

Directors' Report

Directors' Report to the Members

Your Directors present their Nineteenth report together with the Audited Financial Statement of your Company for the year ended 31st March, 2015.

Financial Highlights

Financial Performance:	2014 -15	2013 -14
	Rs. (In Lakhs)	Rs. (In Lakhs)
Gross Income	168.93	204.89
Total Expenditure	28.22	24.71
Profit Before Depreciation and Taxation	140.71	180.18
Deprecation	0.90	0.44
Profit before Taxation	139.81	179.74
Provision for taxation	65.07	53.24
Net Profit after Tax	74.74	126.50
Balance carried over to Balance Sheet	74.74	126.50

Dividend

The Board has not recommended any dividend for the current financial year in order to conserve its Profits.

Transfer to Reserves

Pursuant to the provisions of Section 45IC(1) of the Reserve Bank of India Act, 1934, Rs. 14,94,937/- has been transferred to the General Reserve (Statutory).

Operations/ State of the Company's Affairs

Your Company is a RBI registered Non-Banking Finance Company and it has achieved a net profit after tax of Rs. 74,74,687 against Rs. 1,26,50,066 in the previous year. This year was challenging for the financial sector companies. The year ahead is expected to be good for the business of the Company.

Share Capital

During the year, under the review there is no change in the Issued, Subscribed and Paid up Share Capital for the company.

Employee Stock Options Scheme

During the year, under the review the company has not issued any Shares pursuant to the Employee Stock Options Scheme.

Holding Company / Subsidiary Company

During the year, under the review the Company didn't have any Holding Company, Subsidiary, Associate or Joint Venture Company.

Management Discussion and Analysis Report

In terms of Clause 49 of the Listing Agreement with the Stock Exchanges, Management Discussion & Analysis Report is appended to this Report.

Corporate Governance

The report of Corporate Governance along with the certificate from the statutory auditors of the Company regarding the Compliance of conditions of corporate governance as stipulated under Clause 49 of the Listing Agreement forms part of this Annual Report.

Corporate Social Responsibility (CSR)

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

Directors and Key Managerial Personnel**Key Managerial Personnel**

During the year under review, Mr. Sunny Jain was appointed as Chief Financial Officer and Mr. Ashwani Garg was appointed as Company Secretary of the Company w.e.f. 10th November, 2014.

Mr. Danmal Porwal, Managing Director of the Company is proposed to be re-appointed as Managing Director of the Company w.e.f. October 1, 2015.

Directors

During the year Mr. Rakesh Porwal was appointed as an Additional Director and Mrs. Padma Paila was appointed as an Additional (Independent-Woman) Director on 24th March, 2015. Further Mr. Mukesh Agrawal was appointed as an Additional Independent Director of the Company w.e.f. 10th August, 2015 and on the same date Mr. Pankaj Porwal, Mr. Anurag Jain and Mr. Bhanwar Lal Porwal resigned from the directorship of the Company. Your directors place on record their sincere appreciation of the services provided by them.

The term of appointment of Mr. Rakesh Porwal, Mukesh Agrawal and Mrs. Padma Paila will expire at the forthcoming Annual general meeting. Pursuant to Section 160 of the Companies Act, 2013, the Company has received notices from a member proposing appointment of the above mentioned Directors.

The Company has received declaration under Section 149(7) from Mr. Mukesh Agrawal and

Mrs. Padma Paila confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act and Clause 49 of the Listing Agreements.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, evaluation of every Director's performance was done by Nomination and Remuneration Committee. The performance evaluation of Non-Independent Directors and the Board as a whole, Committees thereof and Chairperson of the Company was carried out by the Independent Directors. Evaluation of Independent Directors was carried out by the entire Board of Directors, excluding the Director being evaluated. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the evaluation such as adequacy of the size and composition of the Board and Committee thereof with regard to skill, experience, independence, diversity; attendance and adequacy of time given by the Directors to discharge their duties; Corporate Governance practices etc. The Directors expressed their satisfaction with the evaluation process. The details of familiarisation programme for Independent Directors have been disclosed on website of the Company www.dynamicarchiststructures.com.

