



# DYNAMIC INDUSTRIES LIMITED

(A Govt. Recognised Export House)

Manufacturers & Exporters of Dyes, Pigments & Dye Intermediates

Regd. Office : Plot No. 5501/2, Phase III,  
Nr. Trikampura Cross Road, G.I.D.C.,  
Vatva, Ahmedabad - 382 445. Gujarat (INDIA)  
Tel. : 91-79-2589 7221-22-23  
Fax : 91-79-2583 4292, 2589 7232  
E-mail : admin@dynamind.com  
CIN : L24110GJ1989PLC011989 PAN : AAACD9872E

Factory : Plot No. 125, Phase I,  
G.I.D.C. Estate, Vatva,  
Ahmedabad - 382 445. Gujarat (INDIA)  
Tel. : 91-79-2583 3835, 2589 1835  
Fax : 91-79-2589 1735  
Our Website : www.dynamind.com



**DIL/BSEL/2018/08/003**

**Date: 7<sup>th</sup> August, 2018**

**To,  
BSE Limited  
P. J. Towers,  
Dalal Street, Fort,  
Mumbai - 400 001.**

**Security Code: 524818**

**Sub: 29<sup>th</sup> Annual Report.**

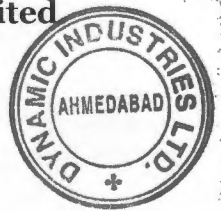
Sir/Madam,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), please find enclosed herewith 29<sup>th</sup> Annual Report duly approved and adopted by the members of the Company as per the provision of Companies Act, 2013 in the 29<sup>th</sup> Annual General Meeting held on Tuesday, 31<sup>st</sup> July, 2018.

Kindly take the record of the same.

**For, Dynamic Industries Limited**

*Ganesh R. Temkar*  
**Ganesh Temkar  
Company Secretary**



**Encl.: 29<sup>th</sup> Annual Report.**

*29<sup>th</sup>*

*Annual Report  
2017-2018*



**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)

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

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



### **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. Trikamura 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. Trikamura Cross Roads, GIDC,  
Vatva, Ahmedabad - 382 445.

**E-mail : [accounts@dynaind.com](mailto:accounts@dynaind.com)**  
**CIN No. : L24110GJ1989PLC011989**

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**NOTICE**

Notice is hereby given that 29th (Twenty Ninth) 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 Tuesday, 31<sup>st</sup> Day of July, 2018 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 31st March, 2018 including audited Balance Sheet as at 31st March, 2018 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 31st March, 2018.
3. To re-appoint Mr. Dipakkumar N. Choksi (DIN: 00536345), who is liable to retire by rotation and being eligible, offers himself for re-appointment.
4. To ratify the appointment of M/s Ashok K. Bhatt & Co., Chartered Accountants, Ahmedabad (Firm registration number 100657W) as approved by Members at the 28th Annual General Meeting as Statutory Auditor of the Company, to hold office until the conclusion of 33rd Annual General Meeting, and to fix their remuneration for the financial year ending on 31st March, 2019 and to pass, with or without modification, the following resolution as an Ordinary Resolution.

“RESOLVED THAT, pursuant to provisions of section 139, 142 of the Companies Act 2013 and all other applicable provisions, if any (including any statutory modification or re-enactment thereof for the time being in force) the appointment of M/s Ashok K. Bhatt & Co., Chartered Accountants, Ahmedabad (Firm Reg. No. 100657W) as Statutory Auditor of the company, by resolution passed at the 28th Annual General Meeting of the Company, to hold office from the conclusion of the 28th Annual General Meeting until the conclusion of the 33rd Annual General Meeting, be and is hereby ratified in this Annual General Meeting until the conclusion of the next Annual General Meeting to conduct audit for the financial year 2018-19 with such remuneration as may be mutually decided between board of directors and auditors.”

**SPECIAL BUSINESS :**

5. To Re-appoint Mr. Jatinbhai Biharilal Surti (DIN: 05195572) as Independent Director of the Company for the Second Term.

To consider and if thought fit, pass with or without modification(s), following resolution as a “SPECIAL RESOLUTION”:

“RESOLVED THAT pursuant to Sections 149, 150 and 152 of the Companies Act, 2013 (“the Act”), Companies (Appointment and Qualification of Directors) Rules, 2014 (“the Rules”), Schedule IV to the Act, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and all the other applicable provision(s), if any, of the Act, consent of the Members of the Company be and is hereby accorded to re-appoint Mr. Jatinbhai Biharilal Surti (DIN: 05195572), to the office of Independent Director, for the second term of five consecutive years from 14th August, 2018 to 13th August, 2023, and whose office shall not be liable to retire by rotation.”

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

6. To Re-appoint Mr. Pravinchandra Devidas Master (DIN: 05195587) as Independent Director of the Company for the Second Term.

To consider and if thought fit, pass with or without modification(s), following resolution as a “SPECIAL RESOLUTION”:

## **DYNAMIC INDUSTRIES LIMITED**

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“RESOLVED THAT pursuant to Sections 149, 150 and 152 of the Companies Act, 2013 (“the Act”), Companies (Appointment and Qualification of Directors) Rules, 2014 (“the Rules”), Schedule IV to the Act, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and all the other applicable provision(s), if any, of the Act, consent of the Members of the Company be and is hereby accorded to re-appoint Mr. Pravinchandra Devidas Master (DIN: 05195587), to the office of Independent Director, for the second term of five consecutive years from 14th August, 2018 to 13th August, 2023, and whose office shall not be liable to retire by rotation.”

“RESOLVED FURTHER THAT Board of Directors of the Company be and are hereby authorized as 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, 2018

**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 31st March, 2018.
4. The Register of Members and the Share Transfer books of the Company will remain closed from Saturday, 28th July, 2018 to Tuesday, 31st July, 2018 (both days inclusive) for purpose of Dividend, if declared. Dividend will be payable, if declared, on or before Thursday, 30th August, 2018 to those members whose names are registered as such in the Register of Members of the Company as on Friday, 27th July, 2018 and to the Beneficiary holders as per the beneficiary list as on Friday, 27th July, 2018 provided by the NSDL and CDSL.
5. In accordance with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, the Company has fixed Wednesday, 25th July, 2018 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. Wednesday, 25th July, 2018, shall be entitled to avail the facility of remote e-voting as well as voting in the general meeting.
6. Shareholders may be aware that the Companies Act, 2013, permits service of the Notice of the Annual General Meeting through electronic mode. Electronic copy of the Annual Report including Notice of the 29th 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. For members who have not registered their email IDs, physical copies of the Annual Report are being sent in the permitted mode.
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to RTA of the Company, i.e. Link Intime India Pvt. Ltd.
8. The shareholders who are holding shares in demat form and have not yet registered their e-mail IDs with their Depository Participant are requested to register their e-mail address at the earliest, to enable the Company to use the same for serving documents to them electronically, hereinafter. Shareholders holding shares in physical form may kindly provide their e-mail address to the RTA by sending an e-mail at [ahmedabad@linkintime.co.in](mailto:ahmedabad@linkintime.co.in). The Annual Report of the Company would also be made available on the Company’s website [www.dynaind.com](http://www.dynaind.com).
9. Voting through Electronic means In compliance with Section 108 and other applicable provisions of the Companies Act, 2013, if any, read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, and Regulation 44 of the SEBI (LODR) Regulations, 2015, the Company is pleased to provide its Shareholders with the facility of “remote e-voting” (e-voting from a place other than venue of the AGM), to enable them to cast their votes at the 29th Annual General Meeting (AGM) and the business at the 29th 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 Chintan Patel, Practicing Company Secretaries, as the

## DYNAMIC INDUSTRIES LIMITED

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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 48 hours of conclusion of the meeting, to the Chairman or a person, authorized by him in writing. The Chairman or a person, authorized by him in writing, shall declare the results of the AGM forthwith. The results declared along with the Scrutinizer's report shall be placed on the Company's website and on the website of CDSL and shall be communicated to the Stock Exchanges.

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

- (i) Members holding shares in physical form or in Demat form as on Wednesday, 25th July, 2018, the cut-off date, shall only be eligible for e-voting.
- (ii) The voting period begins on Saturday, 28th July, 2018 at 9:00 a.m. IST and ends on Monday, 30th July, 2018 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, as on the cut-off date (record date) of 25th July, 2018 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 as mentioned in instruction (iv).</li></ul>

- (x) After entering these details appropriately, click on "SUBMIT" tab.
- (xi) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xiii) Click on the EVSN for the <Dynamic Industries Limited> on which you choose to vote.

- (xiv) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (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 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, 2018

**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. 5:**

Mr. Jatinbhai Biharilal Surti (DIN: 05195572) was appointed as Non-Executive Independent Director of the Company on 14th August, 2015 and his term is expiring on 13th August, 2018 and the Board, on recommendation by Nomination and Remuneration Committee hereby proposes his appointment for the second term up to 13th August, 2023 and the term is not liable for retirement by rotation. A brief resume of Mr. Jatinbhai Biharilal Surti (DIN: 05195572) is attached herewith. Mr. Jatinbhai Biharilal Surti (DIN: 05195572) has submitted a declaration to the Company to the effect that he meets the criteria of independence as provided under Section 149(6) of the Act.

In the opinion of the Board, Mr. Jatinbhai Biharilal Surti fulfils the conditions specified in the Act and the Rules framed there under for appointment as Non-Executive Independent Director and he is independent of the management. He has submitted his declaration in prescribed Form DIR-8 to the effect that he is not disqualified from being appointed as Director in terms of Section 164 of the Act, his consent to act as Director in prescribed Form DIR-2 and his disclosure of interest in prescribed Form MBP-1.

The terms and conditions of appointment of Mr. Jatinbhai Biharilal Surti shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday. Brief resume and other details of the Independent Director whose appointment is proposed are provided in the annexure to the Explanatory Statement attached herewith as Annexure - 1.

Mr. Jatinbhai Biharilal Surti is deemed to be interested in the resolution set out respectively at Item No. 05 of this Notice with regard to his respective appointments. Except Mr. Jatinbhai Biharilal Surti, none of the Director(s) and/or Key Managerial Personnel(s) and their relative(s) is either directly or indirectly concerned or interested, financially or otherwise in the proposed resolution. Your Board recommends the said resolution, as special resolution, for your approval.

**Item No. 6:**

Mr. Pravinchandra Devidas Master (DIN: 05195587) was appointed as Non-Executive Independent Director of the Company on 14th August, 2015 and his term is expiring on 13th August, 2018 and the Board, on recommendation by Nomination and Remuneration Committee hereby proposes his appointment for the second term up to 13th August, 2023 and the term is not liable for retirement by rotation. A brief resume of Mr. Pravinchandra Devidas Master is attached herewith. Mr. Pravinchandra Devidas Master (DIN: 05195587) has submitted a declaration to the Company to the effect that he meets the criteria of independence as provided under Section 149(6) of the Act.

In the opinion of the Board, Mr. Pravinchandra Devidas Master fulfils the conditions specified in the Act and the Rules framed there under for appointment as Non-Executive Independent Director and he is independent of the management. He has submitted his declaration in prescribed Form DIR-8 to the effect that he is not disqualified from being appointed as Director in terms of Section 164 of the Act, his consent to act as Director in prescribed Form DIR-2 and his disclosure of interest in prescribed Form MBP-1.

The terms and conditions of appointment of Mr. Pravinchandra Devidas Master shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday. Brief resume and other details of the Independent Director whose appointment is proposed are provided in the annexure to the Explanatory Statement attached herewith as Annexure - 1.

Mr. Pravinchandra Devidas Master is deemed to be interested in the resolution set out respectively at Item No. 06 of this Notice with regard to his respective appointments. Except Mr. Pravinchandra Devidas Master, none of the Director(s) and/or Key Managerial Personnel(s) and their relative(s) is either directly or indirectly concerned or interested, financially or otherwise in the proposed resolution. Your Board recommends the said resolution, as special resolution, for your approval.

**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 LODR) (As on 30/05/2018)

Name of Director	<b>Mr. Dipakkumar N. Choksi</b>
DIN	00536345
Age	69 years
Relationship with other Directors	--
Date of Birth	23/07/1948
Brief Profile and Expertise	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 37 years in the field of dyes and chemicals and as director of the Company from more than 28 years. 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.
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. Jatinbhai Biharilal Surti</b>
DIN	05195572
Age	71 years
Relationship with other Directors	--
Date of Birth	01/11/1946
Brief Profile and Expertise	Mr. Jatinbhai Biharilal Surti is Bachelor in Commerce further he has wide experience of more than 7 years of experience in the field of chemical industry.
Chairman/Member of the Committee of the Board of Directors of the Company	Mr. Jatinbhai Biharilal Surti is member of Audit Committee, Nomination And Remuneration Committee and CSR Committee.
No. of Shares held in the Company	1300 equity shares
Directorship held in other listed entities	Nil

**DYNAMIC INDUSTRIES LIMITED**

Name of Director	<b>Mr. Pravinchandra Devidas Master</b>
DIN	05195587
Age	67 years
Relationship with other Directors	--
Date of Birth	16/08/1950
Brief Profile and Expertise	Mr. Pravinchandra Devidas Master is Master in Commerce along with that he also had completed bachelors in law and he has wide experience in field of Accounts and administration.
Chairman/Member of the Committee of the Board of Directors of the Company	Mr. Pravinchandra Devidas Master is Chairman of Audit Committee, Nomination And Remuneration Committee, CSR Committee and Stakeholders Relationship Committee.
No. of Shares held in the Company	Nil
Directorship held in other listed entities	Nil

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2018

**By Order of the Board**

-Sd/-

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

## DIRECTORS' REPORT

**Dear Members,**

Your Directors have pleasure in presenting their 29<sup>TH</sup> (Twenty Nineth) Annual Report on the business and operations of the Company and the Audited Accounts for the Financial Year ended 31<sup>st</sup> March, 2018

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

Financial Results	[₹ in Lacs]	
Particulars	Year Ended 31-03-2018	Year Ended 31-03-2017
Total Revenue (Net of Excise Duty)	5897.23	4642.05
Profit before Depreciation and Tax	527.89	341.33
Depreciation	99.95	86.08
Profit (Loss) before Tax	427.94	255.25
Less : Tax Expenses	127.68	78.51
<b>Net Profit (Loss) for the year</b>	<b>300.26</b>	<b>176.74</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 ₹ 5,897.23 Lacs from ₹ 4,642.05 Lacs i.e. increase of 27.04% 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 ₹ 176.74 Lacs to ₹ 300.26 resulting in increase of about 69.89% of 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 economic downturn and face new challenges.

### 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, 2018. The total dividend pay-out excluding dividend distribution tax shall be ₹ 45.43 Lacs.

### 4. SHARE CAPITAL:

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

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

### 5. RESERVES:

The Board has transferred ₹ 1641.74 Lacs from Revaluation Reserve to General Reserve Account in Balance Sheet as at 1st April 2016 to prepare Ind AS compliant financial statements.

### 6. DEPOSITS:

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

### 7. FUTURE OUTLOOK:

The Company expects the market for chemicals and dyes to grow moderately. Company is taking effective steps to improve operational efficiency to maintain the earnings.

India's stable macroeconomic environment and strong growth outlook stand out relative to other emerging markets. With the adoption of Goods and Service Tax (GST), Indian Markets will witness new era of business. This will lead to more organized and growth oriented economy.

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

## DYNAMIC INDUSTRIES LIMITED

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### 8. UNCLAIMED DIVIDEND:

As on 31st March, 2018, dividend amounting to ₹ 3.75 Lacs has not been claimed by shareholders of the Company. Shareholders are required to lodge their claims with the Registrar, Link Intime India Pvt. Ltd., for unclaimed dividend. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on 14th August, 2017 (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.iepf.gov.in](http://www.iepf.gov.in)).

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

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

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

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

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

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

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

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

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

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

### 14. MEETING OF BOARD OF DIRECTORS:

During the year under the review, 4 (Four) Board Meetings were held, with gap not exceeding the period prescribed under Companies Act, 2013 and Rules made thereunder. Details of Board and Board Committee Meetings held during the year are given in the Corporate Governance Report.

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

### 15. EXTRACTS OF ANNUAL RETURN:

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

### 16. INSURANCE:

All the Properties of the Company are adequately insured.

### 17. RELATED PARTY TRANSACTIONS:

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

All the contracts/arrangements/transactions entered into by the Company with the related parties during the financial year 2017-18 were in the ordinary course of business and on an arm's length basis.

Accordingly, particulars of contracts or arrangements with related parties referred to in Section 188(1) 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. Dipakkumar Navinchandra Choksi (DIN: 00536345) retires by rotation at the ensuing Annual General Meeting and being eligible in terms of Section 164 of the Act offers himself for re-appointment.

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

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

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, and Mr. Ganesh Rajaram Temkar (w.e.f. 14th December, 2017) 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**

There is change in the constitution of Board of Directors, Mr. Raghavdas Hiralal Lakhmani (DIN: 05304347) has tendered his resignation on 29th May, 2018 as Independent Director Due to personal reason.

Mr. Harsh Rameshbhai Hirpara Company Secretary has tendered his resignation on 7th October, 2017.

**Reappointments**

As per the provisions of the Companies Act, 2013, Mr. Dipakkumar N. Choksi, 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. Jatinbhai Biharilal Surti and Mr. Pravinchandra Devidas Master to the office of Independent Director, for the second term of five consecutive years from 14th August, 2018 to 13th August, 2023.

**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 2017-2018

[₹ in Lacs]

Name	Salary and Perquisites F.Y. 2017-18	Commission	Shares issued under ESOP	Details of Service contracts; notice period and severance fees
Dipakkumar N. Choksi	35.95	Nil	Nil	Special Resolution dt. 14-08-2017, valid up to 30-09-2019; no Notice period and no severance fees
Harin D. Mamlatdarna	37.01	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.

### 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 14th August, 2017 for a term of five consecutive years. As per the provisions of Section 139 of the Companies Act, 2013, the appointment of Auditors is required to be ratified by Members at every Annual General Meeting.

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

It is proposed to ratify the appointment of Ashok K. Bhatt & Co., Chartered Accountants, Ahmedabad (FRN 100657W) to audit the accounts of the Company for the financial year 2018-2019.

The Report given by the Auditors on the financial statements year ended March 2018 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 Secretaries, 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 vide (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 help ensure that there is a robust system of risk controls and mitigation in place. Senior management periodically reviews this risk management framework to keep updated and address emerging challenges. Major risks identified for the Company by the management are Currency fluctuation, Compliances of various applicable Laws, Regulatory changes, Manufacturing & Supply, Litigation, Technological Changes and new capital investments return. The management is however, of the view that none of the above risks may threaten the existence of the Company as robust Risk mitigation mechanism is put in place to ensure that there is nil or minimum impact on the Company in case any of these risks materialize.

## 27. VIGIL MECHANISM AND WHISTLE BLOWER POLICY:

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

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

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

## 28. CORPORATE SOCIAL RESPONSIBILITY (CSR):

Pursuant to the provisions of section 135 of the Act, read with CSR Rules, the Company ceases to be a company covered under sub-section (1) of section 135 of the Act for three consecutive financial years 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 Board is responsible for implementation of the Code. All Board Directors and the designated employees have confirmed compliance with the Code.

## 31. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- i. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 31st March, 2018 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



## **DYNAMIC INDUSTRIES LIMITED**

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of the company and for preventing and detecting fraud and other irregularities;

- iv. The directors had prepared the annual accounts on a going concern basis; and
- v. The directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **32. CORPORATE GOVERNANCE:**

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

### **33. CORPORATE GOVERNANCE CERTIFICATE:**

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

### **34. RELATED PARTY DISCLOSURE:**

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

### **35. GENERAL SHAREHOLDER INFORMATION:**

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

### **36. ACKNOWLEDGEMENT:**

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, 2018

**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. Significant Sales portion consists Export. However, Competition in the industry is continuously increasing but overall Performance of the Company is good.

### OVERVIEW:

The Institute of Chartered Accountants of India (ICAI) has issued 39 Indian Accounting Standards (Ind AS) which have been notified under the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS Rules'), of the Companies Act, 2013. As per the roadmap for implementation of Ind AS, Company is required to adopt Ind AS with effect from current financial year and also to provide reworked figures of previous year as per Ind AS. 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 in to world market, especially through the customer retention and business development in the regions which have not been tapped.

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

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

#### SEGMENT WISE AND PRODUCT WISE PERFORMANCE:

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

#### RISK AND CONCERN:

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

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

The management has already taken initiatives in advance for mitigating the above mentioned risk and concerns/challenges. The company has taken major initiatives like 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.

## **DYNAMIC INDUSTRIES LIMITED**

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### **INITIATIVES BY THE COMPANY:**

The Company has taken the following initiatives:

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

### **OUTLOOK:**

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

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

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

### **HUMAN RESOURCE:**

Your Company firmly believes that employees are the most valuable assets and key players of business success and sustained growth. Various employee benefits, recreational and team building efforts are made to enhance employee skills, motivation as also to foster team spirit. Industrial relations were cordial throughout the year. The Company has 71 employees as on year ended 31-March, 2018.

### **CAUTIONARY STATEMENT**

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

## FINANCIAL HIGHLIGHTS

➤ **REVENUES:**

Total income during the year under review was ₹ 5897.23 Lacs (Previous year ₹ 4642.05 Lacs).

➤ **OPERATING EXPENSES:**

The operating and other expenses for the year ended 31<sup>st</sup> March, 2018 were ₹ 813.37 (Previous year ₹ 567.60 Lacs).

➤ **PROFIT AFTER TAX:**

The net profit after tax during the year under review period was ₹ 300.26 Lacs (Previous year ₹ 176.74 Lacs).

➤ **INTEREST ON BORROWINGS:**

The Company has incurred interest cost of ₹ 43.88 Lacs (Previous year ₹ 29.50 Lacs).

➤ **CAPITAL EMPLOYED:**

The Return on Average Capital Employed (ROCE) for the year ended 31<sup>st</sup> March, 2018 was 9.63% as compared to 5.02% for the same period last year.

➤ **RETURN ON NET WORTH:**

The return on Average Net worth (RONW) for the year ended 31-03-2018 was 7.54% as compared to 4.73% for the same period last year.

➤ **FIXED ASSETS:**

There was addition of ₹ 324.77 Lacs to the Fixed Assets of the Company. (Previous year ₹ 15.70 Lacs).

