



DYNEMIC
COLOURING LIVES

22nd September, 2018

BSE Limited

PJ Towers, Dalal Street,
Mumbai 400 001

National Stock Exchange of India Limited

Exchange Plaza, Plot No. C/1, G Block
Bandra-Kurla Complex, Bandra (East)
Mumbai – 400 051

Scrip code : 532707

Trading Symbol : DYNPRO

Dear Sir,

Sub : Submission of Annual Report of the Company

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the 28th Annual Report of the Company.

Please take the above on record.

Thanking you,

Yours faithfully,

For Dynemic Products Limited

Varsha Mehta
Company Secretary & Compliance Officer

Encl : as above

DYNEMIC PRODUCTS LTD.

Regd. Office: B-301, Satyamev Complex-1, Opp. Gujarat High Court, S.G. Road,
Sola, Ahmedabad - 380 060, Gujarat, INDIA. Tel : +91 79 27663071/76
Email : info@dynemic.com Website : www.dynemic.com

Unit-I: 6401,6402,6415,6416,6400,6400/1, GIDC Estate, Ankleshwar - 393002.
Unit-II : 3709/6,3710/1,3710/3, GIDC Estate, Ankleshwar - 393002.
CIN: L24100GJ1990PLC013886

AN ISO 22000, ISO 9001 & ISO 14001 CERTIFIED COMPANY



DYNAMIC
COLOURING LIVES

28th ANNUAL REPORT
2017 - 2018

DYNAMIC PRODUCTS LIMITED



Bhagwandas K. Patel
Managing Director



Dear Members,

I am privileged to present the 28th Annual Report of our Company for the financial year 2017-18. It was a good year in terms of overall performance. In spite of uncertain environment both in India and global markets, the Company thru its Leadership excellence, increasing focus on high margin products and support of employees at all levels has managed to deliver good results.

Our financial performance continues to improve. We ended the year with revenue of Rs. 167 crores and EBITDA of Rs. 31 crores. Out PAT for FY18 stood at Rs. 18 crores with margins of 10.5% Comparing to previous year the net profits are high by 30%. Our EPS too has increased from 11.92 to 15.38.

The Board of Directors has recommended a dividend of Rs. 1.50 per equity share of Rs. 10 for the year 2017-18 amounting to Rs. 169.93 Lakhs.

As far as year 2018-19 is concerned, Quarter 1 results Net Profit are high by 15% if compared with previous year same period and looking to the overall market situation your Management is expecting to close the financial year on positive note.

On behalf of Board and the Management team, we wish to thank you for your undivided commitment, trust and faith in us. We will continue to build and deliver attractive returns. We would also like to thank our customers, vendors, bankers, insurance companies, consultants and advisors who always stood by us and extended strong support to us in all circumstances. We also take this opportunity to appreciate our employees who with their powerful sense of commitment and belonging helped the company to achieve the desired results.

Bhagwandas K. Patel
Managing Director

CORPORATE INFORMATION

BOARD OF DIRECTORS

Bhagwandas K. Patel	- Managing Director
Dashrathbhai P. Patel	- Whole Time Director (Upto 28.02.2018)
Rameshbhai B. Patel	- Whole Time Director
Dixit B. Patel	- Whole Time Director
Jagdishbhai S. Shah	- Independent Director
Shankarlal B. Mundra	- Independent Director
Ashishbhai R. Joshi	- Independent Director (Upto 24.06.2018)
Rashmi K. Otavani	- Independent Director

COMMITTEES OF DIRECTORS

Audit Committee

Ashish R. Joshi (Upto 24.06.18)
Jagdishbhai S. Shah
Bhagwandas K. Patel
Shankarlal B. Mundra (wef 30.06.18)

Nomination and Remuneration Committee

Shankarlal B. Mundra
Jagdishbhai S. Shah
Rashmi K. Otavani

Stakeholders Relationship Committee

Shankarlal B. Mundra
Bhagwandas K. Patel
Rashmi K. Otavani (wef 28.07.18)

Corporate Social Responsibility Committee

Bhagwandas K. Patel
Jagdishbhai S. Shah
Ashish R. Joshi (Upto 24.06.18)
Rashmi K. Otavani (wef 30.06.18)

Company Secretary

Varsha Mehta

Chief Financial Officer

Amisha Patel

Registered Office

B-301, Satyamev Complex-1,
Opposite Gujarat High Court,
S.G. Road, Sola, Ahmedabad - 380060.
Telephone No. : 079-27663071/76 Fax No. : 079-27662176
Email : cs@dynemic.com Website : www.dynemic.com

Plant Location

Unit-1 : 6401, 6402, 6415, 6416, 6400, 6400/1,
GIDC Estate, Ankleshwar - 393 002.

Unit-2 : 3709/6, 3710/1, 3710/3, GIDC Estate,
Ankleshwar - 393 002.

IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs ("MCA"), Government of India, through its Circular No. 17/2011 dated 21st April, 2011 and Circular No. 18/2011 dated 29th April, 2011, has allowed companies to send Annual Report comprising of Balance Sheet, Statement of the Profit & Loss, Boards' Report, Auditors' Report and Explanatory Statement etc., through electronic mode to the registered e-mail address of the members. Keeping in view the underlying theme and the circulars issued by MCA, we propose to send future communications in electronic mode to the e-mail address provided by you to the depositories and made available by them being the registered address. By opting to receive communication through electronic mode you have the benefit of receiving communications promptly and avoiding loss in postal transit.

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TWENTYEIGHT ANNUAL GENERAL MEETING

DATE	: September 21, 2018
DAY	: Friday
TIME	: 4.00 P.M.
PLACE	: Prasang Presidency R.C.T.I College Road, Opp. Unique City Homes, Ghatlodia, Ahmedabad - 380 061.
NOTE	: 1. Shareholders are requested to bring their copy of the Annual Report with them to the Annual General Meeting. 2. No gifts or coupons would be given to the shareholders for attending the Annual General Meeting. 3. Members desirous of getting any information on any items of business of this Meeting are requested to address their queries to Ms. Varsha Mehta, Company Secretary at the Registered Office of the Company at least ten days prior to the date of the Meeting, so that the information required can be made readily available at the Meeting.

DYNEMIC PRODUCTS LTD.

Registered Office : B-301, Satyamev Complex-1, Opp. Gujarat High Court,
S.G. Road, Sola, Ahmedabad - 380 060. Website : www.dynemic.com
CIN - L24100GJ1990PLC013886

Notice

Notice is hereby given that the 28th Annual General Meeting of the Company will be held at Prasang Presidency, R.C.T.I. College Road, Opp. Unique City Homes, Ghatlodia, Ahmedabad - 380 061 on Friday, 21st September, 2018, at 4.00 p.m. to transact the following business :

Ordinary Business :

1. To receive, consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2018, the reports of the Board of Directors and Auditors thereon; and the audited consolidated financial statement of the Company for the financial year ended March 31, 2018.
2. To declare dividend of Rs. 1.50 per Equity Share i.e. 15% per Equity Share for the year ended 31st March, 2018.
3. To appoint a Director in place of Shri Rameshbhai B. Patel, (holding DIN No. 00037568), liable to retire by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers himself for re-appointment and in this regard, pass the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Shri Rameshbhai B. Patel (DIN:00037568), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

Special Business :

4. To Consider and if thought fit to pass the following resolution with or without modification as an Ordinary Resolution:-
To ratify payment of remuneration to the Cost Auditors of the Company for FY 2018-19
"RESOLVED THAT pursuant to the provisions of Section 148 (3) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the Remuneration payable to M/s Anuj Aggarwal & Co., Cost Accountants Ahmedabad ((having firm registration No. 102409), appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2019, amounting to Rs. 85,000 (Rupees Eighty Five Thousand only) (apart from reimbursement of out-of pocket expenses incurred for the purpose of Audit), be and is hereby ratified and confirmed."
RESOLVED FURTHER THAT Mr. Bhagwandas K. Patel, Managing Director of the company be and is hereby authorized to file the necessary forms as and when required.
5. 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 Sections 202, and all other applicable provisions, if any, of the Companies Act, 2013, the relevant provisions of the Articles of Association of the Company and all applicable guidelines as applicable from time to time, approval of the Company be and is hereby accorded for paying compensation to Mr. Dashrathbhai P. Patel as a Wholetime Director of the Company, for the services rendered by him and his long term association with the Company".
6. To consider and, if thought fit, to pass with or without modifications, the following Resolution as a Special Resolution :
"RESOLVED THAT pursuant to the provisions of Sections 149, 152, Schedule IV of the Companies Act, 2013 and any other applicable provisions for the time being in force (including any statutory modification(s) or re-enactment thereof) and Regulation 25 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereunder made from time to time, Mr. Jagdish S. Shah (holding DIN 00037826), a Independent Director of the Company, who is eligible for re-appointment and who has submitted a declaration that he meets the criteria for Independence as provided in Section 149(6) of the Companies Act, 2013, be and is hereby re-appointed as an Independent Director of the Company to hold office for the second term of 5 consecutive years from April 01, 2019 to March 31, 2024 and shall not be liable to retire by rotation hereinafter in accordance with the provisions of the Companies Act, 2013."
"RESOLVED FURTHER THAT the Bhagwandas K. Patel, Managing Director of the Company be and is hereby severally authorized to do all acts, deeds and things as may be necessary or expedient to give effect to the resolution."
7. To consider and, if thought fit, to pass with or without modifications, the following Resolution as a Special Resolution :
"RESOLVED THAT pursuant to the provisions of Sections 149, 152, Schedule IV of the Companies Act, 2013 and any other applicable provisions for the time being in force (including any statutory modification(s) or re-enactment thereof) and Regulation 25 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereunder made from time to time, Mr. Shankarlal B. Mundra (holding DIN 00388204), a Independent Director of the Company, who is eligible for re-appointment and who has submitted a declaration that he meets the criteria for Independence as provided in Section 149(6) of the Companies Act, 2013, be and is hereby re-appointed as an Independent Director of the Company to hold office for the second term of 5 consecutive years from April 01, 2019 to March 31, 2024 and shall not be liable to retire by rotation hereinafter in accordance with the provisions of the Companies Act, 2013."
"RESOLVED FURTHER THAT the Bhagwandas K. Patel, Managing Director of the Company be and is hereby severally authorized to do all acts, deeds and things as may be necessary or expedient to give effect to the resolution."

By Order of the Board

Ahmedabad
28th July, 2018

Varsha R. Mehta
Company Secretary
Membership No. A24312

Notes

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF, SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies, in order to be effective, must be received at the Company's Registered Office not later than 48 hours before the commencement of the meeting.
3. **Members desirous of getting any information on any items of business of this Meeting are requested to address their queries to Ms. Varsha Mehta, Company Secretary at the Registered Office of the Company at least ten days prior to the date of the Meeting, so that the information required can be made readily available at the Meeting.**
4. All documents referred to in the notice and annexures thereto along with other mandatory registers / documents are open for inspection at the registered office of the Company on all working days (except Saturdays and Sundays) between 11.00 a.m. to 1.00 p.m. prior to the date of Annual General Meeting.
5. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 which sets out details relating to Special Business at the meeting, is annexed hereto.
6. **The instructions for members for voting electronically are as under:-**
 - (i) The voting period begins on Tuesday, September, 18, 2018 (9.00 am) and ends on Thursday, September, 20, 2018 (5.00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, September 14, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) Log on to the e-voting website www.evotingindia.com.
 - (iii) Click on "Shareholders" tab.
 - (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (v) Next enter the Image Verification as displayed and Click on Login.
 - (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) - Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer Serial No. on the name and Address sticker / Postal Ballot Form /mail) in the PAN field. - In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

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

voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

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

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xix) above to cast vote.
- (B) The voting period begins on Tuesday, September, 18, 2018 (9.00 am) and ends on Thursday, September, 20, 2018 (5.00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, September 14, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

- (xx) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of Friday, September 14, 2018.

7. Mr. Rajesh Shah, Chartered Accountant of M/s Shah Rajesh & Associates, (Membership No. 036232, FRN 109767W), C-113-B, Ganesh Meridian, Opposite Kargil Petrol Pump, Near Gujarat High Court, S.G. Road, Sola, Ahmedabad - 380060 has been appointed as the Scrutinizer to scrutinize the e-voting process and voting through ballot papers at the AGM, in a fair and transparent manner.
8. The Register of Members and Share Transfer Books will remain closed from 15th September, 2018 to 21st September, 2018 (both days inclusive), for the purpose of AGM and payment of Dividend, if declared.
9. The Dividend, as recommended by the Board of Directors, if declared at the 28th Annual General Meeting, will be paid within the prescribed statutory period to those Members who hold Shares in physical form and whose name appears on the Company's Register of Members as holders of Equity Shares on 14th September, 2018.

In respect of Shares held in electronic form, to the Beneficial Owners of the Shares as at the close of business hours on 14th September, 2018, as per details to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND UNDER SECRETARIAL STANDARD ON GENERAL MEETINGS FOR ITEM 4 TO 7**ITEM No. 4**

The Board of Directors on the recommendation of the Audit Committee, appointed M/s. Anuj Aggarwal & Co., Cost Accountants, Ahmedabad as the Cost Auditors to carry out the audit of cost records of the Company for the financial year 2018-19 and fixed the remuneration of Rs. 85,000 plus GST and out of pocket expenses. As per the provisions of Section 148 of the Companies Act, 2013 read with the Companies [Audit and Auditors] Rules, 2014, the remuneration fixed by the Board of Directors shall be ratified by the members by passing a resolution. Accordingly, consent of the members is being sought for passing an Ordinary Resolution for ratification of remuneration payable to the Cost Auditors to carry out the audit of cost records of the Company for the financial year 2018-19. None of the Directors and Key Managerial Personnel of the Company and their relatives, are in any way concerned or interested in the said Resolution. The Board recommends passing of the said resolution as an Ordinary Resolution for the approval of members of the Company.

ITEM No. 5

The Board of Directors of the Company at the Board Meeting held on 26/05/2018, subject to the approval of Members decided to give car worth Rs. 22,53,964/- (book value as on 28/02/2018) to Shri Dashrathbhai Patel who resigned from Board wef 1st March, 2018 as a token looking to his long term association and dedication towards the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives, are in any way concerned or interested in the said Resolution. The Board recommends passing of the said resolution as an Ordinary Resolution for the approval of members of the Company.

ITEM No. 6 and ITEM No. 7

Mr. Jagdish S. Shah (DIN 00037826) and Mr. Shankarlal B. Mundra (DIN 00388204), were appointed as Independent Directors of the Company by the members of the Company in their 24th AGM held on 11th September, 2014 for a term of 5 consecutive years, effective from April 01, 2014 to March 31, 2019 ("first term"). The current term of their office is due to expire on March 31, 2019.

The Nomination and Remuneration Committee ("NRC") of the Board of Directors, on the basis of the report of performance evaluation, has recommended re-appointment of Mr. Jagdish S. Shah and Mr. Shankarlal B. Mundra as Independent Directors for a second term of 5(five) consecutive years on the Board of the Company.

The Board, based on the performance evaluation and as per the recommendation of the NRC, considers that, given their background and experience and contributions made by them during their tenure, the continued association of Mr. Jagdish S. Shah and Mr. Shankarlal B. Mundra would be immense benefit to the Company and it is desirable to continue to avail their services as Independent Directors. Accordingly, it is proposed to re-appoint Mr. Jagdish S. Shah and Mr. Shankarlal B. Mundra as Independent Directors of the Company, not liable to retire by rotation, for a second term of 5(five) consecutive years on the Board of the Company.

Mr. Jagdish S. Shah and Mr. Shankarlal B. Mundra, Independent Directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Act and under the Listing Regulations.

In the opinion of the Board, each of these Directors fulfill the conditions specified in the Companies Act, 2013 and Listing regulations.

Mr. Jagdish S. Shah and Mr. Shankarlal B. Mundra are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

Mr. Jagdish S. Shah is the Chairman of Audit Committee and Member in NRC and CSR Committee of the Company. And Mr. Shankarlal B. Mundra is the Chairman of NRC and SRC Committee and is member of Audit Committee.

Mr. Jagdish S. Shah and Mr. Shankarlal B. Mundra does not hold by themselves or together with their relatives two percent or more of the total voting power of the Company.

Brief resume and other details of the Independent Directors whose appointment is proposed are provided in the annexure to the Explanatory Statement attached herewith.

Copy of the draft letter for appointment of the above Directors setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

Mr. Jagdish S. Shah and Mr. Shankarlal B. Mundra are deemed to be interested in the resolutions set out at Item no. 6 and 7 respectively of the Notice with regard to their respective appointment.

Save and except above, none of the other Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the above resolutions.

The Board recommends the Special Resolution set out at Item No. 6 and 7 of the Notice for approval by the members. This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations.

Relevant details as stipulated under Regulation 36(3) of SEBI (LODR), 2015 and Secretarial Standard on General Meetings ("SS-2") issued by Institute of Company Secretaries of India, in respect of Directors seeking Appointment / Re-appointment are as under:

Annexure to Notice

Details of Directors seeking Appointment / Re-appointment

Particulars	Mr. Ramesh B. Patel	Mr. Jagdish S. Shah	Mr Shankarlal B. Mundra
Age	54	62	58
Qualifications	B.Sc.	B.Com / LLB	B.Com / LLB
Experience (Brief Resume)	Shri Rameshbhai B. Patel aged 54 years is Bachelor of Science having rich experience of above 30 years in colour & chemical industry and is one of the promoter of the Company. He is in charge of total production/ R&D of Unit I at Ankleshwar. He has been instrumental and a driving force for increasing efficiency of plants, developing new product/expanding product range, selecting technology at Dynemic Products Ltd. He was appointed as Whole Time Director of the Company for a period of 5 years with effect from 01.09.2015 which was approved by the shareholders in the 25th Annual General Meeting held on 25.09.2015.	Mr. Jagdish S. Shah is an Independent Director of the Company. He has to his credit 35 years of work experience of industrial Development of the state. Apart providing services to the Company, he was holding the post of officer on special duty in Industrial Extension Bureau (iNDEXTb), a government of Gujarat Organization. Right now he is holding post of Secretary General in Gujarat Chamber of Commerce and Industry.	Mr. Shankarlal B. Mundra is an Independent Director of the Company. He is practicing as tax consultant since 28 years.
Terms and Conditions of Appointment / Re-appointment	As per the resolution at item no. 3 of the Notice convening Annual General Meeting on July 28, 2018 read with explanatory statement thereto	As per the resolution at item no. 6 of the Notice convening Annual General Meeting on July 28, 2018 read with explanatory statement thereto	As per the resolution at item no. 7 of the Notice convening Annual General Meeting on July 28, 2018 read with explanatory statement thereto
Remuneration last drawn (including sitting fee, if any)	Rs. 27.62 Lakhs	Rs. 0.32 Lakhs	Rs. 0.32 Lakhs
Remuneration proposed to be paid	As per resolution at item no. 7 passed by the shareholders at the Annual General Meeting held on 25th September, 2015	As per resolution at item no. 5 passed by the shareholders at the Annual General Meeting held on 11th September, 2014	As per resolution at item no. 7 passed by the shareholders at the Annual General Meeting held on 11th September, 2014
Date of First appointment on the Board	14.06.1990	07.06.2004	29.09.2005
Shareholding in the Company as on March 31, 2018	679993	Nil	Nil
Relationship with other Directors / KMP	Not related to any Director / Key Managerial Personnel	Not related to any Director / Key Managerial Personnel	Not related to any Director / Key Managerial Personnel
Number of meetings of the Board attended during the year	5	4	4

Directorships of other Boards as on March 31, 2018	• Dynamic Overseas (India) Pvt. Ltd. • Ratnamani Bio-Chemicals And Pharmaceuticals Pvt. Ltd.	Nil	Nil
Membership / Chairmanship of Committees of other Boards as on March 31, 2018	Nil	Nil	Nil

By Order of the Board

Ahmedabad
28th July, 2018

Varsha R. Mehta
Company Secretary
Membership No. A24312

Boards' Report

Dear Shareholders,

Your Directors have pleasure in presenting the 28th Annual Report together with the audited Statement of Accounts of the Company for the year ended March 31, 2018.

FINANCIAL RESULTS

Particulars	(Rs. in Lakhs)			
	Standalone		Consolidated	
	Year ended 31st March'18	Year ended 31st March'17	Year ended 31st March'18	Year ended 31st March'17
Revenue from Operations	16173	13477	16188	13546
Other Operating Income	526	417	528	419
Total Income from Operations (net)	16699	13894	16716	13965
Other Income	25	20	30	25
Total Income	16724	13914	16746	13990
Profit before Interest, Depreciation & Amortization and Tax Expenses	3141	2527	3148	2536
Finance Cost	119	150	119	151
Depreciation & Amortization	332	317	332	317
Profit Before Tax	2690	2060	2697	2068
Provision for Current Tax	937	714	938	716
Provision for Deferred Tax	3	(3)	3	(3)
Total Tax	940	711	941	713
Profit after Tax	1750	1349	1756	1355
Other Comprehensive Income	(8)	0.7	(8)	0.7
Total Comprehensive Income / (Expenses)	1742	1350	1748	1355

The Company has adopted Indian Accounting Standards (Ind AS) from 1st April, 2017. The figures for the Year ended 31st March, 2018 are also Ind AS compliant.

DIVIDEND & RESERVES

Your Directors are pleased to recommend dividend of 15% i.e. Rs. 1.50 each on 11328449 equity shares of Rs. 10/- each, for your final approval. The total outflow on dividend will be Rs. 1,69,92,674 and tax on dividend Rs. 34,59,297. Appx. 3% of the Net Profit Rs. 50,00,000 has been transferred to General Reserves.

COMPANY'S OPERATIONS

Information on operational and financial performance, etc. of the Company for the financial year is given in the Management Discussion and Analysis which is set out as Annexure F to the Boards' Report.

CREDIT RATING

Company has got its credit rating through CRISIL, and CRISIL has assigned CRISIL BBB/Stable on the long-term and short-term bank facilities.

ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

The information to be disclosed under Section 134 (3) (m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, are set out in Annexure A to this Report.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

As part of its initiatives under "corporate social responsibility" (CSR), the company has contributed funds for the scheme Awareness and Eradication of Thalassemia. The contributions in this regard has been made to the registered trust which is undertaking these scheme.

The Annual Report on CSR activities is annexed herewith as : Annexure B.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013. The details of the investments made by company is given in the notes to the financial statements.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Pursuant to requirement of the Companies Act, 2013, Shri Rameshbhai B. Patel shall retire at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment. The details of Directors seeking appointment/re-appointment at the ensuing Annual General Meeting has been provided in the Notice of the Annual General Meeting, forming part of the Annual Report.

Resignation

Mr. Dashrathbhai P. Patel (having DIN: 00008160) Whole Time Director resigned from the post of Director wef 1st March, 2018.

Mr. Ashishbhai R. Joshi (having DIN: 03373074) Independent Director resigned from the post of Director wef 25th June, 2018.

The Board of Directors place on record their deep appreciation of the valuable guidance and immense contribution made by Mr. Dashrathbhai P. Patel and Mr. Ashishbhai R. Joshi during their tenure as Director of the Company.

The Independent Directors hold office for a fixed term of five years and are not liable to retire by rotation. In accordance with Section 149(7) of the Act, each independent director has given a written declaration to the Company confirming that he/she meets the criteria of independence as mentioned under Section 149(6) of the Act and SEBI Regulations.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, the Board has carried out an evaluation of its own performance and the Directors individually. A process of evaluation was followed by the Board for its own performance and that of its Committees and individual Directors. A familiarization programme was conducted for Independent Directors to familiarize them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters and the said was updated on website of the Company.

Remuneration and Nomination Policy

Company's Policy on Directors, KMP and other employees as per Section 134(3) of Companies Act, 2013 is given in Corporate Governance Section forming part of Annual Report.

Meetings

The Board of Directors duly met 5 (Five) times respectively on 18.04.2017, 26.05.2017, 29.07.2017, 13.11.2017 and 09.02.2018 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed.

INSURANCE

All movable and immovable properties as owned by the Company continued to be adequately insured against risks.

DISCLOSURE UNDER THE SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 and also has constituted Internal Complaints Committee (ICC). All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year.

- No. of complaints received. - NIL
- No. of complaints disposed off - Not Applicable.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134 (5) of the Companies Act, 2013 it is hereby confirmed that :

- in the preparation of the annual accounts for the financial year ended 31st March 2018, the applicable accounting standards had been followed and that there are no material departures;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 and of the profit / loss of the Company for the year under review;

- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors have prepared the accounts for the financial year ended 31st March, 2018 on a going concern basis;
- 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;
- the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large. The Company had also taken members' approval at its Annual General Meeting held on 11th September, 2014 for entering into the transactions with Related Parties. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website www.dynemic.com/shareholder-information.php

Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

Material Changes:

There have been no material changes and commitments affecting the financial position of the Company since the close of financial year i.e. since 31st March, 2018. Further, it is hereby confirmed that there has been no change in the nature of business of the Company.

AUDITORS :-

(A) STATUTORY AUDITORS:-

M/s Asim Ravindra & Associates, Chartered Accountants were appointed as Statutory Auditors of your Company at the Annual General Meeting held on 25th September, 2017 for a term of five consecutive years. As per the Companies Amendment Bill now ratification by members at AGM for Auditors is omitted.

The Report given by the Auditors on the financial statements of the Company is part of the Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

(B) SECRETARIAL AUDITOR:-

Pursuant to provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed M/s. Ashok Pathak & Associates, Company Secretary in practice to undertake the Secretarial Audit of the Company. The Secretarial Audit report is annexed herewith as "Annexure C" for the financial year ended on 31st March, 2018. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

(C) COST AUDITOR:-

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, the Cost Audit records maintained by the Company are required to be audited by a qualified Cost Accountant.

Your Directors have on the recommendation of the Audit Committee, appointed M/s Anuj Aggarwal & Co., Cost Accountants (Firm Registration number 102409) to audit the cost accounts of the Company for the Financial Year 2018-2019. As required under the Act, the remuneration payable to the Cost Auditor is required to be placed before the Members in a General Meeting for their ratification.

A Resolution seeking ratification of remuneration payable to M/s Anuj Aggarwal & Co, Cost Accountants is included in the Notice convening the Annual General Meeting.

EXTRACT OF ANNUAL RETURN:

As required by Section 92(3) of the Companies Act, 2013 and the Rules framed there under, the extract of the Annual Return in Form MGT 9 is annexed herewith as "Annexure D"

RISK MANAGEMENT POLICY:

Pursuant to section 134 (3) (n) of the Companies Act, 2013, the company has framed Risk Management Policy. The details of the policy are as updated on website of the company. At present the company has not identified any element of risk

which may threaten the existence of the company.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT :

As per Clause 34(2) (e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report, is appended to this report.

CORPORATE GOVERNANCE:

A separate section on Corporate Governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance forms an integral part of this Report, as per SEBI Regulations.

PARTICULARS OF EMPLOYEES

There was no employee drawing salary in excess of limits described under Section 134 of the Companies Act, 2013 read with Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014.

FIXED DEPOSITS

The Company has not accepted any fixed deposits during the year under report.

CONSOLIDATED FINANCIAL STATEMENT

The Consolidated Financial Statements of the Company for the Financial Year 2017-18 are prepared in compliance with the applicable provisions of the Act, Accounting Standards and Regulations as prescribed by Securities and Exchange Board of India (SEBI) under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to the provisions of Section 136 of the Companies Act, 2013, the Financial Statements of the Company, the Consolidated Financial Statements along with all relevant documents and the Auditor's Report thereon form part of this Annual Report. The Financial Statements as stated above are also available on the website www.dynemic.com of the Company.

SUBSIDIARY AND ASSOCIATE COMPANY

A report on the performance and financial position of subsidiary and associate company as per Companies Act, 2013 is provided in Annexure - E.

INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY:

The details in respect of internal financial control and their adequacy are included in the Management and Discussion & Analysis, which forms part of this report.

Vigil Mechanism and Whistle Blower Policy

The Company has a WHISTLE BLOWER POLICY to deal with instance of unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct, if any. The details of the WHISTLE BLOWER POLICY are posted on the website of the Company. During the year under review, no employee was denied access to the Audit Committee. www.dynemic.com/shareholder-information.php

GENERAL

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.

ACKNOWLEDGEMENT

The Board wishes to express appreciation and place on record its gratitude for the faith reposed in and co-operation extended to the Company by all customers, vendors, investors, bankers, insurance companies, consultants and advisors of the Company. Your Directors place on record their appreciation of the dedicated and sincere services rendered by the employees of the company.

Ahmedabad
28th July, 2018

For and on Behalf of the Board of Directors

Bhagwandas K. Patel
Managing Director

Dixitbhai B. Patel
Director

DETAILS PERTAINING TO EMPLOYEES AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT 2013

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2017-18, ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year 2017-18 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under :

Sr.No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for FY 2017-18 *(Rs. in Lakhs)	% increase in Remuneration in the FY 2017-18	Ratio of remuneration of each Director / to median remuneration of employees
1	Bhagwandas K. Patel Managing Director	28.41	8%	76.74
2	Dashrathbhai P. Patel Whole Time Director	19.90	7%	53.76
3	Rameshbhai B. Patel Whole Time Director	26.59	9%	71.82
4	Dixitbhai B. Patel Whole Time Director	18.96	12%	51.22
5	Varsha R. Mehta Company Secretary and Compliance Officer	7.46	11%	20.15
6	Amisha R. Patel Chief Financial Officer	6.26	14%	16.90

* Excluding Commission and Leave Pay

- i) The median remuneration of employees of the Company during the financial year was 0.37 lakhs
- ii) In the financial year, there was 18% increase in the median remuneration of employees;
- iii) There were 180 permanent employees on the rolls of Company as on March 31, 2018;
- iv) Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2017-18 was 20%.
- v) The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- vi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year - Not Applicable; and
- vii) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- viii) The disclosure require as per Rule 5(2) Section 197 is not applicable as there were no employees drawing remuneration exceeding the limit.

ANNEXURE A - TO THE BOARDS' REPORT

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo as required under Section 134 (3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014

A. CONSERVATION OF ENERGY :

(i) Steps taken for conservation of energy

The Company has adopted several energy conservation measures besides what had been carried out earlier. Periodical testing is being taken for each unit of power supply to verify that the energy consumed is minimized.

(ii) Steps taken by the Company for utilizing alternate sources of energy – N.A.

(iii) The Capital investment on energy conservation equipments - Nil

B. TECHNOLOGY ABSORPTION :

(i) Efforts towards technology absorption - Continuous endeavor to improve Product Quality & Process Yield.

(ii) The benefits derived like product improvement, cost reduction, product development or import Substitution - The Company is able to market its value added products in Domestic as well as International Market

(iii) Information regarding imported technology (Imported during last three years) - Nil

(iv) Expenditure incurred on Research and Development - Nil

C. FOREIGN EXCHANGE EARNING AND OUTGO :

(Rs. in Lakhs)

	Current Year Rs.	Previous Year Rs.
Foreign Exchange earned	8827	7463
Foreign Exchange used	71	71

For and on Behalf of the Board of Directors

Ahmedabad
28th July, 2018

Bhagwandas K. Patel
Managing Director

Dixitbhai B. Patel
Director

Annexure B to Board Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

CSR policy is stated herein below :

CSR Policy

(Approved by the Board of Directors on 08.11.2014)

Our aim is to be one of the most respected companies in India delivering superior and everlasting value to all our customers, associates, shareholders, employees and Society at large.

The CSR initiatives focus on holistic development of host communities and create social, environmental and economic value to the society. To pursue these objectives we will continue to spend the required amount as provided in Schedule VII of the Companies Act, 2013

Web Link : www.dynemic.com/shareholder-information.php

2. Composition of CSR committee

Name of The Member

Designation

Shri Bhagwandas K. Patel

Chairman

Shri Jagdish Shah

Member

Shri Ashish Joshi (Upto 24.06.2018)

Member

Mrs. Rashmi K. Otavani (wef 30.06.2018)

Member

3. Average net profit of the company for last three financial years:

Average net profit : Rs. 14.97 Crores

4. Prescribed CSR Expenditure (Two percent of the amount as in item 3 above)

The company is required to spend Rs. 29.94 Lakhs

5. Details of CSR spend for the financial year :

a) Total amount spent for the financial year : Rs. 30,00,000/-

b) Amount unspent if any : Nil

c) Manner in which the amount spent during the financial year is detailed below:

Sr.No.	Projects / Activities	Sector	Locations	Amount spent on the project (Rs. Lakhs)	Amount spent: Direct or through implementing agency* (Rs. Lakhs)
1.	Project of Awareness and Eradication of Thalassemia	Healthcare	All over India	30.00	30.00

* Details of implementing agency : Shri Arvindo Institute of Applied Scientific Research Trust.

The implementation and monitoring of CSR policy is in compliance with CSR objectives and Policy of the Company.

B.K. Patel

(Chairman of CSR Committee)

J.S. Shah

(Member of CSR Committee)

R.K. Otavani

(Member of CSR Committee)
(wef 30.06.2018)

ANNEXURE :- I

TO DIRECTORS' REPORT

**CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE
GOVERNANCE AS PER REQUIREMENT UNDER REGULATION 34(3) READ
WITH SCHEDULE V OF SEBI (LODR) Regulations, 2015.**

- 1] We have examined the Compliance of conditions of Corporate Governance by **Dynemic Products Limited ("the Company")** for the year ended 31st March, 2018 as stipulated in Regulation 34(3) read with Schedule V (E) of SEBI (LODR) Regulations, 2015
- 2] The compliance of conditions of corporate governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted 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.
- 3] In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance.
- 4] As required by the Guidance Note issued by the Institute of Chartered Accountant of India we have to state that based on the report given to the Registrar of the Company by the Investor's Grievance Committee, as on 31st March, 2018, there were no investor grivence matter against the Company remaining unattended /pending for more than 30 days.
- 5] We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For, **ASIM RAVINDRA & ASSOCIATES**
CHARTERED ACCOUNTANTS
FRN. 118775W

[**RAVINDRA MEHTA**]
PARTNER
M. No. 043051

Place : Ahmedabad
Date : 26/05/2018

Annexure C to Board Report

FORM NO. MR.3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Dynemic Products Limited
B-301, Satyamev Complex-1
Gandhinagar-Sarkhej Highway Road Court,
Sola. Ahmedabad.380 060

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Dynemic Products Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Dynemic Products Limited'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, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of :

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) The following are other laws specifically applicable to the company :
 - (a) Food Safety and Standards Act, 2006;
 - (b) Export (Quality Control and Inspection) Act, 1963 as Amended by Export (Quality Control And Inspection) Amendment Act, 1984;
 - (c) Indian Boiler Act, 1923

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

- (i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

We hereby report that during the period under review, the company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

We 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were usually 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.

There were no dissenting views on any matter.

We 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.

We further report that during the audit period the company has no 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.

Place : Ahmedabad

Date : 17/07/2018

For, Ashok P. Pathak & Co.
Company Secretaries
UCN : S1997GJ020700

Ashok P. Pathak
C P No.: 2662

Note :

This report is to be read with our letter of even date which is annexed as **Annexure I** and forms an integral part of this report.

ANNEXURE- I to Secretarial Audit Report

To,
The Members
Dynemic Products Limited
B-301, Satyamev Complex-1
Gandhinagar-Sarkhej Highway Road Court,
Sola. Ahmedabad-380 060.

