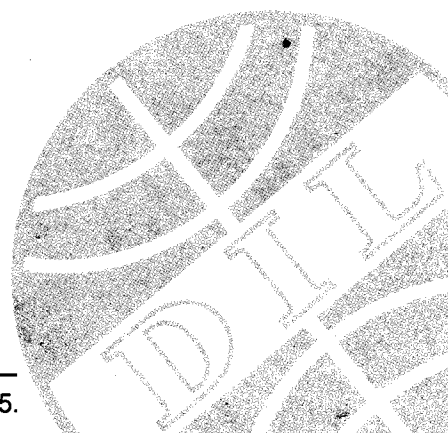


27st
Annual Report
2009-2010



DYNAMIC INDUSTRIES LIMITED

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



BOARD OF DIRECTORS



DEEPAK N. CHOKSI
CHAIRMAN

HARIN D. MAMLATDARNA
VICE CHAIRMAN

DINESH J. JAIN
EXECUTIVE DIRECTOR

BHARGAV D. KARIA
DIRECTOR

DURGESH V. BUCH
DIRECTOR



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.

FACTORY
Plot No. 125, Phase - I,
Nr. Trikampura Cross Roads, GIDC,
Vatva, Ahmedabad - 382 445.

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NOTICE

NOTICE is hereby given that the Twenty First Annual General Meeting of Dynamic Industries Limited will be held on 14th August, 2010 at 11.30 a.m. at 5501/2, Phase III, Near Trikampura Cross Roads, G.I.D.C. Estate, Vatva, Ahmedabad -382 445 to transact the following business :

Ordinary Business :

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended on 31st March, 2010, Balance Sheet as at that date togetherwith the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Dinesh Jasraj Jain who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

Regd. Office :
5501/2, Phase III,
Near Trikampura Cross Roads,
G.I.D.C., Vatva,
Ahmedabad -382 445.

Date : 29-05-2010

By Order of the Board

DEEPAK N. CHOKSI
Director

Notes :

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company.
2. Register of Members and Share Transfer Books will remain closed from 13-08-2010 to 14-08-2010 (both days inclusive).

DYNAMIC INDUSTRIES LIMITED

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in placing before you the Twenty First Annual Report and Audited Accounts for the year ended on 31st March, 2010.

Financial Results		(Rs. in lacs)	
Particulars	Year ended 31-03-2010	Year ended 31-03-2009	
Total Income	3770.56	4161.67	
Profit before depreciation and tax	76.10	57.31	
Depreciation	39.35	31.33	
Add. Prior Period Items	0.90	0.00	
Provision for Taxation			
Current year	15.50	3.20	
Includes Wealth Tax Provision of Rs. NIL (P.Y. Rs.10,000/-)			
Deferred tax	1.28	(1.28)	
Fringe Benefit Tax	0.00	2.05	
Profit After tax	20.87	22.01	
Balance b/f. from previous year	436.57	414.56	
Balance carried to Balance Sheet	457.44	436.57	

Dividend

In view of conserving resources, your directors do not recommend any dividend on equity shares for the year ended 31st March, 2010.

Performance

The Company faced stiff competition and the margins were under severe pressure during the year under review. Total income was Rs. 37,70,56,068/- (previous year Rs. 41,61,67,281). The net profit after tax was Rs. 20,86,456/- (previous year Rs. 22,01,126).

Future outlook

The recessionary forces appear to be eased and the Index of Industrial Production (IIP) has shown positive movement. The growth forecasts are also encouraging. The Company expects the domestic as well as the foreign market to take an upward move during the forthcoming years, which will be of great importance and being an opportunity for the Company to cover up untapped business.

Acute competition and inflationary pressure will be a constraint for the Company to achieve the stage as aforesaid. In spite of all, the Company has good exposure to the Global market. The quality products of the Company have received good response in the overseas market. The thrust on the competitiveness, research and newer product development and consolidation of customer relationship will result into a bright future for the Company.

Directorate

Shri Dinesh J. Jain, Director of the Company who retires by rotation, and being eligible, offers himself for reappointment. Shri Dinesh J. Jain is a commerce graduate and has rich experience of more than 25 years in the field of dyes and chemicals. He looks after commercial, financial and marketing aspects of the business.

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 2010-2011 to the Bombay Stock Exchange Ltd.

Fixed Deposits

The Company has not accepted any deposits from the public.

Insurance

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

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 – 1 to the Directors' Report.

Corporate Governance

The Company has mainly complied with the recommendations and code on Corporate Governance. A separate Report on Corporate Governance together with the Certificate from Auditors is provided in Annexure II.

Particulars of Employees

The information pursuant to the provisions of section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is nil.

Personnel

During the year under review, cordial relations be continued between the Employees and the Management of the Company. Your Directors hereby would like express their sense of appreciation for the efficient and loyal services rendered by the employees of the Company at all levels.

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 31.03.2010 and of the Profit of the Company for the year ended on 31.03.2010;
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.

Compliance Certificate

Pursuant to the provisions of Section 383 (A) (1) of the Companies Act, 1956 read with Rule 3 of the Companies (Compliance Certificate) Rules, 2001 your Company is required to appoint a Company Secretary in whole time Practice for obtaining the Compliance Certificate. Mr. Chetan R. Shah, a Company Secretary in wholetime practice had already been appointed for such Compliance Report for the year 2009-2010. His Compliance Report is attached hereto as Annexure.

Auditors

M/s. G. K. Choksi & Co., Chartered Accountants, Ahmedabad hold office until the conclusion of the ensuing Annual General Meeting. The Company has received a certificate under section 224(1)(B) of the Companies Act, 1956 from them. You are requested to appoint the Auditors and fix their remuneration.

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 success in these trying times.

For and on behalf of the Board

Place : Ahmedabad
Date : 29-05-2010

DEEPAK N. CHOKSI
Chairman

ANNEXURE 1 TO THE DIRECTORS' REPORT**A. TECHNOLOGY ABSORPTION:-**

The Company has adopted indigenous technology. The Company does not deploy any foreign technology. The management of the Company is well conversant with 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 conversion measures
- (ii) Power and fuel consumption

	2009-2010	2008-2009
Electricity		
Purchase unit	11,45,201	9,35,560
Total amount	63,33,786	49,30,875
Rate (per unit)	5.53	5.27
Light Diesel Oil/Diesel Oil/Furnace oil		
Quantity (in LTRS)	5,600	4,374
Total amount	1,72,497	1,53,989
Average rate per unit	30.80	35.21
Fire Wood		
Quantity (in Kgs.)	43,12,420	34,09,948
Total amount	1,12,35,490	88,56,347
Average rate per unit	2.61	2.60

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.

c. Future plan of Action

R&D is being strengthen 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, ADAPTATION AND INNOVATION**a. Efforts Made:-**

The Company employs indigenous technology. However, for the economical production and of high quality, product is developed with help of technical personnel and instillation of latest machineries and equipments

b. Benefits derived as a results of above efforts

Product improved through high efficiency and energy saving has improved an overall working

Foreign Exchange earning an out go (Rs. in lacs)

	2009-2010	2008-2009
Foreign exchange earning	2263.94	3233.00
Foreign exchange out go	851.41	783.92

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

The Company is committed to maintain the highest standards of Corporate Governance and to maximize the wealth of its stakeholders on the one hand and to protect interest of customers, employees and associates on the other. The Directors and the Management of the Company adhere themselves to achieve excellence in Corporate Governance by complying in all respects with the mandatory guidelines in this regard and also regularly reviewing management systems for further improvement.

The Company endeavours to achieve higher standards and provide guidance to management in strategy implementation, risk management and fulfillment of goals and objectives. Total commitment to values, quality, fair play and transparency are the corner stones of the principles of Corporate Governance. Your Company aims to maintain ideal standards of Corporate Governance conduct towards all of its stakeholders viz. shareholders, customers, employees, all other stakeholders and society in general. Accountability and transparency are key drivers to improve decision making and the rationale behind such decisions, which in turn creates stakeholders' confidence.

2. BOARD OF DIRECTORS

Composition of the Board of Directors

The Board of Directors is comprised of 5 members of which 3 are Promoters and Executive Directors including Chairman. All other Directors are Non-Executive / Independent Directors.

Name of Director	Category	No. of other Director-ships	Membership of Board Committees
Deepak N. Choksi	Chairman Executive Director	Nil	3
Harin Mamlatdarna	Vice Chairman Executive Director	Nil	1
Dinesh J. Jain	Executive Director	1	1
*Paresh C. Patel	Non-Executive Director / Independent	Nil	3
Durgesh V. Buch	Non-Executive Director / Professional - Independent	-	2
Bhargav D. Karia	Non-Executive Director / Professional - Independent	-	2

(* Shri Paresh C. Patel resigned as a director w.e.f. 01-10-2009)

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

7 Board Meetings were held during the financial year 2009-2010. The composition of Directors and the attendance at the Board Meeting during the year 2009-2010 and last Annual General Meeting are as under :

Director	No. of Board Meetings held	No. of Board Meetings attended	Last AGM Attendance
Deepak N. Choksi	7	7	Yes
Harin Mamlatdarna	7	6	Yes*
Dinesh J. Jain	7	5	Yes
*Paresh C. Patel	3	3	Yes
Durgesh V. Buch	7	--	--
Bhargav D. Karia	7	--	--

(* Shri Paresh C. Patel resigned as a director w.e.f. 01-10-2009)

Number of Board Meetings held during the financial year 2009-2010 was 7. The dates on which these Board Meetings were held are 09-04-2009, 30-06-2009, 31-07-2009, 1-10-2009, 31-10-2009, 31-01-2010 and 24-02-2010. The last Annual General Meeting was held on 30-09-2009.

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.

- a) To provide an open avenue of communication between the independent auditors, internal auditors and the Board of Directors (BOD).
- b) To oversee the work of the independent auditors for the purpose of preparing or issuing an audit report or related work.
- c) To consider and review the adequacy of internal control including computerized information system controls and security; and related findings and recommendations of the independent auditor and internal auditor together with the management's responses.
- d) To review and discuss with the management and the independent auditors, the annual audited financial statements and quarterly audited / un audited financial statements, including the company's disclosures under "Management's Discussion and Analysis of Financial Condition and of Results of Operations"
- e) To conduct a post – audit review of the financial statements and audit findings, including any significant suggestions for improvements provided to management by the independent auditors.
- f) Review, in conjunction with counsel, any legal matters that could have a significant impact on the company's financial statements.
- g) Report periodically to the Board of Directors on significant activities.

Relying on the review and discussions with the management and the independent auditor, the Audit Committee believes that the Company's financial statements are fairly presented in conformity with Generally Accepted Accounting Principles in all material aspects.

The Committee has recommended to the Board the re-appointment of Chartered Accountants, as the statutory and independent auditors of the Company for the fiscal year ending March 31, 2010, and that necessary resolution for appointing them as Auditors be placed before the shareholders. The Committee recommended the re-appointment of internal auditors to review various operations of the company.

The Constitution of the committee and the attendance of each member of the committee is given below :

Name	Designation	Category
Shri Durgesh V. Buch	Chairman	Non-Executive Director / Professional - Independent
*Shri Paresh C. Patel	Member	Non-Executive Director / Independent
Shri Bhargav D. Karia	Member	Non-Executive Director / Professional -Independent
** Shri Deepak N. Choksi	Member	Executive Director

(* = upto 30-09-2009)

(** = from 01-10-2009)

Four meetings of the Audit Committee were held during the year on the following dates :

30-06-2009, 31-07-2009, 31-10-2009 and 31-01-2010.

Committee Members	Meetings held	Meetings attended
Shri Durgesh V. Buch	4	4
*Shri Paresh C. Patel	2	2
Shri Bhargav D. Karia	4	4
** Shri Deepak N. Choksi	2	2

(* = upto 30-09-2009)

(** = from 01-10-2009)

By invitation : Shri Kamlesh H. Shah,
Senior Audit Manager.
G. K. Choksi & Co. (Statutory Auditors)

4. REMUNERATION COMMITTEE

The Remuneration Committee is formed to review the policy on remuneration packages for Executive Directors. The Committee determines and recommends to the Board the compensation to the directors. All Board-level compensation is approved by shareholders, and separately disclosed in the financial statements.

In fixing remuneration, practices followed by the companies of size and standing similar to the Company and that of the industry standards are taken into consideration. However, remuneration to Non- Executive Directors will be decided by the Board of Directors.

The Constitution of the committee and the attendance of each member of the committee is given below :

Name	Designation	Category
*Shri Paresh C. Patel	Chairman	Non-Executive Director / Independent
** Shri Durgesh V. Buch	Chairman	Non-Executive Director / Professional –Independent
Shri Bhargav D. Karia	Member	Non-Executive Director / Professional –Independent
Shri Deepak N. Choksi	Member	Executive Director

(* = up to 30-09-2009)

(** = appointed as Chairman of the committee w.e.f. 01-10-2009)

There was 1 meeting of the Remuneration Committee on 30-06-2009 to fix/revise/renew the remuneration of the Executive Directors during the financial year under review. All the members were present at the meetings held on 30-06-2009.

Details of remuneration paid / payable to the Directors for Financial Year 2009-2010 (Amount in Rupees)

Name	Salary and Perquisites (Rs.)	Commission	Shares issued under ESOP	Details of service contracts : notice period & severance fees
Deepak N. Choksi	11,19,520	Nil	Nil	Ordinary Resolution dt. 30-9-09
Harin Mamlatdarna	11,22,727	Nil	Nil	valid upto 30-9-2011, no notice
Dinesh J. Jain	10,43,077	Nil	Nil	period and no severance fee

5. SHARE TRANSFER CUM INVESTOR GRIEVANCE COMMITTEE

The Share Transfer Cum Investor Grievance Committee has been constituted to administer the following activities:

- Transfer of shares
- Transmission of shares
- Issue of Duplicate Share Certificates
- Change of Status
- Change of Name
- Transposition of Shares
- Sub-Division of Share Certificates
- Consolidation of folios
- Shareholders' requests for Dematerialisation of shares
- Shareholders' requests for Rematerialisation of shares

The Committee meets from time to time and approves the transfer and transmission of shares, deletion of names, issue of duplicate share certificates etc. The Committee facilitates prompt and effective redressal of investors' complaints and the reporting of the same to the Board of Directors.

The Board has constituted a Share Transfer Cum Investor Grievance Committee which looks after shareholders' and investors' grievances.

Name	Designation	Category
*Shri Paresh Patel	Chairman	Non-Executive Director / Independent
Shri Harin Mamlatdarna	Member	Executive Director
Shri Dinesh J. Jain	Member	Executive Director
**Shri Deepak N. Choksi	Chairman	Executive Director

(* = up to 30-09-2009)

(** = appointed as Chairman of the committee w.e.f. 01-10-2009)

DYNAMIC INDUSTRIES LIMITED

The Board has delegated the power of Share Transfer to Registrar and Share Transfer Agent, M/s. Pinnacle Share Registry P. Ltd. who processes the transfers. Share Transfer Agent of the Company is changed and M/s. Sharepro Services (India) Private limited has been appointed as Registrar and Share Transfer Agent of the Company.

No. of shareholders' complaints received — nil.

No. of complaints not solved to the satisfaction of shareholders — nil.

No. of pending share transfers — nil.

As at 31st March, 2009 no equity Shares were pending for transfer.

6. GENERAL BODY MEETINGS

Details of last three AGMs held

Year	Date	Time	Venue	No. of Special Resolutions passed
2006-07	29-09-2007	11.30 a.m.	5501/2, Phase III, Near Trikampura Cross Roads, G.I.D.C., Vatva, Ahmedabad-382 445.	—
2007-08	30-09-2008	11.30 a.m.	5501/2, Phase III, Near Trikampura Cross Roads, G.I.D.C., Vatva, Ahmedabad-382 445.	—
2008-09	30-09-2009	11.30 a.m.	5501/2, Phase III, Near Trikampura Cross Roads, G.I.D.C., Vatva, Ahmedabad-382 445.	—

I) No Resolutions were put through postal ballot.

II) Resolutions were passed on show of hands.

7. NOTES ON DIRECTORS' APPOINTMENT / REAPPOINTMENT

1. Shri Dinesh J. Jain retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment. Shri Dinesh J. Jain is a commerce graduate and has rich experience of more than 25 years in the field of dyes and chemicals. He looks after commercial, financial and marketing aspects of the business.

Details of other Directorships : One, Director in Ornet Intermediates Limited

8. DEMAT / REMAT OF SHARES

Details of Shares Dematerialised / Rematerialised during the last financial year is as below:

a) Number of Demat requests approved	16
b) Number of Shares Dematerialised	2,500
c) Percentage of Shares Dematerialised	0.08
d) Number of Remat requests approved	Nil
e) Number of Shares Rematted	Nil

Representatives of the Company are constantly in touch with the Share Transfer Agents of the Company and reviewed periodically the outstanding matters.

9. DISCLOSURES

- a) There are no materially significant transactions made by the company with its promoters, directors or the management or relatives etc. which have potential conflict with the interest of the Company at large. The Register of contract containing the transactions in which Directors are interested is placed before the Board regularly for its approval.

Transactions with related parties are disclosed in Note No. 4 Under Schedule 13 to the Notes forming part of the Accounts in accordance with provisions of Accounting Standard 18 – Related Party Disclosures issued by The Institute of Chartered Accountants of India.

- b) There were no strictures or penalties imposed on the company by either SEBI or the stock exchanges or any statutory authority or non compliance of any matter related to the capital markets.

10. MEANS OF COMMUNICATIONS

The quarterly as well as the half yearly unaudited financial results in the prescribed form are taken on record by the

Board of Directors at its meetings within one month of the close of every quarter / half year respectively and the same are furnished to all the Stock Exchanges where the Company's shares are listed. The results are also published in two newspapers, one in English and the other in Regional Language.

11. GENERAL SHAREHOLDERS INFORMATION

i) Annual General Meeting

The 21st Annual General Meeting will be held on 14th August, 2010 at 11.30 a.m. at Plot No. 5501/2, Phase III, Trikampura Cross Roads, GIDC, Vatva, Ahmedabad – 382445.

Financial Calendar 2010-2011 (Tentative)

First Quarterly Results	:	Last week of July, 2010
Half yearly Results	:	Last week of October, 2010
Third Quarterly Results	:	Last week of January, 2011
Fourth Quarterly Results	:	Last week of April, 2011
Annual General Meeting	:	September, 2011

- ii) **Date of Book Closure** : 13th August, 2010 to 14th August, 2010
(both days inclusive) for Annual General Meeting
- iii) **Regd. Office** : 5501/2, Phase III, Near Trikampura Cross Roads,
G.I.D.C., Vatva, Ahmedabad -382 445.
- iv) **Listing of equity shares on
Stock Exchanges** : Bombay Stock Exchange Limited
- Demat ISIN Numbers in NSDL and
CDSL for equity shares** : INE457C01010
- v) **Stock Code** : 524818 (BSE)
- vi) **Stock Market Data** (in Rs. / Per Share)

Month	The Bombay Stock Exchange Ltd.	
	Month's High	Month's Low
April, 2009	7.38	6.27
May, 2009	10.51	6.61
June, 2009	11.50	8.86
July, 2009	9.79	7.56
August, 2009	9.66	8.26
September, 2009	11.62	8.94
October, 2009	8.81	7.24
November, 2009	10.45	8.14
December, 2009	11.85	9.58
January, 2010	15.61	10.97
February, 2010	13.30	12.00
March, 2010	12.96	12.10

vii) Share Transfer System

Applications for transfer of shares held in physical form are received at the office of the Registrars and Share Transfer Agents of the Company, who process the transfers accordingly. All valid transfers are processed within 15 days from the date of receipt.

DYNAMIC INDUSTRIES LIMITED**ix) a) Shareholding pattern as on 31-03-2010 is as given below :**

Sr.No.	Category	No. of Shares	% of holding
1	Promoters	16,45,741	53.34
2	Persons acting in Concert	—	—
3	Mutual Funds, UTI, Banks, Financial	—	—
4	Institutions, Insurance Companies Central/ State Govt. Institutions, Non-Government institutions	—	—
5	FII's	—	—
6	Others	13,82,759	46.66
	Grand Total	30,28,500	100.00

b) Distribution of Shareholding as on 31-03-2010 is as under:

Slab of Share Holdings	No. of Shareholders	% of Shareholders	No. of Shares	Amount (Rs.)	% of Capital
Up to 500	2050	86.75	3,23,904	32,39,040	10.70
501 to 1,000	149	6.31	1,27,624	12,76,240	4.21
1,001 to 2,000	59	2.50	95,335	9,53,350	3.15
2,001 to 3,000	26	1.10	63,202	6,32,020	2.09
3,001 to 4,000	14	0.59	48,511	4,85,110	1.60
4,001 to 5,000	13	0.55	60,440	6,04,400	2.0
5,001 to 10,000	16	0.68	1,11,811	11,18,110	3.68
10,001 and above	36	1.52	21,97,673	2,19,76,730	72.57
Total	2,363	100.00	30,28,500	3,02,85,000	100.00

x) Dematerialization of Shares and liquidity

The Securities and Exchange Board of India (SEBI), through a notification have made it compulsory that delivery in the Company's shares against Stock Exchange trades became compulsory in demat format. As on 31-03-2010, 28,17,918 equity shares (93.05 % of the total number of shares) have been dematerialized.

xi) Outstanding GDRs / ADRs / Warrants or Conversion instruments, Conversion date and like impact on equity - Not applicable**xii) Plant Location :** 1) Plot No. 125, Phase I, GIDC, Vatva, Ahmedabad – 382 445.

2) 5501/2, Phase III, Near Trikampura Cross Roads,
G.I.D.C., Vatva, Ahmedabad -382 445.

xiii) Investors' correspondence :

For transfer / dematerialisation of shares, Change of Address, Change in Status of investors, payment of dividend on shares and other query relating to the shares of the Company :

Sharepro Services (India) Private Limited (Ahmedabad Branch)

416-420, 4th Floor, Devnandan Mall, Opp. Sanyas Ashram, Ashram Road, Ellisbridge, Ahmedabad - 380 006.

Phone No. : 079 - 2658 2381 to 84 Fax : 079 2658 2385

E-mail : sharepro@shareproservices.com

Contact Person : Mr. Nitin Joshi

xiv) Name of the Compliance Officer : Shri Deepak N. Choksi.**Compliance Certificate of the Auditors**

A Certificate from the Auditors of the Company regarding compliance of conditions of corporate Governance as stipulated under clause 49 of the listing Agreement is attached to this Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Overview

The financial statements have been prepared in compliance with the requirement of the Companies Act, 1956 and Generally Accepted Accounting Principles (GAAP) in India. The management of the company accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present the company's state of affairs and profit for the year.

Competition

Competition in the domestic as well as international market has intensified and forced the players to adopt aggressive marketing strategy and promotional campaigns to capture and protect their market shares, The Company has the plans to penetrate better in to world market, especially through the customer retention and business development in the Latin American country which has not been tapped.

Sharp fluctuations in value of the Indian Rupee, the rising energy costs and the inventory prices have put pressure on the profitability of the Company.

The Company sells its products through a well-established network in different countries, which are supported by the Company's strong marketing force. The Company has developed a well-defined Trade Relationship Management Policy. The Company's broad product range and frequent visits by its marketing people to the outlets and the importing countries ensure that the Company's products receive maximum response and are adequately promoted.

Initiatives by the Company

The Company has taken the following initiatives :

Concentration on reduction of costs by undertaking specific exercise in different fields.

Stress on Far East Asian and Latin American markets which are growing on a regular basis.

Focusing on modernization of manufacturing process to improvise quality and reduction of costs.

The Company is quite confident that the overall productivity, profitability would improve in a sustainable manner, as a result of this strategy.

Outlook

The profit margins in the industry are reeling. However, The Company has taken remedial measures. The Company is confident to meet the challenges with its strength in marketing network, its strategic planning, Research & Development productivity improvement and cost reduction exercise.

Internal Control Systems and their adequacy

Your Company places significant emphasis and efforts on the internal control systems. There is a well established internal Audit Department with clearly laid down powers and responsibilities that are required to ensure the adequacy of the internal Control System.

FINANCIAL HIGHLIGHTS**Revenues**

Total income during the year under review was Rs. 3770.56 (Previous year Rs. 4161.67 lacs)

Operating expenses

The operating and other expenses for the year ended 31-03-2010 were Rs. 597.65 lacs (Previous year Rs. 419.96 lacs)

Profit after Tax

The net profit after tax during the year under review period was Rs. 20.86 lacs (Previous year Rs. 22.01 lacs)

Interest on borrowings

The company has incurred interest cost of Rs. 100.00 lacs. (Previous year Rs. 126.61 lacs)

Capital employed

The Return on Average Capital Employed (ROCE) for the year ended 31-03-2010 was 7.73 % as compared to 8.30 % for the same period last year

Return on net worth

The return on Average Net Worth (RONW) for the year ended 31-03-2010 was 1.89% as compared to 3.63 % for the same period last year.

Fixed Assets

There was addition of Rs. 20.17 lacs to the Fixed Assets of the Company. (Previous year Rs. 11.58 lacs).

Share capital

At present, the Company has only one class of share – equity shares of par value Rs. 10 each. The authorized share capital of the company is Rs. 3,50,00,000/- divided into 35,00,000 equity shares of Rs. 10 each. The paid up share capital of the company is Rs. 3,02,85,000/- divided into 30,28,500 equity shares of Rs. 10 each.

Out of the profits for the year ended March 31, 2010, a sum of Rs. Nil has been transferred to General Reserve. (Previous year Rs. Nil)

Deferred tax assets (to be updated)

The standard on accounting for taxes on income became mandatory effective April 1, 2001. The Company recorded deferred tax liabilities aggregating Rs. 1.29 lacs as of March 31, 2010 (Rs. 1.28 lacs as of March 31, 2009). Deferred tax assets represent timing differences in the financial and tax books arising out of depreciation on assets, investment provisions and provision for sundry debtors.

Sundry Debtors

Sundry debtors amount to Rs. 1002.10 lacs as of March 31, 2010, as compared with Rs. 1052.54 lacs as of March 31, 2009. These debtors are considered good and realizable. The need for provisions is assessed based on various factors including collectibility of specific dues, risk perceptions of the industry in which the customer operates and general economic factor, which could affect the customer's ability to settle.

Cash and cash equivalents

The bank balances include both Rupee accounts and foreign currency accounts. Advances are primarily towards amounts paid in advance for value and services to be received in future. Advance income tax represents payments made towards tax liability and also refunds due for the previous year. The Company's liability towards income tax is provided for.

Electricity and other deposits represent electricity deposits, telephone deposits, insurance deposits and advances of a similar nature.

Sundry creditors for other liabilities represent amounts accrued for various other operational expenses.

Advances received from clients denote monies received for the delivery in future.

Provisions for taxation represent estimated income tax liabilities.

Cautionary Statement

The statements on the Company's objectives, projections, estimates and expectations made hereinabove are based on certain assumptions and likelihood of future events and are "forward-looking Statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied.

DECLARATION

All Board Members and Senior Management personnel have affirmed compliance with the code of conduct of Directors and Senior Management as approved by the Board.

Place: Ahmedabad.
Date : 29th May, 2010

DEEPAK N. CHOKSI
Chairman

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To the Members of **DYNAMIC INDUSTRIES LIMITED**

We have examined the compliance of the conditions of Corporate Governance by **Dynamic Industries Limited** (the Company) for the year ended 31st March, 2010 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The Compliance of the conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to review of the procedure and implementation there of, adopted by the Company for ensuring the compliance with the conditions of certificate of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of an opinion on the financial statements of the company.

In our opinion and to the best of information and according to the explanation given to us and the representations made by the Directors and the management, the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Ahmedabad.
Date : 29th May, 2010

FOR, G. K. CHOKSI & CO.
Firm Registration No. 101895W
Chartered Accountants •

ROHIT K. CHOKSI
Partner
Membership No. 31103

COMPLIANCE CERTIFICATE

CIN No. of the Company : L24110GJ1989PLC011989

Nominal Capital : Rs. 3,50,00,000/-

Paid up capital : Rs. 3,02,85,000/-

To The Members,
Dynamic Industries Limited,
Ahmedabad.

I have examined the registers, records, books and papers of Dynamic Industries Limited, as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2010. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year :

1. The Company has kept and maintained all registers as stated in annexure 'A' to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities prescribed under the Act and the rules made thereunder.
3. The Company being a Listed Company, the comments are not required.
4. The Board of Directors duly met 7 times respectively on 09-04-2009, 30-06-2009, 31-07-2009, 01-10-2009, 31-10-2009, 31-01-2010 and 24-02-2010 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members during the Financial Year from 29-09-2009 to 30-09-2009 (both days inclusive).
6. The Annual General Meeting for the financial year ended on 31st March, 2009, was held on 30th September, 2009 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra - ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its Directors or persons or firms or companies referred to under section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of section 297 of the Act.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. There is no new arrangement during the year under review falling within the purview of section 314 of the Act. Hence the Company has not obtained any approvals from the Board of Directors, members or the Central Government pursuant to section 314 of the Act.
12. The Company has issued duplicate share certificates during the financial year after following the due process prescribed under the Act.
13. I.
I. The Company has delivered all certificates on transfer / transmission of physical shares. There was no allotment of securities during the Financial year.
II. The Company has not declared any dividend and accordingly not required to deposit any amount in a separate Bank Account during the Financial year.
III. The Company was not required to post warrants to any member of the Company as no dividend was declared during the Financial year.
IV. The Company is not required to transfer the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon to Investor Education and Protection Fund as the same have not remained unclaimed or unpaid for a period of seven years.

V. The Company has duly complied with the requirements of section 217 of the Act.

14. The Board of Directors of the Company is duly constituted. There was no appointment of additional directors. There was no appointment of alternate directors and directors to fill casual vacancies during the Financial year.
15. The Company has re-appointed Whole-time Directors during the year under review.
16. The Company has not appointed any sole-selling agents during the Financial year.
17. The Company has not obtained any approvals of the Central Government, Company Law Board, Regional Director, Registrar and / or such other authorities prescribed under the various provisions of the Act during the Financial year.
18. The directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares, debentures or any securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares during the financial year.
23. The Company has not invited / accepted any deposits including unsecured loans falling within the purview of Section 58-A of the Act during the Financial year.
24. The amount borrowed by the Company from directors, members, public, financial institutions, banks and others during the financial year ending 31-03-2010 is within the borrowing limits of the Company and that necessary resolutions as per section 293 (1) (d) of the Act have been passed in duly convened general meeting.
25. The Company has not made loans, investments to other bodies corporate. The Company has not given guarantees or provided securities to other bodies corporate. Hence, no entry has been made in the Register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has not constituted any Provident Fund and therefore section 418 is not applicable.

Place : Ahmedabad
Date : 15-05-2010

Signature : Sd/-
Name of Company Secretary :
Chetan R. Shah
C. P. No. : 4253

Annexure – A**Registers as maintained by the Company**

Sr. No.	Name of Register	Section
1	Register of Members .	150
2	Register of Contracts	301
3	Register of Directors / Managing Director etc.	303
4	Register of Directors' Shareholding	307
5	Register of loans and investments	372A
6	Register of Charges	143
7	Minutes book of Board meetings and General meetings	193
8	Register of Directors' attendance	
9	Register of Shareholders' attendance	
10	Register of Transfers	

Annexure - B**Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2010.**

1. Form 23AC and Form 23ACA for the year ended 31-03-2009 filed on 30-10-2009 u/s. 220 of the Act.
2. Form 20B for the year ended 31-03-2009 filed on 30-11-2009 u/s 159 of the Act.
3. Form No. 66 for the year ended 31-03-2009 filed on as on 29-10-2009 u/s. 383 of the Act.
4. Form No. 8 dated 08-09-2009 filed on 26-09-2009 u/s. 135 of the Act.
5. Form No. 8 dated 08-09-2009 filed on 26-09-2009 u/s. 135 of the Act.
6. Form 32 dt. 30-09-2009 filed on 03-10-2009 u/s. 303(2) of the Act.
7. Form No. 25C dated 01-10-2009 filed on 03-10-2009 u/s 269(2) of the Act.
8. Form No. 25C dated 01-10-2009 filed on 03-10-2009 u/s 269(2) of the Act.
9. Form No. 25C dated 01-10-2009 filed on 03-10-2009 u/s 269(2) of the Act.

AUDITORS' REPORT

To
The Members,
Dynamic Industries Limited
Ahmedabad.

1. We have audited the attached Balance Sheet of Dynamic Industries Limited as at 31st March, 2010 and Profit and Loss Account and Cash Flow Statement of the company for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis evidence supporting, the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and according to information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
4. Particular attention is drawn:
 - (i) *Adhering to significant accounting policy, as referred to para (i) of schedule -12 leave encashment payable on retirement has been provided in the books based on computation made by the company and not in accordance with actuarial valuation. Thus, the provision made is not in compliance with Accounting Standard 15 (Revised) "Employee Benefits" issued by Institute of Chartered Accountants of India the differential impact is not presently ascertained.*
 - (ii) *The company has not yet compiled the requisite information, related to suppliers who have registered themselves under the Micro, Small And Medium Enterprises Development Act, 2006. In the absence of relevant information the requisite disclosures are not made in the financial statements.*
5. Further to our comments in the Annexure referred at para 3 above, we report that:
 - a. we have obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purposes of our audit.
 - b. In our opinion, subject to matters stated at para 4(i) and 4 (ii) above and 1(a),1(b) and 8 of annexure to the auditors' report below, proper books of account have been kept by the Company as required by law so far as appears from our examination of those books.
 - c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d. In our opinion the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, *except para 4(i) above regarding leave encashment payable at the time of retirement in accordance with Accounting Standard - 15.*
 - e. On the basis of written representation received from the directors of the company as at March 31st, 2010 and taken on record by the board of directors, we report that none of the directors is disqualified from being appointed as director of company under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - g. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, subject to para 4 above, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view; in conformity with the accounting principles generally accepted in India:

DYNAMIC INDUSTRIES LIMITED

- a. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010
- b. in the case of the Profit and Loss Account, of the profit for the year ended on that date.
and
- c. in the case of Cash Flow Statement, of the Cash Flow for the year ended on that date.

FOR, **G. K. CHOKSI & CO.**
Firm Registration No. 101895W
Chartered Accountants

ROHIT K. CHOKSI
Partner

Membership No. 31103

Place: Ahmedabad.
Date : 29th May, 2010

ANNEXURE TO THE AUDITORS' REPORT

Re: Dynamic Industries Limited

Referred to in paragraph 3 of our report of even date,

- 1 (a) *The Company is in the process of compiling fixed assets records to show full particulars, including quantitative details and situation of fixed assets.*
- (b) *We were informed that all major items of fixed assets were physically verified by the Management at the end of the year and that no discrepancy was noticed on such verification, which on account of proper records being still under compilation, could not be verified.*
- (c) The Company has not disposed of any substantial part of its fixed assets during the year as would affect its going concern status.
- 2 (a) In our opinion, physical verification of inventory has been conducted by the management at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) On the basis of our examination of records of inventory, in our opinion, the Company is maintaining proper records of inventory. No material discrepancy was noticed on physical verification of the inventory.
- 3 (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained u/s.301 of the Companies Act, 1956. Accordingly the clauses 4(iii)(b), 4(iii)(c) and 4(iii)(d) of the report are not applicable.
- (b) (i) As per the information and explanations given to us, the Company has taken unsecured loan from one party covered in the register maintained u/s.301 of the Companies Act, 1956. The balance outstanding on account of these loans as at the end of the year was Rs. 20.24 lacs and the maximum amount involved during the year were Rs. 30.51 lacs.
- (ii) The terms and conditions of the above loans are prima facie not prejudicial to the interest of the Company.
- (iii) As per the information and explanations given to us, repayment of principal amounts as well as interest have been regular during the year, whenever it is fallen due for repayment.
- 4 In our opinion and according to information and explanation given to us; there is adequate internal control system commensurate with the size of the Company and the nature of the business, with regard to purchase of inventory and fixed assets, and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal controls.
- 5 (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangement referred to in Section 301 of the Act have been entered in the register required to be maintained under that Section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5,00,000/- in respect of any party during the period have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time except for items stated to be of specialized nature, where no comparison is possible.

- 6 In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of Section 58A, 58AA or other relevant provisions of the act.
- 7 In our opinion, the company has an adequate internal audit system commensurate with the size and the nature of its business;
- 8 *On the basis of examination of records, in our opinion, the company has not updated and maintained cost records which has been prescribed under section 209(1)(d) of the Companies Act, 1956.*
- 9 (a) According to the information given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues and the Company had no arrears of such outstanding statutory dues as at 31st March, 2010 for a period more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the Company had no disputed outstanding statutory dues as at 31st March, 2010 other than those stated below :

Particulars	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	1,12,820	2007-2008	Commissioner of Income Tax (Appeals)

- 10 The Company does not have any accumulated losses as at 31st March, 2010 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- 11 According to the records of the company examined by us and on the basis of information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank or debenture holders.
- 12 As per the information and explanations given to us, the Company has not granted any loan or advance on the basis of security by way of pledge of shares, debentures and other securities.
- 13 The provisions of any special statute applicable to Chit fund, Nidhi or Mutual Benefit Funds/Societies are not applicable to the company.
- 14 According to the information and explanation given to us, the company does not deal or trade in shares, securities, debentures and other investments.
- 15 In our opinion and according to the information and explanation given to us, the company has not given any guarantee for loans taken by others from banks and financial institutions during the year.
- 16 In our opinion and according to the information and explanations given to us, the company has not obtained any term loans during the year under review. Accordingly clause 4(xvi) of the order is not applicable.
- 17 On the basis of an overall examination of the balance sheet of the company in our opinion and according to the information and explanations given to us, we report that company has not utilised any funds raised on short term basis for long term investments.
- 18 The company has not made any preferential allotment to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- 19 The Company has not issued any debentures during the period under review.
20. The company has not raised any money by public issues during the year under review.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the period under review.

FOR, **G. K. CHOKSI & CO.**
 Firm Registration No. 101895W
 Chartered Accountants
ROHIT K. CHOKSI
 Partner
 Membership No. 31103

Place: Ahmedabad.
 Date : 29th May, 2010

DYNAMIC INDUSTRIES LIMITED**BALANCE SHEET AS AT 31ST MARCH, 2010**

Particulars	Schedule	As at 31-3-2010 Amount (Rs.)	As at 31-3-2009 Amount (Rs.)
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	3 02 85 000	3 02 85 000
Reserves and Surplus	2	8 09 16 412	7 88 29 956
		11 12 01 412	10 91 14 956
Loan Funds	3		
Secured Loans		11 67 78 595	11 70 29 381
Unsecured Loan		20 24 009	30 51 174
		11 88 02 604	12 00 80 555
Net Deferred Tax Liability		44 20 734	42 92 132
Total		23 44 24 750	23 34 87 643
APPLICATION OF FUNDS			
Fixed Assets	4		
Gross Block		10 05 95 501	9 85 77 520
Less : Depreciation		5 16 21 484	4 84 31 496
Net Block :		4 89 74 017	5 01 46 024
Capital Work in Progress		36 69 107	0
		5 26 43 124	5 01 46 024
Current Assets, Loans & Advances	5		
Inventories		11 70 96 914	6 96 93 817
Sundry Debtors		10 02 10 843	10 52 54 638
Cash and Bank Balances		1 06 65 679	63 42 341
Loans and Advances		4 06 39 528	4 84 67 403
		26 86 12 964	22 97 58 199
Less : Current Liabilities and Provisions	6		
Current Liabilities		8 38 52 107	4 47 65 653
Provisions		29 79 231	16 50 927
		8 68 31 338	4 64 16 580
Net Current Assets		18 17 81 626	18 33 41 619
Total		23 44 24 750	23 34 87 643
Significant Accounting Policy	12		
Notes forming part of Accounts	13		
As per our attached report of even date.			

FOR, **G. K. CHOKSI & CO.**Firm Registration No. 101895W
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD

ROHIT K. CHOKSI
Partner**HARIN MAMLATDARNA**
Vice Chairman**DEEPAK CHOKSI**
Chairman**DINESH JAIN**
Executive DirectorPlace : Ahmedabad.
Date : 29th May, 2010Place : Ahmedabad.
Date : 29th May, 2010

PROFIT AND LOSS ACCOUNT
for the year ended 31st March, 2010

Particulars	Schedule	For the Year Ended 31-3-2010 Amount (Rs.)	For the Year Ended 31-3-2009 Amount (Rs.)
INCOME			
Sales and Services		37 71 46 948	41 71 54 120
Less : Excise Duty		30 82 053	80 01 799
		<u>37 40 64 895</u>	<u>40 91 52 321</u>
Other Income	7	<u>29 91 173</u>	<u>70 14 960</u>
		37 70 56 068	<u>41 61 67 281</u>
EXPENDITURE			
Cost of Materials / Products	8	28 52 03 291	34 23 36 169
Employee's Remuneration and Benefits	9	1 19 75 468	91 21 125
Operating and Other Expenses	10	5 97 65 802	4 19 96 689
Interest and Financial Charges	11	1 25 01 188	1 69 82 249
Depreciation		<u>39 35 303</u>	<u>31 33 724</u>
		37 33 81 052	<u>41 35 69 956</u>
Profit/(Loss) before tax		<u>36 75 016</u>	<u>25 97 325</u>
Prior Period Items (Net)		90 042	0
Profit / (Loss) Before Tax		<u>37 65 058</u>	<u>25 97 325</u>
Provision for taxation :			
Current Tax [Includes Wealth tax provision of Rs. NIL (P.Y. 10000)]		15 50 000	3 20 000
Deferred Tax		1 28 602	(1 28 801)
Fringe Benefit Tax		<u>0</u>	<u>2 05 000</u>
		16 78 602	<u>3 96 199</u>
Profit after Tax		<u>20 86 456</u>	<u>22 01 126</u>
Balance Brought Forward from previous year		<u>4 36 57 069</u>	<u>4 14 55 943</u>
Balance Carried to Balance Sheet		<u>4 57 43 525</u>	<u>4 36 57 069</u>
Basic, as well as, diluted Earnings Per Equity Share (Refer Note No. 5 of Sechedule - 13)		0.69	0.73
Significant Accounting Policy	12		
Notes forming part of Accounts	13		
As per our attached report of even date.			

FOR, **G. K. CHOKSI & CO.**
Firm Registration No. 101895W
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD

ROHIT K. CHOKSI
Partner

HARIN MAMLATDARNA
Vice Chairman

DEEPAK CHOKSI
Chairman

DINESH JAIN
Executive Director

Place : Ahmedabad.
Date : 29th May, 2010

Place : Ahmedabad.
Date : 29th May, 2010

DYNAMIC INDUSTRIES LIMITED

CASH FLOW STATEMENT
for the year ended 31st March, 2010

Particulars	For the year ended 31/03/2010 Amount (Rs.)	For the year ended 31/03/2009 Amount (Rs.)
A. Cash flow from operating activities :		
Profit/(Loss) for the year before taxation	37 65 058	25 97 325
Adjustments for :		
Depreciation (Net of Excess Depreciation written back)	39 35 303	31 33 724
Provision for Doubtful Debtors	13 69 440	0
Loss on sale of assets / discarded assets	3 40 863	80 724
Profit on sale on car	(1 73 591)	0
Interest Income	(6 28 948)	(5 73 330)
Interest Expenses	1 00 00 679	1 26 61 356
Operating profit before working capital changes	1 86 08 804	1 78 99 799
Adjustments for :		
Trade and other receivables	1 16 42 089	5 61 64 265
Inventories	(4 74 03 096)	2 24 57 012
Trade payables	3 95 03 318	(5 32 35 494)
Cash generated from operations	2 23 51 115	4 32 85 582
Taxes paid(net of refunds)	(6 94 560)	(17 65 338)
Net cash from operating activities (a)	2 16 56 555	4 15 20 244
B. Cash flow from investing activities :		
Purchase of fixed assets	(73 24 675)	(11 57 506)
Sales of fixed assets	7 25 000	6 00 000
Interest received	7 91 903	6 28 141
Net cash used in investing activities (b)	(58 07 772)	70 635
C. Cash flow from financing activities :		
Procurement/(Repayment) of long/ short term borrowings	(12 77 952)	(3 37 39 835)
Payment of dividend	0	(60 936)
Interest paid	(1 02 47 493)	(1 13 34 586)
Net cash flow from financial activities (c)	(1 15 25 445)	(4 51 35 357)
Net Increase/(Decrease) in cash and cash equivalents (a) + (b) + (c)	43 23 338	(35 44 478)
Opening cash and cash equivalents	63 42 341	98 86 819
Closing cash and cash equivalents	1 06 65 679	63 42 341

Explanatory Notes to Cash Flow Statement

- The Cash Flow Statement is prepared in accordance with the format prescribed by Securities and Exchange Board of India & Accounting Standard 3 as prescribed by The Institute of Chartered Accountants of India.
- In Part A of the Cash Flow Statements, figures in brackets indicates deductions made from the net profit for deriving the cash flow from operating activities. In part B & part C, figures in brackets indicates cash outflows.
- Figures of the previous year have been regrouped wherever necessary, to confirm to current years presentation.

FOR, G. K. CHOKSI & CO.
Firm Registration No. 101895W
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD

ROHIT K. CHOKSI
Partner

HARIN MAMLATDARNA
Vice Chairman

DEEPAK CHOKSI
Chairman

DINESH JAIN
Executive Director

Place : Ahmedabad.
Date : 29th May, 2010

Place : Ahmedabad.
Date : 29th May, 2010

Particulars	As at 31st March, 2010		As at 31-3-2009
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
Schedules forming part of the Balance Sheet as at 31 st March, 2010			
1 : SHARE CAPITAL			
Authorised Capital			
35,00,000 Equity Shares of Rs. 10/- each		3 50 00 000	3 50 00 000
		3 50 00 000	3 50 00 000
Issued, Subscribed and Paid up			
30,28,500 (P.Y. 30,28,500) Equity Shares			
of Rs. 10/- each fully paid up		3 02 85 000	3 02 85 000
Total		3 02 85 000	3 02 85 000
2 : RESERVES AND SURPLUS			
General Reserve		1 66 62 622	1 66 62 622
Share Premium Account		1 78 60 265	1 78 60 265
Reserve Fund for Eco-Development		6 50 000	6 50 000
Profit and Loss Account		4 57 43 525	4 36 57 069
Total		8 09 16 412	7 88 29 956
3 : LOAN FUNDS			
Secured Loans			
Central Bank of India CC A/c.	1 42 96 630		49 17 576
Central Bank of India EPC A/c.	5 46 78 665		6 18 76 348
Central Bank of India EBP A/c.	3 84 00 735		1 88 44 358
Central Bank of India EBPN A/c. (Under L/C)	94 02 565		84 91 739
Central Bank of India (Local SEZ)	0		2 23 74 186
[The above loans are secured by hypothecation of foreign documentary bills, inventories, book debt, Excise and VAT receivables and additionally further secured by way of equitable mortgage on existing as well as future block of assets of the Company and personal guarantees of Directors]			
ICICI Bank	0		4 73 818
HDFC Bank	0		51 356
[The above loan is secured against hypothecation of vehicles]			
		11 67 78 595	11 70 29 381
Unsecured Loan			
From Directors	20 24 009		30 51 174
		20 24 009	30 51 174
Total		11 88 02 604	12 00 80 555

Schedules forming part of the Balance Sheet as at 31st March, 2010

4 : FIXED ASSETS

Sr. No.	Name of Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		As at 1/4/2009 (Rs.)	Additions/ Adjustments Rs.	Deductions/ Adjustments (Rs.)	As at 31/3/2010 (Rs.)	Up to 31/3/2009 (Rs.)	For the Year (Rs.)	Deductions/ Adjustments (Rs.)	Up to 31/3/2010 (Rs.)	As at 31/3/2010 (Rs.)	As at 31/3/2009 (Rs.)
A.	Tangible Assets										
1	Leasehold Land	49 55 485	0	0	49 55 485	7 35 566	50 055	0	7 85 621	41 69 864	42 19 919
2	Building	3 16 82 465	5 26 783	4 48 785	3 17 60 463	85 80 226	9 67 593	1 07 922	94 39 897	2 23 20 566	2 31 02 239
3	Machinery	5 06 70 166	17 50 576	0	5 24 20 742	3 34 47 808	20 86 367	0	3 55 34 175	1 68 86 567	1 72 22 358
4	Office Equipments	9 66 385	27 200	0	9 93 585	4 14 682	46 009	0	4 60 691	5 32 894	5 51 703
5	Furniture and Fixture	33 10 668	0	0	33 10 668	21 49 951	2 24 786	0	23 74 737	9 35 931	11 60 717
6	Vehicles	69 46 951	13 51 009	11 88 802	71 09 158	30 60 146	5 60 480	6 37 393	29 83 233	41 25 925	38 86 805
B.	Intangible Assets										
7	Computer Software	45 400	0	0	45 400	43 117	13	0	43 130	2 270	2 283
Total :		9 85 77 520	36 55 568	16 37 587	10 05 95 501	4 84 31 496	39 35 303	7 45 315	5 16 21 484	4 89 74 017	5 01 46 024
C.	Capital work in progress New Office Building									36 69 107	
Total (A + B + C)		9 85 77 520	36 55 568	16 37 587	10 05 95 501	4 84 31 496	39 35 303	7 45 315	5 16 21 484	5 26 43 124	5 01 46 024
Previous Year :		9 86 15 847	11 57 506	11 95 833	9 85 77 520	4 58 12 881	31 33 724	5 15 109	4 84 31 496	5 01 46 024	

Note : Depreciation of Plant and Machinery and on Vehicle (Car) is net of excess depreciation of Rs. 6,57,422/- and of Rs. 79,879/- respectively provided in earlier year written back during current year.

Particulars	As at 31st March, 2010 Amount (Rs.)	As at 31-3-2009 Amount (Rs.)
Schedules forming part of the Balance Sheet as at 31 st March, 2010		
5 : CURRENT ASSETS, LOANS AND ADVANCES		
Inventories		
(As taken, valued and certified by the Management (for method of valuation - Refer Note No. (f) of Schedule - '12'))		
Raw Materials	2 84 70 976	1 62 77 430
Stores, Spares and Consumable Stores	17 91 433	8 98 798
Packing Material	6 61 817	75 438
Finished Stock	7 61 55 279	5 00 54 661
Work In Process	1 00 17 409	23 87 490
	11 70 96 914	6 96 93 817
Sundry Debtors		
<i>For more than six months :</i>		
Considered Doubtful	13 69 440	0
Considered Good	91 33 051	1 87 16 088
	1 05 02 491	1 87 16 088
Less : Provision for Doubtful Debts	13 69 440	0
	91 33 051	1 87 16 088
Unsecured, Considered Good :		
Others	9 10 77 792	8 65 38 550
	10 02 10 843	10 52 54 638
Cash and Bank Balances		
Cash on Hand	3 85 504	4 59 679
Balances with Schedule Banks :		
- Current Accounts	10 29 616	8 71 674
- Margin Money Account	92 50 559	50 10 988
	1 02 80 175	58 82 662
	1 06 65 679	63 42 341
Loans and Advances		
Advance recoverable in cash or in kind or for value to be received :		
Considered Doubtful	0	1 11 000
Considered Good	3 93 89 083	4 76 93 754
	3 93 89 083	4 77 54 119
Less : Provision for Doubtful Advances	0	1 11 000
	3 93 89 083	4 76 43 119
Deposits	12 50 445	8 24 284
	4 06 39 528	4 84 67 403
Total	26 86 12 964	22 97 58 199
6 : CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
Sundry Creditors	7 59 24 997	3 95 30 341
Other Liabilities	74 49 148	47 57 350
Unclaimed Dividend	4 77 962	4 77 962
	8 38 52 107	4 47 65 653
Provisions		
Employee Retirement Benefit	11 06 409	6 89 545
Provision for Taxation (Net of advance tax)	18 72 822	9 61 382
	29 79 231	16 50 927
Total	8 68 31 338	4 64 16 580

Note: There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at 31/03/2010.

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Particulars	As at 31st March, 2010		As at 31-3-2009
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
Schedules annexed to and forming part of the Profit & loss Account for the year ended 31st March, 2010			
7 : OTHER INCOME			
Export Benefits (Net)		5 63 448	3 43 178
Interest Income		6 28 948	5 97 678
Rent Income		46 666	8 40 000
Exchange Rate Difference (Net)		0	27 42 082
Keymen Insurance (Surrender Value)		0	19 56 648
Excess Provision of Expenses		14 21 738	0
Miscellaneous Income		3 30 373	5 35 374
Total		29 91 173	70 14 960
8 : COST OF MATERIALS / PRODUCTS			
Material Consumed			
Raw Materials	26 86 67 351		25 40 22 565
Packing Material	1 29 54 907		94 39 788
		28 16 22 258	26 34 62 353
Purchases of Traded Goods		2 85 72 496	6 12 05 673
Freight, Octroi & Inward Clearing		54 38 081	40 69 300
Reduction /(Accretion) in stock			
Finished Goods and Work In Process :			
Closing Stocks	8 61 72 687		5 24 42 151
Opening Stock	5 24 42 151		7 01 39 109
	(3 37 30 536)		1 76 96 958
Excise duty on finished goods (Net)	33 00 992		(40 98 115)
		(3 04 29 544)	1 35 98 843
Total		28 52 03 291	34 23 36 169

Particulars	As at 31st March, 2010		As at 31-3-2009
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
Schedules annexed to and forming part of the Profit & loss Account for the year ended 31st March, 2010			
9 : EMPLOYEE'S REMUNERATION & BENEFITS			
Payment to and Provision for Employees			
Salaries, Wages, Bonus and Gratuity	1 06 95 270		84 01 942
Contribution to Provident Fund & Other Funds	10 60 566		4 59 789
Staff Welfare and Training	2 19 632		2 59 394
	1 19 75 468		91 21 125
10 : OPERATING AND OTHER EXPENSES			
Power, Fuel and Water Charges	1 82 56 471		1 41 99 058
Laboratory Expenses	10 40 580		4 77 567
Consumable Stores	6 46 937		2 43 744
Job work charges	18 31 861		14 54 449
Pollution Plant Treatment	22 41 483		29 46 817
Exchange Fluctuation (Net)	26 88 465		0
Repairs and Maintenance :			
Plant and Machinery	17 20 293		12 25 406
Building	6 897		2 55 987
Others	3 82 823		4 65 615
	21 10 013		19 47 008
Rates and Taxes	1 56 248		1 67 919
Insurance	24 78 761		38 08 462
Fees and Legal Expenses	28 90 212		21 97 625
Auditors' Remuneration	3 00 000		3 00 000
Travelling Expense	9 14 294		13 47 880
Commission and Discount	76 40 660		32 07 369
Freight Outward	92 58 392		61 74 218
Loss on assets sold / discarded	3 40 863		80 724
Sundry Balance Written Off	1 10 320		0
Provision for Bad debt/Advances	13 69 440		1 11 000
Bad debts	2 46 976		1 82 902
Other Expenses	52 43 826		31 49 947
	5 97 65 802		4 19 96 689
11 : INTEREST AND FINANCIAL CHARGES			
Interest			
To Bank	96 97 530		1 23 49 027
Others	3 03 150		3 12 329
	1 00 00 680		1 26 61 356
Bank Charges & Commission	25 00 508		43 20 893
	1 25 01 188		1 69 82 249

SCHEDULE: '12' SIGNIFICANT ACCOUNTING POLICIES**(a) Basis of preparation of financial statements**

These financial statements have been prepared on the accrual basis of accounting, under the historical cost convention, in accordance with the Companies Act, 1956 and the applicable accounting standards issued by The Institute of Chartered Accountants of India.

(b) Use of estimates

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reported period. Differences between the actual result and estimates are recognised in the period in which the results are known/ determined.

(c) Fixed Assets

Fixed Assets are stated at their original cost including incidental expenses related to acquisition and installation, less accumulated depreciation. Cost comprises of the purchase price and any other attributable cost of bringing the assets to its working condition for its intended use.

At the balance sheet date, an assessment is done to determine whether there is any indication of impairment in the carrying amount of Company's fixed assets. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

After recognition of impairment loss, the depreciation charge for the assets is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on straight line basis over its remaining useful life.

(d) Borrowing Costs

Borrowing Costs that are directly attributable to acquisition of qualifying assets are capitalized for the period until the asset is ready for intended use. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use.

Other borrowing costs are recognised as an expense in the period in which they are incurred.

(e) Depreciation

- (i) Depreciation on Fixed Assets is provided on Straight Line Method at rates and in the manner specified in Schedule XIV of the Companies Act, 1956
- (ii) Depreciation on additions/deletion is provided on pro rata basis.
- (iii) Intangible assets are amortised over a period of five years.
- (iv) Lease hold land is amortised over the period of lease.

(f) Inventories

- (i) Raw Materials, Stock-in-process, Finished Goods are valued at lower of cost or net realizable value. Cost of stock-in-process and finished goods include materials, labour, manufacturing overhead and other cost incurred in bringing the inventories to their present location. Excise duty on goods manufactured by the company and remaining in inventory is included as part of valuation of finished goods.
- (ii) Stock of stores, spares, consumable and packing materials are valued at cost.

(g) Revenue Recognition

- (i) Revenue in respect of sale of products and services are recognised upon despatch of products and the services rendered to the customers. Sales are stated at contractual realisable values, net of excise duty, sales tax and trade discount. Export Sales are shown on C.I.F. Basis, whenever contract is of C.I.F.
- (ii) Export Incentives are accounted for on accrual basis.

(h) Foreign Currency Transactions

- (i) Foreign currency transactions and forward exchange contracts used to hedge foreign currency transactions are initially recognised at the spot rate on the date of the transaction/contract.
- (ii) Monetary assets and liabilities relating to foreign currency transactions and forward exchange contracts remaining unsettled at the end of the year are translated at year end rates.

The difference in translation and realised gains and losses on foreign exchange transactions, are recognised in the Profit and Loss Account. Further in respect of transaction covered by forward exchange contract, the difference between the contract rate and the spot rate on the date of the transaction is charged to the Profit and Loss account over the period of the contract.

(i) Retirement Benefits

- (i) Contributions to provident fund are made at predetermined rates to Government Authority and charged to profit and loss account.
- (ii) The company has taken Group Gratuity Insurance Policy from Life Insurance Corporation of India. The company makes annual contribution by way of premium and adequacy of balance available with Life Insurance Corporation of India is compared with actuarial valuation using projected unit credit method as at the date of balance sheet to the extent of predetermined limits specified by the management.
- (iii) Liability for employee Leave encashment benefits in accordance with the rules of the Company is provided for based on the computation done by the Company at the year end.

(j) Excise/Custom Duty

Excise duty has been accounted on the basis of both payments made in respect of goods cleared from factory premises and also provision made for manufactured goods lying unsold at year end in factory premises.

(k) Research and Development Expenditure

Revenue Expenditure in respect of Research and Development is charged to the Profit and Loss Account and Capital Expenditure is added to the cost of Fixed Assets in the year in which it is incurred.

(l) Stores and Spares

Stores, spares and consumables, except L.D.O. and Diesel are charged to profit and loss account as and when they are procured and stock of such items as at the end of the year is accounted at cost.

(m) Taxation

- (i) Current year tax is provided based on taxable income computed in accordance with the provisions of the Income-tax Act, 1961.
- (ii) Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred tax assets are recognized on unabsorbed depreciation and carry forward of losses based on virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

(n) Provisions and Contingencies

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjustment to reflect the current best estimates. Contingent assets and liabilities are not recognised.

(o) Provisions and Prepayment of Expenses

Provisions and Prepayment of expenses up to Rs. 5,000/- in each case are charged to revenue.

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SCHEDULE: '13' NOTES FORMING PART OF ACCOUNTS

1. Capital Commitments

[Rupees in lacs]

Particulars	2009-2010	2008-2009
Estimated Liabilities on Capital Commitments	13.31	NIL

2. Employee Benefits

(a) Defined contribution to Provident fund and Employee state insurance

The company makes contribution towards employees' provident fund and employees' state insurance plan scheme. Under the rules of these schemes, the Company is required to contribute a specified percentage of payroll costs. The Company during the year recognized Rs. 4,58,988/- (P.Y. Rs. 4,59,719/-) as expense towards contributions to these plans.

(b) Defined Contribution Plans (Gratuity)

The following table sets out the status of the gratuity scheme plans as at 31st March, 2010. [Amount in Rs.]

Particulars	2009-2010	2008-2009
Changes in the present value of obligation		
Present value of obligation (Opening)	14,83,122	13,99,199
Interest cost	1,49,300	1,01,442
Past service cost	NIL	NIL
Current service cost	2,31,008	2,78,335
Curtailment Cost / (Gain)	NIL	NIL
Settlement Cost / (Gain)	NIL	NIL
Benefits paid	(2,59,186)	(1,07,531)
Actuarial (Gain) / Loss	3,77,520	(1,88,323)
Present value of obligation (Closing)	19,81,765	14,83,122
Changes in the fair value of plan assets		
Present value of plan assets (Opening)	7,93,577	3,66,081
Expected return on plan assets	60,692	50,211
Actuarial Gain / (Loss)	0	(6,357)
Employers Contributions	2,80,273	4,91,173
Employees Contributions	—	—
Benefits paid	(2,59,186)	(1,07,531)
Fair Value of Plan Assets (Closing)	8,75,356	7,93,577
Percentage of each category of plan assets to total fair value of plan assets at the year end		
Bank Deposits (Special Deposit Scheme, 1975)	—	—
Debt Instruments	—	—
Administered by Life Insurance Corporation of India	100%	100 %
Amount recognised in the balance sheet		
Present value of obligation as at the year end	19,81,765	14,83,122
Fair value of plan assets as at the year end	8,75,356	7,93,577
(Asset) / Liability recognised in the balance sheet	11,06,409	6,89,545
Expenses recognised in the profit & loss account		
Current service cost	2,31,008	2,78,335
Past service cost	NIL	NIL
Interest cost	1,49,300	1,01,442
Expected return on plan assets	(60,692)	(50,211)

Curtailment Cost / (Credit)	—	—
Settlement Cost / (Credit)	—	—
Net Actuarial (Gain) / Loss	3,77,520	(1,81,966)
Employee's Contribution	—	—
Total expenses recognised in the profit and loss account	6,97,136	1,47,600

Principal actuarial assumption (Rate of Discounting)

Rate of discounting	8.00%	7.25%
Expected return on plan assets	9.00%	9.00 %
Rate of increase in salaries	7.00%	5.00 %
Attrition Rate (Employees opting for early retirement)	—	—

3. Segment Reporting

The Company operates within a solitary business segment i.e. manufacturing of chemicals and pigments, the disclosure requirements of Accounting Standard – 17 "Segment Reporting", issued by the Institute of Chartered Accountants of India is not applicable.

4. Related Party Disclosures

As per Accounting Standard 18, issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below :

(a) List of related parties with whom transactions have taken place during the year and relationship:

Sr. No.	Name of Related Party	Relationship
1	Harin M. Mamlatdarna	} Key Management Personnel
2	Deepak N. Choksi	
3	Dinesh Jain	
4	Ronak D. Choksi	} Relatives of Key Management Personnel
5	Bimal D. Choksi	
6	Asita H. Mamlatdarna	
7	Ornet Intermediate Ltd.	Associate Concern

(b) Transactions with related parties

[Amount in Rs.]

Sr. No.	Nature of Transaction	2009-2010	2008-2009
(i)	Managerial Remuneration		
-	Key Management Personnel	32,85,324	32,91,619
(ii)	Expenditure on other service		
-	Relatives of Key Management Personnel (Salary)	7,27,056	4,71,312
-	Associate Concern(Packing Expenses)	—	35,770
(iii)	Income on Other Services		
-	Associate Concern (Job work Income)	1,65,600	4,63,625
(iv)	Loans Taken		
-	Key Management Personnel	—	14,12,329
(v)	Loans repaid		
-	Key Management Personnel	13,30,315	20,32,169
-	Associate Concerns	—	69,811
(vi)	Interest Paid		
-	Key Management Personnel	3,03,150	3,12,329
(vii)	Sales		
-	Associate Concerns	—	87,25,250

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(viii) Purchases		
- Associate Concerns	1,38,086	2,24,528
(ix) Outstanding Balances as at March, 31, 2009		
Due to company (As Debtors)		
- Associate Concerns	55,00,391	1,38,38,543
Due by company (As Creditors)		
- Associate Concern	3,56,328	2,60,298
Due by company (As unsecured loans)		
- Key Management Personnel	20,24,009	30,51,174

5. Particulars of Earning per Share

Particulars	2009-2010	2008-2009
Net Profit after tax and prior period adjustments (Rs.)	20,86,456	22,01,126
Number of equity shares	30,28,500	30,28,500
Nominal value of the share (Rs.)	10	10
Earning per Share (Rs.)	0.69	0.73
There is no change in the number of equity shares during the period.		

6. The Company estimates deferred tax/(charge) using the applicable rate of taxation based on the impact of timing difference between financial statements and estimated taxable income for the current year.

The components of the deferred tax balances are as follows:

[Amount in Rs.]

Particulars	2009-2010		2008-2009	
	Deferred Tax Asset	Deferred Tax Liability	Deferred Tax Asset	Deferred Tax Liability
Timing difference on account of:				
Difference between book depreciation and depreciation under Income Tax Act, 1961		51,13,032		49,81,516
Expenditure u/s.43B of Income Tax Act, 1961	6,92,298		6,89,384	
Total	6,92,298	51,13,032	6,89,384	49,81,516
Net Deferred Tax Liability		44,20,734		42,92,132

7. Pursuant to Accounting Standard-29, Provisions, Contingent Liabilities and Contingent Assets, the disclosure relating to provisions made in the accounts for the year ended 31st March, 2010 is as follows :

(a) Contingent Liabilities

[Rs. In lacs]

Particulars	2009-2010	2008-2009
(a) Claims not acknowledge by the company in respect of :		
- Income Tax (See Note – (i) below)	1.13	76.39
- Custom Duty (See Note – (ii) below)	Indeterminable	Indeterminable
(b) Custom Duty (Import under Advance Licenses Export Obligation Pending)	67.26	61.78
(i) The Income tax department had raised the demand of Rs.1.13 lacs pertaining to Assessment year 2007-2008, for which the company has filed appeal with CIT Appeal.		
(ii) In respect of demand of Rs. 76.39 lacs pertaining to the A. Y. 2002-03 and 2003-04, the company has received order of Hon'ble ITAT Ahmedabad. In the order Hon'ble ITAT Ahmedabad has set aside the		

matter and restored it back to the Assessing officer for the fresh assessment. Considering the same no contingent liability towards demand of Rs. 76.39 lacs has been recognised during the year under consideration.

- (iii) In the Financial year 2008-2009 the Department of Excise and Customs had inspected certain records related to materials imported under license removed for jobwork to various parties whose name did not appear in the license as job-worker or as supporting manufacturer. The department had objected such removal and also observed that aforesaid materials have not been returned back under job work challan from the above parties but under sales invoices. The department also sized certain records related to job work for the Financial Year 2006-07 and 2007-08. The Company had deposited a sum of Rs. 5,08,273/- under protest. However based on legal opinion obtained from the excise consultant, the company has transferred the aforesaid deposit to PLA under intimation to department concerned. As the matter has not been disposed of yet and the company does not expect any liability, no provision in respect thereof has been made.

(b) Provisions [Rs. in Thousand]

Particulars	Provision for Leave Encashment	Provision for Bonus Payable	Provision for Excise duty on Finished Goods
Opening Balance	399.87	348.02	3810.52
Additions	350.41	528.23	7111.51
Utilization/Reversals	(144.47)	(348.02)	(3810.52)
Closing Balance	605.81	528.23	7111.51

8. In the opinion of the Directors, Current Assets, Loans and Advances have a value on realisation in the ordinary course of business equal to the amount at which they are stated in the Balance Sheet.
9. Balance of sundry debtors, creditors, loans and advances are subject to confirmation.
10. The company has been advised that the computation of net profits for the purpose of Directors' Remuneration under section 349 of the Companies Act, 1956, need not be enumerated since no commission has been paid to the Directors. Fixed monthly remuneration has been paid to the Directors as per Schedule XIII to the Companies Act, 1956. The Directors were paid total remuneration of Rs. 32,62,247/- (P. Y. Rs. 32, 91,619/-) during the period under review.

The Directors' Remuneration is made up of: [Amount in Rs.]

Particulars	2009-2010	2008-2009
Salary	27,00,000	27,00,000
Perquisites	4,31,591	4,37,886
Provident Fund	1,30,656	1,30,656
Gratuity	23,077	23,077
Total :	32,85,324	32,91,619

11. The company is yet to initiate the process of obtaining the confirmation from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). In the absence of relevant information relating to the suppliers registered under the Micro, Small and Medium Enterprises (Development) Act, 2006, the balance due to Micro, Small and Medium Enterprises at year end and interest paid or payable under MSMED Act, 2006 during the year could not be compiled and disclosed.
12. Auditor's Remuneration is made up of: [Amount in Rs.]

Particulars	2009-2010	2008-2009
Audit Fees	2,25,000	2,25,000
Tax Audit Fees	50,000	50,000
Fees for other service	25,000	25,000
Total:	3,00,000	3,00,000

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13. Additional information pursuant to provision of para 3, 4C and 4D of Part-II of Schedule-VI of the Companies Act, 1956:

(A) Raw Material Consumption

[Rs.in Lacs]

Particulars	2009-2010		2008-2009	
	Qty. (Kgs.)	Value Amount	Qty. (Kgs.)	Value Amount
(a) Beta Nephthol	1,97,191	210.40	3,14,561	445.36
(b) 6 Nitro	2,95,786	554.77	3,20,051	965.11
(c) H. Acid	2,19,485	434.38	1,35,871	319.13
(d) Others (contributing less than 10% of total consumption individually)		1487.11		1129.76
Total:		2686.66		2540.23

(B) Composition of Raw Materials Consumption

[Rs. in lacs]

	2009-2010		2008-2009	
	Value Amount	Percentage (%)	Value Amount	Percentage (%)
Imported	1029.52	38.31	213.18	8.39
Indigenous	1657.15	61.69	2327.05	91.61
Total :	2686.67	100.00	2540.23	100.00

(C) Turnover:

[Rs. in Lacs]

Particulars	2009-2010		2008-2009	
	Qty. (Kgs.)	Value Amount	Qty. (Kgs.)	Value Amount
I. SALES				
(a) Finished Goods:				
Dyes & Pigments – Export	12,37,737	2075.68	10,89,009	1985.49
- Local	10,09,407	1319.91	6,62,207	1386.53
Total :	22,47,144	3395.59	17,51,216	3372.02
(b) Traded Goods:				
Dyes & Pigments - Export	1,36,858	292.22	81,986	325.73
- Local	1,050	3.03	1,16,966	129.22
Total :	1,37,908	295.25	1,98,952	454.95
(c) Chemicals				
- Export	750	3.31	—	—
- Local	32,511	44.83	1,75,772	259.91
Total:	33,261	48.14	1,75,772	259.91
Grand Total [a + b + c] :	24,25,938	3738.98	21,03,911	4086.88
II. Purchase of Traded Goods				
Dyes & Pigments - Import	1,38,996	246.71	2,00,560	392.17
Chemicals	33,261	39.01	1,75,772	219.89

(D) Stock of Finished Goods: [Rs. in lacs]

Particulars	2009-2010		2008-2009	
	Qty. (Kgs.)	Value Amount	Qty. (Kgs.)	Value Amount
Opening Stock- Dyes & Pigments	1,11,328	466.81	2,41,101	594.00
Trading Goods	20,793	33.74	19,185	33.54
Closing Stock - Dyes & Pigment	2,43,741	717.19	1,10,328	466.81
Trading Goods	14,670	44.36	20,793	33.74

(E) Licensed and Installed Capacity and Production as certified by the management.

Particulars	2009-2010 (Kgs.)	2008-2009 (Kgs.)
(a) Licensed Capacity – Dyes	Not Applicable	Not Applicable
(b) Installed Capacity - Dyes	32,00,000	32,00,000
(c) Production - Dyes & Pigment (Inclusive of production on job work)	23,79,557	16,21,443

Note :

Installed capacity is based on a double shift working as certified by management and has not been verified by the auditors, this being a technical matter.

(F) Value of Imports on CIF Basis: [Rs. in lacs]

Particulars	2009-2010	2008-2009
Raw Materials	1,029.20	238.48
Traded Goods	21.13	115.12

(G) Earning in Foreign Currency: [Rs. in lacs]

Particulars	2009-2010	2008-2009
F.O.B. Value of Export	2,347.91	2288.61

(H) Expenditure in Foreign Currency (on payment basis): [Rs. in lacs]

Particulars	2009-2010	2008-2009
Travelling	2.20	01.30
Commission	40.02	58.28
Dividend	—	—

15. The previous year's figures have been reworked, regrouped and reclassified wherever necessary so as to make them comparable with those of the current year.

FOR, G. K. CHOKSI & CO.
Firm Registration No. 101895W
Chartered Accountants

ROHIT K. CHOKSI
Partner

FOR AND ON BEHALF OF THE BOARD

HARIN MAMLATDARNA
Vice Chairman

DEEPAK CHOKSI
Chairman

DINESH JAIN
Executive Director

Place : Ahmedabad.
Date : 29th May, 2010

Place : Ahmedabad.
Date : 29th May, 2010

DYNAMIC INDUSTRIES LIMITED

14. BALANCE SHEET ABSTRACTS AND COMPANY'S GENERAL BUSINESS PROFILE :

I. Registration Details:

Registration No. 11989

State Code 04

Balance Sheet Date 31st March 2010

II. Capital Raised during the year (Amount in Rs. Thousand)

Public Issue:	—	Right Issue:	—
Bonus Issue:	—	Private Placement:	—

III. Position of mobilisation and Deployment of Funds (Amount in Rs. Thousand)

Total Liabilities	234425	Total Assets	234425
Sources of Funds:		Application of Funds	
Paid-up Capital	30285	Net Fixed Assets	52643
Reserve and Surplus	80916	Investments	—
Secured Loan	116779	Net Current Assets	181782
Unsecured Loan	2024	Misc. Expenditure	—
Deferred Tax Liability	4421	Accumulated Losses	—
			234425

IV. Performance of Company (Amount in Rs. Thousand)

Turnover and Other Income	377056	Total Expenditure	373381
(+) Profit/(Loss) before tax	3675	(+) Profit/(Loss) after tax	2086
Earning per share Rs.	0.69	Dividend Rate (%)	—

V. Generic names of three principal products services of company (as per monetary terms)

Product/Service Description	Item code No.
Direct Dyes and Preparation Based thereon	320414

FOR AND ON BEHALF OF THE BOARD

HARIN MAMLATDARNA
Vice Chairman

DEEPAK CHOKSI
Chairman

DINESH JAIN
Executive Director

Place : Ahmedabad.
Date : 29th May, 2010

DYNAMIC INDUSTRIES LIMITED

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

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall
21st Annual General Meeting, 14th August, 2010)

I hereby record my presence at the **TWENTY FIRST ANNUAL GENERAL MEETING** of the Company at 5501/2, Phase - III, G.I.D.C., Vatva, Ahmedabad - at 11.30 a.m.

Full Name of the Member _____

(IN BLOCK LETTERS)

Regd. Folio No. : _____ No. of Shares held : _____

DP ID* : _____ Client ID* : _____

Full Name of the Proxy : _____

(IN BLOCK LETTERS)

Member's/Proxy's Signature : _____

* Applicable for investors holding shares in electronic form.

Note : As a measure of economy, Members are requested to bring a copy of the Annual Report at the meeting hall.

DYNAMIC INDUSTRIES LIMITED

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

PROXY FORM

Regd. Folio No. :

No. of Shares Held :

DP ID* :

Client ID* :

I/We _____ of _____

_____ being member/members of

DYNAMIC INDUSTRIES LIMITED, hereby appoint _____ of _____

or failing him _____ of _____ as my/our

Proxy to vote for me/us and on my/our behalf at the **TWENTY FIRST ANNUAL GENERAL MEETING** of the Company to be held on **Saturday, the 14th August, 2010** and at any adjournment thereof.

Signed this _____ day of _____ 2010

* Applicable to investors holding shares in electronic form.

Note : This form duly completed and signed must be deposited at the Registered Office of the Company not less than 48 hours before the meeting.

Affix a
30 paise
Revenue
Stamp

BOOK-POST

If undelivered, Please return to :

DYNAMIC INDUSTRIES LIMITED

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