➤ **SHARE CAPITAL:**

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

During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity. Out of the profits for the year ended March 31, 2018, a sum of ₹ Nil has been transferred to General Reserve. (Previous year ₹ Nil)

➤ **SUNDRY DEBTORS:**

Sundry debtors amount to ₹ 1806.90 Lacs as of March 31, 2018, as compared with ₹ 1286.27 Lacs as of March 31, 2017. 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**

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2018

-Sd/-

**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 Lacs]

	2017-2018	2016-2017
<b>Electricity</b>		
Purchase Unit in KW	10,97,877	9,54,646
Total Amount	90.56	76.60
Average Rate ₹ per unit	8.25	8.02
<b>Light Diesel Oil / Diesel Oil / Furnace Oil</b>		
Quantity (in LTRS)	2071.64	2,156.80
Total Amount	1.32	1.30
Average rate ₹ per unit	63.48	60.51
<b>Gas</b>		
Quantity (in scm.)	7,66,123	5,71,179
Total Amount	251.65	170.65
Average rate ₹ per unit	32.85	29.88

##### 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 Lacs]

	2017-2018	2016-2017
Foreign Exchange Earning	2453.06	2275.39
Foreign Exchange out go	1498.25	1217.08

By Order of the Board

-Sd/-

Place : Ahmedabad

Date : 30<sup>th</sup> May, 2018

**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 31.03.2018**

**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
<b>Neo Farbe Private Limited</b> Survey No. SF/42, Dinubhai Estate, B/h Satkar Rest., Trikampura Patia, Vatva, Ahmedabad - 382 445.	U24100GJ2013PTC073930	Subsidiary	100	2(87)

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

A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year as on 1st April, 2017				No. of Shares held at the end of the year as on 31st March, 2018				% 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	45.82	13,87,786	Nil	13,87,786	45.82	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.	1,21,738	Nil	1,21,738	4.02	82,328	Nil	82,328	2.72	-1.30
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any other Foreign Individual	3,780	Nil	3,780	0.12	3,780	Nil	3,780	0.12	Nil
<b>Total Shareholding of Promoter A</b>	<b>15,13,304</b>	<b>Nil</b>	<b>15,13,304</b>	<b>49.97</b>	<b>14,73,894</b>	<b>Nil</b>	<b>14,73,894</b>	<b>48.67</b>	<b>-1.30</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	96,456	Nil	96,456	3.18	48,482	Nil	48,482	1.60	-1.58
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, 2017				No. of Shares held at the end of the year as on 31st March, 2018				% 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	7,83,814	1,22,551	9,06,365	29.93	7,99,241	1,17,951	9,17,192	30.29	+0.36
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 Lakh	4,06,180	Nil	4,06,180	13.41	4,63,581	Nil	4,63,581	15.31	+1.89
c) Others (specify) NRI NON-REPT.	1,469	Nil	1,469	0.05	4,457	Nil	4,457	0.15	+0.10
NRI REPT.	16,870	Nil	16,870	0.56	14,123	Nil	14,123	0.47	-0.09
Hindu Undivided Family	54,153	Nil	54,153	1.79	87,970	Nil	87,970	2.90	+1.11
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	33,703	Nil	33,703	1.11	18,801	Nil	18,801	0.62	-0.49
Trusts	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Foreign Bodies - D R	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-Total (B)(2) :</b>	<b>13,92,645</b>	<b>1,22,551</b>	<b>15,15,196</b>	<b>50.03</b>	<b>14,36,655</b>	<b>1,17,951</b>	<b>15,54,606</b>	<b>51.33</b>	<b>+1.30</b>
Total Public Shareholding (B) = (B)(1) + (B)(2)	<b>13,92,645</b>	<b>1,22,551</b>	<b>15,15,196</b>	<b>50.03</b>	<b>14,36,655</b>	<b>1,17,951</b>	<b>15,54,606</b>	<b>51.33</b>	<b>+1.30</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>29,05,949</b>	<b>1,22,551</b>	<b>30,28,500</b>	<b>100</b>	<b>29,10,549</b>	<b>1,17,951</b>	<b>30,28,500</b>	<b>100</b>	<b>-</b>



**B) SHAREHOLDING OF PROMOTER**

Shareholder's Name	No. of Shares held at the beginning of the year as on 1st April, 2017			No. of Shares held at the end of the year as on 31st March, 2018			% Change in share holding during the year
	No. of Shares	% of total Shares of the Co.	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Co.	% of Shares Pledged / encumbered to total shares	
1 Dipakkumar N. Choksi	2,84,572	9.40	Nil	2,84,572	9.40	Nil	Nil
2 Harin D. Mamlatdarna	3,47,780	11.48	Nil	3,47,780	11.48	Nil	Nil
3 Mayaben H. Mamlatdarna	2,11,247	6.98	Nil	2,11,247	6.98	Nil	Nil
4 Beenaben D. Chokshi	85,937	2.84	Nil	85,937	2.84	Nil	Nil
5 Ronak D. Chokshi	99,086	3.27	Nil	99,086	3.27	Nil	Nil
6 Bimal D. Chokshi	93,657	3.09	Nil	93,657	3.09	Nil	Nil
7 Asita H. Mamlatdarna	88,285	2.92	Nil	88,285	2.92	Nil	Nil
8 Mansi Mamlatdarna	78,086	2.58	Nil	78,086	2.58	Nil	Nil
9 Ornet Intermediates Ltd.	1,21,738	4.02	Nil	82,328	2.72	Nil	-1.3
10 Dinesh Jain	99,136	3.27	Nil	99,136	3.27	Nil	Nil
11 Chandresh Mamlatdarna	3,780	0.12	Nil	3,780	0.12	Nil	Nil

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

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding During the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>1.</b>	<b>Ornet Intermediates Ltd.</b>				
	At the beginning of the year	1,21,738	4.02	1,21,738	4.02
	Transaction Sale / Purchase	Sale of 39,410 shares	-1.30	82,328	2.72
	At the end of the year	82,328	2.72	82,328	2.72

\* There is no change in shareholding of other Promoters

## DYNAMIC INDUSTRIES LIMITED

### D) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS AS ON 31ST MARCH, 2018 (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND DRS) :

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.	N.A.	N.A.
	At the end of the year	1,41,860	4.68	1,41,860	4.68
<b>2.</b>	<b>Proeco Stockcom Pvt. Ltd.</b>				
	At the beginning of the year	45,000	1.49	45,000	1.49
	Transaction Sale / Purchase	Sale of 38,700 shares	-1.28	6,300	0.21
	At the end of the year	6,300	0.21	6,300	0.21
<b>3.</b>	<b>Bijendra Katta</b>				
	At the beginning of the year	52,725	1.74	52,725	1.74
	Transaction Sale / Purchase	Purchase of 3,698 shares	+0.12	56,423	1.86
	At the end of the year	56,423	1.86	56,423	1.86
<b>4.</b>	<b>Mahendrabhai Patel</b>				
	At the beginning of the year	44,700	1.47	44,700	1.47
	Transaction Sale / Purchase	N.A.	N.A.	N.A.	N.A.
	At the end of the year	44,700	1.47	44,700	1.47
<b>5.</b>	<b>Rajesh Gupta</b>				
	At the beginning of the year	37,294	1.23	37,294	1.23
	Transaction Sale / Purchase	Sale of 33,294 shares	-1.10	4,000	0.13
	At the end of the year	4,000	0.13	4,000	0.13
<b>6.</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.	N.A.	N.A.
	At the end of the year	36,000	1.19	36,000	1.19
<b>7.</b>	<b>Sangeetha S</b>				
	At the beginning of the year	27,370	0.90	27,370	0.90
	Transaction Sale / Purchase	N.A.	N.A.	N.A.	N.A.
	At the end of the year	27,370	0.90	27,370	0.90
<b>8.</b>	<b>Supriya Prabhu</b>				
	At the beginning of the year	34,500	1.13	34,500	1.13
	Transaction Sale / Purchase	N.A.	N.A.	N.A.	N.A.
	At the end of the year	34,500	1.13	34,500	1.13

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>Usha Katta</b>				
	At the beginning of the year	31,731	1.04	31,731	1.04
	Transaction Sale / Purchase	Purchase of 3,657 shares	+0.13	35,388	1.17
	At the end of the year	35,388	1.17	35,388	1.17
<b>10.</b>	<b>Anju Lalit Gupta</b>				
	At the beginning of the year	18,000	0.59	18,000	0.59
	Transaction Sale / Purchase	Sales of 17,820 shares	0.58	180	0.005
	At the end of the year	180	0.005	180	0.005
<b>11.</b>	<b>Anita Gupta</b>				
	At the beginning of the year	0	0	0	0
	Transaction Sale / Purchase	Purchase of 87,340 shares	2.88	87,340	2.88
	At the end of the year	87,340	2.88	87,340	2.88
<b>12.</b>	<b>Bharati Praful Kenia</b>				
	At the beginning of the year	16,723	0.55	16,723	0.55
	Transaction Sale / Purchase	Sale of 1,723 shares	0.05	15,000	0.50
	At the end of the year	15,000	0.50	15,000	0.50
<b>13.</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.	N.A.	N.A.
	At the end of the year	13,100	0.43	13,100	0.43

**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	500	0.02	500	0.02
	Transaction Sale / Purchase	Purchase of 800 shares	+0.03	1300	0.04
	At the end of the year	1300	0.04	1300	0.04

**V. INDEBTEDNESS :**

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

[₹ in Lacs]

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	458.16	0.00	0.00	458.16
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.32	0.00	0.00	0.32
<b>Total (i+ii+iii)</b>	<b>458.48</b>	<b>0.00</b>	<b>0.00</b>	<b>458.48</b>
<b>Change in Indebtedness during the financial year</b>				
i) Addition	562.86	0.00	0.00	562.86
ii) Reduction	0.00	0.00	0.00	0.00
<b>Net Change</b>	<b>562.86</b>	<b>0.00</b>	<b>0.00</b>	<b>562.86</b>
<b>Indebtedness at the end 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>

## DYNAMIC INDUSTRIES LIMITED

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

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

[₹ in Lacs]

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Dipakkumar Choksi MD	Dinesh Jain WTD	Harin Mamlatdarna WTD	
1	Gross Salary				
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	26.10	9.00	26.10	61.20
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	5.19	1.20	5.47	11.86
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission - as % of profit - others, specify...	NIL	NIL	NIL	NIL
5	Others, please specify 1. PF Contribution 2. Gratuity Accrued for the year (Payable at Retirement / resignation)	1.55 3.11	0.00 0.23	1.55 3.89	3.10 7.23
	Total (A)	35.95	10.43	37.01	83.39
	Ceiling as per the Companies Act, 2013	-----	-----	-----	504.00

#### B. REMUNERATION TO OTHER DIRECTORS :

[₹ in Lacs]

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Pravinchandra Master	Raghavdas Lakhmani	Viraj Shah	Jatin Surti	
1	Independent Directors					
	Fee for attending board committee meetings	0.12	0.12	0.12	0.12	0.48
	Commission	NIL	NIL	NIL	NIL	NIL
	Others, Please specify	NIL	NIL	NIL	NIL	NIL
	Total (1)	0.12	0.12	0.12	0.12	0.48
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	NIL				
	Commission					
	Others, Please specify					
	Total (2)					
	Total (B) = (1+2)	0.12	0.12	0.12	0.12	0.48
	Total Management Remuneration					83.87
	Overall Ceiling as per the Companies Act, 2013					504.00

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CS		CFO	
		Harsh Hirpara (Upto 7/10/2017)	Ganesh Temkar (Upto 14/12/2017)	Punit Chhattani	
<b>1</b>	Gross Salary				
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1.69	0.83	9.82	12.34
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
<b>2</b>	Stock Option	Nil	Nil	Nil	Nil
<b>3</b>	Sweat Equity	Nil	Nil	Nil	Nil
<b>4</b>	Commission	Nil	Nil	Nil	Nil
	- as % of profit	Nil	Nil	Nil	Nil
	- others, specify...	Nil	Nil	Nil	Nil
<b>5</b>	Others, please specify				
	1. PF Contribution	0.00	0.00	0.22	0.22
	2. Gratuity Accrued for the year (Payable at Retirement / resignation)	0.00	0.09	0.21	0.30
	<b>Total</b>	1.69	0.92	10.25	12.86

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

There were no penalties / punishment / compounding of offences for the year ended March 31, 2018.

**By Order of the Board**

-Sd/-

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2018

**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 provision 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	2017-18	₹ 1,22,46,926/-	At the Board Meeting held on 30/05/2017, 14/09/2017, 14/12/2017 & 09/02/2018	Nil

By Order of the Board

-Sd/-

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2018

**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 2017-18 and
- (ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year

[₹ in Lacs]

Sr. No.	Name of Director / KMP and its Designation	Remuneration to the Director/KMP for the Financial Year 2017-18	Remuneration on to the Director/KMP for the Financial Year 2016-17	Percentage increase / decrease in remuneration in the Financial Year 2017-18	Ratio of Remuneration of each Director to the Median Remuneration of Employees
1	<b>Mr. Harin Dhanvantlal Mamlatdarna</b> (Managing Director and Vice Chairman)	37.01	27.17	36.22%	24.19
2	<b>Mr. Dipakkumar Navinchandra Choksi</b> (Whote Time Director and Chairman)	35.95	27.13	32.51%	23.50
3	<b>Mr. Dinesh Jasraj Jain</b> (Whole Time Director)	10.43	10.43	0.00%	6.82
4	<b>Mr. Jatinbhai Biharilal Surti</b> (Independent Director)	0.12*	0.18*	N.A.	0.08
5	<b>Mr. Pravinchandra Devidas Master</b> (Independent Director)	0.12*	0.06*	N.A.	0.08
6	<b>Mr. Raghavdas Hiralal Lakhmani</b> (Independent Director)	0.12*	0.18*	N.A.	0.08
7	<b>Ms. Viraj Darshit Shah</b> (Independent Director)	0.12*	0.18*	N.A.	0.08
8	<b>Mr. Punit Leelaram Chhattani</b> (Chief Financial Officer)	10.25	10.74	-4.56%	6.70
9	<b>Mr. Harsh Rameshbhai Hirpara</b> (Company Secretary)	1.69	2.90	Resigned on 07/10/2017	-
10	<b>Mr. Ganesh Rajaram Temkar</b> (Company Secretary)	0.92	-	Appointed on 14/12/2017	-

\* 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 ₹ 1.53 Lacs for the Financial Year 2017-18. The MRE for the year increased by 4.80% compared to ₹ 1.46 Lacs during the previous financial year.
  - ii. The number of permanent employees on the rolls of the Company is 71 for the year ended 31<sup>st</sup> March, 2018.
  - iii. Average percentage increase made in the salaries of employees other than the managerial personnel in the last Financial Year was 3.81%. Managerial Remuneration was increased during the year under consideration to the extent of 28.83% 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, 2018

**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 2018**

*[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. 5501/2, 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 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Dynamic Industries Limited (the Company) for the financial year ended on 31st March, 2018 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 proxy form for the Annual General Meeting for the financial year ended 31st March, 2017.
- 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 : 17<sup>th</sup> May, 2018

**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 : 17<sup>th</sup> May, 2018

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

**ANNEXURE VI – TO THE DIRECTOR 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.shtml](http://www.dynaind.com/investors_zone.shtml)).

**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

**2. BOARD OF DIRECTORS:****➤ Composition of the Board of Directors**

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

<b>Executive Director (Promoters)</b>	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. Raghavdas Lakhmani (Resigned w.e.f. 29/05/2018) Mr. Jatinbhai Surti Ms. Viraj Darshit Shah

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

During the financial year 2017-18, 4(four) Board Meetings were held on 30/05/2017, 14/09/2017, 14/12/2017, 09/02/2018.

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 2017-2018 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	4	Yes
<b>Mr. Harin D. Mamlatdarna</b> (DIN : 00536250)	Vice Chairman & Managing Director	1	Nil	1	3	Yes
<b>Mr. Dinesh J. Jain</b> (DIN : 00135889)	Whole Time Director	2	Nil	1	4	No
<b>Mr. Jatinbhai B. Surti</b> (DIN : 05195572)	Independent Director	Nil	Nil	3	4	Yes
<b>Mr. Pravinchandra D. Master</b> (DIN : 05195587)	Independent Director	Nil	4	Nil	4	Yes
<b>Mr. Raghavdas H. Lakhmani</b> (DIN : 05304347) (Resigned w.e.f. 29/05/2018)	Independent Director	Nil	Nil	3	4	No
<b>Ms. Viraj D. Shah</b> (DIN : 07220630)	Independent Director	Nil	Nil	3	4	No

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

### Shareholding of Non-Executive Directors as on 31st March, 2018

Name of Director	No. of Shares held
Mr. Pravinchandra Devidas Master	Nil
Mr. Jatinbhai Biharilal Surti	1300
Mr. Raghavdas Hiralal Lakhmani	Nil
Ms. Viraj D. Shah	Nil

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 9, 2018 to review the performance of Non-independent Directors (including the Chairman) and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and it's Committees which is necessary to effectively and reasonably perform and discharge their duties. The Independent Directors found the performance of Non-Independent Directors (including Chairman) and the Board as well as flow of information between the Management and the Board to be satisfactory. All independent directors were present in the meeting.

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

Letter of Appointment(s) issued to Independent Directors setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Director taken through a formal induction program including the presentation from the Chairman and Managing Director on the Company's manufacturing, marketing, finance and other important aspects. The web link for the Familiarization Programmes for Independent Directors:

[http://www.dynaind.com/investor\\_zone/Familiarization%20Programme/Details%20of%20Familiarization%20Programme-2017-18.pdf](http://www.dynaind.com/investor_zone/Familiarization%20Programme/Details%20of%20Familiarization%20Programme-2017-18.pdf)

## c) Evaluation of the Board's Performance:

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

**3. ANNUAL GENERAL MEETING:**

The Annual General Meeting for the financial year ended on 31st March, 2017 was held on 14th August, 2017 and 15 Members were present at Annual general meeting.

**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.

- To provide an open avenue of communication between the independent auditors, internal auditors and the Board of Directors (BOD).
- To oversee the work of the independent auditors for the purpose of preparing or issuing an audit report or related work.
- 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.
- To consider and review the adequacy of internal control including computerized information system controls and periodically to the Board of Directors on significant activities.
- To ensure that the Company maintain effective risk management and internal control system and process.

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

The Committee comprises of four Directors and all the four Directors are Independent Directors. All members of the Audit Committee are financially literate. In the financial year 2017-18, four meetings were held on 30/05/2017, 14/09/2017, 14/12/2017 and 09/02/2018.

Composition of committee as on 31<sup>st</sup> March, 2018 and member's attendance at the meetings during the year are as under:

Committee Members	Designation	Meetings Held	Meeting Attended
Mr. Pravinchandra Master (Independent - Non-executive Director)	Chairman	4	4
Mr. Jatinbhai Surti (Independent - Non-executive Director)	Member	4	4
Mr. Raghavdas Lakhmani (Independent - Non-executive Director)	Member	4	4
Ms. Viraj D. Shah (Independent - Non-executive Director)	Member	4	4

\*Mr. Raghavdas H. Lakhmani resigned from the Directorship of the Company w.e.f. 29/05/2018.

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### B. NOMINATION AND REMUNERATION COMMITTEE:

Terms of reference of the committee comprise various matters provided under Part D of Schedule II of SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015 as well as section 178 of the Companies Act, 2013, and other matters referred by the Board from time to time. The Committee comprises of four Independent Directors. In the financial year 2017-18, three meeting of the Committee were held on 30/05/2017, 14/09/2017 and 14/12/2017.

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

Committee Members	Designation	Meetings Held	Meeting Attended
Mr. Pravinchandra Master (Independent - Non-executive Director)	Chairman	3	3
Mr. Jatinbhai Surti (Independent - Non-executive Director)	Member	3	3
Mr. Raghavdas Lakhmani (Independent - Non-executive Director)	Member	3	3
Ms. Viraj D. Shah (Independent - Non-executive Director)	Member	3	3

\*Mr. Raghavdas H. Lakhmani resigned from the Directorship of the Company w.e.f. 29/05/2018.

### 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.

Committees of the Board are evaluated for their performance based on: effectiveness in discharging duties and functions conferred; setting up and implementation of various policies, procedures and plans, effective use of Committee's powers as per terms of reference, periodicity of meetings, attendance and participation of committee members; providing strategic guidance to the Board on various matters coming under committee's purview etc.

## Details of remuneration paid / payable to the Directors for Financial Year 2017-2018

[₹ in Lacs]

Name	Salary and Perquisites	Commission	Shares issued under ESOP	Details of service contracts : notice period and severance fees
<b>Executive Director - Non Independent</b>				Special Resolution dt. 14-08-2017, valid up to 30-09-2019, no Notice period and no severance fees.
Dipakkumar N. Choksi	35.95	Nil	Nil	
Harin D. Mamlatdarna	37.01	Nil	Nil	
Dinesh J. Jain	10.43	Nil	Nil	
<b>Non Executive Independent Director</b>				
Pravinchandra Master	0.12*	Nil	Nil	
Jatin Surti	0.12*	Nil	Nil	
Raghavdas Lakhmani	0.12*	Nil	Nil	
Viraj Darshit Shah	0.12*	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 -- 1.
- No. of shareholders' complaints solved -- 1
- No. of complaints not solved to the satisfaction of shareholders -- 0.
- No. of pending share transfers -- NIL.
- As at 31st March, 2018 no equity Shares were pending for transfer.

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

In terms of section 135 of Companies Act, 2013, the Committee comprises of four Independent Directors as on 31st March, 2018. 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
Mr. Raghavdas Lakhmani (Independent - Non-executive Director)	Member	Independent - Non-executive Director
Ms. 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.

### 6. SUBSIDIARY COMPANY:

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

### 7. POSTAL BALLOT:

During the year, the Company had not sought approval from the shareholders through Postal Ballot. The Company had provided e-voting facility at the time of Annual General Meeting for the year ended 31<sup>st</sup> March, 2017. The Company had appointed Mr. Chetan Shah, Practicing Company Secretary to act as Scrutinizer for the entire e-voting process.

### 8. ANNUAL GENERAL MEETINGS

Details of last three AGMs held-

Year	Date	Time	Venue	No. of Special Resolutions passed
2014-2015	14-08-2015	11-30 a.m.	Plot No. 5501/2, Phase-III, Nr. Trikampura Cross Road, G.I.D.C., Vatva, Ahmedabad - 382 445.	8
2015-2016	13-08-2016	11-30 a.m.		--
2016-2017	14-08-2017	11-30 a.m.		3

No Resolutions were put through postal ballot.

**9. DEMAT / REMAT OF SHARES**

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

a)	Number of Demat requests approved	14
b)	Number of Shares Dematerialized	4,600
c)	Percentage of Shares Dematerialized	0.15%
d)	Number of Remat requests approved	Nil
e)	Number of Shares Rematted	Nil

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

**10. DISCLOSURES:**

- A.** There were no transactions of material nature with its related parties that may have the potential conflict with the interest of the Company at large. Transactions with related parties are disclosed in Note No. 38 of the Financial Statements.
- B.** There is an instance of non-compliance regarding non-appointment of Women Director on the Board of Company, as per BSE notice dated 3rd July, 2015 company had paid 50,000/- as a penalty for the same. However, during the year there is no instance of non-compliance of Listing Regulations.
- 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 of 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/CFO certification:**  
The Vice-Chairman & Managing Director and Chief Financial Officer (CFO) 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 Institute of Chartered Accountants of India (ICAI) has issued 39 Indian Accounting Standards (Ind AS) which have been notified under the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS Rules'), of the Companies Act, 2013. As per the roadmap for implementation of Ind AS, Company is required to adopt Ind AS with effect from current financial year and also to provide reworked figures of previous year as per Ind AS. The financial statements have been prepared on accrual basis under the historical cost convention except the fixed asset Land which is revalued at market price.
- 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.** The Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance.
- J.** 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.
- K.** 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.

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### 11. MEANS OF COMMUNICATION:

1. Quarterly Results	Published in the newspapers every quarter
2. Newspapers wherein results normally published	i. Chanakya Ni Pothi (English) ii. The Newsline (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.

### 12. ADDITIONAL INFORMATION TO SHAREHOLDERS

#### a) Annual General Meeting :

Date: 31st July, 2018

Day: Tuesday

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 2017-2018 (Consisting of 12 months) 01/04/2017 to 31/03/2018

##### Calendar of Financial Year ended 31st March, 2018

The meetings of Board of Directors for approval of quarterly financial results during the Financial Year ended 31st March, 2018 were held on the following dates:

<b>First Quarter Results :</b>	14 <sup>th</sup> September, 2017
<b>Second Quarter and Half Yearly Results :</b>	14 <sup>th</sup> December, 2017
<b>Third Quarter Results :</b>	9 <sup>th</sup> February, 2018
<b>Fourth Quarter and Annual Results :</b>	30 <sup>th</sup> May, 2018

##### Tentative Calendar for financial year ending 31st March, 2019

The tentative dates of meeting of Board of Directors for consideration of quarterly financial results for the financial year ending 31st March, 2019 are as follows :

<b>First Quarter Results :</b>	On or Before	14 <sup>th</sup> August, 2018
<b>Second Quarter and Half Yearly Results :</b>	On or Before	14 <sup>th</sup> November, 2018
<b>Third Quarter Results :</b>	On or Before	14 <sup>th</sup> February, 2019
<b>Fourth Quarter and Annual Results :</b>	On or Before	30 <sup>th</sup> May, 2019

#### c) Date of Book Closure

From 28<sup>th</sup> July, 2018 to 31<sup>st</sup> July, 2018 (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, 2018)

#### e) Regd. Office

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

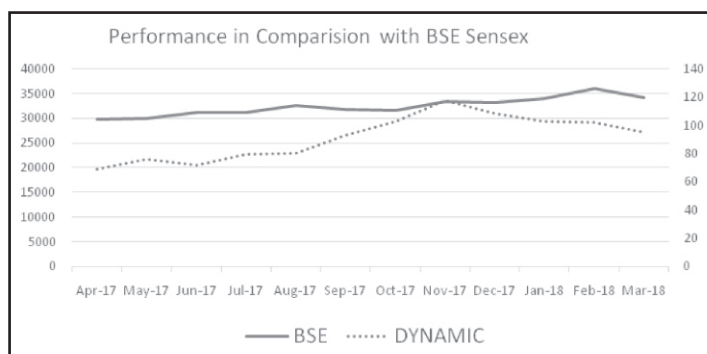
#### f) Equity shares of the Company are listed on BSE Limited Stock Exchange. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.

