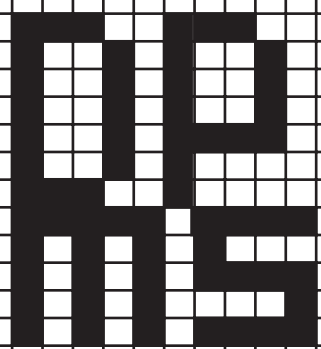


2010-2011



Dynamic Portfolio Management & Services Ltd.

# ANNUAL REPORT

2010-2011

**16<sup>th</sup> Annual Report 2010 - 2011**

**Board of Directors**

Arun Kr. Agarwal  
Ravi Kr. Newatia  
Ritesh Kr. Newatia  
Prasanta Dhar  
Vikas Kr. Agarwal  
Ashok Bothra

Chairman & Managing Director  
Wholetime Director  
Promoter Director  
Independent Director  
Independent Director  
Independent Director

**Compliance Officer**

Suruchi Garodia

**Registered Office**

53A, Mirza Ghalib Street  
4<sup>th</sup> Floor  
Kolkata-700 016

**Bankers**

IndusInd Bank Limited

**Auditors**

Mukesh Choudhary & Associates  
Chartered Accountants  
Commerce House  
2-A, Ganesh Chandra Avenue  
Kolkata - 700 013

**Registrar & Share Transfer Agent**

MCS Limited  
77/2A, Hazra Road  
Kolkata-700 029

**Annual General Meeting**

Date : 17th August 2011  
Time : 11.00 A.M.  
Venue : 53A, Mirza Ghalib Street  
4<sup>th</sup> Floor, Kolkata-700 016

**Contents**

- ❖ Notice
- ❖ Report on Corporate Governance
- ❖ Auditors' Certificate on Corporate Governance
- ❖ Directors' Report
- ❖ Secretarial Compliance Report
- ❖ Auditors' Report
- ❖ Balance Sheet
- ❖ Profit & Loss Account
- ❖ Schedules
- ❖ Cash Flow Statement
- ❖ Balance Sheet Abstracts

**Members are requested to bring their copy of Annual Report at the time of Meeting**

## **NOTICE**

Notice is hereby given that the Sixteenth Annual General Meeting of the members of Dynamic Portfolio Management & Services Limited will be held on Wednesday, the 17<sup>th</sup> day of August at 11.00 A.M. at 53A, Mirza Ghalib Street 4th Floor, Kolkata-700 016 to transact the following businesses as :

### **ORDINARY BUSINESS :**

1. To receive, consider and adopt the Directors' Report and Audited Statement of Accounts for the year ended 31<sup>st</sup> March 2011.
2. To appoint Director in place of Mr. Ashok Bothra, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Director in place of Mr. Ravi K. Newatia, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors to hold the office from the conclusion of this Annual General Meeting and to fix their remuneration.

### **SPECIAL BUSINESS :**

5. To consider and if thought fit to pass with or without modifications the following resolution as an ordinary resolution :

"RESOLVED THAT Pursuant to the provisions of Section 260 and all other applicable provisions of the Companies Act, 1956 (the Act) and in terms of Article 87 of the Articles of Association of the Company, Mr. Prasanta Dhar, who was appointed as an Additional Director of the Company at the Board meeting held on 22nd April 2011 and who holds the office up to the date of this Annual General Meeting in terms of provision of section 260 of the Act, and in whose respect the Company has received a notice from a member under Section 257 of the Act, together with necessary deposit as mentioned in the said section, proposing the candidature of Mr. Prasanta Dhar for the office of Director of the Company be and is hereby appointed as Director of the Company."

