



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
E-mail : admin@dynaind.com

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



CIN : L24110GJ1989PLC011989
PAN : AAACD9872E
GSTIN : 24AAACD9872E1ZN

September 3, 2021

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| BSE Limited 14 th Floor, P. J. Towers, Dalal Street, Fort, Mumbai - 400001. | Stock ID: DYNAMIND Script Code: 524818 ISIN: INE457C01010 |
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Dear Sir/Ma'am,

Sub: 32nd Annual Report for the f.y. 2020-21.

Pursuant to Regulation 34 (1) (a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the soft copy of 32nd Annual Report of the Company for the financial year 2020-21 along with the notice of 32nd Annual General Meeting of the Company scheduled to be held on Monday, 27th September, 2021 at 03:00 P.M. through Video Conference Mode.

In accordance with the Circular No. 17 /2020 issued by the Ministry of Corporate Affairs ('MCA') dated 13th April 2020 and circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 issued by the Securities and Exchange Board of India ('SEBI') the Notice convening the 32nd AGM and the Annual Report for the financial year 2020-2021 have been sent only through Electronic mode to all the members whose E-mail Id are registered with the Company/RTA/Depository Participant(s).

Kindly take the same on your record.

Thanking You,

Yours Sincerely,

For, Dynamic Industries Limited

Harin Mamalatlarna
Wholetime Director
DIN: 00536250



Encl.: 32nd Annual Report for the f.y. 2020-21.

32nd

*Annual Report
2020-2021*



DYNAMIC INDUSTRIES LIMITED

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



BOARD OF DIRECTORS



HARIN D. MAMLATDARNA
CHAIRMAN & WHOLE TIME DIRECTOR

NEERAJ SHAH
MANAGING DIRECTOR

APURVA MODI
WHOLE TIME DIRECTOR

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

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

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



SECRETARIAL AUDITOR
MR. CHINTAN K. PATEL
Practicing Company Secretary

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

BANKERS
HDFC BANK LTD.
Vatva Branch
Vatva, Ahmedabad.

REGISTRARS & SHARE TRANSFER AGENTS
LINK INTIME INDIA PVT. LTD.
5th Floor, 506-508, Amarnath Business Centre-1 (ABC-1),
Beside Gala Business Centre,
Nr. St. Xavier's College Corner, Off. CG Road,
Navrangpura, Ahmedabad-380009.



REGISTERED OFFICE & FACTORY-2 :
Plot No. 5501/2, Phase III,
Nr. Trikampura Cross Roads, GIDC,
Vatva, Ahmedabad - 382 445.
Website : www.dynaind.com
ISIN No. : INE457C01010

FACTORY-1 :
Plot No. 125, Phase - I,
Nr. Trikampura Cross Roads, GIDC,
Vatva, Ahmedabad - 382 445.
E-mail : accounts@dynaind.com
CIN No. : L24110GJ1989PLC011989

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NOTICE

Notice is hereby given that the 32nd Annual General Meeting of the Members of Dynamic Industries Limited will be held on Monday, 27th Day of September, 2021 at 03:00 p.m. through video conferencing/other audio visual means to transact following business:

ORDINARY BUSINESS :

1. To consider and adopt the Audited Financial Statements of the Company for the year ended on 31st March, 2021 including Audited Balance Sheet as at 31st March, 2021 and Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To declare a dividend of Rs. 1/- (10%) per Equity Share of the nominal value of Rs. 10.00 each for the year ended on 31st March, 2021 and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT a dividend at the rate of Rs. 1.00 (One Rupees only) per equity share of Rs. 10/- (Ten Rupees) each fully paid up of the company, as recommended by the Board of Directors, be and is hereby declared for the Financial Year ended March 31, 2021 and the same be paid to shareholders whose name appear on record date as fixed by the Board of Directors of the Company, out of the profits of the Company for the Financial Year ended March 31, 2021.”

3. To re-appoint Mr. Harin Mamlatdarna (DIN: 00536250), who is liable to retire by rotation as Director and being eligible, offers himself for re-appointment and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 152(6) of the Companies Act, 2013 and the rules made thereunder, Mr. Harin Mamlatdarna (DIN : 00536250), who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as Director of the Company, liable to retire by rotation.”

SPECIAL BUSINESS :

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

“RESOLVED THAT pursuant to Provisions of Section 152, 196, 197, 198, 203 and Schedule V and all other provisions applicable, if any, (including any statutory modifications or re-enactment thereof, for the time being in force), read with Companies (Appointment and Remuneration) Rules, 2014 and any other statutory approval if any, the Company hereby re-appoints Mr. Harin Dhanvantlal Mamlatdarna (DIN: 00536250) as Chairman and Whole Time Director for a period of 3 (Three) years commencing from 1st October, 2021 to 30th September, 2024, with such remuneration as recommended by Nomination and Remuneration Committee as set out in the explanatory statement Item No. 4 appended hereto and forming part of this Notice and with liberty to the Board of Directors to alter, vary or modify the terms and conditions of the said re-appointment and / or remuneration in such manner as may be agreed to between the Board of Directors and Mr. Harin Dhanvantlal Mamlatdarna (DIN: 00536250) within the limits specified in the Companies Act, 2013 and Rules made thereunder.”

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

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

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

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

DYNAMIC INDUSTRIES LIMITED

5. To appoint Mr. Apurva Kamleshbhai Modi (DIN: 07046796) as Whole Time Director of the Company and in this regard to consider and if thought fit, to pass with or without modification (s) as a Special Resolution:

“RESOLVED THAT pursuant to Provisions of Section 152, 196, 197, 198,203 and Schedule V and all other provisions applicable, if any, (including any statutory modifications or re-enactment thereof, for the time being in force), read with Companies (Appointment and Remuneration) Rules, 2014 and any other statutory approval if any, the Company hereby appoints Mr. Apurva Kamleshbhai Modi (DIN: 07046796) as Whole Time Director for a period of 3 (Three) years commencing from 27th July, 2021 to 26th July, 2024, with such remuneration as recommended by Nomination and Remuneration Committee as set out in the explanatory statement Item No. 5 appended hereto and forming part of this Notice and with liberty to the Board of Directors to alter, vary or modify the terms and conditions of the said appointment and / or remuneration in such manner as may be agreed to between the Board of Directors and Mr. Apurva Kamleshbhai Modi (DIN: 07046796) within the limits specified in the Companies Act, 2013 and Rules made thereunder.”

“RESOLVED FURTHER THAT the remuneration and perquisites set out to be paid to Mr. Apurva Kamleshbhai Modi (DIN: 07046796) as minimum remuneration during the tenure of his appointment notwithstanding that in any financial year of the Company during the aforesaid period, the Company has made no profits or the profits made are inadequate.”

“RESOLVED FURTHER THAT the remuneration and perquisites including the monetary value thereof as specified be varied, increased, expanded, enhanced, enlarged, widened or altered in accordance with the provisions relating to the payment of Managerial remuneration under the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 or any amendments or re-enactments thereof and as may be mutually decided between the Company and Mr. Apurva Kamleshbhai Modi (DIN: 07046796) be suitably amended to give effect to the same in such manner as may be agreed to by and between the Board and Mr. Apurva Kamleshbhai Modi.”

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

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

6. To appoint Mr. Neeraj Shah (DIN: 05112261) as Managing Director of the Company and in this regard to consider and if thought fit, to pass with or without modification (s) as a Special Resolution:

“RESOLVED THAT pursuant to Provisions of Section 152, 196, 197, 198,203 and Schedule V and all other provisions applicable, if any, (including any statutory modifications or re-enactment thereof, for the time being in force), read with Companies (Appointment and Remuneration) Rules, 2014 and any other statutory approval if any, the Company hereby appoints Mr. Neeraj Shah (DIN: 05112261) as Managing Director for a period of 3 (Three) years commencing from 27th July, 2021 to 26th July, 2024, with such remuneration as recommended by Nomination and Remuneration Committee as set out in the explanatory statement Item No. 6 appended hereto and forming part of this Notice and with liberty to the Board of Directors to alter, vary or modify the terms and conditions of the said appointment and / or remuneration in such manner as may be agreed to between the Board of Directors and Mr. Neeraj Shah (DIN: 05112261) within the limits specified in the Companies Act, 2013 and Rules made thereunder.”

“RESOLVED FURTHER THAT the remuneration and perquisites set out to be paid to Mr. Neeraj Shah (DIN: 05112261) as minimum remuneration during the tenure of his appointment notwithstanding that in any financial year of the Company during the aforesaid period, the Company has made no profits or the profits made are inadequate.”

“RESOLVED FURTHER THAT the remuneration and perquisites including the monetary value thereof as specified be varied, increased, expanded, enhanced, enlarged, widened or altered in accordance with the provisions relating to the payment of Managerial remuneration under the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 or any amendments or re-enactments thereof and as may be mutually decided between the Company and Mr. Neeraj Shah (DIN: 05112261) be suitably amended to give effect to the same in such manner as may be agreed to by and between the Board and Mr. Neeraj Shah (DIN: 05112261).”

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

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

7. To appoint Mrs. Viraj Shah (DIN: 07220630) as an Independent Director of the Company for the Second Term and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as an 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 Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the Members of the Company be and is hereby accorded to re-appoint Mrs. Viraj Shah (DIN: 07220630), to the office of Independent Director, for the second term of five consecutive years effective from 29th July, 2020 to 30th July, 2025, 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.”

8. Reclassification of the Status of Promoters & Promoter Group and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution.

“RESOLVED THAT pursuant to Clause 31A and other applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other laws and regulations as may be applicable from time to time (including any statutory modifications or re-enactments thereof for the time being in force), and other applicable provisions; subject to necessary approvals from the Stock Exchanges and other appropriate statutory authorities, as may be necessary; the approval of the Members, be and is hereby accorded to reclassify the following persons/entities (hereinafter individually & jointly referred to as the “Applicants”) and currently forming part of the “Promoter and Promoter Group” holding any Equity Shares of the Company, from “Promoter & Promoter Group” to the “Public”.

| No. | Name | No. of Equity Shares held | Percentage of Holding |
|-----|-------------------------------------|---------------------------|-----------------------|
| 1 | Deepak N. Chokshi | Nil | 0.00% |
| 2 | Beenaben Deepak Chokshi | Nil | 0.00% |
| 3 | Bimal D. Chokshi | Nil | 0.00% |
| 4 | Ronak D. Chokshi | Nil | 0.00% |
| 5 | Dinesh Jasraj Jain | Nil | 0.00% |
| 6 | Ornet Intermediates Private Limited | Nil | 0.00% |

“RESOLVED FURTHER THAT on approval of the Stock Exchange(s) upon application for reclassification of the aforementioned applicants, the Company shall effect such re-classification in the Statement of Shareholding pattern from immediate succeeding quarter under Regulation 31 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and compliance to Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and other applicable provisions.”

“RESOLVED FURTHER THAT any one of the Directors, be and is hereby authorized to perform and execute all such acts, deeds, matters and things including but not limited to making timely intimation to stock exchange(s), and to execute all other documents required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions in this regard to give full effect to the aforesaid resolutions.”

9. To approve the continuation of directorship of Mr. Jatinbhai Biharilal Surti (DIN: 05195572), Independent Director, who will attained the age of 75 years and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as an Special Resolution:

“RESOLVED THAT in terms of Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time, including any statutory modifications or re-enactment thereof), and other applicable provisions if any, of the Companies Act, 2013 and subject to such other approvals as may be necessary in this regard, consent and approval of the Company be and is hereby accorded, as set out in the Explanatory Statement annexed hereto, for continuation of directorship, of Jatinbhai Biharilal Surti (DIN: 05195572), Independent Director, who will attained the age of 75 years, on the existing terms and conditions of his appointment.

DYNAMIC INDUSTRIES LIMITED

RESOLVED FURTHER THAT any of the Directors of the Company be and is hereby authorised to take such steps as may be necessary, proper and expedient to give effect to this Resolution.”

10. Approval of Related Party Transactions.

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

“RESOLVED THAT, pursuant to the provisions of Section 188 of the Companies Act, 2013 and Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions and rules thereto, and Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to such amendments as may be made therein, the approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company to enter into transactions as detailed hereunder with following Related Parties as defined under the Act for purchase/sale of goods, services and/or any other business activities during the financial year 2021-22 & 2022-23.

| Name of Related Party | Maximum amount of transaction/s | Type of Transaction | Financial Year |
|-----------------------|---------------------------------|---|----------------|
| Prima Chemicals | Rs. 30 Crores | Purchase / Sale of Goods, Services and/or any other business activities | 2021-22 |
| Prima Chemicals | Rs. 30 Crores | Purchase / Sale of Goods, Services and/or any other business activities | 2022-23 |

“RESOLVED FURTHER that Mr. Harin Mamlatdarna, Wholetime Director and Mr. Neeraj Shah, Managing Director of the Company be and is hereby authorised to negotiate and finalise other terms and conditions and to do all such acts, deeds and things including delegation of powers as may be necessary, proper or expedient to give effect to this resolution.”

Registered Office :

Plot No. 5501/2, Phase-III,
Nr. Trikampura Cross Road,
G. I. D. C. Vatva, Ahmedabad - 382 445.
CIN : L24110GJ1989PLC011989
Tel. : 91-79-25833835, 25891835
Website : www.dynaind.com

By Order of the Board of Directors

-Sd/-

HARIN D. MAMLATDARNA
Chairman and Whole Time Director
DIN : 00536250

Place : Ahmedabad

Date : 25th August, 2021

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4 of the Notice :

Mr. Harin Dhanvantlal Mamlatdarna was re-appointed as Chairman and Wholetime Director of the Company for a period of 2 years (1st October, 2019 to 30th September, 2021) hence his term as Chairman and Wholetime Director of the Company is going to be expired on 30th September, 2021. The Board Members re-appointed Mr. Harin Dhanvantlal Mamlatdarna as Chairman and Whole Time Director of the Company on 20th August, 2021 for a period of three years w.e.f. 1st October, 2021 to 30th September, 2024 on the terms & conditions recommended by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee has considered the matter and recommended the terms of the Remuneration to the Board, subject to the approval of members by way of special resolution under various Sections of the Act read with Schedule- V of the Companies Act, 2013.

He is graduate in commerce and handling marketing, finance, accounting, and administration of the Company. He has experience of 41 years in the field of dyes and chemicals. He had also visited number of European and Asian Countries as well as USA to acquaint himself with latest technology. He has vast experience in management, administration and effective policy formulations for efficient and smooth running of the Company. In view of the manifold increase in role and responsibility of Mr. Harin Dhanvantlal Mamlatdarna, the Board approved the re-appointment of Mr. Harin Dhanvantlal Mamlatdarna as Chairman and Whole Time Director of the Company for a period of three years w.e.f. 1st October, 2021 as his period of office is to be expired on 30th September, 2024. The details of the remuneration payable to Mr. Harin Dhanvantlal Mamlatdarna, as Chairman and Whole Time Director and as contained in the resolution, are set out below:

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

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

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

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

| I. GENERAL INFORMATION | | | | | | | | | | | | | | | |
|---|--|--------------------|--------------------|----------------------|---------|--------------|--------|-----------------------|-------|-------------------|------|---------------|------|-----------|---------|
| 1. Nature of Industry | Manufacturing of Chemicals and dyes. | | | | | | | | | | | | | | |
| 2. Date or expected date of commencement commercial production. | Existing Company and hence not applicable. | | | | | | | | | | | | | | |
| 3. In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus. | Existing Company and hence not applicable. | | | | | | | | | | | | | | |
| 4. Financial Performance based on given indicators (As at 31st March 2021) | <table border="0"> <thead> <tr> <th style="text-align: left;">Particulars</th> <th style="text-align: right;">Rs. In Lacs</th> </tr> </thead> <tbody> <tr> <td>Turnover (Net Sales)</td> <td style="text-align: right;">3498.56</td> </tr> <tr> <td>Gross Profit</td> <td style="text-align: right;">775.66</td> </tr> <tr> <td>Net profit before tax</td> <td style="text-align: right;">44.49</td> </tr> <tr> <td>Debt Equity Ratio</td> <td style="text-align: right;">0.04</td> </tr> <tr> <td>Current Ratio</td> <td style="text-align: right;">3.74</td> </tr> <tr> <td>Net Worth</td> <td style="text-align: right;">4525.12</td> </tr> </tbody> </table> | Particulars | Rs. In Lacs | Turnover (Net Sales) | 3498.56 | Gross Profit | 775.66 | Net profit before tax | 44.49 | Debt Equity Ratio | 0.04 | Current Ratio | 3.74 | Net Worth | 4525.12 |
| Particulars | Rs. In Lacs | | | | | | | | | | | | | | |
| Turnover (Net Sales) | 3498.56 | | | | | | | | | | | | | | |
| Gross Profit | 775.66 | | | | | | | | | | | | | | |
| Net profit before tax | 44.49 | | | | | | | | | | | | | | |
| Debt Equity Ratio | 0.04 | | | | | | | | | | | | | | |
| Current Ratio | 3.74 | | | | | | | | | | | | | | |
| Net Worth | 4525.12 | | | | | | | | | | | | | | |

DYNAMIC INDUSTRIES LIMITED

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| | 5. Export Performance | The Company has achieved export Turnover FOB value of Rs. 788.56 Lacs for the financial year ended on 31 st March, 2021 |
| | 6. Foreign Investments or collaborators, if any | None |
| II. INFORMATION / RESUME ABOUT THE APPOINTEE : | | |
| | 1. Background Details/Qualification | Mr. Harin Dhanvantlal Mamlatdarna is graduate in commerce and handling production, marketing, commercial matters, and administration of the Company. He has experience of 38 years in the field of dyes and chemicals. |
| | 2. Past Remuneration | Remuneration paid for the financial year 2020-21 is Rs. 18 Lacs |
| | 3. Recognition or Awards | Mr. Harin Dhanvantlal Mamlatdarna is Member of Committee of Administration and Chairman-Dyes & Dye Intermediates Panel of CHEMEXCIL. |
| | 4. Job Profile and his expertise in specific functional areas | Mr. Harin Dhanvantlal Mamlatdarna Handling multiple portfolio in field of production, marketing, commercial matters, and administration. He has wide knowledge of the industry and markets that the company operates in, and has been instrumental in the turnaround of the company over the last few years |
| | 5. Remuneration Proposed | As mentioned salary given in the preceding paras |
| | 6. Comparative remuneration profile with respect to industry size of the company, profile of the position and person | The proposed remuneration is commensurate with level skills, experience of the appointee. Mr. Harin Dhanvantlal Mamlatdarna has been re-appointed and re-designated as Chairman and Whole Time Director having superintendence and control of the Board of Directors of the Company to carry out such duties on day to day basis as entrusted to him. The remuneration proposed is in line with and prevailing in similar industry and having regard to the size of the Company. |
| | 7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any | He belongs to promoter group and KMP of the Company apart from this There is no pecuniary relation whether directly or indirectly with the company, Mr. Apurva Kamleshbhai Modi, Wholetime Director of the Company is Son in Law of Mr. Harin Mamlatdarna, Chairman & Wholetime Director of the Company. |
| III. OTHER INFORMATION : | | |
| | 1. Reasons of loss or inadequate profits. | Due to increase in competition in the Chemical industry the profit margin were low in order to survive in the market. So, profit for the financial year ended on 31 st March, 2021 was inadequate to for payment of such remuneration. |
| | 2. Steps taken or proposed to be taken for improvement | Efforts are made for cost cutting to improve margins. Further other administrative and other expenses will be controlled |
| | 3. Expected increase in productivity and profits in measurable terms | Strict steps will be taken to control fixed costs and inventory costs, which will enable Company to improve its turnover and profits in years to come with normative numbers calculated with reference to good returns from the Chemical Industry. |
| IV. DISCLOSURES : | | |
| | 1 | The remuneration package of Mr. Harin Dhanvantlal Mamlatdarna has been enumerated above. Resolution for the same include all the details. |
| | 2 | The required disclosure to the shareholders of the Company about remuneration package of the managerial person and all elements of remuneration package such as salary, benefits, bonuses, stock options, pensions etc., of all the directors; details of fixed component and performance linked incentives along with the performance criteria; Service contract, notice period, severance fees; Stock option details, if any and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable has been made in the Annual Report of the Company for the Financial Year 2020-21, wherever applicable |

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

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

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

Hence, your directors recommend the resolution for your approval

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

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

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

Item No. 5 of the Notice :

Mr. Apurva Kamleshbhai Modi (DIN: 07046796) was appointed Wholetime Director of the Company for a period of 3 years (27th July, 2021 to 26th July, 2024) in the Board meeting held on 27/07/2021 subject to approval of members in the ensuing General Meeting. The Board Members appointed Mr. Apurva Kamleshbhai Modi as Whole Time Director of the Company on 27th July, 2021 for a period of three years w.e.f. 27th July, 2021 to 26th July, 2024 on the terms & conditions recommended by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee has considered the matter and recommended the terms of the Remuneration to the Board, subject to the approval of members by way of special resolution under various Sections of the Act read with Schedule- V of the Companies Act, 2013.