#### g) Company has paid the annual listing fee for the financial year 2017-2018 to BSE.

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

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

Month	The Bombay Stock Exchange Ltd.	
	Month's High	Month's Low
April, 2017	68.95	59.50
May, 2017	75.70	63.00
June, 2017	71.80	62.60
July, 2017	79.40	64.10
August, 2017	79.95	62.15
September, 2017	93.00	63.00
October, 2017	102.65	75.80
November, 2017	117.60	87.00
December, 2017	108.40	84.40
January, 2018	103.00	79.00
February, 2018	102.00	70.25
March, 2018	95.10	73.00

**i) Share Transfer System**

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

**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

**k) Shareholding pattern as on 31-03-2018 is as given below :**

Sr. No.	Category	No. of Shares	% of holding
1	Promoters	14,73,894	48.67
2	Persons acting in Concert	----	----
3	Mutual Funds, UTI, Banks, Financial -	----	----
4	Institutions, Insurance Companies, Central / State Govt. Government Institutions	----	----
5	FII's	----	----
6	NRIs	18,580	0.61
7	Bodies Corporate	48,482	1.60
8	Others	14,87,544	49.12
<b>Grand Total</b>		<b>30,28,500</b>	<b>100.00</b>



## DYNAMIC INDUSTRIES LIMITED

### I) Distribution of Shareholding as on 31-03-2018 is as under :

Slab of Share Holding	No. of Shareholders	% of Shareholders	No. of Shares	Amount (₹)	% of Capital
1 to 500	2608	85.7331	3,71,114	37,11,140	12.2541
501 to 1,000	224	7.3636	1,82,388	18,23,880	6.0224
1,001 to 2,000	117	3.8462	1,72,287	17,22,870	5.6889
2,001 to 3,000	27	0.8876	67,221	6,72,210	2.2196
3,001 to 4,000	15	0.4931	54,911	5,49,110	1.8131
4,001 to 5,000	8	0.2630	38,232	3,82,320	1.2624
5,001 to 10,000	18	0.5917	1,24,516	12,45,160	4.1115
10,001 and above	25	0.8218	20,17,831	2,01,78,310	66.6281
<b>Total</b>	<b>3042</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, 2018, 29,10,549 equity shares 96.11% 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 :

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) Share Transfer System

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

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

### 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.

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2018

**For and on behalf of the Board**

-Sd/-

**DIPAKKUMAR CHOKSI**

*Chairman and Whole Time Director*

DIN : 00536345

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## 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, 2018 from all the Board Members and Senior Management Personnel.

**For and on behalf of the Board**

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2018

-Sd/-

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

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## CEO/CFO CERTIFICATION

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

I hereby certify that:

- i. I have reviewed the financial statements and the cash flow statement of the Financial Year 2017-18 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 and that I have evaluated the effectiveness of the internal control systems of the Company and I hereby disclose to the Auditors and the Audit Committee that there have been no efficiencies in the design or operation of internal controls, prevailing in the company.
- iv. I hereby certify that :
  - a. There have been no significant changes in internal control during the year.
  - b. There have been no significant changes in accounting policies during the year and
  - c. No instances of fraud were observed in the Company by the management or an employee having a significant role in the company's internal control system.

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2018

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

**PUNIT L. CHHATTANI**  
*CFO*

**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 31<sup>st</sup> March, 2018, 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 statement 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 visibility 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, 2018

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

Sr. No.	Disclosure of loans / advances / investments / Outstanding during the year	As at 31 <sup>st</sup> March, 2018	Maximum amount during the year
1	Loans and Advances in the nature of loans to subsidiary	Nil	Nil
2	Loans and Advances in the nature of loans to associate	Nil	Nil
3	Loans and Advances in the nature of loans to firms / companies in which directors are interested	Nil	Nil

**For and on behalf of the Board**

-Sd/-

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2018

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

**INDEPENDENT AUDITORS' REPORT**

To,  
The Members,  
Dynamic Industries Limited,  
Ahmedabad.

**Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of Dynamic Industries Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Change in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'Ind AS financial statements').

**Management's Responsibility for the Standalone Ind AS 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 and presentation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant Rules issued thereunder.

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

**Auditor's Responsibility**

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

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

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

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

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the financial position of the company as at 31<sup>st</sup> March, 2018 and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order 2016 ("the Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the "Annexure-A", a statement of the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of written representations received from the directors as on 31 March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-B"; and
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 and to our best of our information and according to the explanations given to us :
    - (i) The Company has disclosed pending litigations which would impact its financial position – Refer Note 35 to the financial statements;
    - (ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
    - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2018

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

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

To the Independent Auditors' Report of even date on Standalone Ind As 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 Buildings, vehicles and Computers were carried out during the year by the management and no material discrepancies between the book records and physical 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, 2018 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, 2018 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	8.73	2012-2013	CIT(A), Ahmedabad
Customs Act, 1962	Customs Duty	171.14	2006-2007 & 2007-2008	CESTAT, Ahmedabad
Customs Act, 1962	Customs Duty	5.51	2007-2008	CESTAT, Mumbai
Finance Act, 1994	Service Tax	79.24	2012-2013	CESTAT, Ahmedabad

- (viii) According to the information and explanations given to us, the Company has not defaulted in the repayment of loans and borrowings to financial institutions, banks, government or dues to debenture holders during the year.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. However money raised by way of term loans have been applied for the purposes for which they have been obtained.

- (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, 2018

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



**ANNEXURE - B**

**Annexure - B to the Independent Auditors' Report of even date on the Standalone Ind As 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 2018 in conjunction with our audit of the standalone Ind AS 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 standalone Ind AS financial statements, whether due to fraud or error.

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

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

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

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

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

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2018, 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, 2018

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

# DYNAMIC INDUSTRIES LIMITED

## Balance Sheet as at March 31, 2018

[₹ in Lacs]

Particulars	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, Plant and Equipment	5	2 439.71	2 214.70	2 287.66
Capital work-in progress	6	0.00	30.84	0.00
Other Intangible Assets	7	0.45	0.16	0.24
<b>Financial Assets</b>				
Investments	8	120.96	64.53	5.00
Other Financial Assets	9	15.31	16.30	16.30
Other non current assets	10	0.00	10.00	0.00
		<b>2 576.43</b>	<b>2 336.53</b>	<b>2 309.20</b>
<b>Current assets</b>				
Inventories	11	1 523.24	1 228.25	997.26
<b>Financial assets</b>				
Trade Receivables	12	1 806.90	1 286.27	913.31
Cash and Cash Equivalents	13	10.73	22.30	213.33
Other Bank Balances	14	16.24	14.64	12.76
Other Financial Assets	9	0.97	1.56	1.21
Current Tax Assets (Net)	15	6.51	0.00	0.00
Other Current Assets	10	360.71	214.71	352.59
		<b>3 725.30</b>	<b>2 767.73</b>	<b>2 490.46</b>
<b>Total Assets:</b>		<b>6 301.73</b>	<b>5 104.26</b>	<b>4 799.66</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital	16	302.85	302.85	302.85
Other Equity	17	3 828.27	3 561.90	3 422.96
		<b>4 131.12</b>	<b>3 864.75</b>	<b>3 725.81</b>
<b>Liabilities</b>				
<b>Non-current Liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	18	227.42	25.38	44.26
Provisions	20	11.26	8.74	15.38
Deferred Tax Liabilities (Net)	21	70.34	54.44	67.91
		<b>309.02</b>	<b>88.56</b>	<b>127.55</b>
<b>Current liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	18	741.35	413.91	175.50
Trade Payables	22	1 007.06	604.60	637.02
Other Financial Liabilities	19	71.71	38.90	38.26
Provisions	20	6.15	49.96	52.87
Other Current liabilities	23	21.00	12.76	3.88
Current tax liabilities	24	14.32	30.82	38.77
		<b>1 861.59</b>	<b>1 150.95</b>	<b>946.30</b>
<b>Total Equity and Liabilities :</b>		<b>6 301.73</b>	<b>5 104.26</b>	<b>4 799.66</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, 2018

**FOR AND ON BEHALF OF THE BOARD**

Sd/-

**DIPAKKUMAR CHOKSI**

Chairman & Whole Time Director

(DIN : 00536345)

Sd/-

**PUNIT CHHATTANI**

Chief Financial Officer

Sd/-

**HARIN MAMLATDARNA**

Vice Chairman & Managing Director

(DIN : 00536250)

Sd/-

**GANESH TEMKAR**

Company Secretary

Place : Ahmedabad

Date : 30<sup>th</sup> May, 2018

**Statement of Profit and Loss for the year ended March 31, 2018** [₹ in Lacs]

Particulars	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>INCOME</b>			
Revenue from Operations	25	5 906.02	4 882.40
Other Income	26	54.25	16.24
<b>Total Income:</b>		<b>5 960.27</b>	<b>4 898.64</b>
<b>EXPENSES</b>			
Cost of materials/products consumed	27	4 353.41	3 224.87
Excise duty		63.04	256.59
Purchase of stock in trade	28	162.18	124.76
Changes in inventories of Finished goods, stock in process and stock in trade	29	( 287.00)	( 1.71)
Employee benefits expense	30	317.27	277.31
Finance Cost	31	53.22	37.38
Depreciation and Amortization	32	99.95	86.08
Other Expenses	33	770.26	638.11
<b>Total Expenses:</b>		<b>5 532.33</b>	<b>4 643.39</b>
<b>Profit Before Tax</b>		<b>427.94</b>	<b>255.25</b>
<b>Tax expense</b>			
Current tax	21	112.00	94.00
Tax in respect of earlier years		0.76	( 2.55)
Deferred tax		14.92	( 12.94)
<b>Total tax expense:</b>		<b>127.68</b>	<b>78.51</b>
<b>Profit for the year</b>		<b>300.26</b>	<b>176.74</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement of the defined benefit plans		3.55	( 1.91)
Tax relating to remeasurement of the defined benefit plans		( 0.98)	0.53
<b>Total comprehensive income for the year, net of tax</b>		<b>302.83</b>	<b>175.36</b>
<b>Earning per Equity Share</b>			
Basic	34	9.91	5.84
Diluted		9.91	5.84

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, 2018

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

Sd/-  
**GANESH TEMKAR**  
Company Secretary

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2018

# DYNAMIC INDUSTRIES LIMITED

## Cash Flow Statement for the year ended March 31, 2018

[₹ in Lacs]

Particulars	2017-2018	2016-2017
<b>A. Cash flow from operating activities</b>		
Profit/(Loss) for the year before taxation	427.94	255.25
<b>Adjustments for</b>		
Depreciation and amortisation	99.95	86.08
Short provision for income tax	( 0.76)	0.00
Finance cost	53.22	37.38
Interest Income from financial assets measured at amortised cost		
- on fixed deposits with Bank	( 0.82)	( 0.87)
- on other financial assets	( 16.00)	( 2.94)
Loss/gain on sale of property plant & equipment (net)	0.00	( 1.81)
Other Comprehensive Income	3.55	( 1.91)
Bad debt provision for doubtful debts	0.29	15.59
Operating profit before working capital changes	567.37	386.77
<b>Adjustments for</b>		
Trade Payable	402.46	( 32.42)
Other current financial liabilities	31.30	0.79
Other Non current financial asset	0.99	0.00
Other non current asset	10.00	( 10.00)
Other current assets	( 146.00)	137.88
Provisions	( 41.30)	( 9.57)
Other current liabilities	8.24	8.88
Inventories	( 294.99)	( 230.99)
Trade receivable	( 520.92)	( 388.55)
Other bank balances	( 0.73)	( 1.06)
Cash generated from operations	16.42	( 138.27)
Direct taxes Refund/(paid)	( 135.01)	( 99.41)
<b>Net Cash from Operating Activities</b>	<b>[A]</b>	<b>( 237.68)</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed property, plant and equipment	( 294.42)	( 42.05)
Payment for purchase of investments	( 56.43)	( 59.53)
Interest received	17.41	3.46
<b>Net Cash from / (used in) investing activities</b>	<b>[B]</b>	<b>( 98.12)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from borrowings - non current	202.04	( 18.88)
Proceeds from borrowings - current	327.44	238.41
Interest paid	( 51.70)	( 37.53)
Dividend paid to company's shareholders	( 36.45)	( 36.41)
<b>Net cash flow from financial activities</b>	<b>[C]</b>	<b>145.59</b>
<b>Net Increase/(Decrease) in cash &amp; cash equivalents</b>	<b>[A+B+C]</b>	<b>( 190.21)</b>
Cash and cash equivalents opening	25.18	215.39
Cash and cash equivalents closing	14.48	25.18
Components of Cash and cash equivalent		
Balances with scheduled banks	13.17	24.02
Cash in hand	1.31	1.16
	14.48	25.18

### Explanatory Notes to Cash Flow Statement

- The Cash Flow Statement is prepared by using indirect method in accordance with the format prescribed by Ind AS 7 as prescribed by The Institute of Chartered Accountants of India.
- In Part A of the Cash Flow Statements, figures in brackets indicates deductions made from the net profit for deriving the cash flow from operating activities. In part B & part C, figures in brackets indicates cash outflows.
- Figures of the previous year have been regrouped wherever necessary, to confirm to current years presentation.

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, 2018

**FOR AND ON BEHALF OF THE BOARD**

Sd/-

**DIPAKKUMAR CHOKSI**

Chairman & Whole Time Director

(DIN : 00536345)

Sd/-

**PUNIT CHHATTANI**

Chief Financial Officer

Sd/-

**HARIN MAMLATDARNA**

Vice Chairman & Managing Director

(DIN : 00536250)

Sd/-

**GANESH TEMKAR**

Company Secretary

Place : Ahmedabad

Date : 30<sup>th</sup> May, 2018

## Statement of changes in Equity for the year ended March 31, 2018

A. Equity share capital		[₹ in Lacs]
As at April 1, 2016		302.85
Issue of Equity Share Capital		0.00
As at March 31, 2017		302.85
Issue of Equity Share Capital		0.00
As at March 31, 2018		302.85

Particulars	Reserves and Surplus				Other Comprehensive Income			Total Equity
	General Reserve	Securities Premium	Retained Earnings	Revaluation Reserve	Reserve for Eco Fund Development	Equity Instruments through OCI	Other Items of comprehensive Income	
<b>Balance as at April 1, 2016</b>	183.73	178.60	1412.39	1641.74	6.50	0.00	0.00	3422.96
Profit for the year	0.00	0.00	176.74	0.00	0.00	0.00	0.00	176.74
Received during the year	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Addition during the year	1648.24	0.00	0.00	0.00	0.00	0.00	0.00	1648.24
Transferred during the year	0.00	0.00	0.00	(1641.74)	(6.50)	0.00	0.00	(1648.24)
Final Dividend	0.00	0.00	(30.29)	0.00	0.00	0.00	0.00	(30.29)
Corporate Dividend Tax	0.00	0.00	(6.13)	0.00	0.00	0.00	0.00	(6.13)
Other Comprehensive income for the year	0.00	0.00	0.00	0.00	0.00	0.00	(1.38)	(1.38)
<b>Balance as at March 31, 2017</b>	1831.97	178.60	1552.71	0.00	0.00	0.00	(1.38)	3561.90
Profit for the year	0.00	0.00	300.26	0.00	0.00	0.00	0.00	300.26
Final dividend.	0.00	0.00	(30.29)	0.00	0.00	0.00	0.00	(30.29)
Corporate dividend tax	0.00	0.00	(6.17)	0.00	0.00	0.00	0.00	(6.17)
Other Comprehensive income for the year	0.00	0.00	0.00	0.00	0.00	0.00	2.57	2.57
<b>Balance as at March 31, 2018</b>	1831.97	178.60	1816.52	0.00	0.00	0.00	1.19	3828.27

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, 2018

**FOR AND ON BEHALF OF THE BOARD**

Sd/-  
**DIPAKKUMAR CHOKSI**  
Chairman & Whole Time Director  
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Vice Chairman & Managing Director  
(DIN : 00536250)

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

Sd/-  
**GANESH TEMKAR**  
Company Secretary

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2018

## DYNAMIC INDUSTRIES LIMITED

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### 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 is in the business of manufacturing of chemical and main product of the Company is Dye and Dye stuffs. Significant Sales portion consists Export. However Competition in the industry is Continuously increasing but overall performance of the company is satisfactory. 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 standalone financial statements for the year ended March 31, 2018 were considered by the Board of Directors and approved for issuance on May 30, 2018.

### Note 2 : Basis of Preparation

These standalone 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. For periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with the then applicable Accounting Standards in India (“previous GAAP”). These are the Company’s first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016. The comparative figures in the Balance Sheet as at March 31, 2017 and April 1, 2016 and Statement of Profit and Loss and Cash Flow Statement for the year ended March 31, 2017 have been restated accordingly. 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.

Refer Note 4.21 for the explanations of transition to Ind AS including the details of first-time adoption exemptions availed by the Company.

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

#### 2.1 Statement of Compliance

The standalone 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, 2018 have been prepared in accordance with Ind AS as notified under section 133 of the Companies’ Act, 2013 (“the Act”) duly approved by the Board of Directors at its meeting held on 30th May, 2018.

#### 2.2 Basis of Measurement

The standalone 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.
- (c) Assets held for sale measured at fair value less cost to sales

The above items have been measured at Fair Value and the methods used to measure Fair Values are discussed further in Note 4.18.

#### 2.3 Functional and Presentation Currency

Items included in the standalone 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 standalone 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 yet effective

Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, (“the Rules”) on 28th March, 2018. The rules notify the new Revenue Standard Ind AS 115 ‘Revenue from

Contracts with Customers' and also bring in amendments to existing Ind AS. The rules shall be effective from reporting period beginning on or after 1st April, 2018 and cannot be reported early. Hence, not applied in the preparation of these financial statements.

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

The preparation of standalone 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 standalone 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.

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

#### **3.1 Revenue recognition**

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

#### **3.2 Impairment of investments in subsidiaries**

The Company reviews its carrying value of investments in subsidiaries at cost, annually, or more frequently when there is an indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

#### **3.3 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.

#### **3.4 Employee Benefits**

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.

#### **3.5 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. Judgments include

Trade receivables, predominantly from Government schemes/insurance companies and corporates which enjoy high credit ratings are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. 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.

The company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix considering the nature of receivables and the risk characteristics. The considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.



### 3.6 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.

### 3.7 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.

### 3.8 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.

## 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**

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.

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

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.

#### **Transition to Ind AS**

For transition to Ind AS, the Company has opted to adopt the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

### 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.

#### **Intangible assets acquired in a business combination**

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

#### **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, 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:

<b>Type of Asset</b>	<b>Useful Life</b>
Computer software	3 years

**Deemed cost on transition to Ind AS**

For transition to Ind AS, the Company has opted to continue with the carrying value of all of its intangible assets recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

**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. Excise duty on goods manufactured by the company and remaining in inventory is included as a part of valuation of finished goods.
- (ii) Stock of stores, spares, consumable and packing materials are valued at cost.

**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

## DYNAMIC INDUSTRIES LIMITED

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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

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

Dividend income from investments is recognised when the right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

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

### 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 April 1, 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.

#### 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.

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### 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 standalone 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.

All assets and liabilities for which fair value is measured or disclosed in the standalone 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 standalone 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.



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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.

### 4.19 First Time Adoption of Ind AS

The Company has prepared the opening standalone balance sheet as per Ind AS as of April 1, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain mandatory exceptions under Ind AS 101 and certain optional exemptions permitted under Ind AS 101 availed by the Company as detailed below:

#### 1 Mandatory exceptions to retrospective application of other Ind AS

(a) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies) unless there is an objective evidence that those estimates were in error.

The company has not made any changes to estimates made in accordance with Previous GAAP.

(b) Ind AS 109 - Financial Instruments (Derecognition of previously recognized Financial Assets/ Financial Liabilities)

An entity shall apply the derecognition requirements in Ind AS 109 prospectively for the transactions occurring on or after date of transition to Ind AS.

The Company has applied the derecognition requirements prospectively.

(c) Ind AS 109 "Financial Instruments" (Classification and Measurement of Financial Assets/ Financial Liabilities)

Classification and measurement of Financial Assets shall be made on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

The Company has evaluated the facts and circumstances existing on the date of transition to Ind AS for the purpose of classification and measurement of Financial Assets and accordingly has classified and measured financial assets on the date of transition.

(d) Ind AS 109 "Financial Instruments" (Impairment of Financial Assets): Impairment requirements under Ind AS 109 should be applied retrospectively based on reasonable and supportable information that is available on the date of transition without undue cost or effort.

The borrowings of the Company outstanding as at the transition date, consists of loans whose disbursements have taken place in multiple tranches in different financial years with varying interest rates. In some cases, the rate of interest on the loans are variable in nature and drawal of the loans have been made in multiple installments with each drawal to be treated as a separate transaction for the purpose of computing the amortised cost. Implementing the requirement of amortised cost retrospectively is impracticable and also the amount is expected to be immaterial and hence the Company has considered the fair value of the financial liability at the date of transition to Ind AS as new amortised cost of that financial liability at the date of transition to Ind AS i.e. 1 April 2016.

## 2. Optional exemptions

### (a) Deemed cost for property, plant and equipment, and intangible assets

Ind AS 101 permits a first-time adopter to opt to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 "Intangible Assets".

Accordingly, the Company has opted to measure all of its property, plant and equipment, and intangible assets at their previous GAAP carrying value.

### (b) Investments in subsidiaries, joint ventures and associates

IND AS 101 provides the option to the first-time adopter to account for its investments in subsidiaries, joint ventures and associates at either cost determined in accordance with IND AS 27 or in accordance with IND AS 109.

Accordingly, the Company has opted to measure such investments at cost in accordance with Ind AS 27.

### (c) Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement contains a lease on the basis of facts and circumstances existing at the transition date.

The Company has leases of land. The classification of each land as finance lease or operating lease at the date of transition to Ind AS is done based on the basis of facts and circumstances existing as at that date.

Notes to the Financial Statements

Note 5 : Property, Plant and Equipment

Note 5.1 : As at March 31, 2018

[₹ in Lacs]

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	222.28	0.00	0.00	222.28	12.91	12.91	0.00	25.82
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	4.63	0.00	0.00	4.63	1.60	0.67	0.00	2.27
Furniture and Fixtures	17.72	0.00	0.00	17.72	2.95	2.95	0.00	5.90
Vehicles	61.40	9.00	0.00	70.40	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>2293.82</b>	<b>324.77</b>	<b>0.00</b>	<b>2618.59</b>	<b>79.12</b>	<b>99.75</b>	<b>0.00</b>	<b>178.87</b>
								<b>2439.71</b>

Note 5.2 : As at March 31, 2017

[₹ in Lacs]

Particulars	Gross carrying amount			Accumulated Depreciation			Net carrying amount As at 31/03/2017	
	As at 01/04/2016	Additions	Deduction / Adjustments	As at 31/03/2017	Up to 31/03/2016	For the year		Deduction / Adjustments
<b>Owned Assets</b>								
Buildings	222.28	0.00	0.00	222.28	0.00	12.91	0.00	12.91
Plant & Machinery	316.88	4.34	0.00	321.22	0.00	35.80	0.00	35.80
Office Equipments	3.24	0.00	0.00	3.24	0.00	1.08	0.00	1.08
Computer	4.63	0.00	0.00	4.63	0.00	1.60	0.00	1.60
Furniture and Fixtures	17.72	0.00	0.00	17.72	0.00	2.95	0.00	2.95
Vehicles	59.58	11.38	(9.56)	61.40	0.00	14.06	(6.88)	7.18
<b>Leasehold Assets</b>								
Land	1663.33	0.00	0.00	1663.33	0.00	17.60	0.00	17.60
<b>Total</b>	<b>2287.66</b>	<b>15.72</b>	<b>(9.56)</b>	<b>2293.82</b>	<b>0.00</b>	<b>86.00</b>	<b>(6.88)</b>	<b>79.12</b>

**Note :**

The company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 (transition date), measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date. Details of gross block, accumulated depreciation and net block as per Indian GAAP are given in note 5.3.

