



DYNEMIC
COLOURING LIVES

27th ANNUAL REPORT
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DYNEMIC PRODUCTS LIMITED



Bhagwandas K. Patel
Managing Director



Dear Members,

I am pleased to present the 27th Annual Report of our Company for the financial year 2016-17. It gives me great pleasure to inform you that Your Company performed well during 2016-17 with steady growth in its revenues and profitability. Clarity of purpose aligned with consistent performance and profitable growth is the first step towards building a successful business.

During the year we achieved a sales turnover of Rs. 157 crores as against Rs. 136 crores previous year showing an increase in turnover by 15%. Comparing to previous year the turnover had marginally increased but net profits are high by 80% appx. The impact is due to raw material which we are producing in-house and also due to favourable market conditions. Also our cost has reduced due to permission from GPCB to discard the waste water through ETL.

The Board of Directors has recommended a dividend of Rs. 1.50 per equity share of Rs. 10 for the year 2016-17 amounting to Rs. 169.93 Lacs.

Further setting up of Unit-III in Dahej is in pipeline. We are waiting for Environment Clearance from GPCB and as soon as the EC is received we will start the plant work.

The earnings per share rose to Rs. 11.86 per share from Rs. 6.64 per share of last year.

As far as year 2017-18 is concerned, your Management is much positive looking to the results of Q-1 wherein we had achieved a turnover of Rs. 42 crores which was Rs. 30 crores last year.

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
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
Rashmi A. Aahuja	-	Independent Director

COMMITTEES OF DIRECTORS

Audit Committee

Ashish R. Joshi
Jagdishbhai S. Shah
Bhagwandas K. Patel

Nomination and Remuneration Committee

Shankarlal B. Mundra
Jagdishbhai S. Shah
Rashmi A. Aahuja

Stakeholders Relationship Committee

Shankarlal B. Mundra
Bhagwandas K. Patel

Corporate Social Responsibility Committee

Bhagwandas K. Patel
Jagdishbhai S. Shah
Ashish R. Joshi

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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TWENTYSEVENTH ANNUAL GENERAL MEETING

DATE	: September 25, 2017
DAY	: Monday
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 27th 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 Monday, 25th September, 2017, 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, 2017, 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, 2017.
2. To declare dividend of Rs. 1.50 per Equity Share i.e. 15% per Equity Share for the year ended 31st March, 2017.
3. To appoint a Director in place of Shri Dashrathbhai P. Patel, (holding DIN No. 00008160), liable to retire by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers himself for re-appointment.
4. To appoint statutory auditors and fix their remuneration.

“RESOLVED THAT, pursuant to provisions of Section 139, 141 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014, as may be applicable and pursuant to the recommendations of the Audit Committee, M/s Asim Ravindra & Associates, Chartered Accountants, Ahmedabad (Firm Reg. No. 118775W), be appointed as the Statutory Auditor(s) of the Company, in place of retiring auditors M/s Shah Rajesh & Associates, Chartered Accountants, (Firm Registration No. 109767W) to hold office from the conclusion of the 27th Annual General Meeting until the conclusion of the 32nd AGM, subject to ratification by members every year, as applicable, at such remuneration and out of pocket expenses, as may be decided by the Board of Directors of the Company.

Special Business :

5. 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 2017-18

“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 S.A. and Associates, Cost Accountants Ahmedabad ((having firm registration No. 000347), 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, 2018, 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.

6. To re-appoint Shri Dixitbhai B. Patel (DIN : 00045883) as a Wholetime Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution :

“RESOLVED THAT pursuant to the provisions of Sections 197, 203 and 197 read with Schedule V 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 be and is hereby accorded to the re-appointment of Shri Dixitbhai B. Patel as a Whole Time Director of the Company, for a period of 5 (five) years with effect from January 1, 2018, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary the terms and conditions of appointment and / or remuneration, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or reenactment thereof. Upon re-appointment as a Whole time Director his office shall be liable to retire by rotation and the reappointment as such director shall not be deemed to constitute a break in his office of Whole Time Director.”

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary proper or expedient to give effect to this Resolution.”

By Order of the Board

Ahmedabad
29th July, 2017

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 Thursday, September, 21, 2017 (9.00 am) and ends on Sunday, September, 24, 2017 (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 Monday, September 18, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
 - (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (iv) Click on "Shareholders" tab.
 - (v) 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.
 - (vi) Next enter the Image Verification as displayed and Click on Login.
 - (vii) 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.
 - (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> 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 (Serial No. on the Address sticker / Postal Ballot Form / Email) 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 sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>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.</p> <ul style="list-style-type: none"> 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 (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) 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.

- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
 - (xv) 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.
 - (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
 - (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - (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.
 - (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 Monday, September 18, 2017.
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 14th September, 2017 to 23rd September, 2017 (both days inclusive), for the purpose of payment of Dividend, if declared.
 9. The Dividend, as recommended by the Board of Directors, if declared at the 27th 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 13th September, 2017.
In respect of Shares held in electronic form, to the Beneficial Owners of the Shares as at the close of business hours on 13th September, 2017, 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 SECRETRIAL STANDARD ON GENERAL MEETINGS FOR ITEM 5 & 6

ITEM No. 5

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2018.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2018.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the members.

ITEM No. 6

As the existing tenure of Shri Dixitbhai B. Patel will be expiring on 31st December 2017, Board of Directors of the Company on the recommendation of Nomination and Remuneration Committee in its meeting held on 11.02.2017 has proposed to re-appoint him as Whole Time Directors, for a further period of five years with effect from 01.01.2018, subject to the approval of Members and that of the Central Government, if required on the terms and conditions as set out hereunder.

A brief profile of Shri Dixitbhai B. Patel is set out hereunder :-

Shri Dixit B. Patel aged 37 years is Bachelor of Science and had done Diploma in Export Management. He is young and enthusiastic Director, mainly looking after exports which contributes nearly about 75% of Company's turnover. Shri Dixitbhai Patel was appointed Director in Board meeting dated 01.01.2003. Again he was re-appointed as Whole-time Director at the 17th AGM of the members held on 20.08.2007. He was again re-appointed as Whole Time Director of the Company for a period of 5 years with effect from 01.01.2013 which was approved by the shareholders in the 22nd Annual General Meeting held on 21.09.2012. During the year he attended all the Board meetings.

He holds Directorship in Dynamic Overseas (India) Private Limited. Shri Dixitbhai B. Patel is holding 138175 Equity Shares in the Company.

It is proposed to seek Members' approval for the re-appointment of and remuneration payable to Shri Dixitbhai B. Patel, as Whole Time Director, in terms of the applicable provisions of the Act.

Broad particulars of the terms of re-appointment of and remuneration payable to Shri Dixitbhai B. Patel are as under :

(A) Salary :

Gross Salary Rs. 136000/- (Rupees One Lac Thirty Six Thousand only) per month (in the scale of Rs. 200000/- to Rs. 400000/-), Bonus, Encashment of leave and Gratuity as per company's rule.

Period :

From 01.01.2018 to 31.12.2022

The remuneration proposed to be paid to the Whole Time Director is comparable with the remuneration being paid for similar assignments in the industry. In the event of the Company not earning any profit / earning inadequate profits during any financial year during the currency of the tenure of Shri Dixitbhai B. Patel, as Whole Time Director, the remuneration payable shall be as per limit prescribed in Schedule V of the Companies Act, 2013.

SITTING FEES : As long as Shri Dixitbhai B. Patel functions as the Whole Time Director, he shall not be paid any sitting fees for attending the meetings of the Board of Directors / Committee thereof.

(B) General :

- (i) Shri Dixitbhai B. Patel satisfies all the conditions set out in Part-I of Schedule V to the Act for being eligible for the re-appointment.
- (ii) The office of Whole Time Director may be terminated by the Company or the concerned Director by giving the other 1 (one) month prior notice in writing.
- (iii) The employment of Whole Time Director may be terminated by the Company without notice or payment in lieu of notice :
 - if the Director is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associate company to which he is required to render services; or
 - in the event of any serious repeated or continuing breach or non-observance by the Director of any of the stipulations contained in the terms of employment with the Company; or
 - in the event the Board expresses its loss of confidence in the Director.
- (iv) Upon termination by whatever means of the Whole Time Director's employment :
 - The Director shall immediately tender his resignation from the office as Director of the Company and from such other offices held by him in the Company, in any subsidiary and associate company and other entities without claim for compensation for loss of office,
 - The Director shall not without the consent of the Company at any time thereafter represent himself as connected with the Company or any of its subsidiary or associate company.
- (v) The Whole Time Director will perform his duties as such with regard to all work of the Company and he will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board and his functions will be under the overall authority of the Managing Director.
- (vi) The Whole Time Director shall adhere to the Company's Code of Business Conduct and Ethics for Directors and Management personnel.

The above may be treated as a written memorandum setting out the terms of re-appointment of Shri Dixitbhai B. Patel as Whole Time Director under Section 190 of the Act.

Your Directors commend the Resolution at Item No. 6 for your approval.

Shri Bhagwandas K. Patel, Managing Director of the Company may be considered as concerned and interested as being relative of Shri Dixit B. Patel and Shri Dixit B. Patel may be considered as concerned and interested as the resolution pertains to himself.

None of the other Directors is interested or concerned in the resolution.

STATEMENT AS PER REGULATION 27 OF SEBI (LODR) REGULATION, 2015 WITH REGARDING TO THE DIRECTORS PROPOSED FOR APPOINTMENT – REAPPOINTMENT:-

Shri Dashrathbhai P. Patel :- DIN 00008160

Shri Dashrathbhai P. Patel aged 66 years is Bachelor of Science having rich experience in colour & chemical industry and is one of the promoter of the Company. He is technological sound person and at present is Director-Maintenance of both the plants at Ankleshwar. 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.

Except for Shri Dashrathbhai P. Patel, none of the other Directors, Key Managerial Personnel and relatives thereof are in any way, concerned or interested in the resolution at Item no. 3.

By Order of the Board

Ahmedabad
29th July, 2017

Varsha R. Mehta
Company Secretary
Membership No. A24312

Boards' Report

Dear Shareholders,

Your Directors have pleasure in presenting the 27th Annual Report together with the audited Statement of Accounts of the Company for the year ended March 31, 2017.

FINANCIAL RESULTS

PARTICULARS	(Amount in Rs.)	
	YEAR ENDED ON MARCH 31, 2017	YEAR ENDED ON MARCH 31, 2016
Sales And Other Operating Income	1,48,39,48,250	1,29,06,62,309
Other Income	20,02,351	2,34,627
(a) Total Income :	1,48,59,50,601	1,29,08,96,936
(b) Total Expenditure :	1,23,30,24,679	1,12,37,65,756
(c) Gross Profit :		
Before Interest, Depreciation & Amortisation Charges : (c) = (a) - (b)	25,29,25,922	16,71,31,179
Less : Interest	1,50,11,622	2,09,01,517
Gross Profit after Interest but before Depreciation and Amortisation Charges	23,79,14,300	14,62,29,662
Less : Depreciation & Amortisation Charges	3,17,08,807	3,14,08,129
Operational Profit / Profit Before Tax	20,62,05,493	11,48,21,533
Less : Current Tax	7,14,25,000	3,98,00,000
Deferred Tax	3,99,953	320636
(Excess)/Short provision for taxes for earlier years	0	(4,74,206)
Profit After Tax	13,43,80,539	7,51,75,104
Add : Profit brought forward from previous year	37,61,32,986	32,64,09,853
Profit available for appropriation	51,05,13,525	40,15,84,957
Transfer to General Reserve	50,00,000	50,00,000
Proposed Dividend	1,69,92,674	1,69,92,674
Tax on Dividend	34,59,297	34,59,297
Balance Carried to Balance Sheet	48,50,61,554	37,61,32,986

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. 4% 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 and Gunjala Gram Panchyat. 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 Dashrathbhai P. 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.

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 4 (Four) times respectively on 28.05.2016, 06.08.2016, 25.10.2016 and 11.02.2017 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 2017, 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, 2017 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/financial_shareholding_pattern.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, 2017. Further, it is hereby confirmed that there has been no change in the nature of business of the Company.

AUDITORS :-**(A) STATUTORY AUDITORS:-**

Pursuant to Section 139 of the Companies Act, 2013, M/s Shah Rajesh & Associates, Chartered Accountants, (Firm Registration No. 109767W) are holding office of the auditors up to the conclusion of the 27th AGM. Your Directors have on the recommendation of the Audit Committee proposed M/s Asim Ravindra & Associates, Chartered Accountants, Ahmedabad (Firm Reg. No. 118775W) as the Statutory Auditor(s) of the Company to hold office from the conclusion of the 27th Annual General Meeting until the conclusion of the 32nd AGM, subject to ratification by members every year.

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, 2017. 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 S.A. & Associates, Cost Accountants (Firm Registration number 000347) to audit the cost accounts of the Company for the Financial Year 2017-2018. 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 appointment and remuneration payable to M/s S.A. & Associates, 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 2016-17 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.