Mr. Apurva Kamleshbhai Modi is Master of Science in Organic Chemistry (US). He has been involved in development of several new products, setting up of new plants to commercialize them and also developing the end markets. He brings with him 12 years of rich experience in the field of dyes manufacturing and marketing. In view of the manifold increase in role and responsibility of Mr. Apurva Kamleshbhai Modi, the Board approved the appointment of Mr. Apurva Kamleshbhai Modi as Whole Time Director of the Company for a period of three years w.e.f. 27th July, 2021 his period of office is to be expired on 26th July, 2024. The details of the remuneration payable to Mr. Apurva Kamleshbhai Modi, Whole Time Director and as contained in the resolution, are set out below :

- c) **Salary :** Gross Salary of Rs. 3.00 Lacs per annum with suitable increment on 1st April each year at the discretion of the Board of Directors but within the limit of Schedule V and other applicable provisions of the Companies Act, 2013 So, long as he functions as such, he shall not be paid any sitting fees for attending meeting of the Board of Directors or committees thereof.
- d) **Perquisites :** Furnished accommodation, electricity, water, gas and furnishings, medical reimbursements, leave travel concessions for self and family, club fees, medical insurance, personal accident insurance, leave encashment, benefits of Provident Fund and Gratuity Fund, car and telephone, any other allowances etc. in accordance with the rules of the Company.

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

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

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

DYNAMIC INDUSTRIES LIMITED

| I. GENERAL INFORMATION | | |
|---|---|---|
| 1. Nature of Industry | Manufacturing of Chemicals and dyes. | |
| 2. Date or expected date of commencement commercial production. | Existing Company and hence not applicable. | |
| 3. In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus. | Existing Company and hence not applicable. | |
| 4. Financial Performance based on given indicators (As at 31st March 2021) | Particulars Turnover (Net Sales) Gross Profit Net profit before tax Debt Equity Ratio Current Ratio Net Worth | Rs. In Lacs 3498.56 775.66 44.49 0.04 3.74 4525.12 |
| 5. Export Performance | The Company has achieved export Turnover FOB value of Rs. 788.56 Lacs for the financial year ended on 31 st March, 2021 | |
| 6. Foreign Investments or collaborators, if any | None | |
| II. INFORMATION / RESUME ABOUT THE APPOINTEE : | | |
| 1. Background Details/Qualification | Mr. Apurva Kamleshbhai Modi is Master of Science in Organic Chemistry (US). He has been involved in development of several new products, setting up of new plants to commercialize them and also developing the end markets. He brings with him 12 years of rich experience in the field of dyes manufacturing and marketing. | |
| 2. Past Remuneration | Not Applicable | |
| 3. Recognition or Awards | Mr. Apurva Kamleshbhai Modi is Master of Science in Organic Chemistry (US). He has been involved in development of several new products, setting up of new plants to commercialize them and also developing the end markets. | |
| 4. Job Profile and his expertise in specific functional areas | Mr. Apurva Kamleshbhai Modi (DIN: 07046796) has rich experience of more than a decade in the field of dyes manufacturing and marketing. The Board is of the opinion that his inclusion in the Board of Directors will be advantageous to the Company. | |
| 5. Remuneration Proposed | As mentioned salary given in the preceding paras | |
| 6. Comparative remuneration profile with respect to industry size of the company, profile of the position and person | The proposed remuneration is commensurate with level skills, experience of the appointee. Mr. Apurva Kamleshbhai Modi has been appointed Whole Time Director having superintendence and control of the Board of Directors of the Company to carry out such duties on day to day basis as entrusted to him. The remuneration proposed is in line with and prevailing in similar industry and having regard to the size of the Company. | |
| 7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any | He belongs to promoter group and KMP of the Company apart from this There is no pecuniary relation whether directly or indirectly with the company. Mr. Apurva Kamleshbhai Modi, Wholetime Director of the Company is Son in Law of Mr. Harin Mamlatdarna, Chairman & Wholetime Director of the Company. | |

| III. OTHER INFORMATION : | | |
|--------------------------|--|---|
| | 1. Reasons of loss or inadequate profits. | Due to increase in competition in the Chemical industry the profit margin were low in order to survive in the market. So, profit for the financial year ended on 31 st March, 2021 was inadequate to for payment of such remuneration. |
| | 2. Steps taken or proposed to be taken for improvement | Efforts are made for cost cutting to improve margins. Further other administrative and other expenses will be controlled |
| | 3. Expected increase in productivity and profits in measurable terms | Strict steps will be taken to control fixed costs and inventory costs, which will enable Company to improve its turnover and profits in years to come with normative numbers calculated with reference to good returns from the Chemical Industry. |
| IV. DISCLOSURES : | | |
| | 1 | The remuneration package of Mr. Apurva Kamleshbhai Modi has been enumerated above. Resolution for the same include all the details. |
| | 2 | The required disclosure to the shareholders of the Company about remuneration package of the managerial person and all elements of remuneration package such as salary, benefits, bonuses, stock options, pensions etc., of all the directors; details of fixed component and performance linked incentives along with the performance criteria; Service contract, notice period, severance fees; Stock option details, if any and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable has been made in the Annual Report of the Company for the Financial Year 2020-21, wherever applicable |

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

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

Consequently the said resolution for appointment Mr. Apurva Kamleshbhai Modi Whole Time Director for a period of three years on the remuneration as set out in the resolution, requires approval of Members in General Meeting with special majority.

Hence, your directors recommend the resolution for your approval

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

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

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

Item No. 6 of the Notice :

Mr. Neeraj Shah (DIN: 05112261) was appointed Managing Director of the Company for a period of 3 years (27th July, 2021 to 26th July, 2024) in the Board meeting held on 27/07/2021 subject to approval of members in the ensuing General Meeting. The Board Members appointed Neeraj Shah (DIN: 05112261) as Managing Director of the Company on 27th July, 2021 for a period of three years w.e.f. 27th July, 2021 to 26th July, 2024 on the terms & conditions recommended by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee has considered the matter and recommended the terms of the Remuneration to the Board, subject to the approval of members by way of special resolution under various Sections of the Act read with Schedule- V of the Companies Act, 2013.

Mr. Neeraj Shah (DIN: 05112261) has been involved in the chemical business for almost 35 years. Initially started in the textile sector by representing several multinationals for their products. With this business ongoing, he then shifted focus to the dyes segment-focusing on development and marketing of colours for several applications. With a strong application end knowledge, he has been very successful in developing new markets and strong bonds with customers. He brings with

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him a vast experience of running businesses from textiles to colours. In view of the manifold increase in role and responsibility of Mr. Neeraj Shah, the Board approved the appointment of Mr. Neeraj Shah as Managing Director of the Company for a period of three years w.e.f. 27th July, 2021 his period of office is to be expired on 26th July, 2024. The details of the remuneration payable to Mr. Neeraj Shah, Managing Director and as contained in the resolution, are set out below:

- e) **Salary** : Gross Salary of Rs. 28.80 Lacs per annum with suitable increment on 1st April each year at the discretion of the Board of Directors but within the limit of Schedule V and other applicable provisions of the Companies Act, 2013 So, long as he functions as such, he shall not be paid any sitting fees for attending meeting of the Board of Directors or committees thereof.
- f) **Perquisites** : Furnished accommodation, electricity, water, gas and furnishings, medical reimbursements, leave travel concessions for self and family, club fees, medical insurance, personal accident insurance, leave encashment, benefits of Provident Fund and Gratuity Fund, car and telephone, any other allowances etc. in accordance with the rules of the Company.

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

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

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

| I. GENERAL INFORMATION | | | | | | | | | | | | | | | |
|---|--|-------------|-------------|----------------------|---------|--------------|--------|-----------------------|-------|-------------------|------|---------------|------|-----------|---------|
| 1. Nature of Industry | Manufacturing of Chemicals and dyes. | | | | | | | | | | | | | | |
| 2. Date or expected date of commencement commercial production. | Existing Company and hence not applicable. | | | | | | | | | | | | | | |
| 3. In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus. | Existing Company and hence not applicable. | | | | | | | | | | | | | | |
| 4. Financial Performance based on given indicators (As at 31st March 2021) | <table border="1"> <thead> <tr> <th>Particulars</th> <th>Rs. In Lacs</th> </tr> </thead> <tbody> <tr> <td>Turnover (Net Sales)</td> <td>3498.56</td> </tr> <tr> <td>Gross Profit</td> <td>775.66</td> </tr> <tr> <td>Net profit before tax</td> <td>44.49</td> </tr> <tr> <td>Debt Equity Ratio</td> <td>0.04</td> </tr> <tr> <td>Current Ratio</td> <td>3.74</td> </tr> <tr> <td>Net Worth</td> <td>4525.12</td> </tr> </tbody> </table> | Particulars | Rs. In Lacs | Turnover (Net Sales) | 3498.56 | Gross Profit | 775.66 | Net profit before tax | 44.49 | Debt Equity Ratio | 0.04 | Current Ratio | 3.74 | Net Worth | 4525.12 |
| Particulars | Rs. In Lacs | | | | | | | | | | | | | | |
| Turnover (Net Sales) | 3498.56 | | | | | | | | | | | | | | |
| Gross Profit | 775.66 | | | | | | | | | | | | | | |
| Net profit before tax | 44.49 | | | | | | | | | | | | | | |
| Debt Equity Ratio | 0.04 | | | | | | | | | | | | | | |
| Current Ratio | 3.74 | | | | | | | | | | | | | | |
| Net Worth | 4525.12 | | | | | | | | | | | | | | |
| 5. Export Performance | The Company has achieved export Turnover FOB value of Rs. 788.56 Lacs for the financial year ended on 31 st March, 2021 | | | | | | | | | | | | | | |
| 6. Foreign Investments or collaborators, if any | None | | | | | | | | | | | | | | |
| II. INFORMATION / RESUME ABOUT THE APPOINTEE : | | | | | | | | | | | | | | | |
| 1. Background Details/Qualification | Mr. Neeraj Shah has been involved in the chemical business for almost 35 years. Initially started in the textile sector by representing several multinationals for their products. With this business ongoing, he then shifted focus to the dyes segment-focusing on development and marketing of colours for several applications. With a strong application end knowledge, he has been very successful in developing new markets and strong bonds with customers. He brings with him a vast experience of running businesses from textiles to colours. | | | | | | | | | | | | | | |

| | |
|--|---|
| 2. Past Remuneration | NotApplicable |
| 3. Recognition or Awards | Mr. Neeraj Shah involved in the chemical business for almost 35 years and has a vast experience of running businesses from textiles to colours. The Board is of the opinion that his inclusion in the Board of Directors will be advantageous to the Company. |
| 4. Job Profile and his expertise in specific functional areas | Mr. Neeraj Shah involved in the chemical business for almost 35 years and has a vast experience of running businesses from textiles to colours. The Board is of the opinion that his inclusion in the Board of Directors will be advantageous to the Company. |
| 5. Remuneration Proposed | As mentioned salary given in the preceding paras |
| 6. Comparative remuneration profile with respect to industry size of the company, profile of the position and person | The proposed remuneration is commensurate with level skills, experience of the appointee. Mr. Neeraj Shah has been appointed Managing Director having superintendence and control of the Board of Directors of the Company to carry out such duties on day to day basis as entrusted to him. The remuneration proposed is in line with and prevailing in similar industry and having regard to the size of the Company. |
| 7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any | There is no pecuniary relation whether directly or indirectly with the company. |
| III. OTHER INFORMATION : | |
| 1. Reasons of loss or inadequate profits. | Due to increase in competition in the Chemical industry the profit margin were low in order to survive in the market. So, profit for the financial year ended on 31 st March, 2021 was inadequate to for payment of such remuneration. |
| 2. Steps taken or proposed to be taken for improvement | Efforts are made for cost cutting to improve margins. Further other administrative and other expenses will be controlled |
| 3. Expected increase in productivity and profits in measurable terms | Strict steps will be taken to control fixed costs and inventory costs, which will enable Company to improve its turnover and profits in years to come with normative numbers calculated with reference to good returns from the Chemical Industry. |
| IV. DISCLOSURES : | |
| 1 | The remuneration package of Mr. Neeraj Shah has been enumerated above. Resolution for the same include all the details. |
| 2 | The required disclosure to the shareholders of the Company about remuneration package of the managerial person and all elements of remuneration package such as salary, benefits, bonuses, stock options, pensions etc., of all the directors; details of fixed component and performance linked incentives along with the performance criteria; Service contract, notice period, severance fees; Stock option details, if any and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable has been made in the Annual Report of the Company for the Financial Year 2020-21, wherever applicable |

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

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

Consequently the said resolution for appointment Mr. Neeraj Shah as Managing Director for a period of three years on the remuneration as set out in the resolution, requires approval of Members in General Meeting with special majority.

Hence, your directors recommend the resolution for your approval

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

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested in the Resolution and recommend your acceptance thereof in the interest of the Company.

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

Item no. 7 of the Notice :

Mrs. Viraj Shah (DIN: 07220630) was appointed as Non-Executive Independent Director of the Company on 29/06/2015. Pursuant to the provisions of the Companies Act, 2013 she could hold office of Independent Director of the Company for two terms of 5 years each. Her first term of five years expired on 28th July, 2020, and the Board recommends her re- appointment for the second term of five consecutive years from 29th July, 2020 to 30th July, 2025 subject to approval of the shareholders at the General Meeting of the Company. Her term is not liable for retirement by rotation. A brief resume of Mrs. Viraj Shah is attached herewith. Mrs. Viraj Shah has submitted a declaration to the Company to the effect that she meets the criteria of independence as provided under Section 149(6) of the Act.

In the opinion of the Board, Mrs. Viraj Shah fulfils the conditions specified in the Act and the Rules framed there under for appointment as Non-Executive, Independent Director and she is independent of the management.

Brief resume and other details of Mrs. Viraj Shah are provided in the annexure to the Explanatory Statement attached herewith as Annexure to the Notice of Annual General Meeting.

Mrs. Viraj Shah is deemed to be interested in the resolution setout respectively at Item No. 7 of this Notice with regard to her appointment. Except Mrs. Viraj Shah, 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. Mrs. Viraj Shah does not hold any shares in the company.

The Board of Directors is of the opinion that her vast knowledge and varied experience will be of great value to the Company and hence recommends the Resolution at Item No. 7 of this Notice for your approval.

Item no. 8 of the Notice :

Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations") has provided a regulatory mechanism for classification of Promoters & Promoter group as Public Shareholders subject to fulfillment of conditions as provided therein.

In this regard, the Company received application from the person/entities (as set out below) pursuant to Regulation 31A of the Listing Regulations for classifying them under the Public Category since their names have been included as a part of the Promoter and Promoter group.

| No. | Name | No. of Equity Shares held | Percentage of Holding |
|-----|-------------------------------------|---------------------------|-----------------------|
| 1 | Deepak N. Chokshi | Nil | 0.00% |
| 2 | Beenaben Deepak Chokshi | Nil | 0.00% |
| 3 | Bimal D. Chokshi | Nil | 0.00% |
| 4 | Ronak D. Chokshi | Nil | 0.00% |
| 5 | Dinesh Jasraj Jain | Nil | 0.00% |
| 6 | Ornet Intermediates Private Limited | Nil | 0.00% |

They are not the 'immediate relatives' nor are they controlled by the remaining Promoters of the Company, Mr. Harin Mamlatdarna, as per the definition of promoter group as provided in Regulations 2(1)(zb)(ii) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

They are financially independent persons/entities, who take independent investment decisions and are no way related to any of the business carried out by the Company. Further they do not hold any key managerial position or representations of the Board of Directors in the Company and are not engaged in any management or day to day affairs of the Company and also do not have any right either to appoint any Director of the Company or an ability to control the management or policy decisions of the Company in any manner whatsoever including by virtue of their shareholding. Further, they shall not act as a key managerial person or be represented on the Board of Directors of the Company for a period of three years post this reclassification. None of their act influences the decision taken by the Company and they do not have any special right through formal or informal arrangements / shareholder agreement with the Company or with the Promoter of the Company.

Vide their letters dated August 18, 2021, the Promoter and Promoter Group mentioned above have requested the Company for:

(i) declassification of the various persons/entities (as mentioned in the table above) as the Promoter and Promoter Group; and

In view of the explanations given by the Applicants as detailed above and in consideration to the conditions as stipulated in Regulation 31A of the Listing Regulations, the Board of Directors of the Company at their meeting held on 25th August, 2021 have approved the application for reclassification received by the Company as above from Promoter and Promoter Group category to Public category subject to approval by the members and relevant regulatory authorities. As required, intimation has been sent to Stock Exchanges based on declaration received from the aforesaid persons/entities.

Further as per Rule 19A of the Securities Contracts (Regulation) Rules, 1957, the public shareholding as on date of the notice fulfils the minimum public shareholding requirement of at least 25% and the proposed reclassification does not intend to increase the public shareholding to achieve compliance with the minimum public shareholding requirement.

Further, in accordance with Regulation 31A of the Listing Regulations, the said reclassification requires the approval of the Stock Exchanges, where the shares of the Company are listed. In terms of the procedure adopted by the Stock Exchanges for granting such approval, the Stock Exchanges, inter alia, require that the Company obtain the consent of the Shareholders of the Company, for the said reclassification.

None of the Directors, Key Managerial Person, or their relatives is concerned or interested in this resolution except to the extent and manner set out in the resolution.

The Board recommends passing of the resolution as set out under item no.8 for approval of the Members as Ordinary Resolution.

The relevant documents in this regard are available for inspection in, between 11:00 A.M. to 1:00 P.M. on all working days i.e., Monday to Friday, till the date of Annual General Meeting, at the Registered Office of the Company.

Item no. 9 of the Notice:

Mr. Jatinbhai Biharilal Surti (DIN: 05195572) is an Independent Director of the company and he hold this position in the company since, 2012. Mr. Jatinbhai Biharilal Surti is Bachelor in Commerce further he has wide experience of more than 10 years of experience in the field of chemical industry. He has intimate knowledge of the working of the Company and has been a Member of the Board since long time and has been a pillar of strength and inspiration for the Company. His wide business experience and expertise has been an asset to the Company.

In terms of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the Members, by means of a Special Resolution is necessary for the continuation of directorships of Non-Executive Directors, who have attained the age of 75 years.

At its meeting held on August 25, 2021, the Board of Directors approved the continuation of the appointment of Mr. Jatinbhai Biharilal Surti, as Independent Director of the Company, on the existing terms and conditions of his appointment.

Considering the rich experience of Mr. Jatinbhai Biharilal Surti, it would be in the best interest of the Company, to continue to avail his services and guidance by continuing him as Independent Director.

Mr. Jatinbhai Biharilal Surti does not hold any equity shares in the Company.

None of the other Directors/Key Managerial Personnel are interested in or concerned with the said Resolution.

The Board recommends passing of the said Special Resolution.

Item no. 10 of the Notice :

Approval of Related Party Transaction.

The Audit Committee and the Board of Directors of the Company, at their respective meetings held on August 25, 2021 has approved a proposal for entering into following related party transactions :

| | |
|---------------------------------|---|
| Name of Related Party | Prima Chemicals |
| Name of Related Director or KMP | Mr. Apurva Modi & Mr. Harin Mamlatdarna |
| Nature of relationship | Mr. Apurva Kamleshbhai Modi, Wholetime Director of the Company is Partner of Prima Chemicals, Partnership Firm. Mr. Kamlesh Modi, Father of Mr. Apurva Kamleshbhai Modi, Wholetime Director of the Company is also Partner of Prima Chemicals, Partnership Firm. |

DYNAMIC INDUSTRIES LIMITED

| | |
|--|--|
| Material terms, monetary value and particulars of the contract or arrangement; | The transaction between the parties will be in the nature of purchase/sale of goods, services and/or any other business activities. The amount of the transactions shall be as stated in the resolution and the same has to be paid as per the terms agreed by both the parties. |
| The Manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract | The pricing is commensurate with the market value of the goods and shall be at arm's length. |
| Any other information relevant or important for the members to take a decision on the proposed resolution | N.A. |

The transaction is Related Party Transaction and in terms of Section 188 of the Companies Act, 2013 and regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable rules there under prior approval of the Shareholders by way of Special Resolution is required.

Accordingly, your directors recommend the resolution at Item No. 10 for approval as Special resolution as set out in the notice of the meeting.

Except Harin Dhanvantlal Mamlatdarna, Wholetime Director, Mr. Apurva Kamleshbhai Modi, Wholetime Director of the Company; Ms. Maya Harin Mamlatdarna, Ms. Asita H Mamlatdarna, Ms. Mansi H Mamlatdarna, Mr. Chandresh Dhanvantraai Mamlatdarna, Mr. Kamlesh Modi & Harin D Mamlatdarna HUF Relative of Director; none of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs are concerned or interested in the Resolution.