Our report of 17th July, 2018 is to be read along with this letter

1. Maintenance of Secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain responsible assurance about the correctness of the contents of 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 follow provide a responsible basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : Ahmedabad

Date : 17/07/2018

For, Ashok P. Pathak & Co.
Company Secretaries
UCN : S1997GJ020700

Ashok P. Pathak
C P No.: 2662

Annexure D to Board Report Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS :

- i) CIN : L24100GJ1990PLC013886
- ii) Registration Date : 14/06/1990
- iii) Name of the Company : DYNEMIC PRODUCTS LIMITED
- iv) Category / Sub-Category of the Company : Company Limited by Shares
- v) Address of the Registered office and contact details : B-301, SATYAMEV COMPLEX-1, OPPOSITE GUJARAT HIGH COURT, S.G. ROAD, SOLA, AHMEDABAD – 380 060.
- vi) Whether listed company : YES
- vii) Name, Address and Contact details of Registrar and Transfer Agent : **Bigshare Services Pvt. Ltd.**
1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road, Marol,
Andheri(E), Mumbai - 400 059.
Tel : 91-022-62638200
Fax : 91-22-62638299

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products / services	NIC Code 2004 of the Product / Service	% to total turnover of the Company
1	Food Colour	24113	70.50%
2	Dye Intermediates	24117 & 24119	29.50%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	Dynamic Overseas (India) Pvt Ltd B-302, Satyamev Complex-1, Opp: Gujarat High Court, S.G. Highway, Ahmedabad.	U51909GJ1999PTC037037	Subsidiary	98.09%	Section 2(87)
2.	Dynemic Holdings Private Limited B-309, Satyamev Complex-1, Opp: Gujarat High Court, S.G. Highway, Ahmedabad.	U65993GJ2007PTC052280	Associate	49.22%	Section 2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2017)				No. of Shares held at the end of the year (As on 31-03-2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
a) Individuals/ HUF	4338732	Nil	4338732	38.30	4385762	Nil	4385762	38.71	0.42
b) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0
c) State Govt (s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0
d) Bodies Corporate	152220	Nil	152220	1.34	152220	Nil	152220	1.34	0
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0
f) Any Other...	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0
Sub Total(A)(1)	4490951	Nil	4490951	39.64	4537982	Nil	4537982	40.06	0.42
(2) Foreign									
a) NRI – Individual	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Other – Individual	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any Other...	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub Total(A)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	4490951	Nil	4490951	39.64	4537982	Nil	4537982	40.06	0.42
B. Public Shareholding									
a) Mutual Fund/Banks/FI	Nil	Nil	Nil	Nil	4156	Nil	4156	0.04	0.04
b) Central Govt.	Nil	Nil	Nil	Nil	15020	Nil	15020	0.13	0.13
c) State Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Venture Capital Fund	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Insurance Cos.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) FIIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g) Foreign Venture Capital Investors	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Others(specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub Total (B)(1)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
B2 Non-Institutions									
a) Bodies Corporate	558265	Nil	558265	4.93	653171	Nil	653171	5.76	0.83
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakhs	4107109	169761	4276870	37.75	3761868	121611	3883479	34.28	-3.47
ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	1613040	50000	1663040	14.68	1785974	50000	1835974	16.21	1.53
c) Trusts	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c-i) Clearing Member	68477	Nil	68477	0.60	134603	Nil	134603	1.19	0.59

c-iii) NRI	194673	Nil	194673	1.72	191656	Nil	191656	1.69	-0.03
c-iv)NRI (Non-Repat)	70704	Nil	70704	0.62	59108	Nil	59108	0.52	-0.10
Sub-Total (B)(2)	6617737	219761	6837498	60.36	6599680	171611	6771291	59.77	-0.59
(B) Total Public Shareholding (B)= (B)(1)+(B)(2)	6617737	219761	6837498	60.36	6618856	171611	6790467	59.94	-0.42
TOTAL (A)+(B)	11108688	219761	11328449	100	11156838	171611	11328449	100	0
(C) Shares held by Custodians and against which Depository Receipts have been issued									
1) Promoter and Promoter Group	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2) Public	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-Total (C)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
GRAND TOTAL (A)+(B)+(C)	11108688	219761	11328449	100	11156838	171611	11328449	100	0

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/e ncumbere d to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/e ncumbere d to total shares	
1.	BHAGWANDAS KALIDAS PATEL	1207182	10.66	Nil	1207182	10.66	Nil	Nil
2.	DASHRATHBHAI PRAHLADDAS PATEL – HUF	550347	4.86	Nil	550347	4.86	Nil	Nil
3.	RAMESHKUMAR BHAGWANDAS PATEL	673241	5.94	Nil	679993	6.00	Nil	0.06
4.	MAHENDRA KALIDAS PATEL	28200	0.25	Nil	28192	0.25	Nil	Nil
5.	KANTILAL KALIDAS PATEL	55150	0.49	Nil	55150	0.49	Nil	Nil
6.	JAYANTILAL KALIDAS PATEL	23950	0.21	Nil	23950	0.21	Nil	Nil
7.	KIRTI BHAGWANDAS PATEL	107903	0.95	Nil	114403	1.01	Nil	0.06
8.	VIMLA BHAGWANDAS PATEL	90730	0.80	Nil	117000	1.03	Nil	0.23
9.	RAJULABEN JAYANTIBHAI PATEL	24113	0.21	Nil	24133	0.21	Nil	Nil
10.	SOBHANABEN M. PATEL	25543	0.22	Nil	25535	0.22	Nil	Nil
11.	VISHNU BHAGWANDAS PATEL	85406	0.75	Nil	85406	0.75	Nil	Nil
12.	DALSHIBEN B. PATEL	41100	0.36	Nil	41100	0.36	Nil	Nil
13.	LILABEN DASARATHBHAI PATEL	104730	0.92	Nil	104730	0.92	Nil	Nil
14.	DASHARATHBHAI P. PATEL	689975	6.09	Nil	695400	6.14	Nil	0.05
15.	PALAK DASHRATHBHAI PATEL	98000	0.87	Nil	98000	0.87	Nil	Nil
16.	MUKESHKUMAR BHAGWANDAS PATEL	114581	1.01	Nil	114581	1.01	Nil	Nil
17.	CHETNA MUKESHKUMAR PATEL	132000	1.16	Nil	132000	1.16	Nil	Nil
18.	DIXIT BHAGWANBHAI PATEL	138175	1.22	Nil	139775	1.23	Nil	0.01
19.	BHAGWATIBEN K. PATEL	43465	0.38	Nil	43465	0.38	Nil	Nil
20.	KAMINIBEN V. PATEL	49074	0.43	Nil	49074	0.43	Nil	Nil
21.	MITTAL D PATEL	2450	0.02	Nil	2450	0.02	Nil	Nil
22.	HANSABEN RAMESHBHAI PATEL	18202	0.16	Nil	18202	0.16	Nil	Nil
23.	DYNEMIC HOLDINGS PRIVATE LIMITED	152220	1.34	Nil	152220	1.34	Nil	Nil
24.	BHAGWANDAS K. PATEL (HUF)	35194	0.31	Nil	35694	0.32	Nil	0.01
	Total	4490951	39.64	Nil	4537982	40.06	Nil	0.41

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

	Shareholding at the beginning of the year (As on 01-04-2017)		Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
At the beginning of the year	4490951	39.64		
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/transfer/bonus/sweat equity etc):	#		#	
At the End of the year	4537982	40.06		

Details of Purchase / Transfer / Inter-se Transfer

Sr. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
		No. of Shares at the beginning (01-04-17) / end of the year (31-03-18)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Vimlaben B. Patel	90730	0.80	09.05.17	1500	Purchase	92230	0.81
2	Vimlaben B. Patel	92230	0.81	10.05.17	5396	Purchase	97626	0.86
3	Vimlaben B. Patel	97626	0.86	11.05.17	274	Purchase	97900	0.86
4	Shobhanaben M. Patel	25543	0.22	08.05.17	-8	Sell	25535	0.22
5	Mahendrabhai K. Patel	28200	0.25	05.06.17	-8	Sell	28192	0.25
6	Rameshbhai B. Patel	673241	5.94	21.06.17	3500	Purchase	676741	5.97
7	Kirtibhai B. Patel	107903	0.95	21.06.17	3500	Purchase	111403	0.98
8	Vimlaben B. Patel	97900	0.86	21.06.17	5500	Purchase	103400	0.91
9	Vimlaben B. Patel	103400	0.91	22.06.17	1500	Purchase	104900	0.93
10	Dashrathbhai P. Patel	689975	6.09	22.06.17	3025	Purchase	693000	6.12
11	Dashrathbhai P. Patel	693000	6.12	23.06.17	2400	Purchase	695400	6.14
12	Dixitbhai B. Patel	138175	1.22	29.09.17	530	Purchase	138705	1.22
13	Dixitbhai B. Patel	138705	1.22	03.10.17	1070	Purchase	139775	1.23
14	Vimlaben B. Patel	104900	0.93	03.10.17	1500	Purchase	106400	0.94
15	Vimlaben B. Patel	106400	0.94	04.10.17	5000	Purchase	111400	0.98
16	Bhagwandas K. Patel(HUF)	35194	0.31	04.10.17	500	Purchase	35694	0.32
17	Vimlaben B. Patel	111400	0.98	06.10.17	2500	Purchase	113900	1.01
18	Vimlaben B. Patel	113900	1.01	09.10.17	3100	Purchase	117000	1.03
19	Rameshbhai B. Patel	676741	5.97	16.10.17	1000	Purchase	677741	5.98
20	Rameshbhai B. Patel	677741	5.98	17.10.17	252	Purchase	677993	5.98
21	Rameshbhai B. Patel	677993	5.98	18.10.17	2000	Purchase	679993	6.00
22	Kirtibhai B. Patel	111403	0.98	16.10.17	1000	Purchase	112403	0.99
23	Kirtibhai B. Patel	112403	0.99	17.10.17	2000	Purchase	114403	1.01

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :

Sr. No.	Name	Shareholding at the beginning of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Dahyabhai Nathabhai Patel	185000	1.63	21.04.17	-2914	Sale	182086	1.61
		182086	1.61	28.04.17	-500	Sale	181586	1.60
		181586	1.60	05.05.17	-1063	Sale	180523	1.59
		180523	1.59	26.05.17	-3523	Sale	177000	1.56
		177000	1.56	04.08.17	-21119	Sale	155881	1.38
		155881	1.38	16.02.18	-6601	Sale	149280	1.32
		149280	1.32	23.02.18	-11535	Sale	137745	1.22
2	Shashikant P. Patel	188949	1.67	07.04.17	-2000	Sale	186949	1.65
		186949	1.65	21.04.17	-1000	Sale	185949	1.64
		185949	1.64	05.05.17	-2000	Sale	183949	1.62
		183949	1.62	21.07.17	-1000	Sale	182949	1.62
		182949	1.62	08.09.17	-2310	Sale	180639	1.59
		180639	1.59	13.09.17	-2500	Sale	178139	1.57
		178139	1.57	13.10.17	-4500	Sale	173639	1.53
		173639	1.53	03.11.17	-4000	Sale	169639	1.50
		169639	1.50	01.12.17	-5981	Sale	163658	1.44
		163658	1.44	08.12.17	-5000	Sale	158658	1.40
		158658	1.40	29.12.17	-2000	Sale	156658	1.38
		156658	1.38	09.02.18	-8410	Sale	148248	1.31
3	Sarita Gupta	138832	1.23	04.08.17	-732	Sale	138100	1.22
		138100	1.22	11.08.17	-1200	Sale	136900	1.21
		136900	1.21	01.09.17	-4450	Sale	132450	1.17
		132450	1.17	08.09.17	-24256	Sale	108194	0.96
		108194	0.96	22.09.17	8161	Purchase	116355	1.03
		116355	1.03	17.11.17	-3200	Sale	113155	1.00
		113155	1.00	15.12.17	-2599	Sale	110556	0.98
4	Jollyben Bharatkumar Jain	88290	0.78	09.06.17	50000	Purchase	138290	1.22
5	Kamlaben Babulal Jain	99732	0.88	09.06.17	-99732	Sale	0	0
6	Kolon Investment Pvt. Ltd.	95000	0.84	-	-	-	95000	0.84
7	Lincoln P. Coelho	80000	0.71	-	-	-	80000	0.71
8	G V Nagabrahma	77132	0.68	24.11.17	-108	Sale	77024	0.68
		77024	0.68	29.12.17	-4050	Sale	72974	0.64
		72974	0.64	19.01.18	-10300	Sale	62674	0.55
9	KLB Securities Pvt. Ltd.	66797	0.59	13.10.17	-500	Sale	66297	0.59
		66297	0.59	20.10.17	213	Purchase	66510	0.59
		66510	0.59	27.10.17	287	Purchase	66797	0.59
		66797	0.59	31.10.17	-2191	Sale	64606	0.57
		64606	0.57	03.11.17	2291	Purchase	66897	0.59
		66897	0.59	17.11.17	-1665	Sale	65232	0.58
		65232	0.58	24.11.17	1665	Purchase	66897	0.59
		66897	0.59	08.12.17	-359	Sale	66538	0.59
		66538	0.59	15.12.17	359	Purchase	66897	0.59
		66897	0.59	29.12.17	-39	Sale	66858	0.59
		66858	0.59	05.01.18	39	Purchase	66897	0.59
		66897	0.59	26.01.18	-100	Sale	66797	0.59
10	Bharatkumar Babulal	60273	0.53	-	-	-	60273	0.53
11	Vinod S. Padmanabhan	0	0	27.10.17	6242	Purchase	6242	0.06
		6242	0.06	31.10.17	10000	Purchase	16242	0.14
		16242	0.14	03.11.17	27000	Purchase	43242	0.38
		43242	0.38	10.11.17	18751	Purchase	61993	0.55
		61993	0.55	17.11.17	40007	Purchase	102000	0.90
		102000	0.90	24.11.17	335	Purchase	102335	0.90
		102335	0.90	01.12.17	-397	Sale	101938	0.90

		101938	0.90	08.12.17	3000	Purchase	104938	0.93
		104938	0.93	15.12.17	4350	Purchase	109288	0.96
		109288	0.96	22.12.17	-1250	Sale	108038	0.95
		108038	0.95	29.12.17	500	Purchase	108538	0.96
		108538	0.96	05.01.18	9147	Purchase	117685	1.04
		117685	1.04	12.01.18	5323	Purchase	123008	1.09
		123008	1.09	19.01.18	-1127	Sale	121881	1.08
		121881	1.08	26.01.18	3055	Purchase	124936	1.10
		124936	1.10	02.02.18	-4161	Sale	120775	1.07
		120775	1.07	09.02.18	6917	Purchase	127692	1.13
		127692	1.13	16.02.18	-797	Sale	126895	1.12
		126895	1.12	23.02.18	50	Purchase	126945	1.12
		126945	1.12	02.03.18	-8313	Sale	118632	1.05
		118632	1.05	16.03.18	-1428	Sale	117204	1.03
		117204	1.03	23.03.18	2888	Purchase	120092	1.06
		120092	1.06	30.03.18	603	Purchase	120695	1.07
12	Nirvana Mall Management Company Pvt. Ltd.	0	0	10.11.17	50000	Purchase	50000	0.44
		50000	0.44	17.11.17	8345	Purchase	58345	0.52
		58345	0.52	24.11.17	667	Purchase	59012	0.52
		59012	0.52	01.12.17	5648	Purchase	64660	0.57
		64660	0.57	08.12.17	24151	Purchase	88811	0.78
		88811	0.78	15.12.17	1381	Purchase	90192	0.80
		90192	0.80	29.12.17	9808	Purchase	100000	0.88
13	Vasireddy Venugopal	21656	0.19	07.04.17	3434	Purchase	25090	0.22
		25090	0.22	28.04.17	7000	Purchase	32090	0.28
		32090	0.28	19.05.17	8000	Purchase	40090	0.35
		40090	0.35	16.06.17	4000	Purchase	44090	0.39
		44090	0.39	30.06.17	6000	Purchase	50090	0.44
		50090	0.44	07.07.17	5850	Purchase	55940	0.49
		55940	0.49	01.09.17	3000	Purchase	58940	0.52
		58940	0.52	13.09.17	2050	Purchase	60990	0.54
		60990	0.54	13.10.17	1000	Purchase	61990	0.55
		61990	0.55	02.02.18	1856	Purchase	63846	0.56
		63846	0.56	09.02.18	9000	Purchase	72846	0.64
		72846	0.64	16.03.18	5953	Purchase	78799	0.70

(v) Shareholding of Directors and Key Managerial Personnel :

Sr. No.	Name	Shareholding at the beginning of the year		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	BHAGWANDAS K. PATEL	1207182	10.66	-	-	-	1207182	10.66
2	RAMESHKUMAR BHAGWANDAS PATEL	673241	5.94	21.06.17 16.10.17 17.10.17 18.10.17	3500 1000 252 2000	Purchase Purchase Purchase Purchase	679993	6.00
3	DASHARATHBHAI P. PATEL	689975	6.09	22.06.17 23.06.17	3025 2400	Purchase Purchase	695400	6.14
4	DIXIT BHAGWANBHAI PATEL	138175	1.22	29.09.17 03.10.17	530 1070	Purchase Purchase	139775	1.23
5	AMISHA PATEL	1700	0.01	30.10.17 31.10.17 26.12.17	400 300 500	Sell Sell Sell	500	0.004

(V) INDEBTNESS (Rs. in Lakhs)

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits*	Total Indebtness
Indebtness at the beginning of the financial year	2522	0	9.77	2522
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	2522	0	9.77	2522
Change in Indebtness during the financial year				
Addition	0	0	0	0
Reduction	26		9.77	26
Net Change Indebtness				
At the end of the financial year	2496	0	0	2496
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	2496	0	0	2496

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(Rs. In Lakhs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		B.K. Patel	D.P. Patel	R.B. Patel	D.B. Patel	
1	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	28.41	21.14	27.62	19.64	96.81
2	Commission	54.85	0	0	0	54.85
	Total	83.26	21.14	27.62	19.64	151.66

B. Remuneration to other Directors (Amount in Rs.)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		Jagdish Shah	Shankarlal Mundra	Ashish Joshi	Rashmi Otavani	
1	Sitting Fees	32000	32000	32000	32000	128000
	Total	32000	32000	32000	32000	128000

C. Remuneration to KMP other than MD/MANAGER/WTD

(Rs. IN Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Company Secretary	CFO	
1	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7.98	6.77	14.75
	Total	7.98	6.77	14.75

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty			Nil		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

ANNEXURE E

[Pursuant to first proviso to sub-section [3] of section 129 read with rule 5 of Companies [Accounts] Rules, 2014]
Statement containing salient features of the Financial Statement of Subsidiary / Associate as per Companies Act, 2013

(Rs. in Lakhs)

PART "A" SUBSIDIARY	
Name of the subsidiary	Dynamic Overseas (India) Pvt. Ltd.
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.04.2017 to 31.03.2018
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.
Share capital	21.00
Reserves & surplus	69.18
Total assets	92.47
Total Liabilities	92.47
Investments	0
Turnover	15.29
Profit before taxation	6.06
Provision for taxation	1.67
Profit after taxation	4.39
Proposed Dividend	Nil
% of shareholding	98.09%

- Names of subsidiaries which are yet to commence operations – N.A.
- Names of subsidiaries which have been liquidated or sold during the year – N.A.

(Rs. in Lakhs)

PART "B" ASSOCIATE – Statement pursuant to Section 129(3) of the Companies Act, 2013	
Name of Associate	Dynamic Holdings Private Limited
Latest audited Balance Sheet Date	31/03/2018
Shares of Associates held by the Company on the year end	
No.	1010000
Amount of Investment in Associates	101.00
Extend of Holding (%)	49.22%
Description of how there is significant influence	There is significant influence due to percentage(%) of Share Capital
Reason why the associate/joint venture is not consolidated	N.A.
Net worth attributable to shareholding as per latest audited Balance Sheet	87.15
Profit/Loss for the year	
Considered in Consolidation	0.72
Not Considered in Consolidation	0

- Names of associates or joint ventures which are yet to commence operations – N.A.
- Names of associates or joint ventures which have been liquidated or sold during the year – N.A.

For and on Behalf of the Board of Directors

Ahmedabad
28th July, 2018

Bhagwandas K. Patel
Managing Director

Dixitbhai B. Patel
Director

ANNEXURE F - Management Discussion and Analysis Report

Industry Structure & Development

Food and beverages colour industry, a niche segment of dyes and pigment industry, not only benefits from secular growth from the end market but also possess significant barriers to entry due to regulatory needs.

As a result, industry has an oligopolistic structure wherein a few companies are in the lead with technical knowhow and quality control which help in offering a palette of colour solutions vetted by necessary regulatory requirements in different geographies and client approvals.

Food colour usage is for confectionary, bakery products, desserts, dairy products, seasonings, beverages, pet foods etc. Usage of colors in food is closely regulated and varies from region to region. It is reported that about 14 colors are permitted for use in food in Europe, 6 in USA and 8 in India. So continuously maintaining various approvals (BIS, FDA, EU & WHO), certification (Kosher & Halal) backed by appropriate lab with testing facilities is an ongoing requirement.

Global Industry

Global food and beverages colour market size is estimated to be about USD 2.4 billion with about 55 percent share constituted by natural food colours and rest synthetic. It's a small segment compared to global dyes and pigment market of about USD 35-40 billion, yet underpinned by secular growth trends. Market researches forecast about 7-8 percent CAGR growth in the next seven years driven by regulatory requirements, urbanization and structural demand scenario for the food and beverage industry.

Strengths & Opportunities

The future of Dyestuff and Dye Intermediates has good prospectus in the coming years owing to its high demand. The growth of dye sector in the future will continue to depend on the performance of end-user industries like paints, textiles, printing inks, paper, plastics and foodstuffs.

Threats, Risks and Concerns

As a majority of products in this segment are exported currency fluctuation along with volatility in raw material cost are key risks.

With respect to raw materials, availability and price of dye intermediates from China is a key concern.

Further, a long gestation period in the product approval by customer and success rate are the additional risks.

Financial Highlights

(a) Net Sales and Other Income

Sales during the year ended 31st March, 2018 were Rs. 16173 Lakhs as against Rs. 13477 Lakhs in the previous year, an increase of Rs. 2696 Lakhs in comparison over the previous year. During the year Operating Income grew by 26% from Rs. 417 Lakhs to Rs. 526 Lakhs and other income increased from Rs. 20.02 Lakhs to Rs. 24.79 Lakhs.

(b) Expenditure

The total expenditure increased from Rs. 11854 Lakhs to Rs. 14033 Lakhs for the year under review showing a increase of Rs. 2179 Lakhs over the previous financial year.

(c) Profit

Profit before tax increased from Rs. 2060 Lakhs to Rs. 2690 Lakhs this year. The Company's net profit after tax is Rs. 1751 Lakhs as compared to previous year Rs. 1349 Lakhs.

Segment wise or Product wise performance

The Company is engaged in manufacturing and marketing of Dyes & Intermediates. There is only one reportable segment i.e. "Dyes & Dyes Intermediates". So the segment wise or product wise performance report is not given in the report.

Environmental & Hazardous Safety And Quality Assurance

In pursuit of excellence & meeting the changes that happen time to time & also to fulfill the requirements received from customers, your Company continued to integrate its ISO 9001:2015, ISO:14001:2015, ISO:22000:2005, HACCP and other certification. Your Company is committed to ensuring the highest standards of environment management and strict compliance with regulatory requirements at all times. All the products manufactured by Dynemic meet the regulatory requirement under FSSAI, EU, JECFA, USFDA and also fulfill criteria of Kosher & Halal, & WHO-GMP Certification.

Your company is committed to socio-environmental aspects and go beyond compliance norms of competitive authorities.

Internal Control Systems And its Adequacy

Your Company has a comprehensive system of internal controls to safeguard the Company's assets against loss from unauthorized use and ensure proper authorization of financial transactions. The Company has an exhaustive budgetary control system to monitor all expenditures against approved budgets on an ongoing basis. The Company maintains a system of internal controls designed to provide assurance regarding the effectiveness and efficiency of operations, the reliability of financial controls and compliance with applicable laws and regulations as applicable in the various jurisdictions in which the Company operates.

Human Resources

Our employees are our most precious assets and we value their commitment. Relations with the employees at all levels remained cordial during the year. Your Company has 180 permanent employees as on 31st March, 2018.

Cautionary Statement

Certain statements under "Management Discussion & Analysis" may be forward looking statement within the meaning of applicable securities laws and regulations. The forward looking statements are based on certain assumptions and expectations of future events. Actual results may differ materially from those expressed or implied from the statement since the Company's operations are influenced by many external and internal factors beyond the control of the Company.

For and on Behalf of the Board of Directors

Ahmedabad
28th July, 2018

Bhagwandas K. Patel
Managing Director

Dixitbhai B. Patel
Director

CORPORATE GOVERNANCE REPORT

The Directors present the Company's report on Corporate Governance which sets out systems and processes of the Company, as prescribed in Regulation 17 to 27 of Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 and some of the practices followed by the Company on Corporate Governance, for the financial year ended 31st March, 2018.

The Company has complied with all the requirements of the Corporate Governance.

1. Company's Philosophy on Corporate Governance

Your Company believes that adhering to global standards of Corporate Governance is essential to enhance shareholder value and achieve long term corporate goals. The Company's philosophy on Corporate Governance stresses the importance of transparency, accountability and protection of shareholder interests. The Board conducts periodic review of business plans, monitors performance and compliance to regulatory requirements.

2. Board of Directors

The composition of the Board is in conformity with Regulation 17 of the Listing Regulations as well as the Companies Act, 2013 the required details are given below :

Name	Category	No. of Board Meetings Held / Attended		Attendance at the last AGM	Directorships in other Indian Public Companies* as at 31 st March 2018	Other Mandatory Committee** membership as at	
						31 st March 2018	
		Held	Attended			Chairman	Member
Bhagwandas K. Patel DIN : 00045845	MD-Executive (Promoter)	5	5	Yes	NIL	NIL	NIL
Dashrath P. Patel DIN : 00008160 (Upto 28.02.18)	WTD-Executive (Promoter)	5	5	Yes	NIL	NIL	NIL
Ramesh B. Patel DIN : 00037568	WTD-Executive (Promoter)	5	5	Yes	NIL	NIL	NIL
Dixit B. Patel DIN : 00045883	WTD-Executive (Promoter)	5	5	Yes	NIL	NIL	NIL
Jagdish S. Shah DIN : 00037826	Independent	4	4	Yes	NIL	NIL	NIL
Shankarlal B. Mundra DIN : 00388204	Independent	4	4	Yes	NIL	NIL	NIL
Ashish R. Joshi DIN : 03373074 (Upto 24.06.18)	Independent	4	4	Yes	NIL	NIL	NIL
Rashmi K. Otavani DIN : 06976600	Independent	4	4	Yes	4	NIL	6

* Excludes Directorships in private/foreign companies and companies incorporated under Section 8 of the Companies Act, 2013.

** Represents Membership/Chairmanship of the Audit Committee, Stakeholders Relationship Committee of other Companies.

MD - Managing Director, WTD - Whole Time Director

Minimum four Board meetings are held in each year. Apart from the four prescheduled Board meetings, the meetings are also convened by giving appropriate notice to address the specific needs of the Company.

During the Financial Year ended on 31st March, 2018, 5 (Five) meetings of the Board of Directors were held on the following dates :-

18th April 2017, 26th May, 2017, 29th July, 2017, 13th November, 2017 and 9th February, 2018.

The time gap between any two board meetings was not more than 4 months.

3. Audit Committee

The Audit Committee comprised of 3 members viz : Shri Ashish R. Joshi, Shri Jagdish S. Shah and Shri Bhagwandas K. Patel. Generally Shri Ashish R. Joshi, chairs the meetings of the Committee. The terms of reference of the Audit Committee are as set out in Regulation 18 of the Listing Regulations, Section 177 of the Companies Act and with any other applicable laws.

During the financial year 2017-18, the Committee met four times on 26th May, 2017, 29th July, 2017, 13th November, 2017 and 9th February, 2018. All the Committee members were present in all meetings.

The Committee was reconstituted on 30.06.2018 by way of Circular resolution with the induction of Shri Shankarlal B. Mundra due to resignation of Shri Ashishbhai R. Joshi.

4. Stakeholders Relationship Committee

The Stakeholders Relationship Committee comprised of 2 members viz : Shri Shankarlal B. Mundra and Shri Bhagwandas K. Patel. Shri Shankarlal B. Mundra, chairs the meetings of the Committee. The composition of the

Stakeholder Relationship Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

During the financial year 2017-18, the Committee met Four times on 07.04.2017, 14.11.2017, 24.11.2017 and 15.12.2017 at registered office of the Company. All the Committee members attended all the meetings.

During the financial year, 3 complaints were received and all complaints were resolved. As of 31st March, 2018, NIL complaints were pending. Ms. Varsha Mehta is designated as Company Secretary & Compliance Officer of the Company.

The Committee was reconstituted on 28.07.2018 with the induction of Mrs. Rashmi K. Otavani.

5. **Nomination and Remuneration Committee (NRC)**

The role of the Nomination and Remuneration Committee is governed by its Charter and its composition is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

The Nomination and remuneration committee has 3 Independent Directors as members viz : Shri Shankarlal B. Mundra, Shri Jagdish S. Shah and Mrs. Rashmi K. Otavani.

One meeting was held during the year 2017-18 on 09.02.2018 and attended by all members. Shri Shankarlal B. Mundra chairs the meetings. The terms of reference of Nomination and Remuneration Committee include review, determination, increase / decrease and approval of remuneration, determination of terms of appointment, Company's policy for specific remuneration packages, etc. for the Executive Directors, Directors and other employees.

POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

The NRC has adopted a policy which deals with the manner of selection of Managing Director & Whole Time Director and their remuneration. In case of appointment of Independent Directors, the NRC shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively. The NRC shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013. The NRC shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.

- i. Qualification, expertise and experience of the Directors in their respective fields;
- ii. Personal, Professional or business standing;
- iii. Diversity of the Board.

Managing Director and Whole Time Director - Criteria for selection / re-appointment

For the purpose of selection of the Managing Director and Whole Time Director, the NRC shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

Remuneration for Managing Director and Whole Time Director

At the time of appointment or re-appointment, the Managing Director and Whole Time Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the NRC Committee and the Board of Directors) and the Managing Director and Whole Time Director within the overall limits prescribed under the Companies Act, 2013. The remuneration shall be subject to the approval of the Members of the Company in General Meeting. The remuneration of the Managing Director and Whole Time Director comprises only of fixed component except Managing Director who is been paid Commission. The fixed component comprises of salary and allowances as per companies policy.

Remuneration Policy for the Senior Employees

In determining the remuneration of the Senior and Other Employees, the grades assigned to each employee according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization is taken into account. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs. The NRC Committee shall ensure the relationship of remuneration and performance benchmark. The Managing Director will carry out the individual performance review and shall take into account the appraisal score card and other factors mentioned herein-above, whilst recommending the annual increment to the NRC Committee for its review and approval.

There is no other pecuniary relationship or transaction by the Company with Independent Directors.

The Company does not have any scheme for grant of stock option to its Directors or Employees.

6. **Corporate Social Responsibility Committee**

The composition of the CSR Committee is in alignment with provisions of Section 135 of the Companies Act, 2013.

The Committee comprising of Shri B K Patel as Chairman and Shri Jagdish Shah and Shri Ashish Joshi as other members. The said committee has been entrusted with the responsibility of formulating and recommending to the Board a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and ruled made there under, and the amount to be spent on CSR activity. During the year the Committee met once on 06.01.18 and all the members were present in all the meetings.

The Committee was reconstituted on 30.06.2018 by way of Circular resolution with the induction of Mrs. Rashmi K. Otavani Due to resignation of Shri Ashishbhai R. Joshi.

7. Familiarisation programmes for Board Members

The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved. Detailed presentations on the Company's business segments were made at the separate meeting of the Independent Directors held during the year. The details of such familiarization programmes for Independent Directors are posted on the website of the Company.

8. Meetings of Independent Directors

During the year under review, all the Independent Directors met on March 27, 2018, inter alia, to discuss :

1. Evaluation of the performance of Non Independent Directors and the Board of Directors as a Whole;
2. Evaluation of the performance of the M.D. of the Company, taking into account the views of the Executive and Independent Directors.
3. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

9. General Body Meeting

(a) Annual General Meetings

The date, time and venue of the last three Annual General Meetings and special resolutions passed at the meetings are given below :

Year	Category – Date and Time	Venue	Special Resolutions passed
2016-17	Annual General Meeting 25th September, 2017 at 4.00 p.m.	Prasang Presidency R.C.T.I College Road, Opp. Unique City Homes, Ghatlodia, Ahmedabad – 380 061	No
2015-16	Annual General Meeting 24th September, 2016 at 4.00 p.m.	The White Leaf Hotel, 10/2, Opposite The Grand Bhagwati, S.G. Road, Bodakdev, Ahmedabad – 380054.	No
2014-15	Annual General Meeting 25th September, 2015 at 4.00 p.m.	The White Leaf Hotel, 10/2, Opposite The Grand Bhagwati, S.G. Road, Bodakdev, Ahmedabad – 380054.	No

During the year under review no resolution(s) were transacted through Postal Ballot.

10. Disclosures :

- i. The Managing Director and the CFO of the Company have certified to the Board that the Financial Results of the Company for the year ended 31st March, 2018 do not contain any false or misleading statements or figures and do not omit any material facts which may make the statements or figures contained therein misleading as required by Regulations 33 of SEBI Listing Regulations.
- ii. There were no instances of non-compliance on any matter related to the capital markets, during the last three years.
- iii. There were no materially significant transactions with promoters, directors or the management, their subsidiaries, associates or relatives that may have potential conflict with the interest of the Company at large. A disclosure of all related party transactions has been presented in the Note No. 38, Notes to the accounts of this Annual Report.
- iv. The Company has adopted accounting treatments which are prescribed by the Indian Accounting Standards.
- v. The quarterly / half yearly financial statements are available on Company's, BSE's and NSE's website and being published in Financial Express and Indian Express.

11. Means of communication

- i. The quarterly/half yearly financial statements are announced within 45 days of the end of the quarter and are regularly submitted / published to Stock Exchange in accordance with the SEBI (LODR) Regulations, 2015.
- ii. The Company has its official website namely www.dynemic.com which is providing all the product related and general information about the Company. The Company is regular in submitting all the relevant information with BSE, NSE and updating in website as per Regulation 46 of the SEBI (LODR) Regulations, 2015.
- iii. Management Discussion and Analysis Report, in compliance with the requirements of Regulation 34(2)(e) of the SEBI (LODR) Regulations, 2015, is annexed to the Boards' Report which forms part of the Annual Report being sent to all the members of the Company.
- iv. The Company has not issued any ADR/GDR.

12. General Shareholders' Information

i. Date of Book Closure :-

From 15th September, 2018 to 21st September, 2018 (both days inclusive) for Annual General Meeting and payment of final dividend.

Dividend payment :-

The Board of Directors at their meeting held on 26/05/2018 recommended a final dividend of Rs. 1.50 per equity share on the face value of Rs. 10/- each for the financial year 2017-2018, subject to approval of the shareholders. Final dividend, if approved by the shareholders will be paid within prescribed statutory period.

ii. Financial Calendar 2018-2019 :-

(tentative schedule)

Financial year	: 1st April 2018 to 31st March 2019.
Board meetings for approval of quarterly results	
Quarter ended on June 30, 2018	: Held on 28th July, 2018
Quarter ended on September 30, 2018	: On or before 14th November, 2018
Quarter ended on December 31, 2018	: On or before 14th February, 2019
Quarter ended on March 31, 2019	: On or before 30th May, 2019 (Audited)
Annual General Meeting for the year 2018-19	: In accordance with Section 96 of Companies Act, 2013.

iii. Listing of equity shares on Stock Exchanges :-

The equity shares of the Company are listed at Bombay Stock Exchange Limited and National Stock Exchange Limited. The Company has paid the annual listing fees for the financial year 2018-19.

iv. Stock code :- BSE : 532707 NSE : DYNPRO ISIN : INE256H01015

v. Dematerializational Information :-

As on 31st March 2018, 98.49 % of the Company's total shares, i.e. 11156838 no. of shares were held in dematerialized form and 1.51 % i.e. 171611 shares were held in physical form.

vi. Registrar & Share Transfer Agent :-

The Company has appointed Bigshare Services Pvt. Ltd. as the Share Transfer Agent. For any assistance, request or instruction regarding transfer or transmission of shares, dematerialization of shares, change of address, non-receipt of annual report and any other query relating to the shares of the Company, please write to the following address :

Bigshare Services Pvt. Ltd.