Declaration of Independent Directors

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

Performance Evaluation of Independent Directors

The Board has formulated a questionnaire for performance Evaluation of Independent Directors. The questionnaire has among others basically captured the following points:

- Key attributes of the Independent Director
- Level and quality of participation in the Board and Committee Meetings
- Inputs provided by the Independent Director based on his knowledge, skills and experience
- Independence in Judgment
- Knowledge of Company's Business.

The Board of Directors had in their meeting held on March 24, 2015 evaluated the performance of Mr. Vijay Jain, Mr. Anurag Jain, Mr. Bhanwarlal Porwal and Mrs. Padma Paila, Independent Directors of the Company and has determined to continue with the term of appointment of the Independent Directors.

Separate Meeting of the Independent Directors

The Independent Directors held a Meeting on March 24, 2015 without the attendance of Non-Independent Directors and Members of Management. All the Independent Directors

were present at such meeting and at the Meeting they have:

- i. Reviewed the performance of non-independent directors and the Board as a whole;
- ii. Assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Present Independent Directors hold a unanimous opinion that the Non-Independent Directors bring to the Board constructive knowledge in their respective field. All the Directors effectively participate and interact in the Meeting. The information flow between the Company's Management and the Board is satisfactory.

Training of Independent Directors

The Company shall provide suitable training to 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, etc.

The Policy on the appointment of directors and senior management and policy on remuneration of directors, KMPs and employees are attached herewith and marked as Annexure: **Annexure IA, Annexure IB.**

Meetings

A calendar of Meetings is prepared and circulated in advance to the Directors. A total of Nine Board Meetings were held during the year 2014-2015 on the following dates: April 21, 2014, June 30, 2014, July 29, 2014, August 25, 2014, October 27, 2014, November 10, 2014, December 22, 2014, January 27, 2015 and March 24, 2015. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and the Listing Agreement. Details of attendance of each of the directors at the Board Meetings is given in Corporate Governance Report.

Directors' Responsibility Statement

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Directors, based on the representations received from the operating management and after due enquiry, confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 31st March, 2015 and of the profit of the Company for that period;

- (c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) they had prepared the annual accounts on a going concern basis; and
- (e) they had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Internal Financial Controls and Adequacy

The Company has in place adequate internal financial controls with reference to the financial statements. The Audit Committee of the Board periodically reviews the internal control systems with the management, Internal Auditors and Statutory Auditors and the adequacy of internal audit function, significant internal audit findings and follow-ups thereon.

Composition of Audit Committee

The Audit Committee comprises of two independent Directors, namely Mr. Vijay Kumar Jain and Mr. Bhanwar Lal Porwal and one Non-Executive Director, Mr. Pankaj Porwal. Mr. Vijay Jain is the Chairman of the Committee. With effect from August 10, 2015, Mr. Mukesh Agrawal and Mrs. Padma Paila, Independent Directors, were appointed as members of the Committee in place of Mr. Bhanwar Lal Porwal and Mr. Pankaj Porwal. All members of the Audit Committee possess strong knowledge of accounting and financial management. Financial Controller, the Internal Auditors and Statutory Auditors are regularly invited to attend the Audit Committee Meetings. The Internal Auditor reports to the Chairman of the Audit Committee. The significant audit observations and corrective action taken by the management are presented to the Audit Committee. The Board has accepted all recommendations, if any, of the Audit Committee made from time to time.

Vigil mechanism / Whistle Blower Mechanism

The Company has established a vigil mechanism by adopting a Whistle Blower Policy for Directors and employees to report genuine concerns in the prescribed manner. The vigil mechanism is overseen by the Audit Committee and provides adequate safeguards against victimization of employees and Directors. Whistle Blower Policy is a mechanism to address any complaint(s) related to fraudulent transactions or reporting intentional non-compliance with the Company's policies and procedures and any other questionable accounting/operational process followed. It provides a mechanism for employees to approach the Chairman of Audit Committee or Chairman of the Company or the Corporate Governance Cell. During the year, no such incidence was reported and no personnel were denied access to the Chairman of the Audit Committee or Chairman of the Company or the