Registered Office :

Plot No. 5501/2, Phase-III,
Nr. Trikampura Cross Road,
G. I. D. C. Vatva, Ahmedabad - 382 445.
CIN : L24110GJ1989PLC011989
Tel. : 91-79-25833835, 25891835
Website : www.dynaind.com

By Order of the Board of Directors

-Sd/-

HARIN D. MAMLATDARNA
Chairman and Whole Time Director
DIN : 00536250

Place : Ahmedabad

Date : 25th August, 2021

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 and Secretarial Standard)

| | |
|---|--|
| Name of the Director | Mr. Harin Dhanvatlal Mamlatdarna |
| DIn | 00536250 |
| Date of Birth | 02-02-1951 |
| Age | 70 years |
| Date of First Appointment on the Board | 10/03/1989 |
| the number of Meetings of the Board attended during the year | Number of meeting conveyed during year - 5 Number of meeting attended during the year - 5 |
| Brief Profile and Expertise | As given above under information/resume about appointee. |
| Chairman/Member of the Committee of the Board of Directors of the Company | Mr. Harin Dhanvantlal Mamlatdarna is member of Stakeholder's Relationship Committee. |
| No. of Shares held in the Company | 3,57,538 equity shares |
| Directorship held in other listed entities | NIL |
| Disclosure of Relationships Between Directors | Mr. Apurva Kamleshbhai Modi, Wholetime Director of Company is Son in Law of Mr. Harin Mamlatdarna, Chairman & Wholetime Director of the Company. |

| | |
|---|--|
| Name of the Director | Mr. Apurva Kamleshbhai Modi |
| DIn | 07046796 |
| Date of Birth | 19/08/1984 |
| Age | 36 years |
| Date of First Appointment on the Board | 17/07/2021 |
| the number of Meetings of the Board attended during the year | Number of meeting conveyed during year - NA Number of meeting attended during the year - NA |
| Brief Profile and Expertise | As given above under information/resume about appointee. |
| Chairman/Member of the Committee of the Board of Directors of the Company | Mr. Apurva Kamleshbhai Modi is member of Stakeholder's Relationship Committee. |
| No. of Shares held in the Company | 4,50,000 equity shares |
| Directorship held in other listed entities | NIL |
| Disclosure of Relationships Between Directors | Mr. Apurva Kamleshbhai Modi, Wholetime Director of Company is Son in Law of Mr. Harin Mamlatdarna, Chairman & Wholetime Director of the Company. |

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

DYNAMIC INDUSTRIES LIMITED

| | |
|---|--|
| Name of the Director | Mr. Neeraj Shah |
| DIn | 05112261 |
| Date of Birth | 01/06/1969 |
| Age | 52 years |
| Date of First Appointment on the Board | 17/07/2021 |
| the number of Meetings of the Board attended during the year | Number of meeting conveyed during year - NA Number of meeting attended during the year - NA |
| Brief Profile and Expertise | As given above under information/resume about appointee. |
| Chairman/Member of the Committee of the Board of Directors of the Company | Not Applicable |
| No. of Shares held in the Company | 1,74,246 equity shares |
| Directorship held in other listed entities | NIL |

| | |
|---|--|
| Name of the Director | Mrs. Viraj Shah |
| DIn | 07220630 |
| Date of Birth | 02/02/1982 |
| Age | 39 years |
| Date of First Appointment on the Board | 29/06/2015 |
| the number of Meetings of the Board attended during the year | Number of meeting conveyed during year - 5 Number of meeting attended during the year - 5 |
| Brief Profile and Expertise | As given above under information/resume about appointee. |
| Chairman/Member of the Committee of the Board of Directors of the Company | Mrs. Viraj Shah is member of Audit Committee, Nomination and Remuneration Committee & Corporate Social Responsibility Committee. |
| No. of Shares held in the Company | NIL |
| Directorship held in other listed entities | NIL |

| | |
|---|---|
| Name of the Director | Mr. Jatinbhai Biharilal Surti |
| DIn | 05195572 |
| Date of Birth | 01/11/1946 |
| Age | 74 years |
| Date of First Appointment on the Board | 02/02/2012 |
| the number of Meetings of the Board attended during the year | Number of meeting conveyed during year - 5 Number of meeting attended during the year - 5 |
| Brief Profile and Expertise | As given above under information/resume about appointee. |
| Chairman/Member of the Committee of the Board of Directors of the Company | Mrs. Jatinbhai Biharilal Surti is member of Audit Committee, Nomination and Remuneration Committee & Corporate Social Responsibility Committee. |
| No. of Shares held in the Company | NIL |
| Directorship held in other listed entities | NIL |

Registered Office :
Plot No. 5501/2, Phase-III, Nr. Trikampura Cross Road,
G. I. D. C. Vatva, Ahmedabad - 382 445.
CIN : L24110GJ1989PLC011989
Tel. : 91-79-25833835, 25891835 Website : www.dynaind.com

Place : Ahmedabad
Date : 25th August, 2021

By Order of the Board of Directors

-Sd/-

HARIN D. MAMLATDARNA
Chairman and Whole Time Director
DIN : 00536250

NOTES:

1. The 32nd Annual General Meeting (AGM) is being held through video conferencing | other audio visual MEANS (VC) in accordance with the procedure prescribed in circular NUMBER 20 | 2020 dated May 05, 2020 read with circular NUMBER 14 | 2020 dated April 08, 2020 and circular NUMBER 17 | 2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs and circular NUMBER SEBI/HO/CFD/ CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India (the e-AGM circulars). The MEMBERS can attend the AGM through VC by following instructions given below of the Notice. For the purpose of recording the proceedings, the AGM will be DEEMED to be held at the registered office of the COMPANY at Plot No. 5501/2, Phase-III, Nr. Trikampura Cross Road, G. I. D. C. Vatva, Ahmedabad – 382445, India. Keeping in view the guidelines to fight COVID-19 PANDEMIC, the MEMBERS are requested to attend the AGM from their respective locations by VC and do not visit the registered office to attend the AGM.
2. Since the Annual General Meeting (AGM) is being held pursuant to the e-AGM circulars through video conferencing | other audio visual MEANS, physical attendance of MEMBERS has been dispensed with. Accordingly, the facility for APPOINTMENT of proxies by the MEMBERS will not be available for the AGM and hence, the Proxy FORM, Attendance Slip and route MAP of the AGM venue are not annexed to this Notice. However, a MEMBER MAY appoint a representative as per applicable provisions of the COMPANIES Act, 2013 to attend and /or vote.
3. Copies of the Balance Sheet, the STATEMENT of Profit and Loss, the Directors' Report, the Auditor's Report and every other DOCUMENT required by law to be annexed or attached to the Balance Sheet for the financial year ended March 31, 2021 are annexed /attached.
4. Electronic copy of the Annual Report for 2020-21 including the Notice which includes the process and MANNER of attending the Annual General Meeting through video conferencing | other audio visual MEANS, and e-voting is being sent to all the MEMBERS whose e-mail addresses are registered with the COMPANY | Depository Participants.
5. Printed copy of the Annual Report (including the Notice) is not being sent to the MEMBERS in view of the e-AGM circulars.
6. Ministry of Corporate affairs and Stock Exchange Board of India have permitted listed companies, in view of the prevailing COVID-19 pandemic situation, to send during calendar year 2021 via e-mail the Notice of the Annual General Meeting and the Annual Report to shareholders whose e-mail IDs are registered in the Company's records. In order to receive the Annual Report, Notice and other communications in electric form, we request our shareholders to register/update their e-mail address and mobile number with their Depository Participant(s) in respect of shares held in electronic form and for shares held in physical form, shareholders can communicate with Link Intime India Pvt.Ltd., the Company's Registrar & Transfer Agent (RTA), at 5th 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, e-mail ID: ahmedabad@linkintime.co.in.
7. The Company has also enabled a process with the RTA, for the limited purpose of registering contact details for receiving the Annual Report and Notice for the Annual General Meeting, allowing shareholders to update/modify their e-mail address and mobile number on a temporary basis by providing the basic credentials which may be asked for during the verification process. The link for updating the details is https://linkintime.co.in/emailreg/email_register.html. Shareholders can also update their Bank details, PAN CARD number, Aadhar number, etc., and upload a copy of the same on the same link. No action is required to be taken by shareholders whose details are already correctly registered/updated in the Company's records. E-mail ID: invgrv@dynamind.com, Website: http://dynamind.com/investors_zone.html.
8. The MEMBERS MAY also note that the Notice of the Annual General Meeting and the Annual Report for 2020-21 will also be available on the website of the COMPANY, www.dynamind.com, which can be downloaded. The electronic copies of the DOCUMENTS which are referred to in this Notice but not attached to it will be MADE available for inspection. For inspection, the MEMBERS are requested to send a request through an e-mail on cs@dynamind.com with Depository participant ID and Client ID or Folio NUMBER.
9. The MEMBERS desiring any information relating to the accounts or have any questions, are requested to write to the COMPANY on cs@dynamind.com at least Ten days before the date of the Annual General Meeting (AGM) so as to enable the MANAGEMENT to keep the information ready and provide it at the AGM.
10. The Board of Directors has recommended for consideration of the Members, a dividend of Rs.1.00 (10%) per equity share of the nominal value of Rs.10 each for the year ended on 31st March, 2021.
11. Members may note that the requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with Vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed at the 28th Annual General Meeting held on August 14, 2017 and are eligible to hold their office until conclusion of 33rd Annual General Meeting.

DYNAMIC INDUSTRIES LIMITED

12. The Register of Members and the Share Transfer books of the Company will remain closed from Wednesday, 22nd September, 2021 to Monday, 27th September, 2021 (both days inclusive) for purpose of Dividend, if declared. Dividend will be payable, if declared, on or before Tuesday, 26th October, 2021 to those members whose names are registered as such in the Register of Members of the Company as on Tuesday, 21st September, 2021 and to the Beneficiary holders as per the beneficiary list as on Tuesday, 21st September, 2021 provided by the NSDL and CDSL.
13. In accordance with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, the Company has fixed Tuesday, 21st September, 2021 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. Tuesday, 21st September, 2021, shall be entitled to avail the facility of remote e-voting as well as voting in the general meeting.
14. Members are requested to note that dividends that are not claimed within seven years from the date of transfer to the Company’s Unpaid Dividend Account, will, as per Section 124 of the Act, be transferred to the Investor Education and Protection Fund (IEPF). Further, shares on which the dividends remain unclaimed for seven consecutive years will also be transferred to the IEPF as per Section 124 of the Act, and the applicable rules. Since, members who have not claimed/ encased their dividend warrant for respective financial years are requested to write to the Company/Registrar and Share Transfer Agent (RTA) at least a month before the due dates, as under:

| Sr. No. | Financial Year | Date of Declaration | Due date for Transfer to IEPF |
|---------|-------------------|---------------------|-------------------------------|
| 1 | 2013-2014 (Final) | 14-08-2014 | 13-09-2021 |
| 2 | 2014-2015 (Final) | 14-08-2015 | 13-09-2022 |
| 3 | 2015-2016 (Final) | 13-08-2016 | 12-09-2023 |
| 4 | 2016-2017 (Final) | 14-08-2017 | 13-09-2024 |
| 5 | 2017-2018 (Final) | 31-07-2018 | 30-08-2025 |
| 6 | 2018-2019 (Final) | 31-07-2019 | 30-08-2026 |
| 7 | 2019-2020 (Final) | 31-08-2020 | 30-09-2027 |

15. Annual General Meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM): In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the AGM venue is not required and annual general meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

1. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
2. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
3. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
4. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.

5. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.dynaind.com. The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
6. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE ASUNDER:-

The remote e-voting period begins on Friday, September 24, 2021 at 9:00 A.M. and ends on Sunday, September 26, 2021 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. September 21, 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being September 21, 2021.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system

- A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below :

| Type of Shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL. | <ol style="list-style-type: none"> 1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider – NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS” Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under “Shareholder/Member” section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

DYNAMIC INDUSTRIES LIMITED

| Type of Shareholders | Login Method |
|--|---|
| Individual Shareholders holding securities in demat mode with CDSL | <ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/loginor www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress. |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

| Login Type | Helpdesk Details |
|--|---|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43 |

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is : |
|---|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****. |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio No. registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Password details for shareholders other than Individual shareholders are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- How to retrieve your 'initial password'?
 - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

- After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
- Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
- Now you are ready for e-Voting as the Voting page opens.

DYNAMIC INDUSTRIES LIMITED

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to cschintanpatel@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to NSDL Official at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to cs@dynaind.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to cs@dynaind.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e.Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at cs@dynaind.com. The same will be replied by the company suitably.

Registered Office :

Plot No. 5501/2, Phase-III,
Nr. Trikampura Cross Road,
G. I. D. C. Vatva, Ahmedabad - 382 445.
CIN : L24110GJ1989PLC011989
Tel. : 91-79-25833835, 25891835
Website : www.dynaind.com

Place : Ahmedabad
Date : 25th August, 2021

By Order of the Board of Directors

-Sd/-

HARIN D. MAMLATDARNA
Chairman and Whole Time Director
DIN : 00536250

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their 32ND (Thirty-Second) Annual Report on the business and operations of the Company and the Audited Accounts for the Financial Year ended 31st March, 2021

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

| Financial Results | | [₹ in Lakhs] | |
|---|----------------------------------|----------------------------------|--|
| Particulars | Year Ended 31-03-2021 | Year Ended 31-03-2020 | |
| Total Revenue (Net of Excise Duty) | 3568.38 | 5696.21 | |
| Profit before Depreciation and Tax | 145.96 | 253.05 | |
| Depreciation | 101.47 | 102.38 | |
| Profit / (Loss) before Tax | 44.49 | 150.67 | |
| Less : Tax Expenses | 5.28 | 49.19 | |
| Net Profit / (Loss) for the year | 39.21 | 101.48 | |

2. PERFORMANCE:

During the year under review, the Company has earned lower profit compared to the previous year due to global level recession, acute competition and economic slowdown. The situation of heavy pressure on margin continued in the year. Total Revenue stood at ₹ 3568.38 Lacs from ₹ 5696.21 Lacs i.e. reduction of 37.36% in the total revenue of the Company as compared to previous year and due to fall in total revenue the Net Profit for the year under review decreased from ₹ 101.48 Lacs to ₹ 39.21 Lacs resulting in decrease of about 89.27% of Net Profit of the Company. But overall Performance of the Company has declined as compared to the peers of the Company.

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

3. DIVIDEND :

Your directors are pleased to recommend the dividend @ 10% (₹ 1.00/- per equity share) on equity shares of ₹ 10.00 each for the year ended 31st March, 2021. The total dividend pay-out shall be ₹ 30.28 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 decided not to transfer any amount out of the profit for the year to general reserves.

6. DEPOSITS :

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

7. FUTURE OUTLOOK :

The COVID-19 pandemic is a worldwide crisis and has meant that the economies will have to operate alongside the disease, now as the attention has started shifting from lockdown to safe reopening. The Company expects the market for chemicals and dyes will contribute to the Indian Chemical Industry's growth. Accordingly Company is taking effective steps to improve operational efficiency. India's stable macroeconomic environment and strong growth outlook stand out relative to other emerging markets. As the Indian growth story pans out, along with it is the growth of its robust chemicals industries. With India's ever growing requirements of energy and capacity addition planned by the Government through various Initiatives, demand remained stable with the previous year trend, there exists substantial opportunity for future growth as the Company's products are geared up for the requirements. However, trade tensions & COVID-19 Pandemic among major economies impacted global growth prospects and has larger concerns on slowing down of world trade. The uncertainties associated with the pandemic COVID-19 may have adverse impact on the demand and supply chain in the short-term in Chemical & DYE segments, and the Company is working to minimise the impact of such aberrations to sustain the operations and identify new opportunities to grow. Accordingly the company is executing the strategies to mitigate the impact of slowdown of trade.

8. UNCLAIMED DIVIDEND :

As on 31st March, 2021, dividend amounting to ₹ 7.80 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 31st August, 2020 (date of the last Annual General Meeting) on the website of the Company (www.dynaind.com), as also on the website of the Ministry of Corporate Affairs (www.mca.gov.in).

9. ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE :

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

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

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

11. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS :

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

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

Company do not have any subsidiary/associate company.

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

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

15. ANNUAL RETURN :

Pursuant to Section 92(3) read with section 134(3)(a) of the Companies Act, 2013, copies of the Annual Returns of the Company prepared in accordance with Section 92(1) of the Companies Act, 2013 read with Rule 11 of the Companies (Management and Administration) Rules, 2014 are placed on the website of the Company and is accessible at the weblink: http://dynaind.com/investors_zone.html.

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 2020-21 were in the ordinary course of business and on an arm's length basis as disclosed in the financial statements.

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

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

The company has formulated a policy on "Materiality of Related Party transactions and on dealing with Related Party Transactions" and the same is on the company's website at http://www.dynaind.com/investor_zone/Policies/Related%20Party%20Transaction%20Policy.pdf

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

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18. DIRECTORATE AND KEY MANAGERIAL PERSONNEL :

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

In accordance with the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, Mr. Harin Mamlatdarna (DIN: 00536250) retires by rotation at the ensuing Annual General Meeting and being eligible in terms of Section 164 of the Act offers himself for re-appointment.

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

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

As required under Section 203 of the Companies Act, 2013, the Company has

Mr. Harin Dhanvantlal Mamlatdarna as Chairman and Whole-time Director, Mr. Neeraj Shah as Managing Director, Mr. Apurva Kamleshbhai Modi as Whole-time Director, Mr. Kalpesh Chandulal Patel as Chief Financial Officer.

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

Resignations

Mr. Krunal A. Chauhan Company Secretary has tendered his resignation on 20th June, 2021. Mr. Dipakkumar Choksi, Managing Director (DIN: 00536345) of the Company has resigned from the directorship of the Company with effect from July 15, 2021. Mr. Dinesh Jasraj Jain, Wholetime Director (DIN: 00135889) of the Company has resigned from the directorship of the Company with effect from July 15, 2021. Mr. Urvis Panchal, Chief Financial Officer of the Company has resigned from the Company with effect from December 6, 2020.

Reappointments

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

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 :

[₹ in Lakhs]

| Name | Salary and Perquisites F.Y. 2020-21 | Commission | Shares issued under ESOP | Details of Service contracts; notice period and severance fees |
|----------------------|-------------------------------------|------------|--------------------------|--|
| Dipakkumar N. Choksi | 18.00 | Nil | Nil | Special Resolution, tenure from 1st October, 2019, valid up to 30th September, 2021; no Notice period and no severance fees. |
| Harin D. Mamlatdarna | 18.00 | Nil | Nil | |
| Dinesh J. Jain | 5.10 | Nil | Nil | |

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

22. INDEPENDENT DIRECTORS' DECLARATION :

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

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

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

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

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

23. COMMITTEES OF THE BOARD :

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

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

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

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

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

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

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

The Report given by the Auditors on the financial statements year ended March 31, 2021 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 IV.

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

25. INTERNAL CONTROL SYSTEM AND COMPLIANCE FRAMEWORK :

The Company has an Internal Control System, commensurate with size, scale and complexity of its operations. The internal financial controls are adequate and are operating effectively to ensure orderly and efficient conduct of

DYNAMIC INDUSTRIES LIMITED

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. The management is however, of the view that none of the above risks may threaten the existence of the Company as robust Risk mitigation mechanism is put in place to ensure that there is nil or minimum impact on the Company in case any of these risks materialize.

27. VIGIL MECHANISM AND WHISTLE BLOWER POLICY :

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

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

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

28. CORPORATE SOCIAL RESPONSIBILITY (CSR) :

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

29. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE :

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

30. PREVENTION OF INSIDER TRADING :

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

31. DIRECTORS' RESPONSIBILITY STATEMENT :

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

- i. In the preparation of the annual accounts, the applicable Indian Accounting Standards (Ind AS) had been followed along with proper explanation relating to material departures;
- ii. The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 31st March, 2021 and of the profit and loss of the company for that period;

- iii. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 and Rules made thereunder for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. The directors had prepared the annual accounts on a going concern basis; and
- v. The directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

32. CORPORATE GOVERNANCE :

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

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

33. CORPORATE GOVERNANCE CERTIFICATE :

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

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 II.

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.

COVID 19: The COVID 19 pandemic is a worldwide crisis and has meant that the economies will have to operate alongside the diseases, now as the attention has started shifting from lockdown to safe reopening. The Company strictly followed the guidelines issued by the local, state and central governments and beyond to protect the health and well-being of its workforce and ensured minimum disruption to its customers.

The Company closed its manufacturing and its corporate office during Lock-down and now Company is taking all possible steps required to adjust to the new normal of working and growing. The demand is expected to remain uncertain in the foreseeable future. The Company contributed in its own small way to Gujarat Dyestuff Manufacturers Association.

For and on behalf of the Board

-Sd/-

HARIN D. MAMLATDARNA

Chairman and Whole Time Director

DIN : 00536250

Place : Ahmedabad
Date : 25th August, 2021

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRIAL STRUCTURE AND DEVELOPMENT:

The Company is in the business of manufacturing of Chemical and main product of the Company is Dye and Dye Stuffs. However, Competition in the industry is continuously increasing but overall Performance of the Company is good.

OVERVIEW :

The financial statements have been prepared in compliance with the Indian Accounting Standards (Ind AS) issued by The Institute of Chartered Accountants of India (ICAI) which have been notified under the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS Rules'), of the Companies Act, 2013. The management of the company accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present the company's state of affairs and profit for the year.

OPPORTUNITY :

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

THREATS :

COMPETITION :

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

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

SEGMENT WISE AND PRODUCT WISE PERFORMANCE :

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

RISK AND CONCERN :

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

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

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

INITIATIVES BY THE COMPANY :

The Company has taken the following initiatives :

- Concentration on the reduction of costs by undertaking a specific exercise in different fields.
- Concentration in Increase of Exports.
- Focusing on the modernization of manufacturing process to improvise quality and reduction of costs.
- The Company is quite confident that the overall productivity, profitability would improve in a sustainable manner, as a result of this strategy.

OUTLOOK :

The outlook for the business continues to be stable, as the Company continues to work on distribution expansion and strengthening of supply chain. The Company is confident to meet the challenges with its strength in marketing network, its strategic planning, Research & Development productivity improvement and cost reduction exercise.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY :

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

HUMAN RESOURCE :

Your Company firmly believes that employees are the most valuable assets and key players of business success and sustained growth. Various employee benefits, recreational and team building efforts are made to enhance employee skills, motivation as also to foster team spirit. Industrial relations were cordial throughout the year. The Company has 56 employees excluding Directors & KMP as on year ended 31st March, 2021.

CAUTIONARY STATEMENT :

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

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE :

In terms of performance, FY 2020-2021 has been a moderately good year. Company is focused on the task on hand in terms of better reliability of operations and more focussed market efforts. Our financial performance reflected the steady operational performance. Our revenue from continuing operations declined by 37.49% to Rs. 35.19 Crores. EBIDTA was Rs.1.64 Crores and PAT was Rs.0.39 Crores. Cash and cash equivalents at the end of the year stood at Rs.0.34 Crores.