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Note 5.3 : Gross block, accumulated depreciation and net block as per India GAAP as at April 1, 2016

[₹ in Lacs]

Particulars	Gross carrying amount			Accumulated Depreciation			Net carrying amount
	Gross carrying amount	Accumulated Depreciation	Net carrying amount				
<b>Owned Assets</b>							
Buildings	398.21	(175.93)	222.28				
Plant & Machinery	847.85	(530.97)	316.88				
Office Equipments	15.48	(12.24)	3.24				
Computer	34.26	(29.63)	4.63				
Furniture and Fixtures	59.33	(41.61)	17.72				
Vehicles	138.00	(78.42)	59.58				
<b>Leasehold Assets</b>							
Land	1742.60	(79.27)	1663.33				
<b>Total</b>	<b>3235.73</b>	<b>(948.07)</b>	<b>2287.66</b>				

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### Note 6 : Capital work in progress

#### Note 6.1 : As at March 31, 2018

[₹ in Lacs]

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>	30.84	0.00	0.00	(30.84)	0.00

#### Note 6.2 : As at March 31, 2017

[₹ in Lacs]

Particulars	As at 01/04/2016	Additions	(Deductions) / Adjustment	Capitalised	As at 31/03/2017
Plant and Machinery	0.00	30.84	0.00	0.00	30.84
<b>Total :</b>	0.00	30.84	0.00	0.00	30.84

**Note 7 : Other Intangible Assets****Note 7.1 : As at March 31, 2018**

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	0.24	0.48	0.00	0.72	0.08	0.19	0.00	0.27
<b>Total</b>	0.24	0.48	0.00	0.72	0.08	0.19	0.00	0.45

**Note 7.2 : As at March 31, 2017**

Particulars	Gross carrying amount			Accumulated Depreciation			Net carrying amount As at 31/03/2017	
	As at 01/04/2016	Additions	Deduction / Adjustments	As at 31/03/2017	Up to 31/03/2016	For the year		Deduction / Adjustments
Software	0.24	0.00	0.00	0.24	0.00	0.08	0.00	0.08
<b>Total</b>	0.24	0.00	0.00	0.24	0.00	0.08	0.00	0.16

**Note :**

The company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 (transition date), measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date. Details of gross block, accumulated depreciation and net block as per Indian GAAP are given in note 7.3.

**Note 7.3 : Gross block, accumulated depreciation and net block as per India GAAP as at April 1, 2016**

Particulars	Gross carrying amount	Accumulated Depreciation	Net carrying amount
	Software	0.26	(0.02)
<b>Total</b>	0.26	(0.02)	0.24

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### Note 8 : Investments

[₹ in Lacs]

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Non Current</b>				
<b>Financial Instruments at FVTPL</b>				
Real Estate Funds	8.1	115.96	59.53	0.00
Investment in Subsidiaries	8.2	5.00	5.00	5.00
<b>Total</b>		<b>120.96</b>	<b>64.53</b>	<b>5.00</b>
Aggregate amount of quoted investments and market value thereof		115.96	59.53	0.00
Aggregate amount of unquoted investments		5.00	5.00	5.00

### Note 8.1 : Investment in Mutual Funds

[₹ in Lacs]

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Investment in Real Estate Funds</b>				
Amplus Realty Fund II		17.52	20.00	0.00
Indiabulls High Yield Fund		98.44	39.53	0.00
<b>Total</b>		<b>115.96</b>	<b>59.53</b>	<b>0.00</b>

### Note 8.2 : Details of Investment in unquoted equity instruments of subsidiaries (fully paid up)

[₹ in Lacs]

Name of the subsidiary		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Equity Instrument</b>				
Neo Farbe Private Limited		5.00	5.00	5.00
50,000 31st March, 2018 (31st March, 2017 : 50,000, 1st April, 2016 : 50,000) Equity Shares of ₹ 10/- each fully paid up				
<b>Total</b>		<b>5.00</b>	<b>5.00</b>	<b>5.00</b>

### Note 9 : Other Financial Assets

[₹ in Lacs]

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Non-current</b>				
Security deposits		15.31	16.30	16.30
<b>Total (A)</b>		<b>15.31</b>	<b>16.30</b>	<b>16.30</b>
<b>Current</b>				
Interest accrued but not due		0.97	1.56	1.21
<b>Total (B)</b>		<b>0.97</b>	<b>1.56</b>	<b>1.21</b>
<b>Total (A) + (B)</b>		<b>16.28</b>	<b>17.86</b>	<b>17.51</b>

**Note 10 : Other Non-current / Current Assets**

[₹ in Lacs]

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Non-current</b>			
Capital Advances	0.00	10.00	0.00
<b>Total</b>	<b>0.00</b>	<b>10.00</b>	<b>0.00</b>
<b>Current</b>			
Balance with revenue authorities	310.42	196.73	340.18
Pre-paid expenses	16.01	9.08	8.60
Advance to suppliers	31.14	5.26	1.66
Advance to staff	3.14	3.64	2.15
<b>Total</b>	<b>360.71</b>	<b>214.71</b>	<b>352.59</b>

**Note 11 : Inventories**

(As taken, valued and certified by the Management)

[₹ in Lacs]

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Raw materials	716.77	696.73	463.14
Work in progress	99.06	102.45	83.57
Finished goods	696.66	409.87	421.75
Stock in trade	4.21	0.62	6.77
Stores, spares and consumables	2.46	2.91	6.72
Others	4.08	15.67	15.31
<b>Total</b>	<b>1523.24</b>	<b>1228.25</b>	<b>997.26</b>

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

**Note 12 : Trade Receivables**

[₹ in Lacs]

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Unsecured</b>			
Considered good	1809.22	1288.30	913.31
Doubtful	28.26	28.26	14.70
	<b>1837.48</b>	<b>1316.56</b>	<b>928.01</b>
Less : Provision for Doubtful Debts	(28.26)	(28.26)	(14.70)
Less : Allowance for expected credit loss	(2.32)	(2.03)	(0.00)
	<b>(30.58)</b>	<b>(30.29)</b>	<b>(14.70)</b>
<b>Total</b>	<b>1806.90</b>	<b>1286.27</b>	<b>913.31</b>
Included in the financial statement as follows :			
Non-current	0.00	0.00	0.00
Current	1806.90	1286.27	913.31
<b>Total</b>	<b>1806.90</b>	<b>1286.27</b>	<b>913.31</b>



## DYNAMIC INDUSTRIES LIMITED

### Note 13 : Cash and Cash equivalents

[₹ in Lacs]

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Balance with Bank</b>			
Current accounts	9.42	21.14	212.72
Cash on hand	1.31	1.16	0.61
<b>Total</b>	<b>10.73</b>	<b>22.30</b>	<b>213.33</b>

### Note 14 : Other Bank Balances

[₹ in Lacs]

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Fixed Deposits with Original Maturity for more than 3 months but less than 12 months	12.49	11.76	10.70
Unclaimed dividend	3.75	2.88	2.06
<b>Total</b>	<b>16.24</b>	<b>14.64</b>	<b>12.76</b>

The amount of fixed deposits with banks includes deposits placed as Margin Money amounting for ₹ 12.49 Lakhs (P. Y. ₹ 11.76 Lakhs and April 1, 2016 ₹ 10.70 Lakhs)

### Note 15 : Current Tax Assets

[₹ in Lacs]

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Current</b>			
Advance Tax	100.51	0.00	0.00
Less : Provision	94.00	0.00	0.00
<b>Total</b>	<b>6.51</b>	<b>0.00</b>	<b>0.00</b>

### Note 16 : Equity Share Capital

[₹ in Lacs]

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Authorised share capital</b>			
35,00,000 (March 31, 2017 : 35,00,000; April 1, 2016 : 35,00,000) Equity Shares of ₹ 10/- each	350.00	350.00	350.00
<b>Issued share capital</b>			
30,28,500 (March 31, 2017 : 30,28,500; April 1, 2016 : 30,28,500) Equity Shares of ₹ 10/- each	302.85	302.85	302.85
<b>Subscribed and fully paid up</b>			
30,28,500 (March 31, 2017 : 30,28,500; April 1, 2016 : 30,28,500) Equity Shares of ₹ 10/- each	302.85	302.85	302.85
	<b>302.85</b>	<b>302.85</b>	<b>302.85</b>

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

Particulars	As at	As at
	March 31, 2018	March 31, 2017
At the beginning of the year	30,28,500	30,28,500
<b>Add :</b>		
Shares issued for Cash or Right Issue	00	00
Bonus Shares	00	00
Exercise of Share Option under ESOS / ESOP	00	00
Shares issued in Business Combination	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

**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.

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

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	% of holding	No. of Shares	% of holding	No. of Shares	% of holding
Harin D. Mamlatdarna	3,47,780	11.48	3,47,780	11.48	3,47,780	11.48
Deepakkumar N. Choksi	2,84,572	9.40	2,84,572	9.40	2,84,572	9.40
Maya H. Mamlatdarna	2,11,247	6.98	2,11,247	6.98	2,11,247	6.98

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### Note 17 : Other Equity

[₹ in Lacs]

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
General Reserve	1831.97	1831.97	1825.47
Securities Premium	178.60	178.60	178.60
Retained Earnings	1817.70	1551.33	1412.39
Revaluation Reserve	0.00	0.00	0.00
Reserve Fund for Eco-Development	0.00	0.00	6.50
	<b>3828.27</b>	<b>3561.90</b>	<b>3422.96</b>

[₹ in Lacs]

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Securities Premium</b>			
Balance as per previous financial statements	178.60	178.60	178.60
Add/Less : Additions/(Deductions) during the year	0.00	0.00	0.00
Balance at the end of the year	<b>178.60</b>	<b>178.60</b>	<b>178.60</b>
<b>Reserve Fund for Eco-Development</b>			
Balance as per previous financial statements	0.00	6.50	6.50
Add/Less : Additions/(Deductions) during the year	0.00	(6.50)	0.00
Balance at the end of the year	<b>0.00</b>	<b>0.00</b>	<b>6.50</b>
<b>Revaluation Reserve</b>			
Balance as per previous financial statements	0.00	0.00	1641.74
Add/Less : Additions/(Deductions) during the year	0.00	0.00	(1641.74)
Balance at the end of the year	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>General Reserve (Refer note below)</b>			
Balance as per previous financial statements	1831.97	1825.47	183.73
Add/Less : Additions/(Deductions) during the year	0.00	6.50	1641.74
Balance at the end of the year	<b>1831.97</b>	<b>1831.97</b>	<b>1825.47</b>
<b>Surplus / (Deficit) in Statement of Profit &amp; Loss</b>			
Balance as per previous financial statements	1551.33	1412.39	1284.16
Add : Profit for the year	300.26	176.74	128.23
Add/Less : OCI for the year	2.57	(1.38)	0.00
Balance available for appropriation	<b>1854.16</b>	<b>1587.75</b>	<b>1412.39</b>
<b>Less : Appropriation</b>			
- Dividend	30.29	30.29	0.00
- Provision for dividend distribution tax (DDT)	6.17	6.13	0.00
	<b>36.46</b>	<b>36.42</b>	<b>0.00</b>
<b>Net Surplus / (Deficit)</b>	<b>1817.70</b>	<b>1551.33</b>	<b>1412.39</b>
	<b>3828.27</b>	<b>3561.90</b>	<b>3422.96</b>

**Note :** General reserve includes revaluation reserve amounting to ₹ 1641.74/- lacs which is not available for distribution of profit.

## Note 18 : Borrowings

[₹ in Lacs]

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Non-current</b>			
<b>Term Loans</b>			
<b>Secured</b>			
<b>From Banks</b>			
HDFC Bank Limited (Refer note 1 below)	223.75	25.38	44.26
<b>Vehicles loans</b>			
<b>From Others</b>			
HDFC Bank Limited (Refer note 2 below)	3.67	0.00	0.00
<b>Total</b>	<b>227.42</b>	<b>25.38</b>	<b>44.26</b>
<b>Current</b>			
<b>Secured</b>			
<b>Working Capital Loan</b>			
HDFC Bank Ltd. (Cash Credit A/c.)	168.62	0.00	128.46
HDFC Bank Ltd. (Export Packing Credit)	175.00	150.00	0.00
HDFC Bank Ltd. (Export Bills Purchase)	397.73	263.91	47.04
<b>Total</b>	<b>741.35</b>	<b>413.91</b>	<b>175.50</b>
<b>Current maturities of long term debts</b>			
<b>Term loans</b>			
<b>Secured</b>			
<b>From Banks</b>			
HDFC Bank Limited (Refer note 1 below)	47.63	18.87	16.81
<b>Vehicle loans</b>			
<b>From Others</b>			
HDFC Bank Limited (Refer note 2 below)	3.10	0.00	0.00
Toyota Financial Services India Ltd. (Refer note 2 below)	0.00	0.00	7.16
<b>Total</b>	<b>50.73</b>	<b>18.87</b>	<b>23.97</b>

**Nature of Security**

- The above term loans HDFC Bank Ltd are primarily secured against Hypothecation of present and future stocks and book debts and Plant & Machineries. It is further secured by Equitable Mortgage on Leasehold land bearing Plot / Shed No 125, in aggregate admeasuring 1330 Sq mts in phase I, Vatva Industrial Estate, 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.
- The above loans are secured against hypothecation of vehicles.

**Terms of Repayment of Loans****Term loans**

- HDFC Bank Ltd. The company has availed term loan for acquisition of plant and machinery and It is 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.  
The company has availed term loan for working capital and It is 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.  
The company has availed term loan for acquisition of working capital and It is 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.

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### Vehicle Loans

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

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 19 : Other Financial Liabilities

[₹ in Lacs]

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Current</b>			
Current Maturities of Long Term Borrowings	50.73	18.87	23.98
Interest accrued but not due on Borrowings	1.84	0.32	0.47
Unclaimed dividends	3.75	2.88	2.06
Trade deposit	0.00	3.10	0.00
Employees	15.39	13.73	11.75
<b>Total</b>	<b>71.71</b>	<b>38.90</b>	<b>38.26</b>

### Note 20 : Provisions

[₹ in Lacs]

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Non-Current</b>			
<b>Provision for employee benefits</b>			
Gratuity	11.26	8.74	6.33
Priviledge / Earned Leave	0.00	0.00	9.05
<b>Total</b>	<b>11.26</b>	<b>8.74</b>	<b>15.38</b>
<b>Current</b>			
<b>Provision for employee benefits</b>			
Gratuity	6.15	4.35	3.76
Priviledge / Earned Leave	0.00	0.00	1.50
<b>Others</b>			
Provision for excise duty on closing stock	0.00	45.61	47.61
Proposed dividend	0.00	0.00	0.00
Corporate Dividend Tax	0.00	0.00	0.00
<b>Total</b>	<b>6.15</b>	<b>49.96</b>	<b>52.87</b>

### Note 21 : Income Taxes

[₹ in Lacs]

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Deferred tax liability</b>		
Opening balance	54.44	67.91
Adjustment for the current year (Charged)/Credited through OCI	14.92	(12.94)
	0.98	(0.53)
<b>Total</b>	<b>70.34</b>	<b>54.44</b>

**Note 21.1 : Significant components of deferred tax assets are shown in the following table :** [₹ in Lacs]

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Deferred tax liabilities</b>			
Routed through profit or loss			
Difference of book depreciation and tax depreciation	79.19	61.94	78.57
<b>Total deferred tax liabilities</b>	79.19	61.94	78.57
Set-off of deferred tax assets pursuant to set-off provisions			
Routed through P/L			
Provision for leave obligation and gratuity	10.01	6.86	10.71
Others	(0.18)	0.11	(0.05)
<b>Total deferred tax assets</b>	9.83	6.97	10.66
<b>Net deferred tax liabilities</b>	69.36	54.97	67.91

**Note 21.2 : The reconciliation between the provision of income tax and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows :** [₹ in Lacs]

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit before taxes	427.94	255.25
Current tax expense calculated using normal tax rate at 27.55% (Previous year - 33.06%)	27.55%	33.06%
Tax effect of amounts which are not deductible / (taxable) in calculating taxable book profit;	117.90	84.39
<b>Add :</b>		
Tax Effect on non-deductible expenses	9.81	0.94
Provision for Doubtful Debts	0.29	11.08
Tax Effect on deductible expenses	(11.96)	(1.55)
Others	(4.04)	(0.86)
Adjustments in respect of current income tax of previous year	0.76	(2.55)
<b>Income Tax as per normal provisions</b>	112.76	91.45

**Note 21.3 : Income tax expense has been allocated as follows :** [₹ in Lacs]

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Income tax expense recognised in the Statement of Profit &amp; Loss</b>		
Current tax on profits for the year	112.76	91.45
	112.76	91.45
<b>Deferred tax (other than disclosed under OCI)</b>		
Decrease / (increase) in deferred tax assets	(2.86)	3.69
(Decrease) / increase in deferred tax liabilities	17.25	(16.64)
	14.40	(12.94)
Income tax expense / (income) attributable to continuing operations	127.15	78.51
Income tax expense recognised in other comprehensive income		
Income tax included in other comprehensive income on:		
Defined benefit plan actuarial gains/(losses)	(0.98)	0.53
Income tax expense / (income) recognised in other comprehensive income	(0.98)	0.53

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### Note 22 : Trade Payables

[₹ in Lacs]

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Current</b>			
Micro, Small and Medium Enterprise	0.00	0.00	0.00
Others	1007.06	604.60	637.02
<b>Total</b>	<u>1007.06</u>	<u>604.60</u>	<u>637.02</u>

Trade payables are not-interest bearing and are normally settled within 60-90 days.

### Note 23 : Other current liabilities

[₹ in Lacs]

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Current</b>			
Creditors for capital goods	3.13	1.10	0.00
Advance towards customer	5.01	2.71	0.00
Statutory liabilities	12.86	8.95	3.88
<b>Total</b>	<u>21.00</u>	<u>12.76</u>	<u>3.88</u>

### Note 24 : Current tax liabilities

[₹ in Lacs]

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Current</b>			
Provision for tax	375.50	373.50	479.50
Less : Advance Tax	(361.18)	(342.68)	(440.73)
<b>Total</b>	<u>14.32</u>	<u>30.82</u>	<u>38.77</u>

**Note 25 : Revenue from Operations** [₹ in Lacs]

Particulars	2017-2018	2016-2017
Sale of Products (Gross)	5861.66	4841.18
Other Operating Revenue	44.36	41.22
	5906.02	4882.40

**Break up of sales of product (Net of Excise)** [₹ in Lacs]

Particulars	2017-2018	2016-2017
<b>Manufactured</b>		
Dyes, Pigments and Chemicals		
Export	2415.39	2224.65
Local	3197.32	2224.99
<b>Total</b>	5612.71	4449.64
<b>Stock in trade</b>		
Dyes, Pigments and Chemicals		
Export	28.24	62.29
Local	31.12	30.94
<b>Total</b>	59.36	93.23
<b>Raw Materials</b>		
Export	48.46	0.00
Local	78.08	41.71
<b>Total</b>	126.54	41.71
<b>Grand Total</b>	5798.61	4584.58

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

Particulars	2017-2018	2016-2017
Export benefits (Net)	44.36	41.22
	44.36	41.22

**Note 26 : Other Income** [₹ in Lacs]

Particulars	2017-2018	2016-2017
<b>Interest Income</b>		
From Banks	0.82	0.87
Others	16.00	2.94
	16.82	3.81
Gain on Foreign Exchange Fluctuation (Net)	19.17	0.00
Provision no longer required	0.00	10.55
Insurance Claim	6.25	0.00
Lifting Income	7.98	0.00
Profit on Sale of Assets	0.00	1.81
Miscellaneous Income	4.03	0.07
	37.43	12.43
	54.25	16.24



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### Note 27 : Cost of Materials / Products Consumed

[₹ in Lacs]

Particulars	2017-2018	2016-2017
Raw Materials	4182.83	3081.55
Packing Materials	110.57	98.83
Freight, Octroi & Inward Clearing	60.01	44.49
	<u>4353.41</u>	<u>3224.87</u>

### Note 28 : Purchase of Stock-in-trade

[₹ in Lacs]

Particulars	2017-2018	2016-2017
<b>Stock-in-trade</b>		
Dyes, Pigment & Chemicals	162.18	124.76
	<u>162.18</u>	<u>124.76</u>

### Note 29 : Changes in Inventories

[₹ in Lacs]

Particulars	2017-2018	2016-2017
<b>Inventory at the end of the year</b>		
Finished Goods	696.66	409.87
Stock in trade	4.21	0.62
Work in progress	99.06	102.45
	<u>799.94</u>	<u>512.94</u>
<b>Inventory at the beginning of the year</b>		
Finished Goods	409.87	421.76
Stock in trade	0.62	5.90
Work in progress	102.45	83.57
	<u>512.94</u>	<u>511.23</u>
<b>(Increase) / Decrease in stocks</b>	<u>(287.00)</u>	<u>(1.71)</u>

### Note 30 : Employee benefits expense

[₹ in Lacs]

Particulars	2017-2018	2016-2017
Salary, Allowance, Wages and Bonus	279.07	257.02
Contribution to Provident Fund & Other Funds	33.02	16.10
Staff Welfare and Training	5.18	4.19
	<u>317.27</u>	<u>277.31</u>

**Note 31 : Finance Cost**

[₹ in Lacs]

Particulars	2017-2018	2016-2017
<b>Interest</b>		
To Bank	43.79	29.24
Others	0.08	0.26
	43.87	29.50
<b>Other Borrowing Cost</b>		
LC Charges	5.18	4.17
Loan Processing Charges	4.17	3.71
	9.35	7.88
	53.22	37.38

**Note 32 : Depreciation and Amortization**

[₹ in Lacs]

Particulars	2017-2018	2016-2017
Depreciation expense on property, plant and equipment	82.35	68.48
Amortization expense	17.60	17.60
	99.95	86.08

**Note 33 : Other expenses**

[₹ in Lacs]

Particulars	2017-2018	2016-2017
<b>Manufacturing Expenses</b>		
Power, Fuel and Water Charges	352.68	256.47
Stores and other consumables	3.09	3.54
Laboratory Expenses	12.90	13.35
Pollution Plant Treatment	63.59	54.32
Excise duty on finished goods	(45.61)	(2.00)
Repairs and Maintenance		
Building	9.14	5.34
Plant and Machinery and Office equipment	35.91	29.45
Others	7.02	5.89
<b>Establishment Expenses</b>		
Rates and Taxes	12.94	6.19
Insurance	22.50	21.76
Fees and Legal Expenses	25.67	23.35
Auditors' Remuneration (refer note below)	6.00	6.00
Travelling Expenses	0.91	6.11
Bank Charges	12.99	10.50
Postage, Telephone & Internet Expenses	10.87	14.43
Membership and Subscription	2.33	0.75
Vehicle Expenses	6.89	6.50
Security Charges	7.99	7.48
Donation		
Corporate Social Responsibility (CSR)	0.00	8.00
Others	5.20	0.05

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### Note 33 : Other expenses (continued).....