1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road, Marol, Andheri(E), Mumbai - 400 059.
Tel: 91-022-62638200
Fax: 91-22-62638299
E-mail : investor@bigshareonline.com

vii. Share Transfer System :-

The Company's shares are traded on the Stock Exchange compulsorily in dematerialized mode. Physical shares, which are lodged for transfer with the Transfer Agent are processed and returned to the shareholders within stipulated time.

viii. Share Market Price data :-

The Monthly High and Low prices of Dynemic Products Limited at Bombay Stock Exchange Limited and National Stock Exchange of India Limited for the year ended on 31st March, 2018 are as under :-

Month	Monthly High	Monthly Low
April'17	148.00	137.50
May'17	151.00	135.10
June'17	145.00	101.25
July'17	136.50	121.50
August'17	138.80	107.00
September'17	133.75	113.30
October'17	175.80	115.60
November'17	201.00	169.00
December'17	214.80	183.00
January'18	235.90	181.00
February'18	226.95	174.80
March'18	203.00	173.30

The Monthly High and Low prices and volumes of Dynamic Products Limited at National Stock Exchange Limited for the year ended on 31st March, 2018 are as under :-

Month	Monthly High	Monthly Low
*July'17	137.00	123.00
August'17	139.60	102.00
September'17	135.00	110.10
October'17	175.90	115.05
November'17	201.50	166.60
December'17	211.40	179.05
January'18	239.00	176.10
February'18	227.60	171.90
March'18	202.90	173.70

*Got listed at NSE wef 19.07.2017

ix. Distribution of Shareholding as on 31st March, 2018 (in Rupees)

No. of Equity shares held	No. of share holders	% of shareholders	Share Amount (in Rs.)	% of holding
1 – 5000	8856	84.75	12536870	11.0667
5001 – 10000	742	7.10	6086300	5.3726
10001 – 20000	416	3.98	6378160	5.6302
20001 – 30000	146	1.40	3814260	3.3670
30001 – 40000	60	0.57	2176940	1.9217
40001 – 50000	44	0.42	2066670	1.8243
50001 – 100000	88	0.84	6542320	5.7751
100001 & above	98	0.94	73682970	65.0424
TOTAL	10450		113,284,490	100.0000

Shareholding pattern of the Company as on 31st March, 2018

Category	No. of Shares	% of Shares
A Promoter's Holding		
1 Indian Promoters	4537982	40.06
2 Foreign Promoters	----	----
Sub Total	4537982	40.06
B Public Shareholding		
1 Institutions		
Financial Institution/Banks	4156	0.04
2 Central Govt/State Govt / President of India	15020	0.13
3 Non-Institutions		
Private Corporate Bodies	653171	5.76
Indian Public	5719453	50.49
NRIs / OCBs	264064	2.33
Directors	----	----
Clearing Members	134603	1.19
Sub Total	6790467	59.94
GRAND TOTAL	11328449	100.0000

x. Details of Shares held by Independent Directors as on 31st March, 2018

Name of the Independent Director	Shares Held
Mr. Jagdish S. Shah	Nil
Mr. Shankarlal B. Mundra	Nil
Mr. Ashish R. Joshi	Nil
Mrs. Rashmi K. Otavani	Nil

xi. The Company during the year transferred 15020 number of shares to IEPF of shareholders who has not claimed dividend since 7 years as require under Rule 6(5) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

xii. Plant Location

Unit-1 : 6401, 6402, 6415, 6416, 6400, 6400/1 GIDC Estate, Ankleshwar - 393 002.

Unit-2 : 3709/6, 3710/1, 3710/3, GIDC Estate, Ankleshwar - 393 002.

xiii. Information pursuant to Regulation 53(f) of SEBI (LODR) Regulations, 2015 :-

Loans and Advances in the nature of loan to subsidiaries and associates :

Name of the Company	Balance as at 31st March, 2018 NIL	Maximum outstanding during the year NIL
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xiv. Investor Correspondence :-

All enquiries, clarification and correspondence should be addressed to the Company Secretary and Compliance Officer at the registered office of the Company :-

Ms. Varsha Mehta

 Dynemic Products Limited
 B-301, Satyamev Complex-1, Opp. Gujarat High Court,
 S.G. Road, Ahmedabad - 380060.
 Tel. Nos. : 079-27663071/76
 Fax No. : 079-27662176 Email : cs@dynemic.com

For and on Behalf of the Board of Directors

 Ahmedabad
 28th July, 2018

 Bhagwandas K. Patel
 Managing Director

 Dixitbhai B. Patel
 Director

CONFIRMATION ON CODE OF CONDUCT

This is to confirm that the Board has laid down a code of conduct for all Board members and senior management of the Company. It is further confirmed that all directors and senior management personnel of the Company have affirmed compliance with the code of conduct of the Company as at March 31, 2018.

For and on behalf of the Board of Directors

 Ahmedabad
 28th July, 2018

 Sd/-
 Bhagwandas K. Patel
 Managing Director

Annexure - I
LIST OF INVESTMENT IN MUTUAL FUND SHOWING MARKET VALUE AND COST VALUE

Scheme	Units	Cost Price	Hldg. Cost	Mkt. Price	Mkt. Value
India Reit Fund Scheme IV	4.33 (9.490)	1,00,000 (1,00,000)	4,33,000.00 (9,49,054.54)	4.33 (9.490)	4,33,000.00 (9,49,054.54)
Total Portfolio Value			4,33,000.00 (9,49,054.54)		4,33,000.00 (9,49,054.54)

The figures in the brackets relates to the previous year i.e. 2016-17.

INDEPENDENT AUDITOR'S REPORT

To
The Members of,
Dynemic Products Limited

Report on the Standalone Indian Accounting Standards (Ind As) Financial Statements

- 1 We have audited the accompanying standalone Ind AS financial statements of **DYNEMIC PRODUCTS LIMITED** ("The Company") which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

- 2 The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules 2015 (as amended) 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 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

- 3 Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.
- 4 We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.
- 5 We conducted our audit of standalone Ind AS Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatements.
- 6 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.
- 7 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

- 8 In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018; and of the Statement of Profit and Loss, of the profit (including other comprehensive income) for the year ended on that date; and of the Cash Flow Statement, of the cash flows and changes in equity for the year ended on that date.

Other Matter

- 9 The financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2017 and March 31, 2016 prepared in accordance with the

Companies (Accounting Standards) Rules, 2006 (as amended) which were not audited by us, on which the previous auditor expressed an unmodified opinion dated May 26, 2017 and May 28, 2016 respectively. The adjustments to those standalone financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Report on Other Legal and Regulatory Requirements

- 10 As required by the Companies (Auditor's Report) order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 11 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), the Cash Flow Statement, and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 34 to the standalone Ind AS financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For, **ASIM RAVINDRA & ASSOCIATES**
CHARTERED ACCOUNTANTS
FRN. 118775W

[**RAVINDRA MEHTA**]
PARTNER
M. No. 043051

Place : Ahmedabad
Date : 26/05/2018

**ANNEXURE A TO
TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in Paragraph 1 under the heading of "Report on other legal and regulatory requirements" of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets ;
- (b) Fixed Assets have been physically verified by the management periodically in a phased manner and no material discrepancies have been noticed on physical verification as confirmed by the management ;
- (c) The title deeds of the immovable properties are held in the name of the company.
- (ii) As explained to us , inventories have been physically verified by the management, at reasonable intervals, except for minor items and the inventories lying with outside parties which have been confirmed by them. As explained to us, the material discrepancies, if any noticed have been properly dealt with in the books of accounts by the management.
- (iii) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act.
- (iv) In our opinion and according to the information and explanation given to us, the company has complied with the provisions of Section 185 and 186 of the Companies Act 2013, in respect of the loans, investments, security and guarantees.
- (v) In our opinion and according to the information and explanation given to us, the company has complied with the provisions of Section 73 to 76 or any relevant provisions of the Act and its Rules, and also the directives of Reserve Bank of India with regard to acceptance of deposits.
- (vi) According to the information and explanation given to us, the maintenance of cost records has been specified by the Central Government under sub section (1) of section 148 of the Companies Act 2013, and we have broadly reviewed the accounts and records maintained by the company as prescribed by the Government for the maintenance of the cost records under section 148 (1) of the Companies Act , and we are of the opinion that prima facie the prescribed accounts and records have been maintained. We have not however, made detailed examination of the records with a view to determine whether they are accurate and complete. The company has obtained the Cost Audit Report from the Cost Accountants.
- (vii) (a) According to the information and explanation given to us and on the basis of our examination of books of accounts , the Company is regular in depositing undisputed statutory dues including Provident Fund , Employees State Insurance, Sales Tax , Income Tax, Custom Duty , Excise Duty, Wealth tax , Service tax and other statutory dues with the appropriate authorities ;
- (b) According to the information and explanation given to us, the dues of Excise Duty and Income tax , which have not been deposited on account of any dispute and the forum where the dispute is pending are as under :-

Sr. no	Name of the Statute	Nature of Dues	Amount ₹	Period to which matter relates	Forum where dispute is pending
1	Central Excise Act, 1944	Service Tax & Excise Duty	2.15	2012-13	Appeal pending with Commissioner (Appeals) Surat-II

- (viii) According to the information and explanation given to us, the company has not defaulted in repayment of dues to financial institutions and banks.
- (ix) Based on the information and explanation given to us by the management, term loans were applied for the purpose for which the loans were taken. No moneys have been raised by way of initial public offer during the year under review.
- (x) According to the information and explanation given to us and to the best of our knowledge and belief , no fraud on or by the company has been noticed or reported by the company during the year.
- (xi) According to the information and explanation given to us and to the best of our knowledge and belief , the managerial remuneration has been paid or provided in accordance with the requisite mandated by the provisions of Section 197 read with Schedule V to the Companies Act.
- (xii) The company is not Nidhi Company and so the clause is not applicable.
- (xiii) According to the information and explanation given to us and to the best of our knowledge and belief , all the transactions with the related parties are in compliance with Section 177 and 188 of Companies Act 2013, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) According to the information and explanation given to us and to the best of our knowledge and belief , the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) According to the information and explanation given to us and to the best of our knowledge and belief , the company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) According to the information and explanation given to us and to the best of our knowledge and belief, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1943.

For, **ASIM RAVINDRA & ASSOCIATES**
CHARTERED ACCOUNTANTS
FRN. 118775W

[**RAVINDRA MEHTA**]
PARTNER
M. No. 043051

Place : Ahmedabad
Date : 26/05/2018

ANNEXURE "B"
TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 11(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

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

- 1 We have audited the internal financial controls over financial reporting of DYNAMIC Products Limited ("the Company") as of 31st March, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

- 2 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. 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

- 3 Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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.
- 4 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 judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.
- 5 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

- 6 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 standalone Ind AS 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 standalone Ind AS financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

- 7 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

- 8 In our opinion, to the best of our information and according to the explanations given to us, 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, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, **ASIM RAVINDRA & ASSOCIATES**
CHARTERED ACCOUNTANTS
FRN. 118775W

[**RAVINDRA MEHTA**]
PARTNER
M. No. 043051

Place : Ahmedabad
Date : 26/05/2018

STANDALONE BALANCE SHEET AS AT 31 ST MARCH 2018

(Rs. In Lakhs)

Particulars	Note	As at 31st March, 2018	As at 31st March, 2017	As at 1st April 2016
ASSETS :				
NON-CURRENT ASSETS :				
Property, Plant & Equipments	4.1	3,465.70	3,445.49	3,395.73
Capital Work in Progress	4.2	1,431.55	982.03	944.01
Intangible Assets	5	1.36	2.04	4.73
Financial Assets:				
Investments	6	135.50	140.66	144.99
Loans	10	182.66	93.21	129.98
Other Financial Assets	11	141.61	89.29	13.82
Other Non Current Assets	13	248.42	243.24	232.67
TOTAL NON CURRENT ASSETS		5,606.82	4,995.97	4,865.93
CURRENT ASSETS:				
Inventories	12	2,696.56	2,208.44	1,998.11
Financial Assets:-				
Investments	6	-	-	-
Trade Receivables	7	3,247.52	2,799.69	2,588.85
Cash and cash equivalents	8	34.61	43.65	59.44
Other Bank Balances	9	9.15	10.88	111.48
Loans	10	17.24	97.33	30.93
Other Financial Assets	11	4.77	5.46	4.33
Other Current Assets	13	2287.05	1,714.50	1,391.64
TOTAL CURRENT ASSETS		8,296.90	6,879.96	6,184.78
TOTAL -ASSETS		13,903.72	11,875.92	11,050.71
EQUITIES AND LIABILITIES:				
EQUITY				
Equity Share Capital	14.1	1,132.84	1,132.84	1,132.84
Other Equity	14.2	8,030.89	6,493.32	5,143.39
TOTAL EQUITY		9,163.73	7,626.17	6,276.24
LIABILITIES				
NON CURRENT LIABILITIES				
Financial Liabilities				
Borrowings	15	11.25	12.26	18.14
Trade Payables	16	-	5.28	5.28
Other Financial Liabilities	17	0.51	0.32	0.10
Deferred Tax Liabilities(Net)	21	518.52	515.52	518.44
TOTAL NON CURRENT LIABILITIES		530.28	533.38	541.95
CURRENT LIABILITIES				
Financial Liabilities				
Borrowings	15	2,485.38	2,519.80	3,114.21
Trade Payables	16	562.99	342.98	454.09
Other Financial Liabilities	17	99.40	87.16	221.71
Provisions	18	17.26	17.35	15.18
Current Tax Liabilities	19	935.20	714.25	398.00
Other Current Liabilities	20	109.48	34.84	29.32
TOTAL CURRENT LIABILITIES		4,209.71	3,716.38	4,232.52
TOTAL LIABILITIES		4,739.98	4,249.76	4,774.47
TOTAL - EQUITIES AND LIABILITIES		13,903.72	11,875.92	11,050.71

The accompanying Notes form an integral part of the Standalone Balance Sheet.

This is the Standalone Balance Sheet referred to in our report of even date.

As per our Report of even date

For : ASIM RAVINDRA & ASSOCIATES
CHARTERED ACCOUNTANTS.

FRN. 118775W

[RAVINDRA MEHTA]
PARTNER

M. No. 043051

Place : Ahmedabad

Date : 26/05/2018

For : DYNEMIC PRODUCTS LIMITED
(B. K. Patel)
 Managing Director

(D. B. Patel)
 Director

(R. B. Patel)
 Director

(Varsha Mehta)
 Company Secretary

(Amisha Patel)
 Chief Financial Officer

STANDALONE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31-3-2018

(Rs. In Lakhs)

Particulars	Note	31/03/2018		31/03/2017	
		Rupees	Rupees	Rupees	Rupees
REVENUE FROM OPERATIONS	22		16,698.68		13893.93
OTHER INCOME	23		24.79		20.02
TOTAL REVENUE Rs.			16,723.46		13913.95
EXPENSES :					
Cost of Materials Consumed	24		8,343.32		6,527.71
Purchases of Stock-in-Trade	25		250.10		223.79
Changes in Inventories	26		138.07		(316.07)
Excise Duty			270.86		1,032.51
Employee Benefits Expenses	27		751.21		607.18
Finance Costs	28		118.65		150.12
Depreciation & Amortisations	29		332.32		317.09
Other Exps:-	30				
Other Manufacturing Exps.	30.1	3,073.60		2,530.65	
Repairs & Maintenance	30.2	332.18		361.36	
Administrative, Selling & Other Exps.	30.3	423.06	3,828.83	419.38	3,311.39
TOTAL EXPENSES Rs.			14,033.37		11,853.71
Profit before Taxation			2,690.10		2,060.24
Income Tax Expense	31				
Current Tax			933.03		713.90
Deferred Tax			3.00		-2.92
Add/ (Less):- Taxation of earlier years (Refunds/Paid)			3.52		0.00
Net Profit for the Year			1,750.55		1,349.26
Other Comprehensive Income					
Items that will not be Reclassified to Profit or Loss	36		(6.29)		1.02
Remeasurements on Post-employment Defined Benefit Plans					
Income Tax on Above	31		(2.18)		(0.35)
Total Other Comprehensive Income, Net of Tax			(8.47)		0.67
Total Comprehensive Income for the Year			1,742.08		1,349.93
Earnings per Equity Share (Nominal Value Rs. 10/- per Share)	32				
Basic			15.38		11.92
Diluted			15.38		11.92

The accompanying Notes form an integral part of the Standalone Statement of Profit & Loss.

This is the Standalone Statement of Profit & Loss referred to in our report of even date.

For : ASIM RAVINDRA & ASSOCIATES
CHARTERED ACCOUNTANTS.
 FRN. 118775W

[RAVINDRA MEHTA]
PARTNER
 M. No. 043051

Place : Ahmedabad
 Date : 26/05/2018

For : DYNEMIC PRODUCTS LIMITED

(B. K. Patel)
 Managing Director

(D. B. Patel)
 Director

(R. B. Patel)
 Director

(Varsha Mehta)
 Company Secretary

(Amisha Patel)
 Chief Financial Officer

STANDALONE STATEMENT OF CHANGES IN EQUITY for the year ended 31st March, 2018

(Rs. In Lakhs)

Particulars	Equity Share Capital [Refer Note 14.1]	Other Equity -Reserves & Surplus- Rfer Note No 14.2			
		Share Premium Account	General Reserve	Retained Earnings	Total
As at 1st April, 2016	1,132.84	1,036.80	402.18	3,704.41	6,276.24
Profit for the Year				1,349.26	1,349.26
"Other Comprehensive Income (Net of Tax) -Remeasurements on Post employment "Defined Benefit Plans"				0.67	0.67
Total Comprehensive Income for the Year	1,132.84	1,036.80	402.18	5,054.34	7,626.17
Transactions with Owners in their Capacity as Owners:					
Final Dividend on Equity Shares for the Financial Year 2015-16 (Refer Note 41(b))				-	-
Dividend Distribution Tax on Above				-	-
Transfer from Retained Earnings			50.00	(50.00)	-
As at 31st March, 2017	1,132.84	1,036.80	452.18	5,004.34	7,626.17
Profit for the Year				1,750.55	1,750.55
"Other Comprehensive Income (Net of Tax) -Remeasurements on Post employment "Defined Benefit Plans"				(8.47)	(8.47)
Total Comprehensive Income for the Year	1,132.84	1,036.80	452.18	6,746.42	9,368.25
Transactions with Owners in their Capacity as Owners:					
Final Dividend on Equity Shares for the Financial Year 2016-17 (Refer Note 41(b))				(169.93)	(169.93)
Dividend Distribution Tax on Above				(34.59)	(34.59)
Transfer from Retained Earnings			50.00	(50.00)	-
As at 31st March, 2018	1,132.84	1,036.80	502.18	6,491.91	9,163.73

The accompanying Notes form an integral part of the Standalone Statement of Changes in Equity.

This is the Standalone Statement of Changes in Equity referred to in our report of even date.

For : ASIM RAVINDRA & ASSOCIATES
CHARTERED ACCOUNTANTS.
 FRN. 118775W

[RAVINDRA MEHTA]
PARTNER
 M. No. 043051

Place : Ahmedabad
 Date : 26/05/2018

For : DYNAMIC PRODUCTS LIMITED

(B. K. Patel)
 Managing Director

(D. B. Patel)
 Director

(R. B. Patel)
 Director

(Varsha Mehta)
 Company Secretary

(Amisha Patel)
 Chief Financial Officer

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31/03/2018

(Rs. In Lakhs)

Particulars	Year Ended 31/03/2018	Year Ended 31/03/2017
A. Cash Flows from Operating Activities		
Profit before Tax	2,690.10	2,060.24
Adjustments for:		
Depreciation and Amortisation Expense	332.32	317.09
Finance Costs	118.65	150.12
Bad Debts/Advances Written Off	-	10.92
Provision for Doubtful Debts	-	-
Interest Income Classified as Investing Cash Flows	(9.04)	(9.06)
Net Gain on Investments Carried at Fair Value through Profit or Loss	-	-
Fair Value Gains on Derivatives Not Designated as Hedges (Unrealised)	-	-
Liabilities No Longer Required Written Back	-	-
Provision for Doubtful Debts Written Back	-	-
Allowance Made/(Reversed) for Expected Credit Losses on Trade Receivables	-	-
(Gain)/Loss on Disposal of Property, Plant and Equipment (Net)	5.05	20.76
Write Downs of Inventories to Net Realisable Value	-	-
Foreign Exchange Differences (Net)	(125.09)	(77.15)
Operating Profit before Changes in Operating assets and Liabilities	3,011.99	2472.92
Changes in Operating Assets and Liabilities		
Increase/(Decrease) in Trade Payables	214.73	(111.11)
Increase/(Decrease) in Other Financial Liabilities	14.88	14.44
Increase/(Decrease) in Provisions	(0.09)	2.17
Increase/(Decrease) in Other Current Liabilities	74.65	5.51
(Increase)/Decrease in Inventories	(488.12)	(210.34)
(Increase)/Decrease in Trade Receivables	(447.83)	(221.75)
(Increase)/Decrease in Loans	(9.37)	(29.63)
(Increase)/Decrease in Other Financial Assets	(51.65)	6.35
(Increase)/Decrease in Other Non-current Assets	(5.18)	(10.57)
(Increase)/Decrease in Other Current Assets	(472.78)	(12.35)
Cash Generated from Operations	(1,170.75)	(567.27)
Income Taxes Paid	(817.19)	(717.43)
NET CASH FROM OPERATING ACTIVITIES	(1,987.94)	(1,284.70)
B. Cash Flows from Investing Activities		
Payments for Acquisition of Property, Plant and Equipment/Intangible Assets	(813.11)	(436.12)
Proceeds on Disposal of Property, Plant and Equipment	6.68	13.18
Payments for Purchase of Investments	-	-
Proceeds from Sale/Redemption of Investments	5.16	4.33
Interest Received	9.04	9.06
Proceeds from Maturity of Deposits with Banks	99.35	97.92
Payments for Placing of Deposits with Banks	(105.25)	(70.13)
NET CASH USED IN INVESTING ACTIVITIES	(798.13)	(381.75)
C. Cash Flows from Financing Activities:		
Dividend Paid	(169.93)	(26.00)
Dividend Distribution Tax Paid	(34.59)	-
Finance Costs Paid	(118.65)	(150.12)
Repayment of Long-term Borrowings	(2.45)	(128.87)
Short-term Borrowings - Receipts/(Payments)	(34.43)	(594.40)
NET CASH USED IN FINANCING ACTIVITIES	(360.05)	(899.39)
D. Exchange Differences on Translation of Foreign Currency	125.09	77.15
Cash and Cash Equivalents		
Net Cash (Outflow)/ Inflow	(9.04)	(15.78)
Cash and Cash Equivalents - Opening (Refer Note 8)	43.65	59.44
Cash and Cash Equivalents - Closing (Refer Note 8)	34.61	43.65

The above Standalone Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

The accompanying Notes form an integral part of the Standalone Cash Flow Statement

This is the Standalone Cash Flow Statement referred to in our report of even date.

For : DYNEMIC PRODUCTS LIMITED

For : ASIM RAVINDRA & ASSOCIATES

CHARTERED ACCOUNTANTS.

FRN. 118775W

 (B. K. Patel)
 Managing Director

 (D. B. Patel)
 Director

[RAVINDRA MEHTA]

PARTNER

M. No. 043051

 (R. B. Patel)
 Director

Place : Ahmedabad

Date : 26/05/2018

 (Varsha Mehta)
 Company Secretary

 (Amisha Patel)
 Chief Financial Officer

Notes to Standalone Financial Statements for the year ended 31st March, 2018

1. Company Background

Dynemic Products Limited (the 'Company') is a public limited company, incorporated and domiciled in India. The equity shares of the Company are listed on the National Stock Exchange of India Limited and the BSE Limited in India. The registered office of the Company is located at B-301, Satyamev-I, Opp. Gujarat High Court, S G Road, Sola, Ahmedabad-380060, Gujarat, India. The Company is mainly engaged in the business of manufacturing and selling of Dyes & Dye Intermediates as single operational segment. The standalone Financial statements were approved and authorised for issue in accordance with the resolution of the Company's Board of Directors on 26th May, 2018.

2. Significant Accounting Policies

This Note provides a list of the significant accounting policies adopted in the preparation of the standalone Financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. These standalone financial statements are the separate financial statements of the Company.

(a) Basis of Preparation

(i) Compliance with Ind AS

The standalone financial statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act') [Companies (Accounting Standards) Rules, 2015] and other provisions of the Act. The standalone Financial statements up to year ended 31st March, 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (Previous GAAP). These standalone Financial statements are the First standalone Financial statements of the Company under Ind AS. Refer Note 43 for an explanation of how the transition from Previous GAAP to Ind AS has impacted the Company's Financial position, Financial performance and cash Flows.

(ii) Historical Cost Convention

The standalone Financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities (including derivative instruments) that is measured at fair value.
- Defined benefit plans - plan assets measured at fair value.

(iii) Current versus Non Current Classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

- a) expected to be realised or intended to be sold or consumed in the normal operating cycle,
- b) held primarily for the purpose of trading,
- c) expected to be realised within twelve months after the reporting period, or
- d) cash or cash equivalents unless 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 when:

- a) it is expected to be settled in the normal operating cycle,
- b) it is held primarily for the purpose of trading,
- c) it is due to be settled within twelve months after the reporting period, or
- d) there is no unconditional right to defer 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.

(iv) Rounding of Amounts

All amounts disclosed in the standalone financial statements and notes have been rounded off to the nearest Lakhs

Notes to Standalone Financial Statements for the year ended 31st March, 2018

Rupee as per the requirement of Schedule III, unless otherwise stated.

(b) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty & exclusive of GST and net of returns, trade discounts, rebates, value added taxes and amounts collected on behalf of third parties. The inter divisional transfer between Unit-1 & Unit-2 are deducted from respective sales & purchases. It has no impact on profit or loss.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Sale of Products :- Revenue from sale of products is recognised when the significant risks and rewards of ownership of the products have passed to the buyer as per the terms of contract. Sales is net of inter branch transfers. It has no impact on profit or loss.

Sale of Services:- Revenue from services rendered is recognised as the services are rendered and is booked based on agreements/ arrangements with the concerned parties.

Other Operating Revenues

Export entitlements (arising out of Duty Drawback, Merchandise Export from India and Focus Market Schemes) are recognised when the right to receive credit as per the terms of the schemes is established in respect of the exports made by the Company and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds. There is no Royalty Income.

(c) Construction Contracts :- There is no Construction contract entered into by the company during the period under consideration.

(d) Property, Plant and Equipment:-

Freehold/ GIDC Lease hold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April, 2016 measured as per the Previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation Method, Estimated Useful Lives And Residual Values

Depreciation is calculated on a pro-rata basis using the straight-line method to allocate their cost, net of their estimated residual values, over their estimated useful lives in accordance with Schedule II to the Act. Each component of an item of property, plant and equipment with a cost that is significant in relation to the cost of that item is depreciated separately if its useful life differs from the other components of the item.

Estimated useful lives of the assets are taken as per Schedule II of the Companies Act 2013, which is broadly defined as under:-

Buildings - 3 to 60 years

Plant and Equipments - 5 to 40 years

Furniture and Fixtures - 10 years

Vehicles - 8 to 10 years

Notes to Standalone Financial Statements for the year ended 31st March, 2018

Office Equipments - 3 to 6 years

Leasehold land is from GIDC and has not been amortised, as the lease cost has been fully paid. The useful lives, residual values and the method of depreciation of property, plant and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit or loss within 'Other Income'/'Other Expenses'. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as 'Capital Advances' under other non-current assets and the cost of property, plant and equipment not ready to use are disclosed under 'Capital Work-in-progress'.

(e) Intangible Assets

Intangible assets (Computer Software) has a finite useful life and are stated at cost less accumulated amortisation and accumulated impairment losses, if any.

Computer Software

Software for internal use, which is primarily acquired from third-party vendors is capitalised. Subsequent costs associated with maintaining such software are recognised as expense as incurred. Cost of software includes license fees and cost of implementation/system integration services, where applicable.

Amortisation Method and Period

Computer software are amortised on a pro-rata basis using the straight-line method over their estimated useful life of 5 years, from the date they are available for use. Amortisation method and useful lives are reviewed periodically at each Financial year end.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1st April, 2016 measured as per the Previous GAAP and use that carrying value as the deemed cost of intangible assets.

(f) Impairment of Non Financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash generating units).

(g) Leases

As A Lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. This is not applicable to GIDC Lease, as there is no periodic payments are made for uses of leased asset, which is GIDC Land.

(h) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories comprises cost of purchases and all other costs incurred in bringing the inventories to their present location and condition. Cost of work-in-progress and finished goods comprises direct materials, direct labor and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on approximation average basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(i) Investments in Subsidiaries

Investments in subsidiaries are carried at cost less provision for impairment, if any. Investments in subsidiaries

Notes to Standalone Financial Statements for the year ended 31st March, 2018

are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of investments exceeds its recoverable amount.

Transition to Ind AS

On transition to Ind AS, the Company has elected to measure its investments in Dynamic Overseas (India) Pvt Ltd Limited at its Previous GAAP carrying value and use those values as the deemed cost of such investments.

(j) Investments (Other than Investments in Subsidiaries) and Other Financial Assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:-

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. Though the Company do not have any debt instruments, but for investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt Instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortised Costs**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired.

- **Fair Value through other comprehensive income (FVOCI):**

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in 'Other Income'.

Fair value through Profit & Loss A/c

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the Statement of Profit and Loss within 'Other Income' in the period in which it arises.

Equity Instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has

Notes to Standalone Financial Statements for the year ended 31st March, 2018

elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Changes in the fair value of financial assets at fair value through profit or loss are recognised in 'Other Income' in the Statement of Profit and Loss.

(iii) Impairment of Financial Assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets which are not fair valued through profit or loss. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 40(A) details how the Company determines whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109, 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) De-recognition of Financial Assets

A financial asset is de-recognised only when

- the Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(v) Income Recognition***Interest Income***

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Dividend

Dividend is recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

(vi) Fair Value of Financial Instruments

In determining the fair value of financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

(k) Derivative Instruments- Not applicable as there are no Derivative Instruments.**(l) Offsetting Financial Instruments**

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(m) Trade Receivables

Notes to Standalone Financial Statements for the year ended 31st March, 2018

Trade receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(n) Cash and Cash Equivalents

For the purpose of presentation in the Cash Flow Statement, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(o) Trade Payables

Trade Payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(p) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(q) Financial Guarantee Contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 37 and the amount initially recognised less cumulative amortisation, where appropriate.

(r) Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

(s) Foreign Currency Transactions and Translation**(i) Functional and Presentation Currency**

Items included in the standalone financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The standalone financial statements are presented in Indian Rupee (Rs.), which is the Company's functional and presentation currency.

(ii) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. At the year-end, monetary assets and liabilities denominated in foreign currencies are restated at the year - end exchange rates. The exchange differences (other than relating to long-term foreign currency monetary items recognised up to 31st March, 2017) arising from settlement of foreign currency transactions and from the year-end restatement are recognised in profit and loss.

Notes to Standalone Financial Statements for the year ended 31st March, 2018

Exchange differences arising on reporting of long-term foreign currency monetary items recognised up to 31st March, 2017 (i) relating to acquisition of depreciable capital assets is adjusted to the carrying amount of such assets (to be depreciated over the balance life of the related asset) and (ii) in other cases accumulated in a 'Foreign Currency Monetary Item Translation Difference Account' (to be amortised over the balance period of the related long-term monetary asset/liability). All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within 'Other Income'/'Other Expenses'.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(t) Employee benefits**(i) Short Term Employee Benefits**

Liabilities for short-term employee 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 'Employee Benefits Payable' within 'Other Current Liabilities' in the Balance Sheet.

(ii) Post Employment Benefits**Defined Benefit Plans**

The liability or asset recognised in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

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 terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in 'Employee Benefits Expense' in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in Other Comprehensive Income. These are included in 'Retained Earnings' in the Statement of Changes in Equity.

Defined Contribution Plans

Contributions under Defined Contribution Plans payable in keeping with the related schemes are recognised as expenses for the period in which the employee has rendered the service.

(iii) Other Long term Employee Benefits

The liabilities for leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured annually by actuaries as the present value of expected future benefits in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented under 'Provisions' (Current) in the Balance Sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(u) Income Tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax credits and to unused tax losses.

Notes to Standalone Financial Statements for the year ended 31st March, 2018

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences, tax credits and losses.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date 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 utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax are recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, if any. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(v) Provisions and Contingencies

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

(w) Dividend

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

(x) Earnings per Share**(i) Basic Earnings per Share**

Basic earnings per share is calculated by dividing: -

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year

(ii) Diluted Earnings per Share

Notes to Standalone Financial Statements for the year ended 31st March, 2018

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:-

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(y) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Managing Director of the Company. Presently Company has been working in single segment- Dyes & Dyes Intermediates.

(z) Recent Accounting Pronouncements

Standard issued but not yet effective

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules 2018, notifying amendments to Ind AS 40, 'Investment Properties', Ind AS 21 "Effect of Changes in Foreign Exchange Rates", Ind AS 28 "Investments in Associates & Joint ventures", Ind AS 112 "Disclosures of Interest in Other Entities" and New Ind AS 115 "Revenue From Contract with Customers".

The amendments are applicable to the Company from April 1, 2018.

3 Critical Estimates and Judgments

The preparation of standalone Financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these standalone Financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each Balance Sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

This Note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the standalone Financial statements.

The areas involving critical estimates or judgements are:

Employee Benefits (Estimation of Defined Benefit Obligation)

Post-employment benefits represent obligations that will be settled in future and require assumptions to estimate benefit obligations. Post-employment benefit accounting is intended to reflect the recognition of benefit costs over the employees' approximate service period, based on the terms of the plans and the investment and funding decisions made. The accounting requires the Company to make assumptions regarding variables such as discount rate and salary growth rate. Changes in these key assumptions can have a significant impact on the defined benefit obligations.

Impairment of Trade Receivables

Impairment of trade receivables is primarily estimated based on prior experience with and the past due status of receivables, based on factors that include ability to pay and payment history. The assumptions and estimates applied for determining the provision for impairment are reviewed periodically.

Estimation of Expected Useful Life of Property, Plant and Equipment

Management reviews its estimate of useful lives of property, plant and equipment at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence

Notes to Standalone Financial Statements for the year ended 31st March, 2018

that may change the utility of property, plant and equipment.

Contingencies

Legal proceedings covering a range of matters are pending against the Company. Due to the uncertainty inherent in such matters, it is often difficult to predict the final outcome. The cases and claims against the Company often raise factual and legal issues that are subject to uncertainties and complexities, including the facts and circumstances of each particular case/ claim, the jurisdiction and the differences in applicable law. The Company consults with legal counsel and other experts on matters related to specific litigations where considered necessary. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the event an adverse outcome is possible or an estimate is not determinable, the matter is disclosed.

Accounting for Construction Contract Under Percentage of Completion-Not applicable as there is no construction contracts, however the policy is as under:-

The percentage of completion method is used to account for construction contracts. This method requires estimates of the final revenue and costs of the contract, as well as measurement of progress achieved to date as a proportion of the total work to be performed. The main uncertainty when assessing contract revenue is related to recoverable amounts from variation orders and claims payments which are recognised when, based on management's judgment, it is probable that they will result in revenue and are reliably measurable. This assessment is adjusted upon management's evaluation of liquidated damages to be imposed by customers typically relating to contractual delivery terms. Cost to complete depends on productivity factors and the cost of inputs, weather conditions, performance of subcontractors, etc. Experience, reduces but does not eliminate the risk that estimates may change significantly.

Valuation of Deferred Tax assets

Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for Financial reporting purposes and their respective tax bases that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred tax benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned optimising measures. Economic conditions may change and lead to a different conclusion regarding recoverability.

Fair Value Measurements

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 values are measured using valuation techniques, including the discounted cash flow model, which involve various judgments and assumptions.

Impairment of Investments in Subsidiaries

Determining whether the investments in subsidiaries are impaired requires an estimate of the value in use of investments. In considering the value in use, the management anticipates the future commodity prices, capacity utilisation of plant, operating margins, discount rates and other factors of the underlying businesses/operations of the subsidiaries.