Corporate Governance Cell. The Whistle Blower Policy of the Company is available at web link: <http://www.dynamicarchisttructures.com/PDF/POLICY/Whistle%20Blower%20Policy.pdf>

Risk Management

The Company has in place the procedure to inform the Board about the risk assessment and minimization procedures. Your Company has appropriate risk

management systems in place for identification and assessment of risks, measures to mitigate them, and mechanisms for their proper and timely monitoring and reporting. Audit Committee has been assigned the task of ensuring Risk Management, for monitoring and reviewing of the risk assessment, mitigation and risk management plan from time to time. The Board periodically reviews implementation and monitoring of the risk management plan for the Company including identification therein of elements of risks, if any, which in the opinion of the Board may threaten the existence of the Company.

Auditors

M/s. V.M.Lodha & Co., Chartered Accountants, Kolkata retire as Auditors at the 19th Annual General Meeting and have shown their unwillingness to be re-appointed as statutory auditors of the Company. The Company proposes to appoint M/s. Surana Singh Rath and Co, Chartered Accountants as the Statutory Auditors of the Company from the conclusion of the ensuing Annual General Meeting until the conclusion of the fifth consecutive AGM of the Company to be held in the year 2020. As required under the provisions of Section 139 and 141 of the Companies Act, 2013, the Company has received a written consent and certificate from M/s. Surana Singh Rath and Co, to the effect that their appointment, if made, would be in conformity with the limits specified in the said Section and that they are not disqualified to be appointed as Auditors of the Company. The Board has recommended to the shareholders for their approval to the appointment of M/s. Surana Singh Rath and Co, Chartered Accountants, as the Statutory Auditors and to fix their remuneration.

The notes of the financial statements referred to in the Auditor's Report are self-explanatory and do not call for any further comments. The Auditor's Report does not contain any qualification, reservation or adverse remark.

The Members are requested to appoint M/s Surana Singh Rath and Co. as the Statutory Auditors and fix their remuneration.

Secretarial Auditor

The Board has appointed M/s. V.P. Mahipal, Practising Company Secretary to conduct the secretarial audit for the financial year 2014-15. The Secretarial Audit report for the financial year ended March 31, 2015 is annexed herewith and marked as **Annexure II** to this Report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013

Your Company is a RBI registered Non-Banking Finance Company and therefore the provisions of Section 186 are not applicable. There was no guarantees given or security provided by the Company under Section 186 of the Companies Act, 2013 during the year under review. Particulars of loans given and investments made are provided in the financial statement (Please refer to Note no. 10 and 11 to the financial statement). All the loans were given for the purpose of business of the recipients.

Contracts and Arrangements with Related Parties

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

Since all related party transactions entered into by the Company were in the ordinary course of business and were on an arm's length basis, form AOC-2 is not applicable to the Company.

Deposits, Loans and Advances

Your Company has not accepted any deposits from the public or its employees during the year under review.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The provisions of Section 134(m) of the Companies Act, 2013 do not apply to our Company. There was no foreign exchange inflow or Outflow during the year under review.

Particulars of Remuneration Employees and Other Required Disclosures

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, no employee is drawing any remuneration which is in excess of the limits laid down therein. Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in **Annexure III**.

Extract of Annual Return

The details forming part of the Extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013 is included in this Report as **Annexure IV** and forms part of this Report.

General

During the year under review, no revision was made in the financial statement of the Company.

During the year ended March 31, 2015, there were no cases filed / reported pursuant to the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

No penalties/strictures were imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital market since the listing of the Company's equity shares. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operation in future.

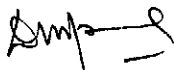
Cautionary statement:

Certain statements in the Directors' Report describing the Company's objectives, projections, estimates, expectations or predictions may be forward-looking statements within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include labour and material availability, and prices, cyclical demand and pricing in the Company's principal markets, changes in government regulations, tax regimes, economic development within India and other incidental factors.

Acknowledgment

The Directors would like to thank all shareholders, customers, bankers, contractors, suppliers and associates of your Company for the support received from them during the year. The Directors would also like to place on record their appreciation of the dedicated efforts put in by the employees of the Company.