[₹ in Lacs]

Particulars	2017-2018	2016-2017
Loss on fair value of Investment measured at FVTPL (PL)	1.09	0.47
Foreign Exchange Fluctuation	0.00	7.62
Provision for Bad debts	0.29	15.59
Sundry Balance written off	14.90	0.00
Other Miscellaneous Expenses	13.67	11.36
Advertisement Expenses	3.03	0.55
Commission and Discount	85.79	64.94
Sales Promotion	6.94	0.30
Freight Outwards	91.54	59.80
	<b>770.26</b>	<b>638.11</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>

### Note 34 : Earning per Share

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Net Profit / (Loss) for the year [₹ in Lacs]	300.26	176.74
Number of equity shares	3028500	3028500
Nominal Value of the share	10	10
Basic and diluted Earning per Share[₹]	9.91	5.84

### Note 35 : Contingent Liabilities and Commitments

[₹ in Lacs]

Particulars	As at March 31, 2018	As at March 31, 2017
<b>A Contingent Liabilities not provided for in respect of</b>		
(i) Claim against the company not acknowledged as debt :		
- Income Tax	8.73	0.88
- Custom Duty	171.14	171.14
- Custom Duty	5.51	5.51
- Service Tax	79.24	79.24
(ii) Custom Duty (Import under Advance Licenses Export Obligation Pending)	20.57	8.93
	<b>285.19</b>	<b>265.70</b>
<b>B Capital Commitments</b>		
Estimated amount of contract remaining to the executed on capital accounts	NIL	95.14

**Note 36: Employee Benefits****Note 36.1 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 Lacs]

Particulars	For the year 2017-2018	For the year 2016-2017
Contribution to Provident Fund and Pension Scheme, included under contribution to provident and other funds	11.47	9.64
Contribution to Employee State Insurance Scheme, included under contribution to provident and other funds	3.04	2.14

**Note 36.2 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, 2018	As at March 31, 2017	As at April 1, 2016
Discount Rate	7.10%	6.75%	7.65%
Expected rate(s) of salary increase	7.00%	7.00%	7.00%
Rate of return on plan assets	7.10%	6.75%	8.75%

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, 2018

[₹ in Lacs]

Particulars	For the year ended 2017-2018 Gratuity (Funded)	For the year ended 2016-2017 Gratuity (Funded)
<b>Changes in the present value of obligation</b>		
1. Present value of obligation (Opening)	40.91	36.26
2. Interest cost	2.00	1.95
3. Past service cost adjustments/Prior year Charges	13.45	(0.07)
4. Current service cost	4.35	3.76
5. Curtailment Cost / (Gain)	--	--
6. Settlement Cost / (Gain)	--	--
7. Benefits paid	(0.83)	(3.29)
8. Actuarial (Gain) / Loss arising from change in financial assumptions	(0.63)	1.42
9. Actuarial (Gain) / Loss arising from change in demographic assumptions	--	--
10. Actuarial (Gain) / Loss arising from change on account of experience changes	(2.41)	0.88
11. Present value of obligation (Closing)	56.83	40.91

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[₹ in Lacs]

Particulars	For the year ended 2017-2018 Gratuity (Funded)	For the year ended 2016-2017 Gratuity (Funded)
<b>Changes in the fair value of plan assets</b>		
1. Present value of plan assets (Opening)	27.83	26.16
2. Past contribution / Adjustment to Opening Fund	--	--
3. Expected return on plan assets	0.50	0.38
4. Interest Income	1.27	1.33
5. Actuarial Gain / (Loss)	--	--
6. Employers Contributions	10.65	3.25
7. Employees Contributions	--	--
8. Benefits paid	(0.83)	(3.29)
9. Expense deducted from the fund	--	--
10. Fair Value of Plan Assets (Closing)	39.42	27.83
<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 Lacs]

Particulars	For the year ended 2017-2018	For the year ended 2016-2017
<b>Present Value of funded obligation at the end of the year</b>	<b>56.83</b>	<b>40.91</b>
Fair Value of Plan Assets as at the end of the period	39.42	27.83
Amount not recognised due to asset limit	--	--
<b>Deficit of funded plan</b>		
<b>Deficit of unfunded plan</b>	<b>17.41</b>	<b>13.08</b>
- Current	6.14	4.35
- Non current	11.26	8.73

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

[₹ in Lacs]

<b>Expense recognised in the Statement of Profit &amp; Loss</b>	<b>For the year ended 2017-2018 (Gratuity)</b>	<b>For the year ended 2016-2017 (Gratuity)</b>
Current Service Cost	4.35	3.76
Past Service Cost	13.44	(0.71)
Adjustment to opening fund	--	--
Net interest Cost	0.74	0.63
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>18.52</b>	<b>4.32</b>

#Included in 'Salary and Wages' under 'Employee benefits expense'

[₹ in Lacs]

<b>Amount recorded in Other comprehensive Income (OCI)</b>	<b>For the year ended 2017-2018 (Gratuity)</b>	<b>For the year ended 2016-2017 (Gratuity)</b>
<b>Re-measurements during the year due to</b>		
Changes in financial assumptions	(0.63)	1.41
Changes in demographic assumptions	--	--
Experience adjustments	(2.41)	0.88
Return on plan assets excluding amounts included in interest income	(0.50)	(0.38)
<b>Amount recognised in OCI during the year</b>	<b>(3.55)</b>	<b>1.91</b>

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### (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			Increase in Assumptions			Decrease in Assumptions	
	March 31, 2018	March 31, 2017		March 31, 2018	March 31, 2017		March 31, 2018	March 31, 2017
Discount Rate	0.50%	0.50%	Decrease by	(1.50)%	(1.97)%	Increase by	1.61%	2.11%
Salary growth rate	0.50%	0.50%	Increase by	1.55%	2.09%	Decrease by	(1.47)%	(1.97)%

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.

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

Category of Assets (% Allocation)	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
	%			[₹ in Lacs]		
Insurer managed funds	100%	100%	100%	39.42	27.83	26.16
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>39.42</b>	<b>27.83</b>	<b>26.16</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 Rs 6.13 Lakhs.

The weighted average duration of the defined benefit obligation is 3.38 years (2017 – 4.25 years, 2016- 3.64 years).

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

## (a) Gratuity

[₹ in Lacs]

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Cash Flow	(%)	Cash Flow	(%)	Cash Flow	(%)
1st following year	37.30	46.90	22.46	37.20	22.13	41.70
2nd following year	2.33	2.90	1.62	2.70	1.62	3.10
3rd following year	1.67	2.10	2.11	3.50	1.29	2.40
4th following year	2.83	3.60	1.46	2.40	1.84	3.50
5th following year	1.54	1.90	2.42	4.00	1.21	2.30
Sum of year 6th to 10th	11.84	14.90	8.52	14.10	8.40	15.80

**Note 37: Segment Information**

The Company operates within a solitary business segment i.e. manufacturing of dyes, chemicals and pigments which constitute a single business segment. These activities are mainly conducted only in one geographical segment viz, India. Therefore, the disclosure requirements under the Ind AS 108 "Operating Segments" are not applicable.

**Note 38:****1. 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.



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

[₹ in Lacs]

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 Intermediates Pvt. Ltd.	121.69 --	-- --	103.79	121.69 103.79

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

[₹ in Lacs]

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

## 2. Related Party Disclosures for the year ended March 31, 2017

## (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, 2017 in the ordinary course of business

[₹ in Lacs]

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		27.13 10.43 27.17		27.13 10.43 27.17
2	Expenditure on other services (Salary) Ronak Choksi Bimal Choksi Asita Mamlatdarna Mansi Talati		4.87 5.31 5.61 4.39		4.87 5.31 5.61 4.39
3	Assignment of Keyman Insurance Policy Harin Mamlatdarna		45.01		45.01
4	Sales Neo Farbe Pvt. Ltd. Ornet Intermediate Pvt. Ltd.	83.09		118.89	83.09 118.89
5	Purchase Ornet Intermediate Pvt. Ltd.			19.43	19.43

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(c) Amount due to / from related parties as at March 31, 2017

[₹ in Lacs]

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.	40.22			51.59	40.22 51.59
2	Investment Neo Farbe Pvt. Ltd.	5.00				5.00

3 Amount due to / from related parties as at April 1, 2016

[₹ in Lacs]

Sr. No.	Nature of Relationship / Transaction	Subsidiary Companies	Promoter Company	KMP & Relatives	Enterprise over which KMP and Relatives have significant influence	Total
1	Trade Payable Deepakkumar Choksi Dinesh Jain Harin Mamlatdarna			1.70 0.65 1.52		1.70 0.65 1.52
2	Trade Receivables Neo Farbe Pvt. Ltd. Ornet Intermediate Pvt. Ltd.	7.09			70.44	7.09 70.44
3	Investment Neo Farbe Pvt. Ltd.	5.00				5.00

**Note 39 : 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 Lacs]

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Total equity attributable to the equity share holders of the company	4131.13	3864.76	3689.40
As percentage of total capital	80.37%	89.87%	99.18%
Current loans and borrowings	792.08	432.78	199.47
Non-current loans and borrowings	227.42	25.38	44.26
Total loans and borrowings	1019.50	458.16	243.73
Cash and cash equivalents	10.73	22.30	213.32
Net loans & borrowings	1008.77	435.86	30.41
As a percentage of total capital	19.63%	10.13%	0.82%
<b>Total capital (loans and borrowings and equity)</b>	<b>5139.91</b>	<b>4300.62</b>	<b>3719.81</b>

**Note 40 : Fair Value measurements****A. Financial instruments by category**

[₹ in Lacs]

Particulars	31 March, 2018			31 March, 2017			1 April, 2016		
	Amortized Cost	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI
<b>Financial Assets</b>									
Investments	--	115.96	--	--	59.53	--	--	--	--
Loans	--	--	--	--	--	--	--	--	--
Trade & Other Receivables	--	--	--	--	--	--	--	--	--
Cash & Cash Equivalents	1806.90	--	--	1286.27	--	--	913.31	--	--
Other Bank Balances	10.73	--	--	22.30	--	--	213.32	--	--
Other Financial Assets	16.24	--	--	14.64	--	--	12.77	--	--
	16.28	--	--	17.86	--	--	17.51	--	--
<b>Total Financial Assets</b>	<b>1850.15</b>	<b>115.96</b>	<b>--</b>	<b>1341.07</b>	<b>59.53</b>	<b>--</b>	<b>1156.91</b>	<b>--</b>	<b>--</b>
<b>Financial Liabilities</b>									
Borrowings	968.77	--	--	439.30	--	--	219.76	--	--
Trade Payables	1007.06	--	--	604.61	--	--	637.01	--	--
Other Financial Liabilities	71.71	--	--	38.90	--	--	38.27	--	--
<b>Total Financial Liabilities</b>	<b>2047.54</b>	<b>--</b>	<b>--</b>	<b>1082.80</b>	<b>--</b>	<b>--</b>	<b>895.03</b>	<b>--</b>	<b>--</b>

\* Excluding investments in subsidiaries, joint control entities and associates measured at cost in accordance with Ind AS-27

**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.

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### B. Fair value hierarchy for assets

Financial assets measured at fair value at March 31, 2018

[₹ in Lacs]

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

Financial assets measured at fair value at March 31, 2017

[₹ in Lacs]

	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>	--	39.53	20.00	59.53
Investments - Real Estate Funds				

Financial assets measured at fair value at April 1, 2016

[₹ in Lacs]

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

#### 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.

### 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 41: 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 lacs)	Expected credit losses rate (%)	Expected credit losses (₹ in lacs)	Carrying amount of trade receivable (₹ in lacs)
<b>Considered Goods</b>				
0 - 12 months	1752.86	0.10%	1.75	1751.11
More than 1 year	56.36	1.00%	0.56	55.8
<b>Total</b>	<b>1809.22</b>		<b>2.31</b>	<b>1806.91</b>
<b>Considered Doubtful</b>	<b>28.26</b>	<b>100%</b>	<b>28.26</b>	<b>--</b>
<b>Total</b>	<b>1837.48</b>		<b>30.57</b>	<b>1806.91</b>

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### Reconciliation of loss allowance provision

Trade receivables

Particulars	(₹ in lacs)
<b>Loss allowance as on April 1, 2016</b>	--
Changes in loss allowance	2.03
<b>Loss allowance as on March 31, 2017</b>	<b>2.03</b>
Changes in loss allowance	0.28
<b>Loss allowance as on March 31, 2018</b>	<b>2.31</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.

### Financing arrangements

The working capital position of the Company is given below:

(₹ in lacs)

Particulars	31 March, 2018	31 March, 2017	1 April, 2016
Cash and Cash Equivalents	10.73	22.30	213.32

### 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, 2018

(₹ in lacs)

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	71.71	--	71.71
	<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>

As at March 31, 2017

[₹ in lacs]

Financial Liabilities	Payable within 0 to 12 months	More than 12 months	Total
<b>Non-current financial liabilities</b>			
Borrowings	--	25.38	25.38
	--	<b>25.38</b>	<b>25.38</b>
<b>Current financial liabilities</b>			
Borrowings from Banks	413.91	--	413.91
Trade Payables	604.60	--	604.60
Other Financial Liability	38.90	--	38.90
	<b>1057.41</b>	--	<b>1057.41</b>
<b>Total financial liabilities</b>	<b>1057.41</b>	<b>25.38</b>	<b>1057.41</b>

As at April 1, 2016

[₹ in lacs]

Financial Liabilities	Payable within 0 to 12 months	More than 12 months	Total
<b>Non-current financial liabilities</b>			
Borrowings	--	44.26	44.26
	--	<b>44.26</b>	<b>44.26</b>
<b>Current financial liabilities</b>			
Borrowings from Banks	175.50	--	175.50
Trade Payables	637.01	--	637.01
Other Financial Liability	38.27	--	38.27
	<b>850.77</b>	--	<b>850.77</b>
<b>Total financial liabilities</b>	<b>850.77</b>	<b>44.26</b>	<b>895.03</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.



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### Exposure to currency risk

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

[Amount in lacs]

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
<b>Financial Assets</b>						
Trade Receivables	USD 14.17	₹ 921.65	USD 9.93	₹ 644.26	USD 5.46	₹ 362.32
<b>Total</b>		<b>₹ 921.65</b>		<b>₹ 644.26</b>		<b>₹ 362.32</b>
<b>Financial Liabilities</b>						
Trade Payable	USD 2.89 Euro 0.06	₹ 187.64 ₹ 5.01	USD 2.91	₹ 188.75	USD 3.14 Euro 0.10	₹ 208.07 ₹ 8.19
<b>Total</b>		<b>₹ 192.65</b>		<b>₹ 188.75</b>		<b>₹ 216.26</b>

### Sensitivity Analysis

Any change with respect to strengthening (weakening) of the Indian Rupee against various currencies as at March 31, 2018 and March 31, 2017 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 lacs]

Particulars	Profit or Loss		Profit or Loss	
	As at March 31, 2018		As at March 31, 2017	
	Strengthening ₹	Weakening ₹	Strengthening ₹	Weakening ₹
USD (Increase/Decrease by 1%, March 31, 2017 - 1%)	7.35	(7.35)	4.55	(4.55)
Euro (Increase/Decrease by 1%, March 31, 2017 - 1%)	(0.05)	0.05	--	--
<b>Total</b>	<b>7.30</b>	<b>(7.30)</b>	<b>4.55</b>	<b>(4.55)</b>

### (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 lacs]

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Fixed rate borrowings	6.76	0.00	7.16
Floating rate borrowings	1012.74	458.16	236.56
	<b>1019.50</b>	<b>458.16</b>	<b>243.72</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 lacs]

Particulars	As at March 31, 2018	As at March 31, 2017
Impact on profit - increase in 50 basis points	(0.55)	(0.23)
Impact on profit - decrease in 50 basis points	0.55	0.23

**(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 42 : Reconciliation between previous GAAP and Ind AS**

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

**Reconciliation of equity as on March 31, 2017**

[₹ in Lacs]

Particulars	Amount as per IGAAP*	Effects of transition to Ind AS	Amount as per Ind AS
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant & Equipments	2214.70	0.00	2214.70
Capital work-in-progress	30.84	0.00	30.84
Goodwill	0.00	0.00	0.00
Intangible Assets	0.16	0.00	0.16
Intangible assets under development	0.00	0.00	0.00
<b>Financial Assets</b>			
Investments	65.00	(0.47)	64.53
Loans	0.00	0.00	0.00
Other Financial Assets	16.30	0.00	16.30
Other non-current assets	10.00	0.00	10.00
<b>Current Assets</b>			
Inventories	1228.25	0.00	1228.25
Financial assets			
Investments	0.00	0.00	0.00
Trade Receivables	1288.30	(2.03)	1286.27
Cash & Cash Equivalents	22.30	0.00	22.30
Other Bank Balances	14.64	0.00	14.64
Loans	0.00	0.00	0.00
Other Financial Assets	1.56	0.00	1.56
Current Tax Assets (Net)	0.00	0.00	0.00
Other Current Assets	214.71	0.00	214.71
Assets classified as held for sale	0.00	0.00	0.00
<b>Total Assets</b>	<b>5106.76</b>	<b>(2.50)</b>	<b>5104.26</b>

## DYNAMIC INDUSTRIES LIMITED

[₹ in Lacs]

Particulars	Amount as per IGAAP*	Effects of transition to Ind AS	Amount as per Ind AS
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	302.85	0.00	302.85
Other Equity	3527.60	34.30	3561.90
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
Financial Liabilities			
Borrowings	25.41	(0.03)	25.38
Other Financial Liabilities	0.00	0.00	0.00
Provisions	8.74	0.00	8.74
Deferred Tax Liabilities (Net)	54.55	(0.11)	54.44
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	413.91	0.00	413.91
Trade Payables	604.60	0.00	604.60
Other Financial Liabilities	38.95	(0.05)	38.90
Other Current Liabilities	12.76	0.00	12.76
Provisions	86.57	(36.61)	49.96
Current Tax Liabilities	30.82	0.00	30.82
<b>Total Equity &amp; Liabilities</b>	<b>5106.76</b>	<b>(2.50)</b>	<b>5104.26</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

### Reconciliation of total equity as at March 31, 2017 and April 01, 2016

[₹ in Lacs]

Particulars	As at March 31, 2017	As at April 1, 2016
Total equity (Shareholder's Funds) under previous GAAP	3830.46	3689.30
<b>Ind AS adjustments :</b>		
Retained Earnings	34.30	36.51
	<b>3864.77</b>	<b>3725.81</b>

## Reconciliation of equity as on April 1, 2016

[₹ in Lacs]

Particulars	Amount as per IGAAP*	Effects of transition to Ind AS	Amount as per Ind AS
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant & Equipments	2287.66	0.00	2287.66
Capital work-in-progress	0.00	0.00	0.00
Goodwill	0.00	0.00	0.00
Intangible Assets	0.24	0.00	0.24
Intangible assets under development	0.00	0.00	0.00
Financial Assets			
Investments	5.00	0.00	0.00
Loans	0.00	0.00	0.00
Other Financial Assets	16.30	0.00	16.30
Other non-current assets			
<b>Current Assets</b>			
Inventories	997.26	0.00	997.26
Financial assets			
Investments	0.00	0.00	0.00
Trade Receivables	913.31	0.00	913.31
Cash & Cash Equivalents	213.33	0.00	213.33
Other Bank Balances	12.76	0.00	12.76
Loans	0.00	0.00	0.00
Other Financial Assets	1.21	0.00	1.21
Other Current Assets	352.59	0.00	352.59
Assets classified as held for sale	0.00	0.00	0.00
<b>Total Assets</b>	<b>4799.66</b>	<b>0.00</b>	<b>4799.66</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	302.85	0.00	302.85
Other Equity	3386.45	36.51	3422.96
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
Financial Liabilities			
Borrowings	44.34	(0.08)	44.26
Other Financial Liabilities	0.00	0.00	0.00
Provisions	15.38	0.00	15.38
Deferred Tax Liabilities (Net)	67.86	0.05	67.91
Other non-current Liabilities	0.00	0.00	0.00
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	175.50	0.00	175.50
Trade Payables	637.02	0.00	637.02
Other Financial Liabilities	38.33	(0.07)	38.26
Other Current Liabilities	3.88	0.00	3.88
Provisions	89.28	(36.41)	52.87
Current Tax Liabilities	38.77	0.00	38.77
<b>Total Equity &amp; Liabilities</b>	<b>4799.66</b>	<b>0.00</b>	<b>4799.66</b>

## DYNAMIC INDUSTRIES LIMITED

### Reconciliation of total comprehensive income for the period March 31, 2017

[₹ in Lacs]

Particulars	Amount as per IGAAP*	Effects of transition to Ind AS	Amount as per Ind AS
<b>INCOME</b>			
Revenue from Operations	4882.40	0.00	4882.40
Other Income	16.24	0.00	16.24
<b>Total Income</b>	<b>4898.64</b>	<b>0.00</b>	<b>4898.64</b>
<b>EXPENSES</b>			
Cost of Material / Products Consumed	3224.87	0.00	3224.87
Excise Duty	256.59	0.00	256.59
Purchase of stock in trade	124.76	0.00	124.76
Changes in inventories	(1.71)	0.00	(1.71)
Employee benefits expenses	279.22	(1.91)	277.31
Finance Cost	37.31	0.07	37.38
Depreciation and Amortization	86.08	0.00	86.08
Other Expenses	635.61	2.50	638.11
<b>Total Expenses</b>	<b>4642.73</b>	<b>0.66</b>	<b>4643.39</b>
<b>Profit before exceptional items and tax</b>	<b>254.60</b>	<b>0.66</b>	<b>255.26</b>
Exceptional Items	0.00	0.00	0.00
<b>Profit Before Tax</b>	<b>254.60</b>	<b>0.66</b>	<b>255.26</b>
<b>Tax Expense</b>			
Current Tax	94.00	0.00	94.00
Tax in respect of earlier years	(2.55)	0.00	(2.55)
Deferred Tax	(12.94)	0.00	(12.94)
<b>Total Tax Expenses</b>	<b>78.51</b>	<b>0.00</b>	<b>78.51</b>
<b>Profit for the year from continuing operations</b>	<b>176.08</b>	<b>0.66</b>	<b>176.74</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement of the defined benefit plants	0.00	(1.91)	(1.91)
Tax relating to remeasurement of the defined benefit plants	0.00	0.53	0.53
	0.00	(1.38)	(1.38)
<b>Total comprehensive income for the year, net of tax</b>	<b>176.08</b>	<b>(0.73)</b>	<b>175.36</b>

#### Notes to reconciliation between Indian GAAP and Ind AS

(i) Revenue Recognition

Under Indian GAAP revenue is disclosed net of excise duty. However under Ind AS revenue is disclosed including excise duty.

(ii) Actuarial gain or loss

Under Indian GAAP any actuarial gain or loss on valuation of defined benefit plan is recognised in statement of profit or loss. Under Ind AS such actuarial gain or loss is recognised under Other comprehensive income (OCI).

(iii) Amortisation of processing charges

Under Indian GAAP ancillary cost of borrowing is recognised as expense or capitalized (in case of qualifying asset) in the year in which it is incurred. Under Ind AS the ancillary cost of borrowing is expensed or capitalised at effective interest rate over the period of loan.

(iv) The Company has measured its investments in Real Estate fund at Fair Value through profit and loss.

**Note 43:****(a) Due to Micro, Small and Medium Enterprise**

[₹ in Lacs]

No.	Particulars	2017-2018	2016-2017
1	Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	NIL	NIL
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	NIL	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.

**Note 44 : Corporate Social Responsibility****Gross Amount required to spend by the company :**

[₹ in lacs]

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Opening unspent amount	0.00	0.00
Amount required to be spent	0.00	7.85
Amount spent during the period / year	0.00	7.85
Unspent amount carried forward	0.00	0.00

**Note 45 : Expenditure / Earnings in Foreign Currency**

[₹ in lacs]

No.	Particulars	2017-2018	2016-2017
A	Import on CIF - Raw Materials	1496.45	1168.54
B	Expenses in Foreign Currency - Travelling	0.00	4.96
	- Commission Payable	1.80	43.58
C	Remittances in Foreign Currency - Dividend	0.00	0.00
D	Earnings in Foreign Currency - Exports	2453.06	2275.39

## 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, 2018 are as under:

[Amount in lacs]

Currency	Payable (In Foreign Currency)		Receivable (In Foreign Currency)		Payable (In Indian Rupee)		Receivable (In Indian Rupee)	
	As at 31st March 2018	As at 31st March 2017	As at 31st March 2018	As at 31st March 2017	As at 31st March 2018	As at 31st March 2017	As at 31st March 2018	As at 31st March 2017
USD	2.89	2.91	14.56	9.94	187.64	188.75	947.01	644.26
EUR	0.06	--	--	--	5.01	--	--	--

### Note 47 : 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.

#### 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/-

**PUNIT CHHATTANI**

Chief Financial Officer

Sd/-

**HARIN MAMLATDARNA**

Vice Chairman & Managing Director  
(DIN : 00536250)

Sd/-

**GANESH TEMKAR**

Company Secretary

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2018

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2018

## Form AOC-1

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

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

### Part "A": Subsidiaries

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

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

	As at / For the Year Ended 31st March, 2018
Share Capital	5.00
Reserves & Surplus	4.91
Total Assets	25.87
Total Liabilities	15.96
Investments	0.00
Turnover	132.01
Profit before taxation	6.86
Provision before taxation	1.86
Profit after taxation	5.00
Proposed Dividend	0.00
% of shareholding	100.00

Notes:

1. The reporting period for the subsidiary is same as that of the holding company i.e. 1st April, 2017 to 31st March, 2018.
2. Names of subsidiaries which are yet to commence operations — NIL
3. Name of subsidiaries which have been liquidated or sold during the year — NIL

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

For, Dynamic Industries Limited

-Sd/-

**DIPAKKUMAR CHOKSI**

*Chairman and Whole Time Director*

DIN : 00536345

For, Dynamic Industries Limited

-Sd/-

**HARIN MAMLATDARNA**

*Vice Chairman & Managing Director*

DIN : 00536250

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2018



**INDEPENDENT AUDITOR'S REPORT**

To,  
The Members,  
**Dynamic Industries Limited,**  
Ahmedabad.

