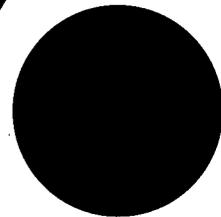
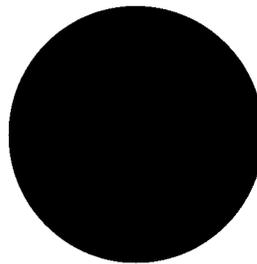
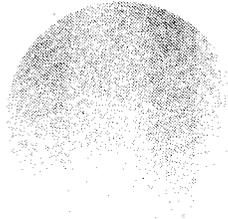


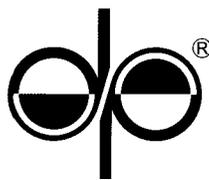
19TH
ANNUAL REPORT 2008-09



THE NAME BEHIND

COLOURS OF

MODERN LIFE



DYNEMIC
PRODUCTS LTD.

CONTENTS

Director's Report	03
Management Discussion & Analysis	05
Report on Corporate Governance	07
Auditors Report	16
Balance Sheet	19
Profit & Loss Account	20
Cash Flow Statement	21
Schedules forming part of Accounts	22
Notes forming part of the Accounts	30
Statement Pursuant to Section 212 of Companies Act, 1956	37
Auditor's Report on Consolidated Financial Statement	39
Consolidated Balance Sheet	40
Consolidated Profit & Loss Account	41
Consolidated Cash Flow Statement	42
Notice of Annual General Meeting	59

BOARD OF DIRECTORS

Bhagawandas K. Patel	-	Chairman & Managing Director
Dasharathbhai P. Patel	-	Whole Time Director
Rameshbhai B. Patel	-	Whole Time Director
Shashikant P. Patel	-	Whole Time Director
Dixit B. Patel	-	Whole Time Director
Jagadishbhai S. Shah	-	Director
Hitendra H. Sheth	-	Director
Harish K. Shah	-	Director
Vishnubhai G. Patel	-	Director
Shankarlal B. Mundra	-	Director

AUDITORS

SHAH RAJESH & ASSOCIATES CHARTERED ACCOUNTANTS

4, Third Floor, Rambha Complex, Opp. : Gujarat Vidhyapith,
Ashram Road, Ahmedabad - 380 014.

BANKERS

Citibank N. A. : C. G. Road Branch, Ahmedabad.
HDFC Bank Ltd. : S. G. Road Branch, Ahmedabad.

REGISTERED OFFICE

B-301, Satyamev Complex-I, Opp. New Gujarat High Court ,
S. G. Road, Sola, Ahmedabad - 380 060.

PLANT LOCATION

Unit-1 : 6401/15/16 GIDC Estate, Ankleshwar.
Unit-2 : 3709/6, 3710/1, 3710/3, GIDC Estate, Ankleshwar.

REGISTRAR & TRANSFER AGENT

Bigshare Services Pvt. Limited
E-2 Ansa Industrial Estate, Sakivihar Road,
Saki Naka, Andheri (E), Mumbai - 400 072.

SHARE LISTED AT

The Bombay Stock Exchange Limited

DIRECTORS' REPORT

To,

Dear Shareholders,

Your Directors are pleased to present the 19th Annual Report and Audited Accounts for the year ended 31st March, 2009.

FINANCIAL RESULTS :

Particulars	Year Ended March 31	
	2009	2008
Sales And Other Income	49,67,28,713	36,52,32,709
Profit Before Depreciation & Prel. Exps W/Off	4,14,42,880	3,60,49,412
Less: Depreciation	96,12,421	50,61,828
Preliminary Expenses Written Off	59,451	1,44,983
Profit Before Tax	3,17,71,008	3,08,42,601
Less: Provision for Taxation		
Current Income Tax A/c	61,65,000	1,07,40,000
Deferred Income Tax A/c	64,46,077	14,54,614
Fringe Benefit Tax	1,55,038	1,50,610
Net Profit After Tax	1,90,04,892	1,84,97,377
Add: Balance of Profit of Previous Year	4,73,00,845	4,29,16,522
Add/ (Less) : Taxation of earlier years	47,781	3,71,663
Profit Available for Appropriation	6,62,57,956	6,17,85,562
Less: Appropriations:		
Transfer to General Reserve	12,31,000	12,31,000
Proposed Dividend	1,13,28,449	1,13,28,449
Tax on Dividend	19,25,270	19,25,270
Balance Carried to Balance Sheet	5,17,73,237	4,73,00,843

DIVIDEND:

The Board is pleased to recommend a dividend of 10% (Rs 1/- per Equity Share) for the year 2008-09 on the expanded capital. If approved by the Shareholders at the Annual General Meeting, Dividend will absorb Rs 132.54 Lacs inclusive of the Dividend Distribution Tax borne by the Company.

FINANCIAL REVIEW:

Sales turnover of Rs. 4911.22 Lacs for the year ended 31st March, 2009 showed a growth of 34.27% over the previous year turnover of Rs. 3657.69 Lacs. Export sale for the year is 66.35% of Net Sales which stood at Rs. 3258.65 Lacs against Rs. 2506.77 Lacs during the previous year. Profit before tax is Rs. 317.71 Lacs and Net Profit After tax is Rs. 190.05 Lacs.

MANAGEMENT DISCUSSION AND ANALYSIS:

A detailed review of the progress of the project and the future outlook of the company and its business as stipulated under Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited is presented in a separate section forming part of the Annual Report.

SUBSIDIARY COMPANIES:

As required under Section 212 of the Companies Act, 1956, the Audited Accounts, along with the Report of the Board of Directors and Auditors' Report relating to the Company's subsidiary, Dynamic Overseas (India) Pvt. Limited are annexed to this Report.

CONSOLIDATED FINANCIAL STATEMENTS:

As required under Clause 32 of the Listing Agreement with the Bombay Stock Exchange Limited, audited consolidated financial statements form part of the annual report. The audited consolidated financial results include results of its subsidiary company Dynamic Overseas (India) Pvt. Limited.

AUDITORS:

Shareholders are requested to appoint the auditors of the company M/s Shah Rajesh & Associates, Ahmedabad who retires as auditors of the company at ensuing general meeting and are eligible for reappointment.

AUDITORS REPORT:

The Auditors report is self-explanatory and so far, there is no negative remark by the Auditors.

PARTICULARS OF EMPLOYEES:

There was no employee drawing salary in excess of limits described under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, and henceforth not applicable to the Company.

DECREASE IN REMUNERATION OF EXECUTIVE DIRECTORS:

Looking upon the present business scenario in the industry and especially on the well being of the company, all the executive directors of the company had voluntarily decided to decrease their basic monthly remuneration by 35% w.e.f. 01.06.2009.

CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required under 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 is given in Annexure-I and forms part of Directors' Report.

FIXED DEPOSITS:

The company has complied with the provisions of Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules, 1975.

INSURANCE:

The building, plant and machinery and other fixed assets of the company including stock of goods of the company are adequately insured against risk of fire, riots etc.

DIRECTORS:

a) In terms of the provisions of Sections 255 and 256 of the Companies Act, 1956 and Articles of Association of the Company, Mr. Jagdish S. Shah, Mr. Vishnubhai G. Patel and Mr. Dixit B. Patel, Directors retire at the ensuing Annual General Meeting and, being eligible, have offered themselves for reappointment. Members are requested to consider their re-appointment as Directors of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of Section 217(2AA) of the Companies Act, 1956 your Directors would like to State that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed;
- We have selected such accounting policies and applied them consistently and made judgments and estimates that are 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 profit of the Company for the year under review;
- We 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;
- We have prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE:

A separate section on Corporate Governance and a certificate from Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing agreement with BSE together with the Management Discussion and Analysis of the financial position of the Company forms part of the Annual Report.

LISTING:

The shares of the Company are listed on Bombay Stock Exchange Limited. The Company has paid the annual listing fees for the year 2009-10.

ACKNOWLEDGEMENTS:

Your company & Directors takes this opportunity to place on record their deep sense of gratitude and appreciation of the assistance and co-operation extended by to the Banks, Financial Institution and various Government Authorities for their guidance and support. Your Directors are also grateful to the customers, suppliers and business associates of the Company for their continued co- operation and support. The Directors wishes to place on record its appreciation of sincere and dedicated work of employees at all levels, which has largely contributed to the present growth of the Company. We are deeply grateful to shareholders for their continued faith, confidence and support to the company.

For and On Behalf of the Board of Directors

Sd/-

Bhagwandas K. Patel

Chairman & Managing Director

Place: Ahmedabad
Date: 27th June 2009

ANNEXURE :- A TO DIRECTORS' REPORT

Information required under the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988.

i] Conservation of Energy :

a] Energy conservation measures taken :

The Company has adopted several energy conservation measures besides what had been carried out earlier. Periodical testing is being taken for each unit of power supply to verify that the energy consumed is minimised.

b] Additional Investments and Proposals, if any being implemented for reduction of consumption of energy : Not Planned at this stage.

c] Impact of the measures at (a) and (b) above :

Energy consumption has been optimised and cost of production to that extent is under control.

d] Total energy consumption and consumption per unit of production : As per Form : A

ii] Technology Absorption :

The Company has not acquired outside technology and hence the question of technology absorption does not arise.

iii] Foreign Exchange earning and outgo :

	Current Year Rs.	Previous Year Rs.
* Foreign Exchange earned	32,58,65,212	25,06,77,280
* Foreign Exchange used	12,60,205	12,23,309

FORM - A**DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY :****1] Power and Fuel Consumption :**

i] Electricity :			
Purchase Units :	Units	19,88,986	
Total Amount :	Rs.	1,12,67,052	
Rate /Unit :	Rs.	5.66	
ii] Own (Diesel) Generator			
Total Ltrs.	Ltrs.	14,138	
Total Amount	Rs.	5,35,173	
Rate/ Ltrs.	Rs.	37.85	
ii] GAS :			
Total SCM.	Ltrs.	11,97,350	
Total Amount	Rs.	1,42,84,454	
Rate/ SCM.	Rs.	11.93	

2] Consumption per unit of production :

1 Production : Dyes, Chemicals & Food Colours	39,33,973.470	Kgs.
2 Electricity	0.506	Units
3 Diesel	0.004	Ltrs.
5 Gas	0.304	Scm.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**NATURE OF BUSINESS:**

The Company is engaged in the manufacturing of Dye Intermediates and various types of food colors.

Dye Intermediates are mainly used in the manufacture of Food Colors, Acid Dyes, Reactive Dyes, Ramazol Dyes, and Direct Dyes etc.

Food colors are mainly of two types: Primary Colors and Lake Colors. Primary Color is water-soluble and Lake Colors are vegetable oil dispersible. Food colors have variety of applications as it is generally used in food, drug and cosmetic industries. Moreover it has application in industries like soft drinks & Beverages, Animal Feeds, Cheese, Dessert Edible Ices & Confectionery, Decoration & coatings, Alcoholic & Non-Alcoholic Drinks, Pickles, Sauces & Seasonings, Baked Goods, and Washing Powder etc.

The aim of the company is to support and train constantly food industry in the correct selection and application of colors and to explore new applications of the colors.

OUTLOOK ON OPPORTUNITIES:

- As, many countries have discontinued production of Dyes, Food Colors and Intermediates, new market has opened

for Indian manufacturer of Dyes and Intermediates. As Dynamic Products Ltd. is already a well recognized name in this field globally, it has more opportunities to grab from growing international market.

- Timely delivery of products with required quality is the determining factor for customers. Proven track record of the company in this area puts the company into preferred suppliers list of multinational companies.
- The Indian Dyes Industry has received global attention as a viable procurement base and therefore marketing by your company for its products is easier now than before.
- Timely supplying goods with acceptable quality to large corporate size and technical competence does matter. The Company possesses reasonably big size compared to other key players as well as one step ahead in technology. This puts the Company in lead position to grab the opportunity available in growing market.
- Colors affect every moment of our lives strongly. The food which we eat all has influence of colors. So every one is sensitive to colors of food. Also the food color market is rapidly growing due to growth of food processing Industry, sociological changes and consumer preference. The international market for food colors has reached at \$ 1.2 Billion in the year 2008. Of which almost 40% is estimated of synthetic food colors which is expected to grow @ 6% per year. The rest food color market is enjoyed by natural colors, natural identical colors and caramel colors.
- It is necessary to have US Food & Drug Administration Approval to market the colors in USA. During the year under review, 6600 MT Approximately of food colors were certified by US FDA which proves large potential for business expansion there, as all the colors manufactured by the company has got the US FDA approval. So the company expects to capture good market from USA.

Project Progress Review:

Company's ongoing expansion programme has been completed in the year under review and increased its total capacity from 1980 MT to 5700 MT and started commercial production. This will help us to meet the projected sales target in the coming years.

THREATS, RISK AND CONCERNS:

- Increase in crude prices will influence raw material prices, fuel cost, transportation cost adversely. This is likely to thin out our profitability.
- Change in foreign exchange rates may affect profitability.

Due to high competition in the industry, Company is likely to be challenged by competitive prices.

INTERNAL CONTROL SYSTEMS AND ITS ADEQUACY:

The company has in place adequate systems of internal control commensurate with its size and nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use of losses, executing transactions with proper authorization. The company has Internal Audit System.

The Audit Committee reviews periodically financial statement of the Company and comments of Internal Auditors. Suggestions for improvement are considered and the Audit Committee follows up on the implementation of corrective actions. The Committee also meets the Statutory Auditors of the Company to ascertain their views on the strengthening of internal control systems in the Company.

ENVIRONMENTAL & HAZARDOUS SAFETY AND QUALITY ASSURANCE:

The company is always conscious for environment protection and preservation of ecological balance. The company has well organized effluent treatment system which forms part of full fledged effluent treatment plant of C.E.T.P to take care of the effluents to standard limits regulated by Gujarat Pollution Control Board & law. The solid waste is disposed off according to approval of GPCB.

The company has sustained 14001 accreditation for Environment Management System and HACCP Code: 2003 accreditation under food safety programme for its both plants.

The company has got the international competitiveness in quality and cost benchmarks of its products. Also company has got the KOSHER certification for its products. Moreover both the plants at Ankleshwar as well as corporate office of the company have sustained the status ISO 9001:2000 certification.

DEVELOPMENT IN HUMAN RESOURCES:

The company recognizes the importance of its human capital. Being a growth oriented and progressive organization, it recognizes the importance of professionalism. The Company has embarked on several HR initiatives to enhance the performance of the organization and each individual. As on 31st March, 2009 the Company has 150 employees.

FINANCIAL PERFORMANCE:

The Company's major focus is to strengthen the competitive positioning of its business with the renewed thrust and efforts for global market. Your company has a strong relationship with most of its international clientele base.

- **Sales and Operating Income:**

Sales turnover of Rs. 4911.22 Lacs for the year ended 31st March, 2009 showed a growth of 34.27% over the previous year turnover of Rs. 3657.69 Lacs. Export sale for the year is 66.35% of Net Sales which stood at Rs. 3258.65 Lacs against Rs. 2506.77 Lacs during the previous year. Profit before tax is Rs. 317.71 Lacs and Net Profit After tax is Rs. 190.06 Lacs.

- **Finance & Financial Risk**

The Company has credit limits with Citibank - N.A. and HDFC Bank Ltd. to meet its regular working capital requirements. Throughout the year, the Company maintained a healthy liquidity position. Financial risks could include high foreign currency exposure arising from payment for raw materials vis - à - vis export earnings. As a measure of prudent foreign exchange management and as a matter of policy, the Company does not speculate on foreign currencies. Imports on revenue account are paid, as and when due, by market purchase of foreign exchange and also partially out of export earnings.

CAUTIONARY STATEMENT:

Statements in the Management Discussion and Analysis describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities, laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic supply and demand conditions affecting selling prices of finished goods, availability and cost of inputs, changes in government regulations, amendments in tax laws, socio-economic developments within the country and other factors such as litigation and industrial relation

REPORT ON CORPORATE GOVERNANCE**Governance Philosophy**

The Company's philosophy on Corporate Governance is based on the principles of ethical and responsible decision making, transparency and accountability, integrity in financial reporting and recognizing the interest of the stakeholders. The Board acknowledges its responsibilities to the Shareholders for creating and safeguarding Shareholders' Wealth. During the year under review, the Board continued its pursuit of achieving these objectives through the adoption and monitoring of corporate strategies, prudent business plans ensuring that the Company pursues policies and procedures to satisfy its legal and ethical responsibilities. Your Company is committed to good corporate governance practices that create a long term relation of trust and harmony between the company and stakeholders.

BOARD OF DIRECTORS**a) Size and Composition of the Board:**

The Company has a proper blend of Executive and Independent Directors to maintain the independence of the Board. The Board consists of ten members, five being Executive & Non Independent Directors and five being Non Executive & Independent Directors.

The details in regard to the attendance of Directors at Board Meetings/Shareholders Meetings held during the year as also the number of Directorship/s held by them in other Companies and the position of membership of Committee/s are given below:

Name of Director	Category of Director	No. of Board Meetings attended	Attendance at the last AGM	Directorships in other Indian Public Companies* as at 31st March 2009	Other Mandatory Committee** membership as at 31st March 2009	
					Chairman	Member
Bhagwandas K. Patel	CMD-Executive	7	Yes	NIL	NIL	NIL
Dashrathbhai P. Patel	WTD-Executive	7	Yes	NIL	NIL	NIL
Rameshbhai B. Patel	WTD-Executive	7	Yes	NIL	NIL	NIL
Shashikant P. Patel	WTD-Executive	7	Yes	NIL	NIL	NIL
Dixit B. Patel	WTD-Executive	7	Yes	NIL	NIL	NIL
Hitendra H. Sheth	NE-Independent	5	Yes	NIL	NIL	NIL
Jagdish S. Shah	NE-Independent	5	Yes	NIL	NIL	NIL
Harish K. Shah	NE-Independent	5	Yes	NIL	NIL	NIL
Vishnubhai G. Patel	NE-Independent	5	Yes	NIL	NIL	NIL
Shankarlal B. Mundra	NE-Independent	5	Yes	NIL	NIL	NIL

*Excludes Directorships in private/foreign companies and companies incorporated under Section 25 of the Companies Act, 1956.

**Represents Membership/Chairmanship of the Audit Committee, Shareholders/ Investors Grievance Committee and Remuneration Committee of other companies.

CMD-Chairman & Managing Director, WTD- Whole Time Director, NE- Non Executive.

b) Management & Function of the Board:

The day-to-day management of the Company is conducted by the Chairman & Managing Director in consultation with four Whole Time Directors and subject to the supervision and control of the Board of Directors. The required information as enumerated in Annexure I to Clause 49 of the Listing Agreement is made available to the Board of Directors for discussions and consideration at Board Meetings. The Board also reviews the Board Minutes of its Subsidiary Company.

c) Details of Board Meetings held during the Financial Year and the number of Directors present:

Serial No.	Dates on which the Board Meeting was held	Total Strength of the Board	No. of Directors Present
1	01.05.2008	10	5
2	28.06.2008	10	10
3	31.07.2008	10	10
4	08.09.2008	10	10
5	27.10.2008	10	10
6	16.01.2009	10	5
7	31.01.2009	10	10

d) Committees of the Board

Currently the Board has three committees viz:

1) Audit Committee

Composition :

The Audit Committee has been constituted in conformity with the requirements of Section - 292A of the Companies Act, 1956 and Clause – 49 of the Listing Agreement with Stock Exchanges.

At present the Audit Committee comprises of three Non Executive & Independent Directors. Details of the composition, number of meetings held during the year and attendance thereat are as under :

Name	Position held	Attendance at Audit Committee meeting held on			
		28.06.2008	31.07.2008	27.10.2008	31.01.2009
Mr. Hitendra H. Sheth	Chairman	Yes	Yes	Yes	Yes
Mr. Jagdish S. Shah	Member	Yes	Yes	Yes	Yes
Mr. Harish K. Shah	Member	Yes	Yes	Yes	Yes

Minutes of meetings of the Audit Committee are circulated to members of the Committee and the Board is kept apprised.

Members of the Audit Committee have requisite financial and management expertise. The Statutory Auditors, Internal Auditor and the Chief Financial Officer are invited to attend and participate at meetings of the Committee.

Powers of the audit committee includes :

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

The terms of reference are broadly as under :

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- Reviewing with management the annual financial statements before submission to the Board, focusing primarily on;
 - Matters required to be included in the Director's Report in terms of clause 2AA of Section 217 of the Companies Act, 1956
 - Any changes in accounting policies and practices.

- Major accounting entries based on exercise of judgment by management.
 - Qualifications in draft audit report.
 - Significant adjustments arising out of audit.
 - The going concern assumption.
 - Compliance with accounting standards.
 - Compliance with stock exchange and legal requirements concerning financial statements
 - Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large.
- d. Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
 - e. Reviewing the periodical financial statements with management before submission to the board for their approval.
 - f. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 - g. Discussion with internal auditors any significant findings and follow up there on.
 - h. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
 - i. Discussion with external auditors before the audit commences nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
 - j. Reviewing the Company's financial and risk management policies.
 - k. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

2) Shareholders'/Investors' Relations Committee

The Shareholders'/Investors' Grievance Committee of the Company comprises of the following members of the Board:

Harish K. Shah	- Chairman	-Non Executive Independent
Bhagwandas K. Patel	- Member	-Executive Non-Independent

During the financial year Fourteen meetings were held on 15/04/2008, 30/04/2008, 15/05/2008, 31/05/2008, 16/06/2008, 30/06/2008, 15/07/2008, 31/07/2008, 14/08/2008, 22/08/2008, 26/09/2008, 24/10/2008, 09/01/2009 and 06/02/2009. All the members were present at all meetings.

The Company addresses all complaints, suggestions and grievances expeditiously and replies have been sent / issues resolved usually within 15 days except in case of dispute over facts or other legal constraints.

During the year complaints were received from SEBI and shareholders directly regarding non receipt of dividend, annual reports, etc. which were duly attended and resolved to their satisfaction. No requests for share transfers are pending except those that are disputed or sub-judice.

Mr. Bhagwandas Patel, Managing Director, is the Compliance Officer of the Company.

3) Remuneration Committee:

The Remuneration Committee of the Company comprises of the following members, all being non-executive independent directors :

Shri Shankarlal B. Mundra	- Chairman
Shri Hitendra H. Sheth	- Member
Shri Jagdish S. Shah	- Member

The terms of reference of the Remuneration Committee, inter alia consists of to recommend to the Board and to the shareholders with agreed terms of reference, the Company's policy on specific remuneration packages for executive directors including any compensation payment if required and shall review the same from time to time if required.

e) Remuneration Policy & Remuneration paid to Board of Directors:

Remuneration Policy

As per the recommendation of the remuneration committee and subject to the approval of the Board and of the Company in General Meeting and such other approvals as may be necessary, the Managing/Wholetime Directors are paid remuneration as per the resolutions passed by the Company.

Details of the actual remuneration paid to the Executive Directors for the period under review are as follows:

Name of the Director	Remuneration	Commission	Sitting fees	Total
Bhagwandas K. Patel	13,99,920	Nil	Nil	13,99,920
Dashrathbhai P. Patel	13,29,924	Nil	Nil	13,29,924
Rameshbhai B. Patel	13,29,924	Nil	Nil	13,29,924
Shashikant P. Patel	13,29,924	Nil	Nil	13,29,924
Dixit B. Patel	6,29,964	Nil	Nil	6,29,964

Period of Service of Managing Director and Whole-time Directors are five years. Service can be terminated by either party by giving six months' notice. There is no provision for payment of severance fees.

The Company paid sitting fees to Non-executive Directors as under for attending Board Meetings during the year ended 31st March, 2009.

Name of the Director	Sitting Fees
Hitendra H. Sheth	18,500
Jagdish S. Shah	18,500
Harish K. Shah	18,500
Vishnubhai G. Patel	18,500
Shankarlal B. Mundra	18,500

The Company does not have any scheme for grant of stock option to its Directors or Employees nor it pay any commission to any of its Directors.

f) Details of Shares held by Non-Executive Directors:

Name of the Non Executive Director	Shares Held
Hitendra H. Sheth	1,500
Jagdish S. Shah	Nil
Harish K. Shah	Nil
Vishnubhai G. Patel	Nil
Shankarlal B. Mundra	Nil

Code of Conduct for Senior Management

The Company has adopted a Code of Conduct for Directors and Senior Management, which is also hosted on the website of the Company. It is the responsibility of all employees and Directors to familiarize themselves with the Code and comply with the same.

The Code includes provisions where the employees of the Company can voice their concerns on violation and potential violation of this Code in a responsible and effective manner.

All Board members and senior management personnel have confirmed compliance with the code. A declaration signed by the Managing Director is attached and forms part of the Annual Report of the company.

CEO / CFO Certification

Chief Executive Office (CEO) and Chief Finance Officer (CFO) certification on financial statements pursuant to the provisions of Clause 49 of the listing agreement is annexed and forms part of the Annual Report of the company.

SHAREHOLDERS INFORMATION

Location and time of Annual General Meetings held in last three years

For the Year	Location	Date & Time	Special resolution passed
2007-08	Flash Banquet at First Floor, Shailly Complex, Surdhara Circle, Nr. Sal Hospital, Ahmedabad – 380054	2 nd September, 2008 11.00 a.m.	No
2006-07	Flash Banquet at First Floor, Shailly Complex, Surdhara Circle, Nr. Sal Hospital, Ahmedabad – 380054	20 th August, 2007 11.30 a.m.	No
2005-06	Funpoint Club & Resorts Pvt Ltd Gandhinagar Sarkhej Highway, Sola Road, Nr. Kargil Petrol Pump, Near New Gujarat High Court, Ahmedabad – 380060	4 th August 2006 3.00 p.m.	No

During the year under review no resolution(s) were transacted through Postal Ballot. At the ensuing annual general meeting there are no resolutions proposed to be put through postal ballot.

Financial year	: 1 st April 2008 to 31 st March 2009
Date & Time of Annual General Meeting	: Tuesday, 22 nd September 2009 at 3.00 p.m.
Venue	: Flash, Banquet at First Floor, Shailly Complex, Surdhara Circle, Nr. Sal Hospital, Ahmedabad - 380054
Book closure date	: 12 th September 2009 to 22 nd September 2009 (both days inclusive) for Annual General Meeting and payment of final dividend.
Dividend payment date	: The dividend if declared shall be paid on or after 23 rd September 2009 but within the statutory limit of 30 days.
Registered office	: B-301, Satyamev Complex-1, Opp. New Gujarat High Court, S. G. Road, Ahmedabad - 380 060.
Compliance officer	: Mr. Bhagwandas Patel, Managing Director
Website address	: www.dynemic.com

Financial calendar

The Company has announced/expects to announce the unaudited quarterly results for the year 2009-10 as per the following schedule:

First quarter	: on or before 31 st July, 2009
Second quarter	: on or before 31 st October, 2009
Third quarter	: on or before 31 st January, 2010

The Company intends to announce the audited results for the financial year 2009-10 and will be announced before 30th June 2010 which will include the results for the fourth quarter of the financial year 2009-10.

Means of communication

The quarterly/half yearly results of the Company are published in leading financial newspapers. Since the quarterly and half-yearly financial results are published in leading newspapers, the same are not sent to the shareholders of the Company.

All data required to be filed electronically as EDIFAR document pursuant to Clause 51 of the Listing Agreement with the Stock Exchange, Mumbai such as quarterly financial results and shareholding pattern, is being regularly filed on the EDIFAR website viz, www.sebidifar.nic.in, in addition to the filing of the same in hard copy with the Stock Exchanges.

ADR/GDR

The Company has not issued any ADR/GDR.

Listing on Stock Exchange

The shares of the Company are listed on The Bombay Stock Exchange Limited, 1st Floor, Rotunda Bldg, BS Marg, Fort, Mumbai-400 001

Stock Code: 532707

Stock Market Price Data :

Month	Monthly High	Monthly Low	No. of Shares Traded
April' 08	22.85	15.10	3,54,395
May' 08	25.20	18.20	5,15,553
June' 08	27.00	19.30	3,55,552
July' 08	25.00	18.35	8,04,557
August' 08	33.95	23.00	13,63,002
September' 08	34.80	22.50	10,62,018
October' 08	26.70	12.00	7,38,849
November' 08	21.65	15.25	6,84,588
December' 08	17.20	12.00	4,42,617
January' 09	14.75	10.00	1,35,115
February' 09	14.90	10.65	2,27,751
March' 09	20.60	10.05	5,98,818

Registrar & Share Transfer Agent

Shareholders' correspondence should be addressed to the Company's Registrars and Share Transfer Agents at:

Bigshare Services Pvt. Limited
E-2 Ansa Industrial Estate,
Sakivihar Road, Saki Naka, Andheri (E),
Mumbai-400 072.

Contact Person: Mr. Bhagwandas
Phone No. : 022-28470652, 022-28470653

Dematerialization Information

The shares of your Company are available in Dematerialised form with National Securities Depository Limited (NSDL) & Central Depository Services (I) Limited (CDSL). The ISIN of the Company is INE256H01015. As of 31st March 2009, 9418544 no. of shares were in dematerialised form.

Distribution of Shareholding as on 31st March, 2009

No. of Equity shares held	No of share holders	% of shareholders	No of shares held	% of holding
1-5000	9,875	97.88858	31,99,357	28.24179
5001-10000	90	0.89215	6,58,184	5.81001
10001-20000	57	0.56503	7,75,685	6.84723
20001-30000	22	0.21808	5,45,842	4.81833
30001-40000	10	0.09913	3,56,973	3.15112
40001-50000	4	0.03965	1,78,069	1.57187
50001-100000	19	0.18834	12,71,015	11.21967
100001 & above	11	0.10904	43,43,324	38.33997
TOTAL	10,088	100	1,13,28,449	100

Categories of Shareholders as on 31st March, 2009

Category	No. of Shares	% of Shares
A Promoter's Holding		
1 Indian Promoters	55,07,477	48.6163
2 Foreign Promoters	—	—
Sub total	55,07,477	48.6163
B Non-Promoters		
3 Institutional Investors	—	—
A Mutual Funds and UTI	—	—
B Banks, Financial Inst., Insurance Com. (Central State Gov. Inst. /Non- Gov Inst.)	—	—
C FIIS	—	—
Sub total	—	—
4 Others		
A Private corporate Bodies	4,24,893	3.7507
B Indian Public	53,40,375	47.1412
C NRIs / OCBs	8,921	0.0788
D Directors	1,500	0.01324
E Clearing Members	43,948	0.3879
F any other (please specify) – Trust	1,335	0.01178
Sub total	58,20,972	51.3837
GRAND TOTAL	1,13,28,449	100.00

Secretarial Audit Report

The Company has appointed Mr. Nimesh Shah, Practicing Company Secretary to conduct Secretarial Audit of the company for the Financial Year ended 31st March, 2009 who has submitted his report confirming the compliance of generally applicable provisions of the various corporate laws. The Secretarial Audit Report forms part of the Annual report.

Disclosures

(1) There are no materially significant related party transactions of the Company with key managerial personnel which have potential conflict with the interest of the Company at large.

(2) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the period from 1st April 2008 to 31st March 2009 : NIL.

(3) Secretarial Audit –

M/s A. Santoki & Associates, Company Secretaries carried out a secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (I) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid-up capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

Nomination Facility

Shareholders holding physical shares may send their nominations in prescribed Form to the Company. Those holding shares in dematerialized form may contact their respective Depository Participant (DP) for availing the nomination facility.

Unclaimed Dividends

The Company will be required to transfer dividends which have remained unpaid/unclaimed for the period of 7 years to the Investor Education & Protection Fund established by the Government. However there is no such unclaimed/unpaid dividend for which Company has to transfer the same to the Investor Education & Protection Fund in this financial year.

Plant Locations

1) **Unit-1** : 6401/15/16 GIDC Estate, Ankleshwar - 393002

2) **Unit-2** : 3709/6, 3710/1, 3710/3, GIDC Estate, Ankleshwar - 393002

Address for Correspondence

Shareholders can do the correspondence at:

Managing Director

Dynemic Products Limited

B-301, Satyamev Complex-1,

Opp. New Gujarat High Court,

S.G. Road, Ahmedabad-380 060

Tel: Nos. 079-27773072/73, 27663071

Fax : 079-27662176

ANNEXURE :- C TO DIRECTORS' REPORT CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT(S)

- 1] We have examined the Compliance of conditions of Corporate Governance by **Dynemic Products Limited ("the Company")** for the year ended 31st March,2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchange.
- 2] The compliance of conditions of corporate governance is the responsibility of the management .Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
- 3] In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
- 4] As required by the Guidance Note issued by the Institute of Chartered Accountant of India we have to state that based on the report given by the Registrar of the Company to the Investor's Grievance Committee, as on 31st March, 2009, there were no investor grivence matter against the Company remaining unattended /pending for more than 30days.
- 5] We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For, **SHAH RAJESH & ASSOCIATES**
CHARTERED ACCOUNTANT

[**RAJESH D. SHAH**]

PROPRIETOR

M. No. : 36232

Place : Ahmedabad

Date : 27/06/2009

DECLARATION

The Board has laid down a code of conduct for all Board Members and Senior Management of the Company which is posted on the website of the Company. The Board members and Senior Management have affirmed compliance with the code of conduct.

For Dynemic Products Limited

Bhagwandas K. Patel
Managing Director

CEO/CFO CERTIFICATION

We, Mr. Bhagwandas K. Patel, Managing Director and Mr. Josekutty Thomas, Chief Financial Officer, certify to the Board that :

(a) We have reviewed financial statements and the cash flow statement for the year ended on 31.03.2009 and that to the best of their knowledge and belief:

(i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit committee

(i) significant changes in internal control during the year;

(ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

For Dynemic Products Limited

Bhagwandas K. Patel
Managing Director

Josekutty Thomas
C.F.O.

SECRETARIAL AUDIT REPORT**The Board of Directors****Dynemic Products Limited**

I have examined the registers, records and documents of **M/s Dynemic Products Limited** ("the Company") for the financial year ended on 31st March, 2009 maintained under the provisions of –

- The Companies Act, 1956 and the Rules made under that Act.
 - The Depositories Act, 1956 and the regulations framed under that Act.
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.
 - The Equity Listing agreement with Bombay Stock Exchange Limited.
- 1) I report that, based on my examination and verification of the registers, records and documents produced to me and according to the information and explanations given to me by the company, the company, has in my opinion, complied with the provisions of the Companies Act, 1956 ("the Act") and the Rules made under the Act, and the Memorandum and Articles of Association of the Company, with regard to :
- a) maintenance of statutory registers and documents and making in them necessary entries;
 - b) forms, returns, documents and resolutions required to be filed with the Registrar of Companies;
 - c) service of documents by the company on its Members and Registrar of Companies;
 - d) notice of Board meetings and Committee of Directors;
 - e) the meetings of Directors and Committee of Directors;
 - f) minutes of proceedings of general meeting and of Board and other meetings;
 - g) approval of shareholders, the board of directors, the committee of directors wherever required;
 - h) borrowings and registration of charges; and
 - i) generally applicable provisions of the Act and the rules made under that Act.
- 2) I further report that :
- a) the Directors of the company have obtained Directors Identification Number as per Section 266A of the Act.
 - b) the Directors of the company have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings and directorships in other companies and interests in other entities.
 - c) the directors have complied with the disclosure requirements in respect of their eligibility of appointment and compliance with the Code of Conduct for Directors.
- 3) I further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Regulations framed there under with regard to dematerialization / rematerialisation of securities and reconciliation of records of dematerialized securities with all securities issued by the company.
- 4) I further report that the Company has complied with :
- a) The requirements under the Equity Listing Agreement entered with Bombay Stock Exchange Limited.
 - b) The provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 with regard to the disclosures and maintenance of records required under the Regulations.

Place : Ahmedabad
Date : 27.06.2009

Nimesh Shah
Practicing Company Secretary
Certificate of Practice No. 7600

**SHAH RAJESH & ASSOCIATES
CHARTERED ACCOUNTANTS**

Phone : 27543319,27542215
4,Third floor,
Rambha Complex,
Opp. : Gujarat Vidhyapith,
Ashram Road,
AHMEDABAD-380 014.

AUDITOR'S REPORT

To
The Shareholders,
Dynamic Products Limited

We have audited the attached Balance Sheet of **DYNAMIC PRODUCTS LIMITED** as at 31st March,2009 and the annexed Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statement based on our audit.

We have conducted our audit in accordance with the accounting standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from any material misstatement. An audit also includes, examining on test basis, evidence supporting the amounts and disclosures in financial statement. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall presentation of financial statement .We believe that our audit provides reasonable basis for our opinion.

As required by the Companies (Auditor's report) Order, 2003 issued by the Central Government of India in terms of sub- section 227 of the Companies Act, 1956, we enclose as Annexure, a statement on the matters specified in the paragraph 4 and 5 of the said order.

We draw attention to

(i) Note No. 3 regarding overdue debts of Rs. 7,52,133/-.

Further to our comments in the Annexure referred above, we report that :

- 1 We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our Audit.
- 2 In our opinion, proper books of accounts as required by law have been kept by the company, so far as appears from the examination of those books.
- 3 The said Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- 4 In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report, comply in all material respect with applicable Accounting Standards issued by the Institute of Chartered Accountants of India referred to in subsection (3C) of section 211of the Companies Act, 1956.
- 5 On the basis of written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors prima facie disqualified as on 31st March, 2009 from being appointed as directors in terms of section 274(1)(g) of the Companies Act,1956.
- 6 In our opinion and to the best of our information and according to the explanation given to us,the aforesaid financial statements read with the statements on Significant Accounting Policies and Notes on the Accounts, give the information required by the Companies Act, 1956 (" the Act ") in the manner so required and also give 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,2009,
 - (b) in the case of the profit and loss account, of the profit for the year ended on that date ; and
 - (c) in case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For, **SHAH RAJESH & ASSOCIATES**
CHARTERED ACCOUNTANT
[**RAJESH D. SHAH**]
PROPRIETOR
M. No. : 36232

Place : Ahmedabad
Date :27/06/2009

ANNEXURE TO THE AUDITOR'S REPORT

- 1 (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 periodically in a phased manner and no material discrepancies have been noticed on physical verification as confirmed by the management;
- (c) The Company has not disposed off any substantial part of its fixed assets so as to affect its going concern.
- 2 (a) As explained to us, inventories have been physically verified by the management ,except for minor items and the inventories lying with outside parties which have been confirmed by them ;
- (b) The procedures as explained to us,which are followed by the management for physical verification of the inventories,are, in our opinion,reasonable and adequate in relation to the size of the company and the nature of business ;
- (c) The company has maintained proper records of inventories. No material discrepancies were noticed on physical verification.
- 3 (a) The company has given loan to two subsidiaries. In respect of the said loans, the maximum amount outstanding at any time during the year is Rs. 79.23 lacs and year-end balance is Rs. 34.13 lacs.
- (b) According to the information and explanation given to us, no interest is charged on the advances granted, however other terms and conditions of the loans granted to the concerns in which directors are interested as listed in the register maintained under section 301 of the Companies Act ,1956 are prima facie not prejudicial to the interest of the company.
- (c) According to information and explanation given to us and on the basis of the examination of the, books of accounts, we could not verify whether the repayment of the loans granted to the concern in, which Directors are interested as listed in the register maintained under Section 301 of the, Companies Act, 1956, are regular or not, as terms and conditions regarding the repayments have, not been specified or mentioned, however the amount outstanding at the year end is as mentioned, above.,
- (d) According to the information and explanation given to us and on the basis of the examination of the books of accounts, reasonable steps have been taken by the company for recovery of the due amount of loans given.
- (e) The company has taken unsecured loan from M/s. Dynamic Holding Pvt. Ltd. in which directors are interested as listed in the register maintained under section 301 of the companies Act 1956. In respect of the said loans, the maximum amount outstanding at any time during the year is Rs. 78.41 lacs and year end balance is nil.
- (f) According to the information and explanation given to us, interest is paid on the advances/ loans taken, however other terms and conditions of the loans taken from the concerns in which directors are interested as listed in the register maintained under section 301 of the Companies Act ,1956 are prima facie not prejudicial to the interest of the company.
- (g) According to information and explanation given to us and on the basis of the examination of the books of accounts, the loans have been fully repaid within the year to the concern in which Directors are interested as listed in the register maintained under Section 301 of the Companies Act, 1956, so other terms and conditions regarding the repayments are not applicable.
- 4 In our opinion and according to the information and explanation given to us, there are generally adequate internal control procedures commensurate with the size of the company and the nature of the business, for the purchase of inventory and fixed assets and for sale of goods and services. During the course of our audit no major weakness has been noticed in the internal controls.
- 5 (a) On the basis of the audit procedure performed by us and according to the information,explanation and representation given to us, we are of the opinion that the particulars of contracts or arrangements 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 explanation given to us, the transaction made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- 6 In our opinion and according to the information and explanation given to us, the company has complied with the provisions of Section 58A ,58AA or any relevant provisions of the Companies Act and its Rules and also the directives of Reserve Bank of India with regard to acceptance of deposits from the public.Since the company has not defaulted in repayments of deposits, compliance of Section 58AA or obtaining any order from Company Law Tribunal or National Company Law Tribunal or Reserve Bank of India or any other Court or any other Tribunal does not arise.
- 7 The Company has an Internal Audit System ,which in our opinion is commensurate with the size and the nature of the business.
- 8 We have broadly reviewed the accounts and records maintained by the company pursuant to the Rules made by the Government for the Maintenance of the cost records under section 209 (1) (d) of the Companies Act, and we are of the opinion that prima facie the prescribed accounts and records have been maintained. We have not however, made detailed examination of the records with a view to determine whether they are accurate and complete.

- 9 (a) According to the information and explanation given to us and on the basis of our examination of books of accounts, the Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Sales Tax, Income Tax, Custom Duty, Excise Duty, Wealth tax, Service tax and other statutory dues with the appropriate authorities ;
- (b) According to the information and explanation given to us, there are no dues of Sales tax, Custom tax, Wealth tax, cess which have not been deposited on account of any dispute. However, as per explanation given to us, the dues to Income tax, which have been deposited but still the demands have been disputed and the forum where the dispute is pending are as under :-

Name of the Statute	Nature of the Dues	Amount (Rs. in lacs)	Relating to Asstt. year	Forum where dispute is pending
Income Tax Act, 1961	I.Tax	11.57	2001-02	Income Tax Appellate Tribunal, Ahmedabad
Income Tax Act, 1961	Penaly u/s. 271(1)(c)	3.76	2001-02	Income Tax Appellate Tribunal, Ahmedabad
Income Tax Act, 1961	I.Tax	7.68	2003-04	Income Tax Appellate Tribunal, Ahmedabad
Income Tax Act, 1961	Penaly u/s. 271(1)(c)	4.82	2003-04	Income Tax Appellate Tribunal, Ahmedabad

All the above demands have been paid during the year under review.

- 10 The Company does not have any accumulated losses and has not incurred cash losses in the current financial year and in the immediately preceeding financial year.
- 11 According to the information and explanation given to us, the company has not defaulted in repayment of dues to financial institutions and banks.
- 12 According to the information and explanation given to us, the company has not granted any loans or advances on the basis of security by way of pledge of Shares, Debentures and other Securities.
- 13 The company is not a chit fund or a nidhi /mutual benefit fund/society.
- 14 The company is not in business of dealing or trading in shares. Accordingly, clause 4(xiv) of the Order is not applicable to the company.
- 15 According to the information and explanation given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- 16 Based on the information and explanation given to us by the management, term loans were applied for the purpose for which the loans were taken.
- 17 On the basis of our overall examination of the Financial Statements of the Company and after placing reliance on the reasonable assumptions made by the company for classification of long term and short term usages of funds, the funds raised on short-term basis have not been used for long-term investment.
- 18 According to the information and explanation given to us, the company has not made any preferential allotment of shares, during the year under Audit, to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- 19 The Company has not issued any Debenture and has not created any security or charge in respect of Debenture.
- 20 The company has not raised any monies by way of public issue during the year. The monies raised by way of public issue in the F.Y. 2005-06, we have verified the end use of money raised by public issue as disclosed in the notes to the financial statements. As informed by the management, the project implementation has been delayed, the funds have been invested in various instruments like Mutual Funds, Equities etc as referred to in the Note No 1 in the Schedule-17 -Notes On Accounts.
- 21 According to the information and explanation given to us and to the best of our knowledge and belief, no fraud on or by the company has been noticed or reported by the company during the year.

For, **SHAH RAJESH & ASSOCIATES**
CHARTERED ACCOUNTANT

Place : Ahmedabad
Date : 27/06/2009

[**RAJESH D. SHAH**]
PROPRIETOR
M. No. : 36232

BALANCE SHEET AS AT 31ST MARCH, 2009

Sr.	No.	Particulars	Sch.	31/3/2009		31/3/2008	
				Rupees	Rupees	Rupees	Rupees
A.		SOURCES OF FUNDS :					
1		SHAREHOLDER'S FUNDS :					
	[a]	Share Capital	1	11,32,84,490		11,32,84,490	
	[b]	Reserves & Surplus	2	16,32,11,258	27,64,95,748	15,75,07,864	27,07,92,354
2		LOAN FUNDS :					
	[a]	Secured Loans	3	14,54,08,042		8,60,59,267	
	[b]	Unsecured Loans	4	63,37,849	15,17,45,891	18,35,026	8,78,94,293
3		DEFERRED TAX LIABILITY			2,00,18,845		1,35,72,768
		Refer to Note No. 1(j) & 2 of schedule 17					
		Total Rs.			44,82,60,484		37,22,59,415
B.		APPLICATION OF FUNDS :					
1		FIXED ASSETS :	5				
	[a]	Gross Block		30,33,25,642		16,87,84,387	
	[b]	Less : Depreciation		4,22,25,530		3,29,38,667	
	[c]	Net Block		26,11,00,112		13,58,45,720	
		CAPITAL WORK IN PROGRESS		4,61,70,216		8,08,49,530	
					30,72,70,328		21,66,95,250
2		INVESTMENTS	6		2,53,25,808		2,64,35,446
3		CURRENT ASSETS, LOANS & ADVANCES :	7				
	[a]	Inventories		5,54,17,162		6,47,51,006	
	[b]	Sundry Debtors		7,32,24,899		6,11,43,332	
	[c]	Cash & Bank Balances		43,02,232		38,49,904	
	[d]	Loans & Advances		4,01,28,395		5,67,83,903	
				17,70,72,688		18,65,28,145	
		Less : CURRENT LIABILITIES & PROVISIONS					
	[a]	Current Liabilities	8	4,13,64,674		2,19,65,160	
	[b]	Provisions		2,00,43,667		3,54,93,717	
				6,14,08,341		5,74,58,877	
		Net Current Assets			11,56,64,348		12,90,69,268
4		MISCELLANEOUS EXPENDITURE	9		0		59,451
		(To the extent not written off)					
		TOTAL Rs.			44,82,60,484		37,22,59,415

Significant Accounting Policies & Notes on Accounts. 17
As per our Report of even date

For : **SHAH RAJESH & ASSOCIATES**
CHARTERED ACCOUNTANTS

Rajesh D. Shah
Proprietor
M. No. 36232

For : **DYNEMIC PRODUCTS LIMITED**

B. K. Patel – Chairman & Mg. Director
D. P. Patel – Wholetime Director
R. B. Patel – Wholetime Director
S. P. Patel – Wholetime Director
D. B. Patel – Wholetime Director
Josekutty Thomas – Chief Financial Officer

Place : Ahmedabad.

Date : 27/06/2009

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

Sr.	No.	Particulars	Sch.	31/3/2009		31/3/2008	
				Rupees	Rupees	Rupees	Rupees
A.		INCOME :					
	1	Sales (net)		49,11,21,524		36,57,68,545	
	2	Other Income	10	56,07,189		(5,35,836)	
	3	Increase/Decrease in Stocks	11	(1,03,316)		1,32,85,932	
		TOTAL Rs.			49,66,25,397		37,85,18,641
B.		EXPENDITURE :					
	1	Materials, Manufacturing & Operating Costs	12	38,90,97,868		29,10,88,020	
	2	Purchase of Finished & Trading Materials		95,00,994		45,17,889	
	3	Salaries, Wages & Bonus	13	1,93,24,275		1,80,17,598	
	4	Repairs & Maintenance	14	79,63,776		73,83,749	
	5	Administrative & Other Expenses	15	1,46,83,472		1,64,88,793	
	6	Interest & Financial Expenses	16	1,46,12,134		49,73,178	
	7	Depreciation		96,12,421		50,61,828	
	8	Preliminary Expenses written off		59,451		1,44,983	
		TOTAL Rs.			46,48,54,389		34,76,76,038
		Profit before Taxation			3,17,71,008		3,08,42,603
		Less: Provision for Taxation					
		Current Tax			61,65,000		1,07,40,000
		Deferred Tax			64,46,077		14,54,614
		Fringe Benefit tax			1,55,038		1,50,610
	16	Net Profit for the Year			1,90,04,892		1,84,97,379
		Add:- Net Balance Profit of Last Year			4,73,00,845		4,29,16,522
		Add/ (Less):- Taxation of earlier years (Refunds/Paid)			47,781		3,71,663
	17	Balance available for Appropriation			6,62,57,956		6,17,85,564
		Appropriations :					
		General Reserves		12,31,000		12,31,000	
		Proposed Dividend		1,13,28,449		1,13,28,449	
		Tax on Dividend		19,25,270		19,25,270	
					1,44,84,719		1,44,84,719
	18	Balance Carried to Balance Sheet			5,17,73,237		4,73,00,845
		Earning Per Share					
		Basic			1.68		1.63
		Diluted			1.68		1.63

Significant Accounting Policies & Notes on Accounts. 17
As per our Report of even date

For : SHAH RAJESH & ASSOCIATES
CHARTERED ACCOUNTANTS

Rajesh D. Shah
Proprietor
M. No. 36232

For : DYNAMIC PRODUCTS LIMITED

B. K. Patel – Chairman & Mg. Director
D. P. Patel – Wholetime Director
R. B. Patel – Wholetime Director
S. P. Patel – Wholetime Director
D. B. Patel – Wholetime Director
Josekutty Thomas – Chief Financial Officer

Place : Ahmedabad.
Date : 27/06/2009

**STATEMENT OF CASH FLOW STATEMENT OF
DYNAMIC PRODUCTS LTD. FOR THE YEAR ENDED 31ST MARCH, 2009**

Sr.	PARTICULARS	31/3/2009	31/3/2008
A]	CASH FLOW FROM OPERATING ACTIVITIES		
	NET PROFIT AFTER TAX & EXTRA ORDINARY ITEMS	1,90,04,892	1,84,97,376
	ADJUSTMENTS FOR :-		
	PROVISION FOR TAX & DEFERRED TAX	1,27,66,115	1,23,45,224
	MISC.EXPS.WRITTEN OFF	59,451	1,44,983
	DEPRECIATION	96,12,421	50,61,828
	DEPRECIATION WRITTEN BACK	(3,25,557)	(2,27,290)
	SHORT PROVISION FOR I.TAX (NET)	0	0
	DIMUNITION IN THE VALUE OF INVESTMENTS	7,43,766	24,03,656
	INTEREST & FINANCIAL CHARGES	1,46,12,134	48,47,271
	PROFIT/LOSS ON SALE/REPLACEMENT OF FIXED ASSETS	(3,12,359)	(4,46,602)
	INETEREST/ DIVIDEND/CAPITAL GAINS INCOME	32,48,526	37,63,035
	OPERATING PROFIT BEFORE WORKING CAPITAL CAHNGES	5,94,09,389	4,63,89,482
	ADJUSTMENTS FOR :-		
	TRADE & OTHER RECEIVABLES	(1,20,81,567)	1,20,08,010
	INVENTORIES	53,33,844	(1,79,94,017)
	TRADE PAYABLES	1,93,99,514	5,23,803
	LOANS & ADVANCES	24,46,192	(86,86,314)
	CASH GENERATED FROM OPERATIONS	7,45,07,372	3,22,40,964
	DIRECT TAXES PAID	(90,89,310)	(92,28,087)
	NET CASH FROM OPERATING ACTIVITIES	6,54,18,062	2,30,12,877
B]	CASH FLOW FROM INVESTING ACTIVITIES		
	PURCHASE OF FIXED ASSETS	(9,82,52,484)	(12,31,86,406)
	SALE OF FIXED ASSETS	2,31,440	42,30,000
	PURCHASE OF INVESTMENTS	0	0
	SALES OF INVESTMENTS	3,65,872	7,51,61,344
	INCOME TAX REFUND	(47,781)	4,18,701
	INETEREST/ DIVIDEND/CAPITAL GAINS INCOME RECEIVED	(32,48,526)	(37,63,035)
	NET CASH USED IN INVESTING ACTIVITIES	(10,09,51,480)	(4,71,39,396)
C]	CASH FLOW FROM FINANCING ACTIVITIES		
	PROCEEDS FROM ISSUING SHARES(NET OF ISSUE EXP.)	0	0
	PROCEEDS FROM BORROWINGS	6,38,51,598	3,49,18,004
	IPO EXPS REFUNDS	0	0
	INTEREST & FINANCIAL CHARGES PAID	(1,46,12,134)	(48,47,271)
	PRELIMINARY EXPS INCURRED	0	0
	DIVIDEND & DIVI. TAX PAID	(1,32,53,719)	(1,32,53,719)
	NET CASH USED FROM FINANCING ACTIVITES	3,59,85,745	1,68,17,014
D]	NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	4,52,328	(73,09,505)
E]	CASH AND CASH EQUIVALENTS(OPENING)	38,49,904	1,11,59,409
F]	CASH AND CASH EQUIVALENTS(CLOSING) (D + E)	43,02,232	38,49,904

As per our Report of even date

**For : SHAH RAJESH & ASSOCIATES
CHARTERED ACCOUNTANTS**

**Rajesh D. Shah
Proprietor
M. No. 36232**

For : DYNAMIC PRODUCTS LIMITED

**B. K. Patel - Chairman & Mg. Director
D. P. Patel - Wholetime Director
R. B. Patel - Wholetime Director
S. P. Patel - Wholetime Director
D. B. Patel - Wholetime Director
Josekuty Thomas - Chief Financial Officer**

Place : Ahmedabad.

Date : 27/06/2009

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2009		31/3/2008	
		Rupess	Rupess	Rupess	Rupess
	SCHEDULE : 1 : SHARE CAPITAL :				
[a]	Authorised Share Capital [1,30,00,000 Equity Share of Rs. 10/- each] [PYF 1,10,00,000 Equity Shares]		13,00,00,000		13,00,00,000
			13,00,00,000		13,00,00,000
[b]	Issued, Subscribed and paid up : [1,13,28,449 Equity Shares of Rs. 10/- each fully paid up (PYF 1,13,28,449)]. [Out of the above 41,25,820 [P.Y.F.6,72,880] Equity Shares were allotted as fully paid up Bonus Shares to the existing Shareholders without payment being received in cash] [Out of the above 14,00,000 Equity shares were allotted as fully paid up to the partners of earstwhile partneship firm M/s. Saffron Dye stuff Industries without payment being received in cash, pursuant to the business acquired as per agreement entered]		11,32,84,490		11,32,84,490
	TOTAL Rs.		11,32,84,490		11,32,84,490
	SCHEDULE : 2 : RESERVES & SURPLUS :				
	(i) General Reserves : Opening Balance	65,26,820		52,95,820	
	Add : Transferred from Profit & Loss A/c.	12,31,000		12,31,000	
		77,57,820		65,26,820	
	Less: Transfer for utilation in Bonus Shares	0	77,57,820	0	65,26,820
	(ii) Profit & Loss A/c. Balance		5,17,73,237		4,73,00,843
	(iii) Share Premium on issue of Equity Shares	10,36,80,201		10,36,80,201	
		0		0	
			10,36,80,201		10,36,80,201
	TOTAL Rs.		16,32,11,258		15,75,07,864
	SCHEDULE : 3 : SECURED LOANS :				
[a]	C.C.Hypo A/c. :				
	* Citi Bank N.A.		2,97,66,403		1,03,96,548
	* HDFC Bank Ltd.		2,05,47,756		2,22,35,553
	[HP. C.C. A/c. Secured against mortgage/ charge on all immoveable properities & stocks of Raw Materials, Stores, Finished Goods etc. & personal guarantee of Directors.]				
[b]	P.C.F.C.A/c. :				
	* Citi Bank N.A.		5,26,75,393		3,83,91,254
	* HDFC Bank Ltd.		21,68,490		0
	[P.C.F.C. A/c. Secured against mortgage/charge on all immoveable properities & book debts relating to to mfg. of Industrial Dyes & Chemicals & personal guarnatee of Directors.]				
[c]	W.C.D.L A/c (Securiy as above)				
	* Citi Bank N.A.		0		1,50,00,000
[d]	Term Loan A/c (Securiy as above)				
	* Citi Bank N.A.		4,02,50,000		0
[e]	Vehicle (Car) Loan A/c. :				
	* Citi Bank N.A. Car Loan A/c.		0		35,912
	[Secured against Hypothecation of Car)				
	TOTAL Rs.		14,54,08,042		8,60,59,267
	SCHEDULE : 4 : UNSECURED LOANS :				
[a]	Fixed Deposits from Directors		11,99,783		0
[b]	Fixed Deposits from Share holders		45,92,996		11,60,795
[c]	Fixed Deposits from Publics		5,45,070		6,74,231
	TOTAL Rs.		63,37,849		18,35,026

SCHEDULE : 5 : FIXED ASSETS

Sr No	NAME OF THE ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As on 01/04/08 Rs.	Addition during the Year Rs.	Deduction during the Year Rs.	As on 31/03/09 Rs.	As on 01/04/08 Rs.	Addition during the Year Rs.	Deduction during the Year Rs.	As on 31/03/09 Rs.	As on 31/03/08 Rs.	As on 31/03/09 Rs.
1	Building	3,12,05,420	6,29,02,892	0	9,41,08,312	53,43,202	18,61,248	0	72,04,450	2,58,62,218	8,69,03,862
2	Computer	13,55,033	53,021	0	14,08,054	925,830	2,23,139	0	11,48,969	429,203	2,59,085
3	Electric Fitting & Install.	52,40,107	62,68,238	67,884	1,14,40,461	12,74,222	3,86,523	0	16,60,745	39,65,885	97,79,716
4	Furniture	70,12,230	7,00,306	1,50,791	75,61,745	29,17,044	4,52,728	791	33,68,981	40,95,186	41,92,764
5	Lab Equipments	48,62,861	7,63,634	0	56,26,495	11,27,127	2,47,303	0	13,74,429	37,35,734	42,52,066
6	Machineries	7,63,99,351	5,82,08,046	4,31,008	13,41,76,389	1,39,59,452	48,96,136	69,416	1,87,86,171	6,24,39,899	11,53,90,218
7	Office Equipments	28,78,257	56,550	0	29,34,807	11,04,176	1,85,364	0	12,89,539	17,74,081	16,45,268
8	Office Premises	58,86,491	0	0	58,86,491	2,70,321	95,950	0	3,66,271	56,16,170	55,20,220
9	Pollu.Eff Treatment	53,87,481	0	0	53,87,481	25,15,276	2,55,905	0	27,71,182	28,72,205	26,16,299
10	Resi.Premises	19,35,903	0	0	19,35,903	1,67,391	31,555	0	1,98,946	17,68,512	17,36,957
11	Motor Cycle	5,14,838	0	0	5,14,838	1,32,706	23,268	0	1,55,975	382,132	3,58,863
12	Motor Car	48,10,338	0	0	48,10,338	15,31,243	4,56,982	0	19,88,225	32,79,095	28,22,113
13	Electric Motor & Pumps	16,58,261	2,38,671	0	18,96,932	4,33,220	86,730	0	5,19,950	12,25,041	13,76,982
14	Fire fighting Equipments	1,00,916	0	0	1,00,916	23,329	4,794	0	28,123	77,587	72,793
15	Gas Inst.& Fab	17,21,765	5,81,840	1,28,621	21,74,984	2,74,969	61,320	357	3,35,933	14,46,796	18,39,051
16	Generating Set	4,37,200	0	4,37,200	0	2,49,801	5,192	2,54,993	0	1,87,399	0
17	Lease Hold Land	1,02,57,525	10,57,120	0	1,13,14,645	0	0	0	0	1,02,57,525	1,13,14,645
18	Pipes & Valve Fittings	45,17,811	37,11,107	0	82,28,918	3,81,028	2,10,286	0	591,314	41,36,783	76,37,604
19	Storage Tank	24,99,239	0	0	24,99,239	2,39,779	83,475	0	323,254	22,59,460	21,75,985
20	ERP Computer Software	0	12,15,334	0	12,15,334	0	32,834	0	32,834	0	11,82,500
21	Dies	1,03,360	0	0	1,03,360	68,551	11,690	0	80,241	34809	23,119
	TOTAL Rs. :::	16,87,84,387	13,57,56,759	12,15,504	30,33,25,642	3,29,38,667	96,12,421	3,25,557	4,22,25,530	13,58,45,721	26,11,00,112
	Previous Years	11,16,26,299	6,11,50,776	39,92,688	16,87,84,387	2,81,04,128	50,61,828	2,27,290	3,29,38,667	8,35,22,171	13,58,45,720

Project under implementation:-

1	Capital Work in Progress	8,01,27,196	23,31,961	3,62,88,941	4,61,70,216	0	0	0	0	8,01,27,196	4,61,70,216
2	ERP Software Under Implementation	7,22,334	4,93,000	12,15,334	0	0	0	0	0	72,23,34	0
	TOTAL	8,08,49,530	28,24,961	3,75,04,275	4,61,70,216	0	0	0	0	8,08,49,530	4,61,70,216

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2009		31/3/2008	
		Rupess	Rupess	Rupess	Rupess
	SCHEDULE : 6 : INVESTMENTS :				
[I]	TRADE INVESTMENTS (At Cost)				
(A)	Investments in Subsidiary				
	(i) Unquoted Investments- Equity Shares				
	(1) Dynamic Overseas (India) P. Ltd. Shares [20,600 Shares of Rs.100 each (P.Y.F.600)]	20,60,000		20,60,000	
	(2) Dynamic USA Inc. Shares [1000 Shares of US\$ 1/- each (P.Y.F. Nil)] [Exchange Rate US\$ 1/- = Rs. 45.54]	45,540		45,540	
			21,05,540		21,05,540
(B)	Other Investments				
	(i) Other Quoted Investments- Equity Shares				
	(1) Gujarat State Financial Corpn.Ltd. [190 Shares of Rs.20 each(P.Y.F.190)] [Market Price : Not available]	38,000		38,000	
	(2) In Equities as per List by Kotak Mahindra Bank Ltd (At Cost)	84,40,159		1,30,36,853	
		84,78,159		1,30,74,853	
	Less:- Provision for Diminution in value of Investments (Net)	49,23,105		58,28,753	
	(The list is attached as Annexure showing cost and market value of all the shares)		35,55,054		72,46,101
	(ii) Other Unquoted Investments - Equity Shares				
	* Enviro Technology Ltd. Shares [15,000 Shares of Rs.10 each(P.Y.F.15,000)]	1,50,000		1,50,000	
	* Bharuch Enviro Infrastructure Ltd. [1,260 Shares of Rs.10 each(P.Y.F.1,260)]	12,600		12,600	
	* Bharuch Eco-Aqua Infra.Ltd [32,300 Shares of Rs.10 each (P.Y.F.16,800)]	3,23,000		1,68,000	
	* Forum (Chandolidia) Aawas Owmer's Asso. [1 Share of Rs.100 each (P.Y.F.100)]	100		100	
	* Navsarjan Industrial Bank Ltd. 500 Shares Of Rs 25 each (P.Y.F.500)]	12,500		12,500	
	*Dynamic Holdings Pvt.Ltd. [10,10,000 Shares Of Rs.10 each (P.Y.F.1,01,000)]	1,01,00,000		1,01,00,000	
	* Ank.Res. &.Analy.Inf.Ltd. [1,000 Shares of Rs.10 each (P.Y.F.1,000)]	10,000		10,000	
			1,06,08,200		1,04,53,200
[II]	OTHER INVESTMENT (At Cost)				
	Investments in Unquoted Mutual Funds Non-Liquid Dividend Plan (Balance)				
	List for purchases & sales of MF is given seperately				
	Fidelity India Growth Fund	10,00,000		10,00,000	
	HDFC AMC PMS (Real Estate Portfolio)	24,57,014		7,30,605	
	HDFC MID CAP EQUITY FUND	5,00,000		5,00,000	

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2009		31/3/2008	
		Rupess	Rupess	Rupess	Rupess
	HSBC Unique Opportunities Fund	2,00,000		2,00,000	
	JM Basic Fund	19,00,000		7,00,000	
	Reliance Equity Growth Fund	0		5,00,000	
		60,57,014		36,30,605	
			60,57,014		36,30,605
	Investment In Residential Flat	30,00,000		30,00,000	
			30,00,000		30,00,000
	TOTAL Rs.		2,53,25,808		2,64,35,446
	<u>SCHEDULE : 7 : CURRENT ASSETS AND LOANS & ADVANCES :</u>				
[A]	CURRENT ASSETS :				
	INVENTORIES : Valued at Cost or Net realisable value whichever is low				
	[As per Inventory taken, valued and Certified by Directors of the Company]				
*	Raw Materials	1,81,80,600		2,36,83,444	
*	Packing Material.....	12,88,825		10,21,069	
*	ETP stock	60,369		55,809	
*	Waste	25,931		3,938	
*	Work in progress.....	1,00,41,092		1,37,98,812	
*	Finished Goods ...	2,08,52,441		1,66,58,796	
*	Semi Finished Goods.....	89,67,904		95,29,138	
			5,94,17,162		6,47,51,006
	SUNDRY DEBTORS				
	(Unsecured Considered Good)				
*	Due Over Six Months.	7,52,133		2,38,366	
*	Others	7,24,72,766		6,09,04,966	
	(Includes Due from Subsidiaries Rs. 0 (PYF 12,87,000/-)				
	(Considered doubtful Rs. 7,52,133/-)				
	CASH AND BANK BALANCE :				
*	Foreign cheques & currencies a/c.	5,093		19,655	
*	Cash-in-hand	47,208		38,605	
*	Balance with Schedule Bank in current a/c	22,04,149		20,44,439	
*	Balance with Non-Schedule Bank in current a/c	2,65,343		1,77,133	
*	Balance with Non-Schedule Bank in margins a/c	2,965		5,84,370	
*	Balance with Schedule Bank in Fixed Deposits	17,77,474		9,85,702	
			43,02,232		38,49,904
[B]	LOANS AND ADVANCES :				
*	Advances recoverable either in Cash or in Kind or for value to be received.	1,84,15,332		1,21,53,622	
*	Deposits with Govt. Bodies & Others	83,92,021		43,55,959	
*	Advance Income tax	90,00,000		1,98,49,427	
*	Advance Fringe Benefit Tax	89,310		4,47,679	
*	Advances given for Capital Goods [New Project]	0		1,47,04,529	

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2009		31/3/2008	
		Rupess	Rupess	Rupess	Rupess
*	Advances given for expenses	34,152		8,83,844	
*	Advances given for goods	7,34,400		16,58,534	
*	LOANS AND ADVANCES TO SUBSIDIARIES				
*	Dynemic Products (Inc) USA	50,000		50,000	
*	Dynemic USA Inc	34,13,180		26,80,310	
	(Refer to Note No. 15 & 16 of Schedule 17: Notes to Accounts)		4,01,28,395		5,67,83,903
	TOTAL Current Assets and Loans & Advances		17,70,72,687		18,65,28,145
	SCHEDULE : 8 : CURRENT LIABILITIES :				
	CURRENT LIABILITIES :				
*	Sundry Creditors	3,99,53,499		2,07,27,795	
*	Share Application Money Refundable	10,72,875		10,72,875	
*	Unclaimed Dividend (2007-08)	1,04,785			
*	Unclaimed Dividend (2006-07)	73,591		77,166	
*	Unclaimed Dividend (2005-06)	81,552		84,852	
*	Advance from Customers	78,371	4,13,64,674	2,472	2,19,65,160
	PROVISIONS :				
*	Leave Encashment Salary Provisions	4,69,910		1,97,113	
*	Proposed Dividend	1,13,28,449		1,13,28,449	
*	Tax on Proposed Dividend	19,25,270		19,25,270	
*	Provision for Taxation for FBT	1,55,038		3,02,885	
*	Provision for Taxation for current tax	61,65,000	2,00,43,667	2,17,40,000	3,54,93,717
	TOTAL RS.		6,14,08,341		5,74,58,877
	SCHEDULE : 9 MISCELLANEOUS EXPENSES				
	(To the extent not Written Off)				
	PRELIMINARY EXPENSES :				
*	Last Balance	59,451		2,04,434	
*	Add : Additions during the year	0		0	
		59,451		2,04,434	
*	Less : Written off during the year	59,451	0	1,44,983	59,451
	TOTAL Rs.		0		59,451
	SCHEDULE : 10 : OTHER INCOME :				
	OTHER BUSINESS RELATED INCOME				
*	Environmental Subsidy	10,00,000		0	
*	Cash Discount Received	4,76,302		3,74,165	
*	Foreign Exchange Gain & Loss	20,14,204		0	
*	Office Rent Income	1,08,000		0	
*	Conversion Charge Income	42,19,950		31,68,125	
*	DEPB Income	3,01,706		35,477	
*	Excise Refund Income	0		37,536	
*	Electricity Duty Refund	0		2,95,637	
*	Interst On GEB Deposit	27,627		27,816	
*	Interst On ETL Deposit	61,638		0	
*	Misc Credit W/O	0		1,08,027	

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2009		31/3/2008	
		Rupess	Rupess	Rupess	Rupess
*	Packing Material Income	9,02,145		11,22,301	
*	Profit On Sale Of Res. Premises	0		4,59,732	
*	Duty Draw Back Income	4,14,535		0	
*	Round Off	0		10	
*	Insurance Claim Received	9,644		0	
*	Misc Income	6,241		0	
*	L/c Charges	0		2,029	
*	Vat Refund on Foreign Exhibitions	56,587		0	
*	Frieght Recovered	902		0	
	TOTAL	95,99,481		56,30,855	
	OTHER INVESTMENT RELATED INCOME				
*	Dividend on Mutual Fund	52,355		29,27,374	
*	Dividend From Company	98,009		1,94,320	
*	Dividend Income Others	0		600	
*	Interest on HDFC Real Estate Fund	65,769		19,439	
*	Gain/Loss On Sale Of MF	0		(1,59,131)	
*	Interest on FD (Bank)	88,424		4,31,933	
*	Short Term Capital Gain - BNP PARIBAS MF	0		4,997	
*	Short Term Capital Gain-KOTAK MAHINDRA MF	(49,18,306)		(53,38,830)	
	TOTAL	(46,13,749)		(19,19,298)	
	Less :- Expenditure Realting to income on investments				
*	Service Tax - Kotak	16,122		67,918	
*	Other Shares Related Expenses-BNP	0		0	
*	Other Shares Related Expenses-Kotak	1,49,477		11,01,487	
*	Securities Transaction Tax - BNP	0		968	
*	Securities Transaction Tax - Kotak	93,634		3,45,143	
*	Securities Transaction Tax - Mutual Fund	1,367		8,353	
*	Management Cons. Fees & Entry Load	23,591		3,19,395	
*	Service Tax -BNP	0		474	
*	Provision for Demunition in the Value of Investments (Net)	(9,05,648)		24,03,656	
	TOTAL	(6,21,457)		42,47,393	
	NET INCOME/LOSS ON INVESTMENTS	(39,92,292)		(61,66,691)	
	TOTAL Rs.		56,07,189		(5,35,836)
	SCHEDULE : 11 : INCREASE / DECREASE IN STOCKS :				
	CLOSING STOCK :				
*	Finished Goods	2,08,52,441		1,66,58,796	
*	Semi Finished Goods	89,67,904		95,29,138	
*	Wastes Stocks	25,931		3,938	
*	Work-in-Progress	1,00,41,092		1,37,98,812	
			3,98,87,368		3,99,90,684
	OPENING STOCK :				
*	Finished Goods	1,66,58,796		1,22,59,238	

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2009		31/3/2008	
		Rupess	Rupess	Rupess	Rupess
*	Semi Finished Goods	95,29,138		77,64,592	
*	Wastes Stocks	3,938			
*	Work-in-Progress	1,37,98,812		66,80,922	
			3,99,90,684		2,67,04,752
	Increase (Decrease) in Stocks...		(1,03,316)		1,32,85,932
	<u>SCHEDULE : 12 : MATERIALS,</u>				
	<u>MANUFACTURING & OPERATING COSTS</u>				
A	<u>RAW MATERIALS CONSUMED</u>				
*	Opening Stock	2,36,83,444		1,92,87,859	
	Add. : Purchase during the year	31,47,93,264		24,43,03,716	
		33,84,76,708		26,35,91,575	
	Less : Closing Stock	1,81,80,600		2,36,83,444	
	TOTAL Rs.		32,02,96,108		23,99,08,131
B	<u>PACKING MATERIAL CONSUMED</u>				
*	Op. Stock	10,21,069		7,38,313	
	Add: Purchases during the year	88,36,201		71,49,963	
		98,57,270		78,88,276	
	Less : Closing stock	12,88,825		10,21,069	
	TOTAL Rs.		85,68,445		68,67,207
C	<u>E.T.P MATERIAL CONSUMED</u>				
*	Op. Stock	55,809		26,065	
	Add: Purchases during the year	20,78,369		20,02,838	
		21,34,178		20,28,903	
	Less : Closing stock	60,369		55,809	
	TOTAL Rs.		20,73,809		19,73,093
D	<u>POWER & FUEL CONSUMED</u>				
*	Electric Power & Burning	1,12,67,052		81,33,830	
*	Fuel Purchased & Consumed	5,35,173		2,32,886	
*	Gas Consumption Charges	1,42,84,454		1,04,42,044	
	TOTAL Rs.		2,60,86,679		1,88,08,760
E	<u>OTHER MFGS. EXPENSES</u>				
*	Transportation	31,07,770		26,45,732	
*	Conversion Charges.	87,54,557		77,85,816	
*	Factory Exp	5,13,017		7,37,903	
*	Labour Charges	42,25,765		30,25,939	
*	Forwarding & Handling Charges	74,75,829		51,59,106	
*	Pallatisation Charges	2,11,948		1,18,898	
*	ETP Expense	19,77,240		8,54,166	
*	Unloading Labour Charges	20,245		6,050	
*	Safety Expense	95,216		45,109	
*	Colour Expense	22,136		0	
*	Consumable Stores	56,69,104		31,52,110	
	TOTAL Rs.		3,20,72,827		2,35,30,829
	TOTAL:- MANUFACTURING COST		38,90,97,868		29,10,88,020

SCHEDULES FORMING PART OF ACCOUNTS

Particulars	31/3/2009		31/3/2008	
	Rupess	Rupess	Rupess	Rupess
<u>SCHEDULE : 13 SALARIES WAGES & BONUS</u>				
* Salary & Wages to Employees	85,54,164		85,69,166	
* Salaries & Bonus to Directors	60,19,656		57,94,749	
* Sitting Fees to Directors	92,500		50,000	
* Salary & Wages Expense	7,27,767		3,91,090	
* Leave Salary (Inc. Provisions -unpaid)	4,68,314		2,42,735	
* Bonus & other charges	34,61,874		29,69,858	
TOTAL Rs.		1,93,24,275		1,80,17,598
<u>SCHEDULE-14 : REPAIRS AND MAINTENANCE</u>				
* Electrical Parts & Maintenance	3,47,111		1,98,823	
* ETP Parts & Maintenaces	55,91,740		55,24,914	
* Machinery Parts & Maintenance	4,04,419		3,68,871	
* A.C. Service Charges	72,589		77,575	
* Building Repairing	2,369		9,859	
* Computer Maintainance & Consumables	97,329		1,09,835	
* EPABX Maintainance	12,800		33,840	
* Machinery Repairing & Maint.	12,56,923		8,46,470	
* Lab Equipment Repairing	8,700		8,375	
* Furniture Repairing & Maint	23,720		350	
* Factory Fixtures Repairing	0		1,737	
* Type, Phone Fax & Zerox Maintainance	6,810		2,060	
* Vehicle Repairing Expenses	1,20,688		1,98,540	
* Office Repairing Expenses	0		2,500	
* Residential Premises Repairing Expenses	18,578		0	
TOTAL Rs.		79,63,776		73,83,749
<u>SCHEDULE : 15 : ADMINISTRATIVE AND OTHER EXPENSES :</u>				
* Consultancy Fees	6,33,829		6,37,085	
* Exhibition Exp.	7,30,334		11,85,704	
* Foreign Exchange Gain /loss	0		9,85,527	
* Insurance Premium	18,55,027		14,86,513	
* Kasar, Rates & Quality Difference.	28,041		6,89,342	
* Petrol Expenses	2,95,898		3,23,166	
* Selling Commission	18,01,542		5,58,969	
* Staff Welfare Expenses	4,42,270		3,67,380	
* Telephone Expenses	3,41,702		4,10,626	
* Travelling & Conveyance	2,41,423		1,86,994	
* Business Metting USA	0		1,71,960	
* Angadia & Courier Expenses	3,45,250		3,21,960	
* Audit Fees	3,25,000		3,25,000	
* Bad Debts	0		33,64,137	
* FDA Approval Fees	2,07,614		3,12,190	
* Lab-Testing Expenses	1,76,680		2,33,640	
* Legal & Professional Charges	6,09,256		7,58,800	

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2009		31/3/2008	
		Rupess	Rupess	Rupess	Rupess
*	Misc Office Expenses	1,65,682		2,49,216	
*	Office Electric Bill Expenses	2,55,636		2,14,692	
*	Security Expenses	6,98,766		5,38,718	
*	Stationery & Printing Expenses	8,06,279		9,76,737	
*	Water Charges	3,68,642		2,09,334	
*	Sales Promotion Expenses	2,84,114		60,890	
*	Registration, Renewal & Filing Fees	1,37,408		2,44,819	
*	Stamp Paper and Franking Charges	6,70,920		490	
*	Advertisement Expense	2,99,209		42,150	
*	Loss on sale of Machinery	3,12,359		0	
*	Other Administrative & Establishment Expenses		26,50,591		16,32,754
	TOTAL Rs.		1,46,83,472		1,64,88,793
	<u>SCHEDULE : 16 : INTEREST & FINANCIAL EXPENSES:</u>				
*	Interest	1,12,71,119		37,73,680	
*	Other Financial Charges	33,41,015		11,99,498	
	TOTAL Rs.		1,46,12,134		49,73,178

SCHEDULE : 17

Significant Accounting Policies & Notes forming parts of Accounts as on 31-3-2009

I] Significant Accounting Policies :

1] BASIS OF PREPARATION OF FINANCIAL STATEMENT & ACCOUNTING :-

(i) The Annual Accounts have been prepared on the Historical cost basis and confirms to the statutory provisions of Companies Act, 1956 and General Accounting practices prevailing in the country, and the Accounting Standards issued by the Institute of Chartered Accountants India and the guidelines issued by the Securities and Exchange Board of India.

(ii) The Accounts have been prepared on accrual basis.

2] FIXED ASSETS, DEPRECIATION AND CAPITAL WORK IN PROGRESS:-

(i) Fixed Assets have been accounted for at their Historical Cost.

(ii) During the year, the company has provided the depreciation on straight line method at rates for single shift specified in Schedule IXV of the Companies Act, 1956 on the prorata basis for the additions from Fixed Assets.

(iii) All Fixed Assets are valued at Cost Less Accumulated depreciation (Other than land where no depreciation is charged). All costs relating to the acquisition and installations and initial financing costs relating to the borrowed funds attributable to acquisition of Fixed Assets up to date, the assets is put to use, have been capitalised.

(iv) No depreciation has been provided on Assets which are shown as Capital work in progress for new proposed expansion project.

3] INVESTMENTS :-

Long-term investments are stated at cost less provision for other than temporary diminution in value in the opinion of the management. Current investments comprising, investments in mutual funds, equities, and other instruments are stated at the lower of cost and fair market value, determined on a portfolio basis. Gain/Loss arising on disposal of investments are recognised as income/ expenditure in the year of disposal.

4] RETIREMENT BENEFITS :-

Repayment for present liability of future payment of gratuity is being made to Approved Gratuity which fully cover the same under Group Gratuity Policy or Cash Accumulation Policy with Life Insurance Corporation of India. The Gratuity trusts are covered with Life Insurance Corporation of India (LIC) and premiums are paid on advise from LIC, which determines the same on the basis of actuarial valuation. Provision for Leave Encashments is made as at the year end as per the financial figures and other details provided and certified by the management. Actuarial valuation for leave encashment is not available.

5] INVENTORIES :-

All Inventories are valued at lower of Cost or Net realisable value and the cost is ascertained on First in First Out basis wherever applicable.

6] SALES & REVENUE RECOGNITION :-

Sales are exclusive of Excise Duties and Sales tax. Revenue(Income) is recognised when no significant uncertainty as to determination / realization exists.

7] MISCELLANEOUS EXPENDITURE :-

Preliminary Expenses have been amortised as per Section 35D of the Income tax Act,1961.

8] TREATMENT OF EXCISE DUTY :-

Excise Modvate credit on purchase have been transferred to Excise Modvate Receivable A/c. which has been transferred or set off against Excise duties payable on sales and balance have been shown as Excise Modvate Receivable A/c. under the head Current Assets, Loans and Advances in Balance sheet.

9] TREATMENT OF SERVICE TAX PAYABLE ON TRANSPORTATION EXPS. :-

Service tax payable on Transportation expenses has been credited to Service tax payable A/c. which has been set off against Modvate receivable for service tax paid on various expenses and balance of modvate receivable for Service tax paid on various expenses has been shown under the head Loans & Advances in Current Assets side of Balance Sheet.

10] FOREIGN CURRENCY TRANSACTIONS :-

Transactions in foreign currencies are recorded at the original rates of exchange in force at the time the transactions are effected. Balance in form of current assets and current liabilities in foreign currency, outstanding at the close of the year, are converted in Indian Currency at the appropriate rate of exchange prevailing on the date of the Balance Sheet .The resultant gain or loss is accounted during the year.

11] INTER DIVISIONAL TRANSFER :-

Interdivisional transfer of goods of Rs. 4,39,57,459/- (PYF 2,45,86,866/-) of independent marketable products for further processing are being included in respective heads of account at market value to reflect the true working of the respective unit. Any un- realised profit on stock is being eliminated while valuing the inventories. The Conversion Charges of Rs. 42,19,950/- (PYF Rs. 31,68,125/-), has been included in other income and also show as expenditure under the head "other manufacturing exps" for the conversion or manufacturing process carried out by Unit-1 for the materials of Unit-2.

12] TAXES ON INCOME :-

- (i) Current tax is determined as tax payable in respect of taxable income of current year.
- (ii) Deffered tax for the year is recognised on timing difference,being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
- (iii) Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or subsequently enacted by the Balance sheet date. Deferred tax assets / liabilities arising on account of unabsorbed depreciation under tax laws are recognised on to the extent there is virtual certainty of its realisation supported by convincing evidence. Deferred tax assets on account of other timing differences are recongnised only to the extent there is reasonable certainty of its realisation. At each Balance sheet date, the carrying amount of Deferred Tax are reveived to reassure realisation.
- (iv) Fringe benefit tax is recognised in accordance with the relevant provisions of the Income Tax Act,1961 and the Guidance Note on Fringe Benefits Tax issued by ICAI.
- (v) Tax on distributed profits payable in accordance with the provisions of the Income Tax Act, 1961 is disclosed in accordance with the Guidance Note on Accounting for Corporate Dividend Tax issued by ICAI.

13] IMPAIRMENT LOSS:-

As required by the Accounting Standards (AS 28) " Impairment of Assets " issued by ICAI, as informed to us, the company has carried out the assessment of impairment of assets. There has been no impairment loss during the year.

14] Contigent Liability :-

These, if any, are disclosed in the notes on accounts. Provision is made in accounts if it becomes probable that an out flow of resources embodying economoc benefits will be required to settle the obligation.

II] NOTES ON ACCOUNTS :-

1] During the year 2005-06, the Company has raised money through the public issue of 44,22,569 shares of Rs. 10/- each at a premium of Rs.25/- per Equity share, amounting of Rs. 1547.90 Lacs. As informed by the management, the implementation of the projects as defined in the Prospectus filed with SEBI, at both the units have been delayed due to the delay in availability of the required land at both sites, however, now during the year, the projects implementation has been completed and have started commercial productions for both units except for Plant B at EOU-II. The funds raised from the public has been fully invested and the cost over run has been financed partly from the bank term loan and partly from the internal cash accruals.

2] Segmental Reporting :-

A] Segment information for primary reporting (by business segment)

In accordance with the Accounting Standard -17 on " Segment Reporting " issued by the Institute of Chartered Accountants of India, the Company had reviewed the segment reporting last year in 2007-08, as reported last year, the company has its operation in manufacturing, and marketing of Dyes & Intermediates. The primary reporting segment for the company, therefore is the business segment, viz., Dyes & Intermediates.

B] Segment information for secondary reporting (by geographical segments)

The secondary reporting segment for the company is the geographical segment based on the location of customers which is :- 1) Domestic, 2) Export Information about secondary segments:-

Particulars	Domestic	Exports	Unallocated	Total
Revenue by geographical market	16,52,56,312	32,58,65,212	0	49,11,21,524
	(11,50,91,265)	(25,06,77,280)	(0)	(36,57,68,545)
Carrying amount of Segment Assets (Gross)	45,92,33,646	5,04,35,178	0	50,96,68,824
	(39,58,13,464)	(3,39,04,828)	(0)	(42,97,18,292)

Figures in brackets are for the previous year.

3] Certain debts amounting to Rs. 7,52,133/- are overdue for considerable time and provisions is required. The Management is taking steps to recover the same. Any shortfall in the recovery will be provided for on completion of recovery efforts.

4] Related Party Disclosures :-

A] List of parties where control exist

(i) Subsidiary Company

- * Dynamic Overseas (India) Pvt.Ltd.
- * Dymenic USA Inc.

B] Other related parties with whom transactions have taken place during the year

(ii) Associates :-

- * Shakti Intermediates Pvt.Ltd.
- * Dymenic Holdings Pvt Ltd

(iii) Key management personnel :-

Mr. B. K. Patel	Managing Director
Mr. Rameshbhai B. Patel	Wholetime Director
Mr. Dasharathbhai P. Patel	Wholetime Director
Mr. Shashikant P. Patel	Wholetime Director
Mr. Dixit B. Patel	Wholetime Director
Hitendra Kumar Patel	General Manager
Pitambarbhai Patel	Production Manager
Bhadreshbhai Sharma	Manager - Internal Audits & Imports
Mukeshbhai Patel	Manager - Export
Paurav Shah	Chief Financial Officer (upto July"08)
Amisha Patel	Manager - Accounts
Pinky Mehta	Export - Executive
Josekutty Thomas	Chief Financial Officer

C] Transactions with related parties :-

Nature of Transaction	Key Mananagerial Personnel & other Relatives Amt. in Rs.		Subsidiary Companies Amt. in Rs.		Associates Amt. in Rs.	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Fixed Deposits taken						
Taken during the period	55,80,000	25,000	0	0	0	0
Repaid during the period	13,37,948	40,56,051	0	0	0	0
Closing Balance	52,15,119	7,04,939	0	0	0	0
Loans & Advances						
Given during the period	7,82,139	16,13,000	45,10,000	1,42,37,826	78,40,945	0
Settled during the period	11,68,007	3,37,638	45,10,000	1,78,39,247	78,40,945	0
Closing Balance	11,13,881	14,99,749	34,13,180	23,92,483	0	0
Investments						
Given during the period	0	0	0	1,21,00,000	0	0
Settled during the period	0	0	0	0	0	0
Closing Balance	0	0	1,22,05,540	1,21,45,540	0	0
Sundry Debtors	0	0	0	12,87,000	0	9,67,722
Sundry Creditors	0	0	0	0	0	0
Purchase of Goods	0	0	0	0	10,98,078	25,02,838
Conversion Charges	0	0	0	0	13,49,224	9,64,320
Amount Expended on be half of other	75,15,564	68,71,745	0	0	0	0
Sales	0	0	10,07,470	38,25,750	8,340	43,532

- 5] The Earning per share, computed as per requirement under Accounting Standard-20 on Earning per Share, issued by the Institute of Chartered Accountants of India, is as under :

Particulars	2008-09	2007-08
Net Profit after tax (Amount Rs.)	1,90,04,892	1,84,97,379
Weighted Average Nos. of Shares	1,13,28,449	1,13,28,449
Basic Earing per Share on nominal value of Rs.10/-per share	1.68	1.63

6] **COMPANY SECRETARY:-**

The company is required to appoint full time qualified company secretary U/s 383A(1), but has not appointed the same with effect from 1-05-2007, when the full time qualified company secretary resigned. As explained to us, the company is making efforts to appoint the same and for better compliance, the company has carried out Secreterial Audit by Practicing Company Secretary and obtained the Secretarial Audit Report for the FY 2008-09.

- 7] Paise have been rounded upto the nearest rupees.

- 8] Previous year's Figures have been regrouped and /or rearranged wherever necessary to make them comparative with current year's figures.

- 9] Deferred Tax :- The break up of deferred tax liability are as under :

Nature of timing difference	Deferred Tax Liability / Assets		
	Balance As on 1st April 2008	Debit/(Credit) for the year Rs.	Balance As on 31st March 2009
(a) Deferred Tax Liability			
- Depreciation	1,55,42,659	61,38,247	2,16,80,906
-Prov for deminution in Investments	(19,69,891)	(3,07,830)	(16,62,061)
TOTAL	(1,35,72,768)	(64,46,077)	(2,00,18,845)

- 10] Remuneration to Auditors

Particulars	Current Year Amount Rs.	Previous Year Amount Rs.
As Audit Fees	2,50,000	2,50,000
As Tax Audit Fees	75,000	75,000
For Taxation	2,00,000	1,25,000
For Other Matters- CIT (Apeals)	0	30,000
For Service Tax	64,890	43,260

11] Managerial Remuneration under Section 198 of the Companies Act, 1956 :

The managerial remunerations is as per Section 198 and Schedule XIII of the Companies Act, 1956, as per the certificate dtd. 25-06-2009 of Practicing Company Secretary Shri Nimesh Shah.

Particulars	2008-09 Amount Rs.	2007-08 Amount Rs.
(a) Remuneration	60,19,656	57,94,749
(b) Contribution to P. F.	—	—
(c) Perquisites	—	—
TOTAL Rs.	60,19,656	57,94,749

- 12] Contingent Liability for Letter of Credits and Bank Guarantees is of Rs.90,06,888/- (PYF 20,04,673/-)
- 13] Estimated Amount Contract remaining to be executed and not provided for Rs.NIL/-for the new expansion project (P.Y.F.Rs. 3,15,00,000/-)
- 14] Some of the Debit/Credit balances are subject to reconciliation/ confirmation in certain cases.However, in the opinion of the Board of Directors all Assets including sundry debtors, loans and advances and deposits would be, in ordinary course of business, realised at least value stated.
- 15] Fixed Assets includes investment made by the company in Residential building for Employees of the Company. Title of certain residential buildings are still in the name of Emplpyee, and transferring the same in the name of the Company is under process, however the power of attorney and affidevits has been taken in favour of the company for such assets, as per the information and the explanation given to us.
- 16] Amount due to SSI Units has not been segregated in view of non availability of requisite information for the purpose of ascertaining the liability if any,under the “ Interest on delayed payments to Small Scale & Ancillary Undertaking Act 1993. “ The company does not have information as to which of its creditors is registered under The Micro, Small and Medium Enterprises Development Act, 2006, hence, no disclosure as required by the said Act is given.
- 17] The Company has made investments for the incorporation of Subsidiary Company Dynamic Products (Inc) USA of Rs. 50,000/- in the earlier year in the United States of America, the same is shown under the head “LOANS AND ADVANCES” as the specific details of the investment are not available for our verification.
- 18] The Company has made investments for incorporation of wholly owned subsidiary company Dynamic USA Inc.of Rs. 34,13,180/- outstanding at the year end (including forex gain/ loss), in the Unites State of America, the same is shown under the head “ Advances Recoverable in cash or in kind “ as current assets in Loans & Advances. The said wholly owned subsidiary Dynamic USA Inc.,as informed to us, has been involved in the marketing of the products of the company but as such the final accounts are not available to us, and hence, the results of the said subsidiary has not been included in separately prepared consolidated financial statements.
- 19] The US subsidiary company DynamicUSA Inc. has made an allotment of Equity share of 1000 of US\$ 1/- each and accordingly the same is shown as Investment in subsidiary at Rs. 45,540/-.
- 20] Excise duty on goods manufactured by the company is accounted only at the time of removal of goods from the factory for sale and/or captive consumption. Such excise duty liability on finished goods as on 31st March, 2009 is estimated at Rs. 17,09,900/-.This Accounting Policy has no impact on the profit for the year.
- 21] Additional information pursuance to Part II and Part III of Schedule VI of the Companies Act, 1956 to the company are attached.

A. Licenced and Installed Capacity (As Certified by Management)

No.	Particulars	2008-09	2007-08
(i)	Licenced Capacity	Not Applicable	Not Applicable
(ii)	Installed Capacity		
a.	Dyes Intermediates	2,880 MT	2,880 MT
b.	Food Colours	2,820 MT	2,635 MT

B (i) : Production, Purchase, Sales and Stock of Finished Goods (As certified by Management) for the Year ended as on 31-3-2009

Sr No	Products	Unit	Opening Stock		Purchases		Production	Captive	Sale		Closing Stock	
			Qty	Amount Rs.	Qty	Amount Rs.		Consumption	Qty	Amount Rs.	Qty	Amount Rs.
							Qty	Qty				
(I) Finished Goods (Packed) :												
1	Dyes & Intermediates	Kgs.	17,468.280 (1,583.000)	35,02,226 (3,54,627)	0.000 (0.000)	0 (0)	25,72,583.230 (25,01,842.860)	16,27,726.570 (15,74,350.000)	9,57,647.795 (9,11,607.580)	20,30,31,539 (17,06,81,084)	4,677.145 (17,468.280)	10,23,445 (35,02,226)
2	Food Colours	Kgs.	28,917.290 (40,102.300)	1,15,85,601 (1,07,61,189)	0.000 (0.000)	0 (0)	12,82,567.000 (9,37,203.190)	84,371.750 (19,440.200)	11,39,125.750 (9,28,948.000)	26,20,73,852 (17,79,77,704)	87,986.790 (28,917.290)	1,89,24,844 (1,15,85,601)
3	Lake Colours	Kgs.	4,011.800 (2,468.500)	11,67,337 (9,95,351)	0.000 (0.000)	0 (0)	18,144.000 (19,389.000)	0.000 (526.000)	19,461.500 (17,319.700)	87,93,230 (63,76,816)	2,694.300 (4,011.800)	5,63,569 (11,67,337)
4	Granuals	Kgs.	0.000 (0.000)	0 (0)	0.000 (0.000)	0 (0)	120.000 (0.000)	0.000 (0.000)	100.000 (0.000)	47,795 (0)	20.000 (0.000)	6,832 (0)
5	Preparation Colours	Kgs.	1,587.500 (764.500)	4,03,632 (1,48,071)	0.000 (0.000)	0 (0)	34,345.000 (34,421.000)	140.000 (80.000)	34,185.200 (33,518.000)	47,27,059 (50,12,898)	1,607.300 (1,587.500)	3,33,751 (4,03,632)
TOTAL (I)				1,66,58,796		0	39,07,759.230			47,86,73,475		2,08,52,441
				(1,22,59,238)		(0)	(34,92,856.050)			(36,00,48,502)		(1,66,58,796)
(II) Semi Finished Goods :												
1	Dyes & Intermediates	Kgs.	67,379.490 (19,726.330)	62,65,204 (16,01,950)	0.000 (0.000)	0 (0)	25,359.500 (51,715.160)	31,773.430 (4,062.000)	0.000 (0.000)	0 (0)	60,965.560 (67,379.490)	69,93,603 (62,65,204)
2	Food Colours	Kgs.	20,185.500 (18,593.990)	32,63,934 (61,62,642)	0.000 (0.000)	0 (0)	0.000 (48,177.500)	7,500.000 (46,585.990)	0.000 (0.000)	0 (0)	12,685.500 (20,185.500)	19,74,301 (32,63,934)
TOTAL (II)				95,29,138		0	25,359.500			0		89,67,904
				(77,64,592)		(0)	(99,892.660)			(0)		(95,29,138)
(III) Misc.items (By Products) :												
1	ETP Materials	Kgs.	0.000 (0.000)	0 (0)	0.000 (0.000)	0 (0)	854.740 (1,296.470)	0.000 (0.000)	854.740 (1,296.470)	12,946 (6,754)	0.000 (0.000)	0 (0)
TOTAL (III)				0		0	854.740			12,946		0
				(0)		(0)	1,296.470			(6,754)		(0)
(IV) Trading Materials- Finished Goods :												
1	Trading Materials	Kgs.	0.000 (0.000)	0 (0)	91,275.000 (28,770.000)	95,00,994 (45,17,889)	0.000 (50.000)	0 (0)	91,275.000 (28,820.000)	1,24,35,102 (57,13,288)	0.000 (0.000)	0 (0)
2	Trading of HDPE Drum	Nos.	0.000 (0.000)	0 (0)	0.000 (0.000)	0 (0)	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)	0 (0)	0.000 (0.000)	0 (0)
TOTAL (IV)				0		95,00,994	0.000	0		1,24,35,102		0
				(0)		(45,17,889)	(50.000)	(0)		(57,13,288)		(0)
GRAND TOTAL				2,61,87,934		95,00,994	39,33,973.470	0		49,11,21,524		2,98,20,345
				(2,00,23,830)		(45,17,889)	(35,94,095.180)	(0)		(36,57,68,543)		(2,61,87,934)

Note : 1. Interdivisional transfer for Purchase and sales of Goods are being included in respective figure of Sales and Purchases of goods for Quantity and Value both.
2. The figures shown in the brackets relates to the previous year i.e. 2007-08

**C. Quantity and Value there of in regard to each item of stock of Raw Materials
(As certified by Management)**

Sr. No	Particulars	Unit	Opening Stock		Closing Stock	
			Qty	Amount Rs.	Qty	Amount Rs.
1	Di Ethyl Oxalate	Kgs	16,055.000	10,75,685	33,430.000	24,71,393
2	Aniline Oil	Kgs	3,144.000	1,91,470	21,664.000	11,09,657
3	Ethyl Acetate	Kgs	1,320.000	52,853	0.000	0
4	Ethyl Acetate(Captive)	Kgs	17,925.000	4,32,816	22,050.000	5,39,845
5	Sodium Metal	Kgs	11,491.000	5,79,950	7,341.000	4,28,311
6	Benzene	Ltrs.	2,618.000	1,08,647	1,144.000	25,724
7	Beta Naphthol	Kgs	0.000	0	0.000	0
8	Iodine	Kgs	1,378.240	14,66,833	736.500	8,22,479
9	Others	Kgs	3,70,173.050	1,97,75,190	2,14,512.153	1,27,83,190
	TOTAL Rs.			2,36,83,444		1,81,80,600

**D. Consumption of Raw materials with value and quantative breakup
(As certified by Management)**

Sr. No	Particulars	Unit	2007-08		2008-09	
			Qty	Amount Rs.	Qty	Amount Rs.
1	Di Ethyl Oxalate	Kgs	7,66,860.000	5,10,00,989	7,17,625.000	5,28,64,285
2	Aniline Oil	Kgs	6,59,600.000	3,85,53,090	6,70,400.000	4,57,76,121
3	Ethyl Acetate	Kgs	4,73,640.000	1,32,02,454	1,320.000	52,853
4	Ethyl Acetate(Captive)	Kgs	0.000	0	4,40,800.000	0
	Captive Prod.	Kgs			(44,49,25.000)	(1,07,030)
5	Sodium Metal	Kgs	1,18,349.000	61,48,896	1,09,150.000	74,31,291
6	Benzene	Ltrs.	54,815.000	22,88,837	52,695.000	21,68,212
7	Beta Naphthol	Kgs	75,400.000	86,92,373	1,11,000.000	1,61,33,995
8	Iodine	Kgs	5,628.000	62,34,546	2,441.740	26,54,486
9	Others	Kgs	55,79,712.017	11,37,86,946	77,71,124.972	19,33,21,895
	TOTAL Rs.			23,99,08,131		32,02,96,108

E. Value of Imports on C. I. F. basis in respect of :

Particulars	Current Year Amount Rs.	Previous Year Amount Rs.
Raw Materials	4,68,85,187	2,76,10,663
Stores & Spares	NIL	NIL
Capital Goods	NIL	NIL

**F. Value of Imported & Indigeneous Raw Materials and Stores and Spares
consumed andpercentage of each to the total :**

Sr. No.	Particulars	2008-09		2007-08	
		Amount Rs.	% of Total	Amount Rs.	% of Total
A	Imported	4,68,85,187	15%	2,76,10,663	11%
B	Indigeneous Raw Materials	26,79,08,077	85%	21,66,93,053	89%
	Stores & Spares	0	0%	0	0
C	Expenses in Foreign Curr.	12,60,205	0%	12,23,309	0
D	Amount remitted during the year in Foreign Currency on account of dividend No. of Non Resident Shareholders No of share held by them on which dividend is due Year to which dividend relates Amount of dividend remitted	0	0%	0	0
E	Earning in Foreign Exchange	32,58,65,212	0%	25,06,77,280	0

Signature to Schedule 1 to 17
As per our Report of even Date

**For : SHAH RAJESH & ASSOCIATES
CHARTERED ACCOUNTANTS**
Rajesh D. Shah
Proprietor
M. No. 36232

For : DYNAMIC PRODUCTS LIMITED

B. K. Patel – Chairman & Mg. Director
D. P. Patel – Wholetime Director
R. B. Patel – Wholetime Director
S. P. Patel – Wholetime Director
D. B. Patel – Wholetime Director
Josekutty Thomas – Chief Financial Officer

Place : Ahmedabad.
Date : 27/06/2009

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956
RELATING TO COMPANY'S INTEREST IN THE SUBSIDIARY COMPANY**

1	Name of Subsidiary Company	Dynamic Overseas(India) Pvt.Ltd.
2	The Financial year of the Subsidiary Company ends on	31st March, 2009
3	Date from which it become Subsidiary Company	1st September, 2005
4	a] Number of shares held by Dymenic Products Ltd. in the Subsidiary at the end of the financial year of the Subsidiary Company	20600 Equity Shares of Rs.10/-each
	b] Extent of interest of Holding Company at the end of the financial year of the Subsidiary Company	98%
5	The Net aggregate amount of the Subsidiary Company's Profit(Loss) so far as it concerns the members of the Holding Company :	12,69,132
	a] Not dealt within the Holding Company's accounts	
	i] For the period 1st April, 2008 to 31st March, 2009	12,69,132
	ii] For the previous period(s) since it become the Holding Company's Subsidiary (Loss)	(37,393)
	a] Dealt within the Holding Company's accounts	
	i] For the period 1st April,2008 to 31st March,2009	0
	ii] For the previous period(s) since it become the Holding Company's Subsidiary	0

For & on behalf of board of Directors of

DYNEMIC PRODUCTS LIMITED

B. K. Patel – Chairman & Mg. Director
D. P. Patel – Wholetime Director
R. B. Patel – Wholetime Director
S. P. Patel – Wholetime Director
D. B. Patel – Wholetime Director
Josekutty Thomas – Chief Financial Officer

Place : Ahmedabad.

Date : 27/06/2009

LIST OF HOLDING OF EQUITY SHARES SHOWING MARKET VALUE AND COST VALUE

Security Name	Qty	Avg. Cost	Hldg. Cost	Mkt. Price	Mkt. Value	Unrealised Gain Loss
Equity						
Construction and Contracting - Real Estate						
HDIL	542	372.85	2,02,083.08 2,02,083.08	81.9	44,389.8 44,389.8	(1,57,693) (1,57,693)
Finance - Banks - Private Sector						
HDFC Bank	1	1,940.69	1,940.69 1,940.69	973.4	973.4 973.4	(967) (967)
Finance - Banks - Public Sector						
IDBI	500	89.45	44,725.3 44,725.3	45.4	22,700 22,700	(22,025) (22,025)
Finance-Term Lending Institutions						
IDFC	1000	106.74	1,06,741.7 1,06,741.7	54.2	54,200 54,200	(52,542) (52,542)
Mining/Minerals						
GMDC	300	144.41	43,322.84	39.65	11,895	(31,426)
Sesa Goa	10,000	174.36	17,43,622.85 17,86,945.7	100.75	10,07,500 10,19,395	(7,36,123) (7,67,551)
Miscellaneous						
Rel. Nat. Reso	3,000	167.5	5,02,504.7 5,02,504.7	44.85	1,34,550 1,34,550	(3,67,955) (3,67,955)
Other						
Sejal Architectural	8,000	59.87	4,78,970.97 4,78,970.97	23.15	1,85,200 1,85,200	(2,93,771) (2,93,771)
Paper & Paper Boards						
Kalptaru Pap	25,000	83.03	20,75,826.5 20,75,826.5	10.27	2,56,750 2,56,750	(18,19,077) (18,19,077)
Pesticides / Agro Chemicals						
Meghmani	2,500	19.77	49,425 49,425	6.81	17,025 17,025	(32,400) (32,400)
Pharmaceuticals						
SPARC	2,500	98.63	2,46,568 2,46,568	52.8	1,32,000 1,32,000	(1,14,568) (1,14,568)
Power - Generation / Distribution						
JP Hydro Power	1,500	58.17	87,256.7	29.15	43,725	(43,532)
Reliance Pow	5,000	146.72	7,33,612.46 8,20,869.16	102.5	5,12,500 5,56,225	(2,21,112) (2,64,644)
Refineries						
RPL	10,050	171.78	17,26,404.02 17,26,404	95.15	9,56,257.5 9,56,257.5	(7,70,147) (7,70,147)
Sugar - Others						
Renuka Sugar	643	136.24	87,605.41 87,605.41	91.3	58,705.9 58,705.9	(28,900) (28,900)
Telecommunications - Service						
RCOM	450	687.89	3,09,549.24 3,09,549.24	174.85	78,682.5 78,682.5	(2,30,867) (2,30,867)
Equity Total			84,40,159		35,17,054	(49,23,105)
Net Asset Value			84,40,159		35,17,054	(49,23,105)

SHAH RAJESH & ASSOCIATES
CHARTERED ACCOUNTANTS

Phone:27543319,27542215
4,Third floor,
Rambha Complex,
Opp.: Gujarat Vidhyapith,
Ashram Road,
AHMEDABAD-380 014.

Auditor's Report

The Board of Directors

Dynemic Products Limited

We have audited the attached Consolidated Balance Sheet of DYNEMIC PRODUCTS LTD AND ITS SUBSIDIARY as at 31st March, 2009 and the annexed Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of 'Dynemic Products. Ltd's management. Our responsibility is to express an opinion on these financial statement based on our audit.

We have conducted our audit in accordance with the accounting standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from any material misstatement. An audit also includes, examining on test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes, assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall presentation of financial statement. We believe that our audit provides a reasonable basis for our opinion.

We report that the Consolidated Financial Statements have been prepared by the company's management in accordance with the requirement of Accounting Standard (AS)-21. Consolidated Financial Statement issued by the Institute of Chartered Accountants of India, and on the basis of the separate audited statements of the Dynemic Products Ltd and its subsidiaries included in the consolidated financial statements.

We draw attention to

- (i) Note No 17 regarding the non availability of the final accounts of the subsidiary Dynemic USA Inc, and consequently non inclusion of the same in the consolidated results.
- (ii) Note No. 3 regarding overdue debts of Rs. 7,52,133/-.

Further to the comments given above, we report that on the basis of the information and explanations given to us, we are of the opinion that the said consolidated financial statements of the Dynemic Products Ltd, give a true and fair view in conformity with the accounting principal generally accepted in India,

- (a) in the case of the Consolidated Balance sheet of the state of affairs of the Dynemic Products Ltd as at 31st March,2009,
 - (b) in the case of the Consolidated Profit and Loss account, of the profit for the year ended on that date
- and
- (c) in case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For, **SHAH RAJESH & ASSOCIATES**
CHARTERED ACCOUNTANTS

Place : Ahmedabad

Date : 27/06/2009

[RAJESH D. SHAH]

PROPRIETOR
M. No. : 36232

BALANCE SHEET AS AT 31ST MARCH, 2009

Sr.	No.	Particulars	Sch.	31/3/2009		31/3/2008	
				Rupees	Rupees	Rupees	Rupees
A.		SOURCES OF FUNDS :					
1		SHAREHOLDER'S FUNDS :					
	[a]	Share Capital	1	11,32,84,490		11,32,84,490	
	[b]	Reserves & Surplus	2	16,40,00,476	27,72,84,966	15,82,81,479	27,15,65,969
2		MINORITY INTEREST			5,51,793		5,51,474
3		LOAN FUNDS :					
	[a]	Secured Loans	3	14,54,08,042		8,60,59,267	
	[b]	Unsecured Loans	4	63,37,849	15,17,45,891	18,35,026	8,78,94,293
4		DEFERRED TAX LIABILITY			2,00,60,637		1,36,07,100
		Refer to Note No. 1(j) & 2 of schedule 21					
		Total Rs.			44,96,43,287		37,36,18,836
B.		APPLICATION OF FUNDS :					
1		FIXED ASSETS :	5				
	[a]	Gross Block		30,39,42,718		16,94,01,463	
	[b]	Less : Depreciation		4,23,07,171		3,29,99,895	
	[c]	Net Block		26,16,35,547		13,64,01,568	
		CAPITAL WORK IN PROGRESS		4,61,70,216		8,08,49,530	
2		INVESTMENTS	6		30,78,05,763		21,72,51,098
3		CURRENT ASSETS, LOANS & ADVANCES :	7		2,32,65,808		2,43,75,446
	[a]	Inventories		5,94,17,162		6,47,51,006	
	[b]	Sundry Debtors		7,34,24,098		6,22,96,591	
	[c]	Cash & Bank Balances		69,62,416		39,02,144	
	[d]	Loans & Advances		4,02,10,939		5,90,10,901	
				18,00,14,615		18,99,60,642	
		Less : CURRENT LIABILITIES & PROVISIONS					
	[a]	Current Liabilities	8	4,13,96,757		2,22,13,910	
	[b]	Provisions		2,00,46,142		3,58,13,890	
				6,14,42,899		5,80,27,800	
		Net Current Assets			11,85,71,716		13,19,32,842
4		MISCELLANEOUS EXPENDITURE	9		0		59,451
		(To the extent not written off)					
		TOTAL Rs.			44,96,43,287		37,36,18,836

Significant Accounting Policies & Notes on Accounts. 17
As per our Report of even date

**For : SHAH RAJESH & ASSOCIATES
CHARTERED ACCOUNTANTS**

Rajesh D. Shah
Proprietor
M. No. : 36232

For : DYNEMIC PRODUCTS LIMITED

B. K. Patel – Chairman & Mg. Director
D. P. Patel – Wholetime Director
R. B. Patel – Wholetime Director
S. P. Patel – Wholetime Director
D. B. Patel – Wholetime Director
Josekutty Thomas – Chief Financial Officer

Place : Ahmedabad.
Date : 27/06/2009

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

Sr.	No.	Particulars	Sch.	31/3/2009		31/3/2008	
				Rupees	Rupees	Rupees	Rupees
A.		INCOME :					
	1	Sales (net)		49,22,61,954		38,04,30,042	
	2	Other Income	10	59,03,694		76,305	
	3	Increase/Decrease in Stocks	11	(1,03,316)		1,32,77,807	
		TOTAL Rs.			49,80,62,332		39,37,84,153
B.		EXPENDITURE :					
	1	Materials, Manufacturing & Operating Costs	12	38,92,19,738		29,18,55,990	
	2	Purchase of Finished & Trading Materials		1,04,07,361		1,69,75,421	
	3	Salaries, Wages & Bonus	13	1,93,98,525		1,81,81,098	
	4	Repairs & Maintenance	14	79,63,776		73,83,749	
	5	Administrative & Other Expenses	15	1,49,49,932		1,72,93,535	
	6	Interest & Financial Expenses	16	1,46,33,853		50,37,231	
	7	Depreciation		96,32,832		50,82,239	
	8	Preliminary Expenses written off		59,451		1,44,983	
		TOTAL Rs.			46,62,65,467		36,19,54,245
		Profit before Taxation			3,17,96,865		3,18,29,908
		Less: Provision for Taxation					
		Current Tax			61,65,550		1,10,59,918
		Deferred Tax			64,53,537		14,63,603
		Fringe Benefit tax			1,56,963		1,50,865
	16	Net Profit for the Year			1,90,20,816		1,91,55,522
		Add:- Net Balance Profit of Last Year			4,80,74,458		4,32,95,079
		Add/ (Less):- Taxation of earlier years			47,781		3,71,663
					6,70,47,492		6,28,22,264
		Less : Profit transferred to Minority Interest			318		2,63,087
		(Loss) Tr.to Cost of Control on Consolidation			0		0
	17	Balance available for Appropriation			6,70,47,174		6,25,59,177
		Appropriations :					
		General Reserves		12,31,000		12,31,000	
		Proposed Dividend		1,13,28,449		1,13,28,449	
		Tax on Dividend		19,25,270		19,25,270	
					1,44,84,719		1,44,84,719
	18	Balance Carried to Balance Sheet			5,25,62,455		4,80,74,458
		Earning Per Share					
		Basic			1.68		1.69
		Diluted			1.68		1.69

Significant Accounting Policies & Notes on Accounts. 17

As per our Report of even date

For : **SHAH RAJESH & ASSOCIATES**
CHARTERED ACCOUNTANTS

Rajesh D. Shah

Proprietor

M. No. : 36232

For : **DYNEMIC PRODUCTS LIMITED**

B. K. Patel – Chairman & Mg. Director

D. P. Patel – Wholetime Director

R. B. Patel – Wholetime Director

S. P. Patel – Wholetime Director

D. B. Patel – Wholetime Director

Josekutty Thomas – Chief Financial Officer

Place : Ahmedabad.

Date : 27/06/2009

**STATEMENT OF CONSOLIDATED CASH FLOW STATEMENT OF
DYNAMIC PRODUCTS LTD. FOR THE YEAR ENDED ON 31ST MARCH, 2009**

Sr.	PARTICULARS	31/3/2009	31/3/2008
A]	CASH FLOW FROM OPERATING ACTIVITIES		
	NET PROFIT AFTER TAX & EXTRA ORDINARY ITEMS	1,90,28,275	1,91,64,508
	ADJUSTMENTS FOR :-		
	PROVISION FOR TAX & DEFERRED TAX	1,27,68,590	1,26,65,397
	MISC.EXPS.WRITTEN OFF	59,451	1,44,983
	DEPRECIATION	96,32,832	50,82,239
	DEPRECIATION WRITTEN BACK	(3,25,557)	(2,27,290)
	SHORT PROVISION FOR I.TAX (NET)	0	0
	DIMUNITION IN THE VALUE OF INVESTMENTS	7,43,766	24,03,656
	INTEREST & FINANCIAL CHARGES	1,46,33,853	49,11,324
	PROFIT/LOSS ON SALE/REPLACEMENT OF FIXED ASSETS	0	0
	INETEREST/ DIVIDEND INCOME	32,48,526	37,63,035
	OPERATING PROFIT BEFORE WORKING CAPITAL CAHNGES	5,97,89,736	4,79,07,852
	ADJUSTMENTS FOR :-		
	TRADE & OTHER RECEIVABLES	(1,11,27,507)	1,13,12,547
	INVENTORIES	53,33,844	(1,79,85,892)
	TRADE PAYABLES	1,91,82,847	6,91,942
	LOANS & ADVANCES	39,10,335	(1,08,95,340)
	CASH GENERATED FROM OPERATIONS	7,70,89,255	3,10,31,109
	DIRECT TAXES PAID	(90,89,310)	(95,43,487)
	NET CASH FROM OPERATING ACTIVITIES	6,79,99,945	2,14,87,622
B]	CASH FLOW FROM INVESTING ACTIVITIES		
	PURCHASE OF FIXED ASSETS	(9,82,52,484)	(12,31,86,406)
	SALE OF FIXED ASSETS	2,31,440	42,30,000
	PURCHASE OF INVESTMENTS	0	0
	SALES OF INVESTMENTS	3,65,872	7,71,61,344
	INCOME TAX REFUND	0	0
	INETEREST/ DIVIDEND INCOME RECEIVED	(32,48,526)	(37,63,035)
	NET CASH USED IN INVESTING ACTIVITIES	(10,09,03,699)	(4,55,58,097)
C]	CASH FLOW FROM FINANCING ACTIVITIES		
	PROCEEDS FROM ISSUING SHARES(NET OF ISSUE EXP.)	0	0
	PROCEEDS FROM BORROWINGS	6,38,51,598	3,49,18,004
	IPO EXPS REFUNDS	0	0
	INTEREST & FINANCIAL CHARGES PAID	(1,46,33,853)	(49,11,324)
	PRELIMINARY EXPS INCURRED	0	0
	DIVIDEND & DIVI. TAX PAID	(1,32,53,719)	(1,32,53,719)
	NET CASH USED FROM FINANCING ACTIVITES	3,59,64,026	1,67,52,961
D]	NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	30,60,272	(73,17,517)
E]	CASH AND CASH EQUIVALENTS(OPENING)	39,02,144	1,12,19,661
F]	CASH AND CASH EQUIVALENTS(CLOSING) (D + E)	69,62,416	39,02,144

As per our Report of even date

For : **SHAH RAJESH & ASSOCIATES**
CHARTERED ACCOUNTANTS

Rajesh D. Shah
Proprietor
M. No. 36232

For : **DYNAMIC PRODUCTS LIMITED**

B. K. Patel – Chairman & Mg. Director
D. P. Patel – Wholetime Director
R. B. Patel – Wholetime Director
S. P. Patel – Wholetime Director
D. B. Patel – Wholetime Director
Josekutty Thomas – Chief Financial Officer

Place : Ahmedabad.
Date : 27/06/2009

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2009		31/3/2008	
		Rupess	Rupess	Rupess	Rupess
	SCHEDULE : 1 : SHARE CAPITAL :				
[a]	Authorised Share Capital [1,30,00,000 Equity Share of Rs. 10/- each] [PYF 1,10,00,000 Equity Shares]		13,00,00,000		13,00,00,000
			13,00,00,000		13,00,00,000
[b]	Issued, Subscribed and paid up : [1,13,28,449 Equity Shares of Rs. 10/- each fully paid up (PYF 1,13,28,449)]. [Out of the above 41,25,820 [P.Y.F.6,72,880] Equity Shares were allotted as fully paid up Bonus Shares to the existing Shareholders without payment being received in cash] [Out of the above 14,00,000 Equity shares were allotted as fully paid up to the partners of earstwhile partneship firm M/s. Saffron Dye stuff Industries without payment being received in cash, pursuant to the business acquired as per agreement entered]		11,32,84,490		11,32,84,490
	TOTAL Rs.		11,32,84,490		11,32,84,490
	SCHEDULE : 2 : RESERVES & SURPLUS :				
	(i) General Reserves : Opening Balance	65,26,820		52,95,820	
	Add : Transferred from Profit & Loss A/c.	12,31,000		12,31,000	
		77,57,820		65,26,820	
	Less: Transfer for utilation in Bonus Shares	0	77,57,820	0	65,26,820
	(ii) Profit & Loss A/c. Balance		5,25,62,455		4,80,74,458
	(iii) Share Premium on issue of Equity Shares		10,36,80,201		10,36,80,201
	Add : Share Issue Refunds	0		0	
			10,36,80,201		10,36,80,201
	TOTAL Rs.		16,40,00,476		15,82,81,479
	SCHEDULE : 3 : SECURED LOANS :				
[a]	C.C.Hypo A/c. : * Citi Bank N.A. * HDFC Bank Ltd. [HP. C.C. A/c. Secured against mortgage/ charge on all immoveable properities & stocks of Raw Materials, Stores, Finished Goods etc. & personal gurantee of Directors.]		2,97,66,403		1,03,96,548
			2,05,47,756		2,22,35,553
[b]	P.C.F.C.A/c. : * Citi Bank N.A. * HDFC Bank Ltd. [P.C.F.C.A/c. Secured against mortgage/Charge on all immoveable properities & book debts relating to to mfg. of Industrial Dyes & Chemicals & personal guarnatee of Directors.]		5,26,75,393		3,83,91,254
			21,68,490		0
[c]	W.C.D.L A/c (Securiy as above) * Citi Bank N.A.		0		1,50,00,000
[d]	Term Loan A/c (Securiy as above) * Citi Bank N.A.		4,02,50,000		
[e]	Vehicle (Car) Loan A/c. : * Citi Bank N.A. Car Loan A/c. [Secured against Hypothecation of Car)		0		35,912
	TOTAL Rs.		14,54,08,042		8,60,59,267
	SCHEDULE : 4 : UNSECURED LOANS :				
[a]	Fixed Deposits from Directors		11,99,783		0
[b]	Fixed Deposits from Share holders		45,92,996		11,60,795
[c]	Fixed Deposits from Publics		5,45,070		6,74,231
	TOTAL Rs.		63,37,849		18,35,026

SCHEDULE : 5 : FIXED ASSETS

Sr No	NAME OF THE ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As on 01/04/08 Rs.	Addition during the Year Rs.	Deduction during the Year Rs.	As on 31/03/09 Rs.	As on 01/04/08 Rs.	Addition during the Year Rs.	Deduction during the Year Rs.	As on 31/03/09 Rs.	As on 31/03/08 Rs.	As on 31/03/09 Rs.1
1	Goodwill (on Consolidation)	5,976	0	0	5,976	0	0	0	0	5976	5,976
2	Building	3,12,05,420	6,29,02,892	0	9,41,08,312	53,43,204	18,61,249	0	72,04,453	2,58,62,216	86,903,859
3	Computer	13,55,033	53,021	0	14,08,054	9,25,828	2,23,138	0	11,48,966	4,29,205	259,088
4	Electric Fitting & Install.	52,40,107	62,68,238	67,884	1,14,40,461	12,74,222	3,86,523	0	16,60,745	39,65,885	9,779,716
5	Furniture	70,12,230	7,00,306	1,50,791	75,61,745	29,17,045	4,52,728	791	33,68,982	40,95,185	4,192,763
6	Lab Equipments	48,62,861	7,63,634	0	56,26,495	11,27,127	2,47,303	0	13,74,429	37,35,734	4,252,066
7	Machineries	7,63,99,351	5,82,08,046	4,31,008	13,41,76,389	1,39,59,452	48,96,136	69,416	1,87,86,171	6,24,39,899	1,15,390,218
8	Office Equipments	28,78,257	56,550	0	29,34,807	11,04,175	1,85,364	0	12,89,538	17,74,082	1,645,269
9	Office Premises	64,97,591	0	0	64,97,591	3,31,554	1,16,361	0	4,47,914	61,66,037	6,049,677
10	Pollu.Eff Treatment	53,87,481	0	0	53,87,481	25,15,277	2,55,905	0	27,71,183	28,72,204	2,616,298
11	Resi.Premises	19,35,903	0	0	19,35,903	1,67,392	31,555	0	1,98,947	17,68,511	1,736,956
12	Motor Cycle	5,14,838	0	0	5,14,838	1,32,705	23,267	0	1,55,973	3,82,133	358,865
13	Motor Car	48,10,338	0	0	48,10,338	15,31,242	4,56,982	0	19,88,224	32,79,096	2,822,114
14	Electric Motor & Pumps	16,58,261	2,38,671	0	18,96,932	4,33,219	86,730	0	5,19,949	12,25,042	1,376,983
15	Fire fighting Equipments	1,00,916	0	0	1,00,916	23,329	4,794	0	28,123	77,587	72,793
16	Gas Inst.& Fab	17,21,765	5,81,840	1,28,621	21,74,984	2,74,968	61,320	357	3,35,932	14,46,797	1,839,052
17	Generating Set	4,37,200	0	4,37,200	0	2,49,801	5,192	2,54,993	0	1,87,399	0
18	Lease Hold Land	1,02,57,525	10,57,120	0	1,13,14,645	0	0	0	0	1,02,57,525	11,314,645
19	Pipes & Valve Fittings	45,17,811	37,11,107	0	82,28,918	3,81,027	2,10,286	0	5,91,313	41,36,784	7,637,605
20	Storage Tank	24,99,239	0	0	24,99,239	2,39,779	83,475	0	3,23,254	22,59,460	2,175,985
20	ERP Computer Software	0	12,15,334	0	12,15,334	0	32,834	0	32,834	0	1,182,500
21	D'es	1,03,360	0	0	1,03,360	68,550	11,690	0	80,240	34,810	23,120
	TOTAL Rs.	16,94,01,463	13,57,56,759	12,15,504	30,39,42,718	3,29,99,895	96,32,832	3,25,557	4,23,07,170	13,64,01,568	26,16,35,549
	Previous Years	11,22,43,375	6,11,50,776	39,92,688	16,94,01,463	2,81,44,949	50,82,237	2,27,290	3,29,99,895	8,40,98,426	13,64,01,568
Project under implementation:-											
1	Capital Work in Progress	8,01,27,196	23,31,961	3,62,88,941	4,61,70,216	0	0	0	0	8,01,27,196	4,61,70,216
2	ERP Software Under Implementation	7,22,334	4,93,000	12,15,334	0	0	0	0	0	7,22,334	0
	TOTAL	8,08,49,530	28,24,961	3,75,04,275	4,61,70,216	0	0	0	0	8,08,49,530	4,61,70,216

SCHEDULES FORMING PART OF ACCOUNTS

Particulars	31/3/2009		31/3/2008	
	Rupess	Rupess	Rupess	Rupess
SCHEDULE : 6 : INVESTMENTS :				
[I] TRADE INVESTMENTS (At Cost)				
(A) Investments in Subsidiary				
(i) Unquoted Investments				
(1) Dynamic Overseas (India) P. Ltd. Shares [20,600 Shares of Rs.100 each (P.Y.F.600)]	0		0	
(2) Dynamic USA Inc. Shares [1,000 Shares of US\$ 1/- each (P.Y.F. Nil)] [Exchange Rate US\$ 1/- = Rs. 45.54]	45,540		45540	
		45,540		45,540
(B) Other Investments				
(i) Other Quoted Investments- Equity Shares				
(1) Gujarat State Financial Corpn.Ltd. [190 Shares of Rs.20 each(P.Y.F.190)] [Market Price : Not available]	38,000		38,000	
(2) In Equities as per List by Kotak Mahindra Bank Ltd (At Cost)	84,40,159		1,30,36,853	
	84,78,159		1,30,74,853	
Less:- Provision for Diminution in value of Invetments	49,23,105		58,28,753	
(The list is attached as Annexure showing cost an market value of all the shares)		35,55,054		72,46,100
(ii) Other Unquoted Investments- Shares				
* Enviro Technology Ltd. Shares [15,000 Shares of Rs.10 each(P.Y.F.15,000)]	1,50,000		1,50,000	
* Bharuch Enviro Infrastructure Ltd. [4,060 Shares of Rs.10 each(P.Y.F.1,260)]	12,600		12,600	
* Bharuch Eco-Aqua Infra.Ltd [14,000 Shares of Rs.10 each (P.Y.F.NIL)]	3,23,000		1,68,000	
* Forum (Chandolidia) Aawas Owmer's Asso. [1 Share of Rs.100 each (P.Y.F.NIL)]	100		100	
* Navsarjan Industrial Bank Ltd. [500 Shares of Rs.25 each (P.Y.F.500)]	12,500		12,500	
*Dynamic Holdings Pvt.Ltd. [10,10,000 Shares Of Rs.10 each (P.Y.F.NIL)]	1,01,00,000		1,01,00,000	
* Ank.Res. & .Analy.Inf.Ltd. [1,000 Shares of Rs.10 each (P.Y.F.NIL)]	10,000		10,000	
		1,06,08,200		1,04,53,200
[II] OTHER INVESTMENT (At Cost)				
Investments in Unquoted Mutual Funds				
Non-Liquid Dividend Plan (Balance)				

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2009		31/3/2008	
		Rupess	Rupess	Rupess	Rupess
	List for purchases & sales of MF is given seperately				
	Fidelity India Growth Fund	10,00,000		10,00,000	
	HDFC AMC PMS (Real Estate Portfolio)	24,57,014		7,30,605	
	HDFC MID CAP EQUITY FUND	5,00,000		5,00,000	
	HSBC Unique Opportunities Fund	2,00,000		2,00,000	
	JM Basic Fund	19,00,000		7,00,000	
	Reliance Equity Growth Fund	0		5,00,000	
		60,57,014		36,30,605	
			60,57,014		36,30,605
	Investment In Residential Flat	30,00,000		30,00,000	
			30,00,000		30,00,000
	TOTAL Rs.		2,32,65,808		2,43,75,446
	<u>SCHEDULE : 7 : CURRENT ASSETS AND LOAND & ADVANCES :</u>				
[A]	CURRENT ASSETS :				
	INVENTORIES : Valued at Cost or Net realisable value whichever is low				
	[As per Inventory taken, valued and Certified by Directors of the Company]				
*	Raw Materials	1,81,80,600		2,36,83,444	
*	Packing Material.....	12,88,825		10,21,069	
*	ETP stock	60,369		55,809	
*	Waste	25,931		3,938	
*	Work in progress.....	1,00,41,092		1,37,98,812	
*	Finished Goods ...	2,08,52,441		1,66,58,796	
*	Semi Finished Goods.....	89,67,904		95,29,138	
			5,94,17,162		6,47,51,006
	SUNDRY DEBTORS (Unsecured Considered Good)				
*	Due Over Six Months.	9,51,332		3,92,258	
*	Others	7,24,72,766		6,19,04,333	
	(Includes Due from Subsidiaries Rs. 0 (PYF 12,87,000/-) (Considered doubtful Rs. 7,52,133/-)		7,34,24,098		6,22,96,591
	CASH AND BANK BALANCE :				
*	Foreign cheques & currencies a/c.	5,093		19,655	
*	Cash-in-hand	82,376		45,124	

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2009		31/3/2008	
		Rupess	Rupess	Rupess	Rupess
*	Balance with Schedule Bank in current a/c	48,29,165		20,90,160	
*	Balance with Non-Schedule Bank in current a/c	2,65,343		1,77,133	
	Balance with Non-Schedule Bank in margins a/c	2,965		5,84,370	
*	Balance with Schedule Bank in Fixed Deposits	17,77,474		9,85,702	
			69,62,416		39,02,144
[B]	LOANS AND ADVANCES :				
*	Advances recoverable either in Cash or in Kind or for value to be received.	1,84,97,876		1,43,80,620	
*	Deposits with Govt. Bodies & Others	83,92,021		43,55,959	
*	Advance Income tax	90,00,000		1,98,49,427	
*	Advance Fringe Benefit Tax	89,310		4,47,679	
*	Advances given for Capital Goods [New Project]	0		1,47,04,529	
*	Advances given for expenses	34,152		8,83,844	
*	Advances given for goods	7,34,400		16,58,534	
	Loans and Advances to subsidiaries				
*	Dynemic Products (Inc) USA	50,000		50,000	
*	Dynemic USA Inc	34,13,180		26,80,310	
	(Refer to Note No. 15 & 16 of Schedule 17: Notes to Accounts)				
			4,02,10,939		5,90,10,902
	TOTAL Current Assets and Loans & Advances		18,00,14,614		18,99,60,642
	SCHEDULE : 8 : CURRENT LIABILITIES :				
	CURRENT LIABILITIES :				
*	Sundry Creditors	3,99,85,582		2,09,76,545	
*	Share Application Money Refundable	10,72,875		10,72,875	
*	Unclaimed Dividend (2007-08)	1,04,785		0	
*	Unclaimed Dividend (2006-07)	73,591		77,166	
*	Unclaimed Dividend (2005-06)	81,552		84,852	
*	Advance from Customers	78,371	4,13,96,757	2,472	2,22,13,910
	PROVISIONS :				
*	Leave Encashment Salary Provisions	4,69,910		1,97,113	
*	Proposed Dividend	1,13,28,449		1,13,28,449	
*	Tax on Proposed Dividend	19,25,270		19,25,270	
*	Provision for Taxation for FBT	1,56,963		3,03,140	
*	Provision for Taxation for current tax	61,65,550	2,00,46,142	2,20,59,918	3,58,13,890
	TOTAL Rs.		6,14,42,899		5,80,27,800
	SCHEDULE : 9 MISCELLANEOUS EXPENSES				
	(To the extent not Written Off)				
	PRELIMINARY EXPENSES :				
*	Last Balance	59,451		2,04,434	
*	Add : Additions during the year	0		0	
		59,451		2,04,434	
*	Less : Written off during the year	59,451	0	1,44,983	59,451
	TOTAL Rs.		0		59,451

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2009		31/3/2008	
		Rupees	Rupees	Rupees	Rupees
	<u>SCHEDULE : 10 : OTHER INCOME :</u>				
	<u>OTHER BUSINESS RELATED INCOME</u>				
*	Environmental Subsidy	10,00,000		0	
*	Cash Discount Received	4,76,302		3,74,165	
*	Foreign Exchange Gain & Loss	20,14,204		0	
*	Office Rent Income	1,08,000		0	
*	Conversion Charge Income	42,19,950		31,68,125	
*	DEPB Income	3,38,218		6,12,619	
*	Drawback Income	4,14,535		34,999	
*	Excise Refund Income	0		37,536	
*	Freight Recovered	2,56,756		0	
*	Electricity Duty Refund	0		2,95,637	
*	Interst On GEB Deposit	27,627		27,816	
*	Interst On ETL Deposit	61,638		0	
*	Misc Credit W/O	0		1,08,027	
*	Packing Material Income	9,02,145		11,22,301	
*	Profit On Sale Of Res. Premises	0		4,59,732	
*	Round Off	0		10	
*	Income Tax Refund	3,570		0	
*	Insurance Claim Receivable	9,644		0	
*	Misc Income	6,241		0	
*	L/c Charges	0		2,029	
*	Kasar, Rates & Quality Difference.	569		0	
*	Vat Refund on Foreign Exhibitions	56,587		0	
*				0	
	TOTAL	98,95,986		62,42,996	
	<u>OTHER INVESTMENT RELATED INCOME</u>				
*	Dividend on Mutual Fund	52,355		29,27,374	
*	Dividend From Company	98,009		1,94,320	
*	Dividend Income Others	0		600	
*	Interest Income	65,769		19,439	
*	Gain/Loss On Sale Of MF	0		(1,59,131)	
*	Interest on FD (Bank)	88,424		4,31,933	
*	Short Term Capital Gain - BNP PARIBAS MF	0		4,997	
*	Short Term Capital Gain-KOTAK MAHINDRA MF	(49,18,306)		(53,38,830)	
	TOTAL	(46,13,749)		(19,19,298)	
	Less :- Expenditure Realting to income on investments				
*	Service Tax - Kotak	16,122		67,918	

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2009		31/3/2008	
		Rupess	Rupess	Rupess	Rupess
*	Other Shares Related Expenses-Kotak	1,49,477		11,01,487	
*	Securities Transaction Tax - BNP	0		968	
*	Securities Transaction Tax - Kotak	93,634		3,45,143	
*	Securities Transaction Tax - Mutual Fund	1,367		8,353	
*	Management Cons. Fees & Entry Load	23,591		3,19,395	
*	Service Tax -BNP	0		474	
*	Provision for Demuniton in the Value of Investments	(9,05,648)		24,03,656	
	TOTAL	(6,21,457)		42,47,393	
	NET INCOME ON INVESTMENTS	(39,92,292)		(61,66,691)	
	TOTAL Rs.		59,03,694		76,305
	<u>SCHEDULE : 11 : INCREASE / DECREASE IN STOCKS :</u>				
	CLOSING STOCK :				
*	Finished Goods	2,08,52,441		1,66,58,796	
*	Semi Finished Goods	89,67,904		95,29,138	
*	Stock with Custom warehouse	25,931		3,938	
*	Work-in-Progress	1,00,41,092		1,37,98,812	
			3,98,87,368		3,99,90,684
	OPENING STOCK :				
*	Finished Goods	1,66,58,796		1,22,67,363	
*	Goods in transit - Stock with Custom warehouse	3,938		0	
*	Semi Finished Goods	95,29,138		77,64,592	
*	Work-in-Progress	1,37,98,812		66,80,922	
			3,99,90,684		2,67,12,877
	Increase (Decrease) in Stocks...		(1,03,316)		1,32,77,807
	<u>SCHEDULE : 12 : MATERIALS, MANUFACTURING & OPERATING COSTS</u>				
A	<u>RAW MATERIALS CONSUMED</u>				
*	Opening Stock	2,36,83,444		1,92,87,859	
	Add. : Purchase during the year	31,47,93,264		24,43,03,716	
		33,84,76,708		26,35,91,575	
	Less : Closing Stock	1,81,80,600		2,36,83,444	
	TOTAL Rs.		32,02,96,108		23,99,08,131
B	<u>PACKING MATERIAL CONSUMED</u>				
*	Op. Stock	10,21,069		7,38,313	
	Add: Purchases during the year	88,36,201		71,49,963	
		98,57,270		78,88,276	
	Less : Closing stock	12,88,825		10,21,069	
	TOTAL Rs.		85,68,445		68,67,207

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2009		31/3/2008	
		Rupess	Rupess	Rupess	Rupess
C	<u>E.T.P MATERIAL CONSUMED</u>				
*	Op. Stock	55,809		26,065	
	Add: Purchases during the year	20,78,369		20,02,838	
		21,34,178		20,28,903	
	Less : Closing stock	60,369		55,809	
	TOTAL Rs.		20,73,809		19,73,093
D	<u>POWER & FUEL CONSUMED</u>				
*	Electric Power & Burning	1,12,67,052		81,33,830	
*	Fuel Purchased & Consumed	5,35,173		2,32,886	
*	Gas Consumption Charges	1,42,84,454		1,04,42,044	
	TOTAL Rs.		2,60,86,679		1,88,08,760
E	<u>OTHER MFGS. EXPENSES</u>				
*	Transportation	31,07,770		27,05,832	
*	Conversion Charges.	87,54,557		77,85,816	
*	Factory Exp	5,13,017		7,37,903	
*	Labour Charges	42,25,765		30,25,939	
*	Forwarding & Handling Charges	75,97,699		58,66,976	
*	Pallatisation Charges	2,11,948		1,18,898	
*	ETP Expense	19,77,240		8,54,166	
*	Unloading Labour Charges	20,245		6,050	
*	Safety Expense	95,216		45,109	
*	Colour Expense	22,136		0	
*	Consumable Stores	56,69,104		31,52,110	
	TOTAL Rs.		3,21,94,697		2,42,98,799
	TOTAL:- MANUFACTURING COST		38,92,19,738		29,18,55,990
	<u>SCHEDULE : 13 SALARIES WAGES & BONUS</u>				
*	Salary & Wages to Employees	86,28,414		87,32,666	
*	Salaries & Bonus to Directors	60,19,656		57,94,749	
*	Sitting Fees to Directors	92,500		50,000	
*	Salary & Wages Expense	7,27,767		3,91,090	
*	Leave Salary (Inc. Provisions -unpaid)	4,68,314		2,42,735	
*	Bonus & other charges	34,61,874		29,69,858	
	TOTAL Rs.		1,93,98,525		1,81,81,098
	<u>SCHEDULE-14 : REPAIRS AND MAINTENANCE</u>				
*	Electrical Parts & Maintenance	3,47,111		1,98,823	
*	ETP Parts & Maintenaces	55,91,740		55,24,914	

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2009		31/3/2008	
		Rupess	Rupess	Rupess	Rupess
*	Machinery Parts & Maintenance	4,04,419		3,68,871	
*	A.C. Service Charges	72,589		77,575	
*	Building Repairing	2,369		9,859	
*	Computer Maintainance & Consumables	97,329		1,09,835	
*	EPABX Maintainance	12,800		33,840	
*	Machinery Repairing & Maint.	12,56,923		8,46,470	
*	Lab Equipment Repairing	8,700		8,375	
*	Furniture Repairing & Maint	23,720		350	
*	Factory Fixtures Repairing	0		1,737	
*	Type, Phone Fax & Zerox Maintainance	6,810		2,060	
*	Vehicle Repairing Expenses	1,20,688		1,98,540	
*	Office Repairing Expenses	0		2,500	
*	Residential Premises Repairing Expenses	18,578			
	TOTAL Rs.		79,63,776		73,83,749
	<u>SCHEDULE : 15 : ADMINISTRATIVE AND OTHER EXPENSES :</u>				
*	Consultancy Fees	6,33,829		6,37,085	
*	Exhibition Exp.	7,30,334		11,85,704	
*	Foreign Exchange Gain /loss	0		12,88,588	
*	Insurance Premium	18,63,533		14,99,048	
*	Kasar, Rates & Quality Difference.	28,041		6,89,342	
*	Petrol Expenses	2,95,898		3,23,166	
*	Selling Commission	18,10,199		6,77,994	
*	Staff Welfare Expenses	4,42,270		3,67,380	
*	Telephone Expenses	3,67,815		4,14,378	
*	Travelling & Conveyance	2,41,423		1,86,994	
*	Business Metting USA	0		1,71,960	
*	Angadia & Courier Expenses	3,45,735		3,47,101	
*	Audit Fees	3,55,000		3,55,000	
*	Audit Fees (Others)			0	
*	Bad Debts	0		33,64,137	
*	FDA Approval Fees	2,07,614		3,12,190	
*	Lab-Testing Expenses	1,76,680		2,33,640	
*	Legal & Professional Charges	6,43,608		8,90,000	
*	Misc Office Expenses	1,68,182		2,54,716	
*	Office Electric Bill Expenses	2,76,470		2,25,294	

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2009		31/3/2008	
		Rupess	Rupess	Rupess	Rupess
*	Security Expenses	6,98,766		5,38,718	
*	Stationery & Printing Expenses	8,07,699		10,34,319	
*	Water Charges	3,68,642		2,07,254	
	Sales Promotion Exps	2,84,114		0	
	Registration, Renewal & Filing Fees	1,68,082		0	
	Stamp Paper and Franking Charges	6,70,920		0	
	Advertisement Expense	2,99,209		0	
	Loss on sale of Machinery	3,12,359		0	
*	Other Administrative & Establishment Exps	27,53,510		20,89,527	
	TOTAL Rs.		1,49,49,932		1,72,93,535
	<u>SCHEDULE : 16 : INTEREST & FINANCIAL EXPENSES:</u>				
*	Interest	1,12,71,119		37,73,680	
*	Other Financial Charges	33,62,734		12,63,551	
	TOTAL Rs.		1,46,33,853		50,37,231

SCHEDULE : 17

Significant Accounting Policies & Notes forming parts of Consolidated Accounts as on 31-3-2009

1] Significant Accounting Policies :

1] BASIS OF PREPARATION OF FINANCIAL STATEMENT & ACCOUNTING :-

- (i) The Annual Accounts have been prepared on the Historical cost basis and confirms to the statutory provisions of Companies Act, 1956 and General Accounting practices prevailing in the country, and the Accounting Standards issued by the Institute of Chartered Accountants of India and the guidelines issued by the Securities and Exchange Board of India.
- (ii) The Accounts have been prepared on accrual basis.

2] PRINCIPLES OF CONSOLIDATION :-

The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as of the company. The consolidated financial statements have been prepared on following basis :-

- (i) The financial statements of the Company and its subsidiary company have been combined on a line-by-line basis by adding to gether like items of assets, liabilities, income and expenses. Inter-company balances between the company and its subsidiary and transactions and unrealised profit or losses have been fully eliminated.
- (ii) The excess of cost to the Company of its investments in the subsidiary company over its share of equity of the subsidiary companies at the dates on which the investments in the subsidiary companies are made, is recognised as " Goodwill " being an assets in the consolidated financial statements.
- (iii) Minority interest in the net assets of consolidated subsidiary consist of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company and further movements in their share in the equity, subsequent to the dates of investments,

3] FIXED ASSETS AND CAPITAL WORK IN PROGRESS:-

- (i) Fixed Assets have been accounted for at their Historical Cost.
- (ii) During the year, the company has provided the depreciation on straight line method at rates for single shift specified in Schedule IXV of the Companies Act,1956 on the prorata basis for the additions from Fixed Assets.

(iii) All Fixed Assets are valued at Cost Less Accumulated depreciation (Other than land where no depreciation is charged). All costs relating to the acquisition and installations and initial financing costs relating to the borrowed funds attributable to acquisition of Fixed Assets up to date, the assets is put to use, have been capitalised.

(iv) No depreciation has been provided on Assets which are shown as Capital work in progress for new proposed expansion project.

4] INVESTMENTS :-

Long-term investments are stated at cost less provision for other than temporary diminution in value in the opinion of the management. Current investments comprising, investments in mutual funds, equities, and other instruments are stated at the lower of cost and fair market value, determined on a portfolio basis. Gain/Loss arising on disposal of investments are recognised as income/ expenditure in the year of disposal.

5] RETIREMENT BENEFITS :-

Repayment for present liability of future payment of gratuity is being made to Approved Gratuity which fully cover the same under Group Gratuity Policy or Cash Accumulation Policy with Life Insurance Corporation of India.

The Gratuity trusts are covered with Life Insurance Corporation of India (LIC) and premiums are paid on advise from LIC, which determines the same on the basis of actuarial valuation. Provision for Leave Encashments is made as at the year end as per the financial figures and other details provided and certified by the management.

6] INVENTORIES :-

All Inventories are valued at lower of Cost or Net realisable value and the cost is ascertained on First in First Out basis wherever applicable.

7] SALES :-

Sales are exclusive of Excise Duties and Sales tax. Revenue(Income) is recognised when no significant uncertainty as to determination / realization exists.

8] MISCELLANEOUS EXPENDITURE :-

Preliminary Expenses have been amortised as per Section 35D of the Income tax Act, 1961.

9] TREATMENT OF EXCISE DUTY :-

Excise Modvate credit on purchase have been transferred to Excise Modvate Receivable a/c. which has been transferred or set off against Excise duties payable on sales and balance have been shown as Excise Modvate Receivable A/c. under the head Current Assets, Loans and Advances in Balance sheet.

10] TREATMENT OF SERVICE TAX PAYABLE ON TRANSPORTATION EXPS. :-

Service tax payable on Transportation expenses has been credited to Service tax payable a/c. which has been set off against Modvate receivable for service tax paid on various expenses and balance of modvate receivable for Service tax paid on various expenses has been shown under the head Loans & Advances in Current Assets side of Balance Sheet.

11] FOREIGN CURRENCY TRANSACTIONS :-

Transactions in foreign currencies are recorded at the original rates of exchange in force at the time the transactions are effected.

Balance in form of current assets and current liabilities in foreign currency, outstanding at the close of the year, are converted in Indian Currency at the appropriate rate of exchange prevailing on the date of the Balance Sheet . The resultant gain or loss is accounted during the year.

12] INTER DIVISIONAL TRANSFER :-

Interdivisional transfer of goods of Rs. 4,39,57,459/- (PYF 2,45,86,866/-) of independent marketable products for further processing are being included in respective heads of account at market value to reflect the true working of the respective unit. Any un- realised profit on stock is being eliminated while valuing the inventories. The Conversion Charges of Rs. 31,68,125/- (PYF Rs.22,66,100/-), has been included in other income and also show as expenditure under the head "other manufacturing expts" for the conversion or manufacturing process carried out by Unit-1 for the materials of Unit-2.

13] TAXES ON INCOME :-

(i) Current tax is determined as tax payable in respect of taxable income of current year.

(ii) Deffered tax for the year is recognised on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

- (iii) Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or subsequently enacted by the Balance sheet date. Deferred tax assets / liabilities arising on account of unabsorbed depreciation under tax laws are recognised on to the extent there is virtual certainty of its realisation supported by convincing evidence. Deferred tax assets on account of other timing differences are recognised only to the extent there is reasonable certainty of its realisation. At each Balance sheet date, the carrying amount of Deferred Tax are reviewed to reassess realisation.
- (iv) Fringe benefit tax is recognised in accordance with the relevant provisions of the Income Tax Act, 1961 and the Guidance Note on Fringe Benefits Tax issued by ICAI.
- (v) Tax on distributed profits payable in accordance with the provisions of the Income Tax Act, 1961 is disclosed in accordance with the Guidance Note on Accounting for Corporate Dividend Tax issued by ICAI.

14] IMPAIRMENT LOSS:-

As required by the Accounting Standards (AS 28) " Impairment of Assets " issued by ICAI, as informed to us, the company has carried out the assessment of impairment of assets. There has been no impairment loss during the year.

15] Contingent Liability :-

These, if any, are disclosed in the notes on accounts. Provision is made in accounts if it becomes probable that an out flow of resources embodying economic benefits will be required to settle the obligation.

II] NOTES ON ACCOUNTS :-

1] During the year 2005-06, the Company has raised money through the public issue of 44,22,569 shares of Rs. 10/- each at a premium of Rs.25/- per Equity share, amounting of Rs. 1547.90 Lacs. As informed by the management, the implementation of the projects as defined in the Prospectus filed with SEBI, at both the units have been delayed due to the delay in availability of the required land at both sites, however, now during the year, the projects implementation has been completed and have started commercial productions for both units except for Plant B at EOU-II. The funds raised from the public has been fully invested and the cost over run has been financed partly from the bank term loan and partly from the internal cash accruals.

2] Segmental Reporting :-

A] Segment information for primary reporting (by business segment)

In accordance with the Accounting Standard -17 on " Segment Reporting " issued by the Institute of Chartered Accountants of India, the Company had reviewed the segment reporting last year in 2007-08, as reported last year, the company has its operation in manufacturing, and marketing of Dyes & Intermediates. The primary reporting segment for the company, therefore is the business segment, viz., Dyes & Intermediates.

B] Segment information for secondary reporting (by geographical segments)

The secondary reporting segment for the company is the geographical segment based on the location of customers which is :- 1) Domestic, 2) Export

Information about secondary segments:-

Particulars	Domestic	Exports	Unallocated	Total
Revenue by geographical market	16,52,56,312 (11,50,91,265)	32,70,05,642 (26,53,38,777)	0 (0)	49,22,61,954 (38,04,30,042)
Carrying amount of Segment Assets (Gross)	46,06,51,008 (39,77,41,807)	5,04,35,178 (3,39,04,828)	0 (0)	51,10,86,186 (43,16,46,635)

Figures in brackets are for the previous year.

3] Certain debts amounting to Rs. 7,52,133/- are overdue for considerable time and provisions is required. The Management is taking steps to recover the same. Any shortfall in the recovery will be provided for on completion of recovery efforts.

Related Party Disclosures :-

A] List of parties where control exist

(i) Subsidiary Company

- * Dynamic Overseas (India) Pvt.Ltd.
- * Dynemic USA Inc.

B] Other related parties with whom transactions have taken place during the year

(ii) Associates :-

- * Shakti Intermediates Pvt.Ltd.
- * Dymenic Holdings Pvt Ltd

(iii) Key management personnel :-

Mr. B. K. Patel	Managing Director
Mr. Rameshbhai B. Patel	Wholetime Director
Mr.Dasharathbhai P. Patel	Wholetime Director
Mr.Shashikant P. Patel	Wholetime Director
Mr.Dixit B. Patel	Wholetime Director
Hitendra Kumar Patel	General Manager
Pitambarbhai Patel	Production Manager
Bhadreshbhai Sharma	Manager - Import
Hareshbhai Patel	Manager - Export
Mukeshbhai Patel	Manager - Export
Paurav Shah	Chief Financial Officer (upto July'08)
Amisha Patel	Manager - Accounts
Pinky Mehta	Export - Executive
Josekutty Thomas	Chief Financial Officer

C] Transactions with related parties :-

Nature of Transaction	Key Mananagerial Personnel & other Relatives Amt. in Rs.		Subsidiary Companies Amt. in Rs.		Associates Amt. in Rs.	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Fixed Deposits taken						
Taken during the period	55,80,000	25,000	0	0	0	0
Repaid during the period	13,37,948	40,56,051	0	0	0	0
Closing Balance	52,15,119	7,04,939	0	0	0	0
Loans & Advances						
Given during the period	7,82,139	16,13,000	45,10,000	1,42,37,826	78,40,945	0
Settled during the period	11,68,007	3,37,638	45,10,000	1,78,39,247	78,40,945	0
Closing Balance	11,13,881	14,99,749	34,13,180	23,92,483	0	0
Investments						
Given during the period	0	0	0	1,21,00,000	0	0
Settled during the period	0	0	0	0	0	0
Closing Balance	0	0	1,22,05,540	1,21,45,540	0	0
Sundry Debtors	0	0	0	12,87,000	0	9,67,722
Sundry Creditors	0	0	0	0	0	0
Purchase of Goods	0	0	0	0	10,98,078	25,02,838
Conversion Charges	0	0	0	0	13,49,224	9,64,320
Amount Expended on be half of other	75,15,564	68,71,745	0	0	0	0
Sales	0	0	10,07,470	38,25,750	8,340	43,532

- 5] The Earning per share, computed as per requirement under Accounting Standard-20 on Earning per Share, issued by the Institute of Chartered Accountants of India, is as under :

Particulars	2008-09	2007-08
Net Profit after tax (Amount Rs.)	1,90,20,816	1,91,55,522
Weighted Average Nos. of Shares	1,13,28,449	1,13,28,449
Basic Earing per Share on nominal value of Rs.10/-per share	1.68	1.69

- 6] COMPANY SECRETARY:-

The company is required to appoint full time qualified company secretary U/s 383A(1), but has not appointed the same with effect from 1-05-2007, when the full time qualified company secretary resigned. As explained to us, the company is making efforts to appoint the same and for better compliance, the company has carried out Secreterial Audit by Practicing Company Secretary and obtained the Secretarial Audit Report for the F.Y 2008-09.

- 7] Paise have been rounded upto the nearest rupees.
 8] Previous year's Figures have been regrouped and /or rearranged wherever necessary to make them comparative with current year's figures.
 9] Deferred Tax :- The break up of deferred tax liability are as under :

Nature of timing difference	Deferred Tax Liability / Assets		
	Balance As on 1st April 2008	Debit/(Credit) for the year Rs.	Balance As on 31st March 2009
(a) Deferred Tax Liability			
- Depreciation	1,55,76,991	61,45,707	2,17,22,698
-Prov for deminution in investments	(19,69,891)	(3,07,830)	(16,62,061)
TOTAL	1,36,07,100	64,53,537	2,00,60,637

- 10] Remuneration to Auditors

Particulars	Current Year Amount Rs.	Previous Year Amount Rs.
As Audit Fees	2,50,000	2,50,000
As Tax Audit Fees	75,000	75,000
For Taxation	1,25,000	1,25,000
For Other Matters- CIT (Apeals)	0	30,000
For Service Tax	64,890	43,260

- 11] Managerial Remuneration under Section 198 of the Companies Act, 1956 :

The managerial remunerations is as per Section 198 and Schedule XIII of the Companies Act, 1956, as per the certificate dtd. 25-06-2009 of Practicing Company Secretary Shri Nimesh Shah.

Particulars	2008-09 Amount Rs.	2007-08 Amount Rs.
(a) Remuneration	60,19,656	57,94,749
(b) Contribution to P. F.	—	—
(c) Perqisites	—	—
TOTAL Rs.	60,19,656	57,94,749

- 12] Contingent Liability for Letter of Credits and Bank Guarantees is of Rs.90,06,888/- (PYF 20,04,673/-)
 13] Estimated Amount Contract remaining to be executed and not provided for Rs.NIL/-for the new expansion project (P.Y.F.Rs. 3,15,00,000/-)
 14] Some of the Debit/Credit balances are subject to reconciliation/ confirmation in certain cases.However, in the opinion of the Board of Directors all Assets including sundry debtors, loans and advances and deposits would be, in ordinary course of business, realised at least value stated.
 15] Fixed Assets includes investment made by the company in Residential building for Employees of the Company. Title of certain residential buildings are still in the name of Employee, and transferring the same in the name of the Company is under process, however the power of attorney and affidevits has been taken favour of the company for such assets, as per the information and the explanation given to us
 16] Amount due to SSI Units has not been segregated in view of non availability of requisite information for the purpose of ascertaining the liability if any,under the " Interest on delayed payments to Small Scale & Ancillary Undertaking Act 1993. "The company does not have information as to which of its creditors is registered under The Micro, Small and Medium Enterprises Development Act, 2006, hence, no disclosure as required by the said Act is given.

- 17] The Company has made investments for the incorporation of Subsidiary Company Dynamic Products (Inc) USA of Rs. 50,000/- in the earlier year in the United States of America, the same is shown under the head "LOANS AND ADVANCES" as the specific details of the investment are not available for our verification.
- 18] The Company has made investments for incorporation of wholly owned subsidiary company Dynamic USA Inc. of Rs. 34,13,180/- outstanding at the year end, in the United State of America, the same is shown under the head "Advances Recoverable in cash or in kind " as current assets in Loans & Advances. The said wholly owned subsidiary Dynamic USA Inc., as informed to us, has been involved in the marketing of the products of the company but as such the final accounts are not available to us, and hence, the results of the said subsidiary has not been included in separately prepared consolidated financial statements.
- 19] The US subsidiary company DynamicUSA Inc. has made an allotment of Equity share of 1000 of US\$ 1/- each and accordingly the same is shown as Investment in subsidiary at Rs. 45,540/-.
- 20] Excise duty on goods manufactured by the company is accounted only at the time of removal of goods from the factory for sale and/or captive consumption. Such excise duty liability on finished goods as on 31st March, 2009 is estimated at Rs.17,09,900/-. This Accounting Policy has no impact on the profit for the year.
- 21] The company has invested further Rs. 20,00,000/- as share capital in the subsidiary company on 25-3-08 and so, the holding of the company has been increased to 98% from existing 60%, in the year 2007-08 the minority interest for the year ended 31-3-2009, has been worked out considering the share in the current profit at 2%, and accordingly in the net worth for the year ended 31-3-09.

Signature to Schedule 1 to 17

As per our Report of even Date

**For : SHAH RAJESH & ASSOCIATES
CHARTERED ACCOUNTANTS**

Rajesh D. Shah

Proprietor

M. No. 36232

Place : Ahmedabad.

Date : 27/06/2009

For : DYNEMIC PRODUCTS LIMITED

B. K. Patel – Chairman & Mg. Director

D. P. Patel – Wholetime Director

R. B. Patel – Wholetime Director

S. P. Patel – Wholetime Director

D. B. Patel – Wholetime Director

Josekutty Thomas – Chief Financial Officer

Balance Sheet Abstract and Company's General Business Profile

I] Registration Details

Registration No. Balance Sheet Date Sate Code

II] Capital Raised during the year :

Public Issue Right Issue Private Placement

III] Position of Mobilisation and Deployment of Fund :-

Total Liabilities Total Assets

Sources of Fund

Paid up Equity Share Capital	<input type="text" value="113284490"/>	Paid up Preference Share Capital	<input type="text" value="NIL"/>
Reserves & Surplus	<input type="text" value="163211258"/>	Secured Loans	<input type="text" value="145408042"/>
Deferred tax liability	<input type="text" value="20018845"/>	secured Loans	<input type="text" value="6337849"/>

Application of Fund

Net Fixed Assets	<input type="text" value="0"/>	Investments	<input type="text" value="25325808"/>
Net Current Assets	<input type="text" value="115664348"/>	Misc. Expenses	<input type="text" value="0"/>
Accumulated Losses	<input type="text" value="NIL"/>		

IV] Performance of the Company :

Turnover	<input type="text" value="491121524"/>	Other Income	<input type="text" value="5607189"/>	Total Expenditure	<input type="text" value="464957705"/>
Profit before tax	<input type="text" value="31771008"/>	Profit after tax	<input type="text" value="19004892"/>		
Earning per share	<input type="text" value="1.68"/>	Dividend Rate %	<input type="text" value="10"/>		

V] Generic Names of Three Principal Products of the Company

Item Code No. (ITC Code)	<input type="text" value="293390"/>
Products Description	<input type="text" value="S.P.C.P.(Dye-Intermeidate)"/>
Item Code No. (ITC Code)	<input type="text" value="292100"/>
Products Description	<input type="text" value="Sulphanilic Acid.(Dye-Intermeidate)"/>
Item Code No. (ITC Code)	<input type="text" value="320490"/>
Products Description	<input type="text" value="Tartrazine (Food Color)"/>

As per our Report of even Date

For : **SHAH RAJESH & ASSOCIATES**
CHARTERED ACCOUNTANTS.

Rajesh D. Shah
Proprietor
M. No. 36232

For & on behalf of board of Directors of
For : **DYNEMIC PRODUCTS LIMITED**

B. K. Patel	-	Chairman & Mg. Director
D. P. Patel	-	Wholetime Director
R. B. Patel	-	Wholetime Director
S. P. Patel	-	Wholetime Director
D. B. Patel	-	Wholetime Director
Josekutty Thomas	-	Chief Financial Officer

Place : Ahmedabad.

Date : 27/06/2009

NOTICE

Notice is hereby given that the Nineteenth Annual General Meeting of DYNEMIC PRODUCTS LIMITED will be held at Flash, Banquet, First Floor, Shailly Complex, Surdhara Circle, Nr. Sal Hospital, Ahmedabad - 380054. on Tuesday, 22nd September 2009, at 3.00 p.m. to transact the following business :

Ordinary Business:

Item No. 1

To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2009 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.

Item No. 2

To declare dividend of Rs. 1/- per Equity Share i.e. 10% per Equity Share for the year ended 31st March, 2009.

Item No. 3

To appoint a Director in place of Mr. Jagdish S. Shah who retires from office by rotation and being eligible, offers himself for reappointment.

Item No. 4

To appoint a Director in place of Mr. Vishnubhai G. Patel who retires from office by rotation and being eligible, offers himself for reappointment.

Item No. 5

To appoint a Director in place of Mr. Dixit B. Patel who retires from office by rotation and being eligible, offers himself for reappointment.

Item No. 6

To appoint Auditors until the conclusion of the next Annual General Meeting and to fix their remuneration.

Special Business:

Item No. 7

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

“RESOLVED THAT pursuant to provisions of Section – 314(1B) and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modifications or reenactments thereof for the time being in force, and subject to the approval of central government, if required, consent of the company be and is hereby accorded that remuneration of Mr. Mukesh Patel, Manager Export, who is relative of Mr. Bhagwandas K. Patel, Managing Director and Dixit B. Patel, Director of the Company, be increased w.e.f. 01.10.2009 to Rs. 40,000/- (Rupees Forty Thousand) per month plus bonus and other perquisites as per the general policy of the company (in the scale of Rs. 40,000/- to Rs. 50,000/-) with further liberty to the Board of Directors of the company to increase his remuneration up to Rs. 50,000/- per month as per the general policy of the Company as applicable to the other employees in his grade.

Item No. 8

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

“RESOLVED THAT pursuant to provisions of Section – 314(1B) and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modifications or reenactments thereof for the time being in force, and subject to the approval of central government, if required, consent of the company be and is hereby accorded that remuneration of Mr. Natvarbhai Patel, Sales Executive (Domestic), who is relative of Mr. Dasrathbhai P. Patel, Director of the Company, be increased w.e.f. 01.10.2009 to Rs. 20,000/- (Rupees Twenty Thousand) per month plus bonus and other perquisites (in the scale of Rs. 20,000/- to Rs. 30,000/-) with further liberty to the Board of Directors of the company to increase his remuneration up to Rs. 30,000/- per month as per the general policy of the Company as applicable to the other employees in his grade.

By Order of the Board

Managing Director
Bhagwandas K. Patel

Place : Ahmedabad
Date : 27/06/2009

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED HEREWITH AND, IF INTENDED TO BE USED, IT SHOULD BE RETURNED DULY COMPLETED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE COMMENCEMENT OF 19TH ANNUAL GENERAL MEETING.
2. The Share Transfer Books and Register of Members of the Company will remain closed from 12th September 2009 to 22nd September, 2009 (both days inclusive).
3. Members holding shares in physical form are requested to notify / send the following to the Registrar & Transfer Agent of the Company :-
 - i) any change in their address / ECS mandate / bank details;
 - ii) particulars of their bank account, in case the same have not been sent earlier.
4. Members holding shares in the dematerialized form are requested to notify all changes with respect to their address, email id, ECS mandate and bank details to their Depository Participant.
5. Payment of dividend as recommended by the Directors, if approved at the Meeting, will be made to those members whose names are on the Company's Register of Members on 11th September, 2009. In respect of shares held in electronic form, the dividend will be payable to the beneficial owners of shares as at the end of business hours on 11th September, 2009 as per details furnished by the Depositories for this purpose.
6. Members are advised to avail the nomination facility in respect of the shares held by them singly. Nomination forms can be obtained from the Company.
7. Members/proxies should bring their Attendance slips sent herewith, duly filled in, for attending the meeting. Members who hold shares in Dematerialized form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for easy identification at the meeting and number of shares held by them.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 7

Mr. Mukesh Patel is the Export Manager of the company and is working with the company since January, 2003. He is Bachelor of Engineering (Mechanical) and has also done post graduate diploma in International Trade. He is handling the International Marketing of the Company since he joined the Company. The performance of the Mr. Mukesh Patel has been reviewed by the management from time to time. The management has recommended to the Board to increase the remuneration of Mr. Mukesh Patel.

The Board referred the recommendation of the Management to the remuneration Committee, comprising of all independent directors. The remuneration Committee has reviewed in its meeting held on June 1, 2009 and recommended to the Board to increase the remuneration of Mr. Mukesh Patel. The Board considered the recommendations of the management and remuneration Committee in its meeting held on June 1, 2009 and approved increase of remuneration of Mr. Mukesh Patel in its meeting held on June 27, 2009, subject to the approval of the Shareholders of the company.

In view of rich experience and contribution made by Mr. Mukesh Patel to the Company for the last several years, the Board recommends to increase remuneration of Mr. Mukesh Patel w.e.f. from 1st October, 2009 at a remuneration of Rs. 40,000/- (Rupees Forty Thousand) per month plus bonus and other perquisites as per the general policy of the company with normal increment based on his performance as per the Company's policy as applicable to the other employees in his grade.

Mr. Bhagwandas K. Patel, Managing Director and Mr. Dixit B. Patel, Director of the Company may be considered as concerned and interested as being relatives of Mr. Mukesh Patel. None of the other Directors is interested or concerned in the resolution.

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

Item No. 8

Mr. Natvarbhai Patel is the Sales Executive (Domestic) of the company and is working with the company since January, 1992. He has rich experience of more than 30 years in the field of marketing. He is handling the Domestic Marketing of the Company since he joined the Company. The performance of the Mr. Natvarbhai Patel has been reviewed by the management from time to time. The management has recommended to the Board to increase the remuneration of Mr. Natvarbhai Patel.

The Board referred the recommendation of the Management to the remuneration Committee, comprising of all independent directors. The remuneration Committee has reviewed in its meeting held on June 1, 2009 and recommended to the Board to increase the remuneration of Mr. Natvarbhai Patel. The Board considered the recommendations of the management and remuneration Committee in its meeting held on June 1, 2009 and approved increase of remuneration of Mr. Natvarbhai Patel in its meeting held on June 27, 2009, subject to the approval of the Shareholders of the company.

In view of rich experience and contribution made by Mr. Natvarbhai Patel to the Company since last 17 years, the Board recommends to increase his remuneration w.e.f. from 1st October, 2009 to Rs. 20,000/- (Rupees Twenty Thousand) per month plus bonus and other perquisites as per the general policy of the company with normal increment based on his performance as per the Company's policy as applicable to the other employees in his grade.

Mr. Dasrathbhai P. Patel, Director of the Company may be considered as concerned and interested as being relatives of Mr. Natvarbhai Patel. None of the other Directors is interested or concerned in the resolution.

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

INFORMATION AS REQUIRED UNDER CLAUSE 49(IV)(G) OF THE LISTING AGREEMENT IN RESPECT OF DIRECTORS SEEKING RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

Name of Director	Mr. Jagdish S. Shah	Mr. Vishnubhai G. Patel	Mr. Dixit B. Patel
Date of Birth	1/6/1956	1/6/1954	8/2/1981
Date of appointment	7/6/2004	8/9/2005	1/1/2003
Qualification	B.Com, L.L.B.	M.B.B.S. (D.G.O.)	B.Sc., Diploma in Export Management
Expertise in specific functional area	He is working with the iNDEXTb (Industrial Extension Bureau-A Govt. of Gujarat Organization) from last 26 years.	He has wide experience of 21 years as a Gynecologist in Ahmedabad.	He is working with the company since more than 6 Years and handling the international marketing and exports of the company
Directorship held in other companies (excluding private & foreign companies)	None	None	None
Membership / Chairmanship of committees in other public company	None	None	None
Shareholding in the company	Nil	Nil	1,21,600 Equity Shares

Except Mr. Bhagwandas K. Patel and Mr. Dixitbhai B. Patel, No Directors are related to each other. Relationship between Mr. Bhagwandas K. Patel and Mr. Dixitbhai B. Patel is that of Father and Son.

DETAILS OF SHARES IN SUSPENSE ACCOUNT AS PER CLAUSE 5A(G) OF LISTING AGREEMENT WITH THE BOMBAY STOCK EXCHANGE LIMITED

Sr. No.	Description	No. of Shareholders	No. of Shares.
1	Aggregate No. of shareholders & Shares pending as on 01.04.2008	12	1964
2	No. of shareholders who approached for transfer of shares from suspense account during the year	5	914
3	No. of shareholders and shares transferred from suspense account during the year	5	914
4	No. of shareholders and shares outstanding at the end of year i.e. on 31.03.2009	7	1050

Voting rights on the shares in suspense account shall remain frozen till the rightful owner of such shares claims the shares.



DYNEMIC PRODUCTS LTD.

Regd. Office : B-301, Satyamev Complex-I, Opp. New Gujarat High Court, S.G. Road, Sola, Ahmedabad - 380 060.
Ph : 079-27773072/73, 27663071, Fax No. : 079-27662176

Date : 27th June, 2009

Dear Share Holder(s),

Sub: - Option for ECS Mandate / Bank Mandate

ECS MANDATE

As an added service to our Shareholders, we are pleased to offer the facility of electronic credit of dividend directly to their respective bank accounts, through Electronic Clearing Services (ECS). This facility is currently available to the Shareholders located at Ahmedabad, Bangalore, Bhubneshwer, Chandigarh, Chennai, Delhi, Guawahati, Hyderabad, Jaipur, Kanpur, Kolkatta, Mumbai, Nagpur, Patna and Trivendram. Shareholders in these locations who would like to avail this facility are requested to fill in the Mandate Form provided on the reverse of this letter and submit (if not done earlier) the same to the Company at its Share Transfer Agent, Bigshare Services Pvt. Limited, E-2/3 Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (E), Mumbai -400 072 latest by 11th September, 2009. This service not only protects the Shareholder against fraudulent interception and encashment of Dividend Warrants but also eliminates dependence on the postal system, loss/damage of Dividend Warrants in transit and correspondence relating to revalidation / issue of duplicate dividend warrants.

Also, kindly attach a photocopy of a cheque from your cheque book for verifying the accuracy of the MICR code number indicated at the bottom of the cheque.

Kindly note that as per directives of Securities and Exchange Board of India (SEBI), in respect of shareholders holding shares in dematerialized form, dividend shall be paid through ECS (Where such facility is available) directly into the bank account furnished by the shareholders to their respective Depository Participant. Such shareholders therefore need not submit the mandate form provided on the reverse of this letter. In case it is desired to receive dividend on a bank account other than the one specified while opening the Demat Account , such shareholders may please inform the same to their respective depository Participant immediately and not to the Company / Registrar & Transfer Agent.

BANK MANDATE

Shareholders who, for any reason would not like to avail the ECS facility being offered to them as mentioned above, are requested to furnish (if not done earlier) in the Mandate Form provided on the reverse of this letter, interalia, the details of their Bank Account Number and Name of Bank and Branch, which would be printed on the Dividend Warrants to avoid fraudulent encashment thereof.

Kindly note that the ECS / Bank Mandate instructions should be under the signature of the sole / first shareholder as per specimen lodged with the Company.

If for any reason, we are not able to credit the Dividend amount directly to your Bank Account, the same would be remitted to you by way of a dividend warrant, with your bank account details printed thereon.

We seek your co-operation to enable us to serve you better.

Thanking you we remain,

**Yours faithfully,
For DYNEMIC PRODUCTS LTD.**

**Bhagwandas K. Patel
Managing Director**

Encl: As above

FORM

FOR PHYSICAL HOLDERS ONLY

To,
Bigshare Services Pvt. Ltd.
Unit : Dynamic Products Limited
E-2/3 Ansa Industrial Estate,
Saki Vihar Road, Saki Naka,
Andheri (E), Mumbai - 400 072.

Phone : 022 - 28470652, 28470653
Fax : 022 - 28475207

Dear Sirs,

L.F. No. :

Re: Form for ECS Mandate / Bank Mandate

I/We _____ do hereby authorize Dynamic Products Ltd. to:

- Credit my dividend amount directly to my Bank Account as per details furnished below by Electronic Clearing Serviced (ECS) ECS Mandate*
- Print the details of my Bank Account as furnished below, on my dividend warrant which will be mailed to me Bank Mandate*

Folio No. (Separate form for each folio)									
First / Sole Holder's Name									
Name of the Bank in Full									
Name of the Branch									
Address and Phone No. of Bank									
Bank Account No.									
Type of Account	Savings		Current		Cash Credit				
9 Digit Code Number of the Bank and Branch as appearing on the MICR Cheque (for ECS Mandate only). Please attach a photocopy of the cheque.									

- (PLEASE STRIKE OUT WHICHEVER IS NOT APPLICABLE)

I/We hereby declare that the particulars given above are correct and complete. I/We undertake to inform any subsequent changes in the above particulars before the relevant Book Closure Date(s).

I/We shall not hold the Company responsible, if ECS Mandate cannot be implemented because of incomplete or incorrect information or for reasons beyond the control of the Company.

Place :

Date :

Signature of Sole/First Shareholder

- P.S. 1) If you are holding the shares in demat mode the above details need to be intimated by you to your DP only and not to the Company or Registrar & Transfer Agent.
2) If you are holding the shares in physical mode please submit the above details to the Company / Registrar & Transfer Agent.



DYNAMIC PRODUCTS LIMITED

B-301, SATYAMEV COMPLEX-1, OPP: NEW GUJARAT HIGH COURT,
S.G. ROAD, SOLA, AHMEDABAD-380 060.

PROXY FORM

19th Annual General Meeting - 22nd September, 2009

DP ID _____

Regd. Folio No. /Client ID _____

No. of Shares _____

I/We _____ of _____ in the district of _____ being a Member / Members of the Company hereby appoint _____ of _____ in the district of _____ or failing him/her _____ of _____ in the district of _____ as my/our Proxy to vote for me / us on my / our behalf at the **19th Annual General Meeting** of the company to be held at Flash Banquet, First Floor, Shailly Complex, Surdhara Circle, Nr. Sal Hospital, Ahmeabad - 380054 on Tuesday, 22nd September, 2009 at 3.00 p.m. at any adjournment(s) thereof.

Signed this _____ day of _____ 2009.

Affix
Revenue
stamp

Signed

Note : This form, in order to be effective, should be duly completed, stamped, signed and deposited at the Registered Office of the Company not less than 48 hours before the meeting.



DYNAMIC PRODUCTS LIMITED

B-301, SATYAMEV COMPLEX-1, OPP: NEW GUJARAT HIGH COURT,
S.G. ROAD, SOLA, AHMEDABAD-380 060.

ATTENDANCE SLIP

19th Annual General Meeting - 22nd September, 2009

DP ID _____

Regd. Folio No. /Client ID _____

No. of Shares _____

I certify that I am a member/proxy for the member of the Company.
I hereby record my presence at the **19th Annual General Meeting** of the Company at Flash Banquet, First Floor, Shailly Complex, Surdhara Circle, Nr. Sal Hospital, Ahmedabad - 380054 on Tuesday 22nd September, 2009 at 3.00 p.m.

Name of the member / proxy
(in BLOCK letters)

Signature of Member / Proxy

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the meeting.



B-301, Satyamev Complex-1, Opp. New Gujarat High Court, S. G. Road, Ahmedabad-60.
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E-mail : info@dynemic.com, Website : www.dynemic.com