

19th
Annual Report
2007 - 2008



DYNAMIC INDUSTRIES LIMITED

Registered Office : Plot no. : 5501/2, Phase III, GIDC, Vatva, Ahmedabad 382 445.



BOARD OF DIRECTORS



HARIN D. MAMLATDARNA
CHAIRMAN

DEEPAK N. CHOKSI
VICE CHAIRMAN

DINESH J. JAIN
EXECUTIVE DIRECTOR

BANKIM M. PATEL
DIRECTOR

PARESH C. PATEL
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
PINNACLE SHARES REGISTRY P. LTD.
Near Ashoka Mills, Naroda Road,
Ahmedabad 380 025.



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 19th Annual General Meeting of Dynamic Industries Limited will be held on 30th September, 2008 at 11.30 a.m. at 5501/2, Phase III, Near Trikampura Cross Roads, G.I.D.C., Vatva, Ahmedabad -382 445 to transact the following business :

Ordinary Business :

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended on 31st March, 2008, Balance Sheet as at that date togetherwith the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Harin D. Mamlatdarna 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 : 30-06-2008

By Order of the Board

DEEPAK CHOKSI
Vice Chairman

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 26-09-2008 to 30-09-2008 (both days inclusive).

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in placing before you the 19th Annual Report and Audited Accounts for the year ended 31st March, 2008.

Particulars	Year ended 31-03-2008	Year ended 31-03-2007
Total Income	4319.98	5143.13
Profit before depreciation and tax	100.40	156.47
Depreciation	68.86	62.61
Provision for Taxation		
Current year	15.40	53.39
Deferred tax	(5.48)	(1.49)
Fringe Benefit Tax	3.01	2.56
Profit After Tax	18.62	39.40
Prior period adjustment	0	2.38
Profit after tax and prior period adjustments	18.62	37.02
Balance b/f. from previous year	395.94	381.12
Profit available for appropriation	414.56	418.14
Appropriation :		
General Reserve	0	0.95
Proposed Dividend	0	18.17
Distribution tax thereon	0	3.08
Balance carried to Balance Sheet	414.56	395.94

Dividend

In view of conserving resources, your Directors do not recommend any Dividend on equity shares for the year ended 31st March, 2008.

Performance

Sailing during the year under review was not smooth. Strong Rupee and steep depreciation in the value of dollar had posed severe problems for the exporting units and your Company could not be an exception to it. Keen competition diminished the profit margins. While, galloping price of crude added fuel to the fire. Still the Company has endeavoured to stabilize its performance. During the year under review, the income from operations was Rs. 4200.83 lacs (previous year Rs. 4903.65 lacs). The net profit after tax was Rs. 18.62 lacs (previous year Rs. 39.40 lacs).

Future outlook

Recently, the dollar has become stronger yielding higher on exports realization. But sharp rise in crude price and high rate of inflation will offset the gain. Your Company has been constantly upgrading its products range and the products have received good response in the overseas market. The economy has witnessed sharp fluctuations in value of Indian Rupee and profitability of the Company will be substantially affected during the current financial year on account of it.

Directorate

Shri Harin D. Mamlatdarna, Director of the Company who retires by rotation, and being eligible, offers himself for reappointment. Shri Harin D. Mamlatdarna has good experience of production, marketing, exports, accounts and administration for more than two decades.

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 2007-2008 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 – I to the Directors' Report.

Corporate Governance

A separate Report on Corporate Governance together with the Certificate from Auditors is provided in a separate Annexure.

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

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

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 31.03.2008 and of the Profit of the Company for the year ended on 31.03.2008; .
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.

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.

Place : Ahmedabad
Date : 30-06-2008

For and on behalf of the Board

DEEPAK N. CHOKSI
Director

ANNEXURE 1 TO THE DIRECTOR'S 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) Power and energy expenditure are not main cost constituent of company's overall product costing.
- (ii) Power and fuel consumption

	2007 - 2008	2006 - 2007
Electricity		
Purchase unit	11,55,705	12,80,731
Total amount	51,89,789	59,91,268
Rate (per unit)	4.49	4.68
Light Diesel Oil/Diesel Oil / Furnace oil / Fire Wood		
Quantity (in LTRS)	42,736	2,29,156
Total amount	10,72,198	47,74,562
Average rate per unit	25.09	20.84
Fire Wood		
Quantity (in Kgs.)	40,83,050	50,17,318
Total amount	72,98,915	73,11,186
Average rate per unit	1.79	1.46

C. RESEARCH AND DEVELOPMENT (R & D) :-

- 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 strengthened and equipped to play an effective role for improving the quality.
- d. **Expenditure on R&D.**
No separate expenditure on R&D is booked in the accounts but are included in laboratory expenses.

D. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :-

- a. **Efforts Made**
The Company employs indigenous technology. However, for the economical production and high quality, new products are developed with help of technical personnel and instillation of latest machineries and equipments.
- b. **Benefits derived as a result of above efforts**
Products were improved through high efficiency and energy saving improved the overall working of the Company

Foreign Exchange earning and out go (Rs. In lacs)

	2007 - 2008	2006 - 2007
Foreign exchange earning	3192.11	4000.63
Foreign exchange out go	1616.00	1802.29

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY

Commitment to values, quality, fair play and transparency are the corner stones of the principles of Corporate Governance.

The Company is determined for high standards of Corporate Governance. The Company lays emphasis on proper quality, customer satisfaction, legal compliances, enhancing the value of stakeholders and integrity in all its operations and dealings at all levels.

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 Directors.

Name of Director	Category	No. of other Director-ships	Membership of Board Committees
Harin Mamlatdarna	Chairman	Nil	2
Deepak N. Choksi	Executive Director		
	Vice Chairman	Nil	1
	Executive Director		
Dinesh J. Jain	Executive Director	1	1
Bankim M. Patel	Non-Executive Director /	Nil	3
	Independent		
Paresh C. Patel	Non-Executive Director /	Nil	3
	Independent		

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

8 Board Meetings were held during the financial year 2007-2008. The composition of Directors and the attendance at the Board Meeting during the year 2007-2008 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	8	8	Yes
Harin Mamlatdarna	8	6	Yes
*Dinesh J. Jain	8	7	Yes
**Deepak R. Sheth	8	Nil	N.A.
Bankim M. Patel	8	8	No
Paresh C. Patel	8	8	No

(* Shri Dinesh J. Jain appointed as an additional director and Executive Director of the Company w.e.f 14-05-07.)

(** Shri Deepak R. Sheth resigned as director of the Company w.e.f. 10-04-2007)

Number of Board Meetings held during the financial year 2007-2008 was 8. The dates on which these Board Meetings were held are 10-04-2007, 09-05-2007, 14-05-2007, 30-06-2007, 31-07-2007, 18-09-2007, 31-10-2007 and 31-01-2008.

The last Annual General Meeting was held on 29-09-2007.

3. AUDIT COMMITTEE

An Audit Committee had been constituted by the Board to provide assistance to the Board of Directors in fulfilling the Board's responsibilities. The Audit Committee aims to monitor various areas of the management, compliances, disclosures, transparency, 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, 2009 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 are given below:

Name	Designation	Category
Shri Bankim M. Patel	Chairman	Non-Executive Director / Independent
Shri Paresh C. Patel	Member	Non-Executive Director / Independent
Shri Deepak N. Choksi	Member	Executive Director

Members	Meetings Held	Meetings attended
Shri Bankim M. Patel	4	4
Shri Paresh C. Patel	4	4
Shri Deepak N. Choksi	4	4

Four meetings of the Audit Committee were held during the year on the following dates :
30-06-2007, 31-07-2007, 31-10-2007 and 31-01-2008.

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 Bankim M. Patel	Member	Non-Executive Director / Independent
Shri Deepak N. Choksi	Member	Executive Director

There were 2 meetings of the Remuneration Committee on 14-05-2007 and 30-06-2007 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 14-05-2007 and 30-06-2007.

Details of remuneration paid / payable to the Directors for Financial Year 2007-2008

Name	Salary and Perquisites (Rs.)	Commission	Shares issued under ESOP	Details of service contracts: notice period and severance fees
Deepak N. Choksi	1131282	Nil	Nil	Period and no severance fees Ordinary Resolutions dt. 29-09-2007, valid upto 30-09-2009; no Notice period and no severance
Harin D. Mamlatdarna	1107575	Nil	Nil	
Dinesh Jain	1003280	Nil	Nil	period and no severance fees

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 Bankim M. Patel	Member	Non-Executive Director / Independent
Shri Deepak N. Choksi	Member	Executive Director
Shri Harin Mamlatdarna	Member	Executive Director
Shri Dinesh J. Jain	Member	Executive Director

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.

- 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, 2008 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
2004-05	30-09-2005	11.30 a.m.	5501/2, Phase III, Near Trikampura Cross Roads, G.I.D.C., Vatva, Ahmedabad -382 445	---
2005-06	30-09-2006	11.30 a.m.	5501/2, Phase III, Near Trikampura Cross Roads, G.I.D.C., Vatva, Ahmedabad -382 445	Voluntary Delisting of securities from Ahmedabad Stock Exchange
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	---

- I) No Resolutions were put through postal ballot.
- II) Resolutions were passed on show of hands.

7. NOTES ON DIRECTORS' APPOINTMENT / REAPPOINTMENT

Shri Harin D. Mamlatdarna retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment. Shri Harin D. Mamlatdarna has good experience of production, marketing, exports, accounts and administration for more than two decades.

Details of other Directorships: Nil.

8. DEMAT / REMAT OF SHARES

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

a)	Number of Demat requests approved	110
b)	Number of Shares Dematerialised	39,710
c)	Percentage of Shares Dematerialised	1.31%
d)	Number of Remat requests approved	Nil
e)	Number of Shares Rematted	Nil

Representatives of the Company are constantly in touch with M/s. Pinnacle Share Registry P. Ltd., Share Transfer Agents of the Company and review 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. 6 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 the Bombay Stock Exchange Ltd. 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 19th Annual General Meeting will be held on 30th September, 2008 at 11.30 a.m. at Plot No. 5501/ 2, Phase III, Trikampura Cross Roads, GIDC, Vatva, Ahmedabad – 382445.

Financial Calendar 2008-2009 (Tentative)

First Quarterly Results	: Last week of July, 2008
Half yearly Results	: Last week of October, 2008
Third Quarterly Results	: Last week of January, 2009
Fourth Quarterly Results	: Last week of April, 2009
Annual General Meeting	: September, 2009

ii) **Date of Book Closure** : 26th September, 2008 to 30th September, 2008 (both days inclusive) for Annual General Meeting

iii) **Dividend Payment Date** : N. A.

iv) **Regd. Office** : 5501/2, Phase III, Near Trikampura Cross Roads, G.I.D.C., Vatva, Ahmedabad - 382445

v) **Listing of equity shares** : Bombay Stock Exchange Ltd.

on Stock Exchanges
Demat ISIN Numbers in
NSDL and CDSL for
equity shares

: INE457C01010

vi) **Stock Code** : 524818 (BSE)

vii) **Stock Market Data** (in Rs. / Per Share)

Month	Mumbai Stock Exchange	
	Month's High	Month's Low
April, 2007	105.30	96.00
May, 2007	103.75	90.60
June, 2007	87.80	51.85
July, 2007	56.30	48.95
August, 2007	51.80	39.15
September, 2007	53.50	39.20
October, 2007	51.15	46.05
November, 2007	50.85	45.15
December, 2007	49.95	40.95
January, 2008	45.10	22.30
February, 2008	25.35	19.20
March, 2008	19.65	11.75

(* No transaction reported during the period)

viii) 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, M/s. Pinnacle Share Registry P. Ltd. All valid transfers are processed within 15 days from the date of receipt.

DYNAMIC INDUSTRIES LIMITED

ix) a) Shareholding pattern as on 31-03-2008 is as given below :

Sr.No.	Category	No. of Shares	% of holding
1	Promoters	15,15,145	50.03
2	Persons acting in Concert	—	—
3	Mutual Funds, UTI, Banks, Financial Institutions, Insurance Companies / Central / State Govt. Institutions, Non-Government institutions	—	—
4	FII's	—	—
5	Others	15,13,355	49.97
	Grand Total	30,28,500	100.00

b) Distribution of Shareholding as on 31/03/2008 is as under:

Slab of Share Holdings	No. of Shareholders	% of Shareholders	No. of Shares	Amount (Rs.)	% of Capital
Up to 500	2082	86.82	318751	3187510	10.53
501 to 1,000	154	6.42	130868	1308680	4.32
1,001 to 2,000	62	2.59	100051	1000510	3.30
2,001 to 3,000	22	0.92	53916	539160	1.78
3,001 to 4,000	12	0.50	41318	413180	1.36
4,001 to 5,000	15	0.63	72537	725370	2.40
5,001 to 10,000	12	0.50	82197	821970	2.71
10,001 and above	39	1.63	2228862	22288620	73.60
Total	2398	100.00	3028500	30285000	100.00

x) Dematerialization of Shares and liquidity

28,10,218 equity shares (92.79 % of the total number of shares) have been dematerialized as on 31-03-2008.

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 – 382445.
2) 5501/2, Phase III, Near Trikampura Cross Roads, G.I.D.C., Vatva, Ahmedabad - 382 445.

xlii) 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:

Pinnacle Shares Registry Private Ltd.
Near Ashoka Mills,
Naroda Road,
Ahmedabad-380025
Phone No. : 22204226, 22200591, 22200582
Fax: 91 079 22202963

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.

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 : 30-06-2008

DEEPAK N. CHOKSI
Vice 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 March 31st 2008 as stipulated in clause in 49 of the Listing Agreement of the said Company with Stock Exchanges.

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 our 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.

FOR G. K. CHOKSI & CO.
Chartered Accountants

Place: Ahmedabad
Date : 30-06-2008

ROHIT K. CHOKSI
Partner
Membership No. 31103

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 the 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 upgraded the products and made strong presence 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 crude and 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. 4319.98 lacs (Previous year Rs. 5143.13 lacs)

Operating expenses

The operating and other expenses for the year ended 31-03-2008 were Rs. 464.83 lacs (Previous year Rs. 761.91 lacs)

Profit after Tax

The net profit after tax during the year under review period was Rs. 18.62 lacs (Previous year Rs. 39.41 lacs)

Interest on borrowings

The company has incurred interest cost of Rs. 118.54 lacs. (Previous year Rs. 110.51 lacs)

Capital employed

The Return on Average Capital Employed (ROCE) for the year ended 31-03-2008 was 8.30 % as compared to 10.65 % for the same period last year

Return on net worth

The return on Average Net Worth (RONW) for the year ended 31-03-2008 was 1.76 % as compared to 3.63 % for the same period last year.

Fixed Assets

There was addition of Rs. 30.06 lacs to the Fixed Assets of the Company. (Previous year Rs. 60.79 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.

Out of the profits for the year ended March 31, 2008, a sum of Rs. Nil has been transferred to General Reserve. (Previous year Rs. 0.95 lac)

Deferred tax assets

The standard on accounting for taxes on income became mandatory effective April 1, 2001. the Company recorded deferred tax liabilities aggregating Rs. 44.21 lacs as of March 31 , 2008 (Rs. 49.69 lacs as of March 31, 2007). 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. 1494.99 lacs as of March 31, 2008, as compared with Rs. 1450.01 lacs as of March 31, 2007. 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 herein above 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.

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, 2008 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:

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.

5. Further to our comments in the Annexure referred at para 3 above, we report that:
 - a. Subject to note no. 2 of Schedule - '13' regarding certain records related to job work seized by the department of Customs and Excise, 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) 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 non provision of gratuity for Directors and 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, 2008 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:

- a. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2008
- 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.

Chartered Accountants

ROHIT K. CHOKSI

Partner

Membership No. 31103

Place : Ahmedabad.

Date : 30-06-2008

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 two parties 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.37.41 lacs and the maximum amount involved during the year were Rs.91.38 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.

DYNAMIC INDUSTRIES LIMITED

- 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, 2008 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, 2008 other than those stated below:

Particulars	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	15,37,972	2001-2002	Income Tax Appellate Tribunal
Income Tax Act, 1961	59,32,963	2002-2003	Commissioner of Income Tax (Appeals)

- 10 The Company does not have any accumulated losses as at 31st March, 2008 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, on an overall basis, the term loan have been applied for the purposes for which they were obtained.
- 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.
Chartered Accountants

ROHIT K. CHOKSI
Partner
Membership No. 31103

Place : Ahmedabad.
Date : 30-06-2006

BALANCE SHEET

as at 31st March, 2008

Particulars	Schedule	As at 31st March, 2008		As at 31/03/2007
		Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
SOURCES OF FUNDS :				
SHAREHOLDERS' FUNDS :				
Share Capital	1	3 02 85 000		3 02 85 000
Reserves and Surplus	2	7 66 28 829		7 47 66 716
			10 69 13 829	10 50 51 716
Loan Funds :				
Secured Loans	3	15 00 79 565		14 66 73 344
Unsecured Loans		37 40 825		58 35 106
			15 38 20 390	15 25 08 450
Net Deferred Tax Liability			44 20 933	49 69 257
	Total		26 51 55 152	26 25 29 423
APPLICATION OF FUNDS :				
Fixed Assets :				
	4			
Gross Block		9 86 15 847		9 64 81 834
Less : Depreciation		4 58 12 881		3 94 29 151
Net Block :		5 28 02 966		5 70 52 683
Capital work-in-progress including advances for Capital Expenditure		0		1 72 985
			5 28 02 966	5 72 25 668
Current Assets, Loans & Advances :				
	5			
Inventories		9 21 50 829		7 83 55 720
Sundry Debtors		14 94 99 333		14 49 54 480
Cash and Bank Balances		98 86 819		1 01 18 870
Loans and Advances		6 17 68 553		7 29 03 833
		31 33 05 534		30 63 32 903
Less :Current Liabilities & Provisions :				
	6			
Current Liabilities		9 77 18 510		9 50 33 539
Provisions		32 34 838		59 95 609
		10 09 53 348		10 10 29 148
Net Current Assets			21 23 52 186	20 53 03 755
	Total		26 51 55 152	26 25 29 423
Significant Accounting Policy	12			
Notes forming part of Accounts	13			

As per our attached report of even date.

FOR AND ON BEHALF OF THE BOARD

FOR **G. K. CHOKSI & CO.**
Chartered Accountants

ROHIT K. CHOKSI
Partner

HARIN MAMLATDARNA
Chairman

DEEPAK CHOKSI
Vice Chairman

DINESH JAIN
Executive Director

Place : Ahmedabad
Date : 30-06-2008

Place : Ahmedabad
Date : 30-06-2008

DYNAMIC INDUSTRIES LIMITED**PROFIT AND LOSS ACCOUNT
for the year ended 31st March, 2008**

Particulars	Schedule	For the year ended 31/03/2008		For the year ended 31/03/2007
		Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
INCOME				
Sales and Services		42 00 82 565		49 03 65 019
Less : Excise Duty		97 20 504		76 20 942
		41 03 62 061		48 27 44 077
Other Income	7	2 16 36 412	43 19 98 473	3 15 69 164
				51 43 13 241
EXPENDITURE				
Cost of Materials / Products	8	35 10 17 676		39 98 33 646
Employee's Remuneration and Benefits	9	83 70 132		87 77 722
Operating and Other Expenses	10	4 64 83 448		7 61 91 420
Interest and Financial Charges	11	1 60 86 941		1 38 63 483
Depreciation		68 85 487		62 60 823
			42 88 43 684	50 49 27 094
Profit/(Loss) before tax			31 54 789	93 86 147
Provision for taxation :				
Current Tax [Includes Wealth tax provision of Rs. 10000/- (P.Y. 10000) & Earlier year Income Tax expenses Rs. 1528600/-]		15 40 000		53 38 600
Deferred Tax		(5 48 324)		(1 49 840)
Fringe Benefit Tax		3 01 000		2 56 173
			12 92 676	54 44 933
Profit after Tax			18 62 113	39 41 214
Prior period adjustments			0	2 38 917
Profit after tax and prior period adjustment			18 62 113	37 02 297
Balance Brought Forward from previous year			3 95 93 829	3 81 12 448
Profit available for appropriation			4 14 55 942	4 18 14 745
APPROPRIATION				
General Reserve			0	95 000
Proposed Dividend on Equity Shares			0	18 17 100
Distribution tax thereon			0	3 08 816
Balance Carried to Balance Sheet			4 14 55 942	3 95 93 829
			4 14 55 942	4 18 14 745
Basic, as well as, diluted Earnings Per Equity Share (Refer Note No.5 of Sechedule - 13)			0.61	1.22
Significant Accounting Policy	12			
Notes forming part of Accounts	13			
As per our attached report of even date.				

FOR G. K. CHOKSI & CO.
Chartered Accountants

ROHIT K. CHOKSI
Partner

Place : Ahmedabad
Date : 30-06-2008

FOR AND ON BEHALF OF THE BOARD

HARIN MAMLATDARNA
Chairman

DEEPAK CHOKSI
Vice Chairman

DINESH JAIN
Executive Director

Place : Ahmedabad
Date : 30-06-2008

CASH FLOW STATEMENT

for the year ended 31st March, 2008

Particulars	For the Year ended 31/03/2008 Amount (Rs.)	For the Year ended 31/03/2007 Amount (Rs.)
A. Cash flow from operating activities:		
Profit/(Loss) for the year before taxation	31 54 789	93 86 147
Adjustments for :		
Depreciation (Net of Excess Depreciation write back)	68 85 487	62 60 823
Provision for Doubtful debts	3 41 910	0
Loss on sale of assets / discarded assets	80 302	1 50 015
Prior period Adjustment	0	(2 38 917)
Interest Income	(7 84 238)	(5 10 529)
Interest Expenses	1 18 54 416	1 10 50 791
Operating profit before working capital changes	2 15 32 666	2 60 98 330
Adjustments for :		
Trade and other receivables	69 76 215	(4 35 212)
Inventories	(1 37 95 109)	(30 10 601)
Trade payables	24 45 813	51 85 613
Cash generated from operations	1 71 59 585	2 78 38 130
Taxes paid(net of refunds)	(23 22 374)	(33 54 199)
Net cash from operating activities (a)	1 48 37 211	2 44 83 931
B. Cash flow from investing activities:		
Purchase of fixed assets	(28 33 086)	(60 79 068)
Sales of fixed assets	2 90 000	2 68 000
Capital work-in-progress	0	1 73 191
Interest received	4 09 065	9 88 717
Net cash used in investing activities (b)	(21 34 021)	(46 49 160)
C. Cash flow from financing activities:		
Procurement/(Repayment) of long/ short term borrowings	13 11 940	(34 57 804)
Payment of dividend	(20 40 239)	(33 60 454)
Interest paid	(1 22 06 942)	(1 21 54 099)
Net cash flow from financial activities (c)	(1 29 35 241)	(1 89 72 357)
Net Increase/(Decrease) in cash and cash equivalents (a)+(b)+(c)	(2 32 051)	8 62 414
Cash and cash equivalents opening	1 01 18 870	92 56 456
Cash and cash equivalents closing	98 86 819	1 01 18 870

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.
Chartered Accountants

ROHIT K. CHOKSI
Partner

Place : Ahmedabad
Date : 30-06-2008

FOR AND ON BEHALF OF THE BOARD
HARIN MAMLATDARNA
Chairman

DEEPAK CHOKSI
Vice Chairman

DINESH JAIN
Executive Director

Place : Ahmedabad
Date : 30-06-2008

DYNAMIC INDUSTRIES LIMITED

Particulars	As at 31st March, 2008		As at 31/03/2007
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
Schedules forming part of the Balance Sheet as at 31 st March, 2008			
1 : SHARE CAPITAL			
Authorised Capital :			
35,00,000 Equity Shares of Rs. 10/- each		3 50 00 000	3 50 00 000
		<u>3 50 00 000</u>	<u>3 50 00 000</u>
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 :		<u>3 02 85 000</u>	<u>3 02 85 000</u>
2 : RESERVES AND SURPLUS			
General Reserve	1 66 62 622		1 65 67 622
Add : Transfer from Profit and Loss Account	<u>0</u>		<u>95 000</u>
		1 66 62 622	<u>1 66 62 622</u>
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 14 55 942	3 95 93 829
Total :		<u>7 66 28 829</u>	<u>7 47 66 716</u>
3 : LOAN FUNDS			
Secured Loans			
Central Bank of India CC A/c.	84 00 743		39 85 888
Central Bank of India EPC A/c.	5 39 86 253		3 53 38 570
Central Bank of India EBP A/c.	6 47 65 574		7 17 62 966
Central Bank of India EBPN A/c. (Under L/C)	1 38 72 068		3 16 07 020
Local SEZ A/c No.-3014786665	74 28 096		0
Central Bank - Term Loan	<u>0</u>		<u>8 84 153</u>
[The above loans are secured by hypothecation of foreign documentary bills, inventories, book debt 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	16 26 831		30 94 747
[The above loan is secured against hypothecation of vehicles]			
		<u>15 00 79 565</u>	<u>14 66 73 344</u>
Unsecured Loan			
Inter corporate	69 811		53 28 035
Loan From Directors	<u>36 71 014</u>		<u>5 07 071</u>
		37 40 825	<u>58 35 106</u>
Total		<u>15 38 20 390</u>	<u>15 25 08 450</u>

Schedules forming part of the Balance Sheet as at 31st March, 2008

4 : FIXED ASSETS

Sr. No.	Name of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01/04/2007 (Rs.)	Additions/ Adjustments (Rs.)	Deductions/ Adjustments (Rs.)	As at 31/03/2008 (Rs.)	Upto 31/03/2007 (Rs.)	For the Year (Rs.)	Deductions/ Adjustments (Rs.)	Upto 31/03/2008 (Rs.)	As at 31/03/2008 (Rs.)	As as at 31/03/2007 (Rs.)
	Tangible Assets										
1	Leasehold Land	49 55 485	0	0	49 55 485	6 35 456	50 055	0	6 85 511	42 69 974	43 20 029
2	Building	3 09 03 357	7 79 108	0	3 16 82 465	66 67 361	9 45 511	0	76 12 872	2 40 69 593	2 42 35 996
3	Machinery	4 83 03 902	22 26 963	0	5 05 30 865	2 76 80 020	49 30 234	0	3 26 10 254	1 79 20 611	2 06 23 882
4	Furniture and Fixture	32 58 848	0	0	32 58 848	17 73 365	1 75 892	0	19 49 257	13 09 591	14 85 483
5	Vehicles	90 14 842	0	8 72 058	81 42 784	26 40 062	7 73 564	5 01 756	29 11 870	52 30 914	63 74 780
	Intangible Assets										
6	Computer Software	45 400	0	0	45 400	32 887	10 230	0	43 117	2 283	12 513
	Total :	9 64 81 834	30 06 071	8 72 058	9 86 15 847	3 94 29 151	68 85 486	5 01 756	4 58 12 881	5 28 02 966	5 70 52 683
	Previous Year :	9 15 92 313	60 79 068	11 89 547	9 64 81 834	3 39 39 860	62 60 823	7 71 532	3 94 29 151	5 70 52 683	

DYNAMIC INDUSTRIES LIMITED

Particulars	As at 31st March, 2008 Amount (Rs.)	As at 31/03/2007 Amount (Rs.)
Schedules Forming part of Balancesheet as at 31st March, 2008		
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	1 41 97 520	50 78 856
Stores, Spares and Consumable Stores	6 74 125	8 10 338
Packing Material	4 06 200	5 39 674
Finished Stock	6 27 53 517	6 69 80 353
Work in Process	73 85 592	49 46 499
Material in transit	67 33 875	0
	9 21 50 829	7 83 55 720
Sundry Debtors <i>Unsecured, Considered Good :</i>		
For more than six months	77 89 607	54 98 622
Others	14 20 51 636	13 94 55 858
	14 98 41 243	14 49 54 480
Less : Provision for Doubtful Debts	3 41 910	0
	14 94 99 333	14 49 54 480
Cash and Bank Balances		
Cash on Hand	1 97 385	3 18 964
Balances with Schedule Banks :		
- Current Accounts	8 78 988	7 21 542
- Margin Money Account	88 10 446	90 78 364
	96 89 434	97 99 906
	98 86 819	1 01 18 870
Loans and Advances <i>Unsecured, Considered Good :</i>		
Advance recoverable in cash or in kind or for value to be received	6 10 13 903	7 21 39 183
Deposits	7 54 650	7 64 650
	6 17 68 553	7 29 03 833
Total	31 33 05 534	30 63 32 903
6 : CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
Sundry Creditors	9 69 04 821	9 42 44 810
Other Liabilities	2 74 791	3 35 508
Unclaimed Dividend	5 38 898	4 53 221
	9 77 18 510	9 50 33 539
Provisions		
Employee Retirement Benefit	10 33 118	11 86 599
Proposed Dividend on Equity Shares	0	18 17 100
Tax payable on proposed dividend	0	3 08 816
Provision for Taxation(Net of advance tax)	22 01 720	26 83 094
	32 34 838	59 95 609
Total	10 09 53 348	10 10 29 148

Note: There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at 31/03/2008

Particulars	As At 31st March, 2008		As At 31/03/2007
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
Schedules annexed to and forming part of the Profit & Loss Account for the year ended 31st March, 2008			
7 : OTHER INCOME			
Export Benefits		1 71 32 243	3 17 83 153
Interest [TDS Rs.1,39,300/- (P.Y. Rs.80,331/-)]		7 84 238	5 10 529
Rent Income		6 20 650	4 46 890
Exchange Rate Difference (Net)		30 32 657	(20 95 898)
Miscellaneous Income		66 624	9 24 490
Total :		<u>2 16 36 412</u>	<u>3 15 69 164</u>
8 : COST OF MATERIALS / PRODUCTS			
Material Consumed			
Raw Materials	27 04 58 757		33 21 96 534
Packing Material	<u>97 55 279</u>		<u>1 18 92 555</u>
		28 02 14 036	<u>34 40 89 089</u>
Purchases of Traded Goods		6 26 13 773	6 63 63 909
Freight, Octroi & Inward Clearing		78 91 011	1 24 26 455
Reduction /(Accretion) in stock			
Finished Goods and work in Process :			
Closing Stocks	7 01 39 109		7 19 26 852
Opening Stock	<u>7 19 26 852</u>		<u>4 53 18 423</u>
	17 87 743		(2 66 08 429)
Excise duty on finished goods (Net)	<u>(14 88 887)</u>		<u>35 62 622</u>
		2 98 856	(2 30 45 807)
Total :		<u>35 10 17 676</u>	<u>39 98 33 646</u>
9 : EMPLOYEE'S REMUNERATION & BENEFITS			
Payment to and Provision for Employees			
Salaries, Wages, Bonus and Gratuity		76 58 664	80 40 316
Contribution to Provident Fund & Other Funds		4 00 945	4 59 679
Staff Welfare & Training		3 10 523	2 77 727
Total		<u>83 70 132</u>	<u>87 77 722</u>

DYNAMIC INDUSTRIES LIMITED

Particulars	For the year Ended 31st March, 2008		For the year Ended 31/03/2007
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
Schedules annexed to and forming part of the Profit & Loss Account for the year ended 31st March, 2008			
10 : OPERATING AND OTHER EXPENSES			
Power, Fuel and Water Charges		1 39 89 111	1 89 18 703
Laboratory Expenses		4 67 271	5 83 680
Consumable Stores		2 74 460	3 11 137
Job work charges		26 76 310	70 98 245
Pollution Plant Treatment		25 54 358	33 03 899
Repairs and Maintenance :			
Plant and Machinery	14 58 173		25 89 185
Building	2 16 450		1 04 642
Others	<u>2 99 984</u>		<u>4 83 886</u>
		19 74 607	<u>31 77 713</u>
Rates & Taxes		1 23 723	1 06 156
Insurance		35 35 868	44 75 551
Fees and Legal Expenses		17 16 871	24 32 670
Auditors' Remuneration		3 00 000	3 00 000
Travelling Expense		2 21 970	9 54 310
Commission and Discount		52 78 752	1 32 10 063
Freight Outward		1 00 56 157	1 74 40 882
Provision for Bad debt		3 41 910	0
Loss on assets sold / discarded		80 302	1 50 015
Other Expenses		28 91 778	37 28 396
Total		<u>4 64 83 448</u>	<u>7 61 91 420</u>
11 : INTEREST AND FINANCIAL CHARGES			
Interest :			
To Bank	1 11 31 522		1 02 78 141
On others	<u>7 22 894</u>		<u>7 72 650</u>
		1 18 54 416	<u>1 10 50 791</u>
Bank Charges & Commission		42 32 525	28 12 692
Total		<u>1 60 86 941</u>	<u>1 38 63 483</u>

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.

(f) Inventories

(i) Stock in trade comprising of raw materials (including goods in transit) and finished goods are valued at the lower of cost or net realizable value after making such provisions as required on account of damage, unserviceable and obsolete stocks. Value of raw material does not include excise duty, countervailing duty paid to the extent of which CENVAT credit is available. Excise duty on goods manufactured by the company and remaining in inventory is included as a 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.

(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, other than those relating to imported fixed assets 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 covers gratuity, for the benefit of the employees under the Group Gratuity Scheme, which is currently with Life Insurance Corporation (LIC) of India, and the contribution is determined as per actuarial valuation carried out by LIC at the end of the year.

(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.

DYNAMIC INDUSTRIES LIMITED

(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.

SCHEDULE : '13' NOTES FORMING PART OF ACCOUNTS

1. Contingent Liabilities and capital commitments

[Rs. In lacs]

Particulars	2007-2008	2006-2007
Contingent Liabilities :		
(a) Claims not acknowledge by the company - Income Tax (See Note-2 below)	74.71	74.71
- Custom Duty (See Note-3 below)	Indeterminable	NIL
(b) Custom Duty (Import under Advance Licenses Export Obligation Pending)	48.88	NIL
(c) Letter of Credit	496.57	239.33
Capital Commitments :		
Estimated amount of contracts remaining to be executed	NIL	NIL

2. The Income tax department has raised the demand of Rs.74.71 lacs pertaining to Assessment year 2002-2003 and 2003-2004, restricting the claim of tax exemption available u/s. 80HHC of Income Tax Act, 1961. The company has filed appeals with the appropriate authority.

3. During the year under review, 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 jobwork challan from the above parties but under sales invoices. The department also seized certain records related to jobwork for the Financial Year 2006-07 and 2007-08. Subsequent to year end, the company had deposited the sum of Rs.5,08,273/- under protest being custom duty, the company does not anticipate any further liability in this regard and therefore no provision was made in the books of account.

4. 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. 4,80,907/- (P.Y. Rs. 5,19,187/-) 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, 2008. [Amount in Rs.]

Particulars	2007 - 2008
Changes in the present value of obligation	
Present value of obligation (Opening)	16,13,571
Interest cost	1,33,120
Past service cost	NIL
Current service cost	1,73,442
Curtailment Cost / (Gain)	NIL
Settlement Cost / (Gain)	NIL
Benefits paid	(4,43,577)
Actuarial (Gain) / Loss	(77,357)
Present value of obligation (Closing)	13,99,199
Changes in the fair value of plan assets	
Present value of plan assets (Opening)	4,26,972
Expected return on plan assets	34,217
Actuarial Gain / (Loss)	(1,531)
Employers Contributions	-
Employees Contributions	-
Benefits paid	(93,577)
Fair Value of Plan Assets (Closing)	3,66,081
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 %
Others	-
Reconciliation of the present value of defined benefit obligation and the fair value of assets	
Present value of funded obligation as at the year end	3,66,081
Fair value of plan assets as at year end	3,66,081
Funded (Asset)/ Liability recognised in the balance sheet	
Present value of unfunded obligation as at the year end	10,33,118
Unrecognised past service cost	NIL
Unrecognised Actuarial (Gains) / Losses	-
Unfunded net liability recognised in the balance sheet	10,33,118
Amount recognised in the balance sheet	
Present value of obligation as at the year end	13,99,199
Fair value of plan assets as at the year end	3,66,081
(Asset) / Liability recognised in the balance sheet	(10,33,118)
Expenses recognised in the profit & loss account	
Current service cost	1,73,442
Past service cost	NIL
Interest cost	1,33,120
Expected return on plan assets	(34,217)
Curtailment Cost / (Credit)	-
Settlement Cost / (Credit)	-
Net Actuarial (Gain) / Loss	(75,826)
Employee's Contribution	-
Total expenses recognised in the profit and loss account	1,96,519
Principal actuarial assumption (Rate of Discounting)	
Rate of discounting	8.25 %
Expected return on plan assets	9.00 %
Rate of increase in salaries	5.00 %
Attrition Rate (Employees opting for early retirement)	-

This being the first year in which the Company has adopted the Revised Accounting Standard 15 on employee Benefits, Comparatives figures are not applicable.

DYNAMIC INDUSTRIES LIMITED

5. 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.

6. 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	Dytech International	Associate Concerns
7	Ornet Intermediate Ltd.	

(b) Transactions with related parties

Sr.No.	Nature of transaction	2007 - 2008	2006 - 2007
(i)	Managerial Remuneration		
	- Key Management Personnel	32,86,779	28,84,672
(ii)	Expenditure on other service		
	- Relatives of Key Management Personnel	4,68,432	3,19,001
(iii)	Loans Taken		
	- Key Management Personnel	36,87,643	5,80,360
	- Associate Concerns	90,625	-
(iv)	Loans repaid		
	- Key Management Personnel	3,03,896	49,65,221
	- Associate Concerns	53,48,489	44,41,143
(v)	Interest Paid		
	- Key Management Personnel	87,643	1,82,290
	- Associate Concerns	90,265	1,06,859
(vi)	Sales		
	- Associate Concerns	5,35,17,321	-
(vii)	Purchases		
	- Associate Concerns	1,24,60,858	-
(viii)	Outstanding Balances as at March, 31, 2008		
	Due to company (As Debtors)		
	- Associate Concerns	86,03,397	39,444
	Due by company (As unsecured loans)		
	- Key Management Personnel	36,71,014	4,67,627
	- Associate Concerns	69,811	-

7. Particulars of Earning per Share:

Particulars	2007 - 2008	2006 - 2007
Net Profit after tax and prior period adjustments (Rs.)	18,62,113	37,02,297
Number of equity shares	30,28,500	30,28,500
Nominal value of the share (Rs.)	10	10
Earning per Share (Rs.)	0.61	1.22

There is no change in the number of equity shares during the period.

8. 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.]			
	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		50,03,382		55,06,945
Expenditure u/s.43B of Income Tax Act, 1961	5,82,449		5,37,688	
Total	5,82,449	50,03,382	5,37,688	55,06,945
Net Deferred Tax Liability		44,20,933		49,69,257

9. 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.
10. Balance of sundry debtors, creditors, loans and advances are subject to confirmation.
11. 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. 32,86,779/- (P. Y. Rs. 28,84,672/-) during the period under review.

The Directors' Remuneration is made up of:

Particulars	2007 - 2008 Amount (Rs.)	2006 - 2007 Amount (Rs.)
(a) Salary	26,74,075	22,81,450
(b) Perquisites	4,14,329	3,81,788
(c) Provident Fund	1,30,656	1,65,603
(d) Gratuity	23,077	55,831
Total:	32,42,137	28,84,672

12. The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as of the year end together with interest paid / payable under this Act has not been given.
13. Auditor's Remuneration is made up of:

Particulars	2007 - 2008 Amount (Rs.)	2006 - 2007 Amount (Rs.)
(a) Audit Fees	2,25,000	2,25,000
(b) Tax Audit Fees	50,000	50,000
(c) Fees for other service	25,000	25,000
Total:	3,00,000	3,00,000

DYNAMIC INDUSTRIES LIMITED

14. 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	2007 - 2008		2006 - 2007	
	Qty. (Kgs.)	Value Amount	Qty. (Kgs.)	Value Amount
(a) Beta Nephthol	4 14 959	506.19	3 80 315	358.22
(b) 6 Nitro	3 73 768	876.01	3 12 345	445.66
(c) Others (contributing less than 10% of total consumption individually)		1322.39		2518.08
Total:		2704.59		3321.96

(B) Composition of Raw Materials Consumption

[Rs.in Lacs]

Particulars	2007 - 2008		2006 - 2007	
	Value Amount	Percentage (%)	Value Amount	Percentage (%)
Imported	1691.38	62.54	1767.77	53.21
Indigenous	1013.21	37.46	1554.19	46.79
Total:	2704.59	100.00	3321.97	100.00

(C) Turnover:

[Rs.in Lacs]

Particulars	2007 - 2008		2006 - 2007	
	Qty. (Kgs.)	Value Amount	Qty. (Kgs.)	Value Amount
I. SALES				
(a) Finished Goods:				
Dyes & Pigments				
• Export	16,21,025	2645.35	23,09,173	3395.80
• Local	4,05,886	683.34	3,96,156	518.17
Total :	20,26,911	3328.69	27,05,329	3913.97
(b) Traded Goods:				
Dyes & Pigments				
• Export	3,15,907	566.40	3,69,572	694.49
• Local	17,725	46.20	26,818	59.40
• Highseas	17,000	18.70	0	0
Total :	3,50,632	630.94	3,96,390	753.89
(c) Raw Materials:				
• Export	21,626	33.71	14,007	16.28
• Local	46,061	99.57	1,73,652	138.46
Total [a + b + c] :	24,45,230	4092.91	32,89,378	4822.60

II. PURCHASE OF TRADED GOODS

Dyes and Pigments	3,71,421	626.14	3,91,775	663.64
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(D) Stock of Finished Goods:

[Rs.in Lacs]

Particulars	2007 - 2008		2006 - 2007	
	Qty. (Kgs.)	Value Amount	Qty. (Kgs.)	Value Amount
Opening Stock- Dyes & Pigments	3,72,895	669.80	2,93,640	415.88
Closing Stock - Dyes & Pigment	2,60,286	627.54	3,72,895	669.80

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

Particulars	2007 - 2008	2006 - 2007
	(Kgs.)	(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)	19,10,712	27,89,200

Note : Installed capacity is based on a three 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	2007 - 2008	2006 - 2007
Raw Materials	1398.89	1558.24
Traded Goods	190.16	77.15

(G) Earning in Foreign Currency:

[Rs. in lacs]

Particulars	2007 - 2008	2006 - 2007
F.O.B. Value of Export	3192.11	4000.63

(H) Expenditure in Foreign Currency (on payment basis):

[Rs. in lacs]

Particulars	2007 - 2008	2006 - 2007
Travelling	0.28	1.74
Commission	26.66	160.96
Dividend	2.52	4.20

15. Balance Sheet Abstracts and Company's General Business Profile:

I. Registration Details:

Registration No.:11989

State Code: 04

Balance Sheet Date 31st March 2008

II. Capital Raised during the year

(Amount in Rs. Thousand)

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

DYNAMIC INDUSTRIES LIMITED

III. Position of mobilisation and Deployment of Funds

(Amount in Rs. Thousand)

Total Liabilities	265155	Total Assets	265155
Sources of Funds:		Application of Funds	
Paid-up Capital	30285	Net Fixed Assets	52803
Reserve and Surplus	76629	Investments	—
Secured Loan	150079	Net Current Assets	212352
Unsecured Loan	3741	Misc. Expenditure	—
Deferred Tax Liability	4421	Accumulated Losses	—

IV. Performance of Company

(Amount in Rs. Thousand)

Turnover and Other Income	431998	Total Expenditure	428844
(+) Profit/(Loss) before tax	3155	(+) Profit/(Loss) after tax	1862
Earning per share	0.61	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

16. 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.

As per our attached report of even date.

FOR AND ON BEHALF OF THE BOARD

FOR **G. K. CHOKSI & CO.**
Chartered Accountants

ROHIT K. CHOKSI
Partner

HARIN MAMLATDARNA
Chairman

DEEPAK CHOKSI
Vice Chairman

DINESH JAIN
Executive Director

Place : Ahmedabad
Date : 30-06-2008

Place : Ahmedabad
Date : 30-06-2008

DYNAMIC INDUSTRIES LIMITED

Registered Office : Plot no. : 5501/2, Phase III, GIDC, Vatva, Ahmedabad 382 445.

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall
19th Annual General Meeting, 30th September, 2008)

I hereby record my presence at the NINETEENTH ANNUAL GENERAL MEETING of the Company at 5501/2, Phase- III, GIDC, 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 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, GIDC, 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 NINETEENTH ANNUAL GENERAL MEETING of the Company to be held on **Tuesday, the 30th September, 2008** and at any adjournment thereof.

Signed this _____ day of _____ 2008

* 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

To, _____

If undelivered, Please return to :

DYNAMIC INDUSTRIES LIMITED

Regd Office : Plot no. : 5501/2, Phase III, GIDC, Vatva, Ahmedabad 382 445.