Kolkata, May 30, 2011

By order of the Board  
**For Dynamic Portfolio Management & Services Limited**

#### **Registered Office :**

53A, Mirza Ghalib Street  
4<sup>th</sup> Floor, Kolkata-700 016

**Arun Kumar Agarwal**  
Chairman & Managing Director

**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 / herself. The proxy need not be a member of the Company. A blank proxy form is enclosed. The proxy form duly stamped and executed should be deposited at the Registered Office of the Company.
2. Proxies, in order to be effective, must be received at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.
3. The Register of Member and the Share Transfer Books of the Company will remain closed from 10th August 2011 to 17th August 2011 (both days inclusive).
4. A copy of all the documents referred to in the accompanying explanatory statement are open to inspection at the Registered Office of the Company on all working days except holidays up to the date of AGM and at AGM .
5. The Shares of the Company are mandated by the Securities & Exchange Board of India (SEBI) for trading in dematerialized form by all investors.
6. The identity/signature of Members holding shares in electronic/demat form is liable for verification with the specimen signatures furnished by NSDL/CDSL. Such Members are advised to bring the relevant identity card issued by the Depository Participant to the Annual General Meeting.
7. Members desirous of getting any information about the accounts of the Company, are requested to send their queries so as to reach at-least ten days before the meeting at the Registered Office of the Company, so that the information required can be made readily available at the meeting.
8. Members are requested to intimate change in their address immediately to M/s MCS Limited, the Company's Registrar and Share Transfer Agents, at their office at 77/2A, Hazra Road, Kolkata-700 029.
9. Members are requested to bring copies of Annual Report to the Annual General Meeting.
10. Members holding shares in the same set of names under different folios are requested to apply for consolidation of such folio along with relevant Share Certificates to MCS Limited, Registrar and Share Transfer Agents of the Company, at their address given above.
11. The Members/Proxies should bring the attendance slip duly filed in and signed for attending the meeting.
12. Members are requested to send their queries in regard to the accounts atleast 7 days in advance to the Registered Office of the Company.
13. Members are requested to quote Folio Number/Client ID in their correspondence.
14. The Equity shares of the Company are listed on Calcutta Stock Exchange (CSE) and on Bombay Stock Exchange Ltd. (BSE) and Listing Fees for the financial year 2011-2012 have been paid to both Stock Exchanges.

Kolkata, May 30, 2011

By order of the Board  
**For Dynamic Portfolio Management & Services Limited**

**Registered Office :**

53A, Mirza Ghalib Street  
4<sup>th</sup> Floor, Kolkata-700 016

**Arun Kumar Agarwal**  
Chairman & Managing Director

**Item No. 5**

The Board of Directors of your Company appointed Mr. Prasanta Dhar as an Additional Director of your Company at the Board meeting held on 22nd April 2011 to broad base the Board.

Mr. Prasanta Dhar, B.Com. is having vast knowledge and rich experience in NBFC related activities and accounting and taxation. It will be advantageous for the Company to avail his valuable services and rich experience. Your Company has received notices from members pursuant to section 257 of the Act, 1956 together with necessary deposit proposing the candidature of Mr. Ashok Bothra for the office of Director of the Company.

Except Mr. Prasanta Dhar in his respective appointment, no other Director is concerned or interested in his appointment as Directors of the Company.

Kolkata, May 30, 2011

By order of the Board  
**For Dynamic Portfolio Management & Services Limited**

**Registered Office :**  
53A, Mirza Ghalib Street  
4<sup>th</sup> Floor, Kolkata-700 016

**Arun Kumar Agarwal**  
Chairman & Managing Director

To The Members,

Your Directors have pleasure in presenting the Sixteenth Annual Report of your Company together with the Audited Statements of Accounts for the financial year ended March 31, 2011.