FINANCIAL HIGHLIGHTS

FINANCIAL HIGHLIGHTS

➤ **REVENUES :**

Total income during the year under review was ₹ 3568.38Lacs (Previous year ₹ 5696.21Lacs).

➤ **OPERATING EXPENSES :**

The operating and other expenses for the year ended 31st March, 2021 were ₹ 435.91 Lacs (Previous year ₹ 548.08Lacs).

➤ **PROFIT AFTER TAX :**

The net profit after tax during the year under review period was ₹ 39.22 Lacs (Previous year ₹ 101.48Lacs).

➤ **INTEREST ON BORROWINGS :**

The Company has incurred interest cost of ₹ 20.85 Lacs (Previous year ₹ 27.07Lacs).

➤ **CAPITAL EMPLOYED :**

The Return on Average Capital Employed (ROCE) for the year ended 31st March, 2021 was 1.43% as compared to 3.85% for the last year.

➤ **RETURN ON NET WORTH :**

The return on Average Net worth (RONW) for the year ended 31st March, 2021 was 0.87% as compared to 2.25% for the last year.

➤ **FIXED ASSETS :**

There was addition of ₹ 22.99 Lacs to the Fixed Assets of the Company. (Previous year ₹ 31.84Lacs).

➤ **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, 2021, a sum of ₹ Nil has been transferred to General Reserve. (Previous year ₹ Nil)

➤ **SUNDRY DEBTORS :**

Sundry debtors amount to ₹ 1136.12 Lacs as of March 31, 2021, as compared with ₹ 1251.34 Lacs as of March 31, 2020. 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.

For and on behalf of the Board

-Sd/-

HARIN D. MAMLATDARNA

Chairman and Whole Time Director

DIN : 00536250

Place : Ahmedabad

Date : 25th August, 2021

ANNEXURE - I TO THE DIRECTORS' REPORT

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

A. TECHNOLOGY ABSORPTION:-

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

B. CONSERVATION OF ENERGY:-

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

(ii) Power and fuel consumption

[₹ in Lakhs]

| | 2020-2021 | 2019-2020 |
|--|-----------|-----------|
| Electricity | | |
| Purchase Unit in KW | 6,43,031 | 9,47,807 |
| Total Amount | 60.75 | 86.26 |
| Average Rate ₹ per unit | 9.45 | 9.10 |
| Light Diesel Oil / Diesel Oil / Furnace Oil | | |
| Quantity (in LTRS) | 1175.32 | 1452.30 |
| Total Amount | 0.93 | 1.00 |
| Average rate ₹ per unit | 78.70 | 68.86 |
| Gas | | |
| Quantity (in scm.) | 1,82,504 | 3,33,376 |
| Total Amount | 77.57 | 128.85 |
| Average rate ₹ per unit | 42.51 | 38.65 |

C. RESEARCH AND DEVELOPMENT

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

Dyes

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

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

c. Future plan of Action

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

d. Expenditure on R&D

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

D. TECHNOLOGY ABSORPTION, ADOPTATION AND INNOVATION

a. Efforts Made:-

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

b. Benefits derived as a result of above efforts

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

E. Foreign Exchange earning and out go

[₹ in Lakhs]

| | 2020-2021 | 2019-2020 |
|--------------------------|-----------|-----------|
| Foreign Exchange Earning | 788.56 | 1705.12 |
| Foreign Exchange out go | 559.38 | 143.19 |

For and on behalf of the Board

-Sd/-

HARIN D. MAMLATDARNA
Chairman and Whole Time Director
DIN : 00536250

Place : Ahmedabad
Date : 25th August, 2021

ANNEXURE – II TO THE DIRECTORS' REPORT**FORM NO. AOC-2****(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

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

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

| Name of the Related Party & Nature of Relationship | Nature of Contracts / Arrangements / Transactions | Duration of Contracts / Arrangements / Transactions | Salient terms of Contracts / Arrangements / Transactions including value, if any | Justification for entering into such Contracts / Arrangements / Transactions | Date of Approval by the Board | Amount paid as advances, 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 | Date of Approval by the Board, if any | Amount paid as advances, if any |
|--|---|---|--|--|---------------------------------|
| Neo Farbe Pvt. Ltd. | Purchase of MEIS License | 2020-21 | ₹ 0.10 Lakhs | At the Board Meeting held on 06-07-2020, 28-07-2020, 25-08-2020, 12-11-2020 & 10-02-2021 | NIL |
| Ornet Intermediate Pvt. Ltd. | Sale of Goods | 2020-21 | ₹ 35.75 Lakhs | At the Board Meeting held on 06-07-2020, 28-07-2020, 25-08-2020, 12-11-2020 & 10-02-2021 | NIL |

For and on behalf of the Board

-Sd/-

HARIN D. MAMLATDARNA
Chairman and Whole Time Director
 DIN : 00536250

Place : Ahmedabad
 Date : 25th August, 2021

ANNEXURE – III 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 2020-21 and
- (ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Managing Director, Company Secretary or Manager, if any, during the Financial Year

[₹ in Lakhs]

| Sr. No. | Name of Director / KMP and its Designation | Remuneration to the Director/KMP for the Financial Year 2020-21 | Remuneration to the Director/KMP for the Financial Year 2019-20 | Percentage increase / decrease in remuneration in the Financial Year 2020-21 | Ratio of Remuneration of each Director to the Median Remuneration of Employees |
|---------|---|---|---|--|--|
| 1 | Mr. Harin Dhanvantlal Mamlatdarna (Whole Time Director and Chairman) | 18.00 | 38.84 | -53.66% | 8.35 |
| 2 | Mr. Dipakkumar Navinchandra Choksi (Managing Director and Vice Chairman) | 18.00 | 38.84 | -53.66% | 8.35 |
| 3 | Mr. Dinesh Jasraj Jain (Whole Time Director) | 5.10 | 10.43 | -51.10% | 2.37 |
| 4 | Mr. Jatinbhai Biharilal Surti (Independent Director) | 0.15* | 0.12* | NA | NA |
| 5 | Mr. Pravinchandra Devidas Master (Independent Director) | 0.15* | 0.09* | NA | NA |
| 6 | Mrs. Viraj Darshit Shah (Independent Director) | 0.15* | 0.12* | NA | NA |
| 7 | Mr. Urvish Panchal (upto 6th December, 2020) (Chief Financial Officer) | 3.15 | 4.98 | NA | NA |
| 8 | Mr. Krunal Ambrish Chauhan (Company Secretary) | 2.85 | 1.05 | NA | 1.33 |

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

DYNAMIC INDUSTRIES LIMITED

- i. The Median Remuneration of Employees (MRE) of the Company is ₹ 2.15 Lakhs for the Financial Year 2020-21. The MRE for the year increased by 6.4% compared to ₹ 2.02 Lakhs during the previous financial year.
 - ii. The number of permanent employees on the rolls of the Company is 64 including Directors & KMP for the year ended 31st March, 2021.
 - iii. Salary of employees and Managerial Remuneration was not increased during the year under consideration compared to previous year. All the Executive Directors forgo their entire 6 Months Salary effective from 01/08/2020. Further cut in the monthly salary of all Employees was also made as decided by the Board of directors with effect from August 2020 to January 2021 due to Covid 19 pandemic.
 - 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

For and on behalf of the Board

-Sd/-

HARIN D. MAMLATDARNA
Chairman and Whole Time Director
DIN : 00536250

Place : Ahmedabad
Date : 28th August, 2021

ANNEXURE – IV TO THE DIRECTORS' REPORT**FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2021**

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

To,
The Members,
Dynamic Industries Limited.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Dynamic Industries Limited** (hereinafter called the Company) (CIN:L24110GJ1989PLC011989) having its registered office at **Plot No.5501/02,Phase-III, Nr.Trikampura Cross Road, GIDC Vatva, Ahmedabad 382445**. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 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, 2021 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, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **[Not Applicable to the Company during the Audit Period]**
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **[Not Applicable to the Company during the Audit Period]**
 - (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;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **[Not Applicable to the Company during the Audit Period]**

DYNAMIC INDUSTRIES LIMITED

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **[Not Applicable to the Company during the Audit Period]**

(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 Trans boundary Movement) Rules, 2008.

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

- Secretarial Standards issued by The Institute of Company Secretaries of India.
- The Listing Agreements entered into by the Company with Bombay Stock Exchange.
- 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:

- The Company has maintained a Register of Directors' Attendance as prescribed in the Secretarial Standards.
- The Directors have signed against their respective names after the meeting has been held.
- The Company had not received any proxy form for the Annual General Meeting for the financial year ended 31st March, 2020.
- 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.
- The Company has complied with the of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- The Company has obtained all necessary approvals under the various provisions of the Act;
- 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:

- 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;
- 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 : 25th August, 2021

Chintan K. Patel
Practicing Company Secretary
Mem. No. : A31987
COP. No. : 11959
UDIN : A031987C000832413

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/-

Chintan K. Patel
Practicing Company Secretary
Mem. No. : A31987
COP. No. : 11959
UDIN : A031987C000832413

Place : Ahmedabad

Date : 25th August, 2021

ANNEXURE V – TO THE DIRECTORS' REPORT

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

1. ETHICS/GOVERNANCE POLICIES:

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

- Code of Conduct
- Vigil Mechanism and Whistle Blower Policy
- Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions
- Policy for Determination of Materiality of any Event or Information
- Familiarization of Independent Directors Policy
- Corporate Social Responsibility Policy
- Policy for Selection of Directors and determining Directors Independence
- Remuneration Policy for Directors, Key Managerial Personnel and other Employees
- Policy for determining Material Subsidiaries.
- Policy for Preservation of Documents.
- Risk Management Policy
- Board Diversity Policy
- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information
- Policy and Procedure for Inquiry in Case of Leak of UPSI

2. BOARD OF DIRECTORS:

➤ **Composition of the Board of Directors**

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

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

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

During the financial year 2020-21, 5 (Five) Board Meetings were held on 06/07/2020, 28/07/2020, 25/08/2020, 12/11/2020 & 10/02/2021

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 2020-2021 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 | | |
| Mr. Harin D. Mamlatdarna (DIN : 00536250) | Chairman & Whole Time Director | 1 | Nil | 1 | 5 | Yes |
| Mr. Dipakkumar N. Choksi (DIN : 00536345) | Vice Chairman & Managing Director | 1 | Nil | Nil | 5 | Yes |
| Mr. Dinesh J. Jain (DIN : 00135889) | Whole Time Director | 3 | Nil | 1 | 5 | No |
| Mr. Jatinbhai B. Surti (DIN : 05195572) | Independent Director | Nil | Nil | 3 | 5 | Yes |
| Mr. Pravinchandra D. Master (DIN : 05195587) | Independent Director | Nil | 4 | 4 | 5 | Yes |
| Mrs. Viraj D. Shah (DIN : 07220630) | Independent Director | Nil | Nil | 3 | 5 | No |

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

* There is no inter-se relationships between directors.

Shareholding of Non-Executive Directors as on 31st March, 2021

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

- All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations. Board of Directors confirms that in their opinion, the independent directors fulfill all the conditions specified in 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.
- Mr. Chintan K. Patel Practicing Company Secretary, Ahmedabad has certified that none of the directors on the board of the company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority. A copy of certificate received from him is enclosed as 'Annexure' to this report.

a) Separate Meeting of Independent Directors:

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the (Listing Obligations and Disclosure Requirements) Regulation, 2015, a separate meeting of the Independent Directors of the Company was held on February 10, 2021 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 & Whole Time Director on the Company's manufacturing, marketing, finance and other important aspects.

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

The web link for the Familiarization Programmes for Independent Directors:

http://www.dynaind.com/investor_zone/Familiarization%20Programme/Details%20of%20Familiarization%20Programme-2018-19.pdf

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, 2020 was held on 31st August, 2020 and 17 Members were present at Annual general meeting and no proxy where there.

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 statues.

Main areas are deliberated as under.

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

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- e. To ensure that the Company maintain effective risk management and internal control system and process.

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

The Committee comprises of three Directors and all the three Directors are Independent Directors. All members of the Audit Committee are financially literate. In the financial year 2020-21, four meetings were held on 06/07/2020, 25/08/2020, 12/11/2020 and 10/02/2021

Composition of committee as on 31st March, 2021 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 |
| Mrs. Viraj D. Shah (Independent - Non-executive Director) | Member | 4 | 4 |

B. NOMINATION AND REMUNERATION COMMITTEE:

Terms of reference of the committee comprise various matters provided under Part D of Schedule II of SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015 as well as section 178 of the Companies Act, 2013, and other matters referred by the Board from time to time. The Committee comprises of three Independent Directors. In the financial year 2020-21, four (4) meeting of the Committee was held on 06/07/2020, 25/08/2020, 12/11/2020 and 10/02/2021.

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 | 4 | 4 |
| Mr. Jatinbhai Surti (Independent - Non-executive Director) | Member | 4 | 4 |
| Mrs. Viraj D. Shah (Independent - Non-executive Director) | Member | 4 | 4 |

PERFORMANCE EVALUATION OF BOARD, COMMITTEES AND DIRECTORS:

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

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

DYNAMIC INDUSTRIES LIMITED

Details of remuneration paid / payable to the Directors for Financial Year 2020-2021

[₹ in Lakhs]

| Name | Salary and Perquisites | Commission | Shares issued under ESOP | Details of service contracts : notice period and severance fees |
|---|------------------------|------------|--------------------------|--|
| Executive Director - Non Independent | | | | Special Resolution, tenure from 1st October, 2019, valid up to 30th September, 2021; no Notice period and no severance fees. |
| Dipakkumar N. Choksi | 18.00 | Nil | Nil | |
| Harin D. Mamlatdarna | 18.00 | Nil | Nil | |
| Dinesh J. Jain | 5.10 | Nil | Nil | |
| Non Executive Independent Director | | | | |
| Pravinchandra Master | 0.15* | Nil | Nil | |
| Jatin Surti | 0.15* | Nil | Nil | |
| Viraj Darshit Shah | 0.15* | Nil | Nil | |

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

C. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

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

Name and Designation of Compliance Officer : **Mr. Krunal A. Chauhan**, Company Secretary

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

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

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

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

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

- No. of shareholders' complaints received -- Nil.
- No. of complaints not solved to the satisfaction of shareholders -- Nil.
- No. of pending share transfers -- Nil.
- As at 31st March, 2021 no equity Shares were pending for transfer.

D. Corporate Social Responsibility Committee (CSR)

In terms of section 135 of Companies Act, 2013, the Committee comprises of three Independent Directors as on 31st March, 2021. It is headed by Mr. Pravinchandra D. Master, an Independent Director.

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

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

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

5. PREVENTION OF INSIDER TRADING :

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

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

6. POSTAL BALLOT :

During the year, the Company had not sought approval from the shareholders through Postal Ballot. The Company had provided e-voting facility at the time of Annual General Meeting for the year ended 31st March, 2021. The Company had appointed Mr. Chintan Patel, Practicing Company Secretary to act as Scrutinizer for the entire e-voting process.

7. ANNUAL GENERAL MEETINGS

Details of last three AGMs held-

| Year | Date | Time | Venue | No. of Special Resolutions passed |
|-----------|------------|------------|--|-----------------------------------|
| 2017-2018 | 31-07-2018 | 11-30 a.m. | Plot No. 5501/2, Phase-III, Nr. Trikamura Cross Road, G.I.D.C., Vatva, Ahmedabad - 382 445. | 2 |
| 2018-2019 | 31-07-2019 | 11-30 a.m. | | 3 |
| 2019-2020 | 31-08-2020 | 11-30 a.m. | | - |

Note : No Resolutions were put through postal ballot.

8. DEMAT / REMAT OF SHARES

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

| | |
|--|-------|
| a) Number of Demat requests approved | 6 |
| b) Number of Shares Dematerialized | 1,000 |
| c) Percentage of Shares Dematerialized | 0.03% |
| d) Number of Remat requests approved | Nil |
| e) Number of Shares Rematted | Nil |

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

9. DISCLOSURES:

- A.** There were no transactions of material nature with its related parties that may have the potential conflict with the interest of the Company at large. Transactions with related parties are disclosed in Note No. 43 of the Financial Statements.
- B.** During the last three years there was no instance of non-compliance and no penalty was imposed on the listed entity by stock exchange or the board or any statutory authority.
- C.** The Company has adopted a Whistle Blower Policy, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.
- D. CEO certification:**
The Vice-Chairman & Managing Director of the Company give an annual certificate on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the Listing Regulations. The Vice-Chairman & Managing Director and CFO also give quarterly certificate on financial results while placing the financial results before the Board in terms of Regulation 33(2)(a) of the Listing Regulations.
- E. Accounting treatment**
The Financial statements have been prepared in compliance with the Indian Accounting Standards (Ind AS) issued by The Institute of Chartered Accountants of India (ICAI) which have been notified under the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS Rules') and Companies (Indian Accounting Standards) Amendment Rules, 2016 as applicable. The financial statements have been prepared on accrual basis under the historical cost convention.
- F.** Web link where policy for determining 'material' subsidiaries is disclosed on the Company's website at the following web link:http://www.dynaind.com/investor_zone/Policies/Material%20Subsidiary%20Policy.pdf
- 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
- H.** Risk Management Policy: The Company has a well-defined risk management framework in place. The Company periodically places before the Audit Committee and the Board, the key risks and the risk assessment and mitigation procedures followed by the Company.
- I.** During the financial year there were no recommendation of any committee of the board, which is mandatorily required and board has not accepted the same.
- J.** The Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance.
- K.** Disclosure of commodity price risks and commodity hedging activities: Not applicable
- L.** The Company has complied with Clauses (b) to (i) of Regulation 46 (1) & (2) relating to the dissemination of information on the website of the Company.
- M.** The Company has complied with requirements of Regulations 27 read with Part E of Schedule II of SEBI (LODR) Regulations, 2015.

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

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

10. MEANS OF COMMUNICATION:

| | |
|--|---|
| 1. Quarterly Results | Published in the newspapers every quarter |
| 2. Newspapers wherein results normally published | i. Chanakya Ni Pothi (English) ii. The Newslite (Gujarati) |
| 3. Any website, where results are displayed | www.dynaind.com |
| 4. Whether it also displays official news release | Yes |
| 5. The presentation made to Institutional Investors or to the analysts | No presentation has been made during the year. |

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

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

Date: 27th September, 2021 (through Video Conferencing Mode)

Day: Monday

Time: 3.00 p.m.

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

b) Financial Year 2020-2021 (Consisting of 12 months) 01/04/2020 to 31/03/2021**Calendar of Financial Year ended 31st March, 2021**

The meetings of Board of Directors for approval of quarterly financial results during the Financial Year ended 31st March, 2021 were held on the following dates:

| | |
|---|---------------------------------|
| First Quarter Results : | 25 th August, 2020 |
| Second Quarter and Half Yearly Results : | 12 th November, 2020 |
| Third Quarter Results : | 10 th February, 2021 |
| Fourth Quarter and Annual Results : | 03 rd June, 2021 |

Tentative Calendar for financial year ending 31st March, 2022

The tentative dates of meeting of Board of Directors for consideration of quarterly financial results for the financial year ending 31st March, 2022 are as follows :

| | | |
|---|--------------|---------------------------------|
| First Quarter Results : | On or Before | 14 th August, 2021 |
| Second Quarter and Half Yearly Results : | On or Before | 14 th November, 2021 |
| Third Quarter Results : | On or Before | 14 th February, 2022 |
| Fourth Quarter and Annual Results : | On or Before | 30 th May, 2022 |

c) Date of Book Closure

From 22nd September, 2021 to 27th September, 2021 (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 26th October, 2021)**e) Regd. Office**

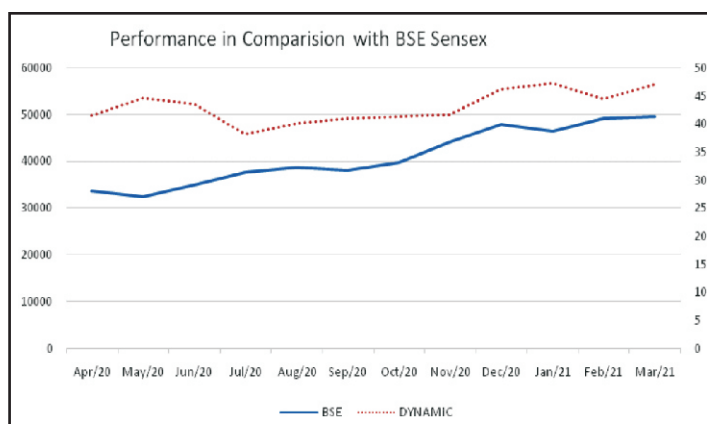
Plot no. 5501/2, Phase III, Near Trikampura Cross Roads, G.I.D.C. Vatva, Ahmedabad - 382 445.

