

*25<sup>th</sup>*

*Annual Report  
2013 - 2014*



**DYNAMIC INDUSTRIES LIMITED**

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



## **BOARD OF DIRECTORS**



**DEEPAK N. CHOKSHI**  
CHAIRMAN & MANAGING DIRECTOR

**HARIN D. MAMLATDARNA**  
VICE CHAIRMAN & MANAGING DIRECTOR

**DINESH J. JAIN**  
EXECUTIVE DIRECTOR

**JATIN B. SURTI**  
(NON-EXECUTIVE  
DIRECTOR / INDEPENDENT)

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

**RAGHAVDAS H. LAKHMANI**  
(NON-EXECUTIVE  
DIRECTOR / INDEPENDENT)



**COMPANY SECRETARY**  
(CONSULTING)  
**CHETAN R. SHAH**

**AUDITORS**  
G. K. CHOKSI & CO.  
Chartered Accountants  
"Madhuban", Nr. Madalpur Underbridge,  
Ellisbridge, Ahmedabad - 6.

**BANKERS**  
CENTRAL BANK OF INDIA  
Lal Darwaja Branch  
Nr. Roopalee Cinema, Ahmedabad.

**REGISTRARS & SHARE TRANSFER AGENTS**  
SHAREPRO SERVICES (INDIA) PVT. LTD.  
(Ahmedabad Branch)  
416-420, 4th Floor, Devnandan Mall,  
Opp. Sanyas Ashram, Ashram Road,  
Ellisbridge, Ahmedabad - 380 006.



**REGISTERED OFFICE :**  
Plot No. 5501/2, Phase III,  
Nr. Trikampura Cross Roads, GIDC,  
Vatva, Ahmedabad - 382 445.  
**Website : [www.dynaind.com](http://www.dynaind.com)**  
**ISIN No. : INE457C01010**

**FACTORY :**  
Plot No. 125, Phase - I,  
Nr. Trikampura Cross Roads, GIDC,  
Vatva, Ahmedabad - 382 445.  
**E-mail : [accounts@dynaind.com](mailto:accounts@dynaind.com)**  
**CIN No. : L24110GJ1989PLC011989**

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## **NOTICE**

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of Dynamic Industries Limited will be held on 14th August, 2014 at 11.30 a.m. at 5501/2, Phase III, Near Trikampura Cross Roads, G.I.D.C., Vatva, Ahmedabad-382 445 to transact the following business :

### **Ordinary Business :**

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31st March, 2014 including audited Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors' and Auditors' thereon.
2. To declare dividend on equity shares of the Company for the financial year 2013-2014.
3. To appoint a Director in place of Shri Pravinchandra D. Master (DIN: 05195587), who is liable to retire by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Jatinbhai B. Surti (DIN: 05195572), who is liable to retire by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, and pursuant to recommendation of the Audit Committee of the Board of Directors, M/s. G. K. Choksi & Co., Chartered Accountants (Firm Regn. No. 101895W) be and are hereby appointed as statutory auditors of the Company for the period of 3 (three) years, subject to ratification by the members at every Annual General Meeting and eligibility of the firm, to hold office from the conclusion of this Annual General Meeting till the conclusion of the twenty eighth Annual General Meeting of the Company, on such remuneration and reimbursement of out of pocket expenses, as shall be decided by the Chairman of the Company in consultation with the said Auditors.”

### **SPECIAL BUSINESS**

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of Rs. 35,000/- recommended by the Audit Committee and approved by the Board of Directors of the Company to be paid to M/s. Vishal Yagnik & Associates as the Cost Auditor of the Company for the financial year ending March 31, 2015, be and is hereby ratified and confirmed.”

### **Regd. Office :**

Plot No. 5501/2, Phase III,  
Nr. Trikampura Cross Roads,  
GIDC, Vatva,  
Ahmedabad - 382 445.

Date : 30<sup>th</sup> May, 2014

### **By Order of the Board**

**DEEPAK N. CHOKSHI**  
*Chairman & Managing Director*

## DYNAMIC INDUSTRIES LIMITED

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### Notes :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. Further, a Member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.  
The instrument appointing a proxy must be deposited at the registered office of the company not less than 48 hours before the commencement of meeting
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business is annexed herewith.
3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
4. Register of Members and Share Transfer Books will remain closed from 13-08-2014 to 14-08-2014 (both days inclusive).
5. If the dividend as recommended by the Board of Directors is approved at the Annual General Meeting, payment of such dividend will be made credited / dispatched within 30 days from 14th August, 2014.
  - i) To all Beneficial Owners in respect of shares held in dematerialised form as per the data as may be made available by the National Securities Depository Limited and the Central Depository Services (India) Limited as of the close of business hours on 14<sup>th</sup> August, 2014.
  - ii) To all members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on 12<sup>th</sup> August, 2014.
6. Members holding shares in physical form are requested to inform the Company's Registrars and Transfer Agents (RTA), M/s. Sharepro Services (India) Private Limited, immediately of any change in their address and bank details. Members holding shares in dematerialized form are requested to intimate all changes with respect to their address, bank details, mandate etc. to their respective Depository Participants. These changes will then be automatically reflected in the Company's records. This will help the Company to provide efficient and better service to the Members.
7. Members holding shares in dematerialized form are requested to register their latest Bank Account details (Core Banking Solutions enabled account number, 9 digit MICR and 11 digit IFS code) and Permanent Account Number (PAN) with their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's RTA as the same is mandated by the Securities and Exchange Board of India.
8. Queries on accounts may please be sent to the Company at least 10 days in advance of the Annual General Meeting so that the answers may be made available at the meeting.
9. The Company is concerned about the environment. We request you to update your email address with your Depository Participants to enable us to send you communications via email. Members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to provide their e-mail addresses to the Sharepro Services (India) Private Limited (RTA) sending an e-mail at [sharepro@shareproservices.com](mailto:sharepro@shareproservices.com)
10. Copies of the Annual Report 2013-14 are being sent by electronic mode only to all the members whose email addresses are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report for 2013-14 are being sent by the permitted mode.
11. In terms of Sections 205A and 205C of the Companies Act, 1956 any dividend remaining unclaimed for a period of seven years from the due date of payment is required to be transferred to the Investor Education and Protection Fund (IEPF). Accordingly, unclaimed dividends upto 31st March, 2006 have been transferred to the said fund. Members, who have not encashed their dividend warrant(s) so far, for the dividend for the financial year ended 31st March, 2007 are requested to make their claims to the Company or to Sharepro Services (India) Private Limited

(RTA). It may be noted that once the unclaimed dividend is transferred to IEPF as above, no claim shall lie against the IEPF or the Company in respect of any amounts which were unclaimed for a period of seven years from the dates that they first become due for payment and no payment shall be made in respect of any such claims.

12. Instructions regarding the facility available to the shareholders for E-voting in respect of resolutions mentioned in this notice, is set herewith.
13. Members / Proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.

**Brief resume of Directors seeking appointment/re-appointment are as under:**

<b>Particulars</b>	Pravinchandra D. Master	Shri Jatinbhai B. Surti
Date of Birth	16/08/1950	01/11/1946
Date of Appointment	02/02/2012	02/02/2012
Qualifications	M. Com., LL.B., CAIIB	B. Com.
Experience and expertise in specific functional areas	Shri Pravinchandra D. Master has rich experience in accounts, banking, finance and administration related work. He has also worked for many years in various capacities in State Bank of India as Middle Management Executive Scale – III and retired in May 2007.	Shri Jatinbhai B. Surti has rich experience of 37 years in the field of banking, finance, accounting and administrative areas.
Directorship held in other (excluding foreign) Companies	NIL	NIL
Memberships of Committees	<b>Committee Membership</b> Audit Committee Remuneration Committee Investors Grievance Committee	<b>Committee Membership</b> Audit Committee Remuneration Committee
Number of Shares held in the Company	NIL	500

### Annexure to the Notice

**Explanatory Statement in respect of the Special Business pursuant to Section 102 of the Companies Act, 2013.**

**Item No. 6**

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2015.

Your Board thus commend the said resolution for your approval as an Ordinary Resolution.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

**Regd. Office :**

Plot No. 5501/2, Phase III,  
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GIDC, Vatva,  
Ahmedabad - 382 445.

Date : 30<sup>th</sup> May, 2014

**By Order of the Board**

**DEEPAK N. CHOKSHI**  
Chairman & Managing Director

**DIRECTORS' REPORT**

**Dear Members,**

Your Directors have pleasure in placing before you the Twenty Fifth Annual Report and Audited Accounts for the year ended on 31st March, 2014.

<b>Financial Results</b>		[₹ in Lacs]
<b>Particulars</b>	<b>Year Ended 31-03-2014</b>	<b>Year Ended 31-03-2013</b>
Total Income	10,475.48	4,364.78
Profit before depreciation and tax	646.73	197.60
Depreciation	68.59	64.78
Provision for Taxation		
Current Year	200.00	43.50
Deferred tax	(21.45)	13.05
Less : Excess provision of earlier year (net)	0.00	(8.82)
Profit After tax	399.59	85.09
<b>Balance b/f. from previous year</b>	<b>748.53</b>	<b>663.44</b>
<b>Balance carried to Balance Sheet</b>	<b>1,148.12</b>	<b>748.53</b>

**Dividend**

Your directors are pleased to recommend a dividend @ 10% p.a. (Re. 1/- per share) (Previous Year Rs. Nil) on equity shares for the year ended 31st March, 2014. The total dividend pay out excluding dividend distribution tax shall be Rs. 30,28,500/-.

**Performance**

The Board is pleased to inform that the working of the Company has scaled new heights, in as much it has recorded highest revenue & profitability since its inception, despite general economic slow down & cut throat competition in business during the year under review.

The total income stood at Rs. 10475.48 lacs ( previous year Rs. 4364.78 lacs ) and the Tax expenses registered were Rs. 178.55 lacs ( previous year 47.73 lacs ) resulting into Net Profit for the year after Tax of Rs. 399.26 lacs ( previous year Rs. 85.09 lacs ).

The Board of Directors have considered it appropriate to change the Bankers to the Company in view of its financial requirements & cost effectiveness and accordingly the Company has received sanction letter dated 2<sup>nd</sup> May 2014 from HDFC Bank Ltd. The change would be effective from 2014 - 15 and onwards

**Future outlook**

The challenges that the global economy faced in 2012-13 spilled over to 2013-14 – low growth in developed markets and slowing down of emerging markets. The Indian economy was no different. From a GDP growth of 9.3% in 2010-11, the Indian economy slipped to 5% growth in 2012-13 and further down to 4.4% in 2013-14.

The economy has signaled for an upward swing. Policy stability and consistency appear to take place in view of government at centre with clear mandate. Capital market has also improved substantially and bullish trend is expected to continue for a long run. Demand from export as well as domestic markets is increasing. But volatility of rupee and crude price may hamper growth of, particularly export oriented units like us.

The Company enjoys strong exposure to the Global market. The quality products of the Company have received warm response in the overseas market. The thrust on the competitive strength, newer product development and consolidation of customer relationship has resulted into a bright future for the Company. The company expects better performance in the current year, too.

**Directorate**

Pursuant to Section 152 of the Companies Act, 2013, Shri Pravinchandra D. Master (DIN: 05195587) and Shri Jatinbhai B. Surti (DIN: 05195572) will retire at the ensuing Annual General Meeting and being eligible, seek re-appointment.

**Disclosure on Stock Exchanges**

The equity shares of the Company are listed on the Bombay Stock Exchange Ltd. The Company has paid necessary Listing fees for the year 2014-2015 to the Bombay Stock Exchange Ltd.

**Subsidiary Company**

The Company has a subsidiary Company named Neo Farbe Private Limited. It has not commenced commercial operations during the year under review. Hence, details relating to Subsidiary Company are not provided for.

The Statement pursuant to Section 212 of the Companies Act, 1956 showing summary of the subsidiary Company is attached herewith

**Fixed Deposits**

The Company has not accepted any deposits from the public during the year under review.

**Insurance**

All the properties and assets of the Company are adequately insured.

**Corporate Governance**

A separate Report on Corporate Governance alongwith the Certificate from the Statutory Auditors regarding the Compliance of conditions of corporate governance pursuant to Clause 49 of the Listing Agreement is provided in a separate Annexure - I.

**Management Discussion And Analysis**

Management Discussion and Analysis Report as required under the Listing Agreement is annexed hereto forming part of this Report.

**Energy, Technology and Foreign Exchange**

In accordance with the provisions of section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, the relevant information pertaining to conservation of energy, technology absorption, foreign exchange earning and outgo is given in Annexure – II to the Directors' Report.

**Compliance Certificate**

A copy of Compliance Certificate obtained from a Company Secretary in wholetime practice pursuant to section 383A (1) of the Companies Act, 1956 read with the Companies (Compliance Certificate) Rules, 2001 is annexed herewith as Annexure – III.

**Particulars of Employees**

There are no employees drawing remuneration in terms of disclosure requirement pursuant to the provisions of section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

**Personnel**

Relations between the Employees and the Management continued to be cordial during the year under review. Your Directors hereby place on record their appreciation for the efficient and loyal services rendered by the employees of the Company at all levels.



## **DYNAMIC INDUSTRIES LIMITED**

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### **Directors' Responsibility Statement**

In accordance with the provisions of Section 217 (2AA) of the Companies Act, 1956 as amended by Companies {Amendment} Act, 2000, your Directors state :

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
2. That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and a fair view of the state of affairs of the Company at the end of the financial year ended on 31.03.2014 and of the Profit of the Company for the year ended on 31.03.2014;
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the Directors have prepared annual accounts on a going concern basis.

### **Cost Auditors**

The Company has appointed M/s. Vishal Yagnik & Associates, Cost Accountants, as Cost Auditors to audit the cost accounts of Company for the financial year 2014-2015 under Section 148 of the Companies Act, 2013.

The Cost Audit Report in XBRL mode for the financial year ended March 31, 2013 was filed with the Ministry of Corporate Affairs on 17th October, 2013.

The Company is seeking the approval of the Shareholders for the appointment of M/s. Vishal Yagnik & Associates, Cost Auditor of the Company for the financial year ending March 31, 2015 vide resolution no. 6 of the Notice of Annual General Meeting.

### **Auditors**

M/s. G. K. Choksi & Co., Chartered Accountants, Ahmedabad who hold office until the conclusion of the ensuing Annual General Meeting are recommended for re-appointment to audit the accounts of the Company for the financial year 2014-2015. The Company has obtained a written confirmation under section 139 of the Companies Act, 2013 from M/s. G. K. Choksi & Co. that their appointment, if made, would be in conformity with the limits specified under the said section. You are requested to appoint the Auditors and fix their remuneration.

The notes to the accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

### **Acknowledgement**

Your Directors take this opportunity to express their gratitude for the co-operation and support from its customers, vendors, bankers and business associates and look forward to their continued support.

The Directors are also grateful to the shareholders for the confidence reposed in the Company. Your Directors also wish to place on record their sincere appreciation of the valuable contribution and efforts made by all the employees to achieve in these trying times.

**For and on behalf of the Board**

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2014

**DEEPAK N. CHOKSHI**  
*Chairman & Managing Director*



## ANNEXURE I TO THE DIRECTORS' REPORT

**A. TECHNOLOGY ABSORPTION:-**

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

**B. CONSERVATION OF ENERGY:-**

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

(ii) Power and fuel consumption

	2013-2014	2012-2013
<b>Electricity</b>		
Purchase Unit	11,87,416	9,04,419
Total Amount	86,64,544	63,53,932
Rate (per unit)	7.30	7.03
<b>Light Diesel Oil / Diesel Oil / Furnace Oil</b>		
Quantity (in LTRS)	3,709.57	1,800
Total Amount	2,18,940	86,582
Average rate per unit	59.02	48.10
<b>Fire Wood</b>		
Quantity (in Kgs.)	Nil	Nil
Total Amount	Nil	Nil
Average rate per unit	Nil	Nil
<b>Gas</b>		
Quantity (in scm.)	8,28,023.35	6,21,547
Total Amount	3,69,19,273.95	2,50,16,514
Average rate per unit	44.59	40.25

**C. RESEARCH AND DEVELOPMENT****a. Specific areas in which R&D carried out by the company:-**

Dyes

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

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

**c. Future plan of Action**

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

**d. Expenditure on R&D**

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

**D. TECHNOLOGY ABSORPTION, ADOPTATION AND INNOVATION****a. Efforts Made:-**

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

**b. Benefits derived as a result of above efforts**

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

**Foreign Exchange earning and out go**

	2013-2014	2012-2013
Foreign Exchange Earning	5218.53	3412.27
Foreign Exchange out go	3221.14	1446.35

**ANNEXURE II TO DIRECTOR'S REPORT - REPORT ON CORPORATE GOVERNANCE****1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Good corporate practices stem from the culture and mindset of the organization. Corporate Governance is set of systems and practices to ensure that the operations of the Company are being managed in a way which ensures fairness, integrity, transparency and accountability in its dealings with its customers, stakeholders, dealers, lenders, government and employees. sound governance system based on relationship and trust is integral to creating value on an overall basis. The philosophy of the Company on Corporate Governance lies in its concerns to protect interests of various stakeholders, fair dealings with all while enhancing the wealth of shareholders. The Board of Directors and the Management of the Company commit themselves to achieve high standards in Corporate Governance by complying with the mandatory guidelines in this regard and also regularly reviewing management systems for further improvement. Accountability and transparency are pivotal features to improve decision making and the rationale behind such decisions, which in turn conquers stakeholders' confidence.

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

The Board of Directors is comprised of 6 members, of which 3 are wholetime Directors including Chairman. All other Directors are Non-Executive Directors.

**Attendance of each Director at Board Meetings and the last Annual General Meeting**

7 Board Meetings were held during the financial year 2013-2014. The composition of Directors and the attendance at the Board Meeting during the year 2013-2014 and last Annual General Meeting are as under :

Name of Director	Category	No. of Other Directorships	Membership of Board Committees		No. of Board Meetings Attended	Attendance at Last AGM
			Chairman	Member		
Deepak N. Chokshi	Chairman, Managing Director	NIL	-	-	7	Yes
Harin D. Mamlatdarna	Vice Chairman, Managing Director	NIL	-	1	7	Yes
Dinesh J. Jain	Executive Director	2	-	1	4	No
Jatinbhai B. Surti	Non Executive Director / Independent	NIL	-	2	5	Yes
Pravinchandra D. Master	Non Executive Director / Independent	NIL	3	3	4	Yes
Raghavdas H. Lakhmani	Non Executive Director / Independent	NIL	-	2	5	Yes

Number of Board Meetings held during the financial year 2013-2014 was 7. The dates on which these Board Meetings were held are 20-04-2013, 30-05-2013, 10-08-2013, 05-09-2013, 26-09-2013, 14-11-2013 and 12-02-2014.

The last Annual General Meeting was held on 14-08-2013.

**3. AUDIT COMMITTEE**

As a measure of good Corporate Governance and to provide assistance to the Board of Directors in fulfilling the Board's responsibilities, an Audit Committee had been constituted by the Board. The Audit Committee aims to monitor various areas of the management, compliances, disclosures, transparency and integrity of financial reporting.

Terms of reference of the Audit Committee cover the matters specified for Audit Committee under Clause 49 of the Listing Agreement. Main areas are deliberated as under.

- To provide an open avenue of communication between the independent auditors, internal auditors and the Board of Directors (BOD).
- To oversee the work of the independent auditors for the purpose of preparing or issuing an audit report or related work.