

*30<sup>th</sup>*

*Annual Report  
2018-2019*



**DYNAMIC INDUSTRIES LIMITED**

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



## **BOARD OF DIRECTORS**



**DIPAKKUMAR N. CHOKSI**  
CHAIRMAN & WHOLE TIME DIRECTOR

**HARIN D. MAMLATDARNA**  
VICE CHAIRMAN & MANAGING DIRECTOR

**DINESH J. JAIN**  
WHOLE TIME DIRECTOR

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

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

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

**RAGHAVDAS H. LAKHMANI**  
(NON-EXECUTIVE DIRECTOR / INDEPENDENT)  
(RESIGNED W.E.F. 29TH MAY, 2018)



**SECRETARIAL AUDITOR**  
MR. CHINTAN K. PATEL  
Practicing Company Secretary

**AUDITORS**  
M/S. ASHOK K. BHATT & CO.  
Chartered Accountants  
B-603, Signature - 2, Nr. Sarkhej-Sanand Circle,  
S. G. Road, Ahmedabad - 382 210.

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

**FACTORY-1 :**  
Plot No. 125, Phase - I,  
Nr. Trikampura 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 .....	21
Management Discussion and Analysis Report .....	27
Financial Highlight .....	29
Annexures to Directors Report .....	30
Audit Report & Financial Statement .....	64

**NOTICE**

Notice is hereby given that 30<sup>th</sup> (Thirtieth) 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 Wednesday, 31<sup>st</sup> Day of July, 2019 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 on 31<sup>st</sup> March, 2019 including audited Balance Sheet as at 31<sup>st</sup> March, 2019 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 ₹ 1.50 (15%) per Equity Share of the nominal value of ₹ 10.00 each for the year ended on 31<sup>st</sup> March, 2019.
3. To re-appoint Mr. Harin D. Mamlatdarna (DIN: 00536250), who is liable to retire by rotation and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS :**

4. To re-appoint and re-designate Mr. Dipakkumar Navinchandra Choksi (DIN: 00536345) 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. Dipakkumar Navinchandra Choksi (DIN: 00536345) who will attain the age of 70 years in July 2019, as Vice Chairman and Managing Director, from Chairman and Whole Time Director for a period of 2 (Two) years commencing from 1<sup>st</sup> October, 2019 to 30<sup>th</sup> September, 2021, with such remuneration as recommended by Nomination and Remuneration Committee as set out in the explanatory statement Item No. 4 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 the said re-appointment and / or remuneration in such manner as may be agreed to between the Board of Directors and Mr. Dipakkumar Navinchandra Choksi (DIN: 00536345) 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 there of 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.”

“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.”

## DYNAMIC INDUSTRIES LIMITED

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5. To re-appoint and re-designate Mr. Harin Dhanvantlal Mamlatdarna (DIN: 00536250) 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. Harin Dhanvantlal Mamlatdarna (DIN: 00536250) as Chairman and Whole Time Director from Vice Chairman and Managing Director for a period of 2 (Two) years commencing from 1<sup>st</sup> October, 2019 to 30<sup>th</sup> September, 2021, 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 the said re-appointment and / or remuneration 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.”

6. 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 1<sup>st</sup> October, 2019 to 30<sup>th</sup> September, 2021, 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 the said re-appointment and / or remuneration 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**

*Chairman and Whole Time Director*

DIN : 00536345

Place : Ahmedabad

Date : 30<sup>th</sup> May, 2019

## 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 ₹ 1.50 (15%) per equity share of the nominal value of ₹ 10 each for the year ended on 31<sup>st</sup> March, 2019.
4. Members may note that the requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with Vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed at the 28th Annual General Meeting held on August 14, 2017 and are eligible to hold their office until conclusion of 33rd Annual General Meeting.
5. The Register of Members and the Share Transfer books of the Company will remain closed from Saturday, 27<sup>th</sup> July, 2019 to Wednesday, 31<sup>st</sup> July, 2019 (both days inclusive) for purpose of Dividend, if declared. Dividend will be payable, if declared, on or before Friday, 30<sup>th</sup> August, 2019 to those members whose names are registered as such in the Register of Members of the Company as on Friday, 26<sup>th</sup> July, 2019 and to the Beneficiary holders as per the beneficiary list as on Friday, 26<sup>th</sup> July, 2019 provided by the NSDL and CDSL.
6. In accordance with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, the Company has fixed Thursday, 25<sup>th</sup> July, 2019 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. Thursday, 25<sup>th</sup> July, 2019, shall be entitled to avail the facility of remote e-voting as well as voting in the general meeting.
7. Members are requested to note that dividends that are not claimed within seven years from the date of transfer to the Company’s Unpaid Dividend Account, will, as per Section 124 of the Act, be transferred to the Investor Education and Protection Fund (IEPF). Further, shares on which the dividends remain unclaimed for seven consecutive years will also be transferred to the IEPF as per Section 124 of the Act, and the applicable rules. Since, members who have not claimed/ encashed their dividend warrant for respective financial years are requested to write to the Company/Registrar and Share Transfer Agent (RTA) at least a month before the due dates, as under :

Sr. No.	Financial Year	Date of Declaration	Due date for transfer to IEPF
1	2013-14 (Final)	14-08-2014	13-09-2021
2	2014-15 (Final)	14-08-2015	13-09-2022
3	2015-16 (Final)	13-08-2016	12-09-2023
4	2016-17 (Final)	14-08-2017	13-09-2024
5	2017-18 (Final)	31-07-2018	30-08-2025

8. 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 30<sup>th</sup> 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 Company/RTA. For members who have not registered their email IDs, physical copies of the Annual Report are being sent in the permitted mode.
9. 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.
10. 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).
11. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the meeting is annexed hereto; and additional information, as required under Regulation 36(3) of SEBI (LODR) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India i.e. brief information/ resume, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding are annexed.
12. 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 30<sup>th</sup> Annual General Meeting (AGM) and the business at the 30<sup>th</sup> 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 Mr. Chintan Patel, Practicing Company Secretary, 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.



## DYNAMIC INDUSTRIES LIMITED

### 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 Thursday, 25<sup>th</sup> July, 2019, the cut-off date, shall only be eligible for e-voting.
- (ii) The voting period begins on Sunday, 28<sup>th</sup> July, 2019 at 9:00 a.m. IST and ends on Tuesday, 30<sup>th</sup> July, 2019 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>	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders) <ul style="list-style-type: none"><li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use Sequence Number printed on address sticker affixed on cover of Annual Report.</li></ul>
<b>Dividend Bank Details OR Date of Birth (DOB)</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. <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.</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 (190621007) 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.



- (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 use Mobile app - “CDSL m - Voting” for e voting. CDSL m - Voting app is available on Apple, Android and Windows based Mobile. Shareholders may log in to CDSL m - Voting using their e voting credentials to vote for the company resolution(s).
- (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, 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)

**By Order of the Board**

-Sd/-

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2019

**DIPAKKUMAR CHOKSI**  
*Chairman and Whole Time Director*  
DIN : 00536345

**ANNEXURE TO THE NOTICE**

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

**Item No. 4 :**

Mr. Dipakkumar Navinchandra Choksi was re-appointed and re-designated as Chairman and Whole Time Director of the Company for a period of 2 years (1<sup>st</sup> October, 2017 to 30<sup>th</sup> September, 2019) hence his term as Chairman and Whole Time Director of the Company is going to be expired on 30<sup>th</sup> September, 2019. The Board Members re-appointed and re-designated Mr. Dipakkumar Navinchandra Choksi as Vice Chairman and Managing Director of the Company on 30<sup>th</sup> May, 2019 for a period of two years w.e.f. 1<sup>st</sup> October, 2019 to 30<sup>th</sup> September, 2021 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 38 years in the field of dyes and chemicals. 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 Vice - Chairman and Managing Director of the Company for a period of two years w.e.f. 1<sup>st</sup> October, 2019 as his period of office is to be expired on 30<sup>th</sup> September, 2019. The details of the remuneration payable to Mr. Dipakkumar Navinchandra Choksi, as Vice-Chairman and Managing Director as contained in the resolution, are set out below:

- a) **Salary:** Gross Salary of ₹ 2.60 Lacs per month with suitable increment on 1<sup>st</sup> 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 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

1	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 2019)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Particulars</th> <th style="text-align: right;">₹ In Lacs</th> </tr> </thead> <tbody> <tr> <td>Turnover (Net Sales)</td> <td style="text-align: right;">6528.61</td> </tr> <tr> <td>Gross Profit</td> <td style="text-align: right;">1170.74</td> </tr> <tr> <td>Net profit before tax</td> <td style="text-align: right;">565.55</td> </tr> <tr> <td>Debt Equity Ratio</td> <td style="text-align: right;">0.25</td> </tr> <tr> <td>Current Ratio</td> <td style="text-align: right;">3.29</td> </tr> <tr> <td>Net Worth</td> <td style="text-align: right;">4482.4</td> </tr> </tbody> </table>	Particulars	₹ In Lacs	Turnover (Net Sales)	6528.61	Gross Profit	1170.74	Net profit before tax	565.55	Debt Equity Ratio	0.25	Current Ratio	3.29	Net Worth	4482.4
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Net Worth	4482.4															
5	Export Performance	The Company has achieved export Turnover FOB value of ₹ 2172.69 Lacs for the financial year ended on 31 <sup>st</sup> March, 2019														
6	Foreign Investments or collaborators, if any.	None														

2	Information / Resume about the Appointee	
1	Background Details / Qualification	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 38 years in the field of dyes and chemicals.
2	Past Remuneration	Remuneration paid for the financial year 2018-19 is ₹ 38.84 Lacs
3	Recognition or Awards	None
4	Job Profile and his expertise in specific functional areas	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 Salary 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 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 pecuniary relation whether directly or indirectly with the company

## DYNAMIC INDUSTRIES LIMITED

3 Other Information		
1	Reasons of loss or inadequate profits.	Due to increase in competition in the Chemical industry the profit margin were low. So, profit for the financial year ended on 31 <sup>st</sup> March, 2019 was inadequate 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 and Company is also exploring new market area aggressively. The company has underutilized capacity on hand which will be used by the company in order to capture new market area.
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.

4 DISCLOSURES		
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 2018-19, wherever applicable	

The re-appointment and re-designation of Mr. Dipakkumar Navinchandra Choksi 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 re-appointment and re-designation of Mr. Dipakkumar Navinchandra Choksi as Vice Chairman and Managing 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 Vice Chairman and Managing 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 38 years in the field of dyes and chemicals.

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 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. 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 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. 5:**

Mr. Harin Dhanvantlal Mamlatdarna was re-appointed and re-designated as Vice Chairman and Managing Director of the Company for a period of 2 years (1<sup>st</sup> October, 2017 to 30<sup>th</sup> September, 2019) hence his term as Vice Chairman and Managing Director of the Company is going to be expired on 30<sup>th</sup> September, 2019. The Board Members re-appointed and re-designated Mr. Harin Dhanvantlal Mamlatdarna as Chairman and Whole Time Director of the Company on 30<sup>th</sup> May, 2019 for a period of two years w.e.f. 1<sup>st</sup> October, 2019 to 30<sup>th</sup> September, 2021 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, production and administration of the Company. He has experience of 38 years in the field of dyes and chemicals. 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 of Mr. Harin Dhanvantlal Mamlatdarna, the Board approved the re-appointment and re-designation of Mr. Harin Dhanvantlal Mamlatdarna as Chairman and Whole Time Director of the Company for a period of two years w.e.f. 1<sup>st</sup> October, 2019 as his period of office is to be expired on 30<sup>th</sup> September, 2019. The details of the remuneration payable to Mr. Harin Dhanvantlal Mamlatdarna, as Chairman and Whole Time Director and as contained in the resolution, are set out below:

- a) **Salary:** Gross Salary of ₹ 2.60 Lacs per month with suitable increment on 1<sup>st</sup> 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 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

## DYNAMIC INDUSTRIES LIMITED

1	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 2019)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Particulars</th> <th style="text-align: right;">₹ In Lacs</th> </tr> </thead> <tbody> <tr> <td>Turnover (Net Sales)</td> <td style="text-align: right;">6528.61</td> </tr> <tr> <td>Gross Profit</td> <td style="text-align: right;">1170.74</td> </tr> <tr> <td>Net profit before tax</td> <td style="text-align: right;">565.55</td> </tr> <tr> <td>Debt Equity Ratio</td> <td style="text-align: right;">0.25</td> </tr> <tr> <td>Current Ratio</td> <td style="text-align: right;">3.29</td> </tr> <tr> <td>Net Worth</td> <td style="text-align: right;">4482.4</td> </tr> </tbody> </table>	Particulars	₹ In Lacs	Turnover (Net Sales)	6528.61	Gross Profit	1170.74	Net profit before tax	565.55	Debt Equity Ratio	0.25	Current Ratio	3.29	Net Worth	4482.4
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Debt Equity Ratio	0.25															
Current Ratio	3.29															
Net Worth	4482.4															
5	Export Performance	The Company has achieved export Turnover FOB value of ₹ 2172.69 Lacs for the financial year ended on 31 <sup>st</sup> March, 2019														
6	Foreign Investments or collaborators, if any.	None														

2	Information / Resume about the Appointee	
1	Background Details / Qualification	Mr. Harin Dhanvantlal Mamlatdarna is graduate in commerce and handling production, marketing, commercial matters, and administration of the Company. He has experience of 38 years in the field of dyes and chemicals.
2	Past Remuneration	Remuneration paid for the financial year 2018-19 is ₹ 38.84 Lacs
3	Recognition or Awards	Mr. Harin Dhanvantlal Mamlatdarna is Member of Committee of Administration and Chairman-Dyes & Dye Intermediates Panel of CHEMEXCIL
4	Job Profile and his expertise in specific functional areas	Mr. Harin Dhanvantlal Mamlatdarna Handling multiple portfolio in field of production, marketing, commercial matters, 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 salary 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 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 pecuniary relation whether directly or indirectly with the company



3 Other Information		
1	Reasons of loss or inadequate profits.	Due to increase in competition in the Chemical industry the profit margin were low. So, profit for the financial year ended on 31 <sup>st</sup> March, 2019 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 And Company is also exploring new market area aggressively. The company has underutilized capacity on hand which will be used by the company in order to capture new market area.
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.

4 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 2018-19, wherever applicable	

The re-appointment and re-designation of Mr. Harin Dhanvantlal Mamlatdarna 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 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. Harin Dhanvantlal Mamlatdarna 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. 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 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.



## DYNAMIC INDUSTRIES LIMITED

### Item No. 6:

Mr. Dinesh Jasraj Jain was re-appointed Whole Time Director of the Company for a period of 2 years (1<sup>st</sup> October, 2017 to 30<sup>th</sup> September, 2019) hence his term as Whole Time Director of the Company is going to be expired on 30<sup>th</sup> September, 2019. The Board Members re-appointed Mr. Dinesh Jasraj Jain as Whole Time Director of the Company on 30<sup>th</sup> May, 2019 for a period of two years w.e.f. 1<sup>st</sup> October, 2019 to 30<sup>th</sup> September, 2021, 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 administration of the Company. He has experience of 33 years in the field of dyes. 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's 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. 1<sup>st</sup> October, 2019 as his period of office is to be expired on 30<sup>th</sup> September, 2019. The details of the remuneration payable to Mr. Dinesh Jasraj Jain, as Whole Time Director as contained in the resolution, are set out below:

- Salary:** Gross Salary of ₹ 0.75 Lacs per month with suitable increment on 1<sup>st</sup> 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.
- 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 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.

1	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.														
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Debt Equity Ratio	0.25															
Current Ratio	3.29															
Net Worth	4482.4															
5	Export Performance	The Company has achieved export Turnover FOB value of ₹ 2172.69 Lacs for the financial year ended on 31 <sup>st</sup> March, 2019														
6	Foreign Investments or collaborators, if any.	None														

2	<b>Information / Resume about the Appointee</b>	
	1 Background Details / Qualification	Mr. Dinesh Jasraj Jain is graduate in commerce and handling finance and banking, commercial matters, and administration of the Company. He has experience of 33 years in the field of dyes and chemicals.
	2 Past Remuneration	Remuneration paid for the financial year 2018-19 is ₹ 10.43 Lacs
	3 Recognition or Awards	None
	4 Job Profile and his expertise in specific functional areas	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 salary 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 pecuniary relation whether directly or indirectly with the company
3	<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. So, profit for the financial year ended on 31 <sup>st</sup> March, 2019 was inadequate 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 And Company is also exploring new market area aggressively. The company has underutilized capacity on hand which will be used by the company in order to capture new market area.
	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.
4	<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 2018-19, wherever applicable.	

## **DYNAMIC INDUSTRIES LIMITED**

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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.

**ANNEXURE - 1**

Details of the Directors seeking appointment / re-appointment / alter in their tenure at the forthcoming Annual General Meeting of the Company (Pursuant to Section 102 of the Companies Act, 2013, and the SEBI (LODR) & Secretarial Standard)

Name of Director	<b>Mr. Dipakkumar N. Choksi</b>
DIN	00536345
Date of Birth	23/07/1948
Age	70 years
Date of first appointment on the Board	10/03/1989
The number of Meetings of the Board attended during the year	Number of Meeting conveyed during year - 5 Number of Meeting attended during the year - 5
Brief Profile and Expertise	As given above under Information / Resume about appointee.
Chairman/Member of the Committee of the Board of Directors of the Company	None
No. of Shares held in the Company	2,84,572 equity shares
Directorship held in other listed entities	Nil

Name of Director	<b>Mr. Harin Dhanvantlal Mamlatdarna</b>
DIN	00536250
Date of Birth	02/02/1951
Age	67 years
Date of first appointment on the Board	10/03/1989
The number of Meetings of the Board attended during the year	Number of Meeting conveyed during year - 5 Number of Meeting attended during the year - 5
Brief Profile and Expertise	As given above under Information / Resume about appointee.
Chairman/Member of the Committee of the Board of Directors of the Company	Mr. Harin Dhanvantlal Mamlatdarna is member of Stakeholder's Relationship Committee.
No. of Shares held in the Company	3,47,780 equity shares
Directorship held in other listed entities	Nil

Name of Director	<b>Mr. Dinesh Jasraj Jain</b>
DIN	00135889
Date of Birth	10/01/1965
Age	54 years
Date of first appointment on the Board	01/05/2007
The number of Meetings of the Board attended during the year	Number of Meeting conveyed during year - 5 Number of Meeting attended during the year - 5
Brief Profile and Expertise	As given above under Information / Resume about appointee.
Chairman/Member of the Committee of the Board of Directors of the Company	Mr. Dinesh Jasraj Jain is member of Stakeholder's Relationship Committee.
No. of Shares held in the Company	99,136 equity shares
Directorship held in other listed entities	Nil

**DYNAMIC INDUSTRIES LIMITED**

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**THERE IS NO INTER-SE RELATIONSHIPS BETWEEN DIRECTORS AND OTHER KEY MANAGERIAL PERSONNEL OF THE COMPANY**

**By Order of the Board**

-Sd/-

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2019

**DIPAKKUMAR CHOKSI**  
*Chairman and Whole Time Director*  
DIN : 00536345

## DIRECTORS' REPORT

**Dear Members,**

Your Directors have pleasure in presenting their 30<sup>TH</sup> (Thirtieth) Annual Report on the business and operations of the Company and the Audited Accounts for the Financial Year ended 31<sup>st</sup> March, 2019

### 1. FINANCIAL SUMMARY / HIGHLIGHTS OF PERFORMANCE OF THE COMPANY :

Financial Results	[₹ in Lakhs]	
Particulars	Year Ended 31-03-2019	Year Ended 31-03-2018
Total Revenue (Net of Excise Duty)	6618.47	5897.23
Profit before Depreciation and Tax	673.72	527.89
Depreciation	108.17	99.95
Profit / (Loss) before Tax	565.55	427.94
Less : Tax Expenses	158.80	127.68
<b>Net Profit / (Loss) for the year</b>	<b>406.75</b>	<b>300.26</b>

### 2. PERFORMANCE :

During the year under review, the Company has earned higher profit compared to the previous year. The margins have improved in this year. Total Revenue stood at ₹ 6618.47 Lakhs from ₹ 5897.23 Lakhs i.e. increase of 12.23% 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 ₹ 300.26 Lakhs to ₹ 406.75 Lakhs resulting in an increase of about 35.47% in Net Profit of the Company. Overall Performance of the Company has improved as compared to previous year.