**Report on the Consolidated Ind AS Financial Statements**

We have audited the consolidated financial statements of DYNAMIC INDUSTRIES LIMITED (“the Holding Company”) and its subsidiary (the Holding Company and its subsidiaries together referred to as “the Group”), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Change in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as ‘Ind AS financial statements’).

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

The Holding Company's Board of Directors is responsible for the preparation of the consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 ( hereinafter referred to as “the Act”) that give a true and fair view of the consolidated financial position, consolidated financial performance and Consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Companies included in the group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

**Auditor's Responsibility**

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

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

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

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

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the financial position of the company as at 31st March, 2018 and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - (c) The consolidated balance sheet, the consolidated statement of profit and loss, the Statement of Change in Equity and the consolidated cash flow statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of written representations received from the directors as on 31 March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-A"; and
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 and to our best of our information and according to the explanations given to us :
    - (i) The Company has disclosed pending litigations which would impact its financial position – Refer Note 38 to the financial statements;
    - (ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
    - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2018

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

### ANNEXURE - A

Annexure - A to the Independent Auditors' Report of even date on the Consolidated Ind As 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 2018 in conjunction with our audit of the consolidated Ind AS 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 consolidated Ind AS financial statements, whether due to fraud or error.

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

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

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

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

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

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2018, 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, 2018

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

**DYNAMIC INDUSTRIES LIMITED**
**Consolidated Balance Sheet as at March 31, 2018**

[₹ in Lacs]

Particulars	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, Plant and Equipment	5	2 439.71	2 214.70	2 287.66
Capital work-in progress	6	0.00	30.84	0.00
Other Intangible Assets	7	0.45	0.16	0.24
Financial Assets				
Investments	8	115.96	60.00	0.00
Other Financial Assets	9	15.31	16.30	16.70
Other non current assets	10	0.00	10.00	0.00
		<b>2 571.43</b>	<b>2 332.00</b>	<b>2 304.60</b>
<b>Current assets</b>				
Inventories	11	1 523.24	1 228.25	997.26
Financial assets				
Trade Receivables	12	1 793.99	1 288.41	913.42
Cash and Cash Equivalents	13	24.11	24.54	214.52
Other Bank Balances	14	16.24	14.64	15.11
Other Financial Assets	9	0.97	1.56	1.29
Current Tax Assets (Net)	15	6.51	0.00	0.00
Other Current Assets	10	372.70	217.61	353.31
		<b>3 737.76</b>	<b>2 775.01</b>	<b>2 494.91</b>
<b>Total Assets:</b>		<b>6 309.19</b>	<b>5 107.01</b>	<b>4 799.51</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital	16	302.85	302.85	302.85
Other Equity	17	3 833.19	3 527.22	3 386.11
		<b>4 136.04</b>	<b>3 830.07</b>	<b>3 688.96</b>
<b>Liabilities</b>				
<b>Non-current Liabilities</b>				
Financial Liabilities				
Borrowings	18	227.42	25.41	44.26
Provisions	20	11.26	8.74	15.38
Deferred Tax Liabilities (Net)	21	70.34	54.55	67.91
		<b>309.02</b>	<b>88.70</b>	<b>127.55</b>
<b>Current liabilities</b>				
Financial Liabilities				
Borrowings	18	741.35	413.91	175.50
Trade Payables	22	1 007.58	605.08	637.29
Other Financial Liabilities	19	71.71	38.95	38.26
Provisions	20	6.15	86.57	89.33
Other Current liabilities	23	21.02	12.76	3.88
Current tax liabilities	24	16.32	30.97	38.74
		<b>1 864.13</b>	<b>1 188.24</b>	<b>983.00</b>
<b>Total Equity and Liabilities :</b>		<b>6 309.19</b>	<b>5 107.01</b>	<b>4 799.51</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, 2018

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

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

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

Sd/-  
**GANESH TEMKAR**  
 Company Secretary

Place : Ahmedabad  
 Date : 30<sup>th</sup> May, 2018

**Consolidated Statement of Profit and Loss for the year ended March 31, 2018** [₹ in Lacs]

Particulars	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>INCOME</b>			
Revenue from Operations	25	5 916.19	4 885.04
Other Income	26	54.27	16.41
<b>Total Income:</b>		<b>5 970.46</b>	<b>4 901.45</b>
<b>EXPENSES</b>			
Cost of materials/products consumed	27	4 353.41	3 224.87
Excise duty		63.04	256.59
Purchase of stock in trade	28	162.18	124.76
Changes in inventories of Finished goods, stock in process and stock in trade	29	( 287.00)	( 1.71)
Employee benefits expense	30	317.27	277.31
Finance Cost	31	53.22	37.38
Depreciation and Amortization	32	99.95	86.08
Other Expenses	33	773.72	640.53
<b>Total Expenses:</b>		<b>5 535.79</b>	<b>4 645.81</b>
<b>Profit Before Tax</b>		<b>434.67</b>	<b>255.64</b>
<b>Tax expense</b>			
Current tax	21	113.86	94.17
Tax in respect of earlier years		0.76	( 2.55)
Deferred tax		14.92	( 12.94)
<b>Total tax expense:</b>		<b>129.54</b>	<b>78.68</b>
<b>Profit for the year</b>		<b>305.13</b>	<b>176.96</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement of the defined benefit plans		3.55	( 1.91)
Tax relating to remeasurement of the defined benefit plans		( 0.98)	0.53
<b>Total comprehensive income for the year, net of tax</b>		<b>307.70</b>	<b>175.58</b>
<b>Earning per Equity Share</b>			
Basic	34	10.08	5.84
Diluted		10.08	5.84

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, 2018

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

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

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

Sd/-  
**GANESH TEMKAR**  
Company Secretary

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2018

# DYNAMIC INDUSTRIES LIMITED

## Consolidated Cash Flow Statement for the year ended March 31, 2018 [₹ in Lacs]

Particulars	2017-2018	2016-2017
<b>A. Cash flow from operating activities</b>		
Profit/(Loss) for the year before taxation	434.67	255.64
<b>Adjustments for</b>		
Depreciation and amortisation	99.95	86.08
Short provision for income tax	( 0.76)	0.00
Finance cost	53.22	37.38
Interest Income from financial assets measured at amortised cost		
- on fixed deposits with Bank	( 0.82)	( 1.04)
- on other financial assets	( 16.02)	( 2.94)
Loss/gain on sale of property plant & equipment (net)	0.00	( 1.81)
Other Comprehensive Income	3.55	( 1.91)
Bad debt provision for doubtful debts	0.29	15.59
Operating profit before working capital changes	574.08	386.99
<b>Adjustments for</b>		
Trade Payable	402.50	( 32.21)
Other current financial liabilities	31.25	0.79
Other Non current financial asset	0.99	0.40
Other non current asset	10.00	( 10.00)
Other current assets	( 155.09)	135.70
Provisions	( 41.45)	( 9.57)
Other current liabilities	8.26	8.88
Inventories	( 294.99)	( 230.99)
Trade receivable	( 505.86)	( 390.58)
Other bank balances	( 0.73)	1.29
Cash generated from operations	28.96	( 139.30)
Direct taxes Refund/(paid)	( 136.87)	( 99.41)
<b>Net Cash from Operating Activities</b>	<b>[A]</b>	<b>( 238.71)</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed property, plant and equipment	( 294.42)	( 42.05)
Payment for purchase of investments	( 55.96)	( 60.00)
Interest received	17.43	3.71
<b>Net Cash from / (used in) investing activities</b>	<b>[B]</b>	<b>( 98.34)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from borrowings - non current	202.01	( 18.85)
Proceeds from borrowings - current	327.44	238.41
Interest paid	( 51.70)	( 37.53)
Dividend paid to company's shareholders	( 36.45)	( 36.72)
<b>Net cash flow from financial activities</b>	<b>[C]</b>	<b>145.31</b>
<b>Net Increase/(Decrease) in cash &amp; cash equivalents</b>	<b>[A+B+C]</b>	<b>( 191.74)</b>
Cash and cash equivalents opening	27.42	216.58
Cash and cash equivalents closing	27.86	24.84
Components of Cash and cash equivalent		
Balances with scheduled banks	26.50	26.23
Cash in hand	1.36	1.19
	27.86	27.42

### Explanatory Notes to Cash Flow Statement

- The Cash Flow Statement is prepared by using indirect method in accordance with the format prescribed by Ind AS 7 as prescribed by The Institute of Chartered Accountants of India.
- In Part A of the Cash Flow Statements, figures in brackets indicates deductions made from the net profit for deriving the cash flow from operating activities. In part B & part C, figures in brackets indicates cash outflows.
- Figures of the previous year have been regrouped wherever necessary, to confirm to current years presentation.

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, 2018

**FOR AND ON BEHALF OF THE BOARD**

Sd/-

**DIPAKKUMAR CHOKSI**

Chairman & Whole Time Director

(DIN : 00536345)

Sd/-

**PUNIT CHHATTANI**

Chief Financial Officer

Sd/-

**HARIN MAMLATDARNA**

Vice Chairman & Managing Director

(DIN : 00536250)

Sd/-

**GANESH TEMKAR**

Company Secretary

Place : Ahmedabad

Date : 30<sup>th</sup> May, 2018

## Statement of changes in Equity for the year ended March 31, 2018

		[₹ in Lacs]
<b>A. Equity share capital</b>		
As at April 1, 2016		302.85
Issue of Equity Share Capital		0.00
As at March 31, 2017		302.85
Issue of Equity Share Capital		0.00
As at March 31, 2018		302.85

		Reserves and Surplus					Other Comprehensive Income			Total Equity
Particulars	General Reserve	Securities Premium	Retained Earnings	Revaluation Reserve	Reserve for Eco Fund Development	Equity Instruments through OCI	Other Items of comprehensive Income			
<b>Balance as at April 1, 2016</b>	183.73	178.60	1375.54	1641.74	6.50	0.00	0.00	3386.11		
Profit for the year	0.00	0.00	176.96	0.00	0.00	0.00	0.00	176.96		
Received during the year	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
Addition during the year	1648.24	0.00	0.00	0.00	0.00	0.00	0.00	1648.24		
Transferred during the year	0.00	0.00	0.00	(1641.74)	(6.50)	0.00	0.00	(1648.24)		
Other Comprehensive Income for the year	0.00	0.00	0.00	0.00	0.00	0.00	(1.38)	(1.38)		
Final Dividend	0.00	0.00	(30.29)	0.00	0.00	0.00	0.00	(30.29)		
Corporate Dividend Tax	0.00	0.00	(6.17)	0.00	0.00	0.00	0.00	(6.17)		
Adjustment on Consolidated	0.00	0.00	1.99	0.00	0.00	0.00	0.00	1.99		
<b>Balance as at March 31, 2017</b>	1831.97	178.60	1518.03	0.00	0.00	0.00	(1.38)	3527.22		
Profit for the year	0.00	0.00	305.13	0.00	0.00	0.00	0.00	305.13		
Final dividend.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
Corporate dividend tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
Other Comprehensive Income for the year	0.00	0.00	0.00	0.00	0.00	0.00	2.57	2.57		
Adjustment Consolidated	0.00	0.00	(1.73)	0.00	0.00	0.00	0.00	(1.73)		
<b>Balance as at March 31, 2018</b>	1831.97	178.60	1821.43	0.00	0.00	0.00	1.19	3833.19		

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, 2018

**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/-

**PUNIT CHHATTANI**

Chief Financial Officer

Sd/-

**GANESH TEMKAR**

Company Secretary

Place : Ahmedabad

Date : 30<sup>th</sup> May, 2018



## **DYNAMIC INDUSTRIES LIMITED**

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### **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 is in the business of manufacturing of chemical and main product of the Company is Dye and Dye stuffs. Significant Sales portion consists Export. However Competition in the industry is Continuously increasing but overall performance of the company is satisfactory. 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 consolidated financial statements for the year ended March 31, 2018 were considered by the Board of Directors and approved for issuance on May 30, 2018.

### **Note 2 : Basis of Preparation**

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as issued under the Companies (Indian Accounting Standards) Rules, 2015. For all periods up to and including the year ended March 31, 2017, the Group prepared its consolidated financial statements in accordance with Accounting Standards specified in Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP") and other relevant provision of the Act. These consolidated financial statements for the year ended March 31, 2018 are the first consolidated financial statements that the Group has prepared in accordance with Ind AS. Refer to Note 42 for information of how the transition from previous GAAP to Ind AS has affected the Group's Balance sheet, Statement of profit & loss and Statement of cashflow.

Refer Note 4.21 for the explanations of transition to Ind AS including the details of first-time adoption exemptions availed by the Company.

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

#### **2.1 Statement of Compliance**

The consolidated 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, 2018 have been prepared in accordance with Ind AS as notified under section 133 of the Companies' Act, 2013 ("the Act") duly approved by the Board of Directors at its meeting held on 30th May, 2018.

#### **2.2 Basis of Measurement**

The consolidated 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.
- (c) Assets held for sale measured at fair value less cost to sales

The above items have been measured at Fair Value and the methods used to measure Fair Values are discussed further in Note 4.18.

#### **2.3 Functional and Presentation Currency**

Items included in the consolidated 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 consolidated 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 yet effective**

Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, ("the Rules") on 28th March, 2018. The rules notify the new Revenue Standard Ind AS 115 'Revenue from Contracts with Customers' and also bring in amendments to existing Ind AS. The rules shall be effective from reporting period beginning on or after 1st April, 2018 and cannot be reported early. Hence, not applied in the preparation of these financial statements.

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

The preparation of consolidated 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 consolidated 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.

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

**3.1 Revenue recognition**

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

**3.2 Impairment of investments in subsidiaries**

The Company reviews its carrying value of investments in subsidiaries at cost, annually, or more frequently when there is an indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

**3.3 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.

**3.4 Employee Benefits**

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.

**3.5 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. Judgments include

Trade receivables, predominantly from Government schemes/insurance companies and corporates which enjoy high credit ratings are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. 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.

The company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix considering the nature of receivables and the risk characteristics. The considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

**3.6 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.

### 3.7 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.

### 3.8 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.

## 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**

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

## DYNAMIC INDUSTRIES LIMITED

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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.

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

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.

### Transition to Ind AS

For transition to Ind AS, the Company has opted to adopt the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

### 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.

#### Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

#### 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, 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

**Deemed cost on transition to Ind AS**

For transition to Ind AS, the Company has opted to continue with the carrying value of all of its intangible assets recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

**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. Excise duty on goods manufactured by the company and remaining in inventory is included as a part of valuation of finished goods.
- (ii) Stock of stores, spares, consumable and packing materials are valued at cost.

**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

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

Dividend income from investments is recognised when the right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

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

### 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 April 1, 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.

#### 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 consolidated 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.

All assets and liabilities for which fair value is measured or disclosed in the consolidated 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 consolidated 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.

## DYNAMIC INDUSTRIES LIMITED

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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.

### 4.19 First Time Adoption of Ind AS

The Company has prepared the opening consolidated balance sheet as per Ind AS as of April 1, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain mandatory exceptions under Ind AS 101 and certain optional exemptions permitted under Ind AS 101 availed by the Company as detailed below:

#### 1 Mandatory exceptions to retrospective application of other Ind AS

(a) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies) unless there is an objective evidence that those estimates were in error.

The company has not made any changes to estimates made in accordance with Previous GAAP.

(b) Ind AS 109 - Financial Instruments (Derecognition of previously recognized Financial Assets/ Financial Liabilities)

An entity shall apply the derecognition requirements in Ind AS 109 prospectively for the transactions occurring on or after date of transition to Ind AS.

The Company has applied the derecognition requirements prospectively.

(c) Ind AS 109 "Financial Instruments" (Classification and Measurement of Financial Assets/ Financial Liabilities)

Classification and measurement of Financial Assets shall be made on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

The Company has evaluated the facts and circumstances existing on the date of transition to Ind AS for the purpose of classification and measurement of Financial Assets and accordingly has classified and measured financial assets on the date of transition.

(d) Ind AS 109 "Financial Instruments" (Impairment of Financial Assets): Impairment requirements under Ind AS 109 should be applied retrospectively based on reasonable and supportable information that is available on the date of transition without undue cost or effort.

The borrowings of the Company outstanding as at the transition date, consists of loans whose disbursements have taken place in multiple tranches in different financial years with varying interest rates. In some cases, the rate of interest on the loans are variable in nature and drawal of the loans have been made in multiple installments with each drawal to be treated as a separate transaction for the purpose of computing the amortised cost. Implementing the requirement of amortised cost retrospectively is impracticable and also the amount is expected to be immaterial and hence the Company has considered the fair value of the financial liability at the date of transition to Ind AS as new amortised cost of that financial liability at the date of transition to Ind AS i.e. 1 April 2016.

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## 2. Optional exemptions

(a) Deemed cost for property, plant and equipment, and intangible assets

Ind AS 101 permits a first-time adopter to opt to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 "Intangible Assets".

Accordingly, the Company has opted to measure all of its property, plant and equipment, and intangible assets at their previous GAAP carrying value.

(b) Investments in subsidiaries, joint ventures and associates

IND AS 101 provides the option to the first-time adopter to account for its investments in subsidiaries, joint ventures and associates at either cost determined in accordance with IND AS 27 or in accordance with IND AS 109.

Accordingly, the Company has opted to measure such investments at cost in accordance with Ind AS 27.

(c) Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement contains a lease on the basis of facts and circumstances existing at the transition date.

The Company has leases of land. The classification of each land as finance lease or operating lease at the date of transition to Ind AS is done based on the basis of facts and circumstances existing as at that date.

Notes to the Consolidated Financial Statements

Note 5 : Property, Plant and Equipment

Note 5.1 : As at March 31, 2018

[₹ in Lacs]

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	222.28	0.00	0.00	222.28	12.91	12.91	0.00	25.82
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	4.63	0.00	0.00	4.63	1.60	0.67	0.00	2.27
Furniture and Fixtures	17.72	0.00	0.00	17.72	2.95	2.95	0.00	5.90
Vehicles	61.40	9.00	0.00	70.40	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>2293.82</b>	<b>324.77</b>	<b>0.00</b>	<b>2618.59</b>	<b>79.12</b>	<b>99.75</b>	<b>0.00</b>	<b>178.87</b>
								<b>2439.71</b>

Note 5.2 : As at March 31, 2017

[₹ in Lacs]

Particulars	Gross carrying amount			Accumulated Depreciation			Net carrying amount As at 31/03/2017	
	As at 01/04/2016	Additions	Deduction / Adjustments	As at 31/03/2017	Up to 31/03/2016	For the year		Deduction / Adjustments
<b>Owned Assets</b>								
Buildings	222.28	0.00	0.00	222.28	0.00	12.91	0.00	12.91
Plant & Machinery	316.88	4.34	0.00	321.22	0.00	35.80	0.00	35.80
Office Equipments	3.24	0.00	0.00	3.24	0.00	1.08	0.00	1.08
Computer	4.63	0.00	0.00	4.63	0.00	1.60	0.00	1.60
Furniture and Fixtures	17.72	0.00	0.00	17.72	0.00	2.95	0.00	2.95
Vehicles	59.58	11.38	(9.56)	61.40	0.00	14.06	(6.88)	7.18
<b>Leasehold Assets</b>								
Land	1663.33	0.00	0.00	1663.33	0.00	17.60	0.00	17.60
<b>Total</b>	<b>2287.66</b>	<b>15.72</b>	<b>(9.56)</b>	<b>2293.82</b>	<b>0.00</b>	<b>86.00</b>	<b>(6.88)</b>	<b>2214.70</b>

**Note :**

The company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 (transition date), measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date. Details of gross block, accumulated depreciation and net block as per Indian GAAP are given in note 5.3.

Note 5.3 : Gross block, accumulated depreciation and net block as per India GAAP as at April 1, 2016

[₹ in Lacs]

Particulars	Gross carrying amount	Accumulated Depreciation	Net carrying amount
	<b>Owned Assets</b>		
Buildings	398.21	(175.93)	222.28
Plant & Machinery	847.85	(530.97)	316.88
Office Equipments	15.48	(12.24)	3.24
Computer	34.26	(29.63)	4.63
Furniture and Fixtures	59.33	(41.61)	17.72
Vehicles	138.00	(78.42)	59.58
<b>Leasehold Assets</b>			
Land	1742.60	(79.27)	1663.33
<b>Total</b>	<b>3235.73</b>	<b>(948.07)</b>	<b>2287.66</b>

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### Notes to the Consolidated Financial Statements

#### Note 6 : Capital work in progress

##### Note 6.1 : As at March 31, 2018

[₹ in Lacs]

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 6.2 : As at March 31, 2017

[₹ in Lacs]

Particulars	As at 01/04/2016	Additions	(Deductions) / Adjustment	Capitalised	As at 31/03/2017
Plant and Machinery	0.00	30.84	0.00	0.00	30.84
<b>Total :</b>	<b>0.00</b>	<b>30.84</b>	<b>0.00</b>	<b>0.00</b>	<b>30.84</b>

**Note 7 : Other Intangible Assets****Note 7.1 : As at March 31, 2018**

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	0.24	0.48	0.00	0.72	0.08	0.19	0.00	0.27
<b>Total</b>	0.24	0.48	0.00	0.72	0.08	0.19	0.00	0.27

**Note 7.2 : As at March 31, 2017**

Particulars	Gross carrying amount			Accumulated Depreciation			Net carrying amount As at 31/03/2017	
	As at 01/04/2016	Additions	Deduction / Adjustments	As at 31/03/2017	Up to 31/03/2016	For the year		Deduction / Adjustments
Software	0.24	0.00	0.00	0.24	0.00	0.08	0.00	0.08
<b>Total</b>	0.24	0.00	0.00	0.24	0.00	0.08	0.00	0.08

**Note :**

The company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 (transition date), measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date. Details of gross block, accumulated depreciation and net block as per Indian GAAP are given in note 7.3.