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 2020-2021 to BSE.****h) Scrip Code : 524818 (BSE), Scrip ID: DYNAMIND, ISIN : INE457C01010**

DYNAMIC INDUSTRIES LIMITED

Stock Market Data (in ₹ / Per Share)

| Month | The Bombay Stock Exchange Ltd. | |
|-----------------|--------------------------------|-------------|
| | Month's High | Month's Low |
| April, 2020 | 48.00 | 27.50 |
| May, 2020 | 48.00 | 37.05 |
| June, 2020 | 49.00 | 47.15 |
| July, 2020 | 47.20 | 36.20 |
| August, 2020 | 54.00 | 35.60 |
| September, 2020 | 49.25 | 37.50 |
| October, 2020 | 43.45 | 38.10 |
| November, 2020 | 43.30 | 37.00 |
| December, 2020 | 47.70 | 39.00 |
| January, 2021 | 51.90 | 43.30 |
| February, 2021 | 51.75 | 39.15 |
| March, 2021 | 47.90 | 43.00 |



i) Share Transfer System

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

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

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

| Sr. No. | Financial Year | Date of Declaration | Due date for transfer |
|---------|-----------------|---------------------|-----------------------|
| 1 | 2013-14 (Final) | 14-08-2014 | 13-09-2021 |
| 2 | 2014-15 (Final) | 14-08-2015 | 13-09-2022 |
| 3 | 2015-16 (Final) | 13-08-2016 | 12-09-2023 |
| 4 | 2016-17 (Final) | 14-08-2017 | 13-09-2024 |
| 5 | 2017-18 (Final) | 31-07-2018 | 30-08-2025 |
| 6 | 2018-19 (Final) | 31-07-2019 | 30-08-2026 |
| 7 | 2019-20 (Final) | 31-08-2020 | 30-09-2027 |

k) Shareholding pattern as on 31-03-2021 is as given below :

| Sr. No. | Category | No. of Shares | % of holding |
|--------------------|---|------------------|---------------|
| 1 | Promoters | 15,66,327 | 51.72 |
| 2 | Persons acting in Concert | ----- | ----- |
| 3 | Mutual Funds, UTI, Banks, Financial | ----- | ----- |
| 4 | Institutions, Insu. Companies Central / State Govt., Govt. Institutions | ----- | ----- |
| 5 | FIs | ----- | ----- |
| 6 | NRIs | 9,783 | 0.32 |
| 7 | Bodies Corporate | 16,959 | 0.56 |
| 8 | Others | 14,35,431 | 47.40 |
| Grand Total | | 30,28,500 | 100.00 |

I) Distribution of Shareholding as on 31-03-2021 is as under :

| Slab of Share Holding | No. of Shareholders | % of Shareholding | No. of Shares | Amount (₹) | % of Capital |
|-----------------------|---------------------|-------------------|------------------|--------------------|---------------|
| 1 to 500 | 2727 | 86.9025 | 371747 | 37,17,470 | 12.28 |
| 501 to 1,000 | 203 | 6.4691 | 168794 | 16,87,940 | 5.57 |
| 1,001 to 2,000 | 111 | 3.5373 | 166982 | 16,69,820 | 5.51 |
| 2,001 to 3,000 | 30 | 0.9560 | 75162 | 7,51,620 | 2.48 |
| 3,001 to 4,000 | 15 | 0.4780 | 53940 | 5,39,400 | 1.78 |
| 4,001 to 5,000 | 5 | 0.1593 | 23879 | 2,38,790 | 0.79 |
| 5,001 to 10,000 | 18 | 0.5736 | 118308 | 11,83,080 | 3.91 |
| 10,001 and above | 29 | 0.9242 | 2049688 | 2,04,96,880 | 67.68 |
| Total | 3182 | 100.00 | 30,28,500 | 3,02,85,000 | 100.00 |

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 31st March, 2021, 29,22,649 equity shares (96.50%) of the total number of shares have been dematerialized. 100% promoter's share holding are held in dematerialized form.

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

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

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

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

Link Intime India Pvt. Ltd.

(Ahmedabad Branch)

5th Floor, 506-508, Amarnath Business Center-1 (ABC-1)

Nr. St. Xavier's College Corner, Off C. G. Road, Navrangpura, Ahmedabad – 380 009

E-mail : ahmedabad@linkintime.co.in

Contact Person : Mr. Narendra Tavde

q) Compliance Officer of the Company : Mr. Harit Mamlatdarna

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

Compliance Certificate of the Auditors

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

For and on behalf of the Board

-Sd/-

HARIN D. MAMLATDARNA

Chairman and Whole Time Director

DIN : 00536250

Place : Ahmedabad
Date : 25th August, 2021

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, 2021 from all the Board Members and Senior Management Personnel.

For and on behalf of the Board

Place : Ahmedabad
Date : 25th August, 2021

-Sd/-

HARIN D. MAMLATDARNA
Chairman and Whole Time Director
DIN : 00536250

CEO & CFO COMPLIANCE CERTIFICATE

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

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

I hereby certify that:

- i. I have reviewed the financial statements and the cash flow statement of the Financial Year 2020-21 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. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we hereby disclose to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- iv. I have indicated to the auditors and the Audit committee
 - (1) significant changes in internal control over financial reporting during the year;
 - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place : Ahmedabad
Date : 25th August, 2021

HARIN D. MAMLATDARNA
Chairman & Wholetime Director
DIN : 00536250

KALPESH PATEL
Chief Financial Officer

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

I, Chintan K. Patel, Practicing Company Secretary, have examined the registers, records and books and papers of **Dynamic Industries Limited** (the Company) as required to be maintained under the Companies Act, 2013 (the Act) and the rules made thereunder for the financial year ended on **31st March, 2021**. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its directors and officers, I certify that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority.

Sd/-

Place : Ahmedabad
Date : August 25, 2021

Chintan K. Patel
Practicing Company Secretary
UDIN : A031987C000832512
Mem. No. : A31987
COP. No. : 11959

ANNEXURE – VI TO THE DIRECTORS REPORT

CORPORATE GOVERNANCE CERTIFICATE

To the Members of the DYNAMIC INDUSTRIES LIMITED

We have examined the compliance of conditions of Corporate Governance by DYNAMIC INDUSTRIES LIMITED ('the Company') for the year ended on 31st March 2021, as stipulated in Regulations 17 to 27 and clause (b) to (i) of sub-regulation 46 and para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as 'SEBI Listing Regulations, 2015').

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adapted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015 and that none of the Directors on the Board of the Company have been declared debarred or disqualified from being appointed or continuing as directors of companies by the SEBI, the Ministry of Corporate Affairs or any other statutory authority.

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

This Report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Report for events and circumstances occurring after the date of this Report.

Sd/-

Place : Ahmedabad
Date : August 25, 2021

Chintan K. Patel
Practicing Company Secretary
UDIN : A031987C000832446
Mem. No. : A31987
COP. No. : 11959

ANNEXURE - VII 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 31st March, 2021 | 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/-

HARIN D. MAMLATDARNA
Chairman and Whole Time Director
DIN : 00536250

Place : Ahmedabad
Date : 25th August, 2021

**Secretarial Compliance Report of
Dynamic Industries Limited for the year ended March 31, 2021**

I, **Chintan K. Patel, Practicing Company Secretary** have examined :

- (a) all the documents and records made available to me and explanation provided by Dynamic Industries Limited ("the listed entity"),
 - (b) the filings/ submissions made by the listed entity to the stock exchanges,
 - (c) website of the listed entity,
 - (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,
- for the year ended March 31, 2021 ("Review Period") in respect of compliance with the provisions of :

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not Applicable during the period under review.**
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable during the period under review.**
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not Applicable during the period under review.**
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable during the period under review.**
- (g) Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013; **Not Applicable during the period under review.**
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

and circulars/ guidelines issued thereunder; and based on the above examination, I hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder.
- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/guidelines issued thereunder in so far as it appears from our examination of those records.
- (c) No actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued.
- (d) No observation made in the previous report hence no action required to be taken by the listed entity to comply with the observations made in previous reports.

NOTE : As safety measure Physical verification of the documents could not be done due to the Pandemic Covid-19.

Place : Ahmedabad
Date : June 26, 2021

Chintan K. Patel
Practicing Company Secretary
UDIN : A031987C000520310
Mem. No. : A31987
COP. No. : 11959

INDEPENDENT AUDITORS' REPORT

To the Members of
DYNAMIC INDUSTRIES LIMITED
Ahmedabad.

Report on the Audit of the financial statements

Opinion

We have audited the accompanying financial statements of DYNAMIC INDUSTRIES LIMITED (“the Company”), which comprise the balance sheet as at 31st March 2021, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as ‘financial statements’).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (The Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note No. 48 of the accompanying financial statements, with regard to the management evaluation of COVID-19 impact on the operations and assets of the Company. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Information

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board’s Report including Annexure to Board’s report, Business Responsibility Report, Corporate Governance Report and Share Holders Information, but does not include the financial statements and our auditor’s report thereon. The other information report is expected to be made available to us after the date of this auditor’s report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance to initiate actions applicable in the applicable laws and regulations.

DYNAMIC INDUSTRIES LIMITED

Management's Responsibility for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure - A - a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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 the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of Section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 40 to the financial statements;

DYNAMIC INDUSTRIES LIMITED

- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Sd/-

ASHOK K. BHATT

Proprietor

Membership No. 036439

UDIN : 20036439AAAAAZ6039

Place : Ahmedabad
Date : 3rd June, 2021

ANNEXURE - A INDEPENDENT AUDITOR'S REPORT

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) The fixed assets of the Company are physically verified by the management according to phased program designed to cover all the items once in period of three years which in our opinion is reasonable having regard to the size of the Company and nature of its assets. Pursuant to program, a physical verification of Office Equipment, Furniture & Fixtures, Vehicles and Computers were carried out during the year by the management and no material discrepancies between the book records and physically inventory have been noticed.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) According to information and explanation given to us, the Management of the Company has conducted physical verification of inventory at the year end and no material discrepancies were noticed on such physical verification during the year.
- (iii) The Company has not granted any secured / unsecured loan to any parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of Clause 3(iii) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments, guarantees and securities.
- (v) According to information and explanations given to us, the Company has not accepted any deposits as defined in The Companies (Acceptance of Deposits) Rules 2014. Accordingly, the provisions of Clause 3(v) of the Order are not applicable to the Company.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to rules made by the Central Government. We are of the opinion that prima facie the prescribed accounts and records have been maintained and being made. We have not, however, made a detailed examination of these records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues and Company had no arrears of such outstanding statutory dues as at 31st March, 2021 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 31st March, 2021 other than stated below:

| Name of the Statute | Nature of Dues | Amount ₹ in lacs | Period to which the amount relates | Forum where dispute is pending |
|----------------------|----------------|---------------------|---------------------------------------|--------------------------------|
| Income Tax Act, 1961 | Income Tax | 0.87 | A.Y. 2013-2014 | CIT(A), Ahmedabad |
| | | 0.44 | A.Y. 2009-2010 | CIT(A), Ahmedabad |
| | | 9.35 | A.Y. 2008-2009 | CIT(A), Ahmedabad |
| Customs Act, 1962 | Customs Duty | 171.14 | F.Y. 2006-2007 & F.Y. 2007-2008 | CESTAT, Ahmedabad |
| Finance Act, 1994 | Service Tax | 77.13 | F.Y. 2012-2013 | CESTAT, Ahmedabad |

DYNAMIC INDUSTRIES LIMITED

- (viii) According to the information and explanations given to us, the Company has not defaulted in the repayment of loans and borrowings to financial institutions, banks, government or dues to debenture holders during the year.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year or term loans and hence reporting under clause (ix) is not applicable.
- (x) According to the information and explanations given to us, no fraud by company or any fraud on the company by its officers and employees have been noticed or reported during the year.
- (xi) According to the information and explanations give to us, the Company has paid/provided for managerial remuneration in accordance with the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

Sd/-

ASHOK K. BHATT
Proprietor

Membership No. 036439
UDIN : 20036439AAAAAZ6039

Place : Ahmedabad
Date : 3rd June, 2021

ANNEXURE - B

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

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

We have audited the internal financial controls over financial reporting Dynamic Industries Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

DYNAMIC INDUSTRIES LIMITED

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 31st March 2021, 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

Sd/-

ASHOK K. BHATT

Proprietor

Membership No. 036439

UDIN : 20036439AAAAAZ6039

Place : Ahmedabad

Date : 3rd June, 2021

Balance Sheet as at March 31, 2021

[₹ in Lakhs]

| Particulars | Notes | As at March 31, 2021 | As at March 31, 2020 |
|--|-------|-------------------------|-------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, Plant and Equipment | 5 | 612.83 | 678.49 |
| Right of use of asset | 6 | 1 575.32 | 1 592.92 |
| Other Intangible Assets | 7 | 0.07 | 0.17 |
| Capital work-in progress | 8 | 5.18 | 0.00 |
| Financial Assets | | | |
| Investments | 9 | 464.89 | 332.06 |
| Other Financial Assets | 10 | 25.02 | 23.92 |
| Other Non Current Asset | 11 | 4.45 | 0.00 |
| | | 2 687.76 | 2 627.56 |
| Current assets | | | |
| Inventories | 12 | 1 329.11 | 1 417.22 |
| Financial assets | | | |
| Trade Receivables | 13 | 1 136.13 | 1 251.34 |
| Cash and Cash Equivalents | 14 | 34.02 | 10.12 |
| Other Bank Balances | 15 | 32.05 | 13.34 |
| Other Financial Assets | 16 | 27.56 | 16.09 |
| Current Tax Assets (Net) | 17 | 12.12 | 12.08 |
| Other Current Assets | 18 | 143.31 | 215.67 |
| | | 2 714.30 | 2 935.86 |
| Total Assets : | | 5 402.06 | 5 563.42 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity Share Capital | 19 | 302.85 | 302.85 |
| Other Equity | 20 | 4 222.27 | 4 224.86 |
| | | 4 525.12 | 4 527.71 |
| Liabilities | | | |
| Non-current Liabilities | | | |
| Financial Liabilities | | | |
| Borrowings | 21 | 69.31 | 102.72 |
| Provisions | 22 | 24.45 | 19.75 |
| Deferred Tax Liabilities (Net) | 23 | 56.71 | 66.20 |
| | | 150.47 | 188.69 |
| Current liabilities | | | |
| Financial liabilities | | | |
| Borrowings | 24 | 123.17 | 112.11 |
| Trade Payables | 25 | | |
| Total outstanding dues of micro enterprises and small enterprises | | 63.22 | 17.19 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | 425.77 | 623.77 |
| Other Financial Liabilities | 26 | 73.16 | 61.28 |
| Other Current liabilities | 27 | 4.72 | 6.91 |
| Provisions | 28 | 20.72 | 24.56 |
| Current tax liabilities | 29 | 15.71 | 1.20 |
| | | 726.47 | 847.02 |
| Total Equity and Liabilities : | | 5 402.06 | 5 563.42 |

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 : 3rd June, 2021

FOR AND ON BEHALF OF THE BOARD

Sd/-

HARIN MAMLATDARNA
Chairman & Whole Time Director
(DIN : 00536250)

Sd/-

KALPESH PATEL
Chief Financial Officer

Sd/-

DIPAKKUMAR CHOKSI
Vice Chairman & Managing Director
(DIN : 00536345)

Sd/-

KRUNAL A. CHAUHAN
Company Secretary

Place : Ahmedabad

Date : 3rd June, 2021

DYNAMIC INDUSTRIES LIMITED**Statement of Profit and Loss for the year ended March 31, 2021** [₹ in Lakhs]

| Particulars | Notes | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|--|-------|--------------------------------------|--------------------------------------|
| INCOME | | | |
| Revenue from Operations | 30 | 3 518.82 | 5 629.12 |
| Other Income | 31 | 49.56 | 67.09 |
| Total Income: | | 3 568.38 | 5 696.21 |
| EXPENSES | | | |
| Cost of materials/products consumed | 32 | 2 094.15 | 3 214.12 |
| Purchase of stock in trade | 33 | 484.90 | 1 116.73 |
| Changes in inventories of Finished goods, stock in process and stock in trade | 34 | 152.43 | 124.38 |
| Employee benefits expense | 35 | 246.28 | 337.72 |
| Finance Cost | 36 | 26.50 | 33.19 |
| Depreciation and Amortization | 37 | 101.47 | 102.38 |
| Other Expenses | 38 | 418.16 | 617.02 |
| Total Expenses: | | 3 523.89 | 5 545.54 |
| Profit Before Tax | | 44.49 | 150.67 |
| Tax expense | 23 | | |
| Current tax | | 16.00 | 54.00 |
| Tax in respect of earlier years | | 0.00 | (1.76) |
| Deferred tax | | (10.72) | (3.05) |
| Total tax expense: | | 5.28 | 49.19 |
| Profit for the year | | 39.21 | 101.48 |
| Other comprehensive income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Remeasurement of the defined benefit plans | | 4.83 | (1.96) |
| Tax relating to remeasurement of the defined benefit plans | | (1.21) | 0.55 |
| Total other comprehensive income for the year (net of tax) | | 3.62 | (1.41) |
| Total comprehensive income for the year, | | 42.83 | 100.07 |
| Earning per Equity Share | 39 | | |
| Basic and Diluted | | 1.30 | 3.35 |

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

FOR AND ON BEHALF OF THE BOARD

Sd/-

HARIN MAMLATDARNA

Chairman & Whole Time Director

(DIN : 00536250)

Sd/-

KALPESH PATEL

Chief Financial Officer

Sd/-

DIPAKKUMAR CHOKSI

Vice Chairman & Managing Director

(DIN : 00536345)

Sd/-

KRUNAL A. CHAUHAN

Company Secretary

Place : Ahmedabad

Date : 3rd June, 2021

Place : Ahmedabad

Date : 3rd June, 2021

Statement of Cash Flows for the year ended March 31, 2021 [₹ in Lakhs]

| Particulars | 2020-2021 | 2019-2020 |
|--|----------------------|-----------------|
| A. Cash flow from operating activities | | |
| Profit/(Loss) for the year before taxation | 44.49 | 150.67 |
| Adjustments for | | |
| Depreciation and amortisation | 101.47 | 102.38 |
| Short provision for income tax | 0.00 | 1.76 |
| Finance cost | 26.50 | 33.19 |
| Fair Value gain on financial instruments recognized through FVTPL | (23.21) | 0.00 |
| Interest Income from financial assets measured at amortised cost | | |
| - on fixed deposits with Bank | (1.22) | (0.96) |
| - on other financial assets | (12.90) | (18.43) |
| Other Comprehensive Income | 4.83 | (1.96) |
| Bad debt provision for doubtful debts | (2.27) | 4.04 |
| Operating profit before working capital changes | 137.69 | 270.69 |
| Adjustments for | | |
| Trade Payable | (151.98) | 56.93 |
| Other current financial liabilities | 11.18 | (1.38) |
| Other Non current financial asset | (1.10) | (6.86) |
| Other current financial asset | (8.07) | (2.28) |
| Other current assets | 72.36 | (110.75) |
| Provisions | 0.86 | 10.04 |
| Other current liabilities | (2.17) | (1.34) |
| Inventories | 88.11 | 339.22 |
| Trade receivable | 117.48 | (182.31) |
| Other bank balances | (17.38) | 0.00 |
| Cash generated from operations | 247.68 | 371.96 |
| Direct taxes Refund/(paid) | (1.52) | (74.88) |
| Net Cash from Operating Activities | [A] 246.16 | 297.08 |
| B. Cash flow from investing activities | | |
| Purchase of fixed property, plant and equipment (Incl. Capital Advances) | (32.61) | (31.84) |
| Sale of Assets | 4.86 | 0.00 |
| Payment for purchase of investments | (109.62) | (222.28) |
| Interest received | 10.72 | 17.98 |
| Net Cash from / (used in) investing activities | [B] (126.65) | (236.14) |
| C. Cash flow from financing activities | | |
| Proceeds from borrowings - non current | (33.41) | (54.48) |
| Proceeds from borrowings - current | 11.06 | (8.71) |
| Interest paid | (26.50) | (33.54) |
| Dividend paid to company's shareholders | (45.43) | (54.77) |
| Net cash flow from financial activities | [C] (94.28) | (151.50) |
| Net Increase/(Decrease) in cash & cash equivalents | [A+B+C] 25.23 | (90.56) |
| Cash and cash equivalents opening | 16.59 | 107.15 |
| Cash and cash equivalents closing | 41.82 | 16.59 |
| Components of Cash and cash equivalent | | |
| Balances with scheduled banks | 40.70 | 14.67 |
| Cash in hand | 1.12 | 1.92 |
| | 41.82 | 16.59 |

Explanatory Notes to Cash Flow Statement

- The Cash Flow Statement is prepared by using indirect method in accordance with the format prescribed by Indian Accounting Standard 7.
- In Part A of the Cash Flow Statements, figures in brackets indicates deductions made from the net profit for deriving the cash flow from operating activities. In part B & part C, figures in brackets indicates cash outflows.
- Figures of the previous year have been regrouped wherever necessary, to conform to current years presentation.
- Disclosure of debt reconciliation statement in accordance with IND AS 7.