Further, the Company continues with its efforts to maintain growth even during the high level of competition.

### 3. DIVIDEND :

Your directors are pleased to recommend the dividend @ 15% (₹ 1.50/- per equity share) on equity shares of ₹ 10.00 each for the year ended 31st March, 2019. The total dividend pay-out excluding dividend distribution tax shall be ₹ 45.43 Lakhs.

### 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 Lakhs divided into 35,00,000 equity shares of ₹ 10.00 each. The paid up share capital of the company is ₹ 302.85 Lakhs 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 decided not to transfer any amount out of the profit for the year to the general reserves.

### 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 will significantly contribute to the Indian Chemical Industry's growth. Accordingly Company is taking effective steps to improve operational efficiency to maintain the growth.

India's stable macroeconomic environment and strong growth outlook stand out relative to other emerging markets. With the Indian economy consistently delivering a sustainable growth rate on the back of structural reforms that simplify operating a business in India. It is safe to retain a widely positive outlook when it comes to the economic growth of the Indian subcontinent. As the Indian growth story pans out, along with it is the growth of its robust chemicals industries.

With India's ever growing requirements of energy and capacity addition planned by the Government through various initiatives, demand remained in line with the previous year trend, there exists substantial opportunity for future growth as the Company's products are geared up for the requirements.

However, trade tensions among major economies impacted global growth prospects and has larger concerns on slowing down of world trade. Accordingly the company is executing the strategies to mitigate the impact of slowdown of trade.

## DYNAMIC INDUSTRIES LIMITED

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### 8. UNCLAIMED DIVIDEND:

As on 31<sup>st</sup> March, 2019, dividend amounting to ₹ 5.17 Lakhs 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 31<sup>st</sup> July, 2018 (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:

Company has disinvested/sold its entire investment in equity shares of Wholly Owned Subsidiary Company Named Neo Farbe Private Limited (CIN: U24100GJ2013PTC073930) during the year, accordingly Neo Farbe Private Limited ceases to be a subsidiary Company of Dynamic Industries Limited. Currently, Company do not have any subsidiary/associate company.

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

During the year under review, your Company did not give any loans or guarantees, provide any security or make any Investments as covered under Section 186 of the Companies Act, 2013.

### 14. MEETING OF BOARD OF DIRECTORS:

During the year under the review, 5 (Five) 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.

All the contracts/arrangements/transactions entered into by the Company with the related parties during the financial year 2018-19 were in the ordinary course of business and on an arm's length basis as disclosed in the financial statements.

Accordingly, particulars of contracts or arrangements with related parties referred to as disclosed in the financial statements in Section 188(1) in Form AOC-2 is attached herewith as **ANNEXURE-III**.

The Audit Committee has granted omnibus approval for Related Party Transactions as per the provisions and restrictions contained in the SEBI (LODR) Regulation.

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. Harin D. Mamlatdarna (DIN: 00536250) 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) & Mrs. 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 16(1) (b) of the Listing Regulations

As required under Section 203 of the Companies Act, 2013, the Company has Mr. Dipakkumar Navinchandra Choksi as Chairman and Whole-time Director, Mr. Harin Dhanvantlal Mamlatdarna as Vice-Chairman and Managing Director, Mr. Dinesh Jasraj Jain as Whole-time Director, Mr. Punit Leelaram Chhattani as Chief Financial Officer (upto 30<sup>th</sup> March, 2019), Mr. Ganesh Rajaram Temkar 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.

**Resignations**

Mr. Raghavdas Lakhmani Non-executive Independent Director of the Company has tendered his resignation on 29<sup>th</sup> May, 2018 due to personal reason and confirmation of the same has been received from the director that there is no other material reason other than provided.

Mr. Punit Leelaram Chhattani - Chief Financial Officer has tendered his resignation on 30<sup>th</sup> March, 2019.

**Reappointments**

As per the provisions of the Companies Act, 2013, Mr. Harin D. Mamlatdarna, who has been longest in the office, retires by rotation at the ensuing AGM and, being eligible, seeks reappointment. The Board recommends his reappointment.

As per the provisions of the Companies Act, 2013, consent of members hereby accorded to re-appoint Mr. Dipakkumar N. Choksi as Vice- Chairman and Managing Director and Mr. Harin Dhanvantlal Mamlatdarna as Chairman and Whole Time Director and Mr. Dinesh Jasraj Jain as Whole Time Director, for a period of 2 (Two) years commencing from 1st October, 2019 to 30th September, 2021.

**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 2018-2019

[₹ in Lakhs]

Name	Salary and Perquisites F.Y. 2018-19	Commission	Shares issued under ESOP	Details of Service contracts; notice period and severance fees
Dipakkumar N. Choksi	38.84	Nil	Nil	Special Resolution dt. 14-08-2017, valid up to 30-09-2019; no Notice period and no severance fees
Harin D. Mamlatdarna	38.84	Nil	Nil	
Dinesh J. Jain	10.43	Nil	Nil	

## DYNAMIC INDUSTRIES LIMITED

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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 - IV**.

### 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.

Board of Directors confirms that in their opinion, the independent directors fulfill all the conditions specified in 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

The Company has also received a certificate from Mr. Chintan K. Patel a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

Familiarization Programme for Independent Directors: The Company has an ongoing programme where Directors in the course of meetings of the Board of Directors give information about developments and amendments in legal and regulatory areas which include mandatory disclosures and fair disclosures stated under SEBI (LODR) Regulations, 2015 (herein referred to as "Listing Regulation"), Prohibition & Insider Trading Regulations and SAST Regulations so as to enable them to effectively discharge their roles, rights and responsibilities in the Company.

The Company has uploaded the details of the above on the website of the company i.e. www.dynaind.com.

### 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

M/s. Ashok K. Bhatt & Co., Chartered Accountants (Firm registration number 100657W) were appointed as Statutory Auditors of your Company at the Annual General Meeting held on 14<sup>th</sup> August, 2017 for a term of five consecutive years.

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

Members may note that the requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with Vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed at the 28<sup>th</sup> Annual General Meeting held on August 14, 2017 and are eligible to hold their office until conclusion of 33<sup>rd</sup> Annual General Meeting.

The Report given by the Auditors on the financial statements for the year ended March 2019 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. Chintan Patel, Practising Company Secretary, Ahmedabad to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as **ANNEXURE V**.

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 (FRN 128985W) as 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 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. 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 ceases to be a company covered under sub-section (1) of section 135 of the Act and hence Company is not required to comply with the provisions contained in sub-section (2) to (5) of the said section, till such time it meets the criteria specified in sub-section (1) of section 135 of the Act.

**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 Sexual Harassment 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 Company has also adopted a Policy and Procedure for Inquiry in Case of Leak of Unpublished Price Sensitive Information. 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-

## DYNAMIC INDUSTRIES LIMITED

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- i. In the preparation of the annual accounts, the applicable Indian Accounting Standards (Ind AS) 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 31<sup>st</sup> March, 2019 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**.

The company has also complied with all the mandatory Secretarial Standards issued by The ICSI (Institute of Company Secretaries of India).

### 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 disclosure 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, 2019

**DIPAKKUMAR CHOKSI**  
*Chairman and Whole Time Director*  
DIN : 00536345

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**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. However, Competition in the industry is continuously increasing but overall Performance of the Company is good.

**OVERVIEW :**

The Financial statements have been prepared in compliance with the Indian Accounting Standards (Ind AS) issued by The Institute of Chartered Accountants of India (ICAI) which have been notified under the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS Rules'), of the Companies Act, 2013. 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.

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:



## **DYNAMIC INDUSTRIES LIMITED**

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- Concentration on the reduction of costs by undertaking a specific exercise in different fields.
- Concentration in Increase of Exports.
- 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 outlook for the business continues to be positive, as the Company continues to work on distribution expansion and strengthening of supply chain. The Company is confident to meet the challenges with its strength in marketing network, its 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 an 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 72 employees as on year ended 31<sup>st</sup> March, 2019.

### **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.

### **DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE :**

In terms of performance, FY 2018-19 has been a good year. Company is focussed on the task on hand in terms of better reliability of operations and more focussed market efforts. Our financial performance reflected the steady operational performance. Our revenue from continuing operations grew by 10.54% to ₹ 65.29 Crores. EBITDA was ₹ 7.25 Crores and PAT was ₹ 4.07 Crores. Cash and cash equivalents at the end of the year stood at ₹ 1.07 Crores.

### **DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS, ALONG WITH DETAILED EXPLANATIONS THEREFOR :**

- (i) Current Ratio: Improved by 74.60%  
Explanation: Majorly due to repayment trade payables.
- (ii) Debt Equity Ratio: Improved by 51.70%  
Explanation: Majorly due to repayment of long term borrowings.

### **DETAILS OF ANY CHANGE IN RETURN ON NET WORTH AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR ALONG WITH A DETAILED EXPLANATION THEREOF.**

The Return on Net Worth (RONW) was 9.44% as on March 31, 2019 as against 7.54% as on March 31, 2018 majorly due to increase in Net Profit from ₹ 3.0 Crores to ₹ 4.07 Crores and increase in retained earnings.

## FINANCIAL HIGHLIGHTS

➤ **REVENUES :**

Total income during the year under review was ₹ 6618.47 Lakhs (Previous year ₹ 5960.27 Lakhs).

➤ **OPERATING EXPENSES :**

The operating and other expenses for the year ended 31<sup>st</sup> March, 2019 were ₹ 733.51 Lakhs (Previous year ₹ 813.37 Lakhs).

➤ **PROFIT AFTER TAX :**

The net profit after tax during the year under review was ₹ 406.75 Lakhs (Previous year ₹ 300.26 Lakhs).

➤ **INTEREST ON BORROWINGS :**

The Company has incurred interest cost of ₹ 50.39 Lakhs (Previous year ₹ 43.88 Lakhs).

➤ **CAPITAL EMPLOYED :**

The Return on Average Capital Employed (ROCE) for the year ended 31<sup>st</sup> March, 2019 was 12.60% as compared to 10.12% for the same period last year.

➤ **RETURN ON NET WORTH :**

The return on Average Net worth (RONW) for the year ended 31-03-2019 was 9.44% as compared to 7.54% for the same period last year.

➤ **FIXED ASSETS :**

There was addition of ₹ 9.92 Lakhs to the Fixed Assets of the Company. (Previous year ₹ 324.77 Lakhs).

➤ **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, 2019, a sum of ₹ Nil has been transferred to General Reserve. (Previous year ₹ Nil)

➤ **SUNDRY DEBTORS :**

Sundry debtors amount to ₹ 1155.65 Lakhs as of March 31, 2019, as compared with ₹ 1806.90 Lakhs as of March 31, 2018. 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, 2019

**DIPAKKUMAR CHOKSI**

*Chairman and Whole Time Director*

DIN : 00536345



## DYNAMIC INDUSTRIES LIMITED

### 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 Lakhs]

	2018-2019	2017-2018
<b>Electricity</b>		
Purchase Unit in KW	9,57,629	10,97,877
Total Amount	85.90	90.56
Average Rate ₹ per unit	8.97	8.25
<b>Light Diesel Oil / Diesel Oil / Furnace Oil</b>		
Quantity (in LTRS)	1721.07	2071.64
Total Amount	1.24	1.32
Average rate ₹ per unit	72.05	63.48
<b>Gas</b>		
Quantity (in scm.)	4,92,752	7,66,123
Total Amount	189.49	251.65
Average rate ₹ per unit	38.46	32.85

##### C. RESEARCH AND DEVELOPMENT

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

Dyes

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

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

##### D. TECHNOLOGY ABSORPTION, ADOPTATION 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

[₹ in Lakhs]

	2018-2019	2017-2018
Foreign Exchange Earning	2172.69	2453.06
Foreign Exchange out go	1780.08	1498.25

By Order of the Board

-Sd/-

Place : Ahmedabad

Date : 30<sup>th</sup> May, 2019

**DIPAKKUMAR CHOKSI**  
Chairman and Whole Time Director  
DIN : 00536345

**ANNEXURE – II TO THE DIRECTORS' REPORT**

**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN  
As on financial year ended on 31.03.2019**

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

**I. REGISTRATION & OTHER DETAILS :**

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	20114	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
N.A.				

Company has disinvested/sold its entire investment in equity shares of Wholly Owned Subsidiary Company Named Neo Farbe Private Limited (CIN: U24100GJ2013PTC073930) during the year, accordingly Neo Farbe Private Limited ceases to be a subsidiary Company of Dynamic Industries Limited. Currently, Company do not have any subsidiary/associate company.

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, 2018				No. of Shares held at the end of the year as on 31st March, 2019				% 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	13,87,786	Nil	13,87,786	45.8242	13,87,786	Nil	13,87,786	45.8242	Nil
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.	82,328	Nil	82,328	2.7184	75,110	Nil	75,110	2.4801	-0.2384
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any other Foreign Individual	3,780	Nil	3,780	0.1248	3,780	Nil	3,780	0.1248	Nil
<b>Total Shareholding of Promoter (A)</b>	<b>14,73,894</b>	<b>Nil</b>	<b>14,73,894</b>	<b>48.6675</b>	<b>14,66,676</b>	<b>Nil</b>	<b>14,66,676</b>	<b>48.4291</b>	<b>-0.2384</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	48,482	Nil	48,482	1.6009	29,479	Nil	29,479	0.9734	-0.6275
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Category of Shareholders	No. of Shares held at the beginning of the year as on 1st April, 2018				No. of Shares held at the end of the year as on 31st March, 2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 2 Lakh	7,99,241	1,17,951	9,17,192	30.2853	9,20,656	1,10,851	10,31,507	34.0599	+3.7746
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 Lakh	4,63,581	Nil	4,63,581	15.3072	3,94,494	Nil	3,94,494	13.0260	-2.2812
c) Others (specify) NRI NON-REPT.	4,457	Nil	4,457	0.1472	3,052	Nil	3,052	0.1008	-0.0464
NRI REPT.	14,123	Nil	14,123	0.4663	10,127	Nil	10,127	0.3344	-0.1319
Others	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Hindu Undivided Family	87,970	Nil	87,970	2.9047	76,038	Nil	76,038	2.5107	-0.3940
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	18,801	Nil	18,801	0.6208	17,127	Nil	17,127	0.5655	-0.0553
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>14,36,655</b>	<b>1,17,951</b>	<b>15,54,606</b>	<b>51.3325</b>	<b>14,50,973</b>	<b>1,10,851</b>	<b>15,61,824</b>	<b>51.5709</b>	<b>+0.2384</b>
Total Public Shareholding (B) = (B)(1) + (B)(2)	<b>14,36,655</b>	<b>1,17,951</b>	<b>15,54,606</b>	<b>51.3325</b>	<b>14,50,973</b>	<b>1,10,851</b>	<b>15,61,824</b>	<b>51.5709</b>	<b>+0.2384</b>
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Grand Total (A+B+C)</b>	<b>29,10,549</b>	<b>1,17,951</b>	<b>30,28,500</b>	<b>100.0000</b>	<b>29,17,649</b>	<b>1,10,851</b>	<b>30,28,500</b>	<b>100.0000</b>	

**DYNAMIC INDUSTRIES LIMITED**

**B) SHAREHOLDING OF PROMOTERS'**

Shareholder's Name	No. of Shares held at the beginning of the year as on 1st April, 2018			No. of Shares held at the end of the year as on 31st March, 2019			% 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 HARIN D. MAMLATDARNA	347780	11.4836	0.0000	347780	11.4836	0.0000	0.0000
2 DEEPAK N CHOKSHI	284572	9.3965	0.0000	284572	9.3965	0.0000	0.0000
3 MAYA HARIN MAMLATDARNA	211247	6.9753	0.0000	211247	6.9753	0.0000	0.0000
4 DINESH JASRAJ JAIN	99136	3.2734	0.0000	99136	3.2734	0.0000	0.0000
5 RONAK D CHOKSHI	99086	3.2718	0.0000	99086	3.2718	0.0000	0.0000
6 BIMAL D CHOKSHI	93657	3.0925	0.0000	93657	3.0925	0.0000	0.0000
7 ASITA H MAMLATDARNA	88285	2.9151	0.0000	88285	2.9151	0.0000	0.0000
8 BEENABEN DEEPAK CHOKSHI	85937	2.8376	0.0000	85937	2.8376	0.0000	0.0000
9 ORNET INTERMEDIATES LTD	82328	2.7184	0.0000	75110	2.4801	0.0000	-0.2384
10 MANSI H MAMLATDARNA	78086	2.5784	0.0000	78086	2.5784	0.0000	0.0000
11 CHANDRESH D. MAMLATDARNA	3780	0.1248	0.0000	3780	0.1248	0.0000	0.0000
Total	1473894	48.6675	0.0000	1466676	48.4291	0.0000	-0.2384

## C) CHANGE IN PROMOTERS' 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	82,328	2.72	82,328	2.72
	Transaction Sale / Purchase	Sale of 7,218 shares	0.24	75,110	2.48
	At the end of the year	75,110	2.48	75,110	2.48

\* There is no change in shareholding of other Promoters

## DYNAMIC INDUSTRIES LIMITED

### D) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS AS ON 31ST MARCH, 2019 (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS) :

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>Subramanian P.</b>				
	At the beginning of the year	1,41,860	4.68	1,41,860	4.68
	Transaction Sale / Purchase	N.A.	N.A.	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>Anita Gupta</b>				
	At the beginning of the year	87,340	2.88	87,340	2.88
	Transaction Sale / Purchase	Purchase of 17,616 shares	0.58	1,04,956	3.46
	At the end of the year	1,04,956	3.46	1,04,956	3.46
<b>3.</b>	<b>Bijendra Katta</b>				
	At the beginning of the year	56,423	1.86	56,423	1.86
	Transaction Sale / Purchase	Purchase of 615 shares	0.02	57,038	1.88
	At the end of the year	57,038	1.88	57,038	1.88
<b>4.</b>	<b>Sharad Kanaiyalal Shah</b>				
	At the beginning of the year	36,000	1.19	36,000	1.19
	Transaction Sale / Purchase	N.A.	N.A.	36,000	1.19
	At the end of the year	36,000	1.19	36,000	1.19
<b>5.</b>	<b>Supriya Prabhu</b>				
	At the beginning of the year	34,500	1.13	34,500	1.13
	Transaction Sale / Purchase	Sale of 1,500 shares	-0.04	33,000	1.08
	At the end of the year	33,000	1.08	33,000	1.08
<b>6.</b>	<b>Usha Katta</b>				
	At the beginning of the year	35,388	1.16	35,388	1.16
	Transaction Sale / Purchase	Sale of 13,748 shares	-0.45	21,640	0.71
	At the end of the year	21,640	0.71	21,640	0.71
<b>7.</b>	<b>Sangeetha S</b>				
	At the beginning of the year	27,370	0.90	27,370	0.90
	Transaction Sale / Purchase	Sale of 7,680 shares	-0.25	19,690	0.65
	At the end of the year	19,690	0.65	19,690	0.65
<b>8.</b>	<b>Tushar Gupta</b>				
	At the beginning of the year	0	0.00	0	0.00
	Transaction Sale / Purchase	Purchase of 14,497 shares	0.48	14,497	0.48
	At the end of the year	14,497	0.48	14,497	0.48



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>9.</b>	<b>Gopal Biharilal Talati</b>				
	At the beginning of the year	13,100	0.43	13,100	0.43
	Transaction Sale / Purchase	N.A.	N.A.	13,100	0.43
	At the end of the year	13,100	0.43	13,100	0.43
<b>10.</b>	<b>Yash Gupta</b>				
	At the beginning of the year	1,126	0.04	1,126	0.04
	Transaction Sale / Purchase	Purchase of 11,968 shares	0.39	13,094	0.43
	At the end of the year	13,094	0.43	13094	0.43
<b>11.</b>	<b>Bharati Praful Kenia</b>				
	At the beginning of the year	15,000	0.49	15,000	0.49
	Transaction Sale / Purchase	Sale of 8,000 shares	-0.26	7,000	0.23
	At the end of the year	7,000	0.23	7,000	0.23
<b>12.</b>	<b>Mahendrabhai Patel</b>				
	At the beginning of the year	44,700	1.48	44,700	1.48
	Transaction Sale / Purchase	Sale of 44,700 share	-1.48	0	0.00
	At the end of the year	0	0.00	0	0.00

## DYNAMIC INDUSTRIES LIMITED

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

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>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	2,84,572	9.40	2,84,572	9.40
	Transaction Sale / Purchase	N.A.	N.A.	N.A.	N.A.
	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	1300	0.04	1300	0.04
	Transaction Sale / Purchase	Sale of 300 shares	-0.01	1000	0.03
	At the end of the year	1000	0.03	1000	0.03

**V. INDEBTEDNESS :**

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

[₹ in Lakhs]

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1019.50	0.00	0.00	1019.50
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	1.84	0.00	0.00	1.84
<b>Total (i+ii+iii)</b>	<b>1021.34</b>	<b>0.00</b>	<b>0.00</b>	<b>1021.34</b>
<b>Change in Indebtedness during the financial year</b>				
i) Addition	0.00	0.00	0.00	0.00
ii) Reduction	-686.39	0.00	0.00	-686.39
<b>Net Change</b>	<b>-686.39</b>	<b>0.00</b>	<b>0.00</b>	<b>-686.39</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	333.48	0.00	0.00	333.48
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	1.47	0.00	0.00	1.47
<b>Total (i+ii+iii)</b>	<b>334.95</b>	<b>0.00</b>	<b>0.00</b>	<b>334.95</b>

## DYNAMIC INDUSTRIES LIMITED

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

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

[₹ in Lakhs]

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Dipakkumar Choksi Chairman	Dinesh Jain WTD	Harin Mamlatdarna MD	
1	Gross Salary				
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	31.20	9.00	31.20	71.40
	b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	5.77	1.20	5.77	12.74
	c) Profits in lieu of salary under section 17(3) of 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)	1.87 0.00	0.00 0.23	1.87 0.00	3.74 0.23
	Total (A)	<b>38.84</b>	<b>10.43</b>	<b>38.84</b>	<b>88.11</b>
	Ceiling as per the Companies Act, 2013	-----	-----	-----	<b>504.00</b>

#### B. REMUNERATION TO OTHER DIRECTORS :

[₹ in Lakhs]

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Pravinchandra Master	Viraj Shah	Jatin Surti	
1	Independent Directors				
	Fee for attending board & committee meetings	0.09	0.15	0.15	0.39
	Commission	NIL	NIL	NIL	NIL
	Others, Please specify	NIL	NIL	NIL	NIL
	Total (1)	0.09	0.15	0.15	0.39
2	Other Non-Executive Directors				
	Fee for attending board & committee meetings	NIL			
	Commission				
	Others, Please specify				
	Total (2)				
	<b>Total (B) = (1+2)</b>	0.09	0.15	0.15	0.39
	Total Management Remuneration				<b>88.50</b>
	Overall Ceiling as per the Companies Act, 2013				<b>504.00</b>

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

[₹ in Lakhs]

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		CS Ganesh Temkar	CFO Punit Chhattani (Upto 30/03/2019)	
1	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3.14	10.32	13.46
	b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	Nil	Nil	Nil
	c) Profits in lieu of salary under section 17(3) of 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	0.22	0.31
	<b>Total</b>	3.23	10.76	13.99

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

There were no penalties / punishment / compounding of offences for the year ended March 31, 2019.

**By Order of the Board**

-Sd/-

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2019**DIPAKKUMAR CHOKSI**  
*Chairman and Whole Time Director*  
DIN : 00536345

**DYNAMIC INDUSTRIES LIMITED****ANNEXURE – III TO THE DIRECTORS' REPORT****Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

**1. Details of contracts or arrangements or transactions not at arm's length basis**

Name of the Related Party & Nature of Relationship	Nature of Contracts / Arrangements / Transactions	Duration of Contracts / Arrangements / Transactions	Salient terms of Contracts / Arrangements / Transactions including value, if any	Justification for entering into such Contracts / Arrangements / Transactions	Date of Approval by the Board	Amount paid as advance, if any	Date of passing Special Resolution
NIL							

**2. Details of material contracts or arrangement or transactions at arm's length basis :**

Name of the Related Party & Nature of Relationship	Nature of Contracts / Arrangements / Transactions	Duration of Contracts / Arrangements / Transactions	Salient terms of Contracts / Arrangements / Transactions including value, if any (Amount in ₹)	Date of Approval by the Board, if any	Amount paid as advance, if any
Ornet Intermediates Pvt. Ltd.	Sale of Goods	2018-19	₹ 61,13,750/-	At the Board Meeting held on 30/05/2018, 10/08/2018, 02/11/2018 & 11/02/2019	Nil
Neo Farbe Pvt. Ltd.	Purchase of Goods	2018-19	₹ 6,10,000/-		Nil
Mr. Harin Mamlatdarna	Sale of Shares Neo Fabre Pvt. Ltd.	2018-19	₹ 2,50,000/-	At the Board Meeting Held on 30/03/2019	Nil
Mr. Dipakkumar Choksi	Sale of Shares of Neo Fabre Pvt. Ltd.	2018-19	₹ 2,50,000/-		Nil

**By Order of the Board**

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2019

-Sd/-

**DIPAKKUMAR CHOKSI**  
Chairman and Whole Time Director  
DIN : 00536345

**ANNEXURE – IV TO THE DIRECTORS' REPORT****1. Information 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 2018-19 and
- (ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Managing Director, Company Secretary or Manager, if any, during the Financial Year

[₹ in Lakhs]

Sr. No.	Name of Director / KMP and its Designation	Remuneration to the Director/KMP for the Financial Year 2018-19	Remuneration to the Director/KMP for the Financial Year 2017-18	Percentage increase / decrease in remuneration in the Financial Year 2018-19	Ratio of Remuneration of each Director to the Median Remuneration of Employees
1	<b>Mr. Harin Dhanvantlal Mamlatdarna</b> (Managing Director and Vice Chairman)	38.84	37.01	4.94%	21.82:1
2	<b>Mr. Dipakkumar Navinchandra Choksi</b> (Whole Time Director and Chairman)	38.84	35.95	8.04%	21.82:1
3	<b>Mr. Dinesh Jasraj Jain</b> (Whole Time Director)	10.43	10.43	Nil	5.86:1
4	<b>Mr. Jatinbhai Biharilal Surti</b> (Independent Director)	0.15*	0.12*	N.A.	N.A.
5	<b>Mr. Pravinchandra Devidas Master</b> (Independent Director)	0.09*	0.12*	N.A.	N.A.
6	<b>Mrs. Viraj Darshit Shah</b> (Independent Director)	0.15*	0.12*	N.A.	N.A.
7	<b>Mr. Punit Leelaram Chhattani</b> (Chief Financial Officer)	10.76	10.25	4.98	N.A.
8	<b>Mr. Ganesh Rajaram Temkar</b> (Company Secretary)	3.23	0.92 (for 4 months)	N.A.	N.A.

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



## **DYNAMIC INDUSTRIES LIMITED**

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- i. The Median Remuneration of Employees (MRE) of the Company is ₹ 1.78 Lakhs for the Financial Year 2018-19. The MRE for the year increased by 16.34% compared to ₹ 1.53 Lakhs during the previous financial year.
  - ii. The number of permanent employees on the rolls of the Company is 72 for the year ended 31<sup>st</sup> March, 2019.
  - iii. Average percentage increase made in the salaries of employees other than the managerial personnel in the last Financial Year was 11.13%. Managerial Remuneration was increased during the year under consideration to the extent of 5.66% 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/-

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2019

**DIPAKKUMAR CHOKSI**  
*Chairman and Whole Time Director*  
DIN : 00536345

**ANNEXURE – V TO THE DIRECTORS' REPORT****FORM NO. MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019**

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

To,  
The Members,  
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. 5501/02, Phase-III, Nr. Trikampura Cross Road, GIDC 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 31<sup>st</sup> March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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 31<sup>st</sup> March, 2019 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. 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 form for the Annual General Meeting for the financial year ended 31<sup>st</sup> March, 2018.
- D) The Company has complied with requirements of at least one-third of the total number of directors as independent directors as stated in Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- E) The Company has complied with the of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- F) The Company has obtained all necessary approvals under the various provisions of the Act;
- G) There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement 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 other 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/-

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2019

**Chintan K. Patel**  
Practicing Company Secretary  
**Mem. No. : A31987**  
**COP. No. : 11959**

**ANNEXURE - A to the Secretarial Audit Report**

To,

The Members,

Dynamic Industries Limited

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

1. The Management of the company is responsible for maintenance of secretarial records, devise proper system to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.
2. Our responsibility is to express an opinion on these secretarial records and procedures followed by the company with respect to Secretarial Compliances.
3. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
5. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
7. The secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy of effectiveness with which the management has conducted the affairs of the company.

Sd/-

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2019

**Chintan K. Patel**  
Practicing Company Secretary  
**Mem. No. : A31987**  
**COP. No. : 11959**

## **ANNEXURE VI – TO THE DIRECTORS' REPORT**

### **REPORT ON CORPORATE GOVERNANCE**

#### **COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Your Company adheres the importance of good 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 : [http://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.
- Policy for Preservation of Documents.
- Risk Management Policy
- Board Diversity Policy
- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information
- Policy and Procedure for Inquiry in Case of Leak of UPSI

#### **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 to Regulation 17 of SEBI (LODR) Regulations, 2015. The composition of the Board and category of Directors are as follows:

<b>Executive Director (Promoters)</b>	Mr. Dipakkumar N. Choksi, Chairman & Whole Time Director Mr. Harin Mamlatdarna, Vice Chairman & Managing Director Mr. Dinesh Jain, Whole Time Director
<b>Independent (Non-Executive) Director</b>	Mr. Pravinchandra Master Mr. Jatinbhai Surti Mrs. Viraj Darshit Shah

##### ➤ **Number of Board Meetings and Attendance of Directors:**

During the financial year 2018-19, 5(five) Board Meetings were held on 30/05/2018, 10/08/2018, 02/11/2018, 11/02/2019, 30/03/2019.

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 2018-2019 and last Annual General Meeting are as under:

## DYNAMIC INDUSTRIES LIMITED

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>Mr. Dipakkumar N. Choksi</b> (DIN : 00536345)	Chairman & Whole Time Director	1	Nil	Nil	5	Yes
<b>Mr. Harin D. Mamlatdarna</b> (DIN : 00536250)	Vice Chairman & Managing Director	1	Nil	1	5	Yes
<b>Mr. Dinesh J. Jain</b> (DIN : 00135889)	Whole Time Director	3	Nil	1	5	No
<b>Mr. Jatinbhai B. Surti</b> (DIN : 05195572)	Independent Director	Nil	Nil	3	5	Yes
<b>Mr. Pravinchandra D. Master</b> (DIN : 05195587)	Independent Director	Nil	4	Nil	3	Yes
<b>Mrs. Viraj D. Shah</b> (DIN : 07220630)	Independent Director	Nil	Nil	3	5	No

\* No director holds director's position in any other Listed Entity.

\* There is no inter-se relationships between directors.

### Shareholding of Non-Executive Directors as on 31st March, 2019

Name of Director	No. of Shares held
Mr. Pravinchandra Devidas Master	Nil
Mr. Jatinbhai Biharilal Surti	1000
Mrs. Viraj D. Shah	Nil

- 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 16(1) (b) of the Listing Regulations. Board of Directors confirms that in their opinion, the independent directors fulfill all the conditions specified in 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.
- Mr. Raghavdas H. Lakhmani (DIN: 05304347), Independent and Non-Executive Director of the Company has resigned from the directorship of the Company with effect from May 29, 2018 due to personal reason and confirmation of the same has been received from the director that there is no other material reason other than provided.
- Mr. Chintan K. Patel Practicing Company Secretary, Ahmedabad has certified that none of the directors on the board of the company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority. A copy of certificate received from him is enclosed as 'Annexure' to this report.
- Knowledge of business (Chemical), information about raw material, Production process, Marketing, business strategy and evaluation of performance with industry benchmarks in the fields of Chemical materials, are the key core skill / expertise /competence, in the context of the company's business apart from governance, finance and taxation functions and in the opinion of the Board, these skills are available with board.

#### 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 11, 2019 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 except Mr. Pravinchandra D. Master.

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 and Managing Director & Whole Time Director on the Company's manufacturing, marketing, finance and other important aspects.

Familiarization Programme for Independent Directors: The Company has an ongoing programme where Directors in the course of meetings of the Board of Directors give information about developments and amendments in legal and regulatory areas which include mandatory disclosures and fair disclosures stated under SEBI (LODR) Regulations, 2015 (herein referred to as "Listing Regulation"), Prohibition & Insider Trading Regulations and SAST Regulations so as to enable them to effectively discharge their roles, rights and responsibilities in the Company.

The web link for the Familiarization Programmes for Independent Directors:

[http://www.dynaind.com/investor\\_zone/Familiarization%20Programme/Details%20of%20Familiarization%20Programme-2018-19.pdf](http://www.dynaind.com/investor_zone/Familiarization%20Programme/Details%20of%20Familiarization%20Programme-2018-19.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 31<sup>st</sup> March, 2018 was held on 31<sup>st</sup> July, 2018 and 19 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, 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.

## DYNAMIC INDUSTRIES LIMITED

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- 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 three Directors and all the three Directors are Independent Directors. All members of the Audit Committee are financially literate. In the financial year 2018-19, five meetings were held on 30/05/2018, 10/08/2018, 02/11/2018, 11/02/2019 and 30/03/2019.

Composition of committee as on 31<sup>st</sup> March, 2019 and member's attendance at the meetings during the year are as under:

<b>Committee Members</b>	<b>Designation</b>	<b>Meetings Held</b>	<b>Meeting Attended</b>
Mr. Pravinchandra Master (Independent - Non-executive Director)	Chairman	5	3
Mr. Jatinbhai Surti (Independent - Non-executive Director)	Member	5	5
Mrs. Viraj D. Shah (Independent - Non-executive Director)	Member	5	5

### **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 three Independent Directors. In the financial year 2018-19, one meeting of the Committee was held on 30/05/2018.

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

<b>Committee Members</b>	<b>Designation</b>	<b>Meetings Held</b>	<b>Meeting Attended</b>
Mr. Pravinchandra Master (Independent - Non-executive Director)	Chairman	1	1
Mr. Jatinbhai Surti (Independent - Non-executive Director)	Member	1	1
Mrs. Viraj D. Shah (Independent - Non-executive Director)	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.

## DYNAMIC INDUSTRIES LIMITED

### Details of remuneration paid / payable to the Directors for Financial Year 2018-2019

[₹ in Lakhs]

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. 14-08-2017, valid up to 30-09-2019, no Notice period and no severance fees.
Dipakkumar N. Choksi	38.84	Nil	Nil	
Harin D. Mamlatdarna	38.84	Nil	Nil	
Dinesh J. Jain	10.43	Nil	Nil	
<b>Non Executive Independent Director</b>				
Pravinchandra Master	0.09*	Nil	Nil	
Jatin Surti	0.15*	Nil	Nil	
Viraj Darshit Shah	0.15*	Nil	Nil	

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

### 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	Vice Chairman & Managing 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 shareholders' complaints solved -- Nil
- No. of complaints not solved to the satisfaction of shareholders -- Nil.
- No. of pending share transfers -- NIL.
- As at 31st March, 2019 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 Independent Directors as on 31st March, 2019. It is headed by Mr. Pravinchandra D. Master, an Independent Director.

Committee Members	Designation	Category
Mr. Pravinchandra Master (Independent - Non-executive Director)	Chairman	Independent - Non-executive Director
Mr. Jatinbhai Surti (Independent - Non-executive Director)	Member	Independent - Non-executive Director
Mrs. Viraj D. Shah (Independent - Non-executive Director)	Member	Independent - Non-executive Director

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. Further, as per amendment company has adopted new policies as under.

- Policy and Procedure for Inquiry in Case of Leak of UPSI
- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.

**6. 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, 2018. The Company had appointed Mr. Chintan Patel, Practicing Company Secretary to act as Scrutinizer for the entire e-voting process.

**7. ANNUAL GENERAL MEETINGS**

Details of last three AGMs held-

Year	Date	Time	Venue	No. of Special Resolutions passed
2015-2016	13-08-2016	11-30 a.m.	Plot No. 5501/2, Phase-III, Nr. Trikamura Cross Road, G.I.D.C., Vatva, Ahmedabad - 382 445.	--
2016-2017	14-08-2017	11-30 a.m.		3
2017-2018	31-07-2018	11-30 a.m.		2

No Resolutions were put through postal ballot.

**8. DEMAT / REMAT OF SHARES**

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

a) Number of Demat requests approved	41
b) Number of Shares Dematerialized	7,100
c) Percentage of Shares Dematerialized	0.23%
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.

### 9. 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. 41 of the Financial Statements.
- B.** During the last three years there was no instance of non-compliance and no penalty was imposed on the listed entity by stock exchange or the board or any statutory authority.
- C.** The Company has adopted a Whistle Blower Policy, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.
- D. CEO certification:**  
The Vice-Chairman & Managing Director of the Company give an annual certificate on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the Listing Regulations. The Vice-Chairman & Managing Director and CFO also give quarterly certificate on financial results while placing the financial results before the Board in terms of Regulation 33(2)(a) of the Listing Regulations.
- E. Accounting treatment**  
The Financial statements have been prepared in compliance with the Indian Accounting Standards (Ind AS) issued by The Institute of Chartered Accountants of India (ICAI) which have been notified under the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS Rules'), of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention.
- F.** Web link where policy for determining 'material' subsidiaries is disclosed on the Company's website at the following web link:[http://www.dynaind.com/investor\\_zone/Policies/Material%20Subsidiary%20Policy.pdf](http://www.dynaind.com/investor_zone/Policies/Material%20Subsidiary%20Policy.pdf)
- G.** Web link where policy on dealing with related party transactions is disclosed on the Company's website at the following web link:  
[http://www.dynaind.com/investor\\_zone/Policies/Related%20Party%20Transaction%20Policy.pdf](http://www.dynaind.com/investor_zone/Policies/Related%20Party%20Transaction%20Policy.pdf)
- H.** Risk Management Policy: The Company has a well-defined risk management framework in place. The Company periodically places before the Audit Committee and the Board, the key risks and the risk assessment and mitigation procedures followed by the Company.
- I.** During the financial year there were no recommendation of any committee of the board, which is mandatorily required and board has not accepted the same.
- J.** The Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance.
- K.** Disclosure of commodity price risks and commodity hedging activities: Not applicable
- L.** The Company has complied with Clauses (b) to (i) of Regulation 46 (1) & (2) relating to the dissemination of information on the website of the Company.
- M.** The Company has complied with requirements of Regulations 27 read with Part E of Schedule II of SEBI (LODR) Regulations, 2015.