Notes to Standalone Financial Statements for the year ended 31st March, 2018

4	Property, Plant and Equipment										Rs. In Lakhs
4.1	Reconciliation of Gross and Net Carrying Amount of Each Class of Assets										
	Particulars	Leasehold Land	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Other Assets	Total		
	Year ended 31st March, 2017										
	Gross Carrying Amount										
	Deemed Cost as at 1st April, 2016 (Refer Note 4.3)	147.19	1,483.18	3,331.36	84.34	69.89	50.09	0.00	5,166.04		
	Additions	1.86	9.41	340.22	0.00	43.69	2.92	0.00	398.10		
	Disposals	0.00	0.00	50.32	0.00	20.76	5.40	0.00	76.49		
	Closing Balance	149.05	1,492.58	3,621.25	84.34	92.82	47.61	0.00	5,487.65		
	Accumulated Depreciation										
	As at 1st April 2016	0.00	383.82	1,239.96	73.35	30.24	42.94	0.00	1,770.32		
	For the Year	0.00	48.09	250.15	2.62	9.86	3.67	0.00	314.40		
	On Disposals	0.00	0.00	22.20	0.00	14.97	5.37	0.00	42.55		
	Closing Balance	0.00	431.92	1,467.91	75.97	25.14	41.24	0.00	2,042.17		
	Net Carrying Amount	149.05	1,060.67	2,153.34	8.38	67.69	6.36	0.00	3,445.49		
	Year ended 31st March, 2018										
	Gross Carrying Amount										
	Opening Balance	149.05	1,492.58	3,621.25	84.34	92.82	47.61	0.00	5,487.65		
	Additions	0.00	23.79	308.90	1.40	27.08	2.43	0.00	363.59		
	Disposals	0.00	0.00	40.93	0.00	14.64	1.41	0.00	56.98		
	Closing Balance	149.05	1,516.37	3,889.22	85.74	105.26	48.62	0.00	5,794.26		
	Accumulated Depreciation										
	As at 1st April 2017	0.00	431.92	1,467.91	75.97	25.14	41.24	0.00	2,042.17		
	For the Year	0.00	48.87	264.44	2.59	12.73	3.01	0.00	331.64		
	On Disposals	0.00	0.00	35.22	0.00	8.63	1.40	0.00	45.25		
	Closing Balance	0.00	480.79	1,697.12	78.55	29.23	42.86	0.00	2,328.56		
	Net Carrying Amount	149.05	1,035.58	2,192.09	7.19	76.03	5.76	0.00	3,465.70		

Notes to Standalone Financial Statements for the year ended 31st March, 2018

4.2	Capital Work-in-Progress	Rs. In Lakhs
	Carrying Amount at the Beginning of the Year	982.03
	Additions During the Year @	449.52
	Capitalised During the Year	-
	Carrying Amount at the End of the Year	1,431.55
	@ Includes following costs incurred in the course of construction of an item of Property, Plant and Equipment:	

4.3 The Company has taken borrowings from banks which carry charge over certain property, plant and equipment (Refer Note 42 for details).

4.4 Contractual obligations - Refer Note 38(a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

4.5 Aggregate amount of depreciation has been included under 'Depreciation and Amortisation Expense' in the Statement of Profit and Loss (Refer Note 29).

4.6 Title deeds of immovable properties set out in Note 4.1 above, where applicable, are in the name of the Company.

5	Intangible Assets	
	Year ended 31st March, 2017	
	Gross Carrying Amount	Rs. In Lakhs
	Deemed Cost as at 1st April, 2016 (Refer Note 4.3)	26.47
	Additions	-
	Disposals	-
	Closing Balance	26.47
	Accumulated Depreciation	
	As at 1st April 2016	21.74
	For the Year	2.69
	On Disposals	-
	Closing Balance	24.43
	Net Carrying Amount	2.04
	Year ended 31st March, 2018	
	Gross Carrying Amount	
	Opening Balance	26.47
	Additions	-
	Disposals	-
	Closing Balance	26.47
	Accumulated Depreciation	
	As at 1st April 2017	24.43
	For the Year	0.68
	On Disposals	-
	Closing Balance	25.11
	Net Carrying Amount	1.36

5.1 The amortisation has been included under 'Depreciation and Amortisation Expense' in the Statement of Profit and Loss (Refer Note 29).

Notes to Standalone Financial Statements for the year ended 31st March, 2018
Rs. In Lakhs

6	Investments	Face Value	Number	As At 31st March 2018	As At 31st March 2017	As At 1st April 2016
	Unquoted:					
	Non-current Investments					
	Investments in Equity Instruments					
	In Subsidiary Companies					
	* Dynamic Overseas (India) P. Ltd.	100	20600	20.60	20.60	20.60
	In Other Associates Body Corporates					
	*Dynemic Holdings Pvt.Ltd.	10	1010000	101.00	101.00	101.00
	In Other Body Corporates					
	* Enviro Technology Ltd. Shares	10	15000	1.50	1.50	1.50
	* Bharuch Enviro Infrastructure Ltd.	10	1260	0.13	0.13	0.13
	* Bharuch Eco-Aqua Infra.Ltd	10	78450	7.85	7.85	7.85
	* Forum (Chandolidia) Aawas Owner's Asso.	100	1	0.001	0.001	0.001
	* Ank.Res. &.Analy.Inf.Ltd.	10	1000	0.10	0.10	0.10
	Investments in Mutual Funds					
	IndiaReit Fund Scheme IV			4.33	9.49	13.82
				135.50	140.66	144.99
	Current Investments			-	-	-
				-	-	-

6.1 Refer Note 39 for information about fair value measurements and Note 40 for credit risk and market risk on investments.

7	Trade Receivables	As At 31st March 2018	As At 31st March 2017	As At 1st April 2016
	Unsecured Considered Good	3,247.52	2,799.69	2,588.85
	Less: Allowance for Expected Credit Losses			
		3,247.52	2,799.69	2,588.85

7.1 Refer Note 42 for receivables secured against borrowings and Note 40 for information about credit risk and market risk on receivables.

8	Cash and Cash Equivalents	As At 31st March 2018	As At 31st March 2017	As At 1st April 2016
	Balances with Banks	33.43	42.03	57.56
	Cheques, Drafts on Hand	-	-	-
	Cash on Hand (Includes Foreign Currency Rs. 53639 (PY 73834))	1.18	1.62	1.88
		34.61	43.65	59.44

8.1 There are no repatriation restrictions with regard to Cash and Cash Equivalents as at the end of the current reporting period and prior periods.

Notes to Standalone Financial Statements for the year ended 31st March, 2018
Rs. In Lakhs

9	Other Bank Balances	As At 31st	As At 31st	As At 1st
		March 2018	March 2017	April 2016
	Unpaid Dividend Accounts @	7.82	6.99	32.99
	Fixed Deposit Accounts (with original maturity of more than three months but less than twelve months)	1.33	3.88	60.88
	Accrued Interest on Fixed Deposits	-	-	17.61
		9.15	10.88	111.48
	@ Earmarked for Payment of Unclaimed Dividend			
10	Loans	As At 31st	As At 31st	As At 1st
		March 2018	March 2017	April 2016
	Non-current			
	Unsecured, Considered Good :			
	Loans to Employees*	0.04	-	-
	Security Deposits	182.62	93.21	129.98
		182.66	93.21	129.98
	Current			
	Unsecured, Considered Good :			
	Loans to Employees*	12.40	7.91	12.22
	Security Deposits	4.85	89.41	18.71
		17.24	97.33	30.93
11	Other Financial Assets	As At 31st	As At 31st	As At 1st
		March 2018	March 2017	April 2016
	Non-current			
	Unsecured, Considered Good :			
	Trade & Other Receivables	46.98	0.70	11.92
	Fixed Deposits with Banks** (with Maturity of more than Twelve Months) (Lodged with Government Authority/Others)	84.84	84.86	1.90
	Accrued Interest on Fixed Deposits**	9.80	3.73	-
		141.61	89.29	13.82
	Current			
	Unsecured, Considered Good :			
	Interest Acrued on Electricity Deposits	4.77	5.46	4.33
		4.77	5.46	4.33
	*Financial Assets carried at Fair Value through Profit and Loss			
	**Financial Assets carried at Amortised Cost			

Notes to Standalone Financial Statements for the year ended 31st March, 2018
Rs. In Lakhs

12	Inventories	As At 31st March 2018	As At 31st March 2017	As At 1st April 2016
	-At Lower of Cost and Net Realisable Value			
	Raw Materials	1,127.83	500.11	595.29
	Packing Material.....	9.56	11.02	21.55
	ETP stock	0.06	0.14	0.15
	Trading Materials.....	-	-	0.01
	Work in progress.....	279.56	199.89	124.36
	Finished Goods ...	1,274.10	1,488.62	1,246.51
	Finished Goods (Captive)	5.44	8.66	10.24
		2,696.56	2,208.44	1,998.11

12.1 Refer Note 42 for Information on Inventories Pledged as Security

Rs. In Lakhs

13	Other Assets	As At 31st March 2018	As At 31st March 2017	As At 1st April 2016
	Non-current			
	Unsecured, Considered Good :			
	Capital Advances	234.63	234.63	224.06
	Balances with Government Authorities @	3.80	-	-
	Prepaid/Advance for Expenses	1.99	0.62	0.62
	IT Refund Receivables	7.99	7.99	7.99
		248.42	243.24	232.67
	Current			
	Unsecured, Considered Good :			
	Export Entitlements Receivable	116.85	41.65	49.71
	Balances with Government Authorities @	1,284.56	929.49	887.96
	Advance to Suppliers/Service Providers (other than capital)	63.60	9.34	33.89
	Prepaid/Advance for Expenses	4.85	7.68	13.16
	Advance Income Tax Paid (Included TDS)	817.19	717.43	406.91
	IT Refund Receivables	-	8.91	-
		2,287.05	1,714.50	1,391.64

@ Balances with Government Authorities primarily include amounts realisable from the excise, value added tax and customs authorities of India and the unutilised excise input credits on purchases. These are generally realised within one year or regularly utilised to offset the excise duty liability on goods manufactured by the Company.

14.1	Equity Share Capital	As At 31st March 2018	As At 31st March 2017	As At 1st April 2016
	Authorised Share Capital			
	[13000000 Equity Share of Rs. 10/- each] @	1,300.00	1,300.00	1,300.00
	Issued, Subscribed and paid up :	1,132.84	1,132.84	1,132.84
	[11328449 Equity Shares of Rs. 10/- each fully paid up @			
		1,132.84	1,132.84	1,132.84

Notes to Standalone Financial Statements for the year ended 31st March, 2018

@ There were no changes in number of shares during the years ended 31st March, 2017 and 31st March, 2016

(a) The Company has one class of Equity Shares having a par value of Rs. 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors 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 in proportion to their shareholding.

(b) Details of shareholders holding more than 5% shares

	As At 31st March 2018	As At 31st March 2017	As At 1st April 2016
Name of Shareholder	Nos of Shares	Nos of Shares	Nos of Shares
Bhagwandas Kalidas Patel	1207182 10.66%	1207182 10.66%	1207182 10.66%
Rameshkumar Bhagwandas Patel	679993 6.00%	673241 5.94%	671018 5.92%
Dashrathbhai P Patel	695400 6.14%	689975 6.09%	689975 6.09%

Rs. In Lakhs

14.2 Other Equity	As At 31st March 2018	As At 31st March 2017	As At 1st April 2016
Reserves and Surplus			
Securities Premium Account	1,036.80	1,036.80	1,036.80
General Reserve [Refer (i) below]	502.18	452.18	402.18
Retained Earnings [Refer (ii) below]	6,491.91	5,004.34	3,704.41
	8,030.89	6,493.32	5,143.39
(i) General Reserve - Movement during the year		As At 31st March 2018	As At 31st March 2017
Opening Balance		452.18	402.18
Transfer from Retained Earnings		50.00	50.00
Closing Balance		502.18	452.18
(ii) Retained Earnings - Movement during the year			
Opening Balance		5,004.34	3,704.41
Profit for the Year		1,750.55	1,349.26
Items of Other Comprehensive Income recognised directly in Retained Earnings			
Remeasurements on Post-employment Defined Benefit Plans, Net of Tax		(8.47)	0.67
Dividend on Equity Shares for the Financial Year 2016-17 [Refer Note 45(b)]		(169.93)	-
Dividend Distribution Tax on Above		(34.59)	-
Transfer to General Reserve		(50.00)	(50.00)
Closing Balance		6,491.91	5,004.34

Nature and purpose of each Reserve

Securities Premium Account

Securities Premium Account is used to record premium received on issue of shares. This reserve may be utilised in accordance with the provisions of Section 52 of the Act.

General Reserve

Under the erstwhile Indian Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act, 2013, the requirement to mandatory transfer a specified percentage of the net profit to general reserve has been withdrawn though the Company may transfer such percentage of its profits for the financial year as it may consider appropriate. Declaration of dividend out of such reserve shall not be made except in accordance with rules prescribed in this behalf under the Act.

Notes to Standalone Financial Statements for the year ended 31st March, 2018
Rs. In Lakhs

15	Borrowings	As At 31st March 2018	As At 31st March 2017	As At 1st April 2016
	Non-current			
	Secured			
	* GIDC- Land purchase Lease Hold (GIDC Lease A/c. Secured against Lease Hold land) Due in next year Rs. 9719754/- Defaults:- NIL Principal Amount- Rs. 44775000/- Date of start of repayments- 31/03/2014 Nos of Installments- 12 quarterly installments Due Date of Last Installment- 31/12/2016 Rate of Interest- 14% p.a. Less: Current Maturities of Long-term Debt (Refer Note 17)	-	-	97.20
		-	-	97.20
		-	-	-
	* Foreign Currency Term Loans from a Bank (Citi Bank) (Secured by way of first charge on certain moveable fixed assets, both present and future, of the Company) Defaults:- NIL Terms of Repayment - Principal Amount- USD 169926.53= Rs. 10000000/- Date of start of repayments- 8/09/2014 Nos of Installments- 12 quarterly installments Due Date of Last Installment- 8/06/2017 Rate of Interest- LIBOR+4 p.a. Less: Current Maturities of Long-term Debt (Refer Note 17)	-	9.01	46.11
		-	9.01	36.89
		-	-	9.22
	* ICICI Bank Ltd.- Car Loans (Secured against the specific cars) Defaults:- NIL Terms of Repayment - Two Loans Principal Amount- Rs. 2000000/- & 1500000 Date of start of repayments- 15/01/2017 & 10/05/2017 Nos of Installments- 36 monthly installments Due Date of Last Installment- 15/12/2019 & 10/04/2020 Rate of Interest- 9.10% p.a. & 8.34% Less: Current Maturities of Long-term Debt (Refer Note 17)	23.01	18.48	4.14
		11.77	6.22	4.14
		11.25	12.26	0.00
		11.25	12.26	9.22
	Unsecured			
	FROM OTHER PARTIES:- UNSECURED			
	Fixed Deposits from Share holders	-	-	8.91
		-	-	8.91
		11.25	12.26	18.14

Notes to Standalone Financial Statements for the year ended 31st March, 2018

Current			
Secured			
Loans Repayable on Demand from Banks*			
Bill Discounting Facilities- PCFC			
* Citi Bank N.A.	1,252.66	1,065.06	1,226.75
Cash Credit/Export Credit Facilities			
* Citi Bank N.A.	608.03	667.53	1,074.24
* Axis Bank Ltd.	624.69	777.44	798.42
Unsecured			
Fixed Deposits from Share holders	-	9.78	14.80
	2,485.38	2,519.80	3,114.21

*Secured -

(a) By a first pari passu charge by way of hypothecation of the Company's entire current assets (for Company's Unit-1 Unit-2 situated at GIDC Ankleshwar), namely, stocks of raw materials, semi-finished and finished goods and articles stores and spares not relating to plant and machinery (consumable stores and spares), Bills receivable and Book debts and all other movable of the Company both present and future but excluding such movables as may be permitted by the said Banks from time to time ;

(b) By a second pari passu charge on the Company's movable fixed assets (for Company's Unit-1 & Unit-2 situated at GIDC, Ankleshwar Office situated at Ahmedabad) including movable plant and machinery, machinery spares, tools and accessories, electrical and other equipments etc, (save and except the current assets which are already hypothecated/to be hypothecated in favour of the said Banks as and by way of first charge) lying and/or stored and/or situated at the Company's different units, godowns/factories and/or premises or in the possession of any third party or in course of transit or delivery and also all documents of title, negotiable instruments, policies of insurance and other documents and instruments relating thereto subject and/or sub-servient to the first and/or the prior charge holders for securing their respective Term Loans and/or facilities.

(c) By personal guarantee of directors Shri Bhagwandas K Patel, Shri Ramesh B Patel, Shri Dasharath P Patel & Shri Dixit B Patel

- 15.1** Refer Note 42 for details of carrying amount of assets pledged/ hypothecated as security for secured borrowings and Note 40 for information about liquidity risk and market risk on borrowings.

Rs. In Lakhs

	As At 31st March 2018	As At 31st March 2017	As At 1st April 2016
16 Trade Payables			
Non-current			
Trade Payables	-	5.28	5.28
	-	5.28	5.28
Current			
Trade Payables			
Total Outstanding Dues of Micro Enterprises and Small Enterprises (Refer Note 33)	-	37.82	104.21
Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	562.99	305.16	349.88
	562.99	342.98	454.09

Notes to Standalone Financial Statements for the year ended 31st March, 2018
16.1 Refer Note 40 for information about liquidity risk and market risk on trade payables.

(Rs. In Lakhs)

	As At 31st March 2018	As At 31st March 2017	As At 1st April 2016
17 Other Financial Liabilities			
Non-current			
Other Sundry Creditors Payable for Expenses	0.03	-	-
Security Deposits- Employee Bonds	0.48	0.32	0.10
	0.51	0.32	0.10
Current			
Current Maturities of Long-term Debt (Refer Note 15)	11.77	15.23	138.23
Interest Accrued	-	-	0.19
Unpaid Dividends	7.82	6.99	32.99
Other Sundry Creditors Payable for Expenses	78.79	64.51	49.69
Security Deposits- Employee Bonds	1.02	0.43	0.62
	99.40	87.16	221.71
18 Provisions	As At 31st March 2018	As At 31st March 2017	As At 1st April 2016
Current			
Provisions for Employee Benefits (Refer Note 40)	17.26	17.35	15.18
	17.26	17.35	15.18
19 Current Tax Liabilities	As At 31st March 2018	As At 31st March 2017	As At 1st April 2016
A. Tax Expense Recognised in Profit or Loss			
Current Tax			
Current Tax Liabilities	933.03	713.90	398.00
B. Tax on Other Comprehensive Income			
Current Tax			
Remeasurements on Post-employment Defined Benefit Plans	2.18	0.35	-
	935.20	714.25	398.00
20 Other Current Liabilities	As At 31st March 2018	As At 31st March 2017	As At 1st April 2016
Dues Payable to Government Authorities @	26.22	26.82	20.04
Employee Benefits Payable- Group Gratuity Payable	18.83	4.40	-
Advances from Customers	64.44	3.62	9.29
	109.48	34.84	29.32

@ Dues Payable to Government Authorities comprise sales tax, excise duty, withholding taxes, payroll taxes, service tax, value added tax, entry tax and other taxes payable.

21 Deferred Tax Liabilities (Net)
Significant Movements Deferred Tax Assets and Liabilities during the year.

	As At 31st March 2017	Recognised in Profit & Loss	As At 31st March 2018
Deferred Tax Liabilities			
Property, Plant and Equipment and Intangible Assets	515.52	3.00	518.52
Financial Assets at Fair Value through Profit or Loss - Investments			
Total Deferred Tax Liabilities	515.52	3.00	518.52

Notes to Standalone Financial Statements for the year ended 31st March, 2018
(Rs. In Lakhs)

		As At 1st April, 2016	Recognised in Profit & Loss	As At 31st March 2017
	Deferred Tax Liabilities			
	Property, Plant and Equipment and Intangible Assets	518.44	(2.92)	515.52
	Financial Assets at Fair Value through Profit or Loss - Investments			
	Total Deferred Tax Liabilities	518.44	(2.92)	515.52
22	Revenue from Operations		As At 31st March 2018	As At 31st March 2017
	Sale of Products *			
	Dyes & Intermediates		4,594.07	3,301.98
	Sythetic Food Colours		11,316.06	9,910.75
	Others		262.89	263.95
	Net Product Sales		16,173.02	13,476.68
	*(The above sales are net of (exclusive of) Inter Branch/ Unit Transfer)			
	Other Operating Revenues			
	Cash Discount Received		6.28	4.16
	Foreign Exchange Gain & Loss- Exports & Imports		125.09	77.15
	Export Incentive Income		331.69	312.88
	Lifting Charges		10.24	-
	Interest on VAT Refund		16.03	-
	Misc. Income		0.22	0.03
	Quantity Discount		7.47	10.05
	Scrap Sale Income		28.64	13.00
	Total Other Operating Revenues		525.66	417.26
	Total Revenue from Operations		16,698.68	13,893.93
23	Other Income		As At 31st March 2018	As At 31st March 2017
	Office Rent Income		0.12	0.44
	Interest On GEB & ETL Deposit		7.23	8.98
	Interest on Gas Security Deposit		1.50	1.52
	Interest & Capital Gain-India Reit		2.13	0.58
	Creditors W/O		3.97	-
	Interest on FD (Bank)		9.04	9.06
	Interest on Staff Loan		0.80	0.03
	TOTAL		24.79	20.61
	LESS:- EXPENDITURE RELATING TO INCOME ON INVESTMENTS			
	Management Cons. Fees & Entry Load		-	0.59
	TOTAL		24.79	20.02
24	Cost of Materials Consumed		As At 31st March 2018	As At 31st March 2017
	Opening Stock		500.11	595.29
	Add. : Purchase during the year *		8,971.04	6,432.52
			9,471.15	7,027.82
	Less : Closing Stock		1,127.83	500.11
			8,343.32	6,527.71
	*(The above purchases are net of (exclusive of) Inter Branch/ Unit transfers)			

Notes to Standalone Financial Statements for the year ended 31st March, 2018
(Rs. In Lakhs)

		As At 31st March 2018	As At 31st March 2017
25	Purchases of Stock-in-trade		
	Raw Materials Chemical Items	250.10	223.79
		250.10	223.79
26	Changes in Inventories		
	OPENING INVENTORIES :		
	Finished Goods	1,488.62	1,246.51
	Finished Goods (Captive)	8.66	10.24
	Work-in-Progress	199.89	124.36
		1,697.18	1,381.11
	CLOSING INVENTORIES :		
	Finished Goods	1,274.10	1,488.62
	Finished Goods (Captive)	5.44	8.66
	Work-in-Progress	279.56	199.89
		1,559.11	1,697.18
		138.07	(316.07)
27	Employee Benefit Expenses		
	Salary & Wages to Employees	395.50	332.83
	Salaries & Bonus to Directors	92.05	81.70
	Commission to Managing Director	54.85	42.50
	Refer Note No. 27.1		
	Contribution to PF	27.41	23.94
	Other Salary & Wages Expense	0.40	11.11
	Leave Salary (Inc. Provisions -unpaid)	16.12	14.42
	Gratuity Insurance Premium (See Note 36)	11.74	5.41
	Bonus & other expenses	153.14	95.25
		751.21	607.18

27.1 Calculation of Managerial Remunerations:-

A Net profit available for calculation of commission payable to Managing Director:-
 (As per Section 198 of The companies Act 2013)

Particulars	As At 31st March 2018	As At 31st March 2017
1. Net profit before tax as per Profit & Loss A/c	2,690.10	2,060.24
Add:- 1. Loss on sale of Assets	5.05	20.76
2. Commission to Managing Director	54.85	42.50
Net Profit available for calculation of Commission	2,749.99	2,123.51
2. 2% Commission payable to Managing Director	55.00	42.47
Actual Commission paid or payable as per the approval given by AGM dated. 25/09/2017	54.85	42.50
B. Over all managerial Remuneration paid or payable during the year:-		
Particulars		
1. Salaries and other benefits paid	95.00	84.21
2. Commission paid to Managing Director	54.85	42.50
Total Rs.	149.85	126.71
C. The limit as per Section 197 of the Companies Act 2013, which is 11% of the Net profit	296.47	228.91

Notes to Standalone Financial Statements for the year ended 31st March, 2018
(Rs. In Lakhs)

		As At 31st March 2018	As At 31st March 2017
28	Finance Costs		
	Interest	78.38	112.44
	Forex Gain Loss on FCTL	0.09	0.81
	Other Financial Charges	40.18	36.86
		118.65	150.12
29	Depreciation and Amortisation Expense	As At 31st March 2018	As At 31st March 2017
	Depreciation on Property, Plant and Equipment (Refer Note 4.1)	331.64	314.40
	Amortisation of Intangible Assets (Refer Note 5)	0.68	2.69
		332.32	317.09
30	Other Expenses	As At 31st March 2018	As At 31st March 2017
30.1	<u>Other Manufacturing Expenses</u>		
	<u>PACKING MATERIAL CONSUMED</u>		
	Op. Stock	11.02	21.55
	Add: Purchases during the year	328.38	277.60
		339.40	299.15
	Less : Closing stock	9.56	11.02
	Total Rs.	329.83	288.13
	<u>E.T.P MATERIAL CONSUMED</u>		
	Op. Stock	0.14	0.15
	Add: Purchases during the year	4.10	12.33
		4.24	12.48
	Less : Closing stock	0.06	0.14
	Total Rs.	4.17	12.35
	<u>POWER & FUEL CONSUMED</u>		
	Electric Power & Burning	502.41	468.68
	Fuel Purchased & Consumed	21.30	23.37
	Gas Consumption Charges	890.44	716.72
		1,414.15	1,208.77
	<u>OTHER MFGS. EXPENSES</u>		
	Transportation	113.60	101.45
	Conversion/Job Charges.	30.76	73.64
	Factory Exp	90.56	60.97
	Labour Charges	444.94	276.49
	Forwarding & Handling Charges	223.46	210.46
	Pallatisation Charges	3.45	1.24
	ETP Expense	336.42	217.77
	R & D Exps.	0.26	-
	Cst on Purchase	3.72	14.26
	Safety Exps.	3.90	5.37
	Consumable Stores	74.38	59.76
		1,325.44	1,021.41
		3,073.60	2,530.65

Notes to Standalone Financial Statements for the year ended 31st March, 2018
(Rs. In Lakhs)

30.2	Repairs and Maintenance Expenses	As At 31st March 2018	As At 31st March 2017
	Electrical Parts & Maintenance	0.75	2.42
	ETP Parts & Maintenaces	20.44	98.53
	Machinery Parts Repairs & Maintenance	76.13	76.62
	Building Repairing	33.08	15.99
	Computer Maintenance & Consumables	3.57	3.03
	Furniture, Office Repairing & Maintenance	2.25	1.82
	Vehicle Repairing Exp	3.76	1.29
	Consumable Stores (Plant, MEE & Electricals)	192.21	161.66
		332.18	361.36
30.3	Administrative and Other Expenses	As At 31st March 2018	As At 31st March 2017
	Consultancy, Legal & Professional Fees	23.05	23.91
	Exhibition Exp.	41.25	22.42
	Donation to Charitable Institutes	40.33	36.12
	Insurance Premium	21.61	17.75
	Petrol Exps	3.41	3.62
	Sitting Fees to Directors	1.28	1.20
	Selling Commission	48.47	45.61
	Staff Welfare Exps.	51.56	49.45
	Telephone Exps-Others	2.22	2.73
	Travelling & Conveyance	7.64	5.22
	Bad Debts	0.00	10.92
	Angadia & Courier Exp	13.57	11.85
	Audit Fees	-	3.75
	Cost Audit Fees	-	0.85
	FDA Approval Fees	31.56	43.54
	Lab-Testing Exp	10.48	7.01
	Misc Office Exp	1.34	2.04
	Rates & Quality Difference.	4.66	16.65
	Office Electric Bill Exp.	3.18	3.39
	Security Exp	16.93	13.01
	Stationery & Printing Exp- Incl (Annual Reports)	13.33	7.27
	Water Charges	9.75	7.01
	Sales Promotion Exps	2.06	2.95
	Regi. Certification, Renewal & Filing Fees	12.35	13.23
	Advertisement Expense	1.18	2.87
	Loss/Profits on sale/w/o of assets	5.05	20.76
	Other Administrative & Establishment Exps	56.79	44.23
		423.06	419.38
30.4	Corporate Social Responsibility Expenditure:	As At 31st March 2018	As At 31st March 2017
	(a) Gross amount required to be spent by the Company during the year	16.75	26.59
	(b) Expenditure towards Corporate Social Responsibility Activities comprises donations given to Shri Arvindo Institute of Applied Scientific Research Trust- Rs. 30 lakhs (PYF Rs. 29 Lakhs)		

Notes to Standalone Financial Statements for the year ended 31st March, 2018
(Rs. In Lakhs)

		As At 31st March 2018	As At 31st March 2017
30.5	Payments to Auditors comprise -		
	(i) Statutory Auditors		
	As Auditor		
	As Audit Fee -Financial Statements	-	3.00
	As Tax Audit Fees	-	0.75
	For Taxation	-	3.35
	For Other Matters- Certification	-	1.25
	For Service Tax	-	1.23
	(ii) Cost Auditors		
	As Fee	-	0.85
31	Income Tax Expense	As At 31st March 2018	As At 31st March 2017
	A. Tax Expense recognised in Profit or Loss		
	Current Tax		
	Current Tax on Profits for the Year	935.20	714.25
	Adjustment for Current Tax of Earlier Years	3.52	-
		938.72	714.25
	Deferred Tax		
	Origination and Reversal of Temporary Differences	3.00	(2.92)
	Income Tax Expense	941.72	711.33
	B. Tax on Other Comprehensive Income	As At 31st March 2018	As At 31st March 2017
	Current Tax		
	Remeasurements on Post-employment Defined Benefit Plans	2.18	(0.35)
31.1	Numerical Reconciliation of Income Tax Expense to Prima Facie Tax Payable	As At 31st March 2018	As At 31st March 2017
	Profit before Income Tax Expense	2,690.10	2,060.24
	Enacted Statutory Income Tax Rate in India applicable to the Company	34.608%	34.608%
	Computed Expected Income Tax Expense	930.99	713.01
	Adjustments:-		
	Amount debited to P & L A/c to the extent disallowable u/s 37	2.26	5.61
	Deduction u/s 35 in excess of amount debited to P & L A/c	(5.19)	(7.53)
	Interest on Taxes	10.15	6.24
	Bank FDR Interest- Diff less credited to Profi Loss	-	0.52
	Adjustment for Current Tax of Earlier Years	3.52	(6.52)
		941.72	711.33
32	Earnings per Equity Share	As At 31st March 2018	As At 31st March 2017
	(A) Basic		
	(i) Number of Equity Shares at the Beginning of the Year	11328449	11328449
	(ii) Number of Equity Shares at the End of the Year	11328449	11328449
	(iii) Weighted Average Number of Equity Shares Outstanding during the Year	11328449	11328449
	(iv) Face Value of Each Equity Share (Rs.)	10	10
	(v) Profit after Tax Available for Equity Shareholders Profit for the Year	1,742.08	1,349.93
	(vi) Basic Earnings per Equity Share (Rs.)(v)/(iii)]	15.38	11.92

Notes to Standalone Financial Statements for the year ended 31st March, 2018
(Rs. In Lakhs)

33	(B) Diluted		
	(i) Dilutive Potential Equity Shares	-	-
	(ii) Diluted Earnings per Equity Share (Rs.) [Same as (A)(vi) above]	15.38	11.92
34	Information relating to Micro and Small Enterprises (MSEs)		
	PARTICULARS	As At 31st March 2018	As At 31st March 2017
	(i) Amount of interest paid by the Company in terms of Section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year.	-	-
	(ii) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the day during the year) but without adding the interest specified under the MSMED.	-	-
35	(iii) Amount of interest accrued and remaining unpaid at the year end of the accounting year.	-	-
	Contingencies -	As At 31st March 2018	As At 31st March 2017
	A) Claims against the Company not acknowledged as debts:		
	Taxes, duties and other demands (under appeal/dispute)		
	(i) Rebate claims submitted by us rejected by Excise Dept. and the revision appeal is pending with Joint Secretary, Ministry of Finance, New Delhi	16.06	16.06
	(ii) Deduction of interest from our refund amount of vat credit appeal is pending with Dy Commissioner of Commercial Tax, Vadodara.	-	10.47
	(iii) Cenvat credit taken on invoice of dealer in which RG 23 D entry No. not mentioned, appeal is pending with Commissioner (Appeals) Surat-II	2.15	2.15
	(iv) S.tax Credit availed on payment of service tax on Commission income on purchase of DEO on the ground that it is not input services, appeal is pendnig with CESTAT, Ahmedabad	-	0.64
	(v) Disallowance U/s 14A Rule 8D & 40(a)(ia) of Income Tax Act 1961, for AY 2011-12, appeal is pendnig with CIT Appeals-I	-	6.04
	Commitments	As At 31st March 2018	As At 31st March 2017
36	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	15.90	16.07
	(b) Guarantees Bank Guarantees / Letter of Credits	110.93	117.51

Employee Benefits :-
(I) Post Employment Defined Benefits Plans :
(A) Gratuity (Funded)

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. As per the plan, the Gratuity Fund Trusts, administered and managed by the Trustees and funded primarily with Life Insurance Corporation of India (LIC), make payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service. The Trustees are responsible for the overall governance of the plan and to act in accordance with the provisions of the trust deed and rules in the best interests of the plan participants. Each year an Asset-Liability matching study is performed in which the consequences of the strategic investment policies are analysed in terms of risk and return profiles.

Investment and contribution policies are integrated within this study. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as set out in Note 2(t)(ii) above, based upon which, the Company makes contributions to the Employees' Gratuity Funds.

The following table sets forth the particulars in respect of the Gratuity Plan (Funded) of the Company:

Notes to Standalone Financial Statements for the year ended 31st March, 2018
(Rs. In Lakhs)

	As At 31st March 2018	As At 31st March 2017
(a) Reconciliation of Opening and Closing Balances of the Present Value of Defined Benefit Obligations:-		
Present Value of Obligation at the beginning of the year	85.84	76.49
Current Service Cost	7.93	7.37
Past Service Cost	3.48	0.00
Interest Cost	6.46	6.13
Remeasurements Losses		
Actuarial Losses arising from Changes in Financial Assumptions	(3.92)	4.54
Actuarial Losses arising from Changes in Experience Adjustments	9.85	(5.55)
Benefits Paid	(0.63)	(3.14)
Present Value of Obligation at the end of the year	109.01	85.84
(b) Reconciliation of the Opening and Closing Balances of the Fair Value of Plan Assets:		
Fair Value of Plan Assets at the beginning of the year	81.45	67.80
Interest Income	6.12	5.43
Remeasurements Gains		
Actuarial Losses arising from Changes in Experience Adjustments		-
Return on Plan Assets (excluding amount included in Net Interest Cost)	(0.36)	0.02
Contributions by Employer	3.60	11.35
Benefits Paid	(0.63)	(3.14)
Fair Value of Plan Assets at the end of the year	90.18	81.45
(c) Reconciliation of the Present Value of the defined benefits Obligation and the Fair Value of Plan Assets:		
Present Value of Obligation at the end of the year	109.01	85.84
Fair Value of Plan Assets at the end of the year	90.18	81.45
Liabilities Recognised in the Balance Sheet	18.83	4.40
(d) Actual Return on Plan Assets	5.77	5.45
(e) Expense recognised in the Other Comprehensive Income:		
Remeasurements Losses (Net)	(8.47)	(0.67)
(f) Expense Recognisable in Profit or Loss :		
Current Service Cost	7.93	7.37
Net Interest Cost	0.33	0.70
Past Service Cost	3.48	-
Total @	11.74	8.07
(f) Expense Recognised in Profit or Loss :	11.74	5.41
@ Recognised under 'Contribution to Provident and Other Funds' in Note 27.		
(g) Category of Plan Assets:		
Funded with LIC	100%	100%
Cash and Cash Equivalents	-	-
(h) Maturity profile of Defined Benefits Obligations:		
Within 1 year	10.17	7.64
1-2 year	8.99	7.37
2-5 years	8.04	8.28
Over 5 years	283.44	229.50
(i) Principal Actuarial Assumptions:		
Discount Rate	7.86%	7.52%
Salary Growth Rate	7.00%	7.00%

Notes to Standalone Financial Statements for the year ended 31st March, 2018

Assumptions regarding future mortality experience are based on mortality tables of 'Indian Assured Lives Mortality (2006-2008) published by the Institute of Actuaries of India.

The estimate of future salary increases takes into account inflation, seniority, promotion and other relevant factors, such as demand and supply in the employment market.

(II) Post Employment Defined Contributions Plans :

(A) Provident Fund

Certain categories of employees of the Company receive benefits from a provident fund, a defined contribution plan. Both the employee and employer make monthly contributions to a government administered fund at specified percentage of the covered employee's qualifying salary. The Company has no further obligations under the plan beyond its monthly contributions. During the year, an amount of Rs. 27.41 Lakhs (Previous Year- Rs. 23.94 Lakhs) has been recognised as expenditure towards above defined contribution plans of the Company.

(III) Leave Obligations

The Company provides for accumulation of leave by certain categories of its employees. These employees can carry forward a portion of the unutilised leave balances and utilise it in future periods or receive cash (only in case of earned leave) in lieu thereof as per the Company's policy. The Company records a provision for leave obligations in the period in which the employee renders the services that increases this entitlement.

The total provision recorded by the Company towards this obligation was Rs. 17.26 Lacs, Rs. 14.42 Lakhs and Rs.17.18 Lakhs as at 31st March, 2018, 31st March, 2017 and 1st April, 2016 respectively. The amount of the provision is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

(IV) Risk Exposure

Through its defined benefit plans, the Company is exposed to some risks, the most significant of which are detailed below:

Discount Rate Risk

The Company is exposed to the risk of fall in discount rate. A fall in discount rate will eventually increase the ultimate cost of providing the above benefit thereby increasing the value of the liability.

Salary Growth Risks

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

Demographic Risk

In the valuation of the liability, certain demographic (mortality and attrition rates) assumptions are made. The Company is exposed to this risk to the extent of actual experience eventually being worse compared to the assumptions thereby causing an increase in the benefit cost.

37 Segment Information

A. Description of Segments and Principal Activities

The Company's Managing Director examines the Company's performance on the basis of its business and has identified single reportable segments:---- Dyes & Intermediates

38 Related Party Disclosures:

A] List of parties where control exist

(i) Subsidiary Company

* Dynamic Overseas (India) Pvt.Ltd.

B] Other related parties with whom transactions have taken place during the year

(ii) Associates :-

* Dynemic Holdings Pvt Ltd

(iii) Key management personnel :-

Mr. B.K.Patel Managing Director

Mr. Rameshbhai B.Patel Wholtime Director

Mr.Dasharathbhai P.Patel Wholtime Director

Mr.Dixit B.Patel Wholtime Director

Mrs. Varsha Mehta Company Secretary

Mrs. Amisha Patel Chief Financial Officer

(Upto 28/02/2018)

C] Transactions with related parties :-

Notes to Standalone Financial Statements for the year ended 31st March, 2018
(Rs. In Lakhs)

Nature of Transaction	Key Managerial Personnel & their Relatives Rs.		Subsidiary Companies Amt.Rs.		Associates Amt.Rs.	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Fixed Deposits taken						
Taken during the period	-	-	-	-	-	-
Repaid during the period	4.65	2.03	-	-	-	-
Closing Balance	0.00	4.27	-	-	-	-
Loans & Advances						
Given during the period	-	-	-	-	-	-
Settled during the period	-	-	-	-	-	-
Closing Balance	-	-	-	-	-	-
Investments						
Given during the period	-	-	-	-	-	-
Settled during the period	-	-	-	-	-	-
Closing Balance	-	-	20.60	20.60	101.00	101.00
Sundry Debtors	-	-	-	-	-	-
Sundry Creditors	-	-	-	-	-	-
Purchase of Goods	-	-	-	-	-	-
Conversion Charges	-	-	-	-	-	-
Amount Expended on be half of	129.30	151.18	-	-	-	-
Rent Income	-	-	-	-	0.12	0.44
Sales	-	-	-	15.00	-	-

(iv) Terms and conditions of transactions with related parties

Transactions relating to dividend were on the same terms and conditions that applied to other shareholders.

The sales to and purchases from related parties are made in the ordinary course of business. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash/cheque. No provisions are held against receivables from related parties. There are no loans outstanding with related parties.

39 Fair Value Measurements

(i) Financial Instruments by Category	Note No.	31st March 2018	31st March 2017	1st April 2016
		Carrying Amount/ Fair Value	Carrying Amount/ Fair Value	Carrying Amount/ Fair Value
Financial Assets				
Assets Carried at Fair Value through Profit or Loss				
Investments				
Equity Instruments		-	-	-
Mutual Funds		-	-	-
Other Financial Assets		-	-	-
Assets Carried at Amortised Cost				
Investments				
Equity Instruments		131.17	131.17	131.17
Mutual Funds		4.33	9.49	13.82
Trade Receivables		3,247.52	2,799.69	2,588.85
Cash and Cash Equivalents		34.61	43.65	59.44
Other Bank Balances		9.15	10.88	111.48
Loans		199.91	190.54	160.91
Other Financial Assets		-	-	-
Total Financial Assets		3,626.69	3,185.42	3,065.68
Financial Liabilities				
Liabilities Carried at Amortised Cost				
Borrowings (including current maturities and interest accrued)		2,508.39	2,547.29	3,164.46
Trade Payables		562.99	348.26	459.37
Other Financial Liabilities		88.14	72.25	83.59
Total Financial Liabilities		3,159.51	2,967.80	3,707.41

Notes to Standalone Financial Statements for the year ended 31st March, 2018

(ii) Fair Values

The fair values of financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended 31st March, 2017. The following methods and assumptions were used to estimate the fair values:

(a) In respect of investments in mutual funds, the fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors. Accordingly, such net asset values are analogous to fair market value with respect to these investments, as transactions of these mutual funds are carried out at such prices between investors and the issuers of these units of mutual funds.

(b) The fair value of foreign exchange forward contracts is determined using forward exchange rates at the Balance Sheet date.

(c) The management assessed that fair values, of trade receivables, cash and cash equivalents, other bank balances, other financial assets (current), investments in commercial papers, trade payables, borrowings (current) and other financial liabilities (current), approximate to their carrying amounts largely due to the short-term maturities of these instruments. Further, management also assessed the carrying amount of certain loans and long-term borrowings at floating interest rates which are a reasonable approximation of their fair values and the difference between the carrying amounts and fair values is not expected to be significant.

(d) The fair value of remaining financial instruments is determined on discounted cash flow analysis using a current lending/discount rate, as considered appropriate.

For financial assets carried at fair value, the carrying amounts are equal to their fair values.

(iii) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the standalone financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows below.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds. The mutual funds are valued using the closing Net Asset Value.

Level 2: This is the case for unlisted equity securities included in level 2. The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There are no transfers between level 1 and level 2 fair value measurements during the year ended 31st March, 2018 and 31st March, 2017.

Rs. In Lakhs

	31st March 2018		31st March 2017		31st March 2016	
	Level 1	Level 2	Level 1	Level 2	Level 1	Level 2
(a) Recognised and Measured at Fair Value - Recurring Measurements						
Financial Assets						
Investments						
Mutual Funds - Growth plan		4.33		9.49		13.82
Unquoted Equity Investments		-		-		-
(b) Amortised Cost for which Fair Values are Disclosed						
Financial Assets						
Investments						
Unquoted Equity Investments		131.17		131.17		131.17

Fair Value Measurement using significant unobservable inputs (Level 2)

Fair valuation of unquoted equity investments is based on valuation done by an external valuer using discounted cash flow method. A change in significant unobservable inputs used in such valuation (mainly earnings growth

Notes to Standalone Financial Statements for the year ended 31st March, 2018

rate and risk adjusted discount rate) is not expected to have a material impact on the fair values of such assets as disclosed above. *Amounts are below the rounding-off norm adopted by the Company

40 Financial Risk Management

The Company's activities expose it to credit risk, liquidity risk and market risk. In order to safeguard against any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts are entered as per Company's policy to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments. The Company's senior management oversees the management of above risks. The senior executives working to manage the financial risks are accountable to the Audit Committee and the Board of Directors. This process provides assurance to the Company's senior management that the Company's financial risks-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and the Company's risk appetite.

This Note explains the sources of risk which the entity is exposed to and how the entity manages the risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

(A) Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Company is exposed to credit risk from its operating activities (primarily Trade Receivables) and from its investing activities (primarily Deposits with Banks and Investments in Mutual Funds).

Trade Receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Customer credit risk is managed by each business unit subject to the Company's policy and procedures which involve credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit assurance. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and the Company's historical experience with customers.

The Company's exposure to customers is diversified and no single customer contributes to more than 10% of total revenues.

Other Financial Assets

Credit risk from balances with banks, term deposits, loans, investments and derivative instruments is managed by Company's finance department. Investments of surplus funds are made only with approved counterparties who meet the minimum threshold requirements. The Company monitors ratings, credit spreads and financial strength of its counterparties. The Company's maximum exposure to credit risk for the components of the Balance Sheet as of 31st March, 2018, 31st March, 2017, and 1st April, 2016 is the carrying amounts as disclosed in Note 43 except for the financial guarantees. The Company's maximum exposure to financial guarantees is given in Note 44(B)(ii).

Financial Assets that are Neither Past Due Nor Impaired

None of the Company's cash equivalents with banks, loans and investments were past due or impaired as at 31st March, 2018, 31st March, 2017 and 1st April, 2016. Of the total trade receivables, Rs. 324751575 as at 31st March, 2018, Rs. 279968807 as at 31st March, 2017 and Rs. 258884943 as at 1st April, 2016 consisted of customer balances that were neither past due nor impaired.

Financial Assets that are Past Due but Not Impaired

The Company's credit period for customers generally ranges from 0 - 180 days. The ageing of trade receivables that are past due but not impaired (net of provisions/allowances) is given below:

Period (in days)	Rs. In Lakhs		
	As At 31st March 2018	As At 31st March 2017	As At 31st March 2016
01-090	2,958.87	2,442.47	2,467.12
91-180	288.64	357.22	121.73
More than 180	46.98	0.70	17.37

Notes to Standalone Financial Statements for the year ended 31st March, 2018

Receivables are deemed to be past due or impaired with reference to the Company's normal terms and conditions of business. These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions. Receivables that are classified as 'past due' in the above tables are those that have not been settled within the terms and conditions that have been agreed with that customer.

Other than trade receivables, the Company has no significant class of financial assets that is past due but not impaired.

(B) Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and maintains adequate sources of financing.

(i) Financing Arrangements

The Company had access to the following undrawn borrowing facilities (excluding non-fund based facilities) at the end of the reporting period:

	As At 31st March 2018	As At 31st March 2017	As At 31st March 2016
Floating Rate			
Expiring within one year (working capital facilities)	614.62	589.97	0.59

The working capital facilities may be drawn at any time and may be terminated by the bank without notice.

Subject to the continuance of satisfactory credit ratings, the above facilities may be drawn at any time within one year.

(ii) Maturities of Financial Liabilities

The table below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Contractual Maturities of Financial Liabilities	Within 1 year	Between 1 and 3 year	Total
31st March, 2018			
Borrowings	2,497.14	11.25	2,508.39
Trade Payables	562.99	-	562.99
Other Financial Liabilities @ Financial Guarantee Contracts*	99.40	0.51	99.90
Total	3,159.53	11.75	3,171.28
31st March, 2017			
Borrowings	2,535.03	12.26	2,547.29
Trade Payables	342.98	5.28	348.26
Other Financial Liabilities @ Financial Guarantee Contracts*	87.16	0.32	87.48
Total	2,965.17	17.86	2,983.03
31st March, 2016			
Borrowings	3,252.44	9.22	3,261.66
Trade Payables	454.09	5.28	459.37
Other Financial Liabilities @ Financial Guarantee Contracts*	221.71	0.10	221.81
Total	3,928.24	14.60	3,942.84

(C) Market Risk

(i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company transacts business in local currency and in foreign currencies (primarily US Dollars and Euro). The Company has obtained foreign currency loans and has foreign currency trade receivables, trade payables and other financial assets/liabilities and is therefore exposed to foreign currency risk.

Notes to Standalone Financial Statements for the year ended 31st March, 2018

The Company strives to achieve asset-liability offset of foreign currency exposures and only the net position is hedged where considered necessary. The Company manages its foreign currency risk by hedging appropriate percentage of its foreign currency exposure per established risk management policy.

The Company uses forward exchange contracts to hedge the effects of movements in foreign exchange rates on foreign currency denominated assets and liabilities.

(a) Foreign Currency Risk Exposure:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

Rs. In Lakhs

	31st March 2018			31st March 2017			1st April 2016		
	USD	EURO	POUND	USD	EURO	POUND	USD	EURO	POUND
Financial Assets									
Trade Receivables	1,888.51	44.76	14.73	1,547.35	33.72	13.23	1,514.41	136.02	81.40
Bank Balance in EEFC Account	0.62			-	-	-	-		
Other Financial Assets				-	-	-	-		
Derivative Assets				-	-	-	-		
Foreign Exchange Forward Contracts									
Net Exposure to Foreign Currency Risk (Assets)	1,889.14	44.76	14.73	1,547.35	33.72	13.23	1,514.41	136.02	81.40
Financial Liabilities									
Borrowings (including Current maturities)	1,211.34	41.33		1,027.13	33.72	13.23	805.78	136.02	81.40
Trade Payables	162.32	139.11	-	174.93	-	-	164.60	-	-
Other Financial Liabilities									
Derivative Assets									
Foreign Exchange Forward Contracts									
Net Exposure to Foreign Currency Risk (Liabilities)	1,373.66	180.44	-	1,202.06	33.72	13.23	970.38	136.02	81.40
Net Exposure to Foreign Currency Risk (Assets -Liabilities)	515.48	(135.67)	14.73	345.29	-	-	544.02	-	-

(b) Sensitivity

The sensitivity of profit or loss to changes in the foreign exchange rates arises mainly from foreign currency denominated financial instruments.

Rs. In Lakhs

	Impact on Profit before tax	
	As At 31st March 2018	As At 31st March 2017
USD Sensitivity		
INR/USD -Increase by 7%*	36.08	24.17
INR/USD -Decrease by 7%*	(36.08)	(24.17)
Euro Sensitivity		
INR/EUR-Increase by 7%*	-	-
INR/EUR-Decrease by 7%*	-	-

* Holding all other variables constant

(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 risk of changes in market interest rates relates primarily to the Company's debt interest obligation. Further the Company engages in financing activities at market linked rates, any changes in the interest rate environment may impact future rates of borrowings. To manage this, the Company may enter into interest rate swaps. The management also maintains a portfolio mix of floating and fixed rate debt.

Notes to Standalone Financial Statements for the year ended 31st March, 2018

The Company's fixed rate borrowings and investments in term deposits with bank are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

(a) Interest Rate Risk Exposure

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are as follows:

	Rs. In Lakhs		
	As At 31st March 2018	As At 31st March 2017	As At 31st March 2016
Variable Rate Borrowings	2,485.38	2,510.03	3,099.41
Fixed Rate Borrowings	23.01	37.27	171.16
Total Borrowings	2,508.39	2,547.29	3,270.57

As at the end of the reporting period, the Company had the following variable rate borrowings outstanding:

	Weighted average interest rate (%)	Balance	% of Total Loans
31st March 2018			
Cash Credit/Packing Credit Facilities	2.98%	2,485.38	99.08
31st March 2017			
Cash Credit/Packing Credit Facilities	4.34%	2,510.03	98.54
31st March 2016			
Cash Credit/Packing Credit Facilities	5.24%	3,099.41	94.77

An analysis by maturities is provided in Note 44(B)(ii) above. The percentage of total loans shows the proportion of loans that are currently at variable rates in relation to the total amount of borrowings.

(b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

	Impact on Profit before tax	
	As At 31st March 2018	As At 31st March 2017
Interest Rates - Increase by 100 basis points (100 bps) *	24.96	25.13
Interest Rates - Decrease by 100 basis points (100 bps) *	24.75	25.07

* Holding all other variables constant

(iii) Securities Price Risk

Securities price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded prices.

The Company invests its surplus funds in various debt instruments. These comprise of mainly liquid schemes of mutual funds, short term debt funds & income funds (duration investments) and fixed deposits.

To manage its price risk arising from investments in mutual funds, the Company diversifies its portfolio.

Mutual fund investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments.

(a) Securities Price Risk Exposure

The Company's exposure to securities price risk arises from investments in mutual funds held by the Company and classified in the Balance Sheet as fair value through profit or loss

(iv) Commodity Price Risk

Exposure to market risk with respect to commodity prices primarily arises from the Company's sales of dyes and intermediates, including the raw material components for such products. Cost of raw materials forms the largest portion of the Company's cost of sales. Market forces generally determine prices for the graphite electrodes sold by the Company. These prices may be influenced by factors such as supply and demand, production costs (including the costs of raw material inputs) and global and regional economic conditions and growth. Adverse changes in any of these factors may reduce the revenue that the Company earns from the sales of graphite electrodes. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing

Notes to Standalone Financial Statements for the year ended 31st March, 2018

policies. The Company has not entered into any derivative contracts to hedge exposure to fluctuations in commodity prices.

41 Capital Management

(a) Risk Management

The Company's objectives when managing capital are to

- * safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

- * maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital on the basis of the net debt to equity ratio. Net debt are long-term and short-term debts as reduced by cash and cash equivalents. The Company is not subject to any externally imposed capital requirements.

The following table summarises the capital of the Company:

	Rs. In Lakhs		
	As At 31st March 2018	As At 31st March 2017	As At 1st April 2016
Total Borrowings	2,508.39	2,547.29	3,270.57
Less: Cash and cash equivalents	43.76	54.53	170.92
Net Debt	2,464.63	2,492.76	3,099.65
Equity	9,163.73	7,626.17	6,276.24
Total Capital (Equity+ Net Debt)	11,628.36	10,118.93	9,375.89
Net Debt to Equity ratio	21%	25%	33%

No changes were made to the objectives, policies or processes for managing capital during the years ended 31st March, 2018 and 31st March, 2017.

Loan Covenants

Under the terms of the major borrowing facilities as at 1st April, 2016, there is no Financial Covenants by any bankers except that of Interest Rates, Security and regularity in submission of periodical statements.

The Company had complied with these covenants as at 1st April, 2016.

(b) Dividends on Equity Shares

	Rs. In Lakhs	
	As At 31st March 2018	As At 31st March 2017
<u>Dividend Declared and Paid during the year</u>		
Final dividend for the year ended 31st March, 2017 of Rs. 1.5 (31st March, 2016 – Rs. Nil) per fully paid share	169.93	-
Dividend Distribution Tax on above	34.59	-
<u>Proposed Dividend Not Recognised at the End of the Reporting Period</u>		
In addition to the above dividend, since year end the directors have recommended the payment of a final dividend of Rs. 1.5 per fully paid share (31st March, 2017 – Rs. 1.5). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	169.93	-
Dividend Distribution Tax on above	34.59	-

42 Assets Pledged/ Hypothecated as Security

	As At 31st March 2018	As At 31st March 2017	As At 1st April 2016
Current			
First Charge			
Financial Assets			
Trade Receivables under Bill Discounting (Refer below)	1,252.66	1,065.06	1,226.75
Other Trade Receivables	1,994.85	1,734.63	1,362.10
Non-financial Assets			
Inventories	2,696.56	2,208.44	1,998.11
Sub-total	5,944.08	5,008.13	4,586.96
Non-current			
First Charge/Second Charge			
Leasehold Land	149.05	149.05	147.19
Buildings	1,035.58	1,060.67	1,099.35
Plant and Equipments	2,192.09	2,153.34	2,091.40
Furniture and Fixtures	7.19	8.38	10.99
Office Equipments	5.76	6.36	7.15
Vehicles	76.03	67.69	39.65
Sub-total	3,465.70	3,445.49	3,395.73
Total	9,409.78	8,453.62	7,982.68

Trade Receivables under Bill Discounting

The carrying amount of trade receivables include receivables which are subject to bill discounting arrangement. Under this arrangement, the Company has discounted the relevant receivables in exchange of cash and is prevented from selling or pledging the receivables. However, the Company has retained late payment and credit risk. The Company therefore continues to recognise such receivables in their entirety in its balance sheet. The amount payable under the bill discounting arrangement is presented as secured borrowings (Refer Note 15).

43 First-time Adoption of Ind AS

These are the Company's first standalone financial statements prepared in accordance with Ind AS. The accounting policies set out in Note 2 have been applied in preparing the standalone financial statements for the year ended 31st March, 2018, the comparative information presented in these standalone financial statements for the year ended 31st March, 2017 and in the preparation of an opening Ind AS standalone balance sheet at 1st April, 2016 (the Company's date of transition). In preparing its opening Ind AS standalone balance sheet, the Company has adjusted the amounts reported previously in the standalone financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (Previous GAAP). An explanation of how the transition from Previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A Exemptions and Exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from Previous GAAP to Ind AS.

A.1 Ind AS Optional Exemptions
A.1.1 Business Combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Company has elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

A.1.2 Prospective Application of Ind AS 21 to Business Combinations

Ind AS 101 allows a First-time adopter not to apply Ind AS 21 'The Effects of Changes in Foreign Exchange Rates' retrospectively for business combinations that occurred before the date of transition to Ind AS.

Notes to Standalone Financial Statements for the year ended 31st March, 2018

The Company has elected to apply this exemption.

A.1.3 Deemed Cost for Property, Plant and Equipment and Intangible Assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the standalone financial statements as at the date of transition to Ind AS, measured as per the Previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 'Intangible Assets'.

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

A.1.4 Investments in Subsidiaries

Ind AS 101 permits a first-time adopter to elect to measure its investments in subsidiaries at fair value of such investments at the Company's date of transition to Ind AS or Previous GAAP carrying amount at that date and use that as its deemed cost as at the date of transition.

Accordingly, the Company has elected to measure its investments in in Dynamic Overseas (India) Private Limited at its Previous GAAP carrying value as at 1st April, 2016.

A.1.5 Exchange Differences on Long-term Foreign Currency Monetary Items

Under Previous GAAP, an alternative accounting treatment was provided to companies with respect to exchange differences arising on restatement of long-term foreign currency monetary items. Exchange differences on account of depreciable assets could be added/deducted from the cost of the depreciable asset, which would then be depreciated over the balance life of the asset. In other cases, the exchange difference could be accumulated in a foreign currency monetary item translation difference account, and amortised over the balance period of such long term asset/ liability. Ind AS 101 includes an optional exemption that allows a first-time adopter to continue the above accounting treatment in respect of the long-term foreign currency monetary items recognised in the standalone financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period.

The Company has elected to apply this exemption for such items recognised in the standalone financial statements up to 31st March, 2017.

A.2 Ind AS Mandatory Exceptions

A.2.1 Estimates

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

Ind AS estimates as at 1st April, 2016 are consistent with the estimates as at the same date made in conformity with Previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Previous GAAP:

- * Investments in equity and debt instruments carried at FVPL; and
- * Impairment of financial assets (trade receivables) based on expected credit loss model.
- * Determination of the fair value for financial assets/liabilities carried at amortised cost.

A.2.2 De-recognition of Financial Assets and Liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a firsttime adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

A.2.3 Classification and Measurement of Financial Assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS. The Company has assessed the same accordingly.

B Reconciliations between Previous GAAP and Ind AS

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

Notes to Standalone Financial Statements for the year ended 31st March, 2018
Rs. In Lakhs
Reconciliation of Equity as at the Date of Transition (1st April, 2016)

Sr No	Note	Previous GAAP	Adjustments	Ind AS
ASSETS :				
NON-CURRENT ASSETS :				
Property, Plant & Equipments		3395.73		3395.73
Capital Work in Progress		944.01		944.01
Intangible Assets		4.73		4.73
Financial Assets:				
Investments		144.99		144.99
Loans		129.98		129.98
Other Financial Assets		13.82		13.82
Other Non Current Assets		232.67		232.67
TOTAL NON CURRENT ASSETS		4865.93	0.00	4865.93
CURRENT ASSETS:				
Inventories		1998.11		1998.11
Financial Assets:-				
Investments		0.00		0.00
Trade Receivables		2588.85		2588.85
Cash and cash equivalents		59.44		59.44
Other Bank Balances		111.48		111.48
Loans		30.93		30.93
Other Financial Assets		4.33		4.33
Other Current Assets		1391.64		1391.64
TOTAL CURRENT ASSETS		6184.78	0.00	6184.78
TOTAL -ASSETS		11050.71	0.00	11050.71
EQUITIES AND LAIBILITIES:				
EQUITY				
Equity Share Capital		1132.84		1132.84
Other Equity	h,i	5200.31	(56.92)	5143.39
TOTAL EQUITY		6333.15	(56.92)	6276.24
LAIBILITIES				
NON CURRENT LIABILITIES				
Financial Liabilities				
Borrowings		18.14		18.14
Trade Payables		5.28		5.28
Other Financial Liabilities		0.10		0.10
Deferred Tax Liabilities(Net)	g	461.52	56.92	518.44
TOTAL NON CURRENT LIABILITIES		485.04	56.92	541.95
CURRENT LIABILITIES				
Financial Liabilities				
Borrowings		3114.21		3114.21
Trade Payables		454.09		454.09
Other Financial Liabilities		221.71	0.00	221.71
Provisions		15.18		15.18
Current Tax Liabilities		398.00		398.00
Other Current Liabilities		29.32	0.00	29.32
TOTAL CURRENT LIABILITIES		4232.52	0.00	4232.52
TOTAL LIABILITIES		4717.55	56.92	4774.47
TOTAL - EQUITIES AND LIABILITIES		11050.71	0.00	11050.71

* The Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this Note.

Notes to Standalone Financial Statements for the year ended 31st March, 2018
Rs. In Lakhs
Reconciliation of Equity as at 31st March 2017

Sr No	Note	Previous GAAP	Adjustments	Ind AS
ASSETS :				
NON-CURRENT ASSETS :				
Property, Plant & Equipments		3445.49		3445.49
Capital Work in Progress		982.03		982.03
Intangible Assets		2.04		2.04
Financial Assets:				
Investments		140.66		140.66
Loans		93.21		93.21
Other Financial Assets		89.29		89.29
Other Non Current Assets		243.24		243.24
TOTAL NON CURRENT ASSETS		4995.97	0.00	4995.97
CURRENT ASSETS:				
Inventories		2208.44		2208.44
Financial Assets:-				
Investments		0.00		0.00
Trade Receivables		2799.69		2799.69
Cash and cash equivalents		43.65		43.65
Other Bank Balances		10.88		10.88
Loans		97.33		97.33
Other Financial Assets		5.46		5.46
Other Current Assets		1714.50		1714.50
TOTAL CURRENT ASSETS		6879.96	0.00	6879.96
TOTAL -ASSETS		11875.92	0.00	11875.92
<u>EQUITIES AND LAIBILITIES:</u>				
EQUITY				
Equity Share Capital		1132.84		1132.84
Other Equity	h,i	6339.60	153.73	6493.32
TOTAL EQUITY		7472.44	153.73	7626.17
LAIBILITIES				
NON CURRENT LIABILITIES				
Financial Liabilities				
Borrowings		12.26		12.26
Trade Payables		5.28		5.28
Other Financial Liabilities		0.32		0.32
Deferred Tax Liabilities(Net)	g	465.52	50.00	515.52
Other Non Current Liabilities		0.00		0.00
TOTAL NON CURRENT LIABILITIES		483.38	50.00	533.38
CURRENT LIABILITIES				
Financial Liabilities				
Borrowings		2519.80		2519.80
Trade Payables		342.98		342.98
Other Financial Liabilities		87.16		87.16
Provisions	d	221.87	(204.52)	17.35
Current Tax Liabilities		714.25		714.25
Other Current Liabilities	f	34.04	0.79	34.84
TOTAL CURRENT LIABILITIES		3920.10	(203.73)	3716.38
TOTAL LIABILITIES		4403.48	(153.73)	4249.76
TOTAL - EQUITIES AND LIABILITIES		11875.92	0.00	11875.92

* * The Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this Note.

Notes to Standalone Financial Statements for the year ended 31st March, 2018
Rs. In Lakhs
Reconciliation of Total Comprehensive Income for the year ended 31st March, 2017

Sr No	Note	Previous GAAP	Adjustments	Ind AS
A	REVENUE FROM OPERATIONS	14839.48	1279.64	16119.12
	OTHER INCOME	20.02		20.02
	TOTAL REVENUE Rs.	14859.51	1279.64	16139.15
B	EXPENSES :			
	Cost of Materials Consumed	8505.79		8505.79
	Purchases of Stock-in-Trade	223.79		223.79
	Changes in Inventories	(316.07)		-316.07
	Excise Duty	0.00	1279.64	1279.64
	Employee Benefits Expenses	605.36	1.81	607.18
	Finance Costs	150.12		150.12
	Depreciation & Amortisations	317.09		317.09
	Other Exps:-			0.00
	Other Manufacturing Exps.	2530.63		2530.63
	Repairs & Maintenance	361.36		361.36
	Administrative, Selling & Other Exps.	419.38		419.38
	TOTAL EXPENSES Rs.	12797.45	1281.45	14078.90
	Profit before Taxation	2062.05	(1.81)	2060.24
	Less: Provision for Taxation			
	Current Tax	f 714.25	(0.35)	713.90
	Deferred Tax	g 4.00	(6.92)	-2.92
	Add/ (Less):- Taxation of earlier years (Refunds/Paid)	0.00		0.00
	Net Profit for the Year	1343.81	5.46	1349.26
	Other Comprehensive Income, Net of Tax		0.67	0.67
	Total Comprehensive Income for the Year	1343.81	6.12	1349.93

Reconciliation of Total Equity as at 31st March, 2017 and 1st April, 2016

Sr No	Note	31st March, 2017	1st April, 2016
	Total Equity (Shareholders' Funds) as per Previous GAAP @ Adjustments:	7472.44	6333.15
	Fair Valuation of Investments	0.00	0.00
	Proposed Dividend (including Dividend Distribution Tax)	204.52	0.00
	Borrowings - Transaction Cost Adjustment		
	Remeasurements on Post Employment Benefit Obligations	f (0.79)	0.00
	Deferred Tax effects on Adjustments, etc.	g (50.00)	(56.92)
	Total Adjustments	153.73	(56.92)
	Total Equity as per Ind AS	7626.17	6276.24

Reconciliation of Total Comprehensive Income for the year ended 31st March, 2017

Sr No	Note	31st March, 2017
	Profit for the Year as per Previous GAAP	1343.81
	Adjustments:	
	Fair Valuation of Investments (other than subsidiaries)	a 0.00
	Allowance for Expected Credit Losses on Trade Receivables	b 0.00
	Borrowings - Transaction Cost Adjustment	c 0.00
	Remeasurements on Post Employment Benefit Obligations	f (1.81)
	Tax effects of Adjustments, etc.	g 7.27
	Total Adjustments	5.46
	Profit for the Year as per Ind AS	1349.26
	Other Comprehensive Income	0.67
	Total Comprehensive Income as per Ind AS	1349.93

Notes to Standalone Financial Statements for the year ended 31st March, 2018

Impact of Ind AS adoption on the Cash Flow Statement for the year ended 31st March, 2017

There were no material differences between the Cash Flow Statement presented under Ind AS and the Previous GAAP.

C Notes to First-time Adoption

a Fair Valuation of Investments (Other than Investments in Subsidiaries)

Under the Previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments (other than investments in subsidiaries) are required to be measured at fair value considering the Company's business model and contractual terms of the cash flows. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended 31st March, 2017. There is no such investments except for the investment in equities of companies where it is made out of business conditions like Bharuch Eviro Infra Ltd, which is managing the common effluent treatment plant at Ankleshwar, and so the company has become member. All these investments are for long term and not for any kind of profits and so they are valued at cost, as decided by the management.

There is only one investment in India Reit Fund Scheme VI, for Rs. 13.82 Lakhs as on 1st April, 2016, and the same is regularly paying back the principal sum and dividend and the balance is written off every year as management charges and the balance as on 31st March 2017 is Rs. 9.49 Lakhs and as on 31st March 2018 it is Rs. 4.33 Lakhs. So as per the management, it does not require to be measured or remeasured at Fair Value, because it is already valued at fair value each year end.

b Trade Receivables

As per Ind AS 109, the Company is required to apply expected credit loss model for recognising the allowance on trade receivables. As a result, the allowance for expected credit losses was recognised amounting to Rs. NIL as at 31st March, 2017 (1st April, 2016 - Rs. NIL). Consequently, the total equity as at 31st March, 2017 decreased by Rs. 0 Lakhs (1st April, 2016 - Rs. 0 Lakhs) and profit for the year ended 31st March, 2017 decreased by Rs. 0 Lakhs.

c Borrowings

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method.

Accordingly, long-term borrowings as at 31st March, 2017 have been reduced by Rs. Nil (1st April, 2016 - Rs. 0 with a corresponding adjustment to retained earnings. The total equity increased by an equivalent amount. The profit for the year ended 31st March, 2017 decreased by Rs. 0 as a result of the additional interest expense.

d Proposed Dividend

Under the Previous GAAP, dividend proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend including dividend distribution tax thereon was recognised as a provision. Under Ind AS, such dividend is recognised when the same is approved by the shareholders in the general meeting.

Accordingly, the provision for proposed dividend including dividend distribution tax thereon of Rs. 204.52 Lakhs as at 31st March, 2017 (1st April, 2016 - Rs. Nil) included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

e Excise Duty

Under the Previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of products is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended 31st March, 2017 by Rs. 1279.64 Lakhs. There is no impact on the total equity and profit.

f Remeasurement of Post Employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on net defined benefit obligations are recognised in other comprehensive income instead of profit or loss. Under the Previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended 31st March, 2017 decreased by Rs. 0.79 Lakhs (net of current tax Rs. 0.35 Lakhs). There is no impact on the total equity as at 31st March, 2017.

g Deferred Tax

Under the Previous GAAP, deferred tax was accounted using the income statement approach, on timing differences between the taxable profit and accounting profit for the year. Under Ind AS, deferred tax is recognised following

Notes to Standalone Financial Statements for the year ended 31st March, 2018

balance sheet approach on the temporary differences between the carrying amount of asset or liability in the balance sheet and its tax base. In addition, various transitional adjustments have also led to recognition of deferred taxes on new temporary differences. Deferred tax assets on unused capital loss was also not created as it did not meet the recognition criteria under the Previous GAAP. However under Ind AS, deferred tax asset on such item is recognised to the extent its meets the recognition criteria under Ind AS 12.

Accordingly, deferred tax liabilities (net) as at 31st March, 2017 have been increased by Rs. 50.00 Lakhs (1st April, 2016 - Rs. 56.92 Lakhs) with a corresponding adjustment to retained earnings. The total equity decreased by an equivalent amount.

The above adjustments increased deferred tax benefit recognised in profit or loss by Rs. 6.92 Lakhs for the year ended 31st March, 2017.

h Retained Earnings

Retained earnings as at 1st April, 2016 and as at 31st March, 2017 has been adjusted consequent to above Ind AS transition adjustments.

i Other Comprehensive Income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as other comprehensive income includes remeasurements on postemployment defined benefit plans. The concept of other comprehensive income did not exist under Previous GAAP.

Accordingly, remeasurements on post-employment defined benefit plans for the year ended 31st March, 2017 amounting to Rs. 0.67 Lakhs (net of current tax of Rs. 0.35 Lakhs) have been recognised in other comprehensive income.

For : ASIM RAVINDRA & ASSOCIATES
CHARTERED ACCOUNTANTS.
FRN. 118775W

[RAVINDRA MEHTA]
PARTNER
M. No. 043051

Place : Ahmedabad
Date : 26/05/2018

For : DYNEMIC PRODUCTS LIMITED

(B. K. Patel)
Managing Director

(D. B. Patel)
Director

(R. B. Patel)
Director

(Varsha Mehta)
Company Secretary

(Amisha Patel)
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To
The Members of,
Dynemic Products Limited

Report on the Consolidated Indian Accounting Standards (Ind As) Financial Statements

- 1 We have audited the accompanying consolidated Ind AS financial statements of DYNEMIC PRODUCTS LIMITED ("The Holding Company"), and its subsidiary Dynamic Overseas (India) Pvt Ltd and its associate Dynamic Holdings Pvt Ltd(collectively referred to as "The Group"), comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including Other comprehensive income), the Consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information prepared based on the relevant records. (hereinafter referred to as Consolidated Ind AS Financial Statements)

Management's Responsibility for the Financial Statements

- 2 The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and consolidated changes in equity of the Group including its Subsidiary and Associates entities in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. The respective Board of Directors of the companies included in the Group and of its subsidiaries and associates entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

- 3 Our responsibility is to express an opinion on these consolidated Ind As financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
- 4 We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act, and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.
- 5 An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind As financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.
- 6 We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

- 7 In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its subsidiary and its associates entities as at 31st March, 2018, and their consolidated profit (including other comprehensive income), their consolidated cash flows and consolidate changes in Equity for the year ended on that date.

Other Matters

- 8 We did not audit the financial statements / consolidated financial statements of subsidiary Dynamic Overseas (India) Private Limited, whose financial statements / consolidated financial statements reflect total assets of Rs. 92.48 Lakhs as at March 31, 2018, total revenues of Rs. 22.75 Lakhs and net cash flows of Rs. 0.36 Lakhs for the year then ended, as the case may be, on that date and financial statements of associate Dynamic Holdings Private Limited in which the share of net profit of the Group is Rs. 0.73 Lakhs. These financial statements / consolidated financial statements have been audited by other auditors whose reports have been furnished to us and our opinion is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

- 9 The comparative financial information of the Group for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2017 and March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended).

The adjustments to those consolidated financial statements for the differences in accounting principles adopted by the Holding Company on transition to the Ind AS have been audited by us, and other auditors (for the financial statements/ financial information of the subsidiary as considered in the consolidated Ind AS financial statements).

Report on Other Legal and Regulatory Requirements

- 11 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 of the aforesaid consolidated Ind AS financial statements.
 - (b) In our opinion, proper books of account as required by law maintained by the Holding company and its subsidiary and associate relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of Holding Company and reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
 - (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, and associate company incorporated in India, none of the directors of the Group companies, its subsidiary and its associate company incorporated in India is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding company, subsidiary company, and associate company incorporated in India.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and the explanations given to us:
 - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, – Refer Note 37 to the consolidated Ind AS financial statements.
 - ii. The Group, its subsidiary and its associate entity did not have any material foreseeable losses on long-term contracts. The Group did not have derivative contract as at 31st March 2018.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and in case of its subsidiary company and associate company incorporated in India, it is not applicable at present.

For, **ASIM RAVINDRA & ASSOCIATES**
CHARTERED ACCOUNTANTS
FRN. 118775W

[**RAVINDRA MEHTA**]
PARTNER
M. No. 043051

Place : Ahmedabad
Date : 26/05/2018

ANNEXURE "A"

TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

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

- 1 In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31st March, 2018, we have audited the internal financial controls over financial reporting of Dynamic Products Limited (hereinafter referred to as "the Holding Company") and its subsidiary company and its associate company which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

- 2 The respective Board of Directors of the Holding company, its subsidiary company and its associate company which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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

- 3 Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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.
- 4 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 control 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 auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
- 5 We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their report referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's, its subsidiary company's, and its associate company's incorporated in India, internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

- 7 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 based on the relevant records. (hereinafter referred to as Consolidated Ind AS Financial Statements)

OPINION

- 8 In our opinion to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary company, and its associate company which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Associates entities in accordance with the accounting principles generally accepted in India, including the Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

OTHER MATTERS

- 9 Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditors of such company incorporated in India. Our opinion is not qualified in respect of this matter.

For, **ASIM RAVINDRA & ASSOCIATES**
CHARTERED ACCOUNTANTS
FRN. 118775W

[**RAVINDRA MEHTA**]
PARTNER
M. No. 043051

Place : Ahmedabad
Date : 26/05/2018

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2018 (Rs. In Lakhs)

Particulars	Note	As at 31st March, 2018	As at 31st March, 2017	As at 1st April 2016
ASSETS :				
NON-CURRENT ASSETS :				
Property, Plant & Equipments	4.1	3,469.64	3,449.51	3,399.83
Capital Work in Progress	4.2	1,431.55	982.03	944.01
Goodwil		29.11	29.11	29.11
Intangible Assets	5	1.36	2.04	4.73
Investments accounted for using equity method	6	87.16	86.43	86.25
Financial Assets:				
Investments	6	13.90	19.06	23.39
Loans	10	182.66	93.21	129.98
Other Financial Assets	11	216.04	159.21	78.98
Other Non Current Assets	13	248.43	243.55	233.07
TOTAL NON CURRENT ASSETS		5,679.87	5,064.15	4,929.36
CURRENT ASSETS:				
Inventories	12	2,696.56	2,208.44	1,998.11
Financial Assets:-				
Investments	6	-	-	-
Trade Receivables	7	3,247.52	2,799.69	2,588.85
Cash and cash equivalents	8	47.19	56.60	78.73
Other Bank Balances	9	9.15	10.88	111.48
Loans	10	17.24	97.33	30.93
Other Financial Assets	11	4.77	5.46	4.33
Other Current Assets	13	2,288.56	1,716.56	1,393.23
TOTAL CURRENT ASSETS		8,310.99	6,894.96	6,205.66
TOTAL -ASSETS		13,990.86	11,959.11	11,135.02
EQUITIES AND LIABILITIES:				
EQUITY				
Equity Share Capital	14.1	1,132.84	1,132.84	1,132.84
Other Equity	14.2	8,109.10	6,566.51	5,211.29
EQUITY ATTRIBUTABLE TO OWNERS		9,241.95	7,699.35	6,344.13
Non Controlling Interest		6.63	6.55	6.45
TOTAL EQUITY		9,248.58	7,705.90	6,350.58
LIABILITIES				
NON CURRENT LIABILITIES				
Financial Liabilities				
Borrowings	15	11.25	12.26	18.14
Trade Payables	16	-	5.28	5.28
Other Financial Liabilities	17	0.51	0.32	0.10
Deferred Tax Liabilities(Net)	21	519.26	516.23	519.12
TOTAL NON CURRENT LIABILITIES		531.01	534.09	542.63
CURRENT LIABILITIES				
Financial Liabilities				
Borrowings	15	2,485.38	2,519.80	3,114.21
Trade Payables	16	562.99	342.98	454.61
Other Financial Liabilities	17	99.40	87.57	221.71
Provisions	18	17.26	17.35	15.18
Current Tax Liabilities	19	936.76	716.58	400.32
Other Current Liabilities	20	109.48	34.84	35.77
TOTAL CURRENT LIABILITIES		4,211.27	3,719.12	4,241.81
TOTAL LIABILITIES		4,742.28	4,253.21	4,784.44
TOTAL - EQUITIES AND LIABILITIES		13,990.86	11,959.11	11,135.02

The accompanying Notes form an integral part of the Consolidated Balance Sheet.
 This is the Consolidated Balance Sheet referred to in our report of even date.

For : ASIM RAVINDRA & ASSOCIATES
CHARTERED ACCOUNTANTS.
 FRN. 118775W

[RAVINDRA MEHTA]
PARTNER
 M. No. 043051

Place : Ahmedabad
 Date : 26/05/2018

For : DYNEMIC PRODUCTS LIMITED

(B. K. Patel)
 Managing Director

(D. B. Patel)
 Director

(R. B. Patel)
 Director

(Varsha Mehta)
 Company Secretary

(Amisha Patel)
 Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31-3-2018 (Rs. In Lakhs)

Particulars	Note	31/03/2018		31/03/2017	
		Rupees	Rupees	Rupees	Rupees
REVENUE FROM OPERATIONS	22		16,716.41		13,965.10
OTHER INCOME	23		29.80		25.30
TOTAL REVENUE Rs.			16,746.21		13,990.40
EXPENSES :					
Cost of Materials Consumed	24		8,343.32		6,527.71
Purchases of Stock-in-Trade	25		263.05		282.85
Changes in Inventories	26		138.07		(316.07)
Excise Duty			270.86		1,032.51
Employee Benefits Expenses	27		751.54		607.50
Finance Costs	28		118.96		150.99
Depreciation & Amortisations	29		332.40		317.17
Other Exps:-	30				
Other Manufacturing Exps.	30.1	3,074.25		2,534.88	
Repairs & Maintenance	30.2	332.18		361.36	
Administrative, Selling & Other Exps.	30.3	425.41	3,831.84	423.68	3,319.92
TOTAL EXPENSES Rs.			14,050.05		11,922.59
Profit before share of net profits of investment accounted for using equity and Tax			2,696.16		2,067.82
Share of net profit/(loss) of Associates and joint ventures accounted for using the equity method			0.73		0.18
Profit before Tax			2,696.89		2,067.99
Income Tax Expense	31				
Current Tax			934.58		716.23
Deferred Tax			3.03		(2.89)
Add/ (Less):- Taxation of earlier years (Refunds/Paid)			3.61		-
Net Profit for the Year			1,755.67		1,354.65
Other Comprehensive Income					
Items that will not be Reclassified to Profit or Loss	36		(6.29)		1.02
Remeasurements on Post-employment Defined Benefit Plans					
Income Tax on Above	31		(2.18)		(0.35)
Total Other Comprehensive Income, Net of Tax			(8.47)		0.67
Total Comprehensive Income for the Year			1,747.20		1,355.32
Profit attributable to:					
Owners			1,755.58		1,354.55
Non controlling Interest			0.08		0.10
			1,755.67	-	1,354.65
Other Comprehensive Income attributable to:					
Owners			(8.47)		0.67
Non controlling Interest			-		-
			(8.47)	-	0.67
Total Comprehensive Income attributable to:					
Owners			1,747.12		1,355.22
Non controlling Interest			0.08		0.09
			1,747.20	-	1,355.32
Earnings per Equity Share (Nominal Value Rs. 10/- per Share)	32				
Basic			15.42		11.96
Diluted			15.42		11.96

The accompanying Notes form an integral part of the Consolidated Statement of Profit & Loss.
 This is the Consolidated Statement of Profit & Loss referred to in our report of even date.

For : DYNEMIC PRODUCTS LIMITED

For : ASIM RAVINDRA & ASSOCIATES
CHARTERED ACCOUNTANTS.
 FRN. 118775W

(B. K. Patel)
 Managing Director

(D. B. Patel)
 Director

[RAVINDRA MEHTA]
PARTNER
 M. No. 043051

(R. B. Patel)
 Director

Place : Ahmedabad
 Date : 26/05/2018

(Varsha Mehta)
 Company Secretary

(Amisha Patel)
 Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended 31st March, 2018 (Rs. In Lakhs)
Other Equity -Reserves & Surplus- Rfer Note No 14.2

Particulars	Equity Share Capital [Refer Note 14.1]	Share Premium Account	General Reserve	Retained Earnings	Total
As at 1st April, 2016	1,132.84	1,036.80	402.18	3,772.31	6,344.13
Profit for the Year				1,354.55	1,354.55
"Other Comprehensive Income (Net of Tax) -Remeasurements on Post employment "Defined Benefit Plans"				0.67	0.67
Total Comprehensive Income for the Year	1,132.84	1,036.80	402.18	5,127.52	7,699.35
Transactions with Owners in their Capacity as Owners:					
Final Dividend on Equity Shares for the Financial Year 2015-16 (Refer Note 41(b))				-	-
Dividend Distribution Tax on Above				-	-
Transfer from Retained Earnings			50.00	(50.00)	-
As at 31st March, 2017	1,132.84	1,036.80	452.18	5,077.52	7,699.35
Profit for the Year				1,755.58	1,755.58
"Other Comprehensive Income (Net of Tax) -Remeasurements on Post employment "Defined Benefit Plans"				(8.47)	(8.47)
Total Comprehensive Income for the Year	1,132.84	1,036.80	452.18	6,824.64	9,446.47
Transactions with Owners in their Capacity as Owners:					
Final Dividend on Equity Shares for the Financial Year 2016-17 (Refer Note 41(b))				(169.93)	(169.93)
Dividend Distribution Tax on Above				(34.59)	(34.59)
Transfer from Retained Earnings			50.00	(50.00)	-
As at 31st March, 2018	1,132.84	1,036.80	502.18	6,570.12	9,241.95

The accompanying Notes form an integral part of the Consolidated Statement of Changes in Equity.
This is the Consolidated Statement of Changes in Equity referred to in our report of even date.

For : ASIM RAVINDRA & ASSOCIATES
CHARTERED ACCOUNTANTS.
FRN. 118775W

[RAVINDRA MEHTA]
PARTNER
M. No. 043051

Place : Ahmedabad
Date : 26/05/2018

For : DYNAMIC PRODUCTS LIMITED

(B. K. Patel)
Managing Director

(D. B. Patel)
Director

(R. B. Patel)
Director

(Varsha Mehta)
Company Secretary

(Amisha Patel)
Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March, 2018
(Rs. In Lakhs)

Particulars	Year Ended 31/03/2018	Year Ended 31/03/2017
A. Cash Flows from Operating Activities		
Profit before Tax	2696.89	2067.99
Adjustments for:		
Share of net profit/(loss) of Associates	(0.73)	(0.18)
Depreciation and Amortisation Expense	332.40	317.17
Finance Costs	118.96	150.99
Bad Debts/Advances Written Off	-	10.92
Provision for Doubtful Debts	-	-
Interest Income Classified as Investing Cash Flows	(14.05)	(14.34)
Net Gain on Investments Carried at Fair Value through Profit or Loss	-	-
Fair Value Gains on Derivatives Not Designated as Hedges (Unrealised)	-	-
Liabilities No Longer Required Written Back	-	-
Provision for Doubtful Debts Written Back	-	-
Allowance Made/(Reversed) for Expected Credit Losses on Trade Receivables	-	-
(Gain)/Loss on Disposal of Property, Plant and Equipment (Net)	5.05	20.76
Write Downs of Inventories to Net Realisable Value	-	-
Foreign Exchange Differences (Net)	(125.32)	(77.62)
Operating Profit before Changes in Operating assets and Liabilities	3,013.20	2,475.70
Changes in Operating Assets and Liabilities		
Increase/(Decrease) in Trade Payables	214.73	(111.63)
Increase/(Decrease) in Other Financial Liabilities	14.46	14.34
Increase/(Decrease) in Provisions	(0.09)	2.17
Increase/(Decrease) in Other Current Liabilities	74.65	(0.93)
(Increase)/Decrease in Inventories	(488.12)	(210.34)
(Increase)/Decrease in Trade Receivables	(447.83)	(221.75)
(Increase)/Decrease in Loans	(9.37)	(29.63)
(Increase)/Decrease in Other Financial Assets	(56.17)	6.36
(Increase)/Decrease in Other Non-current Assets	(4.88)	(10.48)
(Increase)/Decrease in Other Current Assets	(473.16)	(12.45)
Cash Generated from Operations	(1,175.77)	(574.35)
Income Taxes Paid	(818.19)	(719.36)
NET CASH FROM OPERATING ACTIVITIES	(1,993.96)	(1,293.70)
B. Cash Flows from Investing Activities		
Payments for Acquisition of Property, Plant and Equipment/Intangible Assets	(813.11)	(436.12)
Proceeds on Disposal of Property, Plant and Equipment	6.68	13.18
Payments for Purchase of Investments	-	-
Proceeds from Sale/Redemption of Investments	5.16	4.33
Interest Received	14.05	14.34
Proceeds from Maturity of Deposits with Banks	99.35	97.92
Payments for Placing of Deposits with Banks	(105.74)	(75.14)
NET CASH USED IN INVESTING ACTIVITIES	(793.60)	(381.48)
C. Cash Flows from Financing Activities:		
Dividend Paid	(169.93)	(26.00)
Dividend Distribution Tax Paid	(34.59)	-
Finance Costs Paid	(118.96)	(150.99)
Repayment of Long-term Borrowings	(2.45)	(128.87)
Short-term Borrowings - Receipts/(Payments)	(34.43)	(594.40)
NET CASH USED IN FINANCING ACTIVITIES	(360.36)	(900.27)
D. Exchange Differences on Translation of Foreign Currency	125.32	77.62
Cash and Cash Equivalents		
Net Cash (Outflow)/ Inflow	(9.40)	(22.13)
Cash and Cash Equivalents - Opening (Refer Note 8)	56.60	78.73
Cash and Cash Equivalents - Closing (Refer Note 8)	47.19	56.60

The above Consolidated Cash Flow Statement has been prepared under the 'Indirect Method' as set out in IndAS 7, 'Statement of Cash Flows'. The accompanying Notes form an integral part of the Consolidated Cash Flow Statement. This is the Consolidated Cash Flow Statement referred to in our report of even date.

FOR ASIM RAVINDRA & ASSOCIATES
CHARTERED ACCOUNTANTS.
 FRN. 118775W

[RAVINDRA MEHTA]
PARTNER
 M. No. 043051

Place : Ahmedabad
 Date : 26/05/2018

For : DYNEMIC PRODUCTS LIMITED

(B. K. Patel)
 Managing Director

(D. B. Patel)
 Director

(R. B. Patel)
 Director

(Varsha Mehta)
 Company Secretary

(Amisha Patel)
 Chief Financial Officer

Notes to Consolidated Financial Statements for the year ended 31st March, 2018**1. Group Background**

Dynemic Products Limited (the 'Parent Company') is a public limited company, incorporated and domiciled in India. The equity shares of the Company are listed on the National Stock Exchange of India Limited and the BSE Limited in India. The registered office of the Company is located at B-301, Satyamev-I, Opp. Gujarat High Court, S G Road, Sola, Ahmedabad-380060, Gujarat, India. The Parent Company and its subsidiary, Dynamic Overseas India Pvt Ltd & its associates Dynemic Holdings Pvt Ltd, (collectively referred to as "the Group") is mainly engaged in the business of manufacturing and selling of Dyes & Dye Intermediates as single operational segment, and . The consolidated Financial statements were approved and authorised for issue in accordance with the resolution of the Company's Board of Directors on 26th May, 2018.

2. Significant Accounting Policies

This Note provides a list of the significant accounting policies adopted in the preparation of the consolidated Financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of Preparation**(i) Compliance with Ind AS**

The consolidated financial statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act') [Companies (Accounting Standards) Rules, 2015] and other provisions of the Act. The consolidated Financial statements up to year ended 31st March, 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (Previous GAAP). These consolidated Financial statements are the First consolidated Financial statements of the Company under Ind AS. Refer Note 43 for an explanation of how the transition from Previous GAAP to Ind AS has impacted the Company's Financial position, Financial performance and cash Flows.

(ii) Historical Cost Convention

The consolidated Financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities (including derivative instruments) that is measured at fair value.
- Defined benefit plans - plan assets measured at fair value.

(iii) Current versus Non Current Classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

- a) expected to be realised or intended to be sold or consumed in the normal operating cycle,
- b) held primarily for the purpose of trading,
- c) expected to be realised within twelve months after the reporting period, or
- d) cash or cash equivalents unless 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 when:

- a) it is expected to be settled in the normal operating cycle,
- b) it is held primarily for the purpose of trading,
- c) it is due to be settled within twelve months after the reporting period, or
- d) there is no unconditional right to defer 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.

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

(iv) Rounding of Amounts

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest Lakhs Rupee as per the requirement of Schedule III, unless otherwise stated.

(b) Principal of Consolidation:-

The consolidated financial statements relate to Dynemic Products Limited ('the Company') and its subsidiary company, and associate. The consolidated financial statements have been prepared on the following basis:

- (i) The financial statements of the Company and its subsidiary are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.
- (ii) The excess of cost to the Company of its investments in the subsidiary company over its share of equity of the subsidiary companies at the dates on which the investments in the subsidiary companies are made, is recognised as " Goodwill " being an assets in the consolidated financial statements.
- (iii) Minority interest in the net assets of consolidated subsidiary consist of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company and further movements in their share in the equity , subsequent to the dates of investments.
- (iv) Investment in Associate has been accounted under the equity method as per Ind AS 28 - Investments in Associates and Joint Ventures.
- (v) The Company accounts for its share of post acquisition changes in net assets of associates, after eliminating unrealised profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its Consolidated Profit and Loss Statement, to the extent such change is attributable to the associates' Profit and Loss Statement and through its reserves for the balance based on available information.
- (vi) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

(c) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty & exclusive of GST and net of returns, trade discounts, rebates, value added taxes and amounts collected on behalf of third parties. The inter divisional transfer between Unit-1 & Unit-2 are deducted from respective sales & purchases. It has no impact on profit or loss.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Sale of Products :-Revenue from sale of products is recognised when the significant risks and rewards of ownership of the products have passed to the buyer as per the terms of contract. Sales is net of inter branch transfers. It has no impact on profit or loss.

Sale of Services:- Revenue from services rendered is recognised as the services are rendered and is booked based on agreements/ arrangements with the concerned parties.

Other Operating Revenues

Export entitlements (arising out of Duty Drawback, Merchandise Export from India and Focus Market Schemes) are recognised when the right to receive credit as per the terms of the schemes is established in respect of the exports made by the Group and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds. There is no Royalty Income.

(d) Construction Contracts :- There is no Construction contract entered into by the Group during the period under consideration.

(e) Property, Plant and Equipment:-

Freehold/ GIDC Lease hold land is carried at historical cost. All other items of property, plant and equipment are

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April, 2016 measured as per the Previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation Method, Estimated Useful Lives And Residual Values

Depreciation is calculated on a pro-rata basis using the straight-line method to allocate their cost, net of their estimated residual values, over their estimated useful lives in accordance with Schedule II to the Act. Each component of an item of property, plant and equipment with a cost that is significant in relation to the cost of that item is depreciated separately if its useful life differs from the other components of the item.

Estimated useful lives of the assets are taken as per Schedule II of the Companies Act 2013, which is broadly defined as under:-

Buildings - 3 to 60 years

Plant and Equipments - 5 to 40 years

Furniture and Fixtures - 10 years

Vehicles - 8 to 10 years

Office Equipments - 3 to 6 years

Leasehold land is from GIDC and has not been amortised, as the lease cost has been fully paid. The useful lives, residual values and the method of depreciation of property, plant and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit or loss within 'Other Income'/'Other Expenses'. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as 'Capital Advances' under other non-current assets and the cost of property, plant and equipment not ready to use are disclosed under 'Capital Work-in-progress'.

(f) Intangible Assets

Intangible assets (Computer Software) has a finite useful life and are stated at cost less accumulated amortisation and accumulated impairment losses, if any.

Computer Software

Software for internal use, which is primarily acquired from third-party vendors is capitalised. Subsequent costs associated with maintaining such software are recognised as expense as incurred. Cost of software includes license fees and cost of implementation/system integration services, where applicable.

Amortisation Method and Period

Computer software are amortised on a pro-rata basis using the straight-line method over their estimated useful life of 5 years, from the date they are available for use. Amortisation method and useful lives are reviewed periodically at each Financial year end.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as at 1st April, 2016 measured as per the Previous GAAP and use that carrying value as the deemed cost of intangible assets.

(g) Impairment of Non Financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash generating units).

(h) Leases

As A Lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. This is not applicable to GIDC Lease, as there is no periodic payments are made for uses of leased asset, which is GIDC Land.

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories comprises cost of purchases and all other costs incurred in bringing the inventories to their present location and condition. Cost of work-in-progress and finished goods comprises direct materials, direct labor and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on approximation average basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(j) Investments and Other Financial Assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:-

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. Though the Group do not have any debt instruments, but for investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

(ii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt Instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised Costs

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired.

- Fair Value through other comprehensive income (FVOCI):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets'

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in 'Other Income'.

Fair value through Profit & Loss A/c

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the Statement of Profit and Loss within 'Other Income' in the period in which it arises.

Equity Instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Changes in the fair value of financial assets at fair value through profit or loss are recognised in 'Other Income' in the Statement of Profit and Loss.

(iii) Impairment of Financial Assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets which are not fair valued through profit or loss. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 40(A) details how the Group determines whether there has been a significant increase in credit risk. For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109, 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) De-recognition of Financial Assets

A financial asset is de-recognised only when

- the Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(v) Income Recognition*Interest Income*

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Dividend

Dividend is recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

(vi) Fair Value of Financial Instruments

In determining the fair value of financial instruments, the Group uses a variety of methods and assumptions that

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

(k) Derivative Instruments- Not applicable as there are no Derivative Instruments.

(l) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

(m) Trade Receivables

Trade receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(n) Cash and Cash Equivalents

For the purpose of presentation in the Cash Flow Statement, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(o) Trade Payables

Trade Payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(p) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(q) Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

(r) Foreign Currency Transactions and Translation

(i) Functional and Presentation Currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The consolidated financial statements

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

are presented in Indian Rupee (Rs.), which is the Group's functional and presentation currency.

(ii) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. At the year-end, monetary assets and liabilities denominated in foreign currencies are restated at the year - end exchange rates. The exchange differences (other than relating to long-term foreign currency monetary items recognised up to 31st March, 2017) arising from settlement of foreign currency transactions and from the year-end restatement are recognised in profit and loss.

Exchange differences arising on reporting of long-term foreign currency monetary items recognised up to 31st March, 2017 (i) relating to acquisition of depreciable capital assets is adjusted to the carrying amount of such assets (to be depreciated over the balance life of the related asset) and (ii) in other cases accumulated in a 'Foreign Currency Monetary Item Translation Difference Account' (to be amortised over the balance period of the related long-term monetary asset/liability). All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within 'Other Income'/'Other Expenses'.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(s) Employee benefits

(i) Short Term Employee Benefits

Liabilities for short-term employee 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 'Employee Benefits Payable' within 'Other Current Liabilities' in the Balance Sheet.

(ii) Post Employment Benefits

Defined Benefit Plans

The liability or asset recognised in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

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 terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in 'Employee Benefits Expense' in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in Other Comprehensive Income. These are included in 'Retained Earnings' in the Statement of Changes in Equity.

Defined Contribution Plans

Contributions under Defined Contribution Plans payable in keeping with the related schemes are recognised as expenses for the period in which the employee has rendered the service.

(iii) Other Long term Employee Benefits

The liabilities for leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured annually by actuaries as the present value of expected future benefits in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented under 'Provisions' (Current) in the Balance Sheet if the entity does not have an

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(t) Income Tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax credits and to unused tax losses.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences, tax credits and losses.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date 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 utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax are recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, if any. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(u) Provisions and Contingencies

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

(v) Dividend

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period.

Notes to Consolidated Financial Statements for the year ended 31st March, 2018**(w) Earnings per Share****(i) Basic Earnings per Share**

Basic earnings per share is calculated by dividing: -

- the profit attributable to owners of the Group
- by the weighted average number of equity shares outstanding during the financial year

(ii) Diluted Earnings per Share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:-

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(x) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Managing Director of the Group. Presently Group has been working in single segment- Dyes & Dyes Intermediates.

(y) Recent Accounting Pronouncements**Standard issued but not yet effective**

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules 2018, notifying amendments to Ind AS 40, 'Investment Properties', Ind AS 21 "Effect of Changes in Foreign Exchange Rates", Ind AS 28 "Investments in Associates & Joint ventures", Ind AS 112 "Disclosures of Interest in Other Entities" and New Ind AS 115 "Revenue From Contract with Customers".

The amendments are applicable to the Group from April 1, 2018.

3 Critical Estimates and Judgments

The preparation of consolidated Financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these consolidated Financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each Balance Sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

This Note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the consolidated Financial statements.

The areas involving critical estimates or judgements are:**Employee Benefits (Estimation of Defined Benefit Obligation)**

Post-employment benefits represent obligations that will be settled in future and require assumptions to estimate benefit obligations. Post-employment benefit accounting is intended to reflect the recognition of benefit costs over the employees' approximate service period, based on the terms of the plans and the investment and funding decisions made. The accounting requires the Group to make assumptions regarding variables such as discount rate and salary growth rate. Changes in these key assumptions can have a significant impact on the defined benefit obligations.

Notes to Consolidated Financial Statements for the year ended 31st March, 2018**Impairment of Trade Receivables**

Impairment of trade receivables is primarily estimated based on prior experience with and the past due status of receivables, based on factors that include ability to pay and payment history. The assumptions and estimates applied for determining the provision for impairment are reviewed periodically.

Estimation of Expected Useful Life of Property, Plant and Equipment

Management reviews its estimate of useful lives of property, plant and equipment at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of property, plant and equipment.

Contingencies

Legal proceedings covering a range of matters are pending against the Group. Due to the uncertainty inherent in such matters, it is often difficult to predict the final outcome. The cases and claims against the Group often raise factual and legal issues that are subject to uncertainties and complexities, including the facts and circumstances of each particular case/ claim, the jurisdiction and the differences in applicable law. The Group consults with legal counsel and other experts on matters related to specific litigations where considered necessary. The Group accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the event an adverse outcome is possible or an estimate is not determinable, the matter is disclosed.

Accounting for Construction Contract Under Percentage of Completion-Not applicable as there is no construction contracts, however the policy is as under:-

The percentage of completion method is used to account for construction contracts. This method requires estimates of the final revenue and costs of the contract, as well as measurement of progress achieved to date as a proportion of the total work to be performed. The main uncertainty when assessing contract revenue is related to recoverable amounts from variation orders and claims payments which are recognised when, based on management's judgment, it is probable that they will result in revenue and are reliably measurable. This assessment is adjusted upon management's evaluation of liquidated damages to be imposed by customers typically relating to contractual delivery terms. Cost to complete depends on productivity factors and the cost of inputs, weather conditions, performance of subcontractors, etc. Experience, reduces but does not eliminate the risk that estimates may change significantly.

Valuation of Deferred Tax assets

Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for Financial reporting purposes and their respective tax bases that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred tax benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned optimising measures. Economic conditions may change and lead to a different conclusion regarding recoverability.

Fair Value Measurements

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 values are measured using valuation techniques, including the discounted cash flow model, which involve various judgments and assumptions.

Impairment of Investments in Subsidiaries

Determining whether the investments in subsidiaries are impaired requires an estimate of the value in use of investments. In considering the value in use, the management anticipates the future commodity prices, capacity utilisation of plant, operating margins, discount rates and other factors of the underlying businesses/operations of the subsidiaries.

Notes to Consolidated Financial Statements for the year ended 31st March, 2018
Group Information

The consolidated financial statements comprise the financial statements of the Parent Company and its wholly owned subsidiary company and its associates as detailed below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held by the Group and the proportion of ownership interests held equals the voting rights held by the Group.

Name of Entity	Place of Business/ Country of Incorporation	Principal Business interest held by the group		Proportion of ownership Activity
		2017-18	2016-17	
1) Dynamic Overseas India Private Limited	India	98.09%	98.09%	Trading of Dyes Intermediates, & other chemicals
2) Dynamic Holdings Private Limited	India	49.22%	49.22%	Investments in shares & securities

Rs. In Lakhs

Name of Entity	Net Assets, i.e Total Assets minus total Liabilities		Share in Profit & Loss A/c		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Parent Dynamic Products Limited	9,241.95	7,699.35	1,755.58	1,354.55	(8.47)	0.67	1,747.12	1,355.22
Subsidiary Dynamic Overseas India Private Limited (Share of Parent)	88.46	84.15	4.31	5.11	-	-	4.31	5.11
Associates Dynamic Holdings Pvt Ltd (Share of Parent)	87.16	86.43	0.73	0.18	-	-	0.73	0.18

Note:- The associate Dynamic Holding Pvt Ltd has invested Rs. 66.91 Lakhs (PYF Rs. 66.91 Lakhs) in the 152220 nos (PYF 152220 nos) of shares of the company i.e Dynamic Products Ltd, hence, out of the net worth of Rs. 177.07 Lakhs (PYF Rs. 175.60 Lakhs) attributable to the shareholding of the company, Rs. 66.91 Lakhs/- is invested in the shares of the company.

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

4	Property, Plant and Equipment	Reconciliation of Gross and Net Carrying Amount of Each Class of Assets									Rs. In Lakhs	
4.1		Particulars	Leasehold Land	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Other Assets	Total		
		Year ended 31st March, 2017										
		Gross Carrying Amount										
		Deemed Cost as at 1st April, 2016 (Refer Note 4.3)	147.19	1,489.29	3,331.36	84.34	69.89	50.09	-	5,172.16		
		Additions	1.86	9.41	340.22	-	43.69	2.92	-	398.10		
		Disposals	-	-	50.32	-	20.76	5.40	-	76.49		
		Closing Balance	149.05	1,498.70	3,621.25	84.34	92.82	47.61	-	5,493.76		
		Accumulated Depreciation										
		As at 1st April 2016	-	385.83	1,239.96	73.35	30.24	42.94	-	1,772.32		
		For the Year	-	48.17	250.15	2.62	9.86	3.67	-	314.48		
		On Disposals	-	-	22.20	-	14.97	5.37	-	42.55		
		Closing Balance	-	434.00	1,467.91	75.97	25.14	41.24	-	2,044.26		
		Net Carrying Amount	149.05	1,064.69	2,153.34	8.38	67.69	6.36	-	3,449.51		
		Year ended 31st March, 2018										
		Gross Carrying Amount										
		Opening Balance	149.05	1,498.70	3,621.25	84.34	92.82	47.61	-	5,493.76		
		Additions	-	23.79	308.90	1.40	27.08	2.43	-	363.59		
		Disposals	-	-	40.93	-	14.64	1.41	-	56.98		
		Closing Balance	149.05	1,522.48	3,889.22	85.74	105.26	48.62	-	5,800.37		
		Accumulated Depreciation										
		As at 1st April 2017	-	434.00	1,467.91	75.97	25.14	41.24	-	2,044.26		
		For the Year	-	48.96	264.44	2.59	12.73	3.01	-	331.72		
		On Disposals	-	-	35.22	-	8.63	1.40	-	45.25		
		Closing Balance	-	482.96	1,697.12	78.55	29.23	42.86	-	2,330.73		
		Net Carrying Amount	149.05	1,039.52	2,192.09	7.19	76.03	5.76	-	3,469.64		

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

4.2	Capital Work-in-Progress	Rs. In Lakhs
	Carrying Amount at the Beginning of the Year	982.03
	Additions During the Year @	449.52
	Capitalised During the Year	-
	Carrying Amount at the End of the Year	1,431.55
	@ Includes following costs incurred in the course of construction of an item of Property, Plant and Equipment:	

4.3 The Company has taken borrowings from banks which carry charge over certain property, plant and equipment (Refer Note 42 for details).

4.4 Contractual obligations - Refer Note 38(a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

4.5 Aggregate amount of depreciation has been included under 'Depreciation and Amortisation Expense' in the Statement of Profit and Loss (Refer Note 29).

4.6 Title deeds of immovable properties set out in Note 4.1 above, where applicable, are in the name of the Company.

		Rs. In Lakhs
5	Intangible Assets	Good will
	Year ended 31st March, 2017	On consolidation
	Gross Carrying Amount	Computer Software
	Deemed Cost as at 1st April, 2016 (Refer Note 4.3)	29.11
	Additions	-
	Disposals	-
	Closing Balance	29.11
	Accumulated Depreciation	
	As at 1st April 2016	-
	For the Year	-
	On Disposals	-
	Closing Balance	24.43
	Net Carrying Amount	29.11
	Year ended 31st March, 2018	
	Gross Carrying Amount	
	Opening Balance	29.11
	Additions	-
	Disposals	-
	Closing Balance	29.11
	Accumulated Depreciation	
	As at 1st April 2017	-
	For the Year	-
	On Disposals	-
	Closing Balance	25.11
	Net Carrying Amount	29.11

5.1 The amortisation has been included under 'Depreciation and Amortisation Expense' in the Statement of Profit and Loss (Refer Note 29).

