances with Revenue Authorities	16.59	100.28
Prepaid Expenses	9.08	8.61
Other Recoverables	183.00	240.62
	<b>208.67</b>	<b>349.51</b>
	<b>217.57</b>	<b>353.34</b>
The amount dues by :		
Directors	NIL	NIL
Officers either severally or jointly with other persons	NIL	NIL
Firms or Private companies in which any director is partner or director or a member.	NIL	NIL

**20. Other Current Assets**

[₹ in Lacs]

Particulars	As at 31st March, 2017	As at 31st March, 2016
Interest accrued but not due	1.59	1.29
	<b>1.59</b>	<b>1.29</b>

**21. Revenue from Operations**

[₹ in Lacs]

Particulars	2016-2017	2015-2016
Sale of Products (Gross)	4,844.66	3,784.84
Less : Excise Duty	(256.59)	(179.19)
Revenue from Operations	4,588.07	3,605.65
Other Operating Revenue	61.22	40.90
	<b>4,629.29</b>	<b>3,646.55</b>

**Breakup of Sale of Product  
(Net of Excise)**

[₹ in Lacs]

Particulars	2016-2017	2015-2016
<b>Manufactured</b>		
Dyes, Pigments and Chemicals		
Export	2,224.65	1,979.42
Local	2,224.99	1,534.95
	<b>4,449.64</b>	<b>3,514.37</b>
Stock in Trade		
Dyes, Pigments and Chemicals		
Export	62.99	61.99
Local	75.44	29.29
	<b>138.43</b>	<b>91.28</b>
	<b>4,588.07</b>	<b>3,605.65</b>

## DYNAMIC INDUSTRIES LIMITED

### Breakup of Other Operating Revenue

[₹ in Lacs]

Particulars	2016-2017	2015-2016
Export Benefits (Net)	41.22	40.90
	<u>41.22</u>	<u>40.90</u>

### 22. Other Income

[₹ in Lacs]

Particulars	2016-2017	2015-2016
Interest Income		
Banks	1.04	2.44
Others	2.94	25.33
Gain on Foreign Exchange Fluctuation (Net)	0.00	15.59
Incremental Export Incentivisation Scheme (IEIS)	0.00	28.35
Provision no longer required	10.55	72.41
Other Non-Operating Income		
Insurance Claim	0.00	17.44
Sundry Balance Written Back	0.00	0.01
Profit on Sale of Assets	1.81	0.00
Miscellaneous Income	0.07	1.24
	<u>16.41</u>	<u>162.81</u>

### 23. Cost of Materials / Products Consumed

[₹ in Lacs]

Particulars	2016-2017	2015-2016
Raw Materials	3,081.55	2,178.28
Packing Materials	98.83	84.70
Freight, Octroi & Inward Clearing	44.49	31.44
	<u>3,224.87</u>	<u>2,294.42</u>

### Breakup of Raw Material Consumed

[₹ in Lacs]

Particulars	2016-2017	2015-2016
Beta Nephthol	134.39	99.52
6 Nitro	466.15	304.23
H. Acid	118.43	147.71
Others	2,362.59	1,626.82
	<u>3,081.56</u>	<u>2,178.28</u>

### 24. Purchase of Stock in Trade

[₹ in Lacs]

Particulars	2016-2017	2015-2016
Stock in Trade		
Dyes, Pigments and Chemicals	125.58	82.62
	<u>125.58</u>	<u>82.62</u>

**25. Changes in Inventories of Finished Goods, Work in progress and Stock-in-trade** [₹ in Lacs]

Particulars	2016-2017	2015-2016
Closing Stocks		
Finished Goods	409.87	421.75
Stock in Trade	0.62	6.77
Work in Progress	102.45	83.57
	<b>512.94</b>	<b>512.09</b>
Opening Stock		
Finished Goods	421.75	766.57
Stock in Trade	6.77	4.29
Less : Transferred for own consumption	0.87	0.28
	<b>5.90</b>	<b>4.01</b>
Work in Progress	83.57	7.70
	<b>511.22</b>	<b>778.28</b>
Decrease / (Increase) in Inventories	<b>(1.72)</b>	<b>266.19</b>

**26. Employees Benefits Expenses** [₹ in Lacs]

Particulars	2016-2017	2015-2016
Salary, Allowance, Wages and Bonus	257.02	217.06
Contribution to Provident Fund & Other Funds	18.01	21.64
Staff Welfare and Training	4.19	4.13
	<b>279.22</b>	<b>242.83</b>

**27. Finance Cost** [₹ in Lacs]

Particulars	2016-2017	2015-2016
<b>Interest to</b>		
Banks	29.24	28.99
Others	0.26	1.30
	<b>29.50</b>	<b>30.29</b>
<b>Other Borrowing Cost</b>		
Ancillary cost in connection with borrowings	0.00	0.00
LC Charges	4.17	1.85
Loan Processing Charges	3.64	4.95
	<b>7.81</b>	<b>6.80</b>
	<b>37.31</b>	<b>37.09</b>

## DYNAMIC INDUSTRIES LIMITED

### 28. Other Expenses

[₹ in Lacs]

Particulars	2016-2017	2015-2016
<b>Manufacturing Expenses</b>		
Power, Fuel and Water Charges	256.47	220.43
Stores and Other Consumables	3.54	3.02
Laboratory Expenses	14.28	10.75
Job Work Charges	0.00	2.03
Pollution Plant Treatment	54.32	43.11
Excise Duty on finished goods	(2.00)	(38.04)
Repairs and Maintenance		
Building	5.34	1.26
Plant and Machinery and Office Equipment	29.45	24.47
Others	5.89	3.29
<b>Establishment Expenses</b>		
Rates and Taxes	6.19	4.35
Insurance	21.76	20.83
Fees and Legal Expenses	23.47	21.11
Auditors' Remuneration (refer note below)	6.12	6.12
Travelling Expenses	6.11	6.19
Bank Charges	10.50	9.60
Telephone & Internet Expenses	7.70	7.89
Membership and Subscription	0.75	0.53
Vehicle Expenses	6.50	6.30
Security Charges	7.48	7.14
Rent	0.49	0.32
Donation		
Corporate Social Responsibility (CSR)	8.00	7.50
Others	0.05	0.05
Loss of Stock by Fire	0.00	0.00
Loss on Sale / Discard of Assets	0.00	0.44
Foreign Exchange Fluctuation	7.62	0.00
Provision for Bad Debts	13.56	0.00
Miscellaneous Expenses	18.20	18.98
<b>Selling and Distribution Expenses</b>		
Advertisement Expenses	0.55	0.58
Commission and Discount	64.95	49.72
Sales Promotion	0.30	0.59
Freight Outward	60.36	46.77
	<b>637.95</b>	<b>485.33</b>
<b>Auditor's Remuneration is made of</b>		
Holding Company		
- Statutory Audit Fees	4.87	4.87
- Tax Audit Fees	1.00	1.00
- Fees for other service	0.25	0.25
	<b>6.12</b>	<b>6.12</b>

### 29. Exceptional Items

[₹ in Lacs]

Particulars	2016-2017	2015-2016
Custom Duty	0.00	49.26
Interest on Custom Duty	0.00	57.69
	<b>0.00</b>	<b>106.95</b>

**30. Earning per Share**

Particulars	2016-2017	2015-2016
Net Profit after tax and prior period adjustments (₹ in lacs)	178.09	128.20
Number of equity shares (in lacs)	30.29	30.29
Nominal value of the share (₹)	10.00	10.00
Earnings per Share (₹)	5.88	4.23

**Note :** There is no change in the number of equity shares during the year.

**31 Employee Benefits****(a) Defined contribution to Provident Fund and Employee state insurance**

The Holding company makes contribution towards employees' provident fund and employees' state insurance plan scheme. Under the rules of these schemes, the Company is required to contribute a specified percentage of payroll costs. The Holding company during the year recognized ₹ 11.78 lacs (P.Y. ₹ 8.92 lacs) as expense towards contributions to these plans.

**(b) Defined Contribution Plans**

The following table sets out the status of the gratuity scheme plans as at 31st March, 2017.

[₹ in Lacs]

Particulars	Gratuity	
	2016-2017	2015-2016
<b>Changes in the present value of obligation</b>		
Present value of obligation (Opening)	36.26	22.07
Interest Cost	1.96	1.30
Past service cost	(0.07)	--
Current service cost	3.76	3.82
Curtailment Cost / (Gain)	--	--
Settlement Cost / (Gain)	--	--
Benefits paid	(3.29)	--
Actuarial (Gain) / Loss	2.29	9.07
Excess provision written back	--	--
Present value of obligation (Closing)	40.91	36.26
<b>Changes in the fair value of plan assets</b>		
Present value of plan assets (Opening)	26.16	16.02
Expenses deducted	--	(0.32)
Expected return on plan assets	1.52	1.13
Actuarial Gain / (Loss)	0.19	0.34
Recoverable from trust	--	--
Employers Contributions (Net)	3.25	9.00
Employees Contributions	--	--
Benefits paid	(3.29)	--
Fair Value of Plan Assets (Closing)	27.83	26.16
<b>Percentage of each category of plan assets to total fair value of plan assets at the year end</b>		
Bank Deposits	--	--
(Special Deposit Scheme, 1975)		
Debt Instruments	--	--
Administered by	100%	100%
Life Insurance Corporation of India		
<b>Amount recognised in the balance sheet</b>		
Present value of obligation as at the year end	40.91	36.26
Fair value of plan assets as at the year end	27.83	26.16
(Asset) / Liability recognised in the balance sheet	13.08	10.10

... Continued ...

## DYNAMIC INDUSTRIES LIMITED

(b) Defined Contribution Plans ...Continued...

[₹ in Lacs]

Particulars	Gratuity	
	2016-2017	2015-2016
<b>Expenses recognised in the Profit &amp; Loss Account</b>		
Current service cost	3.76	3.82
Past service cost	(0.07)	--
Interest cost	1.96	1.30
Expected return on plan assets	(1.52)	(1.13)
Curtailement Cost / (Credit)	--	--
Settlement Cost / (Credit)	--	--
Net Actuarial (Gain) / Loss	2.10	8.74
Employee's Contribution	--	--
Total expenses recognised in the profit and loss account	6.23	12.72
<b>Principal actuarial assumption</b>		
<b>(Rate of Discounting)</b>		
Rate of Discounting	6.75%	7.65%
Expected return on plan assets	6.75%	8.75%
Rate of increase in salaries	7.00%	7.00%
Attrition Rate	15% at younger	15% at younger
(Employees opting for early retirement)	ages reducing to 3% at older ages	ages reducing to 3% at older ages

### 32 Segment Reporting

The Holding Company operates within a solitary business segment i.e., manufacturing of dyes, chemicals and pigments, the disclosure requirements of Accounting Standard - 17 "Segment Reporting", issued by the Institute of Chartered Accountants of India is not applicable.

### 33 Related Party Disclosures

As per Accounting Standard 18, issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below :

(a) List of related parties with whom transactions have taken place during the year and relationship :

Sr. No.	Name of related party	Relationship
1 2 3	Harin D. Mamlatdarna Dipakkumar N. Choksi Dinesh Jain	Key Management Personnel
4 5 6 7	Ronak D. Chokshi Bimal D. Chokshi Mansi Talati Asita Mamlatdarna	Relatives of Key Management Personnel
8	Ornet Intermediates Pvt.t Ltd.	Enterprise over which director of the company exercises significant influence / control.



## (b) Transactions with related parties

[₹ in Lacs]

Sr. No.	Particulars	Relationship	2016-2017	2015-2016
(i)	Managerial Remuneration			
	- Harin D. Mamlatdarna	Key Management Personnel	27.17	25.63
	- Dipakkumar N. Choksi	Key Management Personnel	27.13	24.81
	- Dinesh Jain	Key Management Personnel	10.43	10.43
(ii)	Expenditure on other service (Salary)			
	- Ronak D. Chokshi	Relative of KMP	4.87	4.42
	- Bimal D. Chokshi	Relative of KMP	5.31	4.41
	- Mansi Talati	Relative of KMP	5.61	4.67
	- Asita Mamlatdarna	Relative of KMP	4.39	2.19
(iii)	Assignment of Keyman Insurance Policy (Refer Note No. 37)			
	- Harin D. Mamlatdarna	Key Management Personnel	45.01	--
(iv)	Sales			
	- Ornet Intermediates Pvt. Ltd.	Enterprise over which director of the company exercises significant influence/control.	118.89	151.11
(v)	Purchase			
	- Ornet Intermediates Pvt. Ltd.	Enterprise over which director of the company exercises significant influence/control.	19.43	0.00

## (c) Outstanding Balances as at March, 31, 2017

[₹ in Lacs]

Sr. No.	Particulars	Relationship	2016-2017	2015-2016
(i)	Balance Payable			
	As Trade Payable			
	- Harin D. Mamlatdarna	Key Management Personnel	--	1.52
	- Dipakkumar N. Choksi	Key Management Personnel	--	1.70
	- Dinesh Jain	Key Management Personnel	--	0.65
(ii)	Balance Receivable			
	As Trade Receivable			
	- Ornet Intermediates Pvt. Ltd.	Enterprise over which director of the company exercises significant influence/control	51.59	70.44

## DYNAMIC INDUSTRIES LIMITED

34. Pursuant to Accounting Standard - 29. "Provisions, Contingent, Liabilities and Contingent Assets", the disclosure relating to contingent liabilities and provisions made in the accounts for the year ended 31<sup>st</sup> March, 2017 is as follows :

### (a) Contingent Liabilities

[₹ in Lacs]

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
(a) Claims not acknowledge by the company in respect of :		
- Income Tax (See Note - (i) below)	0.88	2.99
- Custom Duty (See Note - (ii) below)	171.14	171.14
- Custom Duty (See Note - (ii) below)	5.51	5.51
- Service Tax (See Note (iii) below)	79.24	79.24
(b) Custom Duty (Import under Advance Licenses Export Obligation Pending)	8.93	65.80

(i) The Holding Company has not recognized and acknowledged the Income Tax demand as liability in its books of accounts aggregating to ₹ 0.88 lacs in respect of Assessment Year 2013-14. since the company has disputed the demand and has filed appeals before appropriate authorities. The same are pending for final adjudication.

(ii) In the Financial year 2008-2009 the Department of Excise and Customs had inspected certain records related to materials imported under license removed for jobwork to various parties whose name did not appear in the license as job-worker or as supporting manufacturer. The department had objected such removal and also observed that aforesaid materials have not been returned back under job work challan from the above parties but under sales invoices. The department also seized certain records related to job work for the Financial Year 2006-07 and 2007-08. The company had deposited a sum of ₹ 5.08 lacs under protest. However based on legal opinion obtained from the excise consultant, the company has transferred the aforesaid deposit to PLA under intimation to department concerned. After that the company has received an order on 28<sup>th</sup> March, 2012 confirming the demand of custom duty amounting to ₹ 85.57 lacs and penalty of ₹ 85.57 lacs under section 114A of the Custom Act aggregating to ₹ 171.14 lacs and interest at applicable rates on the amount of duty evaded. Further, the department has also raised demand of ₹ 5.51 lacs being custom duty on imported goods for financial year 2007-08.

The Holding company has filed an appeals and Hon'ble Tribunal has granted stay against aforesaid demand. The Custom Authority against such stay has referred the matter to Hon'ble High court, Gujarat which is yet to be heard. Pending final outcome, the company does not expect any liability and accordingly no provision in respect thereof has been made but disclosed the same as contingent liability.

The Custom Authorities Mumbai, in another case, has raised the demand of ₹ 5.51 lacs against which the Hon'ble Tribunal Mumbai has granted stay. The matter is pending for final disposal.

(iii) The holding ccompany has been served with show cause notices in respect of service tax credit aggregating amounting to ₹ 77.13 lacs availed by the company in earlier financial years. The Company has already filed its reply against the aforesaid show cause notices before appropriate authorities & such authorities are yet to react on such replies.

The Holding Company has not recognised and acknowledged the service tax demand as liability in its books of accounts amounting to ₹ 2.11 lacs, since the company has disputed such demand and filed appeals before appropriate authorities. The same are pending for final adjudication.

### (b) Capital Commitments

[₹ in Lacs]

	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
Estimated Value of Capital Commitment	170.00	NIL

35. Pursuant to Accounting Standard - 29, Provisions, Contingent Liabilities and Contingent Assets, the disclosure relating to provisions made in the accounts for the year ended 31<sup>st</sup> March, 2017 is as follows :

### Provisions

[₹ in Lacs]

Particulars	Provision for Leave Encashment	Provision for Bonus Payable	Provision for Excise Duty on Closing Stock of Finished Goods	Provision for Gratuity
Opening Balance	10.55	11.76	47.61	36.26
Additions	NIL	13.73	45.60	7.94
Utilization / Reversals	10.55	11.76	47.61	3.29
Closing Balance	NIL	13.73	45.60	40.91

**36. Reserve Fund for Eco-Development**

The Holding company had earmarked fund for eco-development measures including community welfare measures in a manner mentioned in a Circular bearing no.J-21011/8/98-IA, II(I) of Ministry of Environment Forests, Government of India. However, in view of opinion obtained from pollution control consultant, the same is not now obligatory and therefore, the same has been transferred to "General Reserve".

**37. Assignment of Keyman Insurance Policy**

During the financial year 2002-2003, the company had taken insurance policy bearing number 834822547 assuring life of Mr. Harin D. Mamlatdarna, a key managerial personnel with sum assured of ₹ 27.00 lacs. During the current financial year, the company has, vide resolution passed by the board of directors in a meeting held on 30<sup>th</sup> May, 2016, assigned the aforesaid policy, having surrender value of ₹ 45.01 lacs, in favour of Mr. Harin D. Mamlatdarna without any consideration.

**38.** Balances of trade payables, trade receivables and loans and advances are subject to confirmations and reconciliations by the parties concerned.

**39.** Additional Information as required under Schedule III to the Companies Act, 2013, of Enterprises consolidated as Subsidiary.

Name of the Enterprise	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit / (Loss)	
	As % of Consolidated Net Assets	Amount in Lacs	As % of Consolidated Profit / (Loss)	Amount in Lacs
<b>Parent</b> Dynamic Industries Limited	98.82	3785.24	99.82	177.77
<b>Subsidiaries</b> Neo Farbe Private Limited	1.18	45.13	0.18	0.32
Minority Interest	--	--	--	--
<b>Total</b>	<b>100</b>	<b>3830.37</b>	<b>100</b>	<b>178.09</b>

**40. Annexure**

(Pursuant to first provision to sub-section(3) of Section 129 read with Rule 5 of Companies (Account) Rules, 2014

**Statement containing salient features of the Financial Statement of Subsidiaries  
Part - "A" - Subsidiaries**

[₹ in Lacs]

Name of Subsidiary	Share Capital / Fixed Capital	Reserve and Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	% of Share holding
Neo Farbe Private Limited	5.00	(0.09)	45.77	40.86	0.00	86.57	0.48	0.17	0.31	100%

## DYNAMIC INDUSTRIES LIMITED

### 41. Due to Micro, Small and Medium Enterprise

[₹ in Lacs]

Particulars	2016-2017	2015-2016
Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	NIL	NIL
The amount of interest paid by the buyer in terms of section 16, of the Micro, Small and Medium Enterprise Development Act., 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	NIL	NIL
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 the interest specified under Micro Small and Medium Enterprise Development Act., 2006.	NIL	NIL
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	NIL	NIL
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	NIL	NIL

The company has initiated the process of obtaining confirmation from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) but has not received the same in totality. The above information is compiled based on the extent of responses received by the Company from its suppliers.

### 42. Disclosure on Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes or other denomination notes as defined in the MAC notification G.S.R. 308(E) dated 31st March, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016, the denomination wise SBNs and other notes as per the notification is given below:

[₹ in Lacs]

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 8th November, 2016	2.76	0.82	3.58
(+) Permitted receipts	0	7.00	7.00
(-) Permitted payments	0	2.79	2.79
(-) Amount deposited in Banks	2.76	0	2.76
<b>Closing Cash in hand as on 30th December, 2016</b>	<b>0</b>	<b>5.03</b>	<b>5.03</b>

**43. Statement of Management**

- (a) The current assets, loans and advances are good and recoverable and are approximately of the values, if realized in the ordinary courses of business unless and to the extent stated other wise in the Accounts. Provision for all known liabilities is adequate and not in excess of amount reasonably necessary. There are no contingent liabilities except those stated in the notes.
- (b) Balance Sheet, Profit & Loss Account and Cash Flow Statement read together with the schedules to the accounts and notes thereon, are drawn up so as to disclose the information required under the Companies Act, 2013 as well as give a true and fair view of the statement of affairs of the Company as at the end of the year and results of the Company for the year under review.

44. Previous year figures have been regrouped, reclassified and reworked wherever necessary for comparative purpose.

**FOR, G. K. CHOKSI & CO.**  
[Firm Registration No. 101895W]  
*Chartered Accountants*

Sd/-

**ROHIT K. CHOKSI**  
*Partner*  
Membership No. 31103

**FOR AND ON BEHALF OF THE BOARD**

Sd/-

**DIPAKKUMAR N. CHOKSI**  
*Vice Chairman & Managing Director*  
DIN : 00536345

Sd/-

**DINESH JAIN**  
*Whole Time Director*  
DIN : 00135889

Sd/-

**PUNIT CHHATTANI**  
*Chief Financial Officer*

Sd/-

**HARSH HIRPARA**  
*Company Secretary*

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2017

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2017

## Proxy Form

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



## DYNAMIC INDUSTRIES LIMITED

**CIN : L24110GJ1989PLC011989**

Regd off: Plot No. 5501/2, PHASE-III NR. TRIKAMPURA CROSS ROAD, G I D C VATVA, AHMEDABAD - 382445  
Phone: 079-2589 7221 – 22 -23, Fax: 079-25834292, 2589 7232 E-mail : accounts@dynaind.com Website : www.dynaind.com

Name of the member(s):

Registered address:

E-mail Id:

Folio No./ Client Id: DP ID:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

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

1. Name:..... Address:.....  
E-mail Id:..... Signature.....or failing him;
2. Name:..... Address:.....  
E-mail Id:..... Signature.....or failing him;
3. Name:..... Address:.....  
E-mail Id:..... Signature.....

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28th Annual General Meeting of the Company, to be held on Monday, 14th August, 2017 at 5501/2, Phase III, Near Trikampura Cross Roads, G.I.D.C., Vatva, Ahmedabad - 382 445 at 11:30 a.m. IST.

\*\* I wish my above Proxy to vote in the manner as indicated in the box below :

Resolution	For	Against
<b>Ordinary Business</b>		
1) Adoption of Financial Statements for the year ended 31 <sup>st</sup> March, 2017.		
2) Declaration of Dividend for the year ended 31 <sup>st</sup> March, 2017.		
3) Re-appointment of Mr. Dinesh J. Jain (DIN : 00135889), who retires by rotation & being eligible, seeks reappointment.		
4) Appointments of Auditors for the financial year ended 31-03-2018 and to fix their remuneration		
<b>Special Business</b>		
5) To re-appoint & re-designate Mr. Dipakkumar N. Choksi (DIN : 00536345) as Chairman and Whole Time Director and payment of remuneration.		
6) To re-appoint & re-designate Mr. Harin D. Mamlatdarna (DIN : 00536250) as Vice Chairman and Managing Director payment of remuneration.		
7) To re-appoint & re-designate Mr. Dinesh J. Jain (DIN : 00135889) as Whole Time Director payment of remuneration.		

Signed this ..... day of ..... 2017.

Signature of Shareholder

Affix  
Re. 1/-  
Revenue  
Stamp

Signature of Proxy Holder(s)

**Notes :** (1) 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. (2) A Proxy need not be a member of the Company. (3) A person can act as a proxy on behalf of members not exceeding fifty 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 shareholder. \*\* (4) This is only optional. Please put a 'TICK' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all these resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate. (5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes. (6) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.



# DYNAMIC INDUSTRIES LIMITED

Registered Office : Plot No. 5501/2, Phase III, G.I.D.C., Vatva, Ahmedabad - 382 445.

## ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall  
28th Annual General Meeting, 14th August, 2017)

I hereby record my presence at the TWENTY EIGHTH ANNUAL GENERAL MEETING of the Company at Plot No. 5501/2, Phase III, G.I.D.C., Vatva, Ahmedabad at 11.30 a.m.

Full Name of the Member \_\_\_\_\_

(IN BLOCK LETTERS)

Regd. Folio No. : \_\_\_\_\_ No. of Shares held : \_\_\_\_\_

DP ID\* : \_\_\_\_\_ Client ID\* : \_\_\_\_\_

Full Name of the Proxy : \_\_\_\_\_

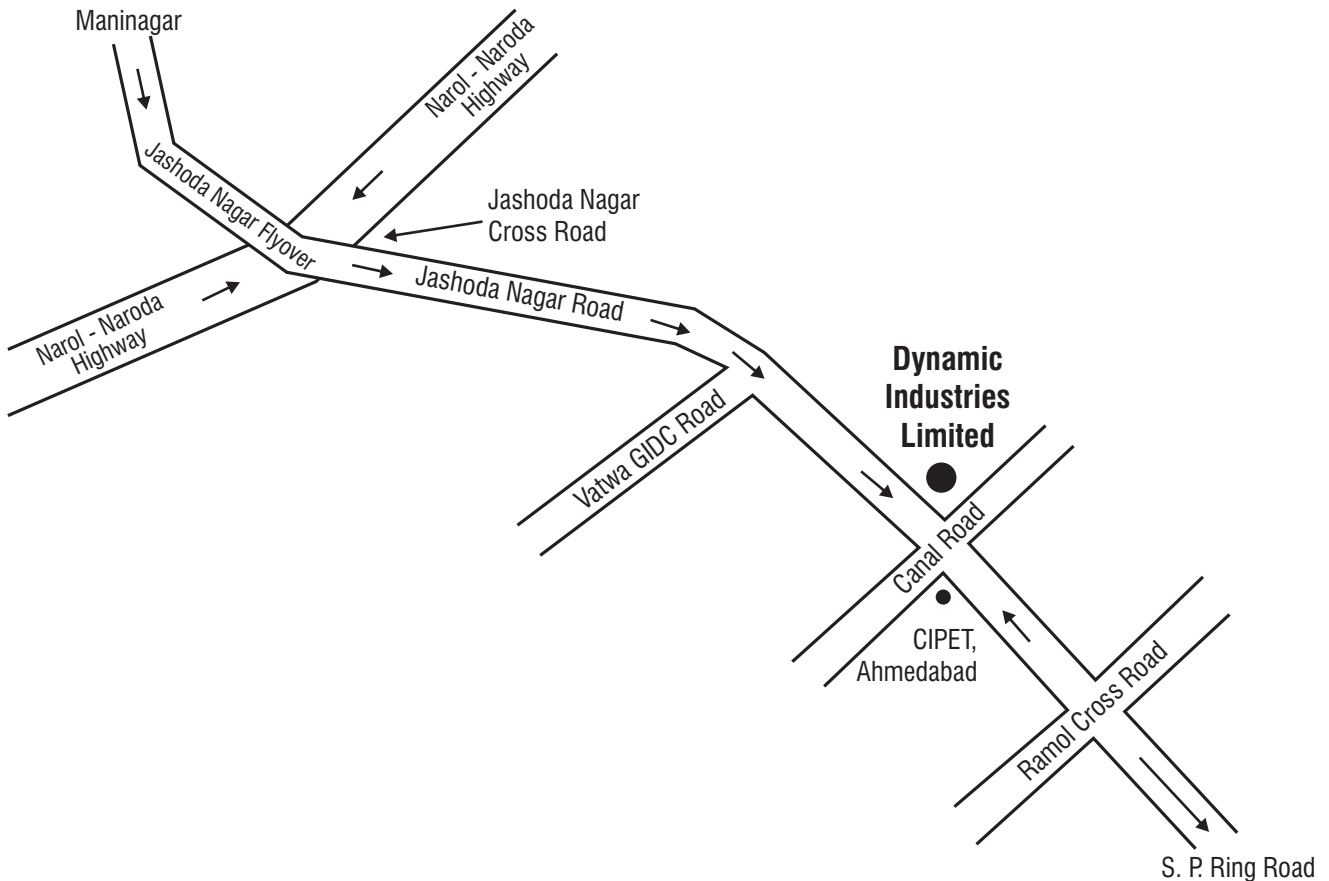
(IN BLOCK LETTERS)

Member's/Proxy's Signature : \_\_\_\_\_

\* Applicable to investors holding shares in electronic form.

Note : As a measure of economy, Members are requested to bring a copy of the Annual Report at the meeting hall.

### Route Map to the Venue of AGM



**BOOK-POST**

To, \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*If undelivered, Please return to :*  
**DYNAMIC INDUSTRIES LIMITED**  
Registered Office : Plot No. 5501/2, Phase III, G.I.D.C., Vatva, Ahmedabad - 382 445.