**Note 7.3 : Gross block, accumulated depreciation and net block as per India GAAP as at April 1, 2016**

Particulars	Gross carrying amount	Accumulated Depreciation	Net carrying amount
Software	0.26	(0.02)	0.24
<b>Total</b>	0.26	(0.02)	0.24



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### Note 8 : Investments

[₹ in Lacs]

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Non Current</b>				
<b>Financial Instruments at FVTPL</b>				
Real Estate Funds	8.1	115.96	60.00	0.00
	<b>Total</b>	<b>115.96</b>	<b>60.00</b>	<b>0.00</b>
Aggregate amount of quoted investments and market value thereof				
		115.96	60.00	0.00
Aggregate amount of unquoted investments				
		0.00	0.00	0.00

### Note 8.1 : Investment in Mutual Funds

[₹ in Lacs]

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Investment in Real Estate Funds</b>				
Amplus Realty Fund II		17.52	20.00	0.00
Indiabulls High Yield Fund		98.44	39.53	0.00
	<b>Total</b>	<b>115.96</b>	<b>59.53</b>	<b>0.00</b>

### Note 9 : Other Financial Assets

[₹ in Lacs]

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Non-current</b>				
Security deposits		15.31	16.30	16.70
	<b>Total (A)</b>	<b>15.31</b>	<b>16.30</b>	<b>16.70</b>
<b>Current</b>				
Interest accrued but not due		0.97	1.56	1.29
	<b>Total (B)</b>	<b>0.97</b>	<b>1.56</b>	<b>1.29</b>
	<b>Total (A) + (B)</b>	<b>16.28</b>	<b>17.86</b>	<b>17.99</b>

**Note 10 : Other Non-current / Current Assets**

[₹ in Lacs]

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Non-current</b>			
Capital Advances	0.00	10.00	0.00
<b>Total</b>	<b>0.00</b>	<b>10.00</b>	<b>0.00</b>
<b>Current</b>			
Balance with revenue authorities	322.11	199.59	340.90
Pre-paid expenses	16.31	9.12	8.60
Advance to suppliers	31.14	5.26	1.66
Advance to staff	3.14	3.64	2.15
<b>Total</b>	<b>372.70</b>	<b>217.61</b>	<b>353.31</b>

**Note 11 : Inventories**

(As taken, valued and certified by the Management)

[₹ in Lacs]

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Raw materials	716.77	696.73	463.14
Work in progress	99.06	102.45	83.57
Finished goods	696.66	409.87	421.75
Stock in trade	4.21	0.62	6.77
Stores, spares and consumables	2.46	2.91	6.72
Others	4.08	15.67	15.31
<b>Total</b>	<b>1523.24</b>	<b>1228.25</b>	<b>997.26</b>

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

**Note 12 : Trade Receivables**

[₹ in Lacs]

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Unsecured</b>			
Considered good	1796.31	1290.44	913.42
Doubtful	28.26	28.26	14.70
	1824.57	1318.70	928.12
Less : Provision for Doubtful Debts	(28.26)	(28.26)	(14.70)
Less : Allowance for expected credit loss	(2.32)	(2.03)	(0.00)
	(30.58)	(30.29)	(14.70)
<b>Total</b>	<b>1793.99</b>	<b>1288.41</b>	<b>913.42</b>
Included in the financial statement as follows :			
Non-current	0.00	0.00	0.00
Current	1793.99	1288.41	913.42
<b>Total</b>	<b>1793.33</b>	<b>1288.41</b>	<b>913.42</b>

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### Note 13 : Cash and Cash equivalents

[₹ in Lacs]

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Balance with Bank</b>			
Current accounts	22.75	23.35	213.85
Cash on hand	1.36	1.19	0.67
<b>Total</b>	<b>24.11</b>	<b>24.54</b>	<b>214.52</b>

### Note 14 : Other Bank Balances

[₹ in Lacs]

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Fixed Deposits with Original Maturity for more than 3 months but less than 12 months	12.49	11.76	13.05
Unclaimed dividend	3.75	2.88	2.06
<b>Total</b>	<b>16.24</b>	<b>14.64</b>	<b>15.11</b>

The amount of fixed deposits with banks includes deposits placed as Margin Money amounting for ₹ 12.49 Lakhs (P. Y. ₹ 11.76 Lakhs and April 1, 2016 ₹ 10.70 Lakhs)

### Note 15 : Current Tax Assets

[₹ in Lacs]

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Current</b>			
Advance Tax	100.51	0.00	0.00
Less : Provision	94.00	0.00	0.00
<b>Total</b>	<b>6.51</b>	<b>0.00</b>	<b>0.00</b>

### Note 16 : Equity Share Capital

[₹ in Lacs]

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Authorised share capital</b>			
35,00,000 (March 31, 2017 : 35,00,000; April 1, 2016 : 35,00,000) Equity Shares of ₹ 10/- each	350.00	350.00	350.00
<b>Issued share capital</b>			
30,28,500 (March 31, 2017 : 30,28,500; April 1, 2016 : 30,28,500) Equity Shares of ₹ 10/- each	302.85	302.85	302.85
<b>Subscribed and fully paid up</b>			
30,28,500 (March 31, 2017 : 30,28,500; April 1, 2016 : 30,28,500) Equity Shares of ₹ 10/- each	302.85	302.85	302.85
	<b>302.85</b>	<b>302.85</b>	<b>302.85</b>

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

Particulars	As at	As at
	March 31, 2018	March 31, 2017
At the beginning of the year	30,28,500	30,28,500
<b>Add :</b>		
Shares issued for Cash or Right Issue	00	00
Bonus Shares	00	00
Exercise of Share Option under ESOS / ESOP	00	00
Shares issued in Business Combination	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

**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.

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

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	% of holding	No. of Shares	% of holding	No. of Shares	% of holding
Harin D. Mamlatdarna	3,47,780	11.48	3,47,780	11.48	3,47,780	11.48
Deepak N. Chokshi	2,84,572	9.40	2,84,572	9.40	2,84,572	9.40
Maya H. Mamlatdarna	2,11,247	6.98	2,11,247	6.98	2,11,247	6.98

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### Note 17 : Other Equity

[₹ in Lacs]

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
General Reserve	1831.97	1831.97	1825.47
Securities Premium	178.60	178.60	178.60
Retained Earnings	1822.62	1516.65	1375.54
Revaluation Reserve	0.00	0.00	0.00
Reserve Fund for Eco-Development	0.00	0.00	6.50
	<b>3833.19</b>	<b>3527.22</b>	<b>3386.11</b>

[₹ in Lacs]

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Securities Premium</b>			
Balance as per previous financial statements	178.60	178.60	178.60
Add/Less : Additions/(Deductions) during the year	0.00	0.00	0.00
Balance at the end of the year	<b>178.60</b>	<b>178.60</b>	<b>178.60</b>
<b>Reserve Fund for Eco-Development</b>			
Balance as per previous financial statements	0.00	6.50	6.50
Add/Less : Additions/(Deductions) during the year	0.00	(6.50)	0.00
Balance at the end of the year	<b>0.00</b>	<b>0.00</b>	<b>6.50</b>
<b>Revaluation Reserve</b>			
Balance as per previous financial statements	0.00	0.00	1641.74
Add/Less : Additions/(Deductions) during the year	0.00	0.00	(1641.74)
Balance at the end of the year	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>General Reserve (Refer note below)</b>			
Balance as per previous financial statements	1831.97	1825.47	183.73
Add/Less : Additions/(Deductions) during the year	0.00	6.50	1641.74
Balance at the end of the year	<b>1831.97</b>	<b>1831.97</b>	<b>1825.47</b>
<b>Surplus / (Deficit) in Statement of Profit &amp; Loss</b>			
Balance as per previous financial statements	1516.65	1375.54	1283.76
Add : Profit for the year	305.13	176.96	128.23
Less : Adjustment on Consolidation	(1.73)	1.95	0.01
Add/Less : OCI for the year	2.57	(1.38)	0.00
Balance available for appropriation	<b>1822.62</b>	<b>1553.07</b>	<b>1412.00</b>
<b>Less : Appropriation</b>			
- Proposed dividend	0.00	30.29	30.29
- Provision for dividend distribution tax (DDT)	0.00	6.13	6.17
	<b>0.00</b>	<b>36.42</b>	<b>36.46</b>
<b>Net Surplus / (Deficit)</b>	<b>1822.62</b>	<b>1516.65</b>	<b>1375.54</b>
	<b>3833.19</b>	<b>3527.22</b>	<b>3386.11</b>

**Note :** General reserve includes revaluation reserve amounting to ₹ 1641.74/- lacs which is not available for distribution of profit.

## Note 18 : Borrowings

[₹ in Lacs]

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Non-current</b>			
<b>Term Loans</b>			
<b>Secured</b>			
<b>From Banks</b>			
HDFC Bank Limited (Refer note 1 below)	223.75	25.41	44.26
<b>Vehicles loans</b>			
<b>From Others</b>			
HDFC Bank Limited (Refer note 2 below)	3.67	0.00	0.00
<b>Total</b>	<b>227.42</b>	<b>25.41</b>	<b>44.26</b>
<b>Current</b>			
<b>Secured</b>			
<b>Working Capital Loan</b>			
HDFC Bank Ltd. (Cash Credit A/c.)	168.62	0.00	128.46
HDFC Bank Ltd. (Export Packing Credit)	175.00	150.00	0.00
HDFC Bank Ltd. (Export Bills Purchase)	397.73	263.91	47.04
<b>Total</b>	<b>741.35</b>	<b>413.91</b>	<b>175.50</b>
<b>Current maturities of long term debts</b>			
<b>Term loans</b>			
<b>Secured</b>			
<b>From Banks</b>			
HDFC Bank Limited (Refer note 1 below)	47.63	18.87	16.81
<b>Vehicle loans</b>			
<b>From Others</b>			
HDFC Bank Limited (Refer note 2 below)	3.10	0.00	0.00
Toyota Financial Services India Ltd. (Refer note 2 below)	0.00	0.00	7.16
<b>Total</b>	<b>50.73</b>	<b>18.87</b>	<b>23.97</b>

**Nature of Security**

- The above term loans HDFC Bank Ltd are primarily secured against Hypothecation of present and future stocks and book debts and Plant & Machineries. It is further secured by Equitable Mortgage on Leasehold land bearing Plot / Shed No 125, in aggregate admeasuring 1330 Sq mts in phase I, Vatva Industrial Estate, 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.
- The above loans are secured against hypothecation of vehicles.

**Terms of Repayment of Loans****Term loans**

- HDFC Bank Ltd. The company has availed term loan for acquisition of plant and machinery and It is 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.  
The company has availed term loan for working capital and It is 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.  
The company has availed term loan for acquisition of working capital and It is 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.

## DYNAMIC INDUSTRIES LIMITED

### Vehicle Loans

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

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 19 : Other Financial Liabilities

[₹ in Lacs]

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Current</b>			
Current Maturities of Long Term Borrowings	50.73	18.87	23.98
Interest accrued but not due on Borrowings	1.84	0.32	0.47
Unclaimed dividends	3.75	2.88	2.06
Trade deposit	0.00	3.10	0.00
Employees	15.39	13.78	11.75
<b>Total</b>	<b>71.71</b>	<b>38.95</b>	<b>38.26</b>

### Note 20 : Provisions

[₹ in Lacs]

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Non-Current</b>			
<b>Provision for employee benefits</b>			
Gratuity	11.26	8.74	6.33
Priviledge / Earned Leave	0.00	0.00	9.05
<b>Total</b>	<b>11.26</b>	<b>8.74</b>	<b>15.38</b>
<b>Current</b>			
<b>Provision for employee benefits</b>			
Gratuity	6.15	4.35	3.76
Priviledge / Earned Leave	0.00	0.00	1.50
<b>Others</b>			
Provision for excise duty on closing stock	0.00	45.61	47.61
Proposed dividend	0.00	30.29	30.29
Corporate Dividend Tax	0.00	6.32	6.17
<b>Total</b>	<b>6.15</b>	<b>86.57</b>	<b>89.33</b>

### Note 21 : Income Taxes

[₹ in Lacs]

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Deferred tax liability</b>		
Opening balance	54.55	67.91
Adjustment for the current year (Charged)/Credited through OCI	14.81	(12.83)
	0.98	(0.53)
<b>Total</b>	<b>70.34</b>	<b>54.55</b>

**Note 21.1 : Significant components of deferred tax assets are shown in the following table :** [₹ in Lacs]

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Deferred tax liabilities</b>			
Routed through profit or loss			
Difference of book depreciation and tax depreciation	79.19	61.94	78.57
<b>Total deferred tax liabilities</b>	79.19	61.94	78.57
Set-off of deferred tax assets pursuant to set-off provisions			
Routed through P/L			
Provision for leave obligation and gratuity	9.51	6.82	10.71
Others	(0.18)	0.11	(0.05)
<b>Total deferred tax assets</b>	9.33	6.93	10.66
<b>Net deferred tax liabilities</b>	69.86	55.01	67.91

**Note 21.2 : The reconciliation between the provision of income tax and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows :** [₹ in Lacs]

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit before taxes	434.67	255.64
Current tax expense calculated using normal tax rate at 27.55% (Previous year - 33.06%)	27.55%	33.06%
Tax effect of amounts which are not deductible / (taxable) in calculating taxable book profit;	119.75	84.52
<b>Add :</b>		
Tax Effect on non-deductible expenses	9.81	0.94
Provision for Doubtful Debts	0.29	11.08
Tax Effect on deductible expenses	(11.96)	(1.55)
Others	(4.04)	(0.86)
Adjustments in respect of current income tax of previous year	0.76	(2.55)
<b>Income Tax as per normal provisions</b>	114.61	91.58

**Note 21.3 : Income tax expense has been allocated as follows :** [₹ in Lacs]

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Income tax expense recognised in the Statement of Profit &amp; Loss</b>		
Current tax on profits for the year	114.61	91.58
	114.61	91.58
<b>Deferred tax (other than disclosed under OCI)</b>		
Decrease / (increase) in deferred tax assets	(2.40)	3.73
(Decrease) / increase in deferred tax liabilities	17.25	(16.64)
	14.85	(12.90)
Income tax expense / (income) attributable to continuing operations	129.46	78.68
Income tax expense recognised in other comprehensive income		
Income tax included in other comprehensive income on:		
Defined benefit plan actuarial gains/(losses)	(0.98)	0.53
Income tax expense / (income) recognised in other comprehensive income	(0.98)	0.53



**DYNAMIC INDUSTRIES LIMITED****Note 22 : Trade Payables**

[₹ in Lacs]

<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 1, 2016</b>
<b>Current</b>			
Micro, Small and Medium Enterprise	0.00	0.00	0.00
Others	1007.58	605.08	637.29
<b>Total</b>	<b>1007.58</b>	<b>605.08</b>	<b>637.29</b>

Trade payables are not-interest bearing and are normally settled within 60-90 days.

**Note 23 : Other current liabilities**

[₹ in Lacs]

<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 1, 2016</b>
<b>Current</b>			
Creditors for capital goods	3.13	1.10	0.00
Advance towards customer	5.01	2.71	0.00
Statutory liabilities	12.88	8.95	3.88
<b>Total</b>	<b>21.02</b>	<b>12.76</b>	<b>3.88</b>

**Note 24 : Current tax liabilities**

[₹ in Lacs]

<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 1, 2016</b>
<b>Current</b>			
Provision for tax	377.53	373.66	479.50
Less : Advance Tax	(361.21)	(342.69)	(440.76)
<b>Total</b>	<b>16.32</b>	<b>30.97</b>	<b>38.74</b>

**Note 25 : Revenue from Operations** [₹ in Lacs]

Particulars	2017-2018	2016-2017
Sale of Products (Gross)	5871.83	4843.82
Other Operating Revenue	44.36	41.22
	5916.19	4885.04

**Break up of sales of product (Net of Excise)** [₹ in Lacs]

Particulars	2017-2018	2016-2017
<b>Manufactured</b>		
Dyes, Pigments and Chemicals		
Export	2415.39	2224.65
Local	3207.64	2228.46
<b>Total</b>	5623.03	4453.11
<b>Stock in trade</b>		
Dyes, Pigments and Chemicals		
Export	28.24	62.29
Local	31.12	30.94
<b>Total</b>	59.36	93.23
<b>Raw Materials</b>		
Export	48.46	0.00
Local	78.08	41.71
<b>Total</b>	126.54	41.71
<b>Grand Total</b>	5808.93	4588.05

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

Particulars	2017-2018	2016-2017
Export benefits (Net)	44.36	41.22
	44.36	41.22

**Note 26 : Other Income** [₹ in Lacs]

Particulars	2017-2018	2016-2017
<b>Interest Income</b>		
From Banks	0.82	1.04
Others	16.02	2.94
	16.84	3.98
Gain on Foreign Exchange Fluctuation (Net)	19.17	0.00
Provision no longer required	0.00	10.55
Insurance Claim	6.25	0.00
Lifting Income	7.98	0.00
Profit on Sale of Assets	0.00	1.81
Miscellaneous Income	4.03	0.07
	37.43	12.43
	54.27	16.41

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### Note 27 : Cost of Materials / Products Consumed

[₹ in Lacs]

Particulars	2017-2018	2016-2017
Raw Materials	4182.83	3081.55
Packing Materials	110.57	98.83
Freight, Octroi & Inward Clearing	60.01	44.49
	4353.41	3224.87

### Note 28 : Purchase of Stock-in-trade

[₹ in Lacs]

Particulars	2017-2018	2016-2017
<b>Stock-in-trade</b>		
Dyes, Pigment & Chemicals	162.18	124.76
	162.18	124.76

### Note 29 : Changes in Inventories

[₹ in Lacs]

Particulars	2017-2018	2016-2017
<b>Inventory at the end of the year</b>		
Finished Goods	696.66	409.87
Stock in trade	4.21	0.62
Work in progress	99.06	102.45
	799.94	512.94
<b>Inventory at the beginning of the year</b>		
Finished Goods	409.87	421.76
Stock in trade	0.62	5.90
Work in progress	102.45	83.57
	512.94	511.23
<b>(Increase) / Decrease in stocks</b>	(287.00)	(1.71)

### Note 30 : Employee benefits expense

[₹ in Lacs]

Particulars	2017-2018	2016-2017
Salary, Allowance, Wages and Bonus	279.07	257.02
Contribution to Provident Fund & Other Funds	33.02	16.10
Staff Welfare and Training	5.18	4.19
	317.27	277.31

**Note 31 : Finance Cost**

[₹ in Lacs]

Particulars	2017-2018	2016-2017
<b>Interest</b>		
To Bank	43.79	29.24
Others	0.08	0.26
	<u>43.87</u>	<u>29.50</u>
<b>Other Borrowing Cost</b>		
LC Charges	5.18	4.17
Loan Processing Charges	4.17	3.71
	<u>9.35</u>	<u>7.88</u>
	<u>53.22</u>	<u>37.38</u>

**Note 32 : Depreciation and Amortization**

[₹ in Lacs]

Particulars	2017-2018	2016-2017
Depreciation expense on property, plant and equipment	82.35	68.48
Amortization expense	17.60	17.60
	<u>99.95</u>	<u>86.08</u>

**Note 33 : Other expenses**

[₹ in Lacs]

Particulars	2017-2018	2016-2017
<b>Manufacturing Expenses</b>		
Power, Fuel and Water Charges	352.68	256.47
Stores and other consumables	3.09	3.54
Laboratory Expenses	13.20	14.27
Pollution Plant Treatment	63.59	54.32
Excise duty on finished goods	(45.61)	(2.00)
Repairs and Maintenance		
Building	9.14	5.34
Plant and Machinery and Office equipment	35.91	29.45
Others	7.02	5.89
<b>Establishment Expenses</b>		
Rates and Taxes	12.94	6.19
Insurance	22.50	21.76
Fees and Legal Expenses	25.83	23.47
Auditors' Remuneration (refer note below)	6.12	6.11
Travelling Expenses	0.91	6.11
Bank Charges	12.99	10.50
Postage, Telephone & Internet Expenses	10.87	14.43
Membership and Subscription	2.33	0.75
Vehicle Expenses	6.89	6.50
Security Charges	7.99	7.48
Donation		
Corporate Social Responsibility (CSR)	0.00	8.00
Others	5.20	0.05

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### Note 33 : Other expenses (continued....)

[₹ in Lacs]

Particulars	2017-2018	2016-2017
Loss on fair value of Investment measured at FVTPL (PL)	1.09	0.47
Foreign Exchange Fluctuation	0.00	7.62
Provision for Bad debts	0.29	15.59
Sundry Balance written off	14.90	0.00
Other Miscellaneous Expenses	15.08	12.06
<b>Selling and Distribution Expenses</b>		
Advertisement Expenses	3.03	0.55
Commission and Discount	85.79	64.94
Sales Promotion	6.94	0.30
Freight Outwards	93.01	60.37
	<b>773.72</b>	<b>640.53</b>
<b>Auditor's Remuneration is made of</b>		
Statutory Audit Fees	4.87	4.86
Tax Audit Fees	1.00	1.00
Fees for other services	0.25	0.25
	<b>6.12</b>	<b>6.11</b>

### Note 34 : Earning per Share

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Net Profit / (Loss) for the year [₹ in Lacs]	305.13	176.96
Number of equity shares	3028500	3028500
Nominal Value of the share	10	10
Basic and diluted Earning per Share[₹]	10.08	5.84

### Note 35 : Contingent Liabilities and Commitments

[₹ in Lacs]

Particulars	As at March 31, 2018	As at March 31, 2017
<b>A Contingent Liabilities not provided for in respect of</b>		
(i) Claim against the company not acknowledged as debt :		
- Income Tax	8.73	0.88
- Custom Duty	171.14	171.14
- Custom Duty	5.51	5.51
- Service Tax	79.24	79.24
(ii) Custom Duty (Import under Advance Licenses Export Obligation Pending)	20.57	8.93
	<b>285.19</b>	<b>265.70</b>
<b>B Capital Commitments</b>		
Estimated amount of contract remaining to the executed on capital accounts	NIL	95.14

**Note 36: Employee Benefits****Note 36.1 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 Lacs]

Particulars	For the year 2017-2018	For the year 2016-2017
Contribution to Provident Fund and Pension Scheme, included under contribution to provident and other funds	11.47	9.64
Contribution to Employee State Insurance Scheme, included under contribution to provident and other funds	3.04	2.14

**Note 36.2 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, 2018	As at March 31, 2017	As at April 1, 2016
Discount Rate	7.10%	6.75%	7.65%
Expected rate(s) of salary increase	7.00%	7.00%	7.00%
Rate of return on plan assets	7.10%	6.75%	8.75%

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, 2018

[₹ in Lacs]

Particulars	For the year ended 2017-2018 Gratuity (Funded)	For the year ended 2016-2017 Gratuity (Funded)
<b>Changes in the present value of obligation</b>		
1. Present value of obligation (Opening)	40.91	36.26
2. Interest cost	2.00	1.95
3. Past service cost adjustments/Prior year Charges	13.45	(0.07)
4. Current service cost	4.35	3.76
5. Curtailment Cost / (Gain)	--	--
6. Settlement Cost / (Gain)	--	--
7. Benefits paid	(0.83)	(3.29)
8. Actuarial (Gain) / Loss arising from change in financial assumptions	(0.63)	1.42
9. Actuarial (Gain) / Loss arising from change in demographic assumptions	--	--
10. Actuarial (Gain) / Loss arising from change on account of experience changes	(2.41)	0.88
11. Present value of obligation (Closing)	56.83	40.91

## DYNAMIC INDUSTRIES LIMITED

[₹ in Lacs]

Particulars	For the year ended 2017-2018 Gratuity (Funded)	For the year ended 2016-2017 Gratuity (Funded)
<b>Changes in the fair value of plan assets</b>		
1. Present value of plan assets (Opening)	27.83	26.16
2. Past contribution / Adjustment to Opening Fund	--	--
3. Expected return on plan assets	0.50	0.38
4. Interest Income	1.27	1.33
5. Actuarial Gain / (Loss)	--	--
6. Employers Contributions	10.65	3.25
7. Employees Contributions	--	--
8. Benefits paid	(0.83)	(3.29)
9. Expense deducted from the fund	--	--
10. Fair Value of Plan Assets (Closing)	39.42	27.83
<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 Lacs]

Particulars	For the year ended 2017-2018	For the year ended 2016-2017
<b>Present Value of funded obligation at the end of the year</b>	<b>56.83</b>	<b>40.91</b>
Fair Value of Plan Assets as at the end of the period	39.42	27.83
Amount not recognised due to asset limit	--	--
<b>Deficit of funded plan</b>		
<b>Deficit of unfunded plan</b>	<b>17.41</b>	<b>13.08</b>
- Current	6.14	4.35
- Non current	11.26	8.73

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

[₹ in Lacs]

<b>Expense recognised in the Statement of Profit &amp; Loss</b>	<b>For the year ended 2017-2018 (Gratuity)</b>	<b>For the year ended 2016-2017 (Gratuity)</b>
Current Service Cost	4.35	3.76
Past Service Cost	13.44	(0.71)
Adjustment to opening fund	--	--
Net interest Cost	0.74	0.63
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>18.52</b>	<b>4.32</b>

#Included in 'Salary and Wages' under 'Employee benefits expense'

[₹ in Lacs]

<b>Amount recorded in Other comprehensive Income (OCI)</b>	<b>For the year ended 2017-2018 (Gratuity)</b>	<b>For the year ended 2016-2017 (Gratuity)</b>
<b>Re-measurements during the year due to</b>		
Changes in financial assumptions	(0.63)	1.41
Changes in demographic assumptions	--	--
Experience adjustments	(2.41)	0.88
Return on plan assets excluding amounts included in interest income	(0.50)	(0.38)
<b>Amount recognised in OCI during the year</b>	<b>(3.55)</b>	<b>1.91</b>



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### (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			Increase in Assumptions			Decrease in Assumptions	
	March 31, 2018	March 31, 2017		March 31, 2018	March 31, 2017		March 31, 2018	March 31, 2017
Discount Rate	0.50%	0.50%	Decrease by	(1.50)%	(1.97)%	Increase by	1.61%	2.11%
Salary growth rate	0.50%	0.50%	Increase by	1.55%	2.09%	Decrease by	(1.47)%	(1.97)%

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.