(Rs. in Lacs)

<b>Financial Results</b>	<b>Year Ended 31.03.2011</b>	<b>Year Ended 31.03.2010</b>
Income	<b>107.61</b>	171.63
Profit before Tax & Extraordinary Items	<b>0.92</b>	0.65
Less : Provision for Taxation	<b>0.28</b>	0.10
Profit after Tax	<b>0.64</b>	0.55
Less : Extra Ordinary Items	<b>0.00</b>	0.00
Profit available for appropriation after adding to its Previous Years B/f	<b>0.64</b>	0.55
<b>Appropriated as under :</b>		
Transfer to General Reserve	<b>0.00</b>	0.00
Balance carried forward to Next Year	<b>18.34</b>	18.98

#### **Dividend**

#### **Directors' Report, Management Discussions & Analysis**

In view of inadequate profit and in order to meet financial requirements to implement its future plans, your Directors do not propose any dividend for the year under review.

#### **Industry Structure & Development**

Despite new risks, the global economic recovery is gaining strength and the IMF has projected a 4.5% world growth in 2011 and 2012. While growth in emerging economies remain strong, that in the US and European region is slowly gaining momentum. Some of economies of the developed nations are still a concern with the Euro Zone being the most vulnerable as rating agencies continue to downgrade the sovereign rating of many of economies in this region. The natural disaster in Japan, sharp increase in oil prices consequent to the turmoil in the Middle East and North Africa is fuelling uncertainty to the pace of the global recovery. Globally, elevated goods and commodity prices accompanied by the spike in oil prices have engendered inflation concerns.

The Indian economy registered improved growth and was amongst the better performers amid emerging market economies, Central Statistical Organizations' recent estimated Indian GDP growth are of 8.6% for 2010-11 is consistent with the RBI's projections for the same period. While the area sown under the Rabi Crop is higher than last year which augurs well for agricultural production, the index of industrial production continues to be volatile. The Other indicators such as latest Purchasing Manager's index, direct and indirect tax collections, merchandise exports and bank credit suggest that the growth momentum persists. However continuing uncertainty about energy and commodity prices may vitiate the investment climate, posing a threat to the current growth trajectory. Inflation remains a challenge for the Indian Economy and the key risks are tighter monetary conditions and raising prices eating into the consumers' disposable income.

#### **Opportunities & Threats**

The present global economic scenario throws up opportunities for fundamentally strong companies such as your Company. Your Company has positively faced the ever changing period in the financing and

investment market quite effectively. The fiscal policies brought by Government in the recent times have been encouraging. The economic plan aims to put the economy towards a path of sustainable growth and progress. Your Company pays special attention to its valuable human resources. Further in view the support offered by Government and financial institutions, your Company is keen to achieve an established name and goodwill in the market.

On the other hand, higher cost of funds for borrowers is beginning to have an effect, although it is still too early to spot definitive trends given the presumed lags in monetary policy transmission, industrial growth has slowed, not just because of statistical base effects, but even in seasonally adjusted month on month terms. There are reports of increasing automobile and housing investment.

In term of investment activities, drying liquidity, lack of retail participation in the Capital Market, slowdown in growth of bigger companies due to lack of demand by retail chain and also increase in interest rate and thus diversification of interest of common man towards depositing money with bank rather than investing in Capital Market are also a cause of concerns for the Company.

### **Performance Highlights and Future Plans**

With the economic revival gathering momentum, a clutch of growth trajectory initiatives enabled your Company to deliver positive growth and further consolidate its presence in the core business. FY 2011 has been both challenging and momentous for your Company. The resilience and inherent strength of your Company's updated and timely taken decisions have enabled your Company to deliver better performance with improvements across key parameters in FY2011.

Dynamic Portfolio Management & Services Limited (DPMS) is a NBFC Company and its main source of Income is NBFC activities i.e. Interest on Loan. Other source of Income is from the investment in Stock Market. DPMS is in the area of project finance with Corporate Bodies and HNIs. Your Company has, in order to reduce credit risk, improved security coverage and higher marginal rate of return and increased its exposure in the area of Promoters' Funding, where it faced competition from NBFCs only.

The entire financial year was challenging for the Company with vast global scenario, economic slowdown and increasing inflation. This has forced Company to be strict with its policies while allocating Loan to new clients and due to slow down and increased rate of interest, even demand has been decreased and thus restricted the limited opportunities for your Company. The Company has tried its best to maintain profit and to run its business as NBFC.

