DYNEMIC PRODUCTS LTD.

24th ANNUAL REPORT 2013-2014

THE NAME BEHIND
COLORS OF MODERN LIFE

Bhagwandas K. Patel
Managing Director

Dear Members,

I am pleased to present the 24th Annual Report of our Company for the financial year 2013-14. It is with my great pleasure that I share with you our signature milestones and highlights for the year ended 31 March 2014. We are heartened to report that we continued to deliver robust financial numbers and highly commendable margins. Despite the ever-escalating increase in the cost of raw materials and other expenses, Dynemic continued to deliver, both operationally and financially. It is indeed my firm belief that we have emerged stronger and in better competitive shape than ever.

Dynemic achieved a record sales turnover of Rs. 11384 Lacs comprising Rs. 3288 Lacs in the domestic market and Rs. 8096 Lacs in exports. Comparing to previous year the turnover are high by 37% and net profits are high by 136%. The impact is due to good and favourable market conditions throughout the year.

Our announcement on the setting-up of Unit-III in Dahej in February 2014 marks the other important thrust of our growth plans. We have been finally allotted 74615.54 sq.mt. plot and the cost of the said land is firmed up at Rs. 9 Crore appx.

The earnings per share rose to Rs. 9.03 per share from Rs. 3.83 per share of last year.

The Board of Directors has recommended a dividend of Rs. 1.50 per equity share of Rs. 10 for the year 2013-14 amounting to Rs. 169.93 Lacs.

As far as year 2014-15 is concerned, your Management is much positive looking to the results of Q-1 wherein we had achieved a turnover of Rs. 30 crore. Also the group's investment in Dahej forms the cornerstone to our long term sustainable growth.

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

"Positive belief in yourself will give you the energy needed to conquer the world and this belief is the power behind all creation."

- Stephen Richards

CORPORATE INFORMATION

BOARD OF DIRECTORS

Bhagwandas K. Patel	–	Managing Director
Dashrathbhai P. Patel	–	Whole Time Director
Rameshbhai B. Patel	–	Whole Time Director
Dixitbhai B. Patel	–	Whole Time Director
Jagdishbhai S. Shah	–	Independent Director
Vishnubhai G. Patel	–	Independent Director
Shankarlal B. Mundra	–	Independent Director
Ashishbhai R. Joshi	–	Independent Director

COMMITTEES OF DIRECTORS

Audit Committee
Ashishbhai R. Joshi
Jagdishbhai S. Shah
Bhagwandas K. Patel

Nomination and Remuneration Committee
Shankarlal B. Mundra
Jagdishbhai S. Shah
Vishnubhai G. Patel

Stakeholders Relationship Committee
Shankarlal B. Mundra
Bhagwandas K. Patel

Corporate Social Responsibility Committee
Bhagwandas K. Patel
Jagdishbhai S. Shah
Ashishbhai R. Joshi

Company Secretary
Varsha Mehta

Registered Office
B-301, Satyamev Complex-1,
Opposite New Gujarat High Court,
S.G. Highway, 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, 2011and Circular No. 18/2011 dated 29th April, 2011, has allowed companies to send Annual Report comprising of Balance Sheet, Statement of the Profit & Loss, Directors' 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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TWENTYFOURTH ANNUAL GENERAL MEETING

DATE : September 11, 2014
DAY : Thursday
TIME : 4.00 P.M.
PLACE : The White Leaf Hotel, 10/2, Opposite The Grand Bhagwati, S.G. Road, Bodakdev, Ahmedabad – 380 054.
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 LIMITED
Regd. Office : B-301, Satyamev Complex-1, Opposite New Gujarat High Court,
S.G. Highway, Sola, Ahmedabad – 380 060.
CIN : L99999GJ1990PLC013886

NOTICE

Notice is hereby given that the 24th Annual General Meeting of the Company will be held at The White Leaf Hotel, 10/2, Opposite The Grand Bhagwati, S.G. Road, Bodakdev, Ahmedabad – 380 054 on Thursday, 11th September, 2014, at 4.00 p.m. 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 and the Statement of Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend of Rs. 1.50 per Equity Share i.e. 15% per Equity Share for the year ended 31st March, 2014.
3. To appoint a Director in place of Shri Dashrathbhai P. Patel, (DIN 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 re-appoint the Auditors and to fix their remuneration and in this regard pass with or without modification(s), the following resolution as an Ordinary Resolution :

   "**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (corresponding to Section 224 and other applicable provisions, if any, of the Companies Act, 1956), M/s Shah Rajesh & Associates, (Firm Registration No. 109767W), Chartered Accountants, be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting for the terms of three consecutive years (Financial years 2014-15, 2015-16 and 2016-17) till the conclusion of the 27th Annual General Meeting (after commencement of the Companies Act 2013), subject to ratification by the shareholders annually, at a remuneration to be decided by the Board of Directors based on the recommendation of the Audit Committee.

Special Business :

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 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Jagdish S. Shah (DIN 00037826), Director of the Company whose period of office is liable to determination by rotation and who, pursuant to the provisions of the Companies Act, 2013 (being an independent director) is no longer liable to retire by rotation and who in accordance with the Companies Act, 2013 is required to be appointed as an independent director and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st March 2019."

   "RESOLVED FURTHER THAT pursuant to the provisions of sections 149, 197 and any other Applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Jagdish S. Shah be paid such fees as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time."

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 Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Ashish R. Joshi (DIN 03373074), Director of the Company whose period of office is liable to determination by rotation and who, pursuant to the provisions of the Companies Act, 2013 (being an independent director) is no longer liable to retire by rotation and who in accordance with the Companies Act, 2013 is required to be appointed as an independent director and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st March 2019."

   "RESOLVED FURTHER THAT pursuant to the provisions of sections 149, 197 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Ashish R. Joshi be paid such fees as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time."

7. 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 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Shankarlal B. Mundra (DIN 00388204), Director of the Company whose period of office is liable to determination by rotation and who, pursuant to the provisions of the Companies Act, 2013 (being an independent director) is no longer liable to retire by rotation and who in accordance with the Companies Act, 2013 is required to be appointed as an independent director and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st March 2019."

"RESOLVED FURTHER THAT pursuant to the provisions of sections 149, 197 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Shankarlal B. Mundra be paid such fees as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time."

8. 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 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Vishnubhai G. Patel (DIN 00270413), Director of the Company whose period of office is liable to determination by rotation and who, pursuant to the provisions of the Companies Act, 2013 (being an independent director) is no longer liable to retire by rotation and who in accordance with the Companies Act, 2013 is required to be appointed as an independent director and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st March 2019."

"RESOLVED FURTHER THAT pursuant to the provisions of sections 149, 197 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Vishnubhai G. Patel be paid such fees as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time."

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

"RESOLVED THAT in supersession of the earlier resolution passed at the Extra Ordinary General Meeting of the members of the Company held on 1st October, 2005, pursuant to Section 180(1)(c) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 / Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow from time to time, for the purpose of the Company's business, such sum or sums of money, as they in their absolute discretion think fit, notwithstanding that the monies so borrowed together with the monies already borrowed by the Company and remaining outstanding at any point of time will exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose; Provided that the total amount up to which monies may be borrowed by the Board of Directors and which shall remain outstanding at any given point of time shall not exceed the sum of Rs. 150,00,00,000/- (Rupees One Hundred Fifty Crores only)."

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

"RESOLVED THAT in supersession of the resolution passed by the Shareholders of the Company at the Extra Ordinary General Meeting of the Company held on 1st October, 2005, pursuant to Section 180 (1) (a) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 / Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company for mortgaging and/or charging in such form and manner and on such terms and at such time(s) as the Board of Directors may deem fit, the movable and / or immovable assets and properties of the Company, wherever situate, present and future, whether presently belonging to the Company or not, in favour of any person including, but not limited to, financial / investment institution(s), bank(s), insurance company(ies), mutual fund(s), corporate body(ies), trustee(s) to secure the loans, borrowings, debentures, hire purchase and / or working capital facilities and other credit facilities up to a sum not exceeding Rs.150,00,00,000/- (Rupees One Hundred Fifty Crores only).

RESOLVED FURTHER THAT the Board of Directors or such Committee or person/(s) as may be authorized by the Board be and is hereby authorized to finalise the form, extent and manner of, and the documents and deeds, as may be applicable, for creating the appropriate mortgages and/or charges on such of the immovable and / or movable properties of the Company on such terms and conditions and at such time(s) / tranch(es) as may be decided by the Board of Directors in consultation with the lenders and for reserving the aforesaid right and for performing all such acts and things as may be necessary for giving effect to this resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013, if any, consent of the Company be and is hereby accorded for entering into related party transactions by the Company with effect from 1st April, 2014 upto the maximum per annum amounts as appended below :-

(Rs. in lacs)

MAXIMUM VALUE OF CONTRACT / TRANSACTION (PER ANNUM) WEF 1ST APRIL 2014		
	Transactions defined u/s 188(1) of Companies Act, 2013	
	Sale, purchase or supply of any goods, materials	Others
NAME OF RELATED PARTIES :-		
DYNAMIC OVERSEAS (INDIA) PVT. LTD.	On actual basis. Exempted being in the ordinary course of business and on arm's length basis.	
SHAKTI INTERMEDIATES PVT. LTD.		
DYNEMIC HOLDINGS PVT. LTD.	—	1.08

RESOLVED FURTHER THAT to give effect to this Resolution the Board of Directors and / or any Committee thereof be and is hereby authorized to settle any question, difficulty or doubt that may arise with regard to giving effect to the above Resolution and to do all acts, deeds, things, as may be necessary in its absolute discretion deem necessary, proper desirable and to finalize any documents and writings related thereto."

12. 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 73 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, and subject to such conditions, approvals, permissions, as may be necessary, consent of the members of the Company be and is hereby accorded to invite/accept/renew/receive money by way of unsecured deposits, or in any form, from members of the Company, in any form or manner, through circular, advertisement or through any other permissible mode, up to permissible limits prescribed under applicable provisions of law and on such terms and conditions as the Board of Directors of the Company in its sole discretion deem fit and necessary."

"RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors and / or any Committee thereof be and is hereby authorized to do all such acts, deeds, things and matters as the Board of Directors and / or any Committee thereof may in its absolute discretion consider necessary, proper, expedient, desirable or appropriate for such invitation / acceptance / renewal / receipt as aforesaid."

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

"RESOLVED THAT pursuant to Section 197 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 (the 'Act') and subject to such other approvals, consents, sanctions and permissions as may be necessary, consent of the members of the Company be accorded to the Board of Directors of the Company to amend the terms and conditions of appointment of Managing Director, Shri Bhagwandas K. Patel.

By Order of the Board

Ahmedabad
31st July, 2014

Varsha R. Mehta
Company Secretary

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**.** 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 carrying voting rights. 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 a proxy for any other person or shareholder.
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. The Register of Members and Share Transfer Books will remain closed from 2nd September, 2014 to 11th September, 2014 (both days inclusive), for the purpose of payment of Dividend, if declared.
4. Members are requested to note that as a measure of austerity, copies of Annual Report will not be distributed at the Annual General Meeting.
5. The Dividend, as recommended by the Board of Directors, if declared at the 24th 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 1st September, 2014.

In respect of Shares held in electronic form, to the Beneficial Owners of the Shares as at the close of business hours on 1st September, 2014, as per details to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited.

6. **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.**

7. 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.

8. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment / re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment / re-appointment.

9. 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.

10. Electronic copy of the Annual Report for 2013-14 is being sent to all the members whose email IDs are registered with the Company / Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2013-14 is being sent in the permitted mode.

11. Electronic copy of the Notice of the 24th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company / Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 24th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

12. Members may also note that the Notice of the 24th Annual General Meeting and the Annual Report for 2013-14 will also be available on the Company's website www.dynemic.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id : cs@dynemic.com

13. **The instructions for members for voting electronically are as under:-**

    (i) The voting period begins on Wednesday, September, 3, 2014 (9.00 am) and ends on Friday, September, 5, 2014 (6.00 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, August 8, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

    (ii) The shareholders should 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 folio/client id number in the PAN field • In case the folio 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 folio number 1 then enter RA00000001 in the PAN field.

DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter **the number of shares held by you as on the cut off date** in the **Dividend Bank details field**.

(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 Company Name – Dynemic Products Limited 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 out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the same 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) 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 they have to create 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 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.

(xix) 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, August 8, 2014.

14. Mr. Rajesh Shah, Chartered Accountant of M/s Shah Rajesh & Associates, (Membership No. 036232, FRN 109767W), 4, Third Floor, Rambha Complex, Opposite Gujarat Vidhyapith, Ashram Road, AHMEDABAD - 380014 has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 5 to Item No. 8

The Company had, pursuant to the provisions of clause 49 of the Listing Agreement entered with the Stock Exchange, appointed Mr. Jagdish S. Shah, Mr. Ashish R. Joshi, Mr. Shankarlal B. Mundra and Mr. Vishnu G. Patel, as Independent Directors of the Company at various times, in compliance with the requirements of the clause.

Mr. Jagdish S. Shah, Mr. Ashish R. Joshi, Mr. Shankarlal B. Mundra and Mr. Vishnu G. Patel, are Independent Directors whose period of office are liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. Under the Companies Act, 2013, it is required that independent directors not be liable to retire

by rotation and be appointed for a fixed term. Hence, the said Independent Directors are proposed to be appointed for a period as mentioned in the respective resolutions.

Mr. Jagdish S. Shah, Mr. Ashish R. Joshi, Mr. Shankarlal B. Mundra and Mr. Vishnu G. Patel, 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. In the opinion of the Board, each of these Directors fulfill the conditions specified in the Companies Act, 2013 and rules framed thereunder for appointment as Independent Director and they are independent of the management.

Mr. Jagdish S. Shah, Mr. Ashish R. Joshi, Mr. Shankarlal B. Mundra and Mr. Vishnu G. Patel 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.

The Company has received notices in writing from members alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of Mr. Jagdish S. Shah, Mr. Ashish R. Joshi, Mr. Shankarlal B. Mundra and Mr. Vishnu G. Patel for the office of Directors of the Company.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

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.

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

Mr. Jagdish S. Shah, Mr. Ashish R. Joshi, Mr. Shankarlal B. Mundra and Mr. Vishnu G. Patel are deemed to be interested in the resolutions set out at Item no. 5 to 8 of the Notice with regard to their respective appointment.

The Board of Directors recommends the said resolution for your approval.

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. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 9

In terms of the resolution passed by the Shareholders at the Extra Ordinary General Meeting held on 1st October, 2005 pursuant to Section 293(1)(d) of the Companies Act, 1956, the Board of Directors of the Company is authorised to borrow upto a sum of Rs. 30 Crores over and above the paid-up share capital and free reserves of the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business). The Business Expansion proposal which is being carried out by the Company requires additional funds. Hence, the mobilization of the funds has been substantially increased. Therefore, it is considered desirable to increase the Board's borrowing powers from the existing limit of Rs. 30 Crores to Rs. 150 Crores over and above the paid-up share capital and free reserves of the Company. Accordingly, the consent of the Shareholders at the General Meeting is sought under Section 180 (1) (c) of the Companies Act, 2013.

Your Directors recommend passing the above resolution.

None of the Directors or Key Managerial Personnel of the Company is concerned or interested in the said resolution.

Item No. 10

In terms of the resolution passed by the Shareholders at the Extra Ordinary General Meeting held on 1st October, 2005, pursuant to Section 293 (1) (a) of the Companies Act, 1956, consent of the Members was secured for authorizing the Board of Directors to create mortgage and / or charge on the immovable and movable properties of the Company upto Rs. 30 crores.

The Company would be borrowing monies by way of debentures, bonds, loans, hire purchase finance either in rupee or in foreign currency from Financial Institutions / Banks / Insurance Companies and other Corporate Bodies apart from working capital facilities from banks in ordinary course of business. This in turn would necessitate further creation of securities by suitable mortgages and / or charges on all or some of the immovable and movable properties of the Company, both present and future, in favour of the lenders / trustees upto an extent of Rs. 150 Crores. To create mortgage and / or charge upto the said limit, approval of the Members is required to be obtained pursuant to Section 180 (1) (a) of the Companies Act, 2013 authorizing the Board of Directors of the Company in this regard. Hence the resolution is placed before the Members for their approval.

Your Directors recommend passing the above resolution.

None of the Directors or Key Managerial Personnel of the Company is concerned or interested in the said resolution.

Item No. 11

Transactions with Related Parties u/s 188 of the Companies Act, 2013

The provisions of Section 188(1) of the 2013 Act that govern the Related Party Transactions require a Company to obtain prior approval of the Board of Directors and in case the paid-up share capital of a company is Rs. 10 crores or more, the prior approval of shareholders by way of a Special Resolution.

In the light of provisions of the 2013 Act, the Board of Directors of your Company has approved the proposed transactions along with annual limits that your Company may enter into with its Related Parties (as defined under the 2013 Act) for the financial year 2014-15 and beyond.

All prescribed disclosures as required to be given under the provisions of the 2013 Act and the Companies (Meetings of Board and its Powers) Rules, 2014 are given here-in-below in a tabular format for kind perusal of the members.

(Rs. in lacs)

MAXIMUM VALUE OF CONTRACT / TRANSACTION (PER ANNUM) WEF 1ST APRIL 2014		
	Transactions defined u/s 188(1) of Companies Act, 2013	
	Sale, purchase or supply of any goods, materials	Others
NAME OF RELATED PARTIES :-		
DYNAMIC OVERSEAS (INDIA) PVT. LTD. – Subsidiary Company	On actual basis. Exempted being in the ordinary course of business and on arm's length basis.	—
SHAKTI INTERMEDIATES PVT. LTD. – associate company (shareholding interest of directors u/s 102 of the Companies Act, 2013 : 41%)		—
DYNEMIC HOLDINGS PVT. LTD. – associate company (shareholding interest of directors u/s 102 of the Companies Act, 2013 : 72%)	—	1.08

(a) Name of the related party and nature of relationship : As provided in table above.

(b) Nature, duration of the contract and particulars of the contract or arrangement : On actual basis. Exempted being in the ordinary course of business and on arm's length basis.

(c) Material terms of the contract or arrangement including the value, if any : As referred in point (b) above.

(d) Any advance paid or received for the contract or arrangement, if any : NIL

(e) Manner of determining the pricing and other commercial terms both included as part of contract and not considered as part of the contract : As described in above table

(f) Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors : All factors have been considered.

(g) Any other information relevant or important for the Board to take a decision on the proposed transaction : Nil

Members are hereby informed that pursuant to second proviso of section 188(1) of the 2013 Act, no member of the company shall vote on such special resolution to approve any contract or arrangement which may be entered into by the company, if such member is a related party.

The Board of Directors of your Company has approved this item in the Board Meeting held on 31st July, 2014 and recommends the Resolution as set out in the accompanying Notice for the approval of members of the Company as a Special Resolution.

Except Promoter Directors of the Company and their relatives, no other Director is concerned or interested in the resolution.

Item No. 12 :

The members are hereby apprised that the Company had been accepting deposits from its shareholders, employees, their relatives and other sections of public as permissible under the provisions of Companies Act, 1956 read with the corresponding Companies (Acceptance of Deposit) Rules, 1975, earlier in force.

However, with the commencement of Companies Act, 2013 ('the 2013 Act'), deposits are now governed by the new law and approval of shareholders is required by way of Ordinary Resolution for inviting / accepting / renewing deposits from members.

The Board of Directors of your Company has approved this item in the Board Meeting held on 31st July, 2014 and recommends the Resolution as set out in the accompanying Notice for the approval of members of the Company as an Ordinary Resolution.

None of the Directors or KMP of the Company or their relatives is concerned or interested in the Resolution except to the extent of their Deposit holding and / or their shareholding in the Company, if any.

Item No. 13 :

The Board of Directors, on the recommendation of the Remuneration Committee, at their meeting held on 29th December, 2010 had re-appointed Shri Bhagwandas K. Patel as Managing Director for the period of five (5) years with effect from 1st January, 2011 at such remuneration and terms and conditions of appointment and subsequently approved by members at Annual General Meeting held on 18th August, 2011.

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, at their meeting held on 31st July, 2014 has approved to pay a Commission @ 2% of the net profit of the Company, as calculated for the whole financial year. All other terms and conditions of his appointment remains same.