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

Category of Assets (% Allocation)	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
	%			₹ in Lacs		
Insurer managed funds	100%	100%	100%	39.42	27.83	26.16
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>39.42</b>	<b>27.83</b>	<b>26.16</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 Rs 6.13 Lakhs.

The weighted average duration of the defined benefit obligation is 3.38 years (2017 – 4.25 years, 2016- 3.64 years).

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

## (a) Gratuity

[₹ in Lacs]

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Cash Flow	(%)	Cash Flow	(%)	Cash Flow	(%)
1st following year	37.30	46.90	22.46	37.20	22.13	41.70
2nd following year	2.33	2.90	1.62	2.70	1.62	3.10
3rd following year	1.67	2.10	2.11	3.50	1.29	2.40
4th following year	2.83	3.60	1.46	2.40	1.84	3.50
5th following year	1.54	1.90	2.42	4.00	1.21	2.30
Sum of year 6th to 10th	11.84	14.90	8.52	14.10	8.40	15.80

**Note 37: Segment Information**

The Company operates within a solitary business segment i.e. manufacturing of dyes, chemicals and pigments which constitute a single business segment. These activities are mainly conducted only in one geographical segment viz, India. Therefore, the disclosure requirements under the Ind AS 108 "Operating Segments" are not applicable.

**Note 38:****1. 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	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.

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

[₹ in Lacs]

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 Ornet Intermediate Pvt. Ltd.			103.79	103.79

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

[₹ in Lacs]

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. Related Party Disclosures for the year ended March 31, 2017

## (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.

## (b) Details of transaction with related parties for the year ended March 31, 2017 in the ordinary course of business

[₹ in Lacs]

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		27.13 10.43 27.17		27.13 10.43 27.17
2	Expenditure on other services (Salary) Ronak Choksi Bimal Choksi Asita Mamlatdarna Mansi Talati		4.87 5.31 5.61 4.39		4.87 5.31 5.61 4.39
3	Assignment of Keyman Insurance Policy Harin Mamlatdarna		45.01		45.01
4	Sales Ornet Intermediate Pvt. Ltd.			118.89	118.89
5	Purchase Ornet Intermediate Pvt. Ltd.			19.43	19.43

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(c) Amount due to / from related parties as at March 31, 2017

[₹ in Lacs]

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

3 Amount due to / from related parties as at April 1, 2016

[₹ in Lacs]

Sr. No.	Nature of Relationship / Transaction	Subsidiary Companies	Promoter Company	KMP & Relatives	Enterprise over which KMP and Relatives have significant influence	Total
1	Trade Payable Dipakkumar Choksi Dinesh Jain Harin Mamlatdarna			1.70 0.65 1.52		1.70 0.65 1.52
2	Trade Receivables Ornet Intermediate Pvt. Ltd.				70.44	70.44

**Note 39 : 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 Lacs]

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Total equity attributable to the equity share holders of the company	4136.01	3866.68	3725.42
As percentage of total capital	80.60%	89.92%	99.22%
Current loans and borrowings	792.08	432.78	199.48
Non-current loans and borrowings	227.42	25.38	44.26
Total loans and borrowings	1019.50	458.16	243.73
Cash and cash equivalents	24.11	24.54	214.52
Net loans & borrowings	995.39	433.62	29.21
As a percentage of total capital	19.40%	10.08%	0.78%
<b>Total capital (loans and borrowings and equity)</b>	<b>5131.40</b>	<b>4300.30</b>	<b>3754.63</b>

**Note 40 : Fair Value measurements****A. Financial instruments by category**

[₹ in Lacs]

Particulars	31 March, 2018			31 March, 2017			1 April, 2016		
	Amortized Cost	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI
<b>Financial Assets</b>									
Investments	--	115.96	--	--	60.00	--	--	--	--
Loans	--	--	--	--	--	--	--	--	--
Trade & Other Receivables	1793.99	--	--	1288.41	--	--	913.42	--	--
Cash & Cash Equivalents	24.11	--	--	24.54	--	--	214.52	--	--
Other Bank Balances	16.24	--	--	14.64	--	--	15.11	--	--
Other Financial Assets	16.28	--	--	17.86	--	--	17.99	--	--
<b>Total Financial Assets</b>	<b>1850.62</b>	<b>115.96</b>	<b>--</b>	<b>1345.45</b>	<b>60.00</b>	<b>--</b>	<b>1161.04</b>	<b>--</b>	<b>--</b>
<b>Financial Liabilities</b>									
Borrowings	968.77	--	--	439.32	--	--	219.76	--	--
Trade Payables	1007.58	--	--	605.08	--	--	637.29	--	--
Other Financial Liabilities	71.71	--	--	38.95	--	--	38.26	--	--
<b>Total Financial Liabilities</b>	<b>2048.06</b>	<b>--</b>	<b>--</b>	<b>1083.35</b>	<b>--</b>	<b>--</b>	<b>895.31</b>	<b>--</b>	<b>--</b>

\* Excluding investments in subsidiaries, joint control entities and associates measured at cost in accordance with Ind AS-27

**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.

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### B. Fair value hierarchy for assets

Financial assets measured at fair value at March 31, 2018

[₹ in Lacs]

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

Financial assets measured at fair value at March 31, 2017

[₹ in Lacs]

	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>	--	40.00	20.00	60.00
Investments - Real Estate Funds				

Financial assets measured at fair value at April 1, 2016

[₹ in Lacs]

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

#### 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.

### 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 41: 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 lacs)	Expected credit losses rate (%)	Expected credit losses (₹ in lacs)	Carrying amount of trade receivable (₹ in lacs)
<b>Considered Goods</b>				
0 - 12 months	1709.37	0.1%	1.75	1707.62
More than 1 year	56.36	1%	0.56	55.8
<b>Total</b>	<b>1765.73</b>		<b>2.31</b>	<b>1763.42</b>
<b>Considered Doubtful</b>	<b>28.26</b>	<b>100%</b>	<b>28.26</b>	<b>--</b>
<b>Total</b>	<b>1793.99</b>		<b>30.57</b>	<b>1763.42</b>



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### Reconciliation of loss allowance provision

Trade receivables

[₹ in lacs]

Particulars	Amount (₹)
<b>Loss allowance as on April 1, 2016</b>	--
Changes in loss allowance	2.03
<b>Loss allowance as on March 31, 2017</b>	<b>2.03</b>
Changes in loss allowance	0.28
<b>Loss allowance as on March 31, 2018</b>	<b>2.31</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.

### Financing arrangements

The working capital position of the Company is given below:

[₹ in lacs]

Particulars	31 March, 2018	31 March, 2017	1 April, 2016
Cash and Cash Equivalents	24.11	24.54	214.52

### 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, 2018**

[₹ in lacs]

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	1007.58	--	1007.58
Other Financial Liability	71.71	--	71.71
	<b>1820.64</b>	--	<b>1820.64</b>
<b>Total financial liabilities</b>	<b>1820.64</b>	<b>227.42</b>	<b>2048.06</b>

As at March 31, 2017

[₹ in lacs]

Financial Liabilities	Payable within 0 to 12 months	More than 12 months	Total
<b>Non-current financial liabilities</b>			
Borrowings	--	25.38	25.38
	--	<b>25.38</b>	<b>25.38</b>
<b>Current financial liabilities</b>			
Borrowings from Banks	413.91	--	413.91
Trade Payables	605.08	--	605.08
Other Financial Liability	38.90	--	38.90
	<b>1057.89</b>	--	<b>1057.89</b>
<b>Total financial liabilities</b>	<b>1057.89</b>	<b>25.38</b>	<b>1083.27</b>

As at April 1, 2016

[₹ in lacs]

Financial Liabilities	Payable within 0 to 12 months	More than 12 months	Total
<b>Non-current financial liabilities</b>			
Borrowings	--	44.26	44.26
	--	<b>44.26</b>	<b>44.26</b>
<b>Current financial liabilities</b>			
Borrowings from Banks	175.50	--	175.50
Trade Payables	637.29	--	637.29
Other Financial Liability	38.27	--	38.27
	<b>851.06</b>	--	<b>851.06</b>
<b>Total financial liabilities</b>	<b>851.06</b>	<b>44.26</b>	<b>895.32</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.

## DYNAMIC INDUSTRIES LIMITED

### Exposure to currency risk

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

[Amount in Lacs]

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	USD	₹	USD	₹	USD	₹
<b>Financial Assets</b>						
Trade Receivables	USD 14.17	₹ 921.65	USD 9.93	₹ 644.26	USD 5.46	₹ 362.32
<b>Total</b>		₹ <b>921.65</b>		₹ <b>644.26</b>		₹ <b>362.32</b>
<b>Financial Liabilities</b>						
Trade Payable	USD 2.89 Euro 0.06	₹ 187.64 ₹ 5.01	USD 2.91	₹ 188.75	USD 3.14 Euro 0.10	₹ 208.07 ₹ 8.19
<b>Total</b>		₹ <b>192.65</b>		₹ <b>188.75</b>		₹ <b>216.26</b>

### Sensitivity Analysis

Any change with respect to strengthening (weakening) of the Indian Rupee against various currencies as at March 31, 2018 and March 31, 2017 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 Lacs]

Particulars	Profit or Loss		Profit or Loss	
	As at March 31, 2018		As at March 31, 2017	
	Strengthening ₹	Weakening ₹	Strengthening ₹	Weakening ₹
USD (Increase/Decrease by 1%, March 31, 2017 - 1%)	7.35	(7.35)	4.55	(4.55)
Euro (Increase/Decrease by 1%, March 31, 2017 - 1%)	(0.05)	0.05	--	--
<b>Total</b>	<b>7.30</b>	<b>(7.30)</b>	<b>4.55</b>	<b>(4.55)</b>

### (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 Lacs]

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Fixed rate borrowings	6.76	0.00	7.16
Floating rate borrowings	1012.74	458.16	236.56
	<b>1019.50</b>	<b>458.16</b>	<b>243.72</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 Lacs]

Particulars	As at March 31, 2018	As at March 31, 2017
Impact on profit - increase in 50 basis points	(0.55)	(0.23)
Impact on profit - decrease in 50 basis points	0.55	0.23

**(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 42 : Reconciliation between previous GAAP and Ind AS**

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

**Reconciliation of equity as on March 31, 2017**

[₹ in Lacs]

Particulars	Amount as per IGAAP*	Effects of transition to Ind AS	Amount as per Ind AS
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant & Equipments	2214.70	0.00	2214.70
Capital work-in-progress	30.84	0.00	30.84
Goodwill	0.00	0.00	0.00
Intangible Assets	0.16	0.00	0.16
Intangible assets under development	0.00	0.00	0.00
<b>Financial Assets</b>			
Investments	60.00	0.00	60.00
Loans	0.00	0.00	0.00
Other Financial Assets	16.30	0.00	16.30
Other non-current assets	10.00	0.00	10.00
<b>Current Assets</b>			
Inventories	1228.25	0.00	1228.25
Financial assets			
Investments	0.00	0.00	0.00
Trade Receivables	1290.44	(2.03)	1288.41
Cash & Cash Equivalents	24.54	0.00	24.54
Other Bank Balances	14.64	0.00	14.64
Loans	0.00	0.00	0.00
Other Financial Assets	1.56	0.00	1.56
Current Tax Assets (Net)	0.00	0.00	0.00
Other Current Assets	217.61	0.00	217.61
Assets classified as held for sale	0.00	0.00	0.00
<b>Total Assets</b>	<b>5109.04</b>	<b>(2.03)</b>	<b>5107.01</b>

## DYNAMIC INDUSTRIES LIMITED

[₹ in Lacs]

Particulars	Amount as per IGAAP*	Effects of transition to Ind AS	Amount as per Ind AS
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	302.85	0.00	302.85
Other Equity	3527.52	(0.30)	3527.22
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
Financial Liabilities			
Borrowings	25.41	0.00	25.41
Other Financial Liabilities	0.00	0.00	0.00
Provisions	8.74	0.00	8.74
Deferred Tax Liabilities (Net)	54.55	0.00	54.55
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	413.91	0.00	413.91
Trade Payables	604.78	0.30	605.08
Other Financial Liabilities	38.95	0.00	38.95
Other Current Liabilities	12.76	0.00	12.76
Provisions	86.57	0.00	86.57
Current Tax Liabilities	30.97	0.00	30.97
<b>Total Equity &amp; Liabilities</b>	<b>5107.01</b>	<b>0.00</b>	<b>5107.01</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

### Reconciliation of total equity as at March 31, 2017 and April 01, 2016

[₹ in Lacs]

Particulars	As at March 31, 2017	As at April 1, 2016
Total equity (Shareholder's Funds) under previous GAAP	3830.37	3688.05
<b>Ind AS adjustments :</b>		
Retained Earnings	(0.30)	37.37
	<b>3830.07</b>	<b>3725.42</b>

## Reconciliation of equity as on April 1, 2016

[₹ in Lacs]

Particulars	Amount as per IGAAP*	Effects of transition to Ind AS	Amount as per Ind AS
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant & Equipments	2287.66	0.00	2287.66
Capital work-in-progress	0.00	0.00	0.00
Goodwill	0.00	0.00	0.00
Intangible Assets	0.24	0.00	0.24
Intangible assets under development	0.00	0.00	0.00
Financial Assets			
Loans	0.00	0.00	0.00
Other Financial Assets	16.70	0.00	16.70
Other non-current assets	0.00	0.00	0.00
<b>Current Assets</b>			
Inventories	997.26	0.00	997.26
Financial assets			
Investments	0.00	0.00	0.00
Trade Receivables	913.42	0.00	913.42
Cash & Cash Equivalents	214.52	0.00	214.52
Other Bank Balances	15.11	0.00	15.11
Loans	0.00	0.00	0.00
Other Financial Assets	1.29	0.00	1.29
Other Current Assets	353.31	0.00	353.31
Assets classified as held for sale	0.00	0.00	0.00
<b>Total Assets</b>	<b>4799.51</b>	<b>0.00</b>	<b>4799.51</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	302.85	0.00	302.85
Other Equity	3385.20	37.37	3422.57
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
Financial Liabilities			
Borrowings	44.34	(0.08)	44.26
Other Financial Liabilities	0.00	0.00	0.00
Provisions	15.38	0.00	15.38
Deferred Tax Liabilities (Net)	67.86	0.05	67.91
Other non-current Liabilities	0.00	0.00	0.00
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	175.50	0.00	175.50
Trade Payables	637.29	0.00	637.29
Other Financial Liabilities	38.33	(0.07)	38.26
Other Current Liabilities	3.88	0.00	3.88
Provisions	90.14	(37.27)	52.87
Current Tax Liabilities	38.74	0.00	38.74
<b>Total Equity &amp; Liabilities</b>	<b>4799.51</b>	<b>0.00</b>	<b>4799.51</b>

## DYNAMIC INDUSTRIES LIMITED

### Reconciliation of total comprehensive income for the period March 31, 2017

[₹ in Lacs]

Particulars	Amount as per IGAAP*	Effects of transition to Ind AS	Amount as per Ind AS
<b>INCOME</b>			
Revenue from Operations	4885.04	0.00	4885.04
Other Income	16.41	0.00	16.41
<b>Total Income</b>	<b>4901.45</b>	<b>0.00</b>	<b>4901.45</b>
<b>EXPENSES</b>			
Cost of Material / Products Consumed	3224.87	0.00	3224.87
Excise Duty	256.59	0.00	256.59
Purchase of stock in trade	124.76	0.00	124.76
Changes in inventories	(1.71)	0.00	(1.71)
Employee benefits expenses	279.22	(1.91)	277.31
Finance Cost	37.31	0.07	37.38
Depreciation and Amortization	86.08	0.00	86.08
Other Expenses	638.03	2.50	640.53
<b>Total Expenses</b>	<b>4645.15</b>	<b>0.66</b>	<b>4645.81</b>
<b>Profit before exceptional items and tax</b>	<b>256.30</b>	<b>(0.66)</b>	<b>255.64</b>
Exceptional Items	0.00	0.00	0.00
<b>Profit Before Tax</b>	<b>256.30</b>	<b>(0.66)</b>	<b>255.64</b>
<b>Tax Expense</b>			
Current Tax	94.17	0.00	94.17
Tax in respect of earlier years	(2.55)	0.00	(2.55)
Deferred Tax	(12.94)	0.00	(12.94)
<b>Total Tax Expenses</b>	<b>78.68</b>	<b>0.00</b>	<b>78.68</b>
<b>Profit for the year from continuing operations</b>	<b>177.62</b>	<b>(0.66)</b>	<b>176.96</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement of the defined benefit plants	0.00	(1.91)	(1.91)
Tax relating to remeasurement of the defined benefit plants	0.00	0.53	0.53
	0.00	(1.38)	(1.38)
<b>Total comprehensive income for the year, net of tax</b>	<b>177.62</b>	<b>(2.04)</b>	<b>175.58</b>

#### Notes to reconciliation between Indian GAAP and Ind AS

(i) Revenue Recognition

Under Indian GAAP revenue is disclosed net of excise duty. However under Ind AS revenue is disclosed including excise duty.

(ii) Actuarial gain or loss

Under Indian GAAP any actuarial gain or loss on valuation of defined benefit plan is recognised in statement of profit or loss. Under Ind AS such actuarial gain or loss is recognised under Other comprehensive income (OCI).

(iii) Amortisation of processing charges

Under Indian GAAP ancillary cost of borrowing is recognised as expense or capitalized (in case of qualifying asset) in the year in which it is incurred. Under Ind AS the ancillary cost of borrowing is expensed or capitalised at effective interest rate over the period of loan.

(iv) The Company has measured its investments in Real Estate fund at Fair Value through profit and loss.

**Note 43:****(a) Due to Micro, Small and Medium Enterprise**

[₹ in Lacs]

No.	Particulars	2017-2018	2016-2017
1	Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	NIL	NIL
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	NIL	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.

**Note 44 : Corporate Social Responsibility****Gross Amount required to spend by the company :**

[₹ in Lacs]

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Opening unspent amount	0.00	0.00
Amount required to be spent	0.00	7.85
Amount spent during the period / year	0.00	7.85
Unspent amount carried forward	0.00	0.00

**Note 45 : Expenditure / Earnings in Foreign Currency**

[₹ in Lacs]

No.	Particulars	2017-2018	2016-2017
A	Import on CIF - Raw Material	1496.45	1168.54
B	Expenses in Foreign Currency - Travelling	0.00	4.96
	- Commission Payable	1.80	43.58
C	Remittances in Foreign Currency - Dividend	0.00	0.00
D	Earnings in Foreign Currency - Export	2453.06	2275.39



## 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, 2018 are as under:

[Amount in Lacs]

Currency	Payable (In Foreign Currency)		Receivable (In Foreign Currency)		Payable (In Indian Rupee)		Receivable (In Indian Rupee)	
	As at 31st March 2018	As at 31st March 2017	As at 31st March 2018	As at 31st March 2017	As at 31st March 2018	As at 31st March 2017	As at 31st March 2018	As at 31st March 2017
USD	2.89	2.91	14.56	9.94	187.64	188.75	947.01	644.26
EUR	0.06	--	--	--	5.01	--	--	--

### Note 47 : 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.

#### 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/-

**PUNIT CHHATTANI**

Chief Financial Officer

Sd/-

**HARIN MAMLATDARNA**

Vice Chairman & Managing Director  
(DIN : 00536250)

Sd/-

**GANESH TEMKAR**

Company Secretary

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2018

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2018





# 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  
29th Annual General Meeting, 31st July, 2018)

I hereby record my presence at the TWENTY NINETH 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 : \_\_\_\_\_

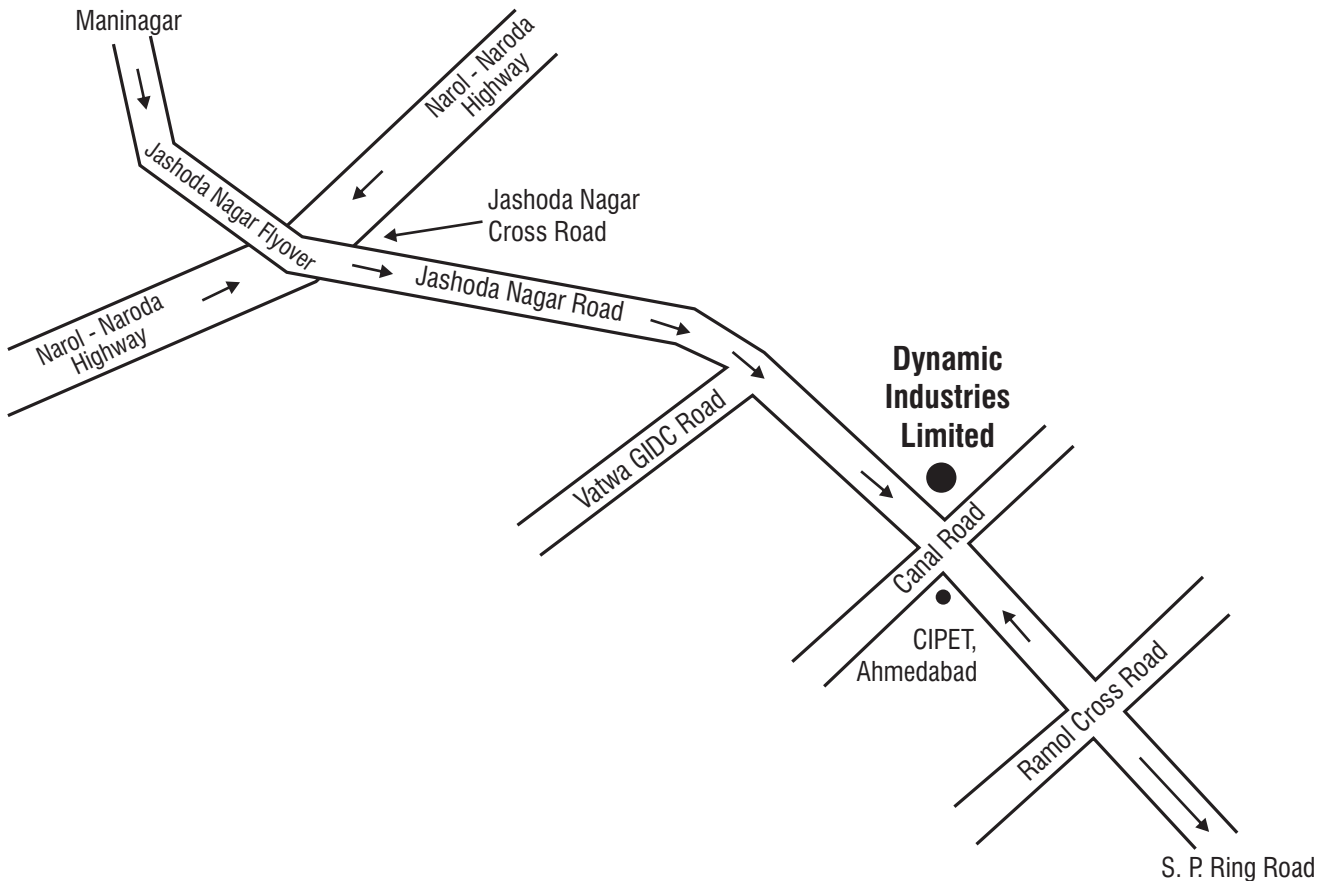
(IN BLOCK LETTERS)

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.