For and on behalf of the Board,



DANMAL PORWAL
Chairman Cum Managing Director
DIN NO: 00581351



DEBENDRA TRIPATHI
Director
Din No: 00948186

Date: 24th August, 2015

Place: Kolkatta

DYNAMIC ARCHISTRUCTURES LIMITED

POLICY ON APPOINTMENT OF DIRECTORS AND SENIOR MANAGEMENT AND SUCCESSION PLANNING FOR ORDERLY SUCCESSION TO THE BOARD AND THE SENIOR MANAGEMENT

DEFINITIONS

The definitions of some of the key terms used in this Policy are given below.

"Board" means Board of Directors of the Company.

"Company" means Dynamic Archistructures Limited.

"Committee(s)" means Committees of the Board for the time being in force.

"Employee" means employee of the Company whether employed in India or outside India including employees in the Senior Management Team of the Company.

"HR" means the Human Resource department of the Company.

"Key Managerial Personnel" (KMP) refers to key managerial personnel as defined under the Companies Act, 2013 and includes:

- (i) Managing Director (MD), or Chief Executive Officer (CEO); or Manager; or Whole time Director (WTD)
- (ii) Chief Financial Officer (CFO); and
- (iii) Company Secretary (CS)

"Nomination and Remuneration Committee" (NRC) means Nomination and Remuneration Committee of Board of Directors of the Company for the time being in force.

"Senior Management" means personnel of the Company who are members of its Core Management Team excluding Board of Directors comprising of all members of management one level below the executive directors including the functional heads.

I. APPOINTMENT OF DIRECTORS

The NRC reviews and assesses Board composition and recommends the appointment of new Directors. In evaluating the suitability of individual Board member, the NRC shall take into account the following criteria regarding qualifications, positive attributes and independence of director:

1. All Board appointments will be based on merit, in the context of the skills, experience, independence and knowledge, for the Board as a whole to be effective.
2. Ability of the candidates to devote sufficient time and attention to his professional obligations as Independent Director for informed and balanced decision making
3. Adherence to the Code of Conduct and highest level of Corporate Governance in letter and in spirit by the Independent Directors

Based on recommendation of the NRC, the Board will evaluate the candidate(s) and decide on the selection of the appropriate member. The Board through the Whole Time Director(s) will interact with the new member to obtain his/her consent for joining the Board. Upon receipt of the consent, the new Director will be co-opted by the Board in accordance with the applicable provisions of the Companies Act 2013 and Rules made there under.

REMOVAL OF DIRECTORS

If a Director is attracted with any disqualification as mentioned in any of the applicable Act, rules and regulations there under or due to non - adherence to the applicable policies of the company, the NRC may recommend to the Board with reasons recorded in writing, removal of a Director subject to the compliance of the applicable statutory provisions.

SENIOR MANAGEMENT PERSONNEL

The NRC shall identify persons who are qualified to become directors and who may be appointed in senior management team in accordance with the criteria laid down above.

Senior Management personnel are appointed or promoted and removed/relieved with the authority of Chairman & Managing Director based on the business need and the suitability of the candidate. The details of the appointment made and the personnel removed one level below the Key Managerial Personnel during a quarter shall be presented to the Board.

II. SUCCESSION PLANNING:

Purpose

The Talent Management Policy sets out the approach to the development and management of talent in the Dynamic Archistructures to ensure the implementation of the strategic business plans of the Company and the Management's Aspiration of being among the Top Companies in the business.

Board:

The successors for the Independent Directors shall be identified by the NRC at least one quarter before expiry of the scheduled term. In case of separation of Independent Directors due to resignation or otherwise, successor will be appointed at the earliest but not later than the immediate next Board meeting or three months from the date of such vacancy, whichever is later.

The successors for the Executive Director(s) shall be identified by the NRC from among the Senior Management or through external source as the Board may deem fit.

The NRC will accord due consideration for the expertise and other criteria required for the successor.

The Board may also decide not to fill the vacancy caused at its discretion.

Senior Management Personnel: