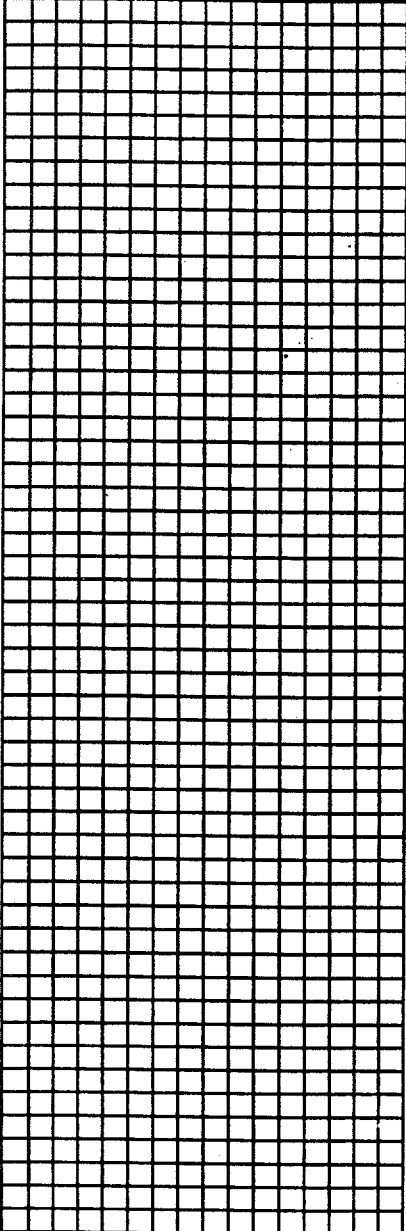


2008-2009

Dynamic Portfolio Management & Services Ltd.

ANNUAL REPORT



2008-2009

BOARD OF DIRECTORS : **SRI ARUN KR. AGARWAL**
SRI RAVI KR. NEWATIA
SRI RITESH KR. NEWATIA
SRI S. C. AGARWALA
SRI VIKAS KUMAR AGARWAL

PRINCIPAL BANKER : **INDUSIND BANK**

STATUTORY AUDITORS : **MUKESH CHOUDHARY & ASSOCIATES**
Chartered Accountants
"Commerce House"
2A, Ganesh Chandra Avenue
Kolkata - 700 013

REGISTERED OFFICE : **53-A, MIRZA GHALIB STREET**
4th Floor
Kolkata - 700 016

SHARE TRANSFER AGENTS : **MCS LTD.**
77/2A, Hazra Road
Kolkata - 700 029
Phone : 2476-7350-54
Fax : (91-33) 2474-7674

NOTICE

Notice is hereby given that the Annual General Meeting of the Members of the Company for the year ending 31.03.2009 will be held at its Registered Office at 53A, Mirza Ghalib Street, 4th Floor, Kolkata - 700 016 on 29th September 2009 at 10.30 A.M. to transact the following business :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2009 and the Profit and Loss Account of the Company for the year ended on that date together with the reports of the Auditors and Directors thereon.
2. To elect a Director in place of Mr. Ravi Kumar Newatia, who retires by rotation and being eligible offers himself for re-appointment.
3. To elect a Director in place of Mr. Arun Kumar Agarwal, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration :
Messrs, Mukesh Choudhary & Associates, Chartered Accountants, Auditors of the Company, retire and are eligible for re-appointment.

Registered Office :
53A, Mirza Ghalib Street,
Kolkata - 700 016
Dated the 26th August, 2009

By Order of the Board
SRI RITESH KR. NEWATIA
Director

Note :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead and the proxy need not be a Member of the Company. The Proxy form duly completed, must reach the Company's Registered Office at least 48 hours before the time of the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed on and from the 25th September 2009 to the 28th September 2009 (both days inclusive).
3. As per the amended provisions of the Companies Act, 1956 facility for making nominations is now available for the shareholders, in respect of Equity Shares, held by them. 'Nomination Forms' in the prescribed Form 2B under the provisions of the Companies (Central Government's) General Rules and Forms, 1999 can be obtained from the Registered Office of the Company situated at 53A, Mirza Ghalib Street, 4th Floor, Kolkata - 700 016.
4. Members are requested to bring their copies of Annual Report to the meeting.

DIRECTORS' REPORTFor the year ended 31st March 2009**TO THE SHAREHOLDERS.**

Your Directors have pleasure in presenting herewith their Annual Report and Audited Statement of Accounts of the Company for the year ended 31st March 2009.

FINANCIAL RESULTS:

	31.03.2009 (Rs)	31.03.2008 (Rs)
Turn over	12297932.00	9384138.43
Profit before Interest & Depreciation	(67305.76)	109660.65
Interest	—	—
Depreciation	127526.39	165281.44
Profit before Tax	(194832.15)	(55620.49)
Provision for Taxation (Including FBT & Deferred Tax)	23598.00	(4480.00)
Profit after Tax	(218430.15)	(51140.49)
Balance Carried to Balance	(1948731.85)	(1713846.70)

OPERATIONS:

Capital Markets in India continued to be volatile and this in turn affected the normal activities of the Company. The directors are quite hopeful about the improved results in the current financial year.

DIVIDEND:

Your directors do not recommend any dividends in view of loss during the year and earlier brought forward losses of the Company.

DEPOSITS:

Your Company has not accepted any "Public Deposits" within the meaning of Section 58A of the Companies Act, 1956.

DIRECTORS:

Mr. Ravi Kumar Newatia retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

Mr. Arun Kr Agarwal retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

AUDITORS:

M/s. Mukesh Chaudhuary & Associates, Chartered Accountants, Kolkata, the Auditors of the Company holds office until the conclusion of the Annual General Meeting and are eligible for re-appointment.

AUDITORS REPORT :

The comments made by the Auditors in their report have been duly explained in the attached Notes to Accounts and hence are not separately dealt with here.

DIRECTOR'S RESPONSIBILITY STATEMENT :

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Director's Responsibility Statement, it is hereby confirmed that:

- i. That in the preparation of the annual accounts for the financial year ended 31st March 2009; the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- ii. That the Directors had selected such accounting policies and applied them consistently, and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the State of Affairs of the Company at the end of the financial year and of the Losses of the Company for the year under review;
- iii. That the Directors had taken proper 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;
- iv. That the Directors had prepared the accounts for the financial year ended 31st March, 2009 on the "Going Concern Basis".

LISTING ARRANGEMENTS:

The Company's shares are listed on the Calcutta, Mumbai & Guwahati Stock Exchanges. The Annual listing fees in respect of the above mentioned exchanges have been paid up to the date except to Guwahati Stock Exchange.

CORPORATE GOVERNANCE:

The members are aware of the Corporate Governance Code which has come into existence for the listed companies pursuant to the recommendations of the Kumar Mangalam Birla Committee Report. As per schedule of implementation, the recommendation of the committee has been applicable to your Company since financial year 2001-2002 onwards. Since your Board of Directors believes in transparency and shareholders right to information about the activities and progress of the Company, the process of implementation has been in process since the last financial year. Accordingly, available information pursuant to various recommendations of the committee is provided in this Annual Report in Annexure 'A'.

PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956:
The Company has no employee of the category specified in Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

OTHER STATUTORY DISCLOSURES:

The particulars of Conservation of Energy and Technology Absorption in terms of Section 217(1)(e) are not applicable to your Company.

Further there has been no inflow and outflow of foreign exchange during the year under review.

Registered Office :
53A, Mirza Ghalib Street,
Kolkata - 700 016
Dated the 26th August, 2009

For and on behalf of the Board
SRI RITESH KR. NEWATIA
Director

Annexure 'A' to DIRECTORS' REPORT
Report on the Corporate Governance:

The Company has a five member Board of Directors which discharges its functions independently from the executive management. These directors also hold directorships in other companies in accordance with the permissible limits.

The appointment or re-appointment of directors is approved by the members in the General Meetings. They retire by rotation periodically in terms of the provisions of the law.

These directors do not draw any remuneration from the Company.

There is a well laid procedure for convening and conducting Board Meetings. Agenda papers with all relevant details of items listed for discussion at each meeting are circulated to the Directors well in advance. In the meetings, Directors freely express their views and offer suggestions on various matters concerning the Company. During the year 2008 - 2009, twelve board meetings were held and all the Directors were present at all such meetings.

The Board has already constituted Audit and Share Transfer Committees. Audit Committee shall have the responsibility of reviewing the audit reports submitted by the internal auditors and shall take appropriate action on the audit observations. Share Transfer Committee shall approve transfer of shares, sub-division / renewal of certificates, liaisoning with Registrar and Share Transfer Agents and allied matters.

Important matters like book closure, meetings are notified through newspapers from time to time for shareholders' information.

Last Annual General Meeting (AGM) of the Company was held at the Registered Office of the Company on the 30th September 2008 and was attended by all the Directors. The earlier two AGM's held respectively on 29.09.2007 and 29.09.2006 was also attended by all the Directors.

Registered Office :
53A, Mirza Ghalib Street,
Kolkata - 700 016
Dated the 26th August, 2009

For and on behalf of the Board
SRI RITESH KR. NEWATIA
Director

AUDITOR'S REPORT**To The Members of DYNAMIC PORTFOLIO MANAGEMENT & SERVICES LTD:**

We have audited the attached Balance Sheet of Dynamic Portfolio Management & Services Limited, as at 31st March 2009 and the Profit & Loss Account and also the Cash Flow Statement 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.

We conducted our audit in accordance with the 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 misstatement. 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 (as amended by the Companies (Auditor's Report) (Amendment) Order, 2004) issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to 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 purpose of our audit;
 - b) In our opinion, proper books of accounts, as required by law have been kept by the Company, so far as appears from our examination of those books;
 - c) The Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the books of accounts;
 - d) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.
 - e) On the basis of written representations received from the directors of the Company, as on 31st March 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as at 31st March 2009 from being appointed as a director in terms of Section 274(1) (g) of the Companies Act, 1956.

- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with significant accounting policies and notes thereto, 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:-
- i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2009;
 - ii. In the case of the Profit & Loss Account, of the 'Loss' of the Company for the year ended on that date; and
 - ii. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For MUKESH CHOUDHARY & ASSOCIATES
CHARTERED ACCOUNTANTS

"Commerce House"
2A, Ganesh Chandra Avenue
Kolkata - 700 013
Dated, the 26th August, 2009

RANJIT KUMAR MODI
Partner
Membership No. 06 2254

[Annexure to the Auditors' Report]

1. **In respect of its fixed assets:**
 - (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) Fixed assets have been physically verified by the management at reasonable intervals; No material discrepancies were noticed on such verification.
 - (c) No substantial part of fixed assets have been disposed off during the year, and it has not affected the going concern.
2. **In respect of its inventories:**
 - (a) Inventory has been physically verified by the management at reasonable intervals during the year.
 - (b) Company is maintaining proper records of inventory. No material discrepancies were noticed by us.
3. **In respect of loans granted and taken to / from parties covered in the register maintained u/s 301 of the Companies Act, 1956.**

The company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained u/s 301 of the companies Act-1956.
4. **In respect of internal control**

In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
5. **In respect of contracts or arrangements need to be entered into a register maintained u/s 301 of the Companies Act, 1956**
 - (a) According to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register maintained under that section.
 - (b) In our opinion and according to the information and explanations given to us, the transaction made in pursuance such contracts or arrangements entered in the register maintained under Section 301 of the companies Act, 1956 and exceeding the value of Rupees five lacs or more in respect of each party during the year, have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. **In respect of deposits from public**

The company has not accepted any deposits from the public. Hence the provisions of Section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 and any other relevant provisions of the Act, with regard to the deposits accepted from the public are not applicable to the company.
7. **In respect of internal audit system**

In our opinion, the Company has an internal audit system commensurate with its size and nature of business.
8. **In respect of maintenance of cost records**

The Company is not required to maintain cost records pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209 (1)(d) of the Act.
9. **In respect of statutory dues**
 - (a) The company is regular in depositing the undisputed statutory dues including Provident fund, Employees State Insurance, Investor Education Protection Fund, Income tax, Sales Tax, Wealth Tax, Service tax, Custom Duty, Excise duty, Cess and other material statutory dues applicable to the Company with the appropriate authorities. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.
 - (b) According to the records of the Company there are no dues of income tax, Sales tax, Service tax, Custom Duty, Excise duty and Cess that have been not been deposited on account of any dispute.

- 10. In respect of accumulated losses and cash losses**
In our opinion, the accumulated losses of the Company are not more than fifty per cent of its net worth. The Company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- 11. In respect of dues to financial institution / banks / debentures**
In our opinion and according to the information and explanations given to us, The company has not defaulted in repayment of dues to financial institution, or a bank.
- 12. In respect of loans and advances granted on the basis of security**
In our opinion and according to the information and explanations given to us, During the year, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13. In respect of provisions applicable to Chit fund**
In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the company.
- 14. In respect of dealing or trading in shares, securities, debentures and other investment**
In our opinion, the company has maintained proper records of transactions and contracts in respect of trading in shares, securities, debentures, and other investments and timely entries have been made therein. All shares securities debentures and other investments have been held by the Company in its own name.
- 15. In respect of guarantee given for loans taken by others**
On the basis of records examined by us and information provided by the management, we are of the opinion that the company has not given guarantees for loans taken by other from banks or financial institutions.
- 16. In respect of application of term loans**
Based on information and explanations given to us by the management, no term loans were applied for the purpose for which the loans were obtained.
- 17. In respect of fund used**
According to the information and explanations given to us and on overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
- 18. In respect of preferential allotment of shares**
The company has not made any preferential allotment of shares to parties and companies covered in the register maintained u/s 301 of the Act, during the year.
- 19. In respect of securities created for debentures**
The company has not issued any debentures during the year. Therefore provisions of clause 4(xix) of the Order are not applicable to the company.
- 20. In respect of end use of money raised by public issues**
The company has not raised any money from the public during the year under audit.
- 21. In respect of fraud**
According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the year.

For MUKESH CHOUDHARY & ASSOCIATES
CHARTERED ACCOUNTANTS

"Commerce House"
2A, Ganesh Chandra Avenue
Kolkata - 700 013
Dated, the 26th August, 2009

RANJIT KUMAR MODI
Partner
Membership No. 06 2254

BALANCE SHEET as at 31-03-2009

	Schedule No.	As at 31.03.2009 (in Rupees)	As at 31.03.2008 (in Rupees)
SOURCES OF FUNDS			
SHAREHOLDER'S FUNDS Share Capital	1	116,129,450.00	116,129,450.00
TOTAL FUNDS EMPLOYED :		11,61,29,450.00	116,129,450.00
APPLICATION OF FUNDS			
FIXED ASSETS	2		
Gross Block		1,339,083.00	1,710,259.00
Less : Depreciation :		1,286,823.12	1,159,296.73
Net Block		52,259.88	550,962.27
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	3	29,429,122.00	21,437,922.00
Sundry Debtors	4	649,433.00	441,732.00
Cash and Bank Balances	5	(15,824.36)	143,353.40
Loans and Advances	6	84,547,182.63	95,394,886.63
		1,14,609,913.27	1,17,417,894.03
LESS : CURRENT LIABILITIES AND PROVISIONS	7	479,809.00	3,523,498.00
NET CURRENT ASSETS		1,14,130,104.27	1,13,894,396.03
PROFIT & LOSS ACCOUNT		1,948,731.85	1,713,846.70
Deferred Tax Asset / (Liability)		(1,646.00)	(29,755.00)
TOTAL ASSETS :		116,129,450.00	116,129,450.00
Significant Accounting Policies & Notes on Accounts	11		

The Schedules 1 to 7 & 11 referred to above form an integral part of the Balance sheet. This is the Balance sheet referred to in our report of event date.

As per our report of even date
For **MUKESH CHOUDHARY & ASSOCIATES**
CHARTERED ACCOUNTANTS

Dated, the 26th August, 2009
Place : Kolkata

RANJIT KUMAR MODI
Partner
Membership No. 06 2254

SRI ARUN KR. AGARWAL
SRI RAVI KR. NEWATIA
SRI RITESH KUMAR NEWATIA
Director

PROFIT & LOSS ACCOUNT for the year ended 31-03-2009

	Schedule No.	As at 31.03.2009 (in Rupees)	As at 31.03.2008 (in Rupees)
INCOME			
Sales		6,278,750.00	2,555,000.00
Increase / (Decrease) in Stock	8	7,991,200.00	(2,434,500.00)
Other Income	9	6,019,182.00	6,829,138.43
TOTAL		20,289,132.00	6,949,638.43
EXPENDITURE			
Purchases		19,391,200.00	6,223,250.00
Employees Remuneration Benefits		322,738.00	269,783.00
Operating & Administrative Expenses	10	642,499.76	346,944.48
Depreciation	2	127,526.39	165,281.44
TOTAL		20,483,964.15	7,005,258.92
PROFIT BEFORE TAX		(194832.15)	(55,620.92)
Provision for Taxation			
Current Tax Liability		31,506.00	8,730.00
Deferred Tax (Asset) / Liability		(28,109.00)	(25,911.00)
Fringe Benefit Tax		20,201.00	12,701.00
PROFIT AFTER TAX		(218,430.15)	(51,140.49)
Taxes for Earlier years		(14,895.00)	-
Interest on F. B. T.		(1,560.00)	(795.00)
Brought forward from the last year		(1,713,846.70)	(1,661,911.21)
Balance carried over to Balance Sheet		(1,948,731.85)	(1,713,846.70)
Earning Per Share (E.P.S.)		(0.0187)	(0.0044)
Significant Accounting Policies & Notes on Accounts	11		

The Schedules 8 to 10 & 11 referred to above form an integral part of the Profit & Loss Account.
This is the Profit & Loss Account referred to in our report of even date.

As per our report of even date
For **MUKESH CHOUDHARY & ASSOCIATES**
CHARTERED ACCOUNTANTS

Dated, the 26th August, 2009
Place : Kolkata

RANJIT KUMAR MODI
Partner
Membership No. 06 2254

SRI ARUN KR. AGARWAL
SRI RAVI KR. NEWATIA
SRI RITESH KUMAR NEWATIA
Director

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

	As at 31.03.2009 (in Rupees)	As at 31.03.2008 (in Rupees)
SCHEDULE - 1		
SHARE CAPITAL		
Authorised Share Capital		
12110000(P.Y. 12110000) Equity Shares of the 10/- each	121,100,000.00	121,100,000.00
Issued, Subscribed & Paid Up		
11691800 (P.Y. 11691800) Equity Shares of Rs. 10/- each fully paid up in cash	116,918,000.00	116,918,000.00
Less : Calls in Arrear	788,550.00	788,550.00
	116,129,450.00	116,129,450.00

Schedule Of Depreciation As Per Companies Act, 1956

SCHEDULE - 2
DETAILS OF FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 01-04-2008 (Rs.)	Additions	Deletions	Cost as on 31.03.2009	Upto 01-04-2008 (Rs.)	For the year (Rs.)	Total (Rs.)	As at 31-03-2009	As on 31-03-2008
Motor Vehicles	1,648,349.00	-	371,176.00	1,277,173.00	1,136,055.46	119,897.38	1,255,952.84	21,220.16	512,293.54
Computer	40,910.00	-	-	40,910.00	21,184.50	6,631.51	27,816.01	13,093.99	19,725.50
Air Conditioner	21,000.00	-	-	21,000.00	2,056.77	997.50	3,054.27	17,945.73	18,943.23
Total	1,710,259.00	-	371,176.00	1,339,083.00	1,159,296.73	127,526.39	1,286,823.12	52,259.88	550,962.27
Previous Year's Total	1,689,259.00	21,000.00	-	1,710,259.00	994,015.29	165,281.44	1,159,296.73	550,962.27	695,243.71

SCHEDULES ANNEXED TO AND FORMING OF THE ACCOUNTS

	As at 31.03.2009		As at 31.03.2008	
	No. of Shares	Amount (in Rupees)	No. of Shares	Amount (in Rupees)
3. INVENTORIES (As taken, valued & certified by the management)				
<u>UNQUOTED SHARES (At Cost)</u>				
Ambaa Securities Pvt. Ltd.	103,600	155,400.00	-	-
Bharat Seeds Ltd.	-	-	168,750	6,750,000.00
Century Vision Pvt. Ltd.	-	-	75,000	3,000,000.00
Chowdhury Vinimay Pvt Ltd	20,000	1,000,000.00	-	-
Darshan Vyapaar Pvt. Ltd.	96,700	145,050.00	-	-
Indo Arya Central Transport Ltd	18,550	2,788,750.00	18,550	2,788,750.00
Indo Polysacks Pvt. Ltd.	6,000	300,000.00	-	-
Jhunjhunwala Resorts Ltd	1,500	1,200,000.00	1,500	1,200,000.00
Jwel Moulders & Holdings Pvt. Ltd.	232,300	348,450.00	232,300	348,450.00
Matashree Metals Pvt. Ltd.	2,000	200,000.00	-	-
NBD Securities Pvt. Ltd.	-	-	25,000	500,000.00
Ocean Steel Pvt. Ltd.	37,500	1,500,000.00	37,500	1,500,000.00
Princep Trade & Finance Pvt. Ltd.	28,750	2,300,000.00	28,750	2,300,000.00
Ritesh Commercial Holdings Ltd.	200,361	400,722.00	200,361	400,722.00
Ritesh Projects Pvt. Ltd.	-	-	5,000	500,000.00
Rastra Udyog Ltd.	725,000	15,768,750.00	-	-
Ritesh Exim Pvt. Ltd.	68,000	102,000.00	-	-
Royal Infra Construction Ltd.	1,500	120,000.00	-	-
S.M. Niryat Pvt. Ltd.	15,000	1,500,000.00	15,000	1,500,000.00
Suman Securities Pvt. Ltd.	10,000	500,000.00	-	-
Shiv Shankar Securities Pvt. Ltd.	11,000	1,100,000.00	-	-
Speed Business Pvt. Ltd.	-	-	6,500	650,000.00
Total	1,577,761	29,429,122.00	814,211	21,437,922.00

SCHEDULES ANNEXED TO AND FORMING OF THE ACCOUNTS

	As at 31.03.2009 (in Rupees)	As at 31.03.2008 (in Rupees)
SUNDRY DEBTORS - 4		
(Unsecured considered good)		
Due for exceeding six months	649,433.00	441,732.00
Other Debts	649,433.00	441,732.00
SCHEDULE - 5		
Cash & Bank Balances		
Cash in hand (As certified by management)	12,509.67	120,830.07
Balances with scheduled banks		
Standard Chartered Bank	13,320.26	13,320.26
Industrial Bank	(42,432.29)	8,425.07
The Mysya Bank Ltd.	778.00	778.00
	(15,824.36)	143,353.40
SCHEDULE - 6		
LOANS & ADVANCES		
LOANS	53,102,060.00	62,869,359.00
(Unsecured considered good)		
ADVANCES		
(Advances recoverable in Cash or in kind or for value to be received)		
Tax Deducted at Sources	3,289,836.63	3,870,241.63
Advance Income Tax	45,913.00	45,913.00
Flat Advance	-	500,000.00
Other Advance	28,103,373.00	28,103,373.00
Sales Tax Deposit	6,000.00	6,000.00
	84,547,182.63	95,394,886.63
SCHEDULE - 7		
CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES		
Creditors for Expenses	7,000.00	13,461.00
Sundry Creditors	-	3,068,750.00
Other Liabilities	11,242.00	11,242.00
	18,242.00	3,093,453.00
PROVISIONS		
Provision for Taxation	294,878.00	278,856.00
Provision for N.P.A	148,488.00	148,488.00
Provision for Fringe Benefit Tax	18,201.00	2,701.00
	461,567.00	430,045.00
	479,809.00	3,523,498.00

DYNAMIC PORTFOLIO MANAGEMENT & SERVICES LIMITED

2008-2009

SCHEDULES ANNEXED TO AND FORMING OF THE ACCOUNTS

	As at 31.03.2009 (in Rupees)	As at 31.03.2008 (in Rupees)
SCHEDULE - 8		
INCREASE / (DECREASE) IN STOCK		
Closing Stock	29,429,122.00	21,437,922.00
Less: Opening Stock	21,437,922.00	23,872,422.00
	7,991,200.00	(2,434,500.00)
SCHEDULE - 9		
OTHER INCOMES		
Interest Received	5,114,933.00	6,327,196.43
(Including TDS Rs. 1,016,596/- Previous Year Rs. 1,266,213/-)	760,444.00	492,454.00
Commission Income	141,721.00	9,488.00
(Including TDS Rs. 78,326/- Previous Year Rs. 50,722/-)	2,084.00	-
Interest on I.T.Refund	6,019,182.00	6,829,138.43
Dividend Income		
	299,000.00	258,000.00
	23,738.00	11,783.00
	322,738.00	269,783.00
EMPLOYEES REMUNERATION & BENEFITS		
Salary & Bonus		
Tea & Tiffin Expenses		
SCHEDULE - 10		
Selling & Administrative Expenses		
Auditors Remuneration	6,000.00	6,000.00
for Statutory Audit	1,000.00	1,000.00
for Tax Audit	7,000.00	7,000.00
	3,000.00	-
Accounting Charges	1,445.00	917.00
Advertisement	262.36	3,924.98
Bank Charges	90,144.00	102,917.00
Car Expenses	2,000.00	11,500.00
Filling Fees	39,539.00	14,779.00
General Expenses	109,944.00	65,000.00
Listing Fees	216,176.00	-
Loss on Sale of Car	25,300.00	14,840.00
Meeting Expenses	-	44,944.00
NSDL/CDSL Listing Fees	3,641.40	16,209.50
Office Expenses	25,042.00	7,286.00
Postage & Stamps	18,300.00	7,500.00
Printing & Stationery	26,890.00	25,844.00
Registrar & Transfer Agent Fees	-	16,500.00
Repairing & Maintenance	-	2.00
Sundry Balance W/off	1,850.00	440.00
Rates & Taxes	71,966.00	7,341.00
Travelling & Conveyance	642,499.76	346,944.48

SCHEDULE – 11**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

Annexed to and forming part of Balance Sheet as at 31st March 2009 and Profit & Loss Account for the year ended on that date.

1. Basis of Accounting:-

The accounts are prepared under historical cost convention, on a going concern basis, and in accordance with the provisions of the Companies Act, 1956 and the applicable accounting standards issued by the Institute of Chartered Accountants of India.

2. Fixed Assets:-

Fixed Assets are stated at cost less depreciation. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use i.e. cost of acquisition of assets including interest on borrowing and incidental expenditure during construction incurred up to the date of commissioning.

3. Depreciation:-

The Company has charged depreciation on the SLM method in accordance with the rates and in the manner specified in schedule XIV of the Companies Act, 1956.

4. Inventories:-

Inventories, consisting of Shares, have been valued as under:

Quoted Shares	: At Cost or Market Price, whichever is lower
Unquoted Shares	At Cost

5. Revenue Recognition:-

Item of income & expenditure are generally recognized on accrual basis, refunds and claims are recognized on actual basis.

6. Auditor's Remuneration:-

For Statutory Audit
For Tax Audit

Rs.6,000/-

Rs.1,000/-

Rs.7,000/-

=====

1. Taxation:-

Current Tax is determined as the tax payable in respect of taxable income for the year. Deferred tax for the year is calculated on the basis of Timing Difference, Being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax Assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred Tax Assets are recognized and carried forward only if there is a reasonable/ virtual certainty of realization.

2. Gratuity:-

No provision for gratuity is made since it will be considered on cash basis.

3. Contingent Liabilities:-

There are no contingent liabilities, which are considered significant and material by the company.

4. There is no outstanding due to Small Scale Industrial Undertakings.

11. Related Party Disclosure

The Institute of Chartered Accountants of India has issued Accounting Standard 18 on related party disclosures, the details in this regard are as follows:

Name of the Related Parties:- Key Management Personnel:

- i) Mr. Arun Kumar Agarwal, Director
- ii) Mr. Ritesh Kumar Newatia, Director
- iii) Mr. Ravi Kumar Newatia, Director
- iv) Mr. S.C. Agarwalla, Director

Enterprises over which Key Management Personnel have Significant influence:

- i) Ritesh Commercial Holdings Ltd.
- ii) Darshan Vyapaar Pvt. Ltd.
- iii) Charishma Combines Pvt. Ltd.
- iv) Pluto Finance Pvt. Ltd.
- v) Rani Sati Mercantile Pvt. Ltd.
- vi) Rupali Trade & Holding Pvt. Ltd.
- vii) Shree Balaji Mercantile Pvt. Ltd.
- viii) Speed Business Pvt. Ltd.
- ix) Shiv Shankar Securities Pvt. Ltd.
- x) VPL Oil Marketing Pvt Ltd.
- xi) Ritesh Properties Pvt. Ltd.
- xii) Ritesh Projects Pvt. Ltd.
- xiii) Ritesh Nirman Pvt. Ltd.

Aggregated related party disclosures:

Nature of Transactions: SHORT TERM ADVANCES

There has been some advances given to some of the above parties and the same has been duly received by the company and there is no outstanding as on 31.03.2009.

Nature of Transactions: PURCHASE & SALES

The Company has purchased shares amounting to Rs.1.20 Lac from One Enterprise and sold shares amounting to Rs.7.73 Lacs to two enterprises in which key management personnel are interested during the year.

12. Earnings Per Shares

The Earnings per Share Computed as per the requirements under Accounting Standard 20 issued by The Institute of Chartered Accountants of India is as under:

	Year Ended 31.03.2009	Year Ended 31.03.2008
Net Profit After Tax (Rs.)	2,18,430/-	51,140/-
Number of Shares (No's)	11691800	1169800
Basic/Diluted EPS (on nominal value of Rs. 10/- per share)	(0.0187)	(0.0044)

13. In opinion of the board of directors, current assets, Loans & Advances are stated at a value which shall be realized if they are sold in the ordinary course of business. The provision for depreciation and known liabilities are adequate and not in excess of amounts considered reasonably necessary.

14. i) Provisions under Expenditure in the Profit & Loss Account include for Non Performing Assets in accordance with the RBI Directions on Non – Banking Financial Companies: Rs. Nil (Previous Year Rs. Nil)

ii) Provisions for Non Performing Assets in Schedule – 7 to the balance sheet includes for certain Advances / Debtors, etc Rs. 1,48,488/- (Previous Year Rs. 1,48,488/-)

15. Balance with a few parties in Loans and advances are subject to confirmation.

16. Balance in Vysya Bank (Refund A/c) in unconfirmed.

17. Quantitative Information of Items dealt with:

	As at 31.03.2009 (No. of Shares)	As at 31.03.2008 (No. of Shares)
Opening Stock	814211	96871
Purchases	1043800	91750
Sales	280250	246250
Closing Stock	1577761	814211

18. Previous year figures have been regrouped / classified wherever necessary.

19. The Balance Sheet abstract and companies' general business profile as required by part IV of schedule VI to the Companies Act, 1956 are given in the annexure.

For MUKESH CHOUDHARY & ASSOCIATES
CHARTERED ACCOUNTANTS

Dated, the 26th August, 2009
Place : Kolkata

RANJIT KUMAR MODI
Partner
Membership No. 06 2254

PART IV
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details			
Registration No.	: 063178	State Code	: 21 (Refer Code List)
Balance Sheet Date	: 31-03-09		
II. Capital raised during the year ('000)			
Public Issue	: 0.00	Rights Issue	: 0.00
Bonus Issue	: 0.00	Private Placement	: 0.00
III. Position of Mobilisation and Deployment of Funds ('000)			
Total Liabilities	: 116129.45	Total Assets	: 116129.45
Sources of Funds	:		
Paid-up Capital	: 116129.45	Reserves & Surplus	: 0.00
Secured Loans	: 0.00	Unsecured Loans	: 0.00
Share Application Money	: 0.00		
Application of Funds			
Net Fixed Assets	: 0.00	Investments	: 0.00
Net Current Asset	: 114130.10	Misc. Expenditure	: 0.00
Accumulated Losses	: 1948.73	Deferred Tax Liability/Asset	: (1.64)
IV. Performance of Company ('000)			
Turnover	: 12297.93	Total Expenditure	: 20483.96
+ - Profit/ Loss before tax	: -194.83	+ - Profit/ Loss after tax	: -218.43
here + for profit and - for Loss			
Earning per Share in Rs.	: (0.02)	Dividend Rate (%)	: 0.00
V. Generic Names of Three principal products/ Services of Company (as per monetary terms)			
Item Code No.	: N.A.		
(ITC Code)	:		
Product	:		
Description	:		
Item Code No.	:		
(ITC Code)	:		
Product	:		
Description	:		
Item Code No.	:		
(ITC Code)	:		
Product	:		
Description	:		

Note : For ITC Code of products please refer to the publication Indian Trade Classification based on harmonized commodity description and coding system by Ministry Commerce, directorate general of Commercial Intelligence & Statistics, Calcutta- 700001

As per our report of even date
For MUKESH CHOUDHARY & ASSOCIATES
 CHARTERED ACCOUNTANTS

Dated, the 26th August, 2009
 Place : Kolkata

RANJIT KUMAR MODI
 Partner
 Membership No. 06 2254

SRI ARUN KR. AGARWAL
SRI RAVI KR. NEWATIA
SRI RITESH KUMAR NEWATIA
 Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2009

	As at 31.03.2009 (in Rupees)	As at 31.03.2008 (in Rupees)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
1) Net Profit /(Loss) before Tax and extraordinary items	(194,832.00)	(55,620.00)
Adjustments for:		
Depreciation	127,526.00	165,281.00
Loss on Sale of Car	216,176.00	-
Deferred Tax	(28,109.00)	-
Operating Profit before changes in working capital	120,761.00	109,661.00
Adjustments for:		
Sundry Debtors	(207,701.00)	333,268.00
Inventories	(7,991,200.00)	2,434,500.00
Advances & Others	10,855,704.00	(24,500,000.00)
Loans	-	18,748,241.00
Other Liabilities	(3,075,211.00)	3,065,819.00
3) Cash Used in Operations	(297,647.00)	191,439.00
Interest Paid	(16,530.00)	(1,119,403.00)
Taxes Paid	(314,177.00)	(927,914.00)
4) Cash flow before extraordinary items	(314,177.00)	(927,914.00)
Net Cash used in Operating Activities (A)	(314,177.00)	(927,914.00)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	-	(21,000.00)
Sales of Fixed Assets	155,000.00	-
Net Cash Generated in Investing Activities (B)	155,000.00	(21,000.00)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Car Loan	-	-
Net Cash Generated from Financing Activities (C)	-	-
Net Increase/Decrease in Cash & Cash Equivalents (A+B+C)	(159,177.00)	(948,914.00)
Cash & Cash Equivalents - Opening Balance	143,353.00	1,092,267.00
Cash & Cash Equivalents - Closing Balance	(15,824.00)	143,353.00

As per our report of even date
For **MUKESH CHOUDHARY & ASSOCIATES**
CHARTERED ACCOUNTANTS

RANJIT KUMAR MODI
Partner
Membership No. 06 2254

SRI ARUN KR. AGARWAL
SRI RAVI KR. NEWATIA
SRI RITESH KUMAR NEWATIA
Director

Dated, the 26th August, 2009
Place : Kolkata

ATTENDANCE SLIP

DYNAMIC PORTFOLIO MANAGEMENT & SERVICES LIMITED

Regd. Office : 53A, Mirza Ghalib Street, 4th Floor, Kolkata - 700 016

Folio No. :

Name & Address of the Member :

I hereby record my presence at the 12th Annual General Meeting of the company held at its Registered Office, at 53A, Mirza Ghalib Street, 4th Floor, Kolkata - 700 016 on 29th September, 2009 at 10.30 A.M.

Signature of Member / Proxy (Name).....

NOTE:

1. Please sign this attendance slip and hand it over at the verification counter of the Meeting Hall.

PROXY FORM

I/We, in the district of being a member of Dynamic Portfolio Management & Services Limited hereby appoint Shri of in the District of of failing his Shri of in the Annual of an my/our Proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 29th September, 2009 at 10.30 A.M. at the Regd. Office at 53A, Mirza Ghalib Street, 4th Floor, Kolkata - 700 016.

Signed this day of 2009

Signature of Member :

Affix
1 Rs.
Revenue
Stamp

NOTE:

1. The proxy from signed across 1 Rs. stamp should reach Company's Registered Office at least 48 hours before the schedule time of Meeting.
2. The form should be signed across the stamp as per specimen signature registered with the Company.
3. A proxy need not be a member.
4. The above Attendance Slip should be sent to the Proxy appointed by you and not to the Company.