[₹ in Lakhs]

| Particulars | As at 1st April, 2020 | Net Cash Flow | Non-cash changes | As at 31st March, 2021 |
|-------------|-----------------------|---------------|------------------|------------------------|
| Borrowings | 156.20 | (21.75) | (0.60) | 133.85 |

As per our report of even date

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

FOR AND ON BEHALF OF THE BOARD
Sd/-
HARIN MAMLATDARNA
Chairman & Whole Time Director
(DIN : 00536250)

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

Place : Ahmedabad
Date : 3rd June, 2021

Sd/-
KALPESH PATEL
Chief Financial Officer

Sd/-
KRUNAL A. CHAUHAN
Company Secretary

Place : Ahmedabad
Date : 3rd June, 2021

Statement of changes in Equity for the year ended March 31, 2021

| A. Equity share capital | | [₹ in Lakhs] |
|-------------------------------|--|--------------|
| As at April 1, 2019 | | 302.85 |
| Issue of Equity Share Capital | | 0.00 |
| As at March 31, 2020 | | 302.85 |
| Issue of Equity Share Capital | | 0.00 |
| As at March 31, 2021 | | 302.85 |

| Particulars | Reserves and Surplus | | | Other Comprehensive Income (Remeasurement of Employee Benefit) | Total Equity |
|--|----------------------|--------------------|-------------------|--|-----------------|
| | General Reserve | Securities Premium | Retained Earnings | | |
| Balance as at 1st April, 2019 | 1 831.97 | 178.60 | 2 168.52 | 0.47 | 4 179.55 |
| Profit for the year | 0.00 | 0.00 | 101.48 | 0.00 | 101.48 |
| Final dividend | 0.00 | 0.00 | (45.43) | 0.00 | (45.43) |
| Corporate dividend tax | 0.00 | 0.00 | (9.34) | 0.00 | (9.34) |
| Other comprehensive income for the year (Net of Tax) | 0.00 | 0.00 | 0.00 | (1.41) | (1.41) |
| Balance as at 31st March, 2020 | 1 831.97 | 178.60 | 2 215.23 | (0.94) | 4 224.86 |
| Profit for the year | 0.00 | 0.00 | 39.21 | 0.00 | 39.21 |
| Final dividend | 0.00 | 0.00 | (45.42) | 0.00 | (45.42) |
| Other comprehensive income for the year | 0.00 | 0.00 | 0.00 | 3.62 | 3.62 |
| Balance as at 31st March, 2021 | 1 831.97 | 178.60 | 2 209.02 | 2.68 | 4 222.27 |

B. Other Equity

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 : 3rd June, 2021

FOR AND ON BEHALF OF THE BOARD

Sd/-
HARIN MAMLATDARNA
Chairman & Whole Time Director
(DIN : 00536250)

Sd/-
KALPESH PATEL
Chief Financial Officer

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

Sd/-
KRUNAL A. CHAUHAN
Company Secretary

Place : Ahmedabad
Date : 3rd June, 2021

Note 1: Company Overview

Dynamic Industries Limited is a public company limited by shares, domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The company's shares are listed in Bombay Stock Exchange. The Company is in the business of manufacturing of Dyes and Chemicals and main products of the Company are Dyes and Dye stuffs. The Competition in the industry is continuously increasing but overall performance of the company is good. The registered office of the Company is located at Plot No.5501/02, Phase-III Nr. Trikampura Cross Road, GIDC Vatva, Ahmedabad – 382 445.

The financial statements for the year ended 31st March, 2021 were considered by the Board of Directors and approved for issuance on 3rd June, 2021.

Note 2: Basis of Preparation

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

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

2.1 Statement of Compliance

The financial statements comprising Balance Sheet, Statement of Profit and Loss, Statement of Changes in Equity and Cash Flow Statement, together with notes for the year ended 31st March, 2021 have been prepared in accordance with Ind AS as per Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies' Act, 2013 ("the Act") and other relevant provisions of the Act.

2.2 Basis of Measurement

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

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

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

2.3 Functional and Presentation Currency

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

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

2.4 Standard Issued but not effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

Note 3: Significant accounting judgments, estimates and assumptions

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

DYNAMIC INDUSTRIES LIMITED

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

Critical Accounting Estimates and Judgments

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

(i) Contingences and Commitments

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

(ii) Taxes

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

(iii) Employee Benefits

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

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

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

(iv) Fair value measurement of financial instruments

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

(v) Allowance for uncollectible trade receivables

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

(vi) Impairment of Property, Plant & Equipment

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

(vii) Litigations

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

(viii) Useful Life of Property, Plant and Equipment

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

Note 4: Significant Accounting Policies

4.1 Financial Instruments

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

(a) Financial Assets

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

Initial Recognition:

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

Subsequent Measurement:

(i) Financial assets measured at amortized Cost:

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

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

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

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

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

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

De-recognition of Financial Assets:

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

(b) Financial Liabilities

Initial Recognition and Measurement

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

Subsequent Measurement:

Financial Liabilities are classified for subsequent measurement into following categories:

(i) Financial liabilities at Amortized Cost:

The Company is classifying the following under amortized cost:

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

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

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

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

De-recognition of Financial Liabilities:

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

(c) Offsetting of Financial assets and Financial Liabilities

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

(d) Reclassification of Financial Assets and Financial Liabilities

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

4.2 Share Capital

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

4.3 Property, Plant and Equipment

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

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

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives as prescribed under Part C of Schedule II to the

Companies Act 2013, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Depreciation for assets purchased/sold during a period is proportionately charged for the period of use.

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

4.4 Intangible assets

Intangible Assets acquired separately

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

Derecognition of intangible assets

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

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

| Type of Asset | Useful Life |
|-------------------|-------------|
| Computer Software | 3 Years |

4.5 Inventories

- (i) Raw Materials, Stock-in-process, Finished Goods are valued at lower of cost or net realizable value. Cost of stock-in-process and finished goods include materials, labour, manufacturing overhead and other cost incurred in bringing the inventories to their present location.
- (ii) Stock of stores, spares, consumable and packing materials are valued at cost.

4.6 Impairment

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

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

(b) Non-financial assets

Tangible and Intangible assets

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

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

Reversal of impairment loss

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

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

4.7 Provisions, Contingent Liabilities and Contingent Assets

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

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

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

4.8 Revenue Recognition

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

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

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

Sale of Goods

- (i) Revenue is recognised when control of goods is transferred to a customer in accordance with the terms of the contract. The control of the goods is transferred upon delivery to the customers either at factory gate of the Company or specific location of the customer or when the goods are handed over to the freight carrier, as per the terms of the contract. A receivable is recognised by the Company when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.
- (ii) The Company accounts for pro forma credits, refunds of duty of customs or excise, or refunds of sales tax/ GST in the year of admission of such claims by the concerned authorities. Export benefits are classified as other operating income and recognized on accrual basis in the year of export based on eligibility and when there is no uncertainty on receiving the same.

Interest Income

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

Dividend Income

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

4.9 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i Right-of-use assets

The Company recognises right-of-use assets ("ROU Assets") at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in 4.6(b) Impairment of non-financial assets.

ii Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. Lease liabilities has been presented under the head "Other Financial Liabilities".

iii Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

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 1st April, 2016), as per the previous GAAP, pursuant to the Company's choice of availing the exemption as permitted by Ind AS 101.

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

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

4.11 Borrowing Costs

Borrowing costs include

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

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

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

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

4.12 Employee benefits

(a) Short-term obligations

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

(b) Post-employment obligations

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

(i) Defined contribution plans

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

(ii) Defined benefit plans

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

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

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

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

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

4.13 Income Taxes

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

(i) Current tax

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

(ii) Deferred Tax

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

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

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

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

(iii) Current and deferred tax for the year

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

4.14 Derivative financial instruments

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

4.15 Earnings per share

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

4.16 Fair Value Measurement

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

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

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

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

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

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

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

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

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

(a) Investment in equity and debt securities

The fair value is determined by reference to their quoted price at the reporting date. In the absence of quoted price, the fair value of the financial asset is measured using valuation techniques.

(b) Trade and other receivables

The fair value of trade and other receivables, excluding construction contracts in progress, is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. However in respect of such financial instruments, fair value generally approximates the carrying amount due to short term nature of such assets. This fair value is determined for disclosure purposes or when acquired in a business combination.

(c) Non derivative financial liabilities

Fair Value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases, the market rate of interest is determined by reference to similar lease agreements.

4.17 Current / non-current classification

An asset is classified as current if:

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

All other assets are classified as non-current.

A liability is classified as current if:

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

All other liabilities are classified as non-current.

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

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

4.18 Cash and cash equivalent

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

Notes to the Financial Statements

Note 5 : Property, Plant and Equipment

Note 5.1 : As at March 31, 2021

[₹ in Lakhs]

| Particulars | Gross carrying amount | | | Accumulated Depreciation | | | Net carrying amount as at 31/03/2021 | |
|------------------------|-----------------------|--------------|-------------------------|--------------------------|------------------|--------------|--------------------------------------|-------------------------|
| | As at 01/04/2020 | Additions | Deduction / Adjustments | As at 31/03/2021 | Up to 31/03/2020 | For the year | | Deduction / Adjustments |
| Owned Assets | | | | | | | | |
| Buildings | 222.29 | 0.00 | 0.00 | 222.29 | 51.70 | 12.92 | 0.00 | 64.62 |
| Plant & Machinery | 674.41 | 21.68 | 0.00 | 696.09 | 206.14 | 61.24 | 0.00 | 267.38 |
| Office Equipments | 7.58 | 0.17 | 0.00 | 7.75 | 3.78 | 0.85 | 0.00 | 4.63 |
| Computer | 4.62 | 0.29 | 0.00 | 4.91 | 2.91 | 0.08 | 0.00 | 2.99 |
| Furniture and Fixtures | 17.71 | 0.00 | 0.00 | 17.71 | 11.68 | 2.10 | 0.00 | 13.78 |
| Vehicles | 70.39 | 0.83 | 48.13 | 23.09 | 42.30 | 6.58 | 43.27 | 5.61 |
| Total | 997.00 | 22.97 | 48.13 | 971.84 | 318.51 | 83.77 | 43.27 | 359.01 |

Note 5.2 : As at March 31, 2020

[₹ in Lakhs]

| Particulars | Gross carrying amount | | | Accumulated Depreciation | | | Net carrying amount as at 31/03/2020 | |
|------------------------|-----------------------|--------------|-------------------------|--------------------------|------------------|--------------|--------------------------------------|-------------------------|
| | As at 01/04/2019 | Additions | Deduction / Adjustments | As at 31/03/2020 | Up to 31/03/2019 | For the year | | Deduction / Adjustments |
| Owned Assets | | | | | | | | |
| Buildings | 222.29 | 0.00 | 0.00 | 222.29 | 38.75 | 12.95 | 0.00 | 51.70 |
| Plant & Machinery | 642.96 | 31.45 | 0.00 | 674.41 | 146.39 | 59.75 | 0.00 | 206.14 |
| Office Equipments | 7.19 | 0.39 | 0.00 | 7.58 | 2.90 | 0.88 | 0.00 | 3.78 |
| Computer | 4.62 | 0.00 | 0.00 | 4.62 | 2.74 | 0.17 | 0.00 | 2.91 |
| Furniture and Fixtures | 17.71 | 0.00 | 0.00 | 17.71 | 8.80 | 2.88 | 0.00 | 11.68 |
| Vehicles | 70.39 | 0.00 | 0.00 | 70.39 | 34.38 | 7.92 | 0.00 | 42.30 |
| Total | 965.16 | 31.84 | 0.00 | 997.00 | 233.96 | 84.55 | 0.00 | 318.51 |

Note 6 : Right of Use Asset
Note 6.1 : As at March 31, 2021

| Particulars | Gross carrying amount | | | | Accumulated Depreciation | | | Net carrying amount as at 31/03/2021 | |
|--------------|-----------------------|-------------|-------------------------|------------------|--------------------------|--------------|-------------------------|--------------------------------------|-----------------|
| | As at 01/04/2020 | Additions | Deduction / Adjustments | As at 31/03/2021 | Up to 31/03/2020 | For the year | Deduction / Adjustments | | Upto 31/03/2021 |
| | ROU Asset (Land) | 1 663.33 | 0.00 | 0.00 | 1 663.33 | 70.41 | 17.60 | | 0.00 |
| Total | 1 663.33 | 0.00 | 0.00 | 1 663.33 | 70.41 | 17.60 | 0.00 | 88.01 | |

| Particulars | Gross carrying amount | | | | Accumulated Depreciation | | | Net carrying amount as at 31/03/2020 | |
|--------------|-----------------------|-------------|-------------------------|------------------|--------------------------|--------------|-------------------------|--------------------------------------|-----------------|
| | As at 01/04/2019 | Additions | Deduction / Adjustments | As at 31/03/2020 | Up to 31/03/2019 | For the year | Deduction / Adjustments | | Upto 31/03/2020 |
| | ROU Asset (Land) | 1 663.33 | 0.00 | 0.00 | 1 663.33 | 52.81 | 17.60 | | 0.00 |
| Total | 1 663.33 | 0.00 | 0.00 | 1 663.33 | 52.81 | 17.60 | 0.00 | 70.41 | |

Note 7 : Other Intangible Assets
Note 7.1 : As at March 31, 2021

| Particulars | Gross carrying amount | | | | Accumulated Depreciation | | | Net carrying amount as at 31/03/2021 | |
|--------------|-----------------------|-------------|-------------------------|------------------|--------------------------|--------------|-------------------------|--------------------------------------|-----------------|
| | As at 01/04/2020 | Additions | Deduction / Adjustments | As at 31/03/2021 | Up to 31/03/2020 | For the year | Deduction / Adjustments | | Upto 31/03/2021 |
| | Software | 0.95 | 0.00 | 0.00 | 0.95 | 0.78 | 0.10 | | 0.00 |
| Total | 0.95 | 0.00 | 0.00 | 0.95 | 0.78 | 0.10 | 0.00 | 0.88 | |

| Particulars | Gross carrying amount | | | | Accumulated Depreciation | | | Net carrying amount as at 31/03/2020 | |
|--------------|-----------------------|-------------|-------------------------|------------------|--------------------------|--------------|-------------------------|--------------------------------------|-----------------|
| | As at 01/04/2019 | Additions | Deduction / Adjustments | As at 31/03/2020 | Up to 31/03/2019 | For the year | Deduction / Adjustments | | Upto 31/03/2020 |
| | Software | 0.95 | 0.00 | 0.00 | 0.95 | 0.55 | 0.23 | | 0.00 |
| Total | 0.95 | 0.00 | 0.00 | 0.95 | 0.55 | 0.23 | 0.00 | 0.78 | |

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Note 8 : Capital work in progress

Note 8.1 : As at March 31, 2021

[₹ in Lakhs]

| Particulars | As at 01/04/2020 | Additions | (Deductions) / Adjustment | Capitalised | As at 31/03/2021 |
|---------------------|---------------------|-------------|------------------------------|-------------|---------------------|
| Plant and Machinery | 0.00 | 5.18 | 0.00 | 0.00 | 5.18 |
| Total : | 0.00 | 5.18 | 0.00 | 0.00 | 5.18 |

Note 8.2 : As at March 31, 2020

[₹ in Lakhs]

| Particulars | As at 01/04/2019 | Additions | (Deductions) / Adjustment | Capitalised | As at 31/03/2020 |
|---------------------|---------------------|--------------|------------------------------|--------------|---------------------|
| Plant and Machinery | 0.00 | 25.88 | 0.00 | 25.88 | 0.00 |
| Total : | 0.00 | 25.88 | 0.00 | 25.88 | 0.00 |

Note 9 : Investments

[₹ in Lakhs]

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Non Current Financial Instruments at FVTPL | | |
| Real Estate Funds / Alternate Investment Fund 9.1 | 464.89 | 332.06 |
| Total | 464.89 | 332.06 |
| Aggregate amount of quoted investments and market value thereof | 464.89 | 332.06 |

Note 9.1 : Investment in Alternative Investment Fund / Real Estate / Mutual Fund at FVTPL

[₹ in Lakhs]

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---------------------------------|-------------------------|-------------------------|
| Amplus Reality Fund II | 3.68 | 5.08 |
| Avendus Future Leaders Fund - 1 | 102.37 | 90.00 |
| IDFC Low Duration Fund | 254.06 | 130.11 |
| Indiabulls High Yield Fund | 104.78 | 106.87 |
| Total | 464.89 | 332.06 |

Note 10 : Other Financial Assets (Non-current)

[₹ in Lakhs]

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Security deposits | 16.42 | 16.42 |
| Fixed Deposit having maturity more than 12 months | 8.60 | 7.50 |
| Total | 25.02 | 23.92 |

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

The amount dues by :

| | | |
|--|-----|-----|
| Directors | NIL | NIL |
| Officers either severally or jointly with other persons | NIL | NIL |
| Firms or Private companies in which any director is partner or director. | NIL | NIL |

Note 11 : Other Non Current Asset

[₹ in Lakhs]

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|------------------|-------------------------|-------------------------|
| Capital Advances | 4.45 | 0.00 |
| Total | 4.45 | 0.00 |

Note 12 : Inventories

(As taken, valued and certified by the Management)

[₹ in Lakhs]

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--------------------------------|-------------------------|-------------------------|
| Raw materials | 623.97 | 556.21 |
| Work in progress | 89.42 | 35.68 |
| Finished goods | 596.26 | 812.95 |
| Stock in trade | 13.99 | 3.46 |
| Stores, spares and consumables | 3.15 | 3.46 |
| Others | 2.32 | 5.46 |
| Total | 1329.11 | 1417.22 |

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

Note 13 : Trade Receivables

[₹ in Lakhs]

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Unsecured Considered Good | | |
| Low Credit Risk | 1138.67 | 1256.15 |
| Significant Increase in Credit Risk | 0.00 | 0.00 |
| Credit Impaired | 5.47 | 5.47 |
| Less : Loss Allowance | (5.47) | (5.47) |
| | 1138.67 | 1256.15 |
| Less : Allowance for expected credit loss (Refer Note 47[a]) | (2.54) | (4.81) |
| | 1136.13 | 1251.34 |
| Included in the financial statement as follows : | | |
| Non-current | 0.00 | 0.00 |
| Current | 1136.13 | 1251.34 |
| Total | 1136.13 | 1251.34 |

The amount dues by :

| | | |
|--|-------|-------|
| Directors | NIL | NIL |
| Officers either severally or jointly with other persons | NIL | NIL |
| Firms or Private companies in which any director is partner or director or a member. | 51.59 | 51.59 |

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Note 14 : Cash and Cash equivalents

[₹ in Lakhs]

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--------------------------|-------------------------|-------------------------|
| Balance with Bank | | |
| Current accounts | 32.90 | 8.20 |
| Cash on hand | 1.12 | 1.92 |
| Total | 34.02 | 10.12 |

Note 15 : Other Bank Balances

[₹ in Lakhs]

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Fixed Deposits with Original Maturity for more than 3 months but less than 12 months | 24.25 | 6.87 |
| Unclaimed dividend | 7.80 | 6.47 |
| Total | 32.05 | 13.34 |

The amount of fixed deposits with banks includes deposits placed as Margin Money amounting for ₹ 24.25 Lacs (P. Y. ₹ 6.87 Lakhs)

Note 16 : Other Financial Assets (Current)

[₹ in Lakhs]

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|------------------------------|-------------------------|-------------------------|
| Interest accrued but not due | 5.48 | 2.08 |
| Security Deposit | 0.10 | 0.60 |
| Advances to Staff | 8.33 | 13.28 |
| Other Recoverables | 13.65 | 0.13 |
| Total | 27.56 | 16.09 |

The amount dues by :

| | | |
|--|-----|-----|
| Directors | NIL | NIL |
| Officers either severally or jointly with other persons | NIL | NIL |
| Firms or Private companies in which any director is partner or director or a member. | NIL | NIL |

Note 17 : Current Tax Assets

[₹ in Lakhs]

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|------------------|-------------------------|-------------------------|
| Advance Tax | 66.12 | 66.08 |
| Less : Provision | 54.00 | 54.00 |
| Total | 12.12 | 12.08 |

Note 18 : Other Current Assets

[₹ in Lakhs]

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|----------------------------------|-------------------------|-------------------------|
| Balance with revenue authorities | 121.31 | 163.00 |
| Pre-paid expenses | 10.38 | 12.28 |
| Advances to suppliers | 11.62 | 40.39 |
| Total | 143.31 | 215.67 |

The amount dues by :

| | | |
|--|-----|-----|
| Directors | NIL | NIL |
| Officers either severally or jointly with other persons | NIL | NIL |
| Firms or Private companies in which any director is partner or director or a member. | NIL | NIL |

Note 19 : Equity Share Capital

[₹ in Lakhs]

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Authorised share capital 35,00,000 (March 31, 2020 : 35,00,000); Equity Shares of ₹ 10/- each | 350.00 | 350.00 |
| Issued share capital 30,28,500 (March 31, 2020 : 30,28,500); Equity Shares of ₹ 10/- each | 302.85 | 302.85 |
| Subscribed and fully paid up 30,28,500 (March 31, 2020 : 30,28,500); Equity Shares of ₹ 10/- each | 302.85 | 302.85 |
| | 302.85 | 302.85 |

Note 19.1 : Equity share capital

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

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

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Note 19.2 : Reconciliation of number of shares outstanding at the beginning and at the end of the Reporting Year

| Particulars | As at | As at |
|---------------------------------|----------------|----------------|
| | March 31, 2021 | March 31, 2020 |
| At the beginning of the year | 30,28,500 | 30,28,500 |
| Add : | | |
| Issued during the year | 00 | 00 |
| | 30,28,500 | 30,28,500 |
| Less : | | |
| Shares bought back / Redemption | 00 | 00 |
| At the end of the year | 30,28,500 | 30,28,500 |

Note 19.3 : Details of shareholders holding more than 5% shares in the company

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|------------------------|----------------------|--------------|----------------------|--------------|
| | No. of Shares | % of holding | No. of Shares | % of holding |
| Harin D. Mamlatdarna | 3 57 538 | 11.81 | 3 53 711 | 11.68 |
| Dipakkumar N. Choksi | 3 00 000 | 9.91 | 2 84 572 | 9.40 |
| Mayaben H. Mamlatdarna | 2 33 832 | 7.72 | 2 11 247 | 6.98 |
| Sangeetha S. | 1 62 050 | 5.35 | 1 62 050 | 5.35 |

Note 19.4 : Rights, Preferences and Restrictions

The Company has only class of equity shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, if any, in proportion to their shareholding.

Note 20 : Other Equity

[₹ in Lakhs]

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--------------------|-------------------------|-------------------------|
| General Reserve | 1831.97 | 1831.97 |
| Securities Premium | 178.60 | 178.60 |
| Retained Earnings | 2211.70 | 2214.29 |
| Total | 4222.27 | 4224.86 |

Note 20.1 : Other Equity - Movements

[₹ in Lakhs]

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| General Reserve | | |
| Balance as per previous financial statements | 1831.97 | 1831.97 |
| Add/Less : Additions/(Deductions) during the year | 0.00 | 0.00 |
| Balance at the end of the year | 1831.97 | 1831.97 |
| Securities Premium | | |
| Balance as per previous financial statements | 178.60 | 178.60 |
| Add/Less : Additions/(Deductions) during the year | 0.00 | 0.00 |
| Balance at the end of the year | 178.60 | 178.60 |
| Surplus / (Deficit) in Statement of Profit & Loss | | |
| Balance as per previous financial statements | 2214.29 | 2168.99 |
| Add : Profit for the year | 39.21 | 101.48 |
| Add/Less : OCI for the year (Net of Tax) | 3.62 | (1.41) |
| Balance available for appropriation | 2257.12 | 2269.06 |
| Less : Appropriation | | |
| - Dividend | 45.42 | 45.43 |
| - Dividend Distribution Tax (DDT) | 0.00 | 9.34 |
| | 45.42 | 54.77 |
| Net Surplus / (Deficit) | 2211.70 | 2214.29 |
| Total | 4222.27 | 4224.86 |

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

General Reserve

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

Securities Premium

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

Retained Earnings (Includes Other Comprehensive Income)

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

Dividend

The entity has recommend the dividend @ 10% (₹ 1.00/- per equity share) on equity shares of ₹ 10.00 each for the year ended 31st March, 2021. The total dividend pay-out shall be ₹ 30.29 Lakhs.

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Note 21 : Borrowings

[₹ in Lakhs]

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Non-current | | |
| Secured Term Loans From Banks | | |
| HDFC Bank Limited (Refer note below) | 69.31 | 102.72 |
| Total | 69.31 | 102.72 |
| Current maturities of long term debts | | |
| Secured term loans from banks | | |
| HDFC Bank Limited (Refer note below) | 64.54 | 52.87 |
| Vehicle loans from banks | | |
| HDFC Bank Limited (Refer note below) | 0.00 | 0.82 |
| Total | 64.54 | 53.69 |

Nature of Security

Secured Term Loans

The HDFC Bank Ltd loans are primarily secured against Hypothecation of present and future stocks and book debts and Plant & Machineries. It is further secured by Equitable Mortgage on Leasehold land bearing Plot / Shed No 125, in aggregate admeasuring 1330 Sq mts in phase I, Vatva Industrial Estate, lying at Mouje: Vatva, in Taluka Dascroi, and building constructed thereon and Equitable Mortgage on Non Agricultural Constructed Leasehold Property bearing plot / Shed No. 5501/2, in aggregate admeasuring 7363 Sq. Mtrs. in Phase III, in Vatva Industrial Estate and building constructed thereon.

Vehicle Loans

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

Terms of Repayment of Loans

Term loans

HDFC Bank Ltd.

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

Account No.82841401 Repayable in 60 numbers of monthly installments of ₹ 4.24 lacs each (including interest), commencing from November 2017. The last installment falls due in October 2022.

Account No.83064105 Repayable in 60 numbers of monthly installments of ₹ 1.39 lacs each (including interest), commencing from April 2018. The last installment falls due in March 2023.

Account No. 8296668 Repayable in 48 numbers of equal monthly installments of ₹ 1.01 lacs each (including interest), commencing from August 2021. The last installment falls due in July 2024.

Vehicle Loans

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

Note 22 : Non Current Provisions

[₹ in Lakhs]

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Provision for Employee Benefits | | |
| Gratuity | 24.45 | 19.75 |
| Total | 24.45 | 19.75 |

Note 23 : Income Taxes

[₹ in Lakhs]

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| A. The major components of income tax expenses for the year are as under : | | |
| (i) Income Tax recognised in the statement of Profit and Loss | | |
| Current Tax : | | |
| Expenses for current year | 16.00 | 54.00 |
| Expenses for earlier year | 0.00 | (1.76) |
| Deferred Tax | | |
| Deferred tax for current Year | (10.72) | (3.05) |
| Total | 5.28 | 49.19 |
| (ii) Income tax expenses recognised in other comprehensive income (OCI) | | |
| Remeasurement Gains/(Losses) on defined benefit plans | (1.21) | 0.55 |
| Total | (1.21) | 0.55 |
| B. Reconciliation of effective tax rate : | | |
| Profit before tax | 44.49 | 150.67 |
| Income tax calculated at 25.12% (P.Y. 27.82%) | 11.18 | 41.92 |
| Tax effect on non-deductible expenses | 0.93 | 1.27 |
| Others (Net) | (6.83) | 6.00 |
| Total | 5.28 | 49.19 |
| Effective tax Rate (%) | 11.86 | 32.65 |
| C. Deferred Tax | | |
| Deferred Tax Liabilities | | |
| Fair Value of Investments in Equity Instruments | 5.84 | 1.61 |
| Property, Plant and Equipments and Intangible Assets | 60.24 | 74.08 |
| Allowances for doubtful trade receivable | 2.01 | 2.86 |
| Total | 68.09 | 78.55 |
| Deferred Tax Assets | | |
| Provision for Employee benefits | (11.38) | (12.33) |
| Total | (11.38) | (12.33) |
| Net Deferred Tax Liability / (Asset) | 56.71 | 66.22 |

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

| Year Ended 31st March 2021 | Opening Balance as at 1st April, 2020 | Recognised in statement of Profit and Loss | Recognised in other Compre- hensive Income | Closing Balance as at 31st March, 2021 |
|---|---|--|--|--|
| Deferred Tax liabilities / (assets) in relation to | | | | |
| Fair Value of Investments in Equity Instruments | 1.61 | 4.23 | 0.00 | 5.84 |
| Property, Plant and Equipments and Intangible Assets | 74.08 | (13.84) | 0.00 | 60.24 |
| Allowances for doubtful trade receivable | 2.86 | (0.85) | 0.00 | 2.01 |
| Provision for Employee benefits | (12.33) | (0.26) | 1.21 | (11.38) |
| | 66.22 | (10.72) | 1.21 | 56.71 |

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| Year Ended 31st March 2020 | Opening Balance as at 1st April, 2019 | Recognised in statement of Profit and Loss | Recognised in other Comprehensive Income | Closing Balance as at 31st March, 2020 |
|---|---------------------------------------|--|--|--|
| Deferred Tax liabilities / (assets) in relation to | | | | |
| Fair Value of Investments in Equity Instruments | 0.76 | 0.85 | 0.00 | 1.61 |
| Property, Plant and Equipments and Intangible Assets | 78.27 | (4.19) | 0.00 | 74.08 |
| Allowances for doubtful trade receivable | 0.32 | 2.54 | 0.00 | 2.86 |
| Unamortised Cost adjusted on borrowings | 0.00 | 0.00 | 0.00 | 0.00 |
| Provision for Employee benefits | (9.53) | (2.25) | (0.55) | (12.33) |
| | 69.82 | (3.05) | (0.55) | 66.22 |

Note 24 : Borrowings (Current)

[₹ in Lakhs]

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|----------------------|----------------------|
| Secured | | |
| Working Capital Loan | | |
| HDFC Bank Limited (Cash Credit A/c.) | 61.47 | 47.64 |
| HDFC Bank Limited (Export Bills Purchase) | 61.70 | 64.47 |
| Total | 123.17 | 112.11 |

The working capital loans amounting to ₹ 123.17 Lakhs (P.Y. ₹ 112.11 Lakhs) are secured by Hypothecation of Book Debts, Bills, Stock not older than 180 days. Further it is secured by personal guarantees of directors.

Note 25 : Trade Payables

[₹ in Lakhs]

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|----------------------|----------------------|
| Due to Micro and Small Enterprises (Refer Note 49) | 63.22 | 17.19 |
| Due to others | 425.77 | 623.77 |
| Total | 488.99 | 640.96 |

Note 26 : Other Financial Liabilities (Current)

[₹ in Lakhs]

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|----------------------|----------------------|
| Current Maturities of Long Term Borrowings (Refer Note 21) | 64.54 | 53.69 |
| Interest accrued but not due on Borrowings | 0.82 | 1.12 |
| Unpaid dividends | 7.80 | 6.47 |
| Total | 73.16 | 61.28 |

Note : As at March 31, 2021, there is no amount due and outstanding to be transfer to the Investor Education and Protection Fund (IEPF).

Note 27 : Other Current Liabilities

[₹ in Lakhs]

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|----------------------------------|-------------------------|-------------------------|
| Statutory Liabilities | 4.37 | 6.91 |
| Income Received in Advance | 0.03 | 0.00 |
| Advanced received against Assets | 0.32 | 0.00 |
| Total | 4.72 | 6.91 |

Note 28 : Current Provisions

[₹ in Lakhs]

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Provision for employee benefits | | |
| Gratuity | 7.31 | 7.91 |
| Bonus | 13.41 | 16.65 |
| Total | 20.72 | 24.56 |

Note 29 : Current Tax Liabilities

[₹ in Lakhs]

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--------------------|-------------------------|-------------------------|
| Provision for Tax | 287.00 | 271.00 |
| Less : Advance Tax | 271.29 | 269.80 |
| Total | 15.71 | 1.20 |

Note 30 : Revenue from Operations

[₹ in Lakhs]

| Particulars | 2020-2021 | 2019-2020 |
|-------------------------|----------------|----------------|
| Sale of Products | 3498.56 | 5588.07 |
| Other Operating Revenue | 20.26 | 41.05 |
| Total | 3518.82 | 5629.12 |

Break up of Revenue from contracts with customers

[₹ in Lakhs]

| Particulars | 2020-2021 | 2019-2020 |
|------------------------------|----------------|----------------|
| Manufactured | | |
| Dyes, Pigments and Chemicals | | |
| Export | 777.84 | 1692.10 |
| Local | 2228.24 | 2723.96 |
| Total | 3006.08 | 4416.06 |
| Stock in trade | | |
| Dyes, Pigments and Chemicals | | |
| Export | 15.81 | 21.67 |
| Local | 47.28 | 183.95 |
| Total | 63.09 | 205.62 |
| Raw Materials | | |
| Local | 429.38 | 966.39 |
| Total | 429.38 | 966.39 |
| Grand Total | 3498.55 | 5588.07 |

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| Break up of Other Operating Revenue | | | [₹ in Lakhs] |
|--|------------------|------------------|--------------|
| Particulars | 2020-2021 | 2019-2020 | |
| Export benefits (Net) | 20.26 | 41.05 | |
| Total | 20.26 | 41.05 | |

| Note 31 : Other Income | | | [₹ in Lakhs] |
|---|------------------|------------------|--------------|
| Particulars | 2020-2021 | 2019-2020 | |
| Interest Income | | | |
| From Banks | 1.22 | 0.96 | |
| On Staff Loan | 1.22 | 1.79 | |
| From Real Estate Fund | 11.14 | 11.27 | |
| Others | 0.54 | 5.37 | |
| | 14.12 | 19.39 | |
| Gain on Foreign Exchange Fluctuation (Net) | 1.26 | 29.10 | |
| Fair value gain on financial instruments recognized through FVTPL | 23.21 | 5.80 | |
| Sundry Credit Balance written back (Net) | 1.76 | 2.00 | |
| Other non-operating revenue | | | |
| Lifting Income | 0.00 | 1.22 | |
| Income from Alternate Investment Fund | 2.17 | 0.77 | |
| Dividend from Real Estate Fund | 0.02 | 0.02 | |
| Miscellaneous Income | 7.02 | 8.79 | |
| | 35.44 | 47.70 | |
| Total | 49.56 | 67.09 | |

| Note 32 : Cost of Materials / Products Consumed | | | [₹ in Lakhs] |
|--|------------------|------------------|--------------|
| Particulars | 2020-2021 | 2019-2020 | |
| Raw Materials | 2044.02 | 3137.11 | |
| Packing Materials | 34.66 | 52.83 | |
| Freight, Inward Clearing and Loading / Unloading | 15.47 | 24.18 | |
| Total | 2094.15 | 3214.12 | |

| Note 33 : Purchase of Stock-in-trade | | | [₹ in Lakhs] |
|---|------------------|------------------|--------------|
| Particulars | 2020-2021 | 2019-2020 | |
| Stock-in-trade | | | |
| Dyes and Chemicals | 484.90 | 1116.73 | |
| Total | 484.90 | 1116.73 | |

Note 34 : Changes in Inventories [₹ in Lakhs]

| Particulars | 2020-2021 | 2019-2020 |
|---|---------------|---------------|
| Inventory at the end of the year | | |
| Finished Goods | 596.25 | 812.95 |
| Stock in trade | 13.99 | 3.46 |
| Work in progress | 89.42 | 35.68 |
| Total | 699.66 | 852.09 |
| Inventory at the beginning of the year | | |
| Finished Goods | 812.95 | 882.71 |
| Stock in trade | 3.46 | 13.23 |
| Work in progress | 35.68 | 80.53 |
| Total | 852.09 | 976.47 |
| (Increase) / Decrease in stocks | 152.43 | 124.38 |

Note 35 : Employee benefits expense [₹ in Lakhs]

| Particulars | 2020-2021 | 2019-2020 |
|--|---------------|---------------|
| Salary, Allowance, Wages and Bonus | 219.51 | 309.95 |
| Contribution to Provident Fund & Other Funds | 23.38 | 23.09 |
| Staff Welfare and Training | 3.39 | 4.68 |
| Total | 246.28 | 337.72 |

Note 36 : Finance Cost [₹ in Lakhs]

| Particulars | 2020-2021 | 2019-2020 |
|---------------------------------------|--------------|--------------|
| Interest | | |
| To Bank | 18.52 | 24.26 |
| Micro and Small and Medium Enterprise | 2.33 | 2.81 |
| Amortisation of Processing Fees | 0.60 | 0.74 |
| Total | 21.45 | 27.81 |
| Other Borrowing Cost | | |
| LC Charges | 0.24 | 0.57 |
| Loan Renewal Charges | 4.81 | 4.81 |
| Total | 5.05 | 5.38 |
| Grand Total | 26.50 | 33.19 |

Note 37 : Depreciation and Amortization [₹ in Lakhs]

| Particulars | 2020-2021 | 2019-2020 |
|---|---------------|---------------|
| Depreciation expense on property, plant and equipment | 83.77 | 84.55 |
| Amortization expense on ROU Assets | 17.60 | 17.60 |
| Amortization expense on Intangible Assets | 0.10 | 0.23 |
| Total | 101.47 | 102.38 |

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Note 38 : Other expenses

[₹ in Lakhs]

| Particulars | 2020-2021 | 2019-2020 |
|---|---------------|---------------|
| Manufacturing Expenses | | |
| Power, Fuel and Water Charges | 156.71 | 235.67 |
| Stores and other consumables | 3.10 | 2.59 |
| Laboratory Expenses | 6.95 | 11.74 |
| Factory Expenses | 2.17 | 3.24 |
| Pollution Plant Treatment | 49.20 | 80.97 |
| Repairs and Maintenance | | |
| Building | 4.05 | 3.69 |
| Plant and Machinery | 34.46 | 31.62 |
| Others | 4.40 | 5.22 |
| Total | 42.91 | 40.53 |
| Establishment Expenses | | |
| Rates and Taxes | 2.83 | 6.56 |
| Insurance | 21.19 | 28.99 |
| Fees and Legal Expenses | 25.71 | 25.19 |
| Auditors' Remuneration (refer note below) | 6.00 | 6.00 |
| Travelling Expenses | 0.00 | 8.74 |
| Bank Charges | 5.95 | 8.62 |
| Postage, Telephone & Internet Expenses | 4.76 | 7.96 |
| Membership and Subscription | 0.96 | 1.33 |
| Vehicle Expenses | 5.35 | 8.94 |
| Security Charges | 8.61 | 8.62 |
| Donation | 2.18 | 3.21 |
| Allowance for Doubtful debts | (2.27) | 4.04 |
| Loss due to Fire (net of claim) | 2.01 | 1.76 |
| Other Miscellaneous Expenses | 14.75 | 25.30 |
| Total | 98.03 | 145.26 |
| Selling and Distribution Expenses | | |
| Advertisement Expenses | 1.02 | 2.05 |
| Commission and Discount | 36.95 | 46.57 |
| Sales Promotion | 0.00 | 9.48 |
| Freight Outwards | 21.12 | 38.92 |
| | 59.09 | 97.02 |
| | 418.16 | 617.02 |
| Auditor's Remuneration is made of | | |
| Statutory Audit Fees | 4.75 | 4.75 |
| Tax Audit Fees | 1.25 | 1.25 |
| | 6.00 | 6.00 |

Note 39 : Earning per Share

| Particulars | 2020-2021 | 2019-2020 |
|---|-----------|-----------|
| Profit attributable to Equity shareholders [₹ in Lakhs] | 39.21 | 101.48 |
| Number of equity shares | 30,28,500 | 30,28,500 |
| Basic and diluted Earning per Share[₹] | 1.30 | 3.35 |

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

Note 40 : Contingent Liabilities and Commitments

[₹ in Lakhs]

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| A Contingent Liabilities not provided for in respect of | | |
| (i) Claim against the company not acknowledged as debt : | | |
| - Income Tax (Refer note (i) below) | 10.66 | 10.66 |
| - Custom Duty (Refer note (ii) below) | 171.14 | 171.14 |
| - Service Tax (Refer note (iii) below) | 77.13 | 77.13 |
| - Employee | 3.28 | 3.28 |
| (ii) Custom Duty (Import under Advance Licenses Export Obligation Pending) | 73.10 | 13.12 |
| Total | 335.31 | 270.05 |
| B Capital Commitments | | |
| Estimated amount of contract remaining to the executed on capital accounts | 17.00 | NIL |

- (i) The Company has not recognized and acknowledged the Income Tax demand as liability in its books of accounts aggregating to ₹ 10.66 lacs in respect of earlier years since the company has disputed the demand and has filed appeals before appropriate authorities. The same are pending for final adjudication.
- (ii) In the Financial year 2008-2009 the Department of Excise and Customs had inspected certain records related to materials imported under license removed for jobwork to various parties whose name did not appear in the license as job-worker or as supporting manufacturer. The department had objected such removal and also observed that aforesaid materials have not been returned back under job work challan from the above parties but under sales invoices. The department also seized certain records related to job work for the Financial Year 2006-07 and 2007-08. The company had deposited a sum of ₹ 5.08 lacs under protest. However based on legal opinion obtained from the excise consultant, the company has transferred the aforesaid deposit to PLA under intimation to department concerned. After that the company has received an order on 28th March, 2012 confirming the demand of custom duty amounting to ₹ 85.57 lacs and penalty of ₹ 85.57 lacs under section 114A of the Custom Act aggregating to ₹ 171.14 lacs and interest at applicable rates on the amount of duty evaded.
- The company has filed an appeals and Hon'ble Tribunal has granted stay against aforesaid demand. The Custom Authority against such stay has referred the matter to Hon'ble High court, Gujarat which is yet to be heard. Pending final outcome, the company does not expect any liability and accordingly no provision in respect thereof has been made but disclosed the same as contingent liability.
- (iii) The company has been served with show cause notices in respect of service tax credit aggregating amounting to ₹ 77.13 lacs availed by the company in the earlier financial years. The Company has already filed its reply against the aforesaid show cause notices before appropriate authorities & such authorities are yet to react on such replies.