Notes to Consolidated Financial Statements for the year ended 31st March, 2018
Rs. In Lakhs

6	Investments	Face Value	Number	As At 31st March 2018	As At 31st March 2017	As At 1st April 2016
	Unquoted:					
	Non-current Investments					
	Investments in Equity Instruments					
	INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD					
	In Other Associates Body Corporates					
	*Dynemic Holdings Pvt.Ltd. (At Original Cost)	10	1010000	101.00	101.00	101.00
	Add/Less:- Share of Accumulated Profit/Loss			(13.84)	(14.57)	(14.75)
	Net Investment in Associate			87.16	86.43	86.25
	Other Non Current Investments					
	Investments in Equity Instruments					
	In Other Body Corporates					
	* Enviro Technology Ltd. Shares	10	15000	1.50	1.50	1.50
	* Bharuch Enviro Infrastructure Ltd.	10	1260	0.13	0.13	0.13
	* Bharuch Eco-Aqua Infra.Ltd	10	78450	7.85	7.85	7.85
	* Forum (Chandolidia) Aawas Owner's Asso.	100	1	0.001	0.001	0.001
	* Ank.Res. &.Analy.Inf.Ltd.	10	1000	0.10	0.10	0.10
	Investments in Mutual Funds					
	IndiaReit Fund Scheme IV			4.33	9.49	13.82
				13.90	19.06	23.39
	Current Investments			-	-	-
				-	-	-

6.1 Refer Note 39 for information about fair value measurements and Note 40 for credit risk and market risk on investments.

Rs. In Lakhs

7	Trade Receivables	As At 31st March 2018	As At 31st March 2017	As At 1st April 2016
	Unsecured Considered Good	3,247.52	2,799.69	2,588.85
	Less: Allowance for Expected Credit Losses			
		3,247.52	2,799.69	2,588.85

7.1 Refer Note 42 for receivables secured against borrowings and Note 40 for information about credit risk and market risk on receivables.

8	Cash and Cash Equivalents	As At 31st March 2018	As At 31st March 2017	As At 1st April 2016
	Balances with Banks	45.89	54.91	76.43
	Cheques, Drafts on Hand			
	Cash on Hand (Includes Foreign Currency Rs. 53639(PY 73834))	1.31	1.68	2.29
		47.19	56.60	78.73

8.1 There are no repatriation restrictions with regard to Cash and Cash Equivalents as at the end of the current reporting period and prior periods.

Notes to Consolidated Financial Statements for the year ended 31st March, 2018
Rs. In Lakhs

9	Other Bank Balances	As At 31st March 2018	As At 31st March 2017	As At 1st April 2016
	Unpaid Dividend Accounts @	7.82	6.99	32.99
	Fixed Deposit Accounts (with original maturity of more than three months but less than twelve months)	1.33	3.88	60.88
	Accrued Interest on Fixed Deposits	-	-	17.61
		9.15	10.88	111.48
	@ Earmarked for Payment of Unclaimed Dividend			
10	Loans	As At 31st March 2018	As At 31st March 2017	As At 1st April 2016
	Non-current			
	Unsecured, Considered Good :			
	Loans to Employees*	0.04	-	-
	Security Deposits	182.62	93.21	129.98
		182.66	93.21	129.98
	Current			
	Unsecured, Considered Good :			
	Loans to Employees*	12.40	7.91	12.22
	Security Deposits	4.85	89.41	18.71
		17.24	97.33	30.93
11	Other Financial Assets	As At 31st March 2018	As At 31st March 2017	As At 1st April 2016
	Non-current			
	Unsecured, Considered Good :			
	Trade & Other Receivables	46.98	0.70	11.92
	Fixed Deposits with Banks** (with Maturity of more than Twelve Months) (Lodged with Government Authority/Others)	154.60	154.62	66.90
	Accrued Interest on Fixed Deposits**	14.47	3.88	0.16
		216.04	159.21	78.98
	Current			
	Unsecured, Considered Good :			
	Interest Accrued on Electricity Deposits	4.77	5.46	4.33
		4.77	5.46	4.33
	*Financial Assets carried at Fair Value through Profit and Loss			
	**Financial Assets carried at Amortised Cost			

Notes to Consolidated Financial Statements for the year ended 31st March, 2018
Rs. In Lakhs

12	Inventories	As At 31st March 2018	As At 31st March 2017	As At 1st April 2016
	-At Lower of Cost and Net Realisable Value			
	Raw Materials	1,127.83	500.11	595.29
	Packing Material.....	9.56	11.02	21.55
	ETP stock	0.06	0.14	0.15
	Trading Materials.....	-	-	0.01
	Work in progress.....	279.56	199.89	124.36
	Finished Goods ...	1,274.10	1,488.62	1,246.51
	Finished Goods (Captive)	5.44	8.66	10.24
		2,696.56	2,208.44	1,998.11

12.1 Refer Note 42 for Information on Inventories Pledged as Security

Rs. In Lakhs

13	Other Assets	As At 31st March 2018	As At 31st March 2017	As At 1st April 2016
	Non-current			
	Unsecured, Considered Good :			
	Capital Advances	234.63	234.63	224.06
	Balances with Government Authorities @	3.82	0.25	0.03
	Prepaid/Advance for Expenses	1.99	0.62	0.84
	IT Refund Receivables	7.99	8.05	8.14
		248.43	243.55	233.07
	Current			
	Unsecured, Considered Good :			
	Export Entitlements Receivable	116.85	41.65	49.73
	Balances with Government Authorities @	1,284.98	929.49	887.96
	Advance to Suppliers/Service Providers (other than capital)	63.60	9.34	33.89
	Prepaid/Advance for Expenses	4.94	7.81	13.17
	Advance Income Tax Paid (Included TDS)	818.19	719.36	408.47
	IT Refund Receivables	-	8.91	-
		2,288.56	1,716.56	1,393.23

@ Balances with Government Authorities primarily include amounts realisable from the excise, value added tax and customs authorities of India and the unutilised excise input credits on purchases. These are generally realised within one year or regularly utilised to offset the excise duty liability on goods manufactured by the Company.

14.1	Equity Share Capital	As At 31st March 2018	As At 31st March 2017	As At 1st April 2016
	Authorised Share Capital			
	[13000000 Equity Share of Rs. 10/- each] @	1,300.00	1,300.00	1,300.00
	Issued, Subscribed and paid up :			
	[11328449 Equity Shares of Rs. 10/- each fully paid up @	1,132.84	1,132.84	1,132.84
		1,132.84	1,132.84	1,132.84

@ There were no changes in number of shares during the years ended 31st March, 2017 and 31st March, 2016

Notes to Consolidated Financial Statements for the year ended 31st March, 2018
Rs. In Lakhs

(a) The Company has one class of Equity Shares having a par value of Rs. 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors 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 in proportion to their shareholding.

(b) Details of shareholders holding more than 5% shares

	As At 31st March 2018	As At 31st March 2017	As At 1st April 2016
Name of Shareholder	Nos of Shares	Nos of Shares	Nos of Shares
Bhagwandas Kalidas Patel	1207182	1207182	1207182
	10.66%	10.66%	10.66%
Rameshkumar Bhagwandas Patel	679993	673241	671018
	6.00%	5.94%	5.92%
Dashrathbhai P Patel	695400	689975	689975
	6.14%	6.09%	6.09%

Rs. In Lakhs

14.2 Other Equity	As At 31st March 2018	As At 31st March 2017	As At 1st April 2016
Reserves and Surplus			
Securities Premium Account	1,036.80	1,036.80	1,036.80
General Reserve [Refer (i) below]	502.18	452.18	402.18
Retained Earnings [Refer (ii) below]	6,570.12	5,077.52	3,772.31
	8,109.10	6,566.51	5,211.29
(i) General Reserve - Movement during the year		As At 31st March 2018	As At 31st March 2017
Opening Balance		452.18	402.18
Transfer from Retained Earnings		50.00	50.00
Closing Balance		502.18	452.18
(ii) Retained Earnings - Movement during the year			
Opening Balance		5,077.52	3,772.31
Profit for the Year		1,755.58	1,354.55
Items of Other Comprehensive Income recognised directly in Retained Earnings			
Remeasurements on Post-employment Defined Benefit Plans, Net of Tax		(8.47)	0.67
Dividend on Equity Shares for the Financial Year 2016-17 [Refer Note 45(b)]		(169.93)	-
Dividend Distribution Tax on Above		(34.59)	-
Transfer to General Reserve		(50.00)	(50.00)
Closing Balance		6,570.12	5,077.52

Nature and purpose of each Reserve
Securities Premium Account

Securities Premium Account is used to record premium received on issue of shares. This reserve may be utilised in accordance with the provisions of Section 52 of the Act.

General Reserve

Under the erstwhile Indian Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act, 2013, the requirement to mandatory transfer a specified percentage of the net profit to general reserve has been withdrawn though the Company may transfer such percentage of its profits for the financial year as it may consider appropriate. Declaration of dividend out of such reserve shall not be made except in accordance with rules prescribed in this behalf under the Act.

Notes to Consolidated Financial Statements for the year ended 31st March, 2018
Rs. In Lakhs

15	Borrowings	As At 31st March 2018	As At 31st March 2017	As At 1st April 2016
	Non-current			
	Secured			
	* GIDC- Land purchase Lease Hold (GIDC Lease A/c. Secured against Lease Hold land) Due in next year Rs. 9719754/- Defaults:- NIL Principal Amount- Rs. 44775000/- Date of start of repayments- 31/03/2014 Nos of Installments- 12 quarterly installments Due Date of Last Installment- 31/12/2016 Rate of Interest- 14% p.a. Less: Current Maturities of Long-term Debt (Refer Note 17)	-	-	97.20
		-	-	97.20
		-	-	-
	* Foreign Currency Term Loans from a Bank (City Bank) (Secured by way of first charge on certain moveable fixed assets, both present and future, of the Company) Defaults:- NIL Terms of Repayment - Principal Amount- USD 169926.53= Rs. 10000000/- Date of start of repayments- 8/09/2014 Nos of Installments- 12 quarterly installments Due Date of Last Installment- 8/06/2017 Rate of Interest- LIBOR+4 p.a. Less: Current Maturities of Long-term Debt (Refer Note 17)	-	9.01	46.11
		-	9.01	36.89
		-	-	9.22
	* ICICI Bank Ltd.- Car Loans (Secured against the specific cars) Defaults:- NIL Terms of Repayment - Two Loans Principal Amount- Rs. 2000000/- & 1500000 Date of start of repayments- 15/01/2017 & 10/05/2017 Nos of Installments- 36 monthly installments Due Date of Last Installment- 15/12/2019 & 10/04/2020 Rate of Interest- 9.10% p.a. & 8.34% Less: Current Maturities of Long-term Debt (Refer Note 17)	23.01	18.48	4.14
		11.77	6.22	4.14
		11.25	12.26	-
		11.25	12.26	9.22
	Unsecured			
	FROM OTHER PARTIES:- UNSECURED			
	Fixed Deposits from Share holders	-	-	8.91
		-	-	8.91
		11.25	12.26	18.14

Notes to Consolidated Financial Statements for the year ended 31st March, 2018
Rs. In Lakhs

Current			
Secured			
Loans Repayable on Demand from Banks*			
Bill Discounting Facilities- PCFC			
* Citi Bank N.A.	1,252.66	1,065.06	1,226.75
Cash Credit/Export Credit Facilities			
* Citi Bank N.A.	608.03	667.53	1,074.24
* Axis Bank Ltd.	624.69	777.44	798.42
Unsecured			
Fixed Deposits from Share holders	-	9.78	14.80
	2,485.38	2,519.80	3,114.21

***Secured -**

(a) By a first pari passu charge by way of hypothecation of the Company's entire current assets (for Company's Unit-1 Unit-2 situated at GIDC Ankleshwar), namely, stocks of raw materials, semi-finished and finished goods and articles stores and spares not relating to plant and machinery (consumable stores and spares), Bills receivable and Book debts and all other movable of the Company both present and future but excluding such movables as may be permitted by the said Banks from time to time ;

(b) By a second pari passu charge on the Company's movable fixed assets (for Company's Unit-1 & Unit-2 situated at GIDC, Ankleshwar Office situated at Ahmedabad) including movable plant and machinery, machinery spares, tools and accessories, electrical and other equipments etc, (save and except the current assets which are already hypothecated/to be hypothecated in favour of the said Banks as and by way of first charge) lying and/or stored and/or situated at the Company's different units, godowns/factories and/or premises or in the possession of any third party or in course of transit or delivery and also all documents of title, negotiable instruments, policies of insurance and other documents and instruments relating thereto subject and/or sub-servient to the first and/or the prior charge holders for securing their respective Term Loans and/or facilities.

(c) By personal guarantee of directors Shri Bhagwandas K Patel, Shri Ramesh B Patel, Shri Dasharath P Patel & Shri Dixit B Patel

- 15.1** Refer Note 42 for details of carrying amount of assets pledged/ hypothecated as security for secured borrowings and Note 40 for information about liquidity risk and market risk on borrowings.

Rs. In Lakhs

16	Trade Payables	As At 31st March 2018	As At 31st March 2017	As At 1st April 2016
	Non-current			
	Trade Payables	-	5.28	5.28
		-	5.28	5.28
	Current			
	Trade Payables			
	Total Outstanding Dues of Micro Enterprises and Small Enterprises (Refer Note 33)	-	37.82	104.21
	Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	562.99	305.16	350.40
		562.99	342.98	454.61

- 16.1** Refer Note 40 for information about liquidity risk and market risk on trade payables.

Notes to Consolidated Financial Statements for the year ended 31st March, 2018
Rs. In Lakhs

	As At 31st March 2018	As At 31st March 2017	As At 1st April 2016
17 Other Financial Liabilities			
Non-current			
Other Sundry Creditors Payable for Expenses	0.03	-	-
Security Deposits- Employee Bonds	0.48	0.32	0.10
	0.51	0.32	0.10
Current			
Current Maturities of Long-term Debt (Refer Note 15)	11.77	15.23	138.23
Interest Accrued	-	-	0.19
Unpaid Dividends	7.82	6.99	32.99
Other Sundry Creditors Payable for Expenses	78.79	64.92	49.69
Security Deposits- Employee Bonds	1.02	0.43	0.62
	99.40	87.57	221.71
18 Provisions	As At 31st March 2018	As At 31st March 2017	As At 1st April 2016
Current			
Provisions for Employee Benefits (Refer Note 40)	17.26	17.35	15.18
	17.26	17.35	15.18
19 Current Tax Liabilities	As At 31st March 2018	As At 31st March 2017	As At 1st April 2016
A. Tax Expense Recognised in Profit or Loss			
Current Tax			
Current Tax Liabilities	934.58	716.23	400.32
B. Tax on Other Comprehensive Income			
Current Tax			
Remeasurements on Post-employment Defined Benefit Plans	2.18	0.35	-
	936.76	716.58	400.32
20 Other Current Liabilities	As At 31st March 2018	As At 31st March 2017	As At 1st April 2016
Dues Payable to Government Authorities @	26.22	26.82	20.04
Employee Benefits Payable- Group Gratuity Payable	18.83	4.40	-
Advances from Customers	64.44	3.62	15.74
	109.48	34.84	35.77

@ Dues Payable to Government Authorities comprise sales tax, excise duty, withholding taxes, payroll taxes, service tax, value added tax, entry tax and other taxes payable.

21 Deferred Tax Liabilities (Net)

Significant Movements Deferred Tax Assets and Liabilities during the year.

Deferred Tax Liabilities	As At 31st March 2017	Recognised in Profit & Loss	As At 1st March 2018
Property, Plant and Equipment and Intangible Assets	516.23	3.03	519.26
Financial Assets at Fair Value through Profit or Loss - Investments			
Total Deferred Tax Liabilities	516.23	3.03	519.26
Deferred Tax Liabilities	As At 1st April, 2016	Recognised in Profit & Loss	As At 31st March 2017
Property, Plant and Equipment and Intangible Assets	519.12	(2.89)	516.23
Financial Assets at Fair Value through Profit or Loss - Investments			
Total Deferred Tax Liabilities	519.12	(2.89)	516.23

Notes to Consolidated Financial Statements for the year ended 31st March, 2018
Rs. In Lakhs

		As At 31st March 2018	As At 31st March 2017
22	Revenue from Operations		
	Sale of Products *		
	Dyes & Intermediates	4,609.37	3,371.34
	Sythetic Food Colours	11,316.06	9,910.75
	Others	262.89	263.95
	Net Product Sales	16,188.32	13,546.03
	*(The above sales are net of (exclusive of) Inter Branch/ Unit Transfer)		
	Other Operating Revenues		
	Cash Discount Received	6.28	4.16
	Foreign Exchange Gain & Loss- Exports & Imports	125.32	77.62
	Export Incentive Income	334.10	313.92
	Lifting Charges	10.24	-
	Rates & Quality Difference	-	0.30
	Interest on VAT Refund	16.03	-
	Misc. Income	0.21	0.03
	Quantity Discount	7.47	10.05
	Scrap Sale Income	28.64	13.00
	Total Other Operating Revenues	528.09	419.07
	Total Revenue from Operations	16,716.41	13,965.10
23	Other Income	As At 31st March 2018	As At 31st March 2017
	Office Rent Income	0.12	0.44
	Interest On GEB & ETL Deposit	7.23	8.98
	Interest on Gas Security Deposit	1.50	1.52
	Interest & Capital Gain-India Reit	2.13	0.58
	Creditors W/O- Kasar	3.97	-
	Interest on FD (Bank)	14.05	14.34
	Interest on Staff Loan	0.80	0.03
	TOTAL	29.80	25.89
	LESS:- EXPENDITURE RELATING TO INCOME ON INVESTMENTS		
	Management Cons. Fees & Entry Load	-	0.59
	TOTAL	29.80	25.30
24	Cost of Materials Consumed	As At 31st March 2018	As At 31st March 2017
	Opening Stock	500.11	595.29
	Add. : Purchase during the year *	8,971.04	6,432.52
		9,471.15	7,027.82
	Less : Closing Stock	1,127.83	500.11
		8,343.32	6,527.71
	*(The above purchases are net of (exclusive of) Inter Branch/ Unit transfers)		
25	Purchases of Stock-in-trade	As At 31st March 2018	As At 31st March 2017
	Raw Materials Chemical Items	263.05	282.85
		263.05	282.85

Notes to Consolidated Financial Statements for the year ended 31st March, 2018
Rs. In Lakhs

26	Changes in Inventories	As At 31st March 2018	As At 31st March 2017
OPENING INVENTORIES :			
	Finished Goods	1,488.62	1,246.51
	Finished Goods (Captive)	8.66	10.24
	Work-in-Progress	199.89	124.36
		1,697.18	1,381.11
CLOSING INVENTORIES :			
	Finished Goods	1,274.10	1,488.62
	Finished Goods (Captive)	5.44	8.66
	Work-in-Progress	279.56	199.89
		1,559.11	1,697.18
		138.07	(316.07)
27	Employee Benefit Expenses	As At 31st March 2018	As At 31st March 2017
	Salary & Wages to Employees	395.50	332.83
	Salaries & Bonus to Directors	92.05	81.70
	Commission to Managing Director	54.85	42.50
	Refer Note No. 27.1		
	Contribution to PF	27.41	23.94
	Other Salary & Wages Expense	0.70	11.41
	Leave Salary (Inc. Provisions-unpaid)	16.12	14.42
	Gratuity Insurance Premium (See Note 36)	11.74	5.41
	Bonus & other expenses	153.16	95.28
		751.54	607.50
27.1	Calculation of Managerial Remunerations:-		
	A Net profit available for calculation of commission payable to Managing Director:- (As per Section 198 of The companies Act 2013)		
	Particulars	As At 31st March 2018	As At 31st March 2017
	1. Net profit before tax as per Profit & Loss A/c	2,696.16	2,067.82
	Add:- 1. Loss on sale of Assets	5.05	20.76
	2. Commission to Managing Director	54.85	42.50
	Net Profit available for calculation of Commission	2,756.06	2,131.08
	2. 2% Commission payable to Managing Director	55.12	42.62
	Actual Commission paid or payable as per the approval given by AGM dated. 25/09/2017	54.85	42.50
	B. Over all managerial Remuneration paid or payable during the year:-		
	Particulars		
	1. Salaries and other benefits paid	95.00	84.21
	2. Commission paid to Managing Director	54.85	42.50
	Total Rs.	149.85	126.71
	C. The limit as per Section 197 of the Companies Act 2013, which is 11% of the Net profit	297.13	229.74

Notes to Consolidated Financial Statements for the year ended 31st March, 2018
Rs. In Lakhs

		As At 31st March 2018	As At 31st March 2017
28	Finance Costs		
	Interest	78.38	112.44
	Forex Gain Loss on FCTL	0.09	0.81
	Other Financial Charges	40.49	37.74
		118.96	150.99
29	Depreciation and Amortisation Expense		
	Depreciation on Property, Plant and Equipment (Refer Note 4.1)	331.72	314.48
	Amortisation of Intangible Assets (Refer Note 5)	0.68	2.69
		332.40	317.17
30	Other Expenses		
30.1	<u>Other Manufacturing Expenses</u>		
	<u>PACKING MATERIAL CONSUMED</u>		
	Op. Stock	11.02	21.55
	Add: Purchases during the year	328.38	277.60
		339.40	299.15
	Less : Closing stock	9.56	11.02
	Total Rs.	329.83	288.13
	<u>E.T.P MATERIAL CONSUMED</u>		
	Op. Stock	0.14	0.15
	Add: Purchases during the year	4.10	12.33
		4.24	12.48
	Less : Closing stock	0.06	0.14
	Total Rs.	4.17	12.35
	<u>POWER & FUEL CONSUMED</u>		
	Electric Power & Burning	502.41	468.68
	Fuel Purchased & Consumed	21.30	23.37
	Gas Consumption Charges	890.44	716.72
		1,414.15	1,208.77
	<u>OTHER MFGS. EXPENSES</u>		
	Transportation	113.60	101.45
	Conversion/Job Charges.	30.76	73.64
	Factory Exp	90.56	60.97
	Labour Charges	444.94	276.49
	Forwarding & Handling Charges	224.12	214.69
	Pallatisation Charges	3.45	1.24
	ETP Expense	336.42	217.77
	R & D Exps.	0.26	-
	Cst on Purchase	3.72	14.26
	Safety Exps.	3.90	5.37
	Consumable Stores	74.38	59.76
		1,326.10	1,025.64
		3,074.25	2,534.88

Notes to Consolidated Financial Statements for the year ended 31st March, 2018
Rs. In Lakhs

	As At 31st March 2018	As At 31st March 2017
30.2 Repairs and Maintenance Expenses		
Electrical Parts & Maintenance	0.75	2.42
ETP Parts & Maintenaces	20.44	98.53
Machinery Parts Repairs & Maintenance	76.13	76.62
Building Repairing	33.08	15.99
Computer Maintenance & Consumables	3.57	3.03
Furniture, Office Repairing & Maintenance	2.25	1.82
Vehicle Repairing Exp	3.76	1.29
Consumable Stores (Plant, MEE & Electricals)	192.21	161.66
	332.18	361.36
30.3 Administrative and Other Expenses	As At 31st March 2018	As At 31st March 2017
Consultancy, Legal & Professional Fees	23.49	24.47
Exhibition Exp.	41.25	22.42
Donation to Charitable Institutes	40.33	36.12
Insurance Premium	21.75	17.77
Petrol Exps	3.41	3.62
Sitting Fees to Directors	1.28	1.20
Selling Commission	48.86	46.99
Staff Welfare Exps.	51.56	49.45
Telephone Exps-Others	2.22	2.73
Travelling & Conveyance	7.64	5.22
Bad Debts	-	10.92
Angadia & Courier Exp	13.57	11.91
Audit Fees	-	4.10
Cost Audit Fees	-	0.85
FDA Approval Fees	31.56	43.54
Lab-Testing Exp	10.54	7.15
Misc Office Exp	1.34	2.04
Rates & Quality Difference.	4.66	16.65
Office Electric Bill Exp.	3.18	3.89
Security Exp	16.93	13.01
Stationery & Printing Exp- Incl (Annual Reports)	13.35	7.37
Water Charges	9.75	7.01
Sales Promotion Exps	2.06	2.95
Regi. Certification, Renewal & Filing Fees	12.65	13.41
Advertisement Expense	1.18	2.87
Loss/Profits on sale/w/o of assets	5.05	20.76
Other Administrative & Establishment Exps	57.81	45.26
	425.41	423.68
30.4 Corporate Social Responsibility Expenditure:	As At 31st March 2018	As At 31st March 2017
(a) Gross amount required to be spent by the Company during the year	16.75	26.59
(b) Expenditure towards Corporate Social Responsibility Activities comprises donations given to Shri Arvindo Institute of Applied Scientific Research Trust- Rs. 30 Lakhs (PYF Rs. 29 Lakhs)		

Notes to Consolidated Financial Statements for the year ended 31st March, 2018
Rs. In Lakhs

		As At 31st March 2018	As At 31st March 2017
30.5	Payments to Auditors comprise -		
	(i) Statutory Auditors		
	As Auditor		
	As Audit Fee -Financial Statements	-	3.00
	As Tax Audit Fees	-	0.75
	For Taxation	-	3.35
	For Other Matters- Certification	-	1.25
	For Service Tax	-	1.23
	(ii) Cost Auditors		
	As Fee	-	0.85
31	Income Tax Expense	As At 31st March 2018	As At 31st March 2017
	A. Tax Expense recognised in Profit or Loss		
	Current Tax		
	Current Tax on Profits for the Year	936.76	716.58
	Adjustment for Current Tax of Earlier Years	3.52	-
		940.28	716.58
	Deferred Tax		
	Origination and Reversal of Temporary Differences	3.03	(2.89)
	Income Tax Expense	943.31	713.69
	B. Tax on Other Comprehensive Income	As At 31st March 2018	As At 31st March 2017
	Current Tax		
	Remeasurements on Post-employment Defined Benefit Plans	2.18	(0.35)
31.1	Numerical Reconciliation of Income Tax Expense to Prima Facie Tax Payable	As At 31st March 2018	As At 31st March 2017
	Profit before Income Tax Expense	2,696.16	2,067.82
	Enacted Statutory Income Tax Rate in India applicable to the Company	34.608%	34.608%
	Computed Expected Income Tax Expense	932.55	715.35
	Adjustments:-		
	Amount debited to P & L A/c to the extent disallowable u/s 37	2.24	5.61
	Deduction u/s 35 in excess of amount debited to P & L A/c	(5.19)	(7.53)
	Interest on Taxes	10.19	6.30
	Bank FDR Interest- Diff less credited to Profi Loss	-	0.52
	Adjustment for Current Tax of Earlier Years	3.52	(6.56)
		943.31	713.69
32	Earnings per Equity Share	As At 31st March 2018	As At 31st March 2017
	(A) Basic		
	(i) Number of Equity Shares at the Beginning of the Year	11328449	11328449
	(ii) Number of Equity Shares at the End of the Year	11328449	11328449
	(iii) Weighted Average Number of Equity Shares Outstanding during the Year	11328449	11328449
	(iv) Face Value of Each Equity Share (Rs.)	10	10
	(v) Profit after Tax Available for Equity Shareholders Profit for the Year	1,747.20	1,355.32

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

	(vi) Basic Earnings per Equity Share (Rs.)[(v)/(iii)]	15.42	11.96
	(B) Diluted		
	(i) Dilutive Potential Equity Shares	-	-
	(ii) Diluted Earnings per Equity Share (Rs.) [Same as (A)(vi) above]	15.42	11.96
33	Information relating to Micro and Small Enterprises (MSEs)		
	PARTICULARS	As At 31st March 2018	As At 31st March 2017
	(i) Amount of interest paid by the Company in terms of Section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year.	-	-
	(ii) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the day during the year) but without adding the interest specified under the MSMED.	-	-
	(iii) Amount of interest accrued and remaining unpaid at the year end of the accounting year.	-	-
34	Contingencies -	As At 31st March 2018	Rs. In Lakhs As At 31st March 2017
	A) Claims against the Company not acknowledged as debts:		
	Taxes, duties and other demands (under appeal/dispute)		
	(i) Rebate claims submitted by us rejected by Excise Dept. and the revision appeal is pending with Joint Secretary, Ministry of Finance, New Delhi	16.06	16.06
	(ii) Deduction of interest from our refund amount of vat credit appeal is pending with Dy Commissioner of Commercial Tax, Vadodara.	-	10.47
	(iii) Cenvat credit taken on invoice of dealer in which RG 23 D entry No. not mentioned, appeal is pending with Commissioner (Appeals) Surat-II	2.15	2.15
	(iv) S.tax Credit availed on payment of service tax on Commission income on purchase of DEO on the ground that it is not input services, appeal is pendnig with CESTAT, Ahmedabad	-	0.64
	(v) Disallowance U/s 14A Rule 8D & 40(a)(ia) of Income Tax Act 1961, for AY 2011-12, appeal is pendnig with CIT Appeals-I	-	6.04
35	Commitments	As At 31st March 2018	As At 31st March 2017
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	15.90	16.07
	(b) Guarantees Bank Guarantees / Letter of Credits	110.93	117.51
36	Employee Benefits :-		
	(I) Post Employment Defined Benefits Plans :		
	(A) Gratuity (Funded)		
	The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. As per the plan, the Gratuity Fund Trusts, administered and managed by the Trustees and funded primarily with Life Insurance Corporation of India (LIC), make payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service. The Trustees are responsible for the overall governance of the plan and to act in accordance with the provisions of the trust deed and rules in the best interests of the plan participants. Each year an Asset-Liability matching study is performed in which the consequences of the strategic investment policies are analysed in terms of risk and return profiles.		
	Investment and contribution policies are integrated within this study. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as set out in Note 2(t)(ii) above, based upon which, the Company makes contributions to the Employees' Gratuity Funds.		

Notes to Consolidated Financial Statements for the year ended 31st March, 2018
Rs. In Lakhs

The following table sets forth the particulars in respect of the Gratuity Plan (Funded) of the Company:

	As At 31st March 2018	As At 31st March 2017
(a) Reconciliation of Opening and Closing Balances of the Present		
Value of Defined Benefit Obligations:-		
Present Value of Obligation at the beginning of the year	85.84	76.49
Current Service Cost	7.93	7.37
Past Service Cost	3.48	-
Interest Cost	6.46	6.13
Remeasurements Losses		
Actuarial Losses arising from Changes in Financial Assumptions	(3.92)	4.54
Actuarial Losses arising from Changes in Experience Adjustments	9.85	(5.55)
Benefits Paid	(0.63)	(3.14)
Present Value of Obligation at the end of the year	109.01	85.84
(b) Reconciliation of the Opening and Closing Balances of the Fair		
Value of Plan Assets:		
Fair Value of Plan Assets at the beginning of the year	81.45	67.80
Interest Income	6.12	5.43
Remeasurements Gains		
Actuarial Losses arising from Changes in Experience Adjustments		-
Return on Plan Assets (excluding amount included in Net Interest Cost)	(0.36)	0.02
Contributions by Employer	3.60	11.35
Benefits Paid	(0.63)	(3.14)
Fair Value of Plan Assets at the end of the year	90.18	81.45
(c) Reconciliation of the Present Value of the defined benefits		
Obligation and the Fair Value of Plan Assets:		
Present Value of Obligation at the end of the year	109.01	85.84
Fair Value of Plan Assets at the end of the year	90.18	81.45
Liabilities Recognised in the Balance Sheet	18.83	4.40
(d) Actual Return on Plan Assets	5.77	5.45
(e) Expense recognised in the Other Comprehensive Income:		
Remeasurements Losses (Net)	(8.47)	(0.67)
(f) Expense Recognisable in Profit or Loss :		
Current Service Cost	7.93	7.37
Net Interest Cost	0.33	0.70
Past Service Cost	3.48	-
Total @	11.74	8.07
(f) Expense Recognised in Profit or Loss :	11.74	5.41
@ Recognised under 'Contribution to Provident and Other Funds' in Note 27.		
(g) Category of Plan Assets:		
Funded with LIC	100%	100%
Cash and Cash Equivalents	-	-
(h) Maturity profile of Defined Benefits Obligations:		
Within 1 year	10.17	7.64
1-2 year	8.99	7.37
2-5 years	8.04	8.28
Over 5 years	283.44	229.50
(i) Principal Actuarial Assumptions:		
Discount Rate	7.86%	7.52%
Salary Growth Rate	7.00%	7.00%

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

Assumptions regarding future mortality experience are based on mortality tables of 'Indian Assured Lives Mortality (2006-2008)' published by the Institute of Actuaries of India.

The estimate of future salary increases takes into account inflation, seniority, promotion and other relevant factors, such as demand and supply in the employment market.

(II) Post Employment Defined Contributions Plans :

(A) Provident Fund

Certain categories of employees of the Company receive benefits from a provident fund, a defined contribution plan. Both the employee and employer make monthly contributions to a government administered fund at specified percentage of the covered employee's qualifying salary. The Company has no further obligations under the plan beyond its monthly contributions. During the year, an amount of Rs. 27.41 Lakhs (Previous Year- Rs. 23.95 Lakhs) has been recognised as expenditure towards above defined contribution plans of the Company.

(III) Leave Obligations

The Company provides for accumulation of leave by certain categories of its employees. These employees can carry forward a portion of the unutilised leave balances and utilise it in future periods or receive cash (only in case of earned leave) in lieu thereof as per the Company's policy. The Company records a provision for leave obligations in the period in which the employee renders the services that increases this entitlement.

The total provision recorded by the Company towards this obligation was Rs. 17.26 Lakhs, Rs. 14.42 Lakhs and Rs. 17.18 Lakhs as at 31st March, 2018, 31st March, 2017 and 1st April, 2016 respectively. The amount of the provision is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

(IV) Risk Exposure

Through its defined benefit plans, the Company is exposed to some risks, the most significant of which are detailed below:

Discount Rate Risk

The Company is exposed to the risk of fall in discount rate. A fall in discount rate will eventually increase the ultimate cost of providing the above benefit thereby increasing the value of the liability.

Salary Growth Risks

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

Demographic Risk

In the valuation of the liability, certain demographic (mortality and attrition rates) assumptions are made. The Company is exposed to this risk to the extent of actual experience eventually being worse compared to the assumptions thereby causing an increase in the benefit cost.

37 Segment Information

A. Description of Segments and Principal Activities

The Company's Managing Director examines the Company's performance on the basis of its business and has identified single reportable segments:---- Dyes & Intermediates

38 Related Party Disclosures:

A] List of parties where control exist

(i) Subsidiary Company

* Dynamic Overseas (India) Pvt.Ltd.

B] Other related parties with whom transactions have taken place during the year

(ii) Associates :-

* Dynamic Holdings Pvt Ltd

(iii) Key management personnel :-

Mr. B.K.Patel Managing Director

Mr. Rameshbhai B.Patel Wholtime Director

Mr.Dasharathbhai P.Patel Wholtime Director

Mr.Dixit B.Patel Wholtime Director

Mrs. Varsha Mehta Company Secretary

Mrs. Amisha Patel Chief Financial Officer

(Upto 28/02/2018)

C] Transactions with related parties :-

Notes to Consolidated Financial Statements for the year ended 31st March, 2018
Rs. In Lakhs

Nature of Transaction	Key Managerial Personnel & their Relatives Rs.		Subsidiary Companies Amt.Rs.		Associates Amt.Rs.	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Fixed Deposits taken						
Taken during the period	-	-	-	-	-	-
Repaid during the period	4.65	2.03	-	-	-	-
Closing Balance	-	4.27	-	-	-	-
Loans & Advances						
Given during the period	-	-	-	-	-	-
Settled during the period	-	-	-	-	-	-
Closing Balance	-	-	-	-	-	-
Investments						
Given during the period	-	-	-	-	-	-
Settled during the period	-	-	-	-	-	-
Closing Balance	-	-	20.60	20.60	101.00	101.00
Sundry Debtors	-	-	-	-	-	-
Sundry Creditors	-	-	-	-	-	-
Purchase of Goods	-	-	-	-	-	-
Conversion Charges	-	-	-	-	-	-
Amount Expended on be half of	129.30	151.18	-	-	-	-
Rent Income	-	-	-	-	0.12	0.44
Sales	-	-	-	15.00	-	-

(iv) Terms and conditions of transactions with related parties

Transactions relating to dividend were on the same terms and conditions that applied to other shareholders.

The sales to and purchases from related parties are made in the ordinary course of business. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash/cheque. No provisions are held against receivables from related parties. There are no loans outstanding with related parties.

(i) Financial Instruments by Category	Note No.	31st March 2018	31st March 2017	1st April 2016
		Carrying Amount/ Fair Value	Carrying Amount/ Fair Value	Carrying Amount/ Fair Value
Financial Assets				
Assets Carried at Fair Value through Profit or Loss				
Investments				
Equity Instruments				
Mutual Funds				
Other Financial Assets		-	-	-
Assets Carried at Amortised Cost				
Investments				
Equity Instruments		9.57	9.57	9.57
Mutual Funds		4.33	9.49	13.82
Trade Receivables		3,247.52	2,799.69	2,588.85
Cash and Cash Equivalents		47.19	56.60	78.73
Other Bank Balances		9.15	10.88	111.48
Loans		199.91	190.54	160.91
Other Financial Assets		-	-	-
Total Financial Assets		3,517.67	3,076.76	2,963.36
Financial Liabilities				
Liabilities Carried at Amortised Cost				
Borrowings (including current maturities and interest accrued)		2,508.39	2,547.29	3,164.46
Trade Payables		562.99	348.26	459.88
Other Financial Liabilities		88.14	72.66	83.59
Total Financial Liabilities		3,159.51	2,968.21	3,707.93

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

(ii) Fair Values

The fair values of financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended 31st March, 2017.

The following methods and assumptions were used to estimate the fair values:

(a) In respect of investments in mutual funds, the fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors. Accordingly, such net asset values are analogous to fair market value with respect to these investments, as transactions of these mutual funds are carried out at such prices between investors and the issuers of these units of mutual funds.

(b) The fair value of foreign exchange forward contracts is determined using forward exchange rates at the Balance Sheet date.

(c) The management assessed that fair values, of trade receivables, cash and cash equivalents, other bank balances, other financial assets (current), investments in commercial papers, trade payables, borrowings (current) and other financial liabilities (current), approximate to their carrying amounts largely due to the short-term maturities of these instruments. Further, management also assessed the carrying amount of certain loans and long-term borrowings at floating interest rates which are a reasonable approximation of their fair values and the difference between the carrying amounts and fair values is not expected to be significant.

(d) The fair value of remaining financial instruments is determined on discounted cash flow analysis using a current lending/discount rate, as considered appropriate.

For financial assets carried at fair value, the carrying amounts are equal to their fair values.

(iii) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows below.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds. The mutual funds are valued using the closing Net Asset Value.

Level 2: This is the case for unlisted equity securities included in level 2. The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There are no transfers between level 1 and level 2 fair value measurements during the year ended 31st March, 2018 and 31st March, 2017.

Rs. In Lakhs

	31st March 2018		31st March 2017		31st March 2016	
	Level 1	Level 2	Level 1	Level 2	Level 1	Level 2
(a) Recognised and Measured at Fair Value - Recurring Measurements						
Financial Assets						
Investments						
Mutual Funds - Growth plan		4.33		9.49		13.82
Unquoted Equity Investments		-		-		-
(b) Amortised Cost for which Fair Values are Disclosed						
Financial Assets						
Investments						
Unquoted Equity Investments		9.57		9.57		9.57

Fair Value Measurement using significant unobservable inputs (Level 2)

Fair valuation of unquoted equity investments is based on valuation done by an external valuer using discounted cash flow method. A change in significant unobservable inputs used in such valuation (mainly earnings growth rate and

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

risk adjusted discount rate) is not expected to have a material impact on the fair values of such assets as disclosed above. *Amounts are below the rounding-off norm adopted by the Company

40 Financial Risk Management

The Company's activities expose it to credit risk, liquidity risk and market risk. In order to safeguard against any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts are entered as per Company's policy to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments. The Company's senior management oversees the management of above risks. The senior executives working to manage the financial risks are accountable to the Audit Committee and the Board of Directors. This process provides assurance to the Company's senior management that the Company's financial risks-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and the Company's risk appetite.

This Note explains the sources of risk which the entity is exposed to and how the entity manages the risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

(A) Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Company is exposed to credit risk from its operating activities (primarily Trade Receivables) and from its investing activities (primarily Deposits with Banks and Investments in Mutual Funds).

Trade Receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Customer credit risk is managed by each business unit subject to the Company's policy and procedures which involve credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit assurance. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and the Company's historical experience with customers.

The Company's exposure to customers is diversified and no single customer contributes to more than 10% of total revenues.

Other Financial Assets

Credit risk from balances with banks, term deposits, loans, investments and derivative instruments is managed by Company's finance department. Investments of surplus funds are made only with approved counterparties who meet the minimum threshold requirements. The Company monitors ratings, credit spreads and financial strength of its counterparties. The Company's maximum exposure to credit risk for the components of the Balance Sheet as of 31st March, 2018, 31st March, 2017, and 1st April, 2016 is the carrying amounts as disclosed in Note 43 except for the financial guarantees. The Company's maximum exposure to financial guarantees is given in Note 44(B)(ii).

Financial Assets that are Neither Past Due Nor Impaired

None of the Company's cash equivalents with banks, loans and investments were past due or impaired as at 31st March, 2018, 31st March, 2017 and 1st April, 2016. Of the total trade receivables, Rs. 3247.52 Lakhs as at 31st March, 2018, Rs. 2799.69 Lakhs as at 31st March, 2017 and Rs. 2588.85 Lakhs as at 1st April, 2016 consisted of customer balances that were neither past due nor impaired.

Financial Assets that are Past Due but Not Impaired

The Company's credit period for customers generally ranges from 0 - 180 days. The ageing of trade receivables that are past due but not impaired (net of provisions/allowances) is given below:

Period (in days)	Rs. In Lakhs		
	As At 31st March 2018	As At 31st March 2017	As At 31st March 2016
01-90	2,958.87	2,442.47	2,467.12
91-180	288.64	357.22	121.73
More than 180	46.98	0.70	17.37

Notes to Consolidated Financial Statements for the year ended 31st March, 2018
Rs. In Lakhs

Receivables are deemed to be past due or impaired with reference to the Company's normal terms and conditions of business. These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions. Receivables that are classified as 'past due' in the above tables are those that have not been settled within the terms and conditions that have been agreed with that customer.

Other than trade receivables, the Company has no significant class of financial assets that is past due but not impaired.

(B) Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and maintains adequate sources of financing.

(i) Financing Arrangements

The Company had access to the following undrawn borrowing facilities (excluding non-fund based facilities) at the end of the reporting period:

	As At 31st March 2018	As At 31st March 2017	As At 31st March 2016
Floating Rate			
Expiring within one year (working capital facilities)	614.62	589.97	0.59

The working capital facilities may be drawn at any time and may be terminated by the bank without notice.

Subject to the continuance of satisfactory credit ratings, the above facilities may be drawn at any time within one year.

(ii) Maturities of Financial Liabilities

The table below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Contractual Maturities of Financial Liabilities	Within 1 year	Between 1 and 3 year	Total
31st March, 2018			
Borrowings	2,497.14	11.25	2,508.39
Trade Payables	562.99	-	562.99
Other Financial Liabilities @ Financial Guarantee Contracts*	99.40	0.51	99.90
Total	3,159.53	11.75	3,171.28
31st March, 2017			
Borrowings	2,535.03	12.26	2,547.29
Trade Payables	342.98	5.28	348.26
Other Financial Liabilities @ Financial Guarantee Contracts*	87.57	0.32	87.89
Total	2,965.59	17.86	2,983.44
31st March, 2016			
Borrowings	3,252.44	9.22	3,261.66
Trade Payables	454.61	5.28	459.88
Other Financial Liabilities @ Financial Guarantee Contracts*	221.71	0.10	221.81
Total	3,928.76	14.60	3,943.36

(C) Market Risk
(i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company transacts business in local currency and in foreign currencies (primarily US Dollars and Euro). The Company has obtained foreign currency loans and has foreign currency trade receivables, trade payables and other financial assets/liabilities and is therefore exposed to foreign currency risk.

The Company strives to achieve asset-liability offset of foreign currency exposures and only the net position

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

ishedged where considered necessary. The Company manages its foreign currency risk by hedging appropriate percentage of its foreign currency exposure per established risk management policy.

The Company uses forward exchange contracts to hedge the effects of movements in foreign exchange rates on foreign currency denominated assets and liabilities.

(a) Foreign Currency Risk Exposure:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

Rs. In Lakhs

	31st March 2018			31st March 2017			1st April 2016		
	USD	EURO	POUND	USD	EURO	POUND	USD	EURO	POUND
Financial Assets									
Trade Receivables	1,888.51	44.76	14.73	1,547.35	33.72	13.23	1,514.41	136.02	81.40
Bank Balance in EEFC Account	0.62			-	-	-	-		
Other Financial Assets				-	-	-	-		
Derivative Assets				-	-	-	-		
Foreign Exchange Forward Contracts									
Net Exposure to Foreign Currency Risk (Assets)	1,889.13	44.76	14.73	1,547.35	33.72	13.23	1,514.41	136.02	81.40
Financial Liabilities									
Borrowings (including Current maturities)	1,211.34	41.33		1,027.13	33.72	13.23	805.78	136.02	81.40
Trade Payables	162.32	139.11	-	174.93	-	-	164.60	-	-
Other Financial Liabilities									
Derivative Assets									
Foreign Exchange Forward Contracts									
Net Exposure to Foreign Currency Risk (Liabilities)	1,373.66	180.44	-	1,202.06	33.72	13.23	970.38	136.02	81.40
Net Exposure to Foreign Currency Risk (Assets -Liabilities)	515.48	(135.67)	14.73	345.29	-	-	544.02	-	-

(b) Sensitivity

The sensitivity of profit or loss to changes in the foreign exchange rates arises mainly from foreign currency denominated financial instruments.

Rs. In Lakhs

	Impact on Profit before tax	
	As At 31st March 2018	As At 31st March 2017
USD Sensitivity		
INR/USD -Increase by 7%*	36.08	24.17
INR/USD -Decrease by 7%*	(36.08)	(24.17)
Euro Sensitivity		
INR/EUR-Increase by 7%*	-	-
INR/EUR-Decrease by 7%*	-	-

* Holding all other variables constant

(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 risk of changes in market interest rates relates primarily to the Company's debt interest obligation. Further the Company engages in financing activities at market linked rates, any changes in the interest rate environment may impact future rates of borrowings. To manage this, the Company may enter into interest rate swaps. The management also maintains a portfolio mix of floating and fixed rate debt.

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

The Company's fixed rate borrowings and investments in term deposits with bank are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

(a) Interest Rate Risk Exposure

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are as follows:

	Rs. In Lakhs		
	As At 31st March 2018	As At 31st March 2017	As At 31st March 2016
Variable Rate Borrowings	2,485.38	2,510.03	3,099.41
Fixed Rate Borrowings	23.01	37.27	171.16
Total Borrowings	2,508.39	2,547.29	3,270.57

As at the end of the reporting period, the Company had the following variable rate borrowings outstanding:

	Weighted average interest rate (%)	Balance	% of Total Loans
31st March 2018			
Cash Credit/Packing Credit Facilities	2.98%	2,485.38	99.08
31st March 2017			
Cash Credit/Packing Credit Facilities	4.34%	2,510.03	98.54
31st March 2016			
Cash Credit/Packing Credit Facilities	5.24%	3,099.41	94.77

An analysis by maturities is provided in Note 44(B)(ii) above. The percentage of total loans shows the proportion of loans that are currently at variable rates in relation to the total amount of borrowings.

(b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

	Impact on Profit before tax	
	As At 31st March 2018	As At 31st March 2017
Interest Rates - Increase by 100 basis points (100 bps) *	24.96	25.13
Interest Rates - Decrease by 100 basis points (100 bps) *	24.75	25.07

* Holding all other variables constant

(iii) Securities Price Risk

Securities price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded prices.

The Company invests its surplus funds in various debt instruments. These comprise of mainly liquid schemes of mutual funds, short term debt funds & income funds (duration investments) and fixed deposits.

To manage its price risk arising from investments in mutual funds, the Company diversifies its portfolio. Mutual fund investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments.

(a) Securities Price Risk Exposure

The Company's exposure to securities price risk arises from investments in mutual funds held by the Company and classified in the Balance Sheet as fair value through profit or loss

(iv) Commodity Price Risk

Exposure to market risk with respect to commodity prices primarily arises from the Company's sales of dyes and intermediates, including the raw material components for such products. Cost of raw materials forms the largest portion of the Company's cost of sales. Market forces generally determine prices for the graphite electrodes sold by the Company. These prices may be influenced by factors such as supply and demand, production costs (including the costs of raw material inputs) and global and regional economic conditions and growth. Adverse changes in any of these factors may reduce the revenue that the Company earns from the sales of graphite electrodes. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. The Company has not entered into any derivative contracts to hedge exposure to fluctuations in commodity prices.

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

41 Capital Management

(a) Risk Management

The Company's objectives when managing capital are to

* safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

* maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital on the basis of the net debt to equity ratio. Net debt are long-term and short-term debts as reduced by cash and cash equivalents. The Company is not subject to any externally imposed capital requirements.

The following table summarises the capital of the Company:

	Rs. In Lakhs		
	As At 31st March 2018	As At 31st March 2017	As At 1st April 2016
Total Borrowings	2,508.39	2,547.29	3,270.57
Less: Cash and cash equivalents	56.34	67.47	190.21
Net Debt	2,452.05	2,479.82	3,080.36
Equity	9,241.95	7,699.35	6,344.13
Total Capital (Equity+ Net Debt)	11,693.99	10,179.17	9,424.49
Net Debt to Equity ratio	21%	24%	33%

No changes were made to the objectives, policies or processes for managing capital during the years ended 31st March, 2018 and 31st March, 2017.

Loan Covenants

Under the terms of the major borrowing facilities as at 1st April, 2016, there is no Financial Covenants by any bankers except that of Interest Rates, Security and regularity in submission of periodical statements.

The Company had complied with these covenants as at 1st April, 2016.

(b) Dividends on Equity Shares

	Rs. In Lakhs	
	As At 31st March 2018	As At 31st March 2017
<u>Dividend Declared and Paid during the year</u>		
Final dividend for the year ended 31st March, 2017 of Rs. 1.5 (31st March, 2016 – Rs. Nil) per fully paid share	169.93	-
Dividend Distribution Tax on above	34.59	-
<u>Proposed Dividend Not Recognised at the End of the Reporting Period</u>		
In addition to the above dividend, since year end the directors have recommended the payment of a final dividend of Rs. 1.5 per fully paid share (31st March, 2017 – Rs. 1.5). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	169.93	-
Dividend Distribution Tax on above	34.59	-

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

42 Assets Pledged/ Hypothecated as Security

(Rs. In Lakhs)

	As At 31st March 2018	As At 31st March 2017	As At 1st April 2016
Current			
First Charge			
Financial Assets			
Trade Receivables under Bill Discounting (Refer below)	1,252.66	1,065.06	1,226.75
Other Trade Receivables	1,994.85	1,734.63	1,362.10
Non-financial Assets			
Inventories	2,696.56	2,208.44	1,998.11
Sub-total	5,944.08	5,008.13	4,586.96
Non-current			
First Charge/Second Charge			
Leasehold Land	149.05	149.05	147.19
Buildings	1,035.58	1,060.67	1,099.35
Plant and Equipments	2,192.09	2,153.34	2,091.40
Furniture and Fixtures	7.19	8.38	10.99
Office Equipments	5.76	6.36	7.15
Vehicles	76.03	67.69	39.65
Sub-total	3,465.70	3,445.49	3,395.73
Total	9,409.78	8,453.62	7,982.68

Trade Receivables under Bill Discounting

The carrying amount of trade receivables include receivables which are subject to bill discounting arrangement. Under this arrangement, the Company has discounted the relevant receivables in exchange of cash and is prevented from selling or pledging the receivables. However, the Company has retained late payment and credit risk. The Company therefore continues to recognise such receivables in their entirety in its balance sheet. The amount payable under the bill discounting arrangement is presented as secured borrowings (Refer Note 15).

43 First-time Adoption of Ind AS

These are the Company's first consolidated financial statements prepared in accordance with Ind AS. The accounting policies set out in Note 2 have been applied in preparing the consolidated financial statements for the year ended 31st March, 2018, the comparative information presented in these consolidated financial statements for the year ended 31st March, 2017 and in the preparation of an opening Ind AS consolidated balance sheet at 1st April, 2016 (the Company's date of transition). In preparing its opening Ind AS consolidated balance sheet, the Company has adjusted the amounts reported previously in the consolidated financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (Previous GAAP). An explanation of how the transition from Previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A Exemptions and Exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from Previous GAAP to Ind AS.

A.1 Ind AS Optional Exemptions

A.1.1 Business Combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Company has elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

A.1.2 Prospective Application of Ind AS 21 to Business Combinations

Ind AS 101 allows a First-time adopter not to apply Ind AS 21 'The Effects of Changes in Foreign Exchange Rates' retrospectively for business combinations that occurred before the date of transition to Ind AS.

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

The Company has elected to apply this exemption.

A.1.3 Deemed Cost for Property, Plant and Equipment and Intangible Assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the consolidated financial statements as at the date of transition to Ind AS, measured as per the Previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 'Intangible Assets'.

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

A.1.4 Investments in Subsidiaries

Ind AS 101 permits a first-time adopter to elect to measure its investments in subsidiaries at fair value of such investments at the Company's date of transition to Ind AS or Previous GAAP carrying amount at that date and use that as its deemed cost as at the date of transition.

Accordingly, the Company has elected to measure its investments in in Dynamic Overseas (India) Private Limited at its Previous GAAP carrying value as at 1st April, 2016.

A.1.5 Exchange Differences on Long-term Foreign Currency Monetary Items

Under Previous GAAP, an alternative accounting treatment was provided to companies with respect to exchange differences arising on restatement of long-term foreign currency monetary items. Exchange differences on account of depreciable assets could be added/deducted from the cost of the depreciable asset, which would then be depreciated over the balance life of the asset. In other cases, the exchange difference could be accumulated in a foreign currency monetary item translation difference account, and amortised over the balance period of such long term asset/ liability. Ind AS 101 includes an optional exemption that allows a first-time adopter to continue the above accounting treatment in respect of the long-term foreign currency monetary items recognised in the consolidated financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period.

The Company has elected to apply this exemption for such items recognised in the consolidated financial statements up to 31st March, 2017.

A.2 Ind AS Mandatory Exceptions

A.2.1 Estimates

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

Ind AS estimates as at 1st April, 2016 are consistent with the estimates as at the same date made in conformity with Previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Previous GAAP:

- * Investments in equity and debt instruments carried at FVPL; and
- * Impairment of financial assets (trade receivables) based on expected credit loss model.
- * Determination of the fair value for financial assets/liabilities carried at amortised cost.

A.2.2 De-recognition of Financial Assets and Liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

A.2.3 Classification and Measurement of Financial Assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS. The Company has assessed the same accordingly.

B Reconciliations between Previous GAAP and Ind AS

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

Notes to Consolidated Financial Statements for the year ended 31st March, 2018
Rs. In Lakhs
Reconciliation of Equity as at the Date of Transition (1st April, 2016)

Sr No	Note	Previous GAAP	Adjustments	Ind AS
ASSETS :				
NON-CURRENT ASSETS :				
Property, Plant & Equipments		3,399.83		3,399.83
Capital Work in Progress		944.01		944.01
Goodwill		29.11		29.11
Intangible Assets		4.73		4.73
Investments accounted for using equity method		86.25		86.25
Financial Assets:				
Investments		23.39		23.39
Loans		129.98		129.98
Other Financial Assets		78.98		78.98
Other Non Current Assets		233.07		233.07
TOTAL NON CURRENT ASSETS		4,929.36	-	4,929.36
CURRENT ASSETS:				
Inventories		1,998.11		1,998.11
Financial Assets:-				
Trade Receivables		2,588.85		2,588.85
Cash and cash equivalents		78.73		78.73
Other Bank Balances		111.48		111.48
Loans		30.93		30.93
Other Financial Assets		4.33		4.33
Other Current Assets		1,393.23		1,393.23
TOTAL CURRENT ASSETS		6,205.66	-	6,205.66
TOTAL -ASSETS		11,135.02	-	11,135.02
EQUITIES AND LAIBILITIES:				
EQUITY				
Equity Share Capital		1,132.84	-	1,132.84
Other Equity	h,i	5,268.18	(56.90)	5,211.29
EQUITY ATTRIBUTABLE TO OWNERS		6,401.03	(56.90)	6,344.13
Non Controlling Interest		6.45		6.45
TOTAL EQUITY		6,407.48		6,350.58
LAIBILITIES				
NON CURRENT LIABILITIES				
Financial Liabilities				
Borrowings		18.14		18.14
Trade Payables		5.28		5.28
Other Financial Liabilities		0.10		0.10
Deferred Tax Liabilities(Net)	g	462.22	56.90	519.12
TOTAL NON CURRENT LIABILITIES		485.73	56.90	542.63
CURRENT LIABILITIES				
Financial Liabilities				
Borrowings		3,114.21		3,114.21
Trade Payables		454.61		454.61
Other Financial Liabilities		221.71	-	221.71
Provisions		15.18		15.18
Current Tax Liabilities		400.32		400.32
Other Current Liabilities		35.77	-	35.77
TOTAL CURRENT LIABILITIES		4,241.81	-	4,241.81
TOTAL LIABILITIES		4,727.54	56.90	4,784.44
TOTAL - EQUITIES AND LIABILITIES		11,135.02	-	11,135.02

* The Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for this note

Notes to Consolidated Financial Statements for the year ended 31st March, 2018
Rs. In Lakhs
Reconciliation of Equity as at 31st March 2017

Sr No	Note	Previous GAAP	Adjustments	Ind AS
ASSETS :				
NON-CURRENT ASSETS :				
Property, Plant & Equipments		3,449.51		3,449.51
Capital Work in Progress		982.03		982.03
Goodwill		29.11		29.11
Intangible Assets		2.04		2.04
Investments accounted for using equity method		86.43		86.43
Financial Assets:				
Investments		19.06		19.06
Loans		93.21		93.21
Other Financial Assets		159.21		159.21
Other Non Current Assets		243.55		243.55
TOTAL NON CURRENT ASSETS		5,064.15	-	5,064.15
CURRENT ASSETS:				
Inventories		2,208.44		2,208.44
Financial Assets:-				
Trade Receivables		2,799.69		2,799.69
Cash and cash equivalents		56.60		56.60
Other Bank Balances		10.88		10.88
Loans		97.33		97.33
Other Financial Assets		5.46		5.46
Other Current Assets		1,716.56		1,716.56
TOTAL CURRENT ASSETS		6,894.96	-	6,894.96
TOTAL -ASSETS		11,959.11	-	11,959.11
EQUITIES AND LAIBILITIES:				
EQUITY				
Equity Share Capital		1,132.84		1,132.84
Other Equity	h,i	6,412.75	153.75	6,566.51
TOTAL EQUITY		7,545.60	153.75	7,699.35
Non Controlling Interest		6.55	(0.00)	6.55
TOTAL EQUITY		7,552.15	153.75	7,705.90
LAIBILITIES				
NON CURRENT LIABILITIES				
Financial Liabilities				
Borrowings		12.26		12.26
Trade Payables		5.28		5.28
Other Financial Liabilities		0.32		0.32
Deferred Tax Liabilities(Net)	g	466.25	49.98	516.23
TOTAL NON CURRENT LIABILITIES		484.11	49.98	534.09
CURRENT LIABILITIES				
Financial Liabilities				
Borrowings		2,519.80		2,519.80
Trade Payables		342.98		342.98
Other Financial Liabilities		87.57		87.57
Provisions	d	221.87	(204.52)	17.35
Current Tax Liabilities		716.58		716.58
Other Current Liabilities	f	34.04	0.79	34.84
TOTAL CURRENT LIABILITIES		3,922.85	(203.73)	3,719.12
TOTAL LIABILITIES		4,406.96	(153.75)	4,253.21
TOTAL - EQUITIES AND LAIBILITIES		11,959.11	-	11,959.11

* The Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for this Note.

Notes to Consolidated Financial Statements for the year ended 31st March, 2018
Rs. In Lakhs
Reconciliation of Total Comprehensive Income for the year ended 31st March, 2017

Sr No	Note	Previous GAAP	Adjustments	Ind AS
	REVENUE FROM OPERATIONS	14,910.65	1,279.64	16,190.29
	OTHER INCOME	25.31		25.31
A	TOTAL REVENUE Rs.	14,935.95	1,279.64	16,215.59
	EXPENSES :			
	Cost of Materials Consumed	8,505.79		8,505.79
	Purchases of Stock-in-Trade	282.85		282.85
	Changes in Inventories	(316.07)		(316.07)
	Excise Duty	-	1,279.64	1,279.64
	Employee Benefits Expenses	605.69	1.81	607.50
	Finance Costs	150.99		150.99
	Depreciation & Amortisations	317.17		317.17
	Other Exps:-	-		-
	Other Manufacturing Exps.	2,530.63		2,530.63
	Repairs & Maintenance	361.36		361.36
	Administrative, Selling & Other Exps.	427.92		427.92
B	TOTAL EXPENSES Rs.	12,866.32	1,281.45	14,147.78
	Profit before share of net profits of investment accounted for using equity and Tax	2,069.63	(1.81)	2,067.82
	Share of net profit/(loss) of Associates and joint ventures accounted for using the equity method	0.18		0.18
	Profit before Tax	2,069.81	(1.81)	2,067.99
	Less: Provision for Taxation			
	Current Tax	716.58	(0.35)	716.23
	Deferred Tax	4.03	(6.92)	(2.89)
	Add/ (Less):- Taxation of earlier years (Refunds/Paid)	-		-
	Net Profit for the Year	1,349.19	5.46	1,354.65
	Other Comprehensive Income, Net of Tax		0.67	0.67
	Total Comprehensive Income for the Year	1,349.19	6.12	1,355.32
	Less:- Non Controlling Interest	0.10	(0.004)	0.10
	Owners	1,349.09	6.13	1,355.22

Reconciliation of Total Equity as at 31st March, 2017 and 1st April, 2016

	Note	31st March, 2017	1st April, 2016
Total Equity (Shareholders' Funds) as per Previous GAAP @		7,545.60	6,401.03
Adjustments:			
Fair Valuation of Investments		-	-
Proposed Dividend (including Dividend Distribution Tax)	d	204.52	-
Adjustment of Non Controlling Interest		0.005	
Borrowings - Transaction Cost Adjustment			
Remeasurements on Post Employment Benefit Obligations	f	(0.79)	-
Deferred Tax effects on Adjustments, etc.	g	(49.98)	(56.90)
Total Adjustments		153.75	(56.90)
Total Equity as per Ind AS		7,699.35	6,344.13

Notes to Consolidated Financial Statements for the year ended 31st March, 2018
Rs. In Lakhs
Reconciliation of Total Comprehensive Income for the year ended 31st March, 2017

	Note	31st March, 2017
Profit for the Year as per Previous GAAP		1,349.19
Adjustments:		
Fair Valuation of Investments (other than subsidiaries)	a	-
Allowance for Expected Credit Losses on Trade Receivables	b	-
Borrowings - Transaction Cost Adjustment	c	-
Remeasurements on Post Employment Benefit Obligations	f	(1.81)
Tax effects of Adjustments, etc.	g	7.27
Total Adjustments		5.46
Profit for the Year as per Ind AS		1,354.65
Other Comprehensive Income	i	0.67
Total Comprehensive Income as per Ind AS		1,355.32

Impact of Ind AS adoption on the Cash Flow Statement for the year ended 31st March, 2017

There were no material differences between the Cash Flow Statement presented under Ind AS and the Previous GAAP.

C Notes to First-time Adoption
a Fair Valuation of Investments (Other than Investments in Subsidiaries)

Under the Previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments (other than investments in subsidiaries) are required to be measured at fair value considering the Company's business model and contractual terms of the cash flows. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended 31st March, 2017. There is no such investments except for the investment in equities of companies where it is made out of business conditions like Bharuch Eviro Infra Ltd, which is managing the common effluent treatment plant at Ankleshwar, and so the company has become member. All these investment are for long term and not for any kind of profits and so they are valued at cost, as decided by the management.

There is only one investment in India Reit Fund Scheme VI, for Rs. 13.82 Lakhs as on 1st April, 2016, and the same is regularly paying back the principal sum and dividend and the balance is written off every year as management charges and the balance as on 31st March 2017 is Rs. 9.49 Lakhs and as on 31st March 2018 it is Rs. 4.33 Lakhs. So as per the management, it does not require to be measured or remeasured at Fair Value, because it is already valued at fair value each year end.

b Trade Receivables

As per Ind AS 109, the Company is required to apply expected credit loss model for recognising the allowance on trade receivables. As a result, the allowance for expected credit losses was recognised amounting to Rs. NIL as at 31st March, 2017 (1st April, 2016 - Rs. NIL). Consequently, the total equity as at 31st March, 2017 decreased by Rs. 0 Lakhs (1st April, 2016 - Rs. 0 Lakhs) and profit for the year ended 31st March, 2017 decreased by Rs. 0 Lakhs.

c Borrowings

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method.

Accordingly, long-term borrowings as at 31st March, 2017 have been reduced by Rs. Nil (1st April, 2016 - Rs. 0 with a corresponding adjustment to retained earnings. The total equity increased by an equivalent amount. The profit for the year ended 31st March, 2017 decreased by Rs. 0 as a result of the additional interest expense.

d Proposed Dividend

Under the Previous GAAP, dividend proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend including dividend distribution tax thereon was recognised as a provision. Under Ind AS, such dividend is recognised when the same is approved by the shareholders in the general meeting.

Accordingly, the provision for proposed dividend including dividend distribution tax thereon of Rs. 204.52 Lakhs as at 31st March, 2017 (1st April, 2016 - Rs. Nil) included under provisions has been reversed with corresponding

Notes to Consolidated Financial Statements for the year ended 31st March, 2018

adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

e Excise Duty

Under the Previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of products is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended 31st March, 2017 by Rs. 1279.64 Lakhs. There is no impact on the total equity and profit.

f Remeasurement of Post Employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on net defined benefit obligations are recognised in other comprehensive income instead of profit or loss. Under the Previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended 31st March, 2017 decreased by Rs. 0.79 Lakhs (net of current tax Rs. 0.35 Lakhs). There is no impact on the total equity as at 31st March, 2017.

g Deferred Tax

Under the Previous GAAP, deferred tax was accounted using the income statement approach, on timing differences between the taxable profit and accounting profit for the year. Under Ind AS, deferred tax is recognised following balance sheet approach on the temporary differences between the carrying amount of asset or liability in the balance sheet and its tax base. In addition, various transitional adjustments have also led to recognition of deferred taxes on new temporary differences. Deferred tax assets on unused capital loss was also not created as it did not meet the recognition criteria under the Previous GAAP. However under Ind AS, deferred tax asset on such item is recognised to the extent it meets the recognition criteria under Ind AS 12.

Accordingly, deferred tax liabilities (net) as at 31st March, 2017 have been increased by Rs. 50.00 Lakhs (1st April, 2016 - Rs. 56.92 Lakhs) with a corresponding adjustment to retained earnings. The total equity decreased by an equivalent amount.

The above adjustments increased deferred tax benefit recognised in profit or loss by Rs. 6.92 Lakhs for the year ended 31st March, 2017.

h Retained Earnings

Retained earnings as at 1st April, 2016 and as at 31st March, 2017 has been adjusted consequent to above Ind AS transition adjustments.

i Other Comprehensive Income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as other comprehensive income includes remeasurements on postemployment defined benefit plans. The concept of other comprehensive income did not exist under Previous GAAP.

Accordingly, remeasurements on post-employment defined benefit plans for the year ended 31st March, 2017 amounting to Rs. 0.67 Lakhs (net of current tax of Rs. 0.35 Lakhs) have been recognised in other comprehensive income.

For : ASIM RAVINDRA & ASSOCIATES
CHARTERED ACCOUNTANTS.
 FRN. 118775W

[RAVINDRA MEHTA]
PARTNER
 M. No. 043051

Place : Ahmedabad
 Date : 26/05/2018

For : DYNEMIC PRODUCTS LIMITED

(B. K. Patel)
 Managing Director

(D. B. Patel)
 Director

(R. B. Patel)
 Director

(Varsha Mehta)
 Company Secretary

(Amisha Patel)
 Chief Financial Officer

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DYNEMIC PRODUCTS LTD.

CIN - L24100GJ1990PLC013886

Registered Office : B-301, Satyamev Complex-1, Opp. Gujarat High Court,
S.G. Road, Sola, Ahmedabad - 380 060. Website : www.dynemic.com

ATTENDANCE SLIP

NAME & ADDRESS OF THE REGISTERED SHAREHOLDER	D.P. I.D.	
	Client Id/ Folio No.	
	No. of Shares	

I hereby record my presence at the 28th Annual General Meeting held at Prasang Presidency, R.C.T.I. College Road, Opp. Unique City Homes, Ghatlodia, Ahmedabad - 380 061 on Friday, 21st September, 2018, at 4.00 p.m. as a Shareholder / Proxy*.

*Name of the Proxy

Signature of the Member / Proxy attending

Notes :

1. Member/Proxy holder wishing to attend the meeting must bring duly signed attendance slip to the meeting and handover the same at the entrance.
2. Member/Proxy holder desiring to attend the meeting should carry his copy of the Annual Report for reference at the meeting.

Form No. MGT-11 PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rule, 2014]

CIN L24100GJ1990PLC013886

Name of the Company : Dynemic Products Ltd.

Registered Office : B-301, Satyamev Complex-1, Opp. Gujarat High Court, S.G. Road, Sola, Ahmedabad - 380 060.

Website : www.dynemic.com

Name of Share Holder(s)	
Registered Address	
Email ID.	
Folio No./DP ID/Client ID	

I/We, being the member(s), holding _____ shares of the above named Company, hereby appoint:

- | | | |
|-----|------------------|------------------------------------|
| (1) | Name _____ | Address _____ |
| | E-mail ID: _____ | Signature _____ or failing him/her |
| (2) | Name _____ | Address _____ |
| | E-mail ID: _____ | Signature _____ or failing him/her |
| (3) | Name _____ | Address _____ |
| | E-mail ID: _____ | Signature _____ |

as my / our proxy to attend and vote (on a poll) for me / us on my / our behalf at the 28th Annual General Meeting of the Company to be held at Prasang Presidency, R.C.T.I. College Road, Opp. Unique City Homes, Ghatlodia, Ahmedabad - 380 061 on Friday, 21st September, 2018, at 4.00 p.m. and at any adjournment thereof in respect of such resolutions as are indicated below :

Sr. No.	Resolutions	Optional*		Sr. No.	Resolutions	Optional*	
		For	Against			For	Against
	Ordinary Business			5	Compensation to Whole time Director Shri Dashrathbhai Patel		
1	Approval of Annual Accounts			6	Reappointment of Independent Director Shri Jagdishbhai S. Shah		
2	Declaration of Dividend			7	Reappointment of Independent Director Shri Shankarlal B. Mundra		
3	Re-appointment of Mr. Rameshbhai B. Patel who retires by rotation						
	Special Business						
4	Ratification of Remuneration to Cost Auditors						

*It is optional to put '✓' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

Signed this _____ day of _____ 2018

Signature of shareholder(s) _____

Signature of Proxy holder(s) _____

Affix
Revenue
Stamp
Re. 1/-

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

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What is the "Green Economy"?

For the purposes of the Green Economy Initiative, UNEP has developed a working definition of a green economy as one that results in improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities. In its simplest expression, a green economy can be thought of as one which is low carbon, resource efficient and socially inclusive.

Practically speaking, a green economy is one whose growth in income and employment is driven by public and private investments that reduce carbon emissions and pollution, enhance energy and resource efficiency, and prevent the loss of biodiversity and ecosystem services. These investments need to be catalyzed and supported by targeted public expenditure, policy reforms and regulation changes. This development path should maintain, enhance and, where necessary, rebuild natural capital as a critical economic asset and source of public benefits, especially for poor people whose livelihoods and security depend strongly on nature.





DYNEMIC PRODUCTS LIMITED

CIN: L24100GJ1990PLC013886

B-301, Satyamev Complex - 1, Opp. Gujarat High Court, S.G. Road, Ahmedabad - 60.

Phone: +91-79-27663071, 27663076, 65233073

Fax: +91-79-27662176, Email: info@dynemic.com, Website: www.dynemic.com