On Investment front, melt down in US and Europe Capital Market has also triggered low volume and lack of investment in Indian Capital Market. This has laid to the ignorance by small investors and thus hearted the Investment business of the Company. With a fear to further deepen of the situation, the Company has decided to sell off its part of Investments and this has incurred loss in investment activities.

In FY13, the Company is hopeful of doing better in its core business in Financing and Investment activities as well as in the diversified business like Infrastructure business as well as Software business.

### **Business Segment**

Your Company basically operates in two types of activities i.e. Investment activities, activities of investment in the Capital Market as well as Off Market deal in both listed and unlisted securities. Beside this, the Company does give loans to corporate and HNI Clients to earn interest on disbursement of loan.

### **Risk & Concerns**

Despite new risks, the global economic recovery is gaining strength and the IMF projected a 4.5% world growth in 2011 and 2012. While growth in emerging economies remains strong, while in the US and European region is slowly gaining momentum. Some of economies of the developed nations are still a concern with the Euro zone being the most vulnerable as rating agencies continue to downgrade the sovereign rating of many of economies in this region. The natural disaster in Japan, sharp increase in oil prices consequent to the turmoil in the Middle East and North America is fuelling uncertainty to the pace of global recovery.

Globally, elevated food and commodity prices accompanied by the spike in oil prices have endangered inflation concerns.

The Indian Economy registered improved growth and was amongst the better performers aid emerging market economies. Central statistical Organizations' recent estimated Indian GDP growth rate of 8.6% for 2010-11 is consistent with the RBI's projections for the same period. While the area sown under the Rabi Crop is higher than last year which augurs well for agricultural production, the index of industrial productions continues to be volatile. The other indicators such as latest Purchasing Managers' Index, direct and indirect tax collections, merchandise exports and bank credit suggest that growth momentum persists. However, continuing uncertainty about energy and commodity prices may vitiate the investment climate, posing a threat to the current growth trajectory. Inflation remains a challenge for the Indian Economy and the key risks are tighter monetary conditions and rising prices eating into the customer's disposable income.

### **Overview**

The Company is planning to counter its challenges through intelligent investments, tight control on liquidity and margins, carrying all sort of due diligence before investing, check on business activities of Companies where Company willing to invest including estimation of profit on same etc. Even the Company does not hesitate to come out of investment on almost right time if it believes to be negative and risky. In case of payment of loan to its clients, the Company does all sorts of efforts to make sure that its fund will not be bad debts and will earn interest from such loans.

### **Internal Control Systems and Adequacy**

Your Company believes in formulating adequate and effective internal control systems and implementing the same strictly to ensure that assets and interests of the Company are safeguarded and reliability of accounting data and accuracy are ensured with proper checks and balances. The Internal Control systems is improved and modified continuously to meet the changes in business conditions, statutory and accounting requirements.

The Audit Committee of the Board of Directors, Statutory Auditors and Business Heads are periodically apprised of the Internal Audit findings and corrective actions taken.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of Internal Control system and suggests improvements for strengthening them. The Company has a robust Management Information System which is an integral part of the control mechanism.

### **Material Development in Human Resources**

The Company takes pride in the commitment, competence and dedication shown by its employees in all areas of business. Various HR Initiatives are taken to align the HR Policies to the growing requirements of the business.

The Company has a structures induction process at its business locations and management development programmes to upgrade skills of managers. Objective appraisal systems based on Key Result Areas (KRAs) are in place for senior management staff.

Technical and safety training programmes are given periodically to its lower grade staff. Relations with its employees remain cordial entirely during the year. The staff strength during the year under review was 5.

### **Cautionary Statement**

Statements in the Management Discussions and Analysis describing the Company's objectives, projections, estimates, expectations may be forward looking statements. Actual results may differ materially from those expressed or implied. Important factors that could make a difference to the Company's performance include economic conditions affecting demand / supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government Regulations, tax laws, statutes and other incidental factors.



**Directors**

Mr. Prasanta Dhar has been appointed as Additional Director (Independent, Non-Executive) of the Company in place of Mr. Subhash Chandra Agarwala, who has resigned from his post due to his pre-occupation.

In accordance with the requirements of the Companies Act, 1956 and as per the provisions of Articles of Association of the Company, Mr. Ravi Kr. Newatia and Mr. Ashok Bothra are liable to retire and eligible, offers themselves for re-appointments in the forthcoming Annual General Meeting.

Except Mr. Ritesh Newatia, brother of Mr. Ravi Kr. Newatia and Mr. Ravi Kr. Newatia himself, none other Directors are interested in his re-appointment and except Mr. Ashok Bothra himself, no other Directors are interested in the re-appointment of Mr. Ashok Bothra.

Further, none of the Directors of the Company are disqualified under section 274(1)(g) of the Companies Act 1956.

**Auditors**

Auditors M/s. Mukesh Choudhary & Associates, Chartered Accountants, Kolkata holds the office until the conclusion of ensuing Annual General Meeting. Your Company has received certificate from the Auditors under section 224(1B) of the Companies Act, 1956 to the effect that their reappointment if made, will be within the limit prescribed.

The shareholders are requested to appoint the Auditors and fix their remuneration.

**Comments on Auditor's Report :**

The notes referred to in the Auditor's Report are self explanatory and as such they do not call for any further explanation as required under section 217(3) of the Companies Act, 1956.

**Public Deposits**

Your Company has not accepted any deposits from the Public during the year under review.

**Management**

There is no Change in Management of the Company during the year under review.

**Corporate Governance**

Your Company follows the principles of the effective corporate governance practices. The Clause 49 of Listing Agreement deals with the Corporate Governance requirements which every publicly listed Company has taken steps to comply with the requirements of the revised Clause 49 of the Listing Agreement with the Stock Exchanges.

A separate section on Corporate Governance forming part of the Directors' Report and the certificate from the Company's Auditors on Corporate Governance as stipulated in Clause 49 of the Listing Agreement is included in the Annual Report.

**Statutory Information**

The Company being basically in the finance and Investment sector, hence the requirement regarding and disclosures of Particulars of conservation of energy and technology absorption prescribed by the rule is not applicable to us.

**Particulars of Employees**

People are the backbone of our operations. It is a matter of great satisfaction for our Company that our employees have been very supportive of the Company's plan. By far the employee's relations have been cordial through out the year.

The information as required by provisions of section 217(2A) of the Companies Act, 1956 read with the companies (Particular of employees) amendments rules, 1988 is reported to be NIL.

**Particulars under section 217 (1) (e) of the Companies Act, 1956**

The Company is engaged in the business of media products hence the information regarding conservation of energy, Technology Absorption, Adoption and innovation, the information required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988, is reported to be **Nil**.

The Company has not earned or used foreign exchange earnings/outgoings during the year under review.

**Cash Flow Statement**

The Cash Flow Statement for the year ended 31st March 2011 pursuant to Clause 32 (as amended) of the Listing Agreement with Stock Exchanges is annexed herewith.

**Directors Responsibility Statement**

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000 the Directors confirm that:

1. In the preparation of the Annuals Accounts, for the year ended 31st March 2011, all the applicable accounting standards prescribed by the Institute of Chartered Accountants of India have been followed;
2. The Directors had adopted 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 that period.
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors had prepared the annual accounts on a going concern basis.

**Corporate Social Responsibility (CSR)**

Corporate Social Responsibility (CSR) is commitment of the Company to improve the quality of the workforce and their families and also the community and society at large. The Company believes in undertaking business in such a way that it leads to overall development of all stake holders and Society.

**Appreciation**

The Board of Directors wishes to convey their appreciation to all the Company's employees for their performance and continued support. The Directors would also like to thank all the Shareholders, Consultants, Customers, Vendors, Bankers, Service Providers, and Governmental and Statutory Authorities for their continued support.

Kolkata, May 30, 2011

By order of the Board  
**For Dynamic Portfolio Management & Services Limited**

**Registered Office :**

53A, Mirza Ghalib Street  
4<sup>th</sup> Floor, Kolkata-700 016

**Arun Kumar Agarwal**  
Chairman & Managing Director

## **Annexure to the Directors' Report**

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, Compliance with the requirements of Corporate Governance is set out below :-

### **Company's philosophy on Code of Governance**

A better Corporate Governance implies transparency, accountability and equity, in all facets of the Company's operations and its management and in all its interactions with its stakeholders, including shareholders, employees, the government and lenders. A company which maintains a good practice of Corporate Governance would be able to optimize the use of financial and human resources at its disposal resulting into various benefits to the investors, customers, creditors, employees and the society in general. The Company's core philosophy on the code of Corporate Governance is to ensure –

- Fair and transparent business practices;
- Accountability for performance;
- Transparent and timely disclosure of financial and management information;
- Effective management control and monitoring of executive performance by the Board; and
- Adequate representation of promoter, executives and independent directors on the Board.

A report on the implementation of the Corporate Governance Code of the Listing Agreement by the Company is furnished below.

The Certificate of Corporate Governance from the Statutory Auditors of the Company confirming compliance of the conditions of Corporate Governance is annexed hereto.

### **Board of Directors**

#### **Composition of Directors**

The Board of Directors consists of professionals drawn from diverse fields and brings in a wide range of skills and experience to the Board. The Company is managed by the Board of Directors in coordination with Senior Management team.

The day to day operations of the Company are conducted by the Chairman and Managing Director subject to the supervision and control of the Board of Directors. The Non-Executive Directors including the independent Directors bring external, wider perception and independence in the decision making.

The Composition of the Board of Directors, meets the requirements of Clause 49(I) (A) of the Listing Agreement.

None of the Directors on the Board is a member of more than ten committees and Chairman of more than five committees (as specified in Clause 49), across all companies in which they are Directors.

The 4 Meetings of Board of Directors during the year under review was held on 31st May, 13th August and on 12th November in year 2010 and on 8th February in the year 2011.

The details regard to attendance of Directors at Board Meetings / Shareholders Meetings, the number of Directorship(s) held in Indian Public Limited Companies and the position of Membership/Chairmanship of Audit Committee and Shareholders/Investors Grievances Committee in such Indian Public Limited Companies is given below :

## Dynamic Portfolio Management & Services Limited

Name	Designation	Board Meetings Attended	Whether Attended AGM	Committee membership	Committee Chairmanship	No. of Directorship in order Public Ltd. Co.
Arun Kr. Agarwal	Chairman & Managing Director	4	Yes	2	Nil	Nil
Ravi Kr. Newatia	Whole time Director	4	Yes	Nil	1	Nil
Ritesh Kr. Newatia	Promoter Director	4	Yes	1	Nil	Nil
S. C. Agarwala	Independent Director	4	Yes	2	Nil	Nil
Vikas Kr. Agarwal	Independent Director	4	Yes	1	2	Nil
Ashok Bothra	Independent Director	4	Yes	3	1	3

### Audit Committee

The Audit Committee consists of two Independent Directors & the Managing Director. All members of the Audit Committee are financially literate and they have accounting or related financial management expertise.

### Terms of Reference

The terms of reference of the Audit Committee are as under :

- a) 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.
- b) Recommending to the Board, the appointment, reappointment and, if required the replacement or removal of the statutory auditor and fixation of audit fees.
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- d) Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to –
  - (i) Matters required being included in the Directors' Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of section 217 of the Companies Act 1956.
  - (ii) Changes, if any, in accounting policies and practices and reasons for the same.
  - (iii) Major accounting entries involving estimates based on the exercise of judgment by management.
  - (iv) Significant adjustments made in the financial statements arising out of audit findings.
  - (v) Compliance with listing and other legal requirements relating to financial statements.
  - (vi) Disclosure of any related party transactions.
  - (vii) Qualifications in the draft audit report.
- e) Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

- g) Reviewing with the management performance of statutory and internal auditors, adequacy of internal control systems.
- h) Reviewing with the adequacy of internal audit function, reporting structure, coverage and frequency of internal audit.
- i) Discussion with internal auditors any significant findings and follow-up thereon.
- j) 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 system of a material nature and reporting the matter to the Board.
- k) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any areas of concern.
- l) To look into the reasons for substantial defaults in the payment to shareholders (in case of non-payment of declared dividend) and creditors.
- m) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & backgrounds, etc. of the candidate.
- n) Carrying out any other function as in mentioned in the terms of reference of the Audit Committee.

#### **Authority and Responsibilities**

The Audit Committee reviews the Company's financial reporting process, disclosure of accounting treatment, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter, disclosure norms, internal control systems, risk management policies, accounting policies and practices, ensuring the quality and appropriateness of the Company's accounting and financial disclosures as well as quarterly/half yearly financial statements. It recommends appointment of Statutory Auditors fixes audit fees and reviews internal control systems, Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern, scope for observations of the auditors and adequacy of the internal audit function, discussion with internal auditors any significant findings and follow up there on etc.

In addition to the above, Audit Committee reviews the followings :

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor.

The members of Audit Committee met four times on – 31<sup>st</sup> May, 13<sup>th</sup> August and 12<sup>st</sup> November in year 2010 and on 8th February in the year 2011.

<b>Name</b>	<b>Number of Meetings Held</b>	<b>Meetings Attended</b>
Arun Kr. Agarwal	4	4
S. C. Agarwala	4	4
Vikas Kr. Agarwal*	4	4

\* Chairman of the Committee

**Remuneration Committee**

Since the Company does not have remuneration Committee (constitution of which is a non-mandatory requirement), the details pertaining to the same are not provided.

**Details of Remuneration paid to Directors**

The payment of salary to Directors was Nil during the financial year 2010-2011.

No Stock option has been allotted to any of the Directors during the financial year 2010-2011.

None of the Independent Directors holds any shares in their name or in the name of their relatives.

**Share Transfer Committee**

The Board of Directors has constituted Share Transfer Committee under the Chairmanship of Mr. Ravi Newatia; whole time Director with two other Independent Director namely Mr. S. C. Agarwala & Mr. Vikas Agarwal.

The members of Share Transfer Committee met four times on 30<sup>st</sup> July, 26<sup>th</sup> August and 29<sup>st</sup> October in year 2010 & on 29<sup>th</sup> January 2011 during the financial year ended on 31<sup>st</sup> March 2011.

<b>Name</b>	<b>Number of Meetings Held</b>	<b>Meetings Attended</b>
Mr. S. C. Agarwala	4	4
Mr. Ravi Newatia*	4	4
Mr. Vikas Agarwal	4	4

\*Chairman of Committee

**Shareholders / Investor Grievance Committee**

The Board of Dynamic Portfolio Management & Services Limited has constituted a Committee of Directors, which inter-alia also functions as "Shareholders/Investors" Grievance Committee, consisting of three members, chaired by a Non-Executive, Independent Director. The Committee meets once a month and inter-alia, deals with various matter relating to:

- ✓ Transfer/transmission/transposition of shares;
- ✓ Consolidation/splitting of shares/folios;
- ✓ Issue of Share Certificates for lost, sub-divided, consolidated, rematerialize, defaced etc;
- ✓ Review of Shares dematerialized and all other related matters; and
- ✓ Investors' grievances and redressal mechanism and recommend measures to improve the level of Investor Services.

The Share Department of the Company and the Registrar and Share Transfer Agent, MCS Limited attend to all grievances of the shareholders and investors received directly or through SEBI, Stock Exchanges and Registrar of Companies etc.

The Minutes of Shareholders'/Grievances Committee are noted by the Board of Directors at the Board Meetings.

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors. Shareholders are requested to furnish their telephone numbers and email addresses to facilitate prompt action.

### **Compliance Officer**

The Company has appointed Ms. Suruchi Garodia, as a Compliance Officer within the meaning of Listing Agreement.

### **Composition of Committee and Meetings attended**

During the year, twelve meetings of the Committee of Directors were held on April 2, May 3, June 1, July 1, August 2, September 1, October 1, November 2, and December 1 in year 2010 and on January 3, February 1 and March 2 in year 2011.

Brief Details of Names, Position, Category and meeting attended by Members of Committee is as follows:

<b>Name</b>	<b>Position</b>	<b>Category</b>	<b>Meetings Attended</b>
Mr. Ritesh Newatia	Chairman	Wholetime Director	12
Mr. Arun Kr. Agarwal	Member	Chairman & Managing Director	12
Mr. Vikas Agarwal*	Member	Independent, Non-Executive	12

\*Chairman of Committee

### **Details of Shareholders' Complaints**

During the year the Company did not receive any complaint from any of the share holder and there was no pending complaint at the close of the financial year.

The Company has designated email ID under Clause 74(f) of Listing Agreement and the same is [dpms.kolkata@gmail.com](mailto:dpms.kolkata@gmail.com) to lodge Investor complaints.

### **General Body Meetings**

Location & time for the last three Annual General Meetings :

<b>Annual General Meeting</b>	<b>Date &amp; Time</b>	<b>Venue</b>
15 <sup>th</sup> Annual General Meeting	31 <sup>th</sup> July 2010, 11.00 AM	53-A, Mirza Ghalib Street 4 <sup>th</sup> Floor, Kolkata-700 016
14 <sup>th</sup> Annual General Meeting	29 <sup>th</sup> September 2009, 10.30 AM	53-A, Mirza Ghalib Street 4 <sup>th</sup> Floor, Kolkata-700 016
13 <sup>th</sup> Annual General Meeting	30 <sup>th</sup> September 2008, 10.30 AM	53-A, Mirza Ghalib Street 4 <sup>th</sup> Floor, Kolkata-700 016

### **Special Resolution passed at last three Annual General Meetings:**

During financial year 2007-08, 2008-09 no Special Resolution has been passed in any of Annual General Meetings however in year 2009-10, Special Resolution was passed for appointment of Mr. Ashok Bothra as Independent, Non-Executive Director.

### **Passing of Resolution by Postal Ballot:**

No Resolution has been passed through Postal Ballot Rules, 2000 during last three financial years.

### **Extra-Ordinary General Meeting**

No Extra-Ordinary General Meeting was held by the Company during the financial year ended 31<sup>st</sup> March 2011.

## **Board Disclosures**

### **Risk Management**

The Company has a Risk Management Policy which has been adopted by the Board of Directors, currently, the Company's risk management approach comprises of the following :-

- ❖ Governance of Risk
- ❖ Identification of Risk
- ❖ Assessment of Control of Risk

The risks have been prioritized through a companywide exercise. Members of Senior Management have undertaken the ownership and are working on mitigating the same through co-ordination among the various departments, insurance coverage, security policy and personal accident coverage for lives of all employees.

The Company has appointed a Risk Officer and also put in place the risk management framework, which helps to identify various risks cutting across its business lines. The risks are identified and are discussed by the representatives from various functions.

Risk Officer will make a presentation periodically on risk management to the Board of Directors and the Audit Committee. The Board and the Audit Committee provide oversight and review the risk management policy periodically.

### **Subsidiaries**

The Company does not have any material non-listed Indian subsidiary whose turnover or net worth (i.e. paid-up capital and free reserves) exceeding 20% of the consolidated turnover or networth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

### **Insider