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Note 41 : Employee Benefits

Note 41.1 Defined contribution plan

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

| Particulars | For the year 2020-2021 | For the year 2019-2020 |
|---|---------------------------|---------------------------|
| Contribution to Provident Fund and Pension Scheme, included under contribution to provident and other funds | 12.48 | 12.40 |
| Contribution to Employee State Insurance Scheme, included under contribution to provident and other funds | 1.99 | 2.77 |

Note 41.2 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, 2021 | As at March 31, 2020 |
|-------------------------------------|-------------------------|-------------------------|
| Discount Rate | 5.60% | 5.75% |
| Expected rate(s) of salary increase | 7.00% | 7.00% |
| Rate of return on plan assets | 5.60% | 5.75% |

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, 2021

[₹ in Lakhs]

| Particulars | For the year ended 2020-2021 Gratuity (Funded) | For the year ended 2019-2020 Gratuity (Funded) |
|--|--|--|
| Changes in the present value of obligation | | |
| 1. Present value of obligation (Opening) | 74.57 | 65.51 |
| 2. Interest cost | 2.99 | 3.07 |
| 3. Past service cost adjustments/Prior year Charges | -- | -- |
| 4. Current service cost | 7.55 | 6.93 |
| 5. Curtailment Cost / (Gain) | -- | -- |
| 6. Settlement Cost / (Gain) | -- | -- |
| 7. Benefits paid | (0.68) | (3.88) |
| 8. Actuarial (Gain) / Loss arising from change in financial assumptions | 0.50 | 3.43 |
| 9. Actuarial (Gain) / Loss arising from change in demographic assumptions | -- | -- |
| 10. Actuarial (Gain) / Loss arising from change on account of experience changes | (3.76) | (0.49) |
| 11. Present value of obligation (Closing) | 81.17 | 74.57 |

[₹ in Lakhs]

| Particulars | For the year ended 2020-2021 Gratuity (Funded) | For the year ended 2019-2020 Gratuity (Funded) |
|--|--|--|
| Changes in the fair value of plan assets | | |
| 1. Present value of plan assets (Opening) | 46.90 | 47.73 |
| 2. Past contribution / Adjustment to Opening Fund | -- | -- |
| 3. Expected return on plan assets | 1.56 | 0.97 |
| 4. Interest Income | 1.63 | 2.08 |
| 5. Actuarial Gain / (Loss) | -- | -- |
| 6. Employers Contributions | -- | -- |
| 7. Employees Contributions | -- | -- |
| 8. Benefits paid | (0.68) | (3.88) |
| 9. Expense deducted from the fund | -- | -- |
| 10. Fair Value of Plan Assets (Closing) | 49.41 | 46.90 |
| Percentage of each category of plan assets to total fair value of plan assets at the year end | | |
| 1. Bank Deposits | -- | -- |
| 2. Debt Instruments | -- | -- |
| 3. Policy of Insurance | 100% | 100% |
| 4. Others | -- | -- |

Reconciliation of Present Value of Defined Benefit Obligation and the Fair value of Assets [₹ in Lakhs]

| Particulars | For the year ended 2020-2021 Gratuity | For the year ended 2019-2020 Gratuity |
|--|--|--|
| Present Value of funded obligation at the end of the year | 81.17 | 74.57 |
| Fair Value of Plan Assets as at the end of the period | 49.41 | 46.90 |
| Amount not recognised due to asset limit | -- | -- |
| Deficit of funded plan | | |
| Deficit of unfunded plan | 31.76 | 27.66 |
| - Current | 7.31 | 7.91 |
| - Non current | 24.45 | 19.75 |

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

[₹ in Lakhs]

| Expense recognised in the Statement of Profit & Loss | For the year ended 2020-2021 (Gratuity) | For the year ended 2019-2020 (Gratuity) |
|--|---|---|
| Current Service Cost | 7.55 | 6.93 |
| Past Service Cost | -- | -- |
| Net Interest Cost (Net of Interest on Plan Asset) | 1.36 | 0.99 |
| Net value of remeasurements on the obligation and plan assets (Gains)/Loss on Settlement | -- | -- |
| Total Expenses recognized in the Statement of Profit and Loss # | 8.91 | 7.92 |
| #Included in 'Salary and Wages' under 'Employee benefits expense' | | |
| Re-measurements during the year due to | | |
| Changes in financial assumptions | 0.5 | 3.43 |
| Changes in demographic assumptions | -- | -- |
| Experience adjustments | (3.77) | (0.50) |
| Return on plan assets excluding amounts included in interest income | (1.56) | (0.97) |
| Amount recognised in OCI during the year | (4.83) | 1.96 |

(c) Sensitivity analysis

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

Gratuity :

| Impact on defined benefit obligation | | | | | | | | |
|--------------------------------------|----------------------|----------------|-------------|-------------------------|----------------|-------------|-------------------------|----------------|
| Particulars | Change in Assumption | | Particulars | Increase in Assumptions | | Particulars | Decrease in Assumptions | |
| | March 31, 2021 | March 31, 2020 | | March 31, 2021 | March 31, 2020 | | March 31, 2021 | March 31, 2020 |
| Discount Rate | 0.50% | 0.50% | Decrease by | (1.99)% | (2.01)% | Increase by | 2.13% | 2.16% |
| Salary growth rate | 0.50% | 0.50% | Increase by | 1.91% | 1.95% | Decrease by | (1.86)% | (1.84)% |

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, 2021 | As at March 31, 2020 | As at March 31, 2021 | As at March 31, 2020 |
|--------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | % | | [₹ in Lakhs] | |
| Insurer managed funds | 100% | 100% | 49.41 | 46.90 |
| Total | 100% | 100% | 49.41 | 46.90 |

(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 ₹ 7.31 Lakhs.

The weighted average duration of the defined benefit obligation is 4.09 years (2020 – 4.11 years).

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

[₹ in Lakhs]

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|-------------------------|----------------------|-------|----------------------|-------|
| | Cash Flow | (%) | Cash Flow | (%) |
| 1st following year | 47.43 | 42.10 | 45.11 | 42.50 |
| 2nd following year | 4.91 | 4.40 | 2.09 | 2.00 |
| 3rd following year | 2.31 | 2.10 | 4.51 | 4.30 |
| 4th following year | 2.29 | 2.00 | 2.31 | 2.20 |
| 5th following year | 5.98 | 5.30 | 2.13 | 2.00 |
| Sum of year 6th to 10th | 10.76 | 9.60 | 13.29 | 12.50 |

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Note 42: Segment Information

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

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

[₹ in Lakhs]

| Description | India | Rest of the World | Total |
|-------------------------------|---------|-------------------|---------|
| Revenues | | | |
| - Year Ended 31st March, 2021 | 2704.90 | 793.65 | 3498.55 |
| - Year Ended 31st March, 2020 | 3874.30 | 1713.77 | 5588.07 |

Note 43:

1. Related Party Disclosures for the year ended March 31, 2021

(a) Details of Related Parties

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

(b) Details of transaction with related parties for the year ended March 31, 2021 in the ordinary course of business

[₹ in Lakhs]

| Sr. No. | Nature of Relationship / Transaction | Subsidiary Companies | KMP & Relatives | Enterprise over which KMP and Relatives have significant influence | Total |
|---------|--|----------------------|-----------------|--|-------|
| 1 | Managerial Remuneration | | | | |
| | Dipakkumar Choksi | -- | 21.38 | -- | 21.38 |
| | Dinesh Jain | -- | 5.33 | -- | 5.33 |
| | Harin Mamlatdarna | -- | 21.38 | -- | 21.38 |
| 2 | Expenditure on other services (Salary) | | | | |
| | Ronak Choksi | -- | 5.05 | -- | 5.05 |
| | Bimal Choksi | -- | 5.37 | -- | 5.37 |
| | Asita Mamlatdarna | -- | 1.40 | -- | 1.40 |
| | Mansi Talati | -- | 1.42 | -- | 1.42 |
| 3 | Sales | | | | |
| | Ornet Intermediate Pvt. Ltd. | -- | -- | 35.75 | 35.75 |
| 4 | Purchase of MEIS License | | | | |
| | Neo Farbe Pvt. Ltd. | -- | -- | 0.10 | 0.10 |

(c) Amount due to / from related parties as at March 31, 2021

[₹ in Lakhs]

| Sr. No. | Nature of Relationship / Transaction | Subsidiary Companies | Promoter Company | KMP & Relatives | Enterprise over which KMP and Relatives have significant influence | Total |
|---------|--------------------------------------|----------------------|------------------|-----------------|--|-------|
| 1 | Trade Receivables | | | | | |
| | Ornet Intermediate Pvt. Ltd. | - | - | - | 51.59 | 51.59 |
| 2 | Director's Remuneration | | | | | |
| | Dipakkumar Choksi | - | - | 2.24 | - | 2.24 |
| | Dinesh Jain | - | - | 0.55 | - | 0.55 |
| | Harin Mamlatdarna | - | - | 2.24 | - | 2.24 |
| 3 | Director's Perquisites | | | | | |
| | Dipakkumar Choksi | - | - | 0.40 | - | 0.40 |
| | Dinesh Jain | - | - | 0.10 | - | 0.10 |
| | Harin Mamlatdarna | - | - | 0.40 | - | 0.40 |
| 4 | Salary & Bonus | | | | | |
| | Ronak Choksi | - | - | 0.82 | - | 0.82 |
| | Bimal Choksi | - | - | 0.88 | - | 0.88 |
| | Asita Mamlatdarna | - | - | 0.10 | - | 0.10 |
| | Mansi Talati | - | - | 0.27 | - | 0.27 |

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2. Related Party Disclosures for the year ended March 31, 2020

(a) Details of Related Parties

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

(b) Details of transaction with related parties for the year ended March 31, 2020 in the ordinary course of business

[₹ in Lakhs]

| Sr. No. | Nature of Relationship / Transaction | Subsidiary Companies | KMP & Relatives | Enterprise over which KMP and Relatives have significant influence | Total |
|---------|--|----------------------|-----------------|--|-------|
| 1 | Managerial Remuneration | | | | |
| | Dipakkumar Choksi | - | 38.84 | - | 38.84 |
| | Dinesh Jain | - | 10.43 | - | 10.43 |
| | Harin Mamlatdarna | - | 38.84 | - | 38.84 |
| 2 | Expenditure on other services (Salary) | | | | |
| | Ronak Choksi | - | 6.27 | - | 6.27 |
| | Bimal Choksi | - | 6.68 | - | 6.68 |
| | Asita Mamlatdarna | - | 6.34 | - | 6.34 |
| | Mansi Talati | - | 6.56 | - | 6.56 |
| 3 | Sales | | | | |
| | Ornet Intermediate Pvt. Ltd. | - | - | 36.80 | 36.80 |
| | Neo Farbe Pvt. Ltd. | - | - | 85.03 | 85.03 |

(c) Amount due to / from related parties as at March 31, 2020

[₹ in Lakhs]

| Sr. No. | Nature of Relationship / Transaction | Subsidiary Companies | Promoter Company | KMP & Relatives | Enterprise over which KMP and Relatives have significant influence | Total |
|---------|--|----------------------|----------------------|------------------------------|--|------------------------------|
| 1 | Trade Receivables Ornet Intermediate Pvt. Ltd. | -- | -- | -- | 51.59 | 51.59 |
| 2 | Director's Remuneration Dipakkumar Choksi Dinesh Jain Harin Mamlatdarna | -- -- -- | -- -- -- | 1.70 0.55 1.20 | -- -- -- | 1.70 0.55 1.20 |
| 3 | Director's Perquisites Dipakkumar Choksi Dinesh Jain Harin Mamlatdarna | -- -- -- | -- -- -- | 0.40 0.10 0.40 | -- -- -- | 0.40 0.10 0.40 |
| 4 | Salary and Bonus Ronak Choksi Bimal Choksi Asit Mamlatdarna Mansi Talati | -- -- -- -- | -- -- -- -- | 0.88 0.83 0.95 0.94 | -- -- -- -- | 0.88 0.83 0.95 0.94 |

Note 44 : Leases

The Company has entered into various Lease Arrangements for "Land" for the purpose of factory building, which are "Non-cancellable" and thus, creates enforceable rights. The Company applied the standard on such Lease Arrangements and recognised the "Right of Use".

Further, the Company, having already paid the upfront Lease rentals / premium at the time of execution of Lease Deed which accounted for almost all the lease payments, does not owe any lease obligations under such lease arrangement and accordingly "Lease obligations" corresponding to "Right of Use" asset are not recognised.

Amount Recognized in Statement of Profit and Loss for the year ended 31st March, 2021

[₹ in Lakhs]

| Particulars | Amount |
|--|--------------|
| Depreciation recognised in the Statement of profit and loss | 17.60 |
| Expenses relating to lease of low-value assets, excluding short-term | -- |
| | <u>17.60</u> |

The details of Right of Use Asset held as lessee by class of underlying asset is presented below :

| Particulars | Amount |
|--|-----------------------|
| Opening Balance as on 01/04/2020 | 1575.32 |
| Additions During the year | -- |
| Depreciation Recognized During the year | 17.60 |
| Net Carrying value as on 31/03/2021 | <u>1557.72</u> |

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Note 45 : Capital Management

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

[₹ in Lakhs]

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Total equity attributable to the equity share holders of the company | 4525.12 | 4527.71 |
| As percentage of total capital | 94.63% | 94.40% |
| Current loans and borrowings | 187.71 | 165.80 |
| Non-current loans and borrowings | 69.31 | 102.72 |
| Total loans and borrowings | 257.02 | 268.52 |
| Cash and cash equivalents | 34.02 | 10.12 |
| Net loans & borrowings | 223.00 | 258.40 |
| As a percentage of total capital | 4.66% | 5.39% |
| Total capital (loans and borrowings and equity) | 4782.14 | 4796.23 |

Note 46 : Fair Value measurements

A. Financial instruments by category

[₹ in Lakhs]

| Particulars | 31st March, 2021 | | | 31st March, 2020 | | |
|------------------------------------|-------------------|---------------|-----------|-------------------|---------------|-----------|
| | Amortized Cost | FVTPL | FVTOCI | Amortized Cost | FVTPL | FVTOCI |
| Financial Assets | | | | | | |
| Investments | -- | 464.89 | -- | -- | 332.06 | -- |
| Loans | -- | -- | -- | -- | -- | -- |
| Trade & Other Receivables | 1136.13 | -- | -- | 1251.34 | -- | -- |
| Cash & Cash Equivalents | 34.02 | -- | -- | 10.12 | -- | -- |
| Other Bank Balances | 32.05 | -- | -- | 13.34 | -- | -- |
| Other Financial Assets | 52.58 | -- | -- | 40.01 | -- | -- |
| Total Financial Assets | 1254.78 | 464.89 | -- | 1314.81 | 332.06 | -- |
| Financial Liabilities | | | | | | |
| Borrowings | 192.48 | -- | -- | 214.83 | -- | -- |
| Trade Payables | 488.99 | -- | -- | 640.96 | -- | -- |
| Other Financial Liabilities | 73.16 | -- | -- | 61.28 | -- | -- |
| Total Financial Liabilities | 754.63 | -- | -- | 917.07 | -- | -- |

Fair value hierarchy

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

B. Fair value hierarchy for assets**Financial assets measured at fair value at March 31, 2021**

[₹ in Lakhs]

| | Level 1 | Level 2 | Level 3 | Total |
|--|---------|---------|---------|--------|
| Financial Assets | | | | |
| Investments - Real Estate Funds / Liquid Mutual Fund | 358.84 | 102.37 | 3.68 | 464.89 |

Financial assets measured at fair value at March 31, 2020

[₹ in Lakhs]

| | Level 1 | Level 2 | Level 3 | Total |
|--|---------|---------|---------|--------|
| Financial Assets | | | | |
| Investments - Real Estate Funds / Liquid Mutual Fund | 236.98 | 90.00 | 5.08 | 332.06 |

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 47 : 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.

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| 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 :

As at 31st March, 2021

| Particulars | Gross carrying amount (₹ in lakhs) | Expected credit losses rate (%) | Expected credit losses (₹ in lakhs) | Carrying amount of trade receivable (₹ in lakhs) |
|----------------------------|---------------------------------------|---------------------------------|--|---|
| Considered Good | | | | |
| 0 - 12 months | 1129.29 | 0.14% | 1.61 | 1127.68 |
| More than 1 year | 9.39 | 10% | 0.94 | 8.45 |
| Total | 1138.68 | | 2.55 | 1136.13 |
| Considered Doubtful | 5.47 | 100% | 5.47 | -- |
| Total | 1144.15 | | 8.02 | 1136.13 |

As at 31st March, 2020

| Particulars | Gross carrying amount (₹ in lakhs) | Expected credit losses rate (%) | Expected credit losses (₹ in lakhs) | Carrying amount of trade receivable (₹ in lakhs) |
|----------------------------|---------------------------------------|---------------------------------|--|---|
| Considered Good | | | | |
| 0 - 12 months | 1247.99 | 0.33% | 4.00 | 1243.99 |
| More than 1 year | 8.17 | 10% | 0.82 | 7.35 |
| Total | 1256.16 | | 4.82 | 1251.34 |
| Considered Doubtful | 5.47 | 100% | 5.47 | -- |
| Total | 1261.63 | | 10.29 | 1251.34 |

Reconciliation of loss allowance provision

As at 31st March 2021

Trade receivables

| Particulars | (₹ in Lakhs) |
|--|----------------|
| Loss allowance as on March 31, 2020 | (10.29) |
| Changes in loss allowance | 2.27 |
| Loss allowance as on March 31, 2021 | (8.02) |

As at 31st March 2020

Trade receivables

| Particulars | (₹ in Lakhs) |
|--|----------------|
| Loss allowance as on March 31, 2019 | (6.25) |
| Changes in loss allowance | 4.04 |
| Loss allowance as on March 31, 2020 | (10.29) |

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 Lakhs]

| Particulars | 31st March, 2021 | 31st March, 2020 |
|---------------------------|------------------|------------------|
| Cash and Cash Equivalents | 34.02 | 10.12 |

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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, 2021

[₹ in Lakhs]

| Financial Liabilities | Payable within 0 to 12 months | More than 12 months | Total |
|--|-------------------------------|---------------------|---------------|
| Non-current financial liabilities | | | |
| Borrowings | -- | 69.31 | 69.31 |
| | -- | 69.31 | 69.31 |
| Current financial liabilities | | | |
| Borrowings from Banks | 123.17 | -- | 123.17 |
| Trade Payables | 488.99 | -- | 488.99 |
| Other Financial Liability | 73.16 | -- | 73.16 |
| | 685.32 | -- | 685.32 |
| Total financial liabilities | 685.32 | 69.31 | 754.63 |

As at March 31, 2020

[₹ in Lakhs]

| Financial Liabilities | Payable within 0 to 12 months | More than 12 months | Total |
|--|-------------------------------|---------------------|---------------|
| Non-current financial liabilities | | | |
| Borrowings | -- | 102.72 | 102.72 |
| | -- | 102.72 | 102.72 |
| Current financial liabilities | | | |
| Borrowings from Banks | 112.11 | -- | 112.11 |
| Trade Payables | 640.96 | -- | 640.96 |
| Other Financial Liability | 61.28 | -- | 61.28 |
| | 814.35 | -- | 814.35 |
| Total financial liabilities | 814.35 | 102.72 | 917.07 |

(c) Market Risk

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

(i) Currency Risk

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

Exposure to currency risk

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

[Amount in lakhs]

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|------------------------------|----------------------|-----------------|----------------------|-----------------|
| Financial Assets | | | | |
| Trade Receivables | USD 2.90 | ₹ 212.88 | USD 7.16 | ₹ 544.94 |
| Total | 2.90 | ₹ 212.88 | 7.16 | ₹ 544.94 |
| Financial Liabilities | | | | |
| Trade Payable | USD 2.03 | ₹ 149.71 | USD 0.39 | ₹ 2.95 |
| Total | 2.03 | ₹ 149.71 | 0.39 | ₹ 2.95 |

Sensitivity Analysis

Any change with respect to strengthening (weakening) of the Indian Rupee against various currencies as at March 31, 2021 and March 31, 2020 would have affected the measurement of financial instruments denominated in respective currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates.

[₹ in Lakhs]

| Particulars | Profit or Loss | | Profit or Loss | |
|---|----------------------|---------------|----------------------|---------------|
| | As at March 31, 2021 | | As at March 31, 2020 | |
| | Strengthening | Weakening | Strengthening | Weakening |
| USD (Increase/Decrease by 1%, March 31, 2020 - 1%) | 0.63 | (0.63) | 5.41 | (5.41) |
| Total | 0.63 | (0.63) | 5.41 | (5.41) |

(ii) Interest rate risk

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

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

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

[₹ in Lakhs]

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--------------------------|-------------------------|-------------------------|
| Fixed rate borrowings | 0 | 0.82 |
| Floating rate borrowings | 257.02 | 267.70 |
| | 257.02 | 268.52 |

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Interest rate risk sensitivity:

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

[₹ in Lakhs]

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Impact on profit - increase in 50 basis points | (1.29) | (1.34) |
| Impact on profit - decrease in 50 basis points | 1.29 | 1.34 |

(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 48 :

Manufacturing facilities of the Company which were shutdown in the last week of March 2020 due to countrywide lockdown resumed operations in a phased manner from the last week of April 2020 after obtaining the requisite approvals.

The production of intermediates and chemicals operations has recovered after the initial phases of the lockdown as customer's own operations recommenced. The company has taken into account potential impacts of COVID – 19 in the preparation of the financial statements. Although the volume of sales has been decreased considerably, based on the information currently available there is no material impact on carrying amount of inventories, intangible assets, trade receivables and other financial assets though management continues to monitor changes in future economic conditions. The impact of COVID – 19 on financial statements may differ from that estimated as at the date of approval of these financial statements.

Note 49 :**(a) Due to Micro, Small and Medium Enterprise**

[₹ in Lakhs]

| No. | Particulars | 2020-2021 | 2019-2020 |
|-----|--|-----------|-----------|
| 1 | Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year. | 63.22 | 17.20 |
| 2 | The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year. | NIL | NIL |
| 3 | The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006. | NIL | NIL |
| 4 | The amount of interest accrued and remaining unpaid at the end of each accounting year; and | 2.33 | 2.81 |
| 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 received 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 50 : 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, 2021 are as under:

[₹ in Lakhs]

| Currency | Payable (In Foreign Currency) | | Receivable (In Foreign Currency) | | Payable (In Indian Rupee) | | Receivable (In Indian Rupee) | |
|----------|----------------------------------|-----------------------------|-------------------------------------|-----------------------------|------------------------------|-----------------------------|---------------------------------|-----------------------------|
| | As at 31st March 2021 | As at 31st March 2020 | As at 31st March 2021 | As at 31st March 2020 | As at 31st March 2021 | As at 31st March 2020 | As at 31st March 2021 | As at 31st March 2020 |
| USD | 2.03 | 0.39 | 2.90 | 7.16 | 149.71 | 2.95 | 212.88 | 544.94 |

DYNAMIC INDUSTRIES LIMITED

Note 51 : Statement of Management

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

Note 52 :

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

As per our attached report of even date.

FOR, ASHOK K. BHATT & CO.

[Firm Registration No. 100657W]

Chartered Accountants

Sd/-

ASHOK K. BHATT

Proprietor

Membership No. 036439

FOR AND ON BEHALF OF THE BOARD

Sd/-

HARIN MAMLATDARNA

Chairman & Whole Time Director

(DIN : 00536250)

Sd/-

KALPESH PATEL

Chief Financial Officer

Sd/-

DIPAKKUMAR CHOKSI

Vice Chairman & Managing Director

(DIN : 00536345)

Sd/-

KRUNAL A. CHAUHAN

Company Secretary

Place : Ahmedabad

Date : 3rd June, 2021

Place : Ahmedabad

Date : 3rd June, 2021