The following non-mandatory requirements have been adopted by the Company:

1. The listed entity has appointed separate person to the post of Chairperson and Managing Director.
  2. The Internal Auditors report directly to the Audit Committee.
- N.** Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
- a. number of complaints filed during the financial year — 0
  - b. number of complaints disposed of during the financial year — 0
  - c. number of complaints pending as on end of the financial year.—0
- O.** During the year company has paid Rs.4,75,000/- as total fees for all services given by Statutory Auditor of the Company. No payment was done to any network entity of which statutory auditor is part.

**10. 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 Newslite (Gujarati)
3. Any website, where results are displayed	www.dynaind.com
4. Whether it also displays official news release	Yes. However, no such News Release has been made during the year.
5. 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.

**11. ADDITIONAL INFORMATION TO SHAREHOLDERS****a) Annual General Meeting :**

Date: 31st July, 2019

Day: Wednesday

Time: 11.30 a.m.

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

**b) Financial Year 2018-2019 (Consisting of 12 months) 01/04/2018 to 31/03/2019****Calendar of Financial Year ended 31st March, 2019**

The meetings of Board of Directors for approval of quarterly financial results during the Financial Year ended 31st March, 2019 were held on the following dates:

<b>First Quarter Results :</b>	10 <sup>th</sup> August, 2018
<b>Second Quarter and Half Yearly Results :</b>	2 <sup>nd</sup> November, 2018
<b>Third Quarter Results :</b>	11 <sup>th</sup> February, 2019
<b>Fourth Quarter and Annual Results :</b>	30 <sup>th</sup> May, 2019

**Tentative Calendar for financial year ending 31st March, 2020**

The tentative dates of meeting of Board of Directors for consideration of quarterly financial results for the financial year ending 31st March, 2020 are as follows :

<b>First Quarter Results :</b>	On or Before	14 <sup>th</sup> August, 2019
<b>Second Quarter and Half Yearly Results :</b>	On or Before	14 <sup>th</sup> November, 2019
<b>Third Quarter Results :</b>	On or Before	14 <sup>th</sup> February, 2020
<b>Fourth Quarter and Annual Results :</b>	On or Before	30 <sup>th</sup> May, 2020

**c) Date of Book Closure**

From 27<sup>th</sup> July, 2019 to 31<sup>st</sup> July, 2019 (both days inclusive) for Annual General Meeting and dividend.

**d) Dividend will be paid within 30 days from the date of AGM if declared by members of the Company. (i.e. on or before 30th August, 2019)****e) Regd. Office**

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

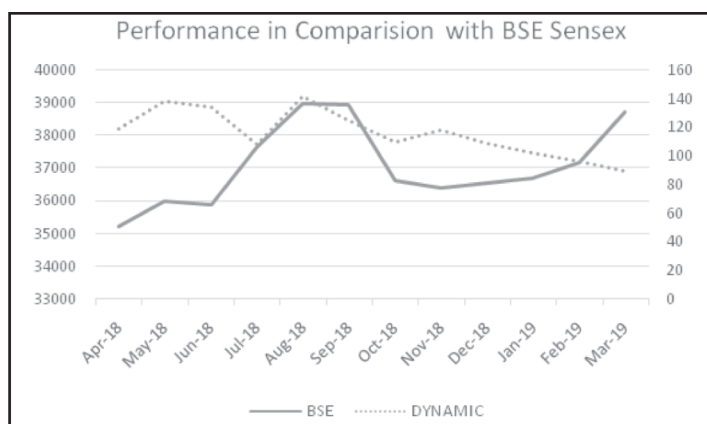
**f) Equity shares of the Company are listed on BSE Limited Stock Exchange. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.****g) Company has paid the annual listing fee for the financial year 2018-2019 to BSE.****h) Scrip Code : 524818 (BSE), Scrip ID: DYNAMIND, ISIN : INE457C01010**



## DYNAMIC INDUSTRIES LIMITED

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

Month	The Bombay Stock Exchange Ltd.	
	Month's High	Month's Low
April, 2018	119.00	77.00
May, 2018	138.70	85.00
June, 2018	134.80	86.90
July, 2018	108.00	93.00
August, 2018	142.00	98.00
September, 2018	125.50	95.40
October, 2018	110.00	85.10
November, 2018	118.70	98.10
December, 2018	108.85	94.00
January, 2019	102.90	89.00
February, 2019	96.90	68.35
March, 2019	89.90	71.50



#### i) Share Transfer System

As per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/ LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialised form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.

#### j) Unclaimed Dividends to be transferred to the Investor Education and Protection Fund

The dividend for the following years remaining unclaimed for 7 years from the date of declaration are required to be transferred by the Company to Investor Education and Protection Fund and the various dates for transfer of such amount are as under :

Sr. No.	Financial Year	Date of Declaration	Due date for transfer
1	2013-14 (Final)	14-08-2014	13-09-2021
2	2014-15 (Final)	14-08-2015	13-09-2022
3	2015-16 (Final)	13-08-2016	12-09-2023
4	2016-17 (Final)	14-08-2017	13-09-2024
5	2017-18 (Final)	31-07-2018	30-08-2025

#### k) Shareholding pattern as on 31-03-2019 is as given below :

Sr. No.	Category	No. of Shares	% of holding
1	Promoters	14,66,676	48.43
2	Persons acting in Concert	-----	-----
3	Banks, Financial Institutions, Insurance Companies	-----	-----
4	Central / State Government Institutions	-----	-----
5	FII's	-----	-----
6	NRIs	13,179	0.44
7	Bodies Corporate	29,479	0.97
8	Others	15,19,166	50.16
<b>Grand Total</b>		<b>30,28,500</b>	<b>100.00</b>

## I) Distribution of Shareholding as on 31-03-2019 is as under :

Slab of Share Holding	No. of Shareholders	% of Shareholders	No. of Shares	Amount (₹)	% of Capital
1 to 500	2982	87.5000	398772	39,87,720	13.1673
501 to 1,000	216	6.3380	179402	17,94,020	5.9238
1,001 to 2,000	109	3.1984	161461	16,14,610	5.3314
2,001 to 3,000	32	0.9390	79463	7,94,630	2.6238
3,001 to 4,000	16	0.4695	58668	5,86,680	1.9372
4,001 to 5,000	8	0.2347	36739	3,67,390	1.2131
5,001 to 10,000	19	0.5575	127123	12,71,230	4.1976
10,001 and above	26	0.7629	1986872	1,98,68,720	65.6058
<b>Total</b>	<b>3408</b>	<b>100.00</b>	<b>30,28,500</b>	<b>3,02,85,000</b>	<b>100.00</b>

## m) 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, 2019, 29,17,649 equity shares (96.34%) of the total number of shares have been dematerialized. 100% promoter's share holding are held in dematerialized form.

## n) Outstanding GDRs / ADRs / Warrants or Conversion instruments, Conversion date and like impact on equity- Not applicable

- o) **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.

## p) Investors' correspondence/ Registrar and Share Transfer Agent:

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

## q) Compliance Officer of the Company : Mr. Ganesh R. Temkar

## r) List of all credit rating obtain by the entity during the financial year : Not Applicable

**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**

Chairman and Whole Time Director

DIN : 00536345

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2019

**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, 2019 from all the Board Members and Senior Management Personnel.

**For and on behalf of the Board**

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2019

-Sd/-

**HARIN D. MAMLATDARNA**  
*Vice Chairman & Managing Director*  
DIN : 00536250

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**CEO & CFO COMPLIANCE CERTIFICATE**

*[Under Regulation 17(8) of SEBI (LODR) Regulations, 2015]*

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 2018-19 and that to the best of my 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 my 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 for financial reporting and that I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and I have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- iv. I have indicated to the auditors and the Audit committee
  - (1) significant changes in internal control over financial reporting during the year;
  - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2019

**HARIN D. MAMLATDARNA**  
*Vice Chairman & Managing Director*  
[DIN : 00536250]

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

I, Chintan K. Patel, Practicing Company Secretary, have examined the registers, records and books and papers of Dynamic Industries Limited (the Company) as required to be maintained under the Companies Act, 2013 (the Act) and the rules made thereunder for the financial year ended on 31<sup>st</sup> March, 2019. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its directors and officers, I certify that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority.

Sd/-

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2019

**Chintan K. Patel**  
Practicing Company Secretary  
**Mem. No. : A31987**  
**COP. No. : 11959**

**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 2019, 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, **ASHOK K. BHATT & CO.**  
[Firm Registration No. 100657W]  
*Chartered Accountants*

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2019

Sd/-  
**ASHOK K. BHATT**  
*Proprietor*  
Membership No. 036439

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

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

<b>Sr. No.</b>	<b>Disclosure of loans / advances / investments / Outstanding during the year</b>	<b>As at 31<sup>st</sup> March, 2019</b>	<b>Maximum amount during the year</b>
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, 2019**DIPAKKUMAR CHOKSI**  
*Chairman and Whole Time Director*  
DIN : 00536345

**INDEPENDENT AUDITORS' REPORT**

To the Members of  
DYNAMIC INDUSTRIES LIMITED  
Ahmedabad.

**Report on the Audit of the financial statements**

**Opinion**

We have audited the accompanying financial statements of DYNAMIC INDUSTRIES LIMITED (“the Company”), which comprise the balance sheet as at 31<sup>st</sup> March 2019, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as ‘financial statements’).

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

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter**

We refer to note No. 47 of the financial statement with respect to resignation by CFO from the services of the company and consequent to such vacant position the financial statement have not been signed by CFO, since the company as on date of approval of the financial statements by Board of Directors, has been in the process of fresh recruitment to fill on the vacancy as stipulated time mentioned in the Companies Act, 2013.

**Key Audit Matters**

We have determined that there are no key audit matters to communicate in our report.

**Other Information**

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Board’s report including Annexure to Board’s Report but does not include the financial statements and our auditors’ report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles



generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

## **DYNAMIC INDUSTRIES LIMITED**

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

### **Report on Other Legal and Regulatory Requirements**

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 Companies Act, 2013, we give in the Annexure - A - a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

#### **As required by Section 143(3) of the Act, we report that:**

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 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, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 38 to the financial statements;
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

For, **ASHOK K. BHATT & CO.**  
[Firm Registration No. 100657W]  
*Chartered Accountants*

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2019

Sd/-  
**ASHOK K. BHATT**  
*Proprietor*  
Membership No. 036439

## ANNEXURE - A INDEPENDENT AUDITOR'S REPORT

To the Independent Auditors' Report of even date on Financial Statements of Dynamic Industries Limited

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) The fixed assets of the Company are physically verified by the management according to phased program designed to cover all the items once in period of three years which in our opinion is reasonable having regard to the size of the Company and nature of its assets. Pursuant to program, a physical verification of Furniture and Fixtures, Vehicles and Computers were carried out during the year by the management and no material discrepancies between the book records and physically inventory have been noticed.
- (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 the year end and no material discrepancies were noticed on such physical verification during the year.
- (iii) The Company has not granted any secured / unsecured loan to any parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of Clause 3(iii) of the Order are 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, 2019 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 31<sup>st</sup> March, 2019 other than 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	0.77	A.Y. 2014-2015	CIT(A), Ahmedabad
		0.88	A.Y. 2013-2014	CIT(A), Ahmedabad
		9.34	A.Y. 2008-2009	CIT(A), Ahmedabad
Customs Act, 1962	Customs Duty	171.14	F.Y. 2006-2007 F.Y. 2007-2008	CESTAT, Ahmedabad
Finance Act, 1994	Service Tax	77.13	F.Y. 2012-2013	CESTAT, Ahmedabad

## **DYNAMIC INDUSTRIES LIMITED**

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- (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) during the year or term loans and hence reporting under clause (ix) is not applicable.
- (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 by the management, transactions with the related parties are in compliance with section 177 and 188 of act where applicable and the details have been disclosed in the notes to 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, **ASHOK K. BHATT & CO.**  
[Firm Registration No. 100657W]  
*Chartered Accountants*

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2019

Sd/-  
**ASHOK K. BHATT**  
*Proprietor*  
Membership No. 036439

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## ANNEXURE - B

To the Independent Auditors' Report of even date on the 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 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

## **DYNAMIC INDUSTRIES LIMITED**

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### **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 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, **ASHOK K. BHATT & CO.**  
[Firm Registration No. 100657W]  
*Chartered Accountants*

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2019

Sd/-  
**ASHOK K. BHATT**  
*Proprietor*  
Membership No. 036439

## Balance Sheet as at March 31, 2019

[₹ in Lakhs]

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	5	2 341.70	2 439.68
Other Intangible Assets	6	0.42	0.47
Capital work-in progress	7	0.00	0.00
<b>Financial Assets</b>			
Investments	8	109.79	120.96
Other Financial Assets	9	23.92	15.31
		<b>2 475.83</b>	<b>2 576.42</b>
<b>Current assets</b>			
Inventories	10	1 756.43	1 523.25
<b>Financial assets</b>			
Trade Receivables	11	1 155.65	1 806.90
Cash and Cash Equivalents	12	101.98	10.73
Other Bank Balances	13	5.17	16.23
Other Financial Assets	14	12.27	4.11
Current Tax Assets (Net)	15	6.51	6.51
Other Current Assets	16	105.21	357.57
		<b>3 143.22</b>	<b>3 725.30</b>
<b>Total Assets :</b>		<b>5 619.05</b>	<b>6 301.72</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	17	302.85	302.85
Other Equity	18	4 179.54	3 828.28
		<b>4 482.39</b>	<b>4 131.13</b>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	19	156.42	227.42
Provisions	20	10.85	11.26
Deferred Tax Liabilities (Net)	21	69.81	70.34
		<b>237.08</b>	<b>309.02</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	22	120.82	741.35
Trade Payables	23		
Total outstanding dues of micro enterprises and small enterprises		71.42	105.26
Total outstanding dues of creditors other than micro enterprises and small enterprises		595.26	901.80
Other Financial Liabilities	24	63.11	59.45
Other Current liabilities	25	9.04	17.87
Provisions	26	23.42	21.52
Current tax liabilities	27	16.51	14.32
		<b>899.58</b>	<b>1 861.57</b>
<b>Total Equity and Liabilities :</b>		<b>5 619.05</b>	<b>6 301.72</b>

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

As per our report of even date.

**FOR, ASHOK K. BHATT & CO.**  
[Firm Registration No. 100657W]  
Chartered Accountants  
Sd/-  
**ASHOK K. BHATT**  
Proprietor  
Membership No. 036439

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2019

**FOR AND ON BEHALF OF THE BOARD**

Sd/-  
**DIPAKKUMAR CHOKSI**  
Chairman & Whole Time Director  
(DIN : 00536345)

Sd/-  
**HARIN MAMLATDARNA**  
Vice Chairman & Managing Director  
(DIN : 00536250)

Sd/-  
**GANESH TEMKAR**  
Company Secretary

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2019



## DYNAMIC INDUSTRIES LIMITED

### Statement of Profit and Loss for the year ended March 31, 2019 [₹ in Lakhs]

Particulars	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>INCOME</b>			
Revenue from Operations	28	6 528.61	5 906.02
Other Income	29	89.88	54.25
<b>Total Income:</b>		<b>6618.49</b>	<b>5 960.27</b>
<b>EXPENSES</b>			
Cost of materials/products consumed	30	4 268.66	4 353.41
Excise duty		0.00	63.05
Purchase of stock in trade	31	646.07	162.17
Changes in inventories of Finished goods, stock in process and stock in trade	32	(176.58)	( 287.00)
Employee benefits expense	33	333.60	317.27
Finance Cost	34	60.12	53.22
Depreciation and Amortization	35	108.17	99.95
Other Expenses	36	812.89	770.27
<b>Total Expenses:</b>		<b>6 052.93</b>	<b>5 532.33</b>
<b>Profit Before Tax</b>		<b>565.56</b>	<b>427.94</b>
<b>Tax expense</b>	21		
Current tax		159.00	112.00
Tax in respect of earlier years		0.07	0.76
Deferred tax		(0.26)	14.92
<b>Total tax expense:</b>		<b>158.81</b>	<b>127.68</b>
<b>Profit for the year</b>		<b>406.75</b>	<b>300.26</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement of the defined benefit plans		(0.99)	3.55
Tax relating to remeasurement of the defined benefit plans		0.27	( 0.98)
<b>Total other comprehensive income for the year (net of tax)</b>		<b>(0.72)</b>	<b>2.57</b>
<b>Total comprehensive income for the year, net of tax</b>		<b>406.03</b>	<b>302.83</b>
Earning per Equity Share	37		
Basic		13.43	9.91
Diluted		13.43	9.91

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

As per our report of even date.

**FOR, ASHOK K. BHATT & CO.**

[Firm Registration No. 100657W]

Chartered Accountants

Sd/-

**ASHOK K. BHATT**

Proprietor

Membership No. 036439

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2019

**FOR AND ON BEHALF OF THE BOARD**

Sd/-

**DIPAKKUMAR CHOKSI**

Chairman & Whole Time Director

(DIN : 00536345)

Sd/-

**HARIN MAMLATDARNA**

Vice Chairman & Managing Director

(DIN : 00536250)

Sd/-

**GANESH TEMKAR**

Company Secretary

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2019

## Cash Flow Statement for the year ended March 31, 2019

[₹ in Lakhs]

Particulars	2018-2019	2017-2018
<b>A. Cash flow from operating activities</b>		
Profit/(Loss) for the year before taxation	565.56	427.94
<b>Adjustments for</b>		
Depreciation and amortisation	108.17	99.95
Short provision for income tax	( 0.07)	( 0.76)
Finance cost	60.12	53.22
Interest Income from financial assets measured at amortised cost		
- on fixed deposits with Bank	( 0.81)	( 0.82)
- on other financial assets	( 28.07)	( 16.00)
Other Comprehensive Income	( 0.99)	3.55
Bad debt provision for doubtful debts	3.92	0.29
Operating profit before working capital changes	707.83	567.37
<b>Adjustments for</b>		
Trade Payable	( 340.38)	402.47
Other current financial liabilities	4.03	31.28
Other Non current financial asset	( 8.61)	0.99
Other non current asset	0.00	10.00
Other current financial asset	( 8.46)	0.00
Other current assets	252.36	( 145.99)
Provisions	1.49	( 41.29)
Other current liabilities	( 12.57)	8.23
Inventories	( 233.18)	( 294.99)
Trade receivable	647.33	( 520.92)
Other bank balances	12.48	( 0.73)
Cash generated from operations	1 022.32	16.42
Direct taxes Refund/(paid)	( 156.81)	( 135.01)
<b>Net Cash from Operating Activities</b>	<b>[A] 865.51</b>	<b>( 118.59)</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed property, plant and equipment	( 10.14)	( 294.42)
Payment for purchase of investments	11.17	( 56.43)
Interest received	29.18	17.40
<b>Net Cash from / (used in) investing activities</b>	<b>[B] 30.21</b>	<b>( 333.45)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from borrowings - non current	( 67.26)	202.04
Proceeds from borrowings - current	( 620.53)	327.44
Interest paid	( 60.49)	( 51.70)
Dividend paid to company's shareholders	( 54.77)	( 36.45)
<b>Net cash flow from financial activities</b>	<b>[C] ( 803.05)</b>	<b>441.33</b>
<b>Net Increase/(Decrease) in cash &amp; cash equivalents</b>	<b>[A+B+C] 92.67</b>	<b>( 10.71)</b>
Cash and cash equivalents opening	14.48	25.19
Cash and cash equivalents closing	107.15	14.48
Components of Cash and cash equivalent		
Balances with scheduled banks	106.54	13.17
Cash in hand	0.61	1.31
	107.15	14.48

## Explanatory Notes to Cash Flow Statement

- The Cash Flow Statement is prepared by using indirect method in accordance with the format prescribed by Indian Accounting Standard 7.
- 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.
- Disclosure of debt reconciliation statement in accordance with IND AS 7.

[₹ in Lakhs]

Particulars	As at 1st April, 2018	Net Cash Flow	Non-cash changes	As at 31st March, 2019
Borrowings	1,019.50	(686.90)	(0.89)	331.71

As per our report of even date

**FOR, ASHOK K. BHATT & CO.**  
 [Firm Registration No. 100657W]  
 Chartered Accountants  
 Sd/-  
**ASHOK K. BHATT**  
 Proprietor  
 Membership No. 036439

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

Sd/-  
**HARIN MAMLATDARNA**  
 Vice Chairman & Managing Director  
 (DIN : 00536250)

Place : Ahmedabad  
 Date : 30<sup>th</sup> May, 2019

Sd/-  
**GANESH TEMKAR**  
 Company Secretary

Place : Ahmedabad  
 Date : 30<sup>th</sup> May, 2019

Statement of changes in Equity for the year ended March 31, 2019

A. Equity share capital		[₹ in Lakhs]
As at April 1, 2017		302.85
Issue of Equity Share Capital		0.00
As at March 31, 2018		302.85
Issue of Equity Share Capital		0.00
As at March 31, 2019		302.85

B. Other Equity		[₹ in Lakhs]			
Particulars	Reserves and Surplus			Other Comprehensive Income (Remeasurement of Employee Benefit)	Total Equity
	General Reserve	Securities Premium	Retained Earnings		
<b>Balance as at 1st April, 2017</b>	<b>1 831.97</b>	<b>178.60</b>	<b>1 552.73</b>	<b>( 1.39)</b>	<b>3 561.91</b>
Profit for the year	0.00	0.00	300.26	0.00	300.26
Final dividend	0.00	0.00	( 30.29)	0.00	( 30.29)
Corporate dividend tax	0.00	0.00	( 6.17)	0.00	( 6.17)
Other comprehensive income for the year (Net of Tax)	0.00	0.00	0.00	2.57	2.57
<b>Balance as at 31st March, 2018</b>	<b>1 831.97</b>	<b>178.60</b>	<b>1 816.53</b>	<b>1.18</b>	<b>3 828.28</b>
Profit for the year	0.00	0.00	406.75	0.00	406.75
Final dividend	0.00	0.00	( 45.43)	0.00	( 45.43)
Corporate dividend tax	0.00	0.00	( 9.34)	0.00	( 9.34)
Other comprehensive income for the year	0.00	0.00	0.00	( 0.72)	( 0.72)
<b>Balance as at 31st March, 2019</b>	<b>1 831.97</b>	<b>178.60</b>	<b>2 168.51</b>	<b>0.46</b>	<b>4 179.54</b>

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

**FOR, ASHOK K. BHATT & CO.**  
[Firm Registration No. 100657W]  
Chartered Accountants

Sd/-  
**ASHOK K. BHATT**  
Proprietor  
Membership No. 036439

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2019

**FOR AND ON BEHALF OF THE BOARD**

Sd/-  
**DIPAKKUMAR CHOKSI**  
Chairman & Whole Time Director  
(DIN : 00536345)

Sd/-  
**HARIN MAMLATDARNA**  
Vice Chairman & Managing Director  
(DIN : 00536250)

Sd/-  
**GANESH TEMKAR**  
Company Secretary

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2019

**Note 1: Company Overview**

Dynamic Industries Limited is a public company limited by shares, domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The company's shares are listed in Bombay Stock Exchange. The Company is in the business of manufacturing of Dyes, Pigments and Chemicals and main products of the Company are Dyes and Dye stuffs. The Competition in the industry is continuously increasing but overall performance of the company is good. The registered office of the Company is located at Plot No. 5501/2, Phase-III Nr. Trikampura Cross Road, GIDC Vatva, Ahmedabad – 382 445.

The financial statements for the year ended March 31, 2019 were considered by the Board of Directors and approved for issuance on May 30, 2019.

**Note 2: Basis of Preparation**

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as applicable. Accounting Policies have been consistently applied except where newly issued accounting standard is initially adopted or revision to the existing standards requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised accounting standards on an on-going basis.

The financial statements are prepared in INR and all the values are rounded to the nearest lakhs, except when otherwise indicated.

**2.1 Statement of Compliance**

The financial statements comprising Balance Sheet, Statement of Profit and Loss, Statement of Changes in Equity and Cash Flow Statement, together with notes for the year ended March 31, 2019 have been prepared in accordance with Ind AS as per Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies' Act, 2013 ("the Act") and other relevant provisions of the Act.

**2.2 Basis of Measurement**

The financial statements of the Company have been prepared and presented in accordance with the Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis of accounting, except for certain Assets and Liabilities as stated below:

- (a) Financial instruments (assets / liabilities) classified as Fair Value through profit or loss or Fair Value through Other Comprehensive Income are measured at Fair Value.
- (b) The defined benefit asset/liability is recognised as the present value of defined benefit obligation less fair value of plan assets.

The above items have been measured at Fair Value and the methods used to measure Fair Values are discussed further in Note 4.16.

**2.3 Functional and Presentation Currency**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). Indian Rupee is the functional currency of the Company.

The financial statements are presented in Indian Rupees (₹) and all values are rounded to the nearest lakhs as per the requirement of Schedule III, except when otherwise indicated.

**2.4 Standard Issued but not effective**

Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, ('the Rules') on March 30, 2019. The rules notify the new Lease Standard Ind AS 116 'Leases' and also bring in amendments to existing Ind AS. The rules shall be effective from reporting period beginning on or after April 1, 2019 and cannot be reported early. Hence, not applied in the preparation of these financial statements. The company is in the process of evaluating the impact of such new or amended standards on the financial statement of the company. However, in the opinion of the company, the impact on carrying values of assets and liabilities will not be significant in value terms.

## DYNAMIC INDUSTRIES LIMITED

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### Note 3: Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of financial statements, income and expense during the period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the periods in which the estimates are revised and in future periods which are affected.

#### Critical Accounting Estimates and Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements.

##### (i) Contingences and Commitments

In the normal course of business, contingent liabilities may arise from litigations and other claims against the Company. Where the potential liabilities have a low probability of crystallising or are very difficult to quantify reliably, such liabilities are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, Management do not expect them to have a materially adverse impact on our financial position or profitability.

##### (ii) Taxes

Deferred tax assets are recognised for unused tax credits to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

##### (iii) Employee Benefits

Discount rate used to determine the carrying amount of the Company's defined benefit obligation.

The cost of defined benefit plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

##### (iv) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Estimated irrecoverable amounts are based on the ageing of the receivable balance and historical experience. Individual trade receivables are written off when management deems it not to be collectible.

##### (v) Allowance for uncollectible trade receivables

Provision matrix takes into accounts historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the day of the receivables are due and the rates as given in the provision matrix.

##### (vi) Impairment of Property, Plant & Equipment

The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, an impairment loss which is material in nature is accounted for.

**(vii) Litigations**

The provision is recognized based on the best estimate of the amount desirable to settle the present obligation arising at the reporting period and of the income is recognized in the cases involving high degree of certainty as to realization.

**(viii) Useful Life of Property, Plant and Equipment**

As described in Note 4.3, the Company reviews the estimated useful lives and residual values of property, plant and equipment at the end of each reporting period. During the current financial year, the management determined that there were no changes to the useful lives and residual values of the property, plant and equipment.

**Note 4: Significant Accounting Policies****4.1 Financial Instruments**

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

**(a) Financial Assets**

Financial Assets comprises of investments in equity instruments, trade receivables, cash and cash equivalents and other financial assets.

**Initial Recognition:**

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through Profit or Loss, transaction costs that are attributable to the acquisition of financial assets. Purchases or sales of financial assets that requires delivery of assets within a period of time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the company committed to purchase or sell the asset.

**Subsequent Measurement:****(i) Financial assets measured at amortized Cost:**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and where contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**(ii) Financial assets at Fair Value through Other Comprehensive Income (FVTOCI):**

Financial Assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are subsequently measured at FVTOCI. Fair Value movements in financial assets at FVTOCI are recognized in Other Comprehensive Income.

Equity instruments held for trading are classified as at fair value through profit or loss (FVTPL). For other equity instruments the company classifies the same as FVTOCI. The classification is made on initial recognition and is irrevocable. Fair Value changes on equity instruments at FVTOCI, excluding dividends are recognized in Other Comprehensive Income (OCI).

**(iii) Fair Value through Profit or Loss (FVTPL):**

Financial Assets are measured at FVTPL if it does not meet the criteria for classification as measured at amortized cost or at FVTOCI. All fair value changes are recognized in the Statement of Profit and Loss.

**De-recognition of Financial Assets:**

Financial Assets are derecognized when the contractual rights to cash flows from the financial assets expire or the financial asset is transferred and the transfer qualifies for de-recognition. On de-recognition of the financial assets in its entirety, the difference between the carrying amount (measured at the date of de-recognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognized in the Statement of Profit and Loss.



### (b) Financial Liabilities

#### Initial Recognition and Measurement

Financial Liabilities are initially recognized at fair value plus any transaction costs, (if any) which are attributable to acquisition of the financial liabilities.

#### Subsequent Measurement:

Financial Liabilities are classified for subsequent measurement into following categories:

#### (i) Financial liabilities at Amortized Cost:

The Company is classifying the following under amortized cost:

- Borrowing from Banks
- Borrowing from Others
- Trade Payables
- Other Financial Liabilities

Amortized cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus cumulative amortization using the effective interest method of any differences between the initial amount and maturity amount.

#### (ii) Financial liabilities at Fair Value through Profit or Loss:

Financial liabilities held for trading are measured at Fair Value through Profit or Loss

#### De-recognition of Financial Liabilities:

Financial liabilities shall be derecognized when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

### (c) Offsetting of Financial assets and Financial Liabilities

Financial assets and Financial Liabilities are offset and the net amount is presented in Balance Sheet when, and only when, the Company has legal right to offset the recognized amounts and intends either to settle on the net basis or to realize the assets and liabilities simultaneously.

### (d) Reclassification of Financial Assets and Financial Liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are categorized as equity instruments at FVTOCI, and financial assets or liabilities that are specifically designated as FVTPL. For financial assets which are debt instruments, a reclassification is made only if there is a change in business model for managing those assets. Changes to the business model are expected to be very infrequent. The management determines the change in a business model as a result of external or internal changes which are significant to the Company's Operations. A Change in business occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively effective from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

## 4.2 Share Capital

Ordinary Shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or share options are recognized as a deduction from equity, net of any tax effects.

## 4.3 Property, Plant and Equipment

Property, plant and equipment held for use in the supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated. All repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.



Properties in the course of construction for supply of services or administrative purpose are carried at cost, less any recognised impairment loss. Cost includes professional fees and other directly attributable cost and for qualifying assets, borrowing cost capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of Property Plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives as prescribed under Part C of Schedule II to the Companies Act 2013, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Depreciation for assets purchased/sold during a period is proportionately charged for the period of use.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. Leasehold land with lease term of 99 years or more and it is amortized over the period of lease i.e. 99 years.

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

#### 4.4 Intangible assets

##### Intangible Assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

##### Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in statement of profit and loss when the asset is de-recognised.

##### Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Type of Asset	Useful Life
Computer software	3 years

#### 4.5 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.
- (ii) Stock of stores, spares, consumable and packing materials are valued at cost.

#### 4.6 Impairment

##### (a) Financial assets (other than at fair value)

The Company assesses at each date of balance sheet, whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the twelve-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly, since initial recognition.

### (b) Non-financial assets

#### Tangible and Intangible assets

Property, Plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is an indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

#### Reversal of impairment loss

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized directly in other comprehensive income and presented within equity.

### 4.7 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre tax rates that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A provision for onerous contract is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with the contract.

Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

### 4.8 Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The specific recognition criteria described below must also be met before revenue is recognized.

#### Sale of Goods

- (i) Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The normal credit term is 0 to 90 days upon delivery, usually backed by financial arrangements.
- (ii) The Company accounts for pro forma credits, refunds of duty of customs or excise, or refunds of sales tax/ GST in the year of admission of such claims by the concerned authorities. Export benefits are classified as other operating income and recognized on accrual basis in the year of export based on eligibility and when there is no uncertainty on receiving the same.

**Interest Income**

Interest income is recognised using the effective interest method as set out in Ind AS 109 – Financial Instruments: Recognition and Measurement, when it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of the revenue can be measured reliably. The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period.

**Dividend Income**

Dividend income is recognised when right to receive payment is established and it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of the revenue can be measured reliably

**4.9 Leases**

Leases are classified as finance leases whenever the substantial value of the assets is initially paid as non-refundable lease premium and terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefit accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

**4.10 Foreign Currency Translation**

The functional currency of the Company is the Indian Rupee (₹).

Exchange differences on monetary items are recognised in the Statement of profit and loss in the period in which they arise except for:

- (i) exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- (ii) exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements of the Company for the period immediately before the beginning of the first Ind AS financial reporting period (prior to 1<sup>st</sup> April, 2016), as per the previous GAAP, pursuant to the Company's choice of availing the exemption as permitted by Ind AS 101.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

Income and expense items in foreign currency are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used.

**4.11 Borrowing Costs**

Borrowing costs include

- (i) interest expense calculated using the effective interest rate method,
- (ii) finance charges in respect of finance leases, and
- (iii) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

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

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

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

## DYNAMIC INDUSTRIES LIMITED

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### 4.12 Employee benefits

#### (a) Short-term obligations

Liabilities for salaries, including other monetary and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

#### (b) Post-employment obligations

The Company operates the following post-employment schemes: a) defined contribution plans - provident fund b) defined benefit plans - gratuity plans

##### (i) Defined contribution plans

The Company has defined contribution plan for the post-employment benefits namely Provident Fund and Employees Death Linked Insurance, the contributions towards such funds and schemes are recognised as employee benefits expense and charged to the Statement of Profit and Loss when they are due. The Company does not carry any further obligations with respect to this, apart from contributions made on a monthly basis.

##### (ii) Defined benefit plans

The Company has defined benefit plan, namely gratuity for eligible employees in accordance with the Payment of Gratuity Act, 1972 the liability for which is determined on the basis of an actuarial valuation (using the Projected Unit Credit method) at the end of each year.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the tenor of the related obligation. The liability or asset recognized in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

The service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements) is recognised in the Statement of profit and loss in the line item 'Employee benefits expense'.

Remeasurements of the net defined liability, comprising of actuarial gains and losses, return on plan assets (excluding amounts included in net interest on the net defined benefit liability) and any change in the effect of asset ceiling (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI) in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Change in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the profit or loss as past service cost.

### 4.13 Income Taxes

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

#### (i) Current tax

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

#### (ii) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred

tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

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

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

(iii) Current and deferred tax for the year

Current and deferred tax are recognised in the Statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

#### 4.14 Derivative financial instruments

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

#### 4.15 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period. Where ordinary shares are issued but not fully paid, they are treated in the calculation of basic earnings per share as a fraction of an ordinary share to the extent that they were entitled to participate in dividends during the period relative to a fully paid ordinary share. Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

#### 4.16 Fair Value Measurement

A number of Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair value is the price that would be received on sell of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal market or the most advantageous market must be accessible to the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

## DYNAMIC INDUSTRIES LIMITED

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All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:

- (a) Level 1 - unadjusted quoted prices in active markets for identical assets and liabilities.
- (b) Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- (c) Level 3 - unobservable inputs for the asset or liability.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy.

Fair values have been determined for measurement and / or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

- (a) Investment in equity and debt securities  
The fair value is determined by reference to their quoted price at the reporting date. In the absence of quoted price, the fair value of the financial asset is measured using valuation techniques.
- (b) Trade and other receivables  
The fair value of trade and other receivables, excluding construction contracts in progress, is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. However in respect of such financial instruments, fair value generally approximates the carrying amount due to short term nature of such assets. This fair value is determined for disclosure purposes or when acquired in a business combination.
- (c) Non derivative financial liabilities  
Fair Value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases, the market rate of interest is determined by reference to similar lease agreements.

### 4.17 Current / non-current classification

An asset is classified as current if:

- (a) it is expected to be realized or sold or consumed in the Company's normal operating cycle;
- (b) it is held primarily for the purpose of trading;
- (c) it is expected to be realized within twelve months after the reporting period; or
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current if:

- (a) it is expected to be settled in normal operating cycle;
- (b) it is held primarily for the purpose of trading;
- (c) it is expected to be settled within twelve months after the reporting period;
- (d) it has no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.



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

**4.18 Cash and cash equivalent**

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consists of balances with banks which are unrestricted for withdrawal and usage.



Notes to the Financial Statements

Note 5 : Property, Plant and Equipment

Note 5.1 : As at March 31, 2019

[₹ in Lakhs]

Particulars	Gross carrying amount			Accumulated Depreciation			Net carrying amount As at 31/03/2019	
	As at 01/04/2018	Additions	Deduction / Adjustments	As at 31/03/2019	Up to 31/03/2018	For the year		Deduction / Adjustments
<b>Owned Assets</b>								
Buildings	222.29	0.00	0.00	222.29	25.84	12.92	0.00	38.76
Plant & Machinery	636.56	6.40	0.00	642.96	85.44	60.96	0.00	146.40
Office Equipments	3.67	3.52	0.00	7.19	2.01	0.89	0.00	2.90
Computer	4.62	0.00	0.00	4.62	2.27	0.47	0.00	2.74
Furniture and Fixtures	17.71	0.00	0.00	17.71	5.90	2.91	0.00	8.81
Vehicles	70.39	0.00	0.00	70.39	22.23	12.15	0.00	34.38
<b>Leasehold Assets</b>								
Land	1663.33	0.00	0.00	1663.33	35.20	17.60	0.00	52.80
<b>Total</b>	<b>2618.57</b>	<b>9.92</b>	<b>0.00</b>	<b>2628.49</b>	<b>178.89</b>	<b>107.90</b>	<b>0.00</b>	<b>286.79</b>

Note 5.2 : As at March 31, 2018

[₹ in Lakhs]

Particulars	Gross carrying amount			Accumulated Depreciation			Net carrying amount As at 31/03/2018	
	As at 01/04/2017	Additions	Deduction / Adjustments	As at 31/03/2018	Up to 31/03/2017	For the year		Deduction / Adjustments
<b>Owned Assets</b>								
Buildings	222.29	0.00	0.00	222.29	12.92	12.92	0.00	25.84
Plant & Machinery	321.22	315.34	0.00	636.56	35.80	49.64	0.00	85.44
Office Equipments	3.24	0.43	0.00	3.67	1.08	0.93	0.00	2.01
Computer	4.62	0.00	0.00	4.62	1.60	0.67	0.00	2.27
Furniture and Fixtures	17.71	0.00	0.00	17.71	2.95	2.95	0.00	5.90
Vehicles	61.39	9.00	0.00	70.39	7.18	15.05	0.00	22.23
<b>Leasehold Assets</b>								
Land	1663.33	0.00	0.00	1663.33	17.60	17.60	0.00	35.20
<b>Total</b>	<b>2293.80</b>	<b>324.77</b>	<b>0.00</b>	<b>2618.57</b>	<b>79.13</b>	<b>99.76</b>	<b>0.00</b>	<b>178.89</b>

## Note 6 : Other Intangible Assets

## Note 6.1 : As at March 31, 2019

[₹ in Lakhs]

Particulars	Gross carrying amount			Accumulated Depreciation			Net carrying amount As at 31/03/2019	
	As at 01/04/2018	Additions	Deduction / Adjustments	As at 31/03/2019	Up to 31/03/2018	For the year		Deduction / Adjustments
Software	0.74	0.22	0.00	0.96	0.27	0.27	0.00	0.54
<b>Total</b>	<b>0.74</b>	<b>0.22</b>	<b>0.00</b>	<b>0.96</b>	<b>0.27</b>	<b>0.27</b>	<b>0.00</b>	<b>0.54</b>

## Note 6.2 : As at March 31, 2018

[₹ in Lakhs]

Particulars	Gross carrying amount			Accumulated Depreciation			Net carrying amount As at 31/03/2018	
	As at 01/04/2017	Additions	Deduction / Adjustments	As at 31/03/2018	Up to 31/03/2017	For the year		Deduction / Adjustments
Software	0.25	0.49	0.00	0.74	0.08	0.19	0.00	0.27
<b>Total</b>	<b>0.25</b>	<b>0.49</b>	<b>0.00</b>	<b>0.74</b>	<b>0.08</b>	<b>0.19</b>	<b>0.00</b>	<b>0.27</b>

## DYNAMIC INDUSTRIES LIMITED

### Note 7 : Capital work in progress

#### Note 7.1 : As at March 31, 2019

[₹ in Lakhs]

Particulars	As at 01/04/2018	Additions	(Deductions) / Adjustment	Capitalised	As at 31/03/2019
Plant and Machinery	0.00	0.00	0.00	0.00	0.00
<b>Total :</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

#### Note 7.2 : As at March 31, 2018

[₹ in Lakhs]

Particulars	As at 01/04/2017	Additions	(Deductions) / Adjustment	Capitalised	As at 31/03/2018
Plant and Machinery	30.84	0.00	0.00	(30.84)	0.00
<b>Total :</b>	<b>30.84</b>	<b>0.00</b>	<b>0.00</b>	<b>(30.84)</b>	<b>0.00</b>

**Note 8 : Investments**

[₹ in Lakhs]

Particulars		As at March 31, 2019	As at March 31, 2018
<b>Non Current</b>			
<b>Financial Instruments at amortised cost</b>			
Investment in Subsidiaries	8.1	0.00	5.00
<b>Financial Instruments at FVTPL</b>			
Real Estate Funds	8.2	109.79	115.96
<b>Total</b>		<b>109.79</b>	<b>120.96</b>
Aggregate amount of quoted investments and market value thereof		109.79	115.96
Aggregate amount of unquoted investments		0.00	5.00

**Note 8.1 : Details of Investment in unquoted equity instruments of subsidiaries (fully paid up)**

[₹ in Lakhs]

Particulars		As at March 31, 2019	As at March 31, 2018
<b>Equity Instrument at amortised cost</b>			
Neo Farbe Private Limited		0.00	5.00
NIL 31st March, 2019 (31st March, 2018 : 50,000) Equity Shares of ₹ 10/- each fully paid up			
<b>Total</b>		<b>0.00</b>	<b>5.00</b>

**Note :**

During the current financial year, the company has sold and transferred its entire investment in Equity of wholly owned subsidiary company which has resulted into loss control over such subsidiary company.

**Note 8.2 : Investment in Alternative Investment Fund**

[₹ in Lakhs]

Particulars		As at March 31, 2019	As at March 31, 2018
<b>Investment in Alternative Investment Fund at FVTPL</b>			
Amplus Reality Fund II		8.60	17.52
Indiabulls High Yield Fund		101.19	98.44
<b>Total</b>		<b>109.79</b>	<b>115.96</b>

## DYNAMIC INDUSTRIES LIMITED

### Note 9 : Other Financial Assets (Non-current)

[₹ in Lakhs]

Particulars	As at March 31, 2019	As at March 31, 2018
Security deposits	16.42	15.31
Fixed Deposit having maturity more than 12 months	7.50	0.00
<b>Total (A)</b>	<b>23.92</b>	<b>15.31</b>

The above fixed deposits with banks are placed as Margin Money.

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

### Note 10 : Inventories

(As taken, valued and certified by the Management)

[₹ in Lakhs]

Particulars	As at March 31, 2019	As at March 31, 2018
Raw materials	771.11	716.77
Work in progress	80.53	99.06
Finished goods	882.70	696.66
Stock in trade	13.23	4.22
Stores, spares and consumables	3.12	2.46
Others	5.74	4.08
<b>Total</b>	<b>1756.43</b>	<b>1523.25</b>

Inventory items have been valued considering the significant accounting policy disclosed in note 4(4.5) to this financial statement.

### Note 11 : Trade Receivables

[₹ in Lakhs]

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Unsecured Considered Good</b>		
Low Credit Risk	1156.81	1809.22
Significant Increase in Credit Risk	0.00	0.00
Credit Impaired	5.08	28.26
Less : Loss Allowance	(5.08)	(28.26)
	1156.81	1809.22
Less : Allowance for expected credit loss (Refer Note 44)	(1.16)	(2.32)
	1155.65	1806.90
Included in the financial statement as follows :		
Non-current	0.00	0.00
Current	1155.65	1806.90
<b>Total</b>	<b>1155.65</b>	<b>1806.90</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

**Note 12 : Cash and Cash equivalents**

[₹ in Lakhs]

Particulars	As at March 31, 2019	As at March 1, 2018
<b>Balance with Bank</b>		
Current accounts	101.37	9.42
Cash on hand	0.61	1.31
<b>Total</b>	<b>101.98</b>	<b>10.73</b>

**Note 13 : Other Bank Balances**

[₹ in Lakhs]

Particulars	As at March 31, 2019	As at March 31, 2018
Fixed Deposits with Original Maturity for more than 3 months but less than 12 months	0.00	12.48
Unclaimed dividend	5.17	3.75
<b>Total</b>	<b>5.17</b>	<b>16.23</b>

The amount of fixed deposits with banks includes deposits placed as Margin Money amounting for ₹ NIL (P. Y. ₹ 12.48 Lakhs)

**Note 14 : Other Financial Assets (Current)**

[₹ in Lakhs]

Particulars	As at March 31, 2019	As at March 31, 2018
Interest accrued but not due	0.67	0.97
Advances to Staff	11.60	3.14
<b>Total</b>	<b>12.27</b>	<b>4.11</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

**Note 15 : Current Tax Assets**

[₹ in Lakhs]

Particulars	As at March 31, 2019	As at March 31, 2018
Advance Tax	100.51	100.51
Less : Provision	94.00	94.00
<b>Total</b>	<b>6.51</b>	<b>6.51</b>

## DYNAMIC INDUSTRIES LIMITED

### Note 16 : Other Current Assets

[₹ in Lakhs]

Particulars	As at March 31, 2019	As at March 31, 2018
Balance with revenue authorities	89.14	310.42
Pre-paid expenses	13.46	16.01
Advances to suppliers	2.61	31.14
<b>Total</b>	<b>105.21</b>	<b>357.57</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

### Note 17 : Equity Share Capital

[₹ in Lakhs]

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Authorised share capital</b> 35,00,000 (March 31, 2018 : 35,00,000); Equity Shares of ₹ 10/- each	350.00	350.00
<b>Issued share capital</b> 30,28,500 (March 31, 2018 : 30,28,500); Equity Shares of ₹ 10/- each	302.85	302.85
<b>Subscribed and fully paid up</b> 30,28,500 (March 31, 2018 : 30,28,500); Equity Shares of ₹ 10/- each	302.85	302.85
	<b>302.85</b>	<b>302.85</b>

#### Note 17.1 : Equity share capital

During the period of five financial years immediately preceding the Balance Sheet date,

- (i) The Company has not allotted any fully paidup equity shares by way of bonus shares;
- (ii) The Company has not allotted any equity shares pursuant to any contract without payment being received in cash;
- (iii) The company has not bought back any equity shares.



**Note 17.2 : Reconciliation of number of shares outstanding at the beginning and at the end of the Reporting Year**

Particulars	As at March 31, 2019	As at March 31, 2018
At the beginning of the year	30,28,500	30,28,500
<b>Add :</b>		
Issued during the year	00	00
	30,28,500	30,28,500
<b>Less :</b>		
Shares bought back / Redemption	00	00
At the end of the year	30,28,500	30,28,500

**Note 17.3 : Details of shareholders holding more than 5% shares in the company**

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	% of holding	No. of Shares	% of holding
Harin D. Mamlatdarna	3,47,780	11.48	3,47,780	11.48
Dipakkumar N. Choksi	2,84,572	9.40	2,84,572	9.40
Maya H. Mamlatdarna	2,11,247	6.98	2,11,247	6.98

**Note 17.4 : Rights, Preferences and Restrictions**

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.

## DYNAMIC INDUSTRIES LIMITED

### Note 18 : Other Equity

[₹ in Lakhs]

Particulars	As at March 31, 2019	As at March 31, 2018
General Reserve	1831.97	1831.97
Securities Premium	178.60	178.60
Retained Earnings	2168.97	1817.71
<b>Total</b>	<b>4179.54</b>	<b>3828.28</b>

### Note 18.1 : Other Equity - Movements

[₹ in Lakhs]

Particulars	As at March 31, 2019	As at March 31, 2018
<b>General Reserve</b>		
Balance as per previous financial statements	1831.97	1831.97
Add/Less : Additions/(Deductions) during the year	0.00	0.00
Balance at the end of the year	<b>1831.97</b>	<b>1831.97</b>
<b>Securities Premium</b>		
Balance as per previous financial statements	178.60	178.60
Add/Less : Additions/(Deductions) during the year	0.00	0.00
Balance at the end of the year	<b>178.60</b>	<b>178.60</b>
<b>Surplus / (Deficit) in Statement of Profit &amp; Loss</b>		
Balance as per previous financial statements	1817.71	1551.34
Add : Profit for the year	406.75	300.26
Add/Less : OCI for the year (Net of Tax)	(0.72)	2.57
Balance available for appropriation	<b>2223.74</b>	<b>1854.16</b>
<b>Less : Appropriation</b>		
- Dividend	45.43	30.29
- Provision for dividend distribution tax (DDT)	9.34	6.17
	<b>54.77</b>	<b>36.46</b>
<b>Net Surplus / (Deficit)</b>	<b>2168.97</b>	<b>1817.71</b>
<b>Total</b>	<b>4179.54</b>	<b>3828.28</b>

The description of the nature and purpose of each reserve within equity is as follows :

#### General Reserve

General Reserve is a free reserve created by the Company by transfer from Retained earnings for appropriation purposes. It Includes Revaluation reserve amounting to ₹ 1641.74/- Lacs Which is not available for distribution of Profit.

#### Securities Premium

Securities premium reserve is created due to premium on issue of shares. These reserve is utilised in accordance with the provisions of the Companies, Act, 2013.

#### Retained Earnings (Includes Other Comprehensive Income)

The retained earnings reflect the profit of the Company earned till date net of appropriations. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the balance in this reserve, after considering the requirements of the Companies Act, 2013.

#### Dividend

The entity has recommend the dividend @ 15% (₹ 1.50/- per equity share) on equity shares of ₹ 10.00 each for the year ended 31st March, 2019. The total dividend pay-out excluding dividend distribution tax shall be ₹ 45.43 Lakhs.

**Note 19 : Borrowings**

[₹ in Lakhs]

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Non-current</b>		
<b>Secured Term Loans From Banks</b>		
HDFC Bank Limited (Refer note 1 below)	155.60	223.75
<b>Vehicles loans from Banks</b>		
HDFC Bank Limited (Refer note 2 below)	0.82	3.67
<b>Total</b>	<b>156.42</b>	<b>227.42</b>
<b>Current maturities of long term debts</b>		
<b>Secured term loans from banks</b>		
HDFC Bank Limited (Refer note 1 below)	51.37	47.63
<b>Vehicles loans from Banks</b>		
HDFC Bank Limited (Refer note 2 below)	3.10	3.10
<b>Total</b>	<b>54.47</b>	<b>50.73</b>

**Nature of Security****Secured Term Loans**

The HDFC Bank Ltd loans 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, 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 7363 Sq. Mtrs. in Phase III, in Vatva Industrial Estate and building constructed thereon.

**Vehicle Loans**

The loan from HDFC Bank Limited are secured against hypothecation of vehicles.

**Terms of Repayment of Loans****Term loans****HDFC Bank Ltd.**

The Company has availed three different loans for acquisition for plant and machineries and working capital for which the terms of repayable are as under :

Account No. 3479108	Repayable in 60 numbers of monthly installments of ₹ 1.91 lacs each (including interest), commencing from July 2014. The last installment falls due in June, 2019.
Account No.82841401	Repayable in 60 numbers of monthly installments of ₹ 4.24 lacs each (including interest), commencing from November 2017. The last installment falls due in September 2022.
Account No.83064105	Repayable in 60 numbers of monthly installments of ₹ 1.39 lacs each (including interest), commencing from April 2018. The last installment falls due in March 2023.

**Vehicle Loans**

HDFC Bank Limited Car Loan It is repayable in 36 numbers of equal monthly installments of ₹ 0.28 lacs each (including interest) commencing from July 2017. The last installment falls due in June 2020.

**Note 20 : Non Current Provisions**

[₹ in Lakhs]

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Provision for Employee Benefits</b>		
Gratuity	10.85	11.26
<b>Total</b>	<b>10.85</b>	<b>11.26</b>

## DYNAMIC INDUSTRIES LIMITED

### Note 21 : Income Taxes

[₹ in Lakhs]

Particulars	As at March 31, 2019	As at March 31, 2018
<b>A. The major components of income tax expenses for the year are as under :</b>		
<b>(i) Income Tax recognised in the statement of Profit and Loss</b>		
<b>Current Tax :</b>		
Expenses for current year	159.00	112.00
Expenses for earlier year	0.07	0.76
<b>Deferred Tax</b>		
Deferred tax for current Year	(0.26)	14.92
<b>Total</b>	<b>158.81</b>	<b>127.68</b>
<b>(ii) Income tax expenses recognised in other comprehensive income (OCI)</b>		
Remeasurement Gains/(Losses) on defined benefit plans	0.27	(0.98)
<b>Total</b>	<b>0.27</b>	<b>(0.98)</b>
<b>B. Reconciliation of effective tax rate :</b>		
Profit before tax	565.56	427.94
Income tax calculated at 27.82% (P.Y. 27.55%)	157.34	117.90
Tax effect on non-deductible expenses	8.95	10.11
Others (Net)	(7.47)	(0.32)
<b>Total</b>	<b>158.82</b>	<b>127.69</b>
<b>Effective tax Rate (%)</b>	<b>28.08</b>	<b>29.84</b>
<b>C. Deferred Tax</b>		
<b>Deferred Tax Liabilities</b>		
Fair Value of Investments in Equity Instruments	0.76	0.00
Property, Plant and Equipments and Intangible Assets	78.26	79.37
Allowances for doubtful trade receivable	0.32	0.00
<b>Total</b>	<b>79.34</b>	<b>79.37</b>
<b>Deferred Tax Assets</b>		
Provision for Employee benefits	(9.53)	(9.03)
<b>Total</b>	<b>(9.53)</b>	<b>(9.03)</b>
<b>Net Deferred Tax Liability / (Asset)</b>	<b>69.81</b>	<b>70.34</b>

### Movement of Deferred Tax Liabilities / (Assets) during the year

Year Ended 31st March 2019	Opening Balance as at 1st April, 2018	Recognised in statement of Profit and Loss	Recognised in other Compre- hensive Income	Closing Balance as at 31st March, 2019
<b>Deferred Tax liabilities / (assets) in relation to</b>				
Fair Value of Investments in Equity Instruments	0.00	0.76	0.00	0.76
Property, Plant and Equipments and Intangible Assets	79.37	( 1.11)	0.00	78.26
Allowances for doubtful trade receivable	0.00	0.32	0.00	0.32
Provision for Employee benefits	( 9.03)	( 0.23)	( 0.27)	( 9.53)
	<b>70.34</b>	<b>( 0.26)</b>	<b>( 0.27)</b>	<b>69.81</b>

Year Ended 31st March 2018	Opening Balance as at 1st April, 2017	Recognised in statement of Profit and Loss	Recognised in other Comprehensive Income	Closing Balance as at 31st March, 2018
<b>Deferred Tax liabilities / (assets) in relation to</b>				
Property, Plant and Equipments and Intangible Assets	61.83	17.54	0.00	79.37
Provision for Employee benefits	( 7.39)	( 2.62)	0.98	( 9.03)
	<b>54.44</b>	<b>14.92</b>	<b>0.98</b>	<b>70.34</b>

**Note 22 : Borrowings (Current)**

[₹ in Lakhs]

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Secured</b>		
<b>Working Capital Loan</b>		
HDFC Bank Limited (Cash Credit A/c.)	120.82	168.62
HDFC Bank Limited (Export Packing Credit)	0.00	175.00
HDFC Bank Limited (Export Bills Purchase)	0.00	397.73
<b>Total</b>	<b>120.82</b>	<b>741.35</b>

**Note 23 : Trade Payables**

[₹ in Lakhs]

Particulars	As at March 31, 2019	As at March 31, 2018
Due to Micro and Small Enterprises (Refer Note 45)	71.42	105.26
Due to others	595.26	901.80
<b>Total</b>	<b>666.68</b>	<b>1007.06</b>

**Note 24 : Other Financial Liabilities (Current)**

[₹ in Lakhs]

Particulars	As at March 31, 2019	As at March 31, 2018
Current Maturities of Long Term Borrowings (Refer Note 19)	54.47	50.73
Interest accrued but not due on Borrowings	1.47	1.84
Unpaid dividends	5.17	3.75
Payable towards Capital Goods	2.00	3.13
<b>Total</b>	<b>63.11</b>	<b>59.45</b>

**Note 25 : Other Financial Liabilities**

[₹ in Lakhs]

Particulars	As at March 31, 2019	As at March 31, 2018
Advance towards customer	0.00	5.01
Statutory Liabilities	9.04	12.86
<b>Total</b>	<b>9.04</b>	<b>17.87</b>

## DYNAMIC INDUSTRIES LIMITED

### Note 26 : Current Provisions

[₹ in Lakhs]

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Provision for employee benefits</b>		
Gratuity	6.93	6.14
Bonus	16.49	15.38
<b>Total</b>	<b>23.42</b>	<b>21.52</b>

### Note 27 : Current Tax Liabilities

[₹ in Lakhs]

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Tax	534.50	375.50
Less : Advance Tax	(517.99)	(361.18)
<b>Total</b>	<b>16.51</b>	<b>14.32</b>

### Note 28 : Revenue from Operations

[₹ in Lakhs]

Particulars	2018-2019	2017-2018
Sale of Products (Gross)	6489.76	5861.66
Other Operating Revenue	38.85	44.36
<b>Total</b>	<b>6528.61</b>	<b>5906.02</b>

### Break up of Revenue from contracts with customers

[₹ in Lakhs]

Particulars	2018-2019	2017-2018
<b>Manufactured</b>		
Dyes, Pigments and Chemicals		
Export	2134.79	2415.39
Local	3653.82	3197.32
<b>Total</b>	<b>5788.61</b>	<b>5612.71</b>
<b>Stock in trade</b>		
Dyes, Pigments and Chemicals		
Export	58.10	28.24
Local	49.39	31.12
<b>Total</b>	<b>107.49</b>	<b>59.36</b>
<b>Raw Materials</b>		
Export	0.00	48.46
High Sea	35.23	0.00
Local	558.44	78.08
<b>Total</b>	<b>593.67</b>	<b>126.54</b>
<b>Grand Total</b>	<b>6489.77</b>	<b>5798.61</b>
Add : Excise duty on sale of goods	0.00	63.05
<b>TOTAL</b>	<b>6489.77</b>	<b>5861.66</b>

**Break up of Other Operating Revenue** [₹ in Lakhs]

Particulars	2018-2019	2017-2018
Export benefits (Net)	38.85	44.36
<b>Total</b>	<b>38.85</b>	<b>44.36</b>

**Note 29 : Other Income** [₹ in Lakhs]

Particulars	2018-2019	2017-2018
<b>Interest Income</b>		
From Banks	0.81	0.82
Others	28.07	16.00
	<b>28.88</b>	<b>16.82</b>
Gain on Foreign Exchange Fluctuation (Net)	31.06	19.17
Fair value gain on financial instruments recognized through FVTPL	2.75	0.00
Sundry Credit Balance written back	21.22	0.00
Other non-operating revenue		
Insurance Claim	1.54	6.25
Lifting Income	0.59	7.99
Miscellaneous Income	3.84	4.02
	<b>61.00</b>	<b>37.43</b>
<b>Total</b>	<b>89.88</b>	<b>54.25</b>

**Note 30 : Cost of Materials / Products Consumed** [₹ in Lakhs]

Particulars	2018-2019	2017-2018
Raw Materials	4133.51	4182.83
Packing Materials	86.63	110.57
Freight, Octroi & Inward Clearing	48.52	60.01
<b>Total</b>	<b>4268.66</b>	<b>4353.41</b>

**Note 31 : Purchase of Stock-in-trade** [₹ in Lakhs]

Particulars	2018-2019	2017-2018
<b>Stock-in-trade</b>		
Dyes & Chemicals	646.07	162.17
<b>Total</b>	<b>646.07</b>	<b>162.17</b>



**DYNAMIC INDUSTRIES LIMITED****Note 32 : Changes in Inventories**

[₹ in Lakhs]

<b>Particulars</b>	<b>2018-2019</b>	<b>2017-2018</b>
<b>Inventory at the end of the year</b>		
Finished Goods	882.70	696.66
Stock in trade	13.23	4.21
Work in progress	80.53	99.06
<b>Total</b>	<b>976.46</b>	<b>799.94</b>
<b>Inventory at the beginning of the year</b>		
Finished Goods	696.66	409.87
Stock in trade	4.16	0.62
Work in progress	99.06	102.45
<b>Total</b>	<b>799.88</b>	<b>512.94</b>
<b>(Increase) / Decrease in stocks</b>	<b>(176.58)</b>	<b>(287.00)</b>

**Note 33 : Employee benefits expense**

[₹ in Lakhs]

<b>Particulars</b>	<b>2018-2019</b>	<b>2017-2018</b>
Salary, Allowance, Wages and Bonus	306.40	279.07
Contribution to Provident Fund & Other Funds	22.79	33.02
Staff Welfare and Training	4.41	5.18
<b>Total</b>	<b>333.60</b>	<b>317.27</b>

**Note 34 : Finance Cost**

[₹ in Lakhs]

<b>Particulars</b>	<b>2018-2019</b>	<b>2017-2018</b>
<b>Interest</b>		
To Bank	48.09	43.79
Others	0.05	0.08
Micro and Small Enterprise	2.24	0.00
<b>Total</b>	<b>50.38</b>	<b>43.87</b>
<b>Other Borrowing Cost</b>		
LC Charges	5.10	5.18
Loan Processing Charges	4.64	4.16
<b>Total</b>	<b>9.74</b>	<b>9.34</b>
<b>Grand Total</b>	<b>60.12</b>	<b>53.21</b>

**Note 35 : Depreciation and Amortization**

[₹ in Lakhs]

<b>Particulars</b>	<b>2018-2019</b>	<b>2017-2018</b>
Depreciation expense on property, plant and equipment	90.57	82.35
Amortization expense	17.60	17.60
<b>Total</b>	<b>108.17</b>	<b>99.95</b>

## Note 36 : Other expenses

[₹ in Lakhs]

Particulars	2018-2019	2017-2018
<b>Manufacturing Expenses</b>		
Power, Fuel and Water Charges	290.76	352.68
Stores and other consumables	3.00	3.09
Laboratory Expenses	12.02	12.90
Factory Expenses	2.93	4.00
Pollution Plant Treatment	101.28	63.59
Excise duty on closing of finished goods	0.00	(45.61)
Repairs and Maintenance		
Building	12.94	9.14
Plant and Machinery	44.62	35.91
Others	6.77	7.02
<b>Total</b>	<b>474.32</b>	<b>442.72</b>
<b>Establishment Expenses</b>		
Rates and Taxes	4.12	12.94
Insurance	22.33	22.50
Fees and Legal Expenses	37.96	25.67
Auditors' Remuneration (refer note below)	6.00	6.00
Travelling Expenses	9.68	0.91
Bank Charges	14.13	12.99
Postage, Telephone & Internet Expenses	7.87	10.86
Membership and Subscription	1.88	2.32
Vehicle Expenses	6.86	6.89
Security Charges	8.51	7.99
Donation	7.33	5.20
Loss on fair value of Equity investments measured at FVTPL	0.00	1.09
Allowance for Doubtful debts	3.92	0.29
Sundry balance written off	0.00	14.93
Other Miscellaneous Expenses	14.13	9.67
<b>Total</b>	<b>144.72</b>	<b>140.25</b>
Bad Debts	28.26	0.00
Less : Provision for doubtful debt no longer required	(28.26)	0.00
	<b>0.00</b>	<b>0.00</b>
<b>Selling and Distribution Expenses</b>		
Advertisement Expenses	2.12	3.03
Commission and Discount	116.73	85.79
Sales Promotion	11.94	6.94
Freight Outwards	63.06	91.54
	<b>193.85</b>	<b>187.30</b>
	<b>812.89</b>	<b>770.27</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 services	0.25	0.25
	<b>6.00</b>	<b>6.00</b>

## DYNAMIC INDUSTRIES LIMITED

### Note 37 : Earning per Share

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit attributable to Equity shareholders [₹ in Lakhs]	406.75	300.26
Number of equity shares	3028500	3028500
Basic and diluted Earning per Share[₹]	13.43	9.91

**Note :** The Company has not issued any equity shares during the year.

### Note 38 : Contingent Liabilities and Commitments

[₹ in Lakhs]

Particulars	As at March 31, 2019	As at March 31, 2018
<b>A Contingent Liabilities not provided for in respect of</b>		
(i) Claim against the company not acknowledged as debt :		
- Income Tax (Refer note (i) below)	10.99	8.73
- Custom Duty (Refer note (ii) below)	171.14	171.14
- Custom Duty	--	5.51
- Service Tax (Refer note (iii) below)	77.13	79.24
(ii) Custom Duty (Import under Advance Licenses Export Obligation Pending)	38.90	20.57
<b>Total</b>	<b>287.17</b>	<b>285.19</b>
<b>B Capital Commitments</b>		
Estimated amount of contract remaining to the executed on capital accounts	NIL	NIL

i) The Company has not recognized and acknowledged the Income Tax demand as liability in its books of accounts aggregating to ₹ 10.99 lakhs in respect of earlier years 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 lakhs 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 lakhs and penalty of ₹ 85.57 lakhs under section 114A of the Custom Act aggregating to ₹ 171.14 lakhs and interest at applicable rates on the amount of duty evaded.

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.

(iii) The company has been served with show cause notices in respect of service tax credit aggregating amounting to ₹ 77.13 lakhs 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.

**Note 39: Employee Benefits****Note 39.1 Defined contribution plan**

The Company has defined contribution plan in form of Provident Fund & Pension Scheme and Employee State Insurance Scheme for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The total expense recognised in the Statement of profit and loss under employee benefit expenses in respect of such schemes are given below: [₹ in Lakhs]

Particulars	For the year 2018-2019	For the year 2017-2018
Contribution to Provident Fund and Pension Scheme, included under contribution to provident and other funds	11.95	11.47
Contribution to Employee State Insurance Scheme, included under contribution to provident and other funds	3.69	3.04

**Note 39.2 Defined benefit plan****(a) Gratuity**

The Company offers gratuity plan for its qualified employees which is payable as per the requirements of Payment of Gratuity Act, 1972. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

**(b) Defined Benefit Plan**

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

**Gratuity**

Particulars	As at March 31, 2019	As at March 31, 2018
Discount Rate	6.95%	7.10%
Expected rate(s) of salary increase	7.00%	7.00%
Rate of return on plan assets	6.95%	7.10%

The following table sets out the status of the amounts recognised in the balance sheet & movements in the net defined benefit obligation as at 31st March, 2019

[₹ in Lakhs]

Particulars	For the year ended 2018-2019 Gratuity (Funded)	For the year ended 2017-2018 Gratuity (Funded)
<b>Changes in the present value of obligation</b>		
1. Present value of obligation (Opening)	56.82	40.91
2. Interest cost	2.71	2.00
3. Past service cost adjustments/Prior year Charges	0	13.44
4. Current service cost	6.13	4.34
5. Curtailment Cost / (Gain)	--	--
6. Settlement Cost / (Gain)	--	--
7. Benefits paid	(2.00)	(0.83)
8. Actuarial (Gain) / Loss arising from change in financial assumptions	0.35	(0.63)
9. Actuarial (Gain) / Loss arising from change in demographic assumptions	--	--
10. Actuarial (Gain) / Loss arising from change on account of experience changes	1.50	(2.41)
11. Present value of obligation (Closing)	65.51	56.82

## DYNAMIC INDUSTRIES LIMITED

[₹ in Lakhs]

Particulars	For the year ended 2018-2019 Gratuity (Funded)	For the year ended 2017-2018 Gratuity (Funded)
<b>Changes in the fair value of plan assets</b>		
1. Present value of plan assets (Opening)	39.42	27.83
2. Past contribution / Adjustment to Opening Fund	--	--
3. Expected return on plan assets	0.86	0.50
4. Interest Income	1.69	1.27
5. Actuarial Gain / (Loss)	--	--
6. Employers Contributions	7.76	10.65
7. Employees Contributions	--	--
8. Benefits paid	(2.00)	(0.83)
9. Expense deducted from the fund	--	--
10. Fair Value of Plan Assets (Closing)	47.73	39.42
<b>Percentage of each category of plan assets to total fair value of plan assets at the year end</b>		
1. Bank Deposits	--	--
2. Debt Instruments	--	--
3. Policy of Insurance	100%	100%
4. Others	--	--

### Reconciliation of Present Value of Defined Benefit Obligation and the Fair value of Assets

[₹ in Lakhs]

Particulars	For the year ended 2018-2019	For the year ended 2017-2018
<b>Present Value of funded obligation at the end of the year</b>	<b>65.51</b>	<b>56.82</b>
Fair Value of Plan Assets as at the end of the period	47.73	39.42
Amount not recognised due to asset limit	--	--
<b>Deficit of funded plan</b>		
<b>Deficit of unfunded plan</b>	<b>17.78</b>	<b>17.40</b>
- Current	6.93	6.14
- Non current	10.85	11.26

**Amount recognised in statement of profit and loss in respect of defined benefit plan are as follows :**

[₹ in Lakhs]

Expense recognised in the Statement of Profit & Loss	For the year ended 2018-2019 (Gratuity)	For the year ended 2017-2018 (Gratuity)
Current Service Cost	6.13	4.35
Past Service Cost	--	13.44
Net Interest Cost (Net of Interest on Plan Asset)	1.02	0.73
Net value of remeasurements on the obligation and plan assets (Gains)/Loss on Settlement	--	--
<b>Total Expenses recognized in the Statement of Profit and Loss #</b>	<b>7.15</b>	<b>18.51</b>
#Included in 'Salary and Wages' under 'Employee benefits expense'		
<b>Re-measurements during the year due to</b>		
Changes in financial assumptions	0.35	(0.63)
Changes in demographic assumptions	--	--
Experience adjustments	1.50	(2.41)
Return on plan assets excluding amounts included in interest income	(0.86)	(0.50)
<b>Amount recognised in OCI during the year</b>	<b>0.99</b>	<b>(3.55)</b>

**(c) Sensitivity analysis**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumption is :

**Gratuity :**

Impact on defined benefit obligation								
Particulars	Change in Assumption		Particulars	Increase in Assumptions		Particulars	Decrease in Assumptions	
	March 31, 2019	March 31, 2018		March 31, 2019	March 31, 2018		March 31, 2019	March 31, 2018
Discount Rate	0.50%	0.50%	Decrease by	(1.74)%	(1.50)%	Increase by	1.86%	1.61%
Salary growth rate	0.50%	0.50%	Increase by	1.73%	1.55%	Decrease by	(1.62)%	(1.47)%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined obligation calculated with the projected unit credit method at the end of reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior year.

## DYNAMIC INDUSTRIES LIMITED

### (d) Major Category of Plan Asset as a % of total Plan Assets

Category of Assets (% Allocation)	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
	%		[₹ in Lakhs]	
Insurer managed funds	100%	100%	47.73	39.42
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>47.73</b>	<b>39.42</b>

### (e) Risk exposure

Through its defined benefit plans, the group is exposed to a number of risks, the most significant of which are detailed below:

#### Asset volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit.

The gratuity fund is administered through Life Insurance Corporation of India (insurer) under its group gratuity scheme. Accordingly almost the entire plan asset investment is maintained by the insurer. These are subject to interest rate risk which is managed by the insurer.

#### Changes in bond yields

A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' assets maintained by the insurer.

The gratuity fund is administered through Life Insurance Corporation (LIC) of India under its Group Gratuity Scheme.

### (f) Defined benefit liability and employer contribution

The Company generally eliminates the deficit in the defined benefit gratuity plan within next one year.

Expected contribution to the post-employment benefit plan (Gratuity) for the next year is ₹ 6.93 Lakhs.

The weighted average duration of the defined benefit obligation is 3.8 years (2018 – 3.38 years).

### The expected maturity analysis of undiscounted post-employment benefit plan (gratuity) is as follows:

#### (a) Gratuity

[₹ in Lakhs]

Particulars	As at March 31, 2019		As at March 31, 2018	
	Cash Flow	(%)	Cash Flow	(%)
1st following year	42.55	43.90	37.30	46.90
2nd following year	2.14	2.20	2.33	2.90
3rd following year	2.13	2.20	1.67	2.10
4th following year	3.53	3.60	2.83	3.60
5th following year	2.13	2.20	1.54	1.90
Sum of year 6th to 10th	13.59	14.00	11.84	14.90

**Note 40: Segment Information**

The operating segment of the company is identified to be " **Manufacturing and trading of Dyes, Chemicals and Pigments**", as the Chief Operating Decision Maker (CODM) reviews business performance at an overall company level as one segment and hence, does not have any additional disclosures to be made under Ind AS 108 Operating Segments.

However, The Company has two geographical segments "India and rest of world", revenue from the geographic segments based on domicile of the customer are as follows:

[₹ in Lakhs]

Description	India	Rest of the World	Total
<b>Revenues</b>			
- Year Ended 31st March, 2019	4296.88	2192.88	6489.76
- Year Ended 31st March, 2018	3306.52	2492.09	5798.61

**Note 41 :****1. Related Party Disclosures for the year ended March 31, 2019**

## (a) Details of Related Parties

Sr. No.	Description of Relationship	Names of Related Parties
1	Key Management Personnel (KMP)	Harin D. Mamlatdarna Dipakkumar N. Choksi Dinesh Jain
2	Relatives of KMP	Ronak D. Choksi Bimal D. Choksi Mansi Talati Asita Mamlatdarna
3	Enterprise over which KMP/Relatives of KMP exercise significant influence through controlling interest (Other Related Party)	Ornet Intermediate Pvt. Ltd. Neo Farbe Pvt. Ltd.



## DYNAMIC INDUSTRIES LIMITED

(b) Details of transaction with related parties for the year ended March 31, 2019 in the ordinary course of business

[₹ in Lakhs]

Sr. No.	Nature of Relationship / Transaction	Subsidiary Companies	KMP & Relatives	Enterprise over which KMP and Relatives have significant influence	Total
1	Managerial Remuneration				
	Dipakkumar Choksi	--	38.84	--	38.84
	Dinesh Jain	--	10.43	--	10.43
	Harin Mamlatdarna	--	38.84	--	38.84
2	Expenditure on other services (Salary)				
	Ronak Choksi	--	5.85	--	5.85
	Bimal Choksi	--	6.23	--	6.23
	Asita Mamlatdarna	--	6.29	--	6.29
	Mansi Talati	--	6.74	--	6.74
3	Sales				
	Ornet Intermediates Pvt. Ltd.	--	--	61.14	61.14
4	Purchases				
	Neo Farbe Pvt. Ltd.	--	--	6.10	6.10
5	Sale of Shares				
	Dipakkumar Choksi	--	2.50	--	2.50
	Harin Mamlatdarna	--	2.50	--	2.50

(c) Amount due to / from related parties as at March 31, 2019

[₹ in Lakhs]

Sr. No.	Nature of Relationship / Transaction	Subsidiary Companies	Promoter Company	KMP & Relatives	Enterprise over which KMP and Relatives have significant influence	Total
1	Trade Receivables					
	Ornet Intermediate Pvt. Ltd.				51.59	51.59
2	Director's Remuneration					
	Dipakkumar Choksi			1.61		1.61
	Dinesh Jain			0.55		0.55
	Harin Mamlatdarna			1.47		1.47
3	Director's Perquisites					
	Dipakkumar Choksi			0.40		0.40
	Dinesh Jain			0.10		0.10
	Harin Mamlatdarna			0.40		0.40
4	Salary & Bonus					
	Ronak Choksi			0.82		0.82
	Bimal Choksi			0.86		0.86
	Asita Mamlatdarna			0.91		0.91
	Mansi Talati			0.99		0.99

## 2. Related Party Disclosures for the year ended March 31, 2018

## (a) Details of Related Parties

Sr. No.	Description of Relationship	Names of Related Parties
1	Wholly Owned Subsidiary Companies	Neo Farbe Pvt. Ltd.
2	Key Management Personnel (KMP)	Harin D. Mamlatdarna Dipakkumar N. Choksi Dinesh Jain
3	Relatives of KMP	Ronak D. Choksi Bimal D. Choksi Mansi Talati Asita Mamlatdarna
4	Enterprise over which KMP/Relatives of KMP exercise significant influence through controlling interest (Other Related Party)	Ornet Intermediate Pvt. Ltd.

## (b) Details of transaction with related parties for the year ended March 31, 2018 in the ordinary course of business

[₹ in Lakhs]

Sr. No.	Nature of Relationship / Transaction	Subsidiary Companies	KMP & Relatives	Enterprise over which KMP and Relatives have significant influence	Total
1	Managerial Remuneration Dipakkumar Choksi Dinesh Jain Harin Mamlatdarna		35.95 10.43 37.01		35.95 10.43 37.01
2	Expenditure on other services (Salary) Ronak Choksi Bimal Choksi Asita Mamlatdarna Mansi Talati		4.72 5.00 4.20 4.78		4.72 5.00 4.20 4.78
3	Sales Neo Farbe Pvt. Ltd. Ornet Intermediate Pvt. Ltd.	121.69		103.79	121.69 103.79

## DYNAMIC INDUSTRIES LIMITED

(c) Amount due to / from related parties as at March 31, 2018

[₹ in Lakhs]

Sr. No.	Nature of Relationship / Transaction	Subsidiary Companies	Promoter Company	KMP & Relatives	Enterprise over which KMP and Relatives have significant influence	Total
1	Trade Receivables Neo Farbe Pvt. Ltd. Ornet Intermediate Pvt. Ltd.	13.47			51.59	13.47 51.59
2	Investment Neo Farbe Pvt. Ltd.	5.00				5.00

### Note 42 : Capital Management

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings offset by cash and bank balances) and total equity of the Company.

[₹ in Lakhs]

Particulars	As at March 31, 2019	As at March 31, 2018
Total equity attributable to the equity share holders of the company	4482.40	4131.13
As percentage of total capital	93.11%	80.21%
Current loans and borrowings	175.29	792.08
Non-current loans and borrowings	156.42	227.42
Total loans and borrowings	331.71	1019.50
Cash and cash equivalents	101.98	10.73
Net loans & borrowings	229.73	1008.77
As a percentage of total capital	4.78%	19.59%
Total capital (loans and borrowings and equity)	<b>4814.11</b>	<b>5150.64</b>

**Note 43 : Fair Value measurements****A. Financial instruments by category**

[₹ in Lakhs]

Particulars	31 March, 2019			31 March, 2018		
	Amortized Cost	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI
<b>Financial Assets</b>						
Investments	--	109.79	--	5.00	115.96	--
Loans	--	--	--	--	--	--
Trade & Other Receivables	1155.65	--	--	1806.90	--	--
Cash & Cash Equivalents	101.98	--	--	10.73	--	--
Other Bank Balances	5.17	--	--	16.24	--	--
Other Financial Assets	36.19	--	--	19.42	--	--
<b>Total Financial Assets</b>	<b>1298.99</b>	<b>109.79</b>	<b>--</b>	<b>1858.29</b>	<b>115.96</b>	<b>--</b>
<b>Financial Liabilities</b>						
Borrowings	277.24	--	--	968.77	--	--
Trade Payables	666.68	--	--	1007.06	--	--
Other Financial Liabilities	63.11	--	--	59.46	--	--
<b>Total Financial Liabilities</b>	<b>1007.03</b>	<b>--</b>	<b>--</b>	<b>2035.29</b>	<b>--</b>	<b>--</b>

**Fair value hierarchy**

The following section explains the judgments and estimates made in determining the fair values of the financial instruments that are recognized and measured at fair value through profit or loss. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial investments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

**B. Fair value hierarchy for assets****Financial assets measured at fair value at March 31, 2019**

[₹ in Lakhs]

	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments - Real Estate Funds	--	101.19	8.60	109.79

**Financial assets measured at fair value at March 31, 2018**

[₹ in Lakhs]

	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments - Real Estate Funds	--	98.44	17.52	115.96

**Notes:**

Level 1 hierarchy includes financial instruments measured using quoted prices (unadjusted) in active market for identical assets that the entity can access at the measurement date. This represents mutual funds that have price quoted by the respective mutual fund houses and are valued using the closing Net asset value (NAV).

Level 2 hierarchy includes the fair value of financial instruments measured using quoted prices for identical or similar assets in markets that are not active.

Level 3 if one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted compound instruments.

There are no transfers between any of these levels during the year. The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

## DYNAMIC INDUSTRIES LIMITED

### C. Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments include:

- (i) The use of quoted market prices or mutual fund houses quotes (NAV) for such instruments. This is included in Level 1

### D. Fair value of financial assets and liabilities measured at amortized cost

The Management has assessed that fair value of loans, trade receivables, cash and cash equivalents, other bank balances, other financial assets and trade payables approximate their carrying amounts largely due to their short-term nature. Difference between carrying amount of Bank deposits, other financial assets, borrowings and other financial liabilities subsequently measured at amortised cost is not significant in each of the years presented.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

### Note 44: Financial risk management

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board has established the Audit Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee holds regular meetings and report to board on its activities.

The Company's risk management policies are established to identify and analyses the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management of risk
Credit Risk	Cash and cash equivalents, trade receivables, Financial assets measured at amortized cost.	Aging analysis	Diversification of funds to bank deposits, Liquid funds and Regular monitoring of credit limits.
Liquidity Risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of surplus cash, committed credit lines and borrowing facilities
Market Risk - Foreign Exchange	Recognized financial assets and liabilities not denominated in Indian rupee (₹)	Cash flow forecasting sensitivity analysis	Regular monitoring to keep the net exposure at an acceptable level, with option of taking Forward Foreign exchange contracts if deemed necessary.
Price Risk	Investments in mutual funds	Credit ratings	Portfolio diversification and regular monitoring

**(a) Credit risk**

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The company is exposed to the credit risk from its trade receivables, unbilled revenue, investments, cash and cash equivalents, bank deposits and other financial assets. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets.

**Trade and other receivables**

Trade receivables comprise a widespread customer base. Management evaluates credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors

For trade receivables, provision is provided by the company as per the below mentioned policy :

Particulars	Gross carrying amount (₹ in lakhs)	Expected credit losses rate (%)	Expected credit losses (₹ in lakhs)	Carrying amount of trade receivable (₹ in lakhs)
<b>Considered Good</b>				
0 - 12 months	1156.44	0.1%	1.16	1155.28
More than 1 year	0.36	1%	0.01	0.35
<b>Total</b>	<b>1156.80</b>		<b>1.17</b>	<b>1155.64</b>
<b>Considered Doubtful</b>	<b>5.08</b>	<b>100%</b>	<b>5.08</b>	<b>--</b>
<b>Total</b>	<b>1161.88</b>		<b>6.25</b>	<b>1155.64</b>

**Reconciliation of loss allowance provision**

Trade receivables

Particulars	(₹ in Lakhs)
<b>Loss allowance as on March 31, 2018</b>	<b>(30.58)</b>
Changes in loss allowance	24.33
<b>Loss allowance as on March 31, 2019</b>	<b>(6.25)</b>

**Cash and Cash Equivalents**

Credit risk on cash and cash equivalents and other deposits with banks is limited as the Company generally invests in deposits with banks with high credit ratings assigned by external credit rating agencies; accordingly the Company considers that the related credit risk is low. Impairment on these items is measured on the 12-month expected credit loss basis.

**(b) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's treasury maintains flexibility in funding by maintaining liquidity through investments in liquid funds and other committed credit lines. Management monitors rolling forecasts of the group's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

## DYNAMIC INDUSTRIES LIMITED

### Financing arrangements

The working capital position of the Company is given below:

[₹ in Lakhs]

Particulars	31 March, 2019	31 March, 2018
Cash and Cash Equivalents	101.98	10.73

### Liquidity Table

The Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods is given below. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

As at March 31, 2019

[₹ in Lakhs]

Financial Liabilities	Payable within 0 to 12 months	More than 12 months	Total
<b>Non-current financial liabilities</b>			
Borrowings	--	156.42	156.42
	--	<b>156.42</b>	<b>156.42</b>
<b>Current financial liabilities</b>			
Borrowings from Banks	120.82	--	120.82
Trade Payables	666.68	--	666.68
Other Financial Liability	61.11	--	61.11
	<b>848.61</b>	--	<b>848.61</b>
<b>Total financial liabilities</b>	<b>848.61</b>	<b>156.42</b>	<b>1005.03</b>

As at March 31, 2018

[₹ in Lakhs]

Financial Liabilities	Payable within 0 to 12 months	More than 12 months	Total
<b>Non-current financial liabilities</b>			
Borrowings	--	227.42	227.42
	--	<b>227.42</b>	<b>227.42</b>
<b>Current financial liabilities</b>			
Borrowings from Banks	741.35	--	741.35
Trade Payables	1007.06	--	1007.06
Other Financial Liability	59.46	--	59.46
	<b>1820.12</b>	--	<b>1820.12</b>
<b>Total financial liabilities</b>	<b>1820.12</b>	<b>227.42</b>	<b>2047.54</b>

### (c) Market Risk

Market risk is the risk arising from changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of the investments. Thus, the exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency.

**(i) Currency Risk**

The Company is exposed to currency risk on account of foreign currency transactions including recognized assets and liabilities denominated in a currency that is not the Company's functional currency (₹), primarily in respect of US\$, and Euro. The Company ensures that the net exposure is kept to an acceptable level and is remain a net foreign exchange earner.

**Exposure to currency risk**

The currency profile of financial assets and financial liabilities are given below:

[Amount in lakhs]

Particulars	As at March 31, 2019		As at March 31, 2018	
<b>Financial Assets</b>				
Trade Receivables	USD 4.07	₹ 285.81	USD 14.17	₹ 921.65
<b>Total</b>		<b>₹ 285.81</b>		<b>₹ 921.65</b>
<b>Financial Liabilities</b>				
Trade Payable	USD 2.04 Euro 0.00	₹ 144.20 ₹ 0.00	USD 2.89 Euro 0.06	₹ 187.64 ₹ 5.01
<b>Total</b>		<b>₹ 192.65</b>		<b>₹ 192.65</b>

**Sensitivity Analysis**

Any change with respect to strengthening (weakening) of the Indian Rupee against various currencies as at March 31, 2019 and March 31, 2018 would have affected the measurement of financial instruments denominated in respective currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates.

[₹ in Lakhs]

Particulars	Profit or Loss		Profit or Loss	
	As at March 31, 2019		As at March 31, 2018	
	Strengthening ₹	Weakening ₹	Strengthening ₹	Weakening ₹
USD (Increase/Decrease by 1%, March 31, 2018 - 1%)	1.42	(1.42)	7.35	(7.35)
Euro (Increase/Decrease by 1%, March 31, 2018 - 1%)	0.00	(0.00)	(0.05)	0.05
<b>Total</b>	<b>1.42</b>	<b>(1.42)</b>	<b>7.30</b>	<b>(7.30)</b>



## DYNAMIC INDUSTRIES LIMITED

### (ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates and investments

Most of the Company's borrowings are on a floating rate of interest. The Company has exposure to interest rate risk, arising principally on changes in Marginal Cost of Funds based Lending Rate (MCLR). The Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like short term credit lines besides internal accruals.

The exposures of the Company's financial assets / liabilities at the end of the reporting period are as follows:

[₹ in Lakhs]

Particulars	As at March 31, 2019	As at March 31, 2018
Fixed rate borrowings	3.92	6.76
Floating rate borrowings	327.79	1012.74
	<b>331.71</b>	<b>1019.50</b>

### Interest rate risk sensitivity:

The below mentioned sensitivity analysis is based on the exposure to interest rates for floating rate borrowings. For this it is assumed that the amount of the floating rate liability outstanding at the end of the reporting period was outstanding for the whole year. If interest rate had been 50 basis points higher or lower, other variables being held constant, following is the impact on profit.

[₹ in Lakhs]

Particulars	As at March 31, 2019	As at March 31, 2018
Impact on profit - increase in 50 basis points	(1.64)	(5.06)
Impact on profit - decrease in 50 basis points	1.64	5.06

### (iii) Price Risk

#### Exposure

The Company's exposure to securities price risk arises from investments held in mutual funds and classified in the balance sheet at fair value through profit or loss. To manage its price risk arising from such investments, the Company diversifies its portfolio. Further these are all debt base securities for which the exposure is primarily on account of interest rate risk. Quotes (NAV) of these investments are available from the mutual fund houses.

Profit for the year would increase/decrease as a result of gains/losses on these securities classified as at fair value through profit or loss.

**Note 45 :****(a) Due to Micro, Small and Medium Enterprise**

[₹ in Lakhs]

No.	Particulars	2018-2019	2017-2018
1	Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	71.42	105.27
2	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
3	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
4	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	2.24	NIL
5	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).

- (b) The company has circulated letters of Balance Confirmation to Sundry Debtors, Sundry Creditors and the parties to whom loans and advances have been granted. Confirmations were received in some cases.

## DYNAMIC INDUSTRIES LIMITED

### Note 46 : Un-hedged Foreign Currency Exposure

The company does not enter into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The company does not enter into any derivative instruments for trading or speculative purposes.

The foreign currency exposure not hedged as at 31st March, 2019 are as under:

[Amount in Lakhs]

Currency	Payable (In Foreign Currency)		Receivable (In Foreign Currency)		Payable (In Indian Rupee)		Receivable (In Indian Rupee)	
	As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
USD	2.04	2.89	4.07	14.56	144.20	187.64	284.81	947.01
EUR	0.00	0.06	--	--	0.00	5.01	--	--

### Note 47:

Pursuant to resignation submitted by Chief Financial Officer (CFO) on 30<sup>th</sup> March, 2019, he has been relieved from the services of the company from such date and therefore the company, as on date of signing of financial statements, is in the process of recruiting a suitable candidate in the position of CFO as stipulated time mentioned in the Companies Act. Consequent to recent position of CFO, the financial statements for the current financial year have not been signed by CFO.

### Note 48 : Statement of Management

- (a) The non current financial assets, current financial assets and other current assets are good and recoverable and are approximately of the values, if realized in the ordinary courses of business unless and to the extent stated otherwise 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, Statement of Profit and Loss, cash flow statement and change in equity read together with Notes to the accounts 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 financial performance of the Company for the year under review.

### Note 49 :

The figures for the previous year have been regrouped / reclassified wherever necessary to make them comparable with the figures for the current year. Figures are rounded off to nearest lacs.

As per our attached report of even date.

#### FOR, ASHOK K. BHATT & CO.

[Firm Registration No. 100657W]  
Chartered Accountants

Sd/-

**ASHOK K. BHATT**

Proprietor

Membership No. 036439

#### FOR AND ON BEHALF OF THE BOARD

Sd/-

**DIPAKKUMAR CHOKSI**

Chairman & Whole Time Director  
(DIN : 00536345)

Sd/-

**HARIN MAMLATDARNA**

Vice Chairman & Managing Director  
(DIN : 00536250)

Sd/-

**GANESH TEMKAR**

Company Secretary

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2019

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2019

## 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 30th Annual General Meeting of the Company, to be held on Wednesday, 31st July, 2019 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, 2019.		
2) Declaration of Dividend for the year ended 31 <sup>st</sup> March, 2019.		
3) Re-appointment of Mr. Harin D. Mamlatdarna (DIN : 00536250), who retires by rotation & being eligible, seeks reappointment.		
<b>Special Business</b>		
4) To re-appoint and re-designate Mr. Dipakkumar Navinchandra Choksi (DIN: 00536345) 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).		
5) To re-appoint and re-designate Mr. Harin Dhanvantlal Mamlatdarna (DIN: 00536250) 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).		
6) 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).		

Signed this ..... day of ..... 2019.

Signature of Shareholder

Signature of Proxy Holder(s)

Affix  
Re. 1/-  
Revenue  
Stamp

**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  
30th Annual General Meeting, 31st July, 2019)

I hereby record my presence at the THIRTIETH 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 : \_\_\_\_\_

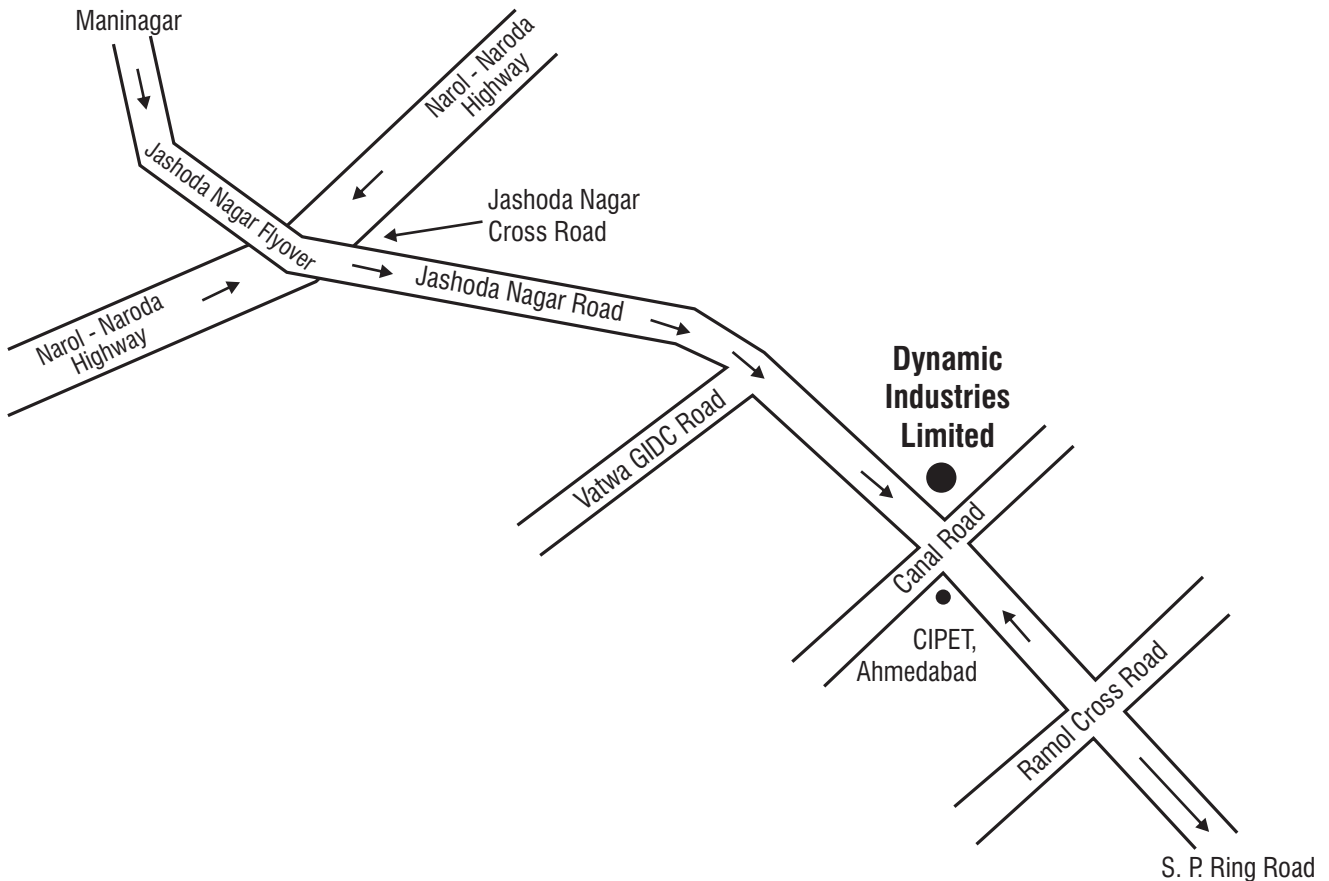
(IN BLOCK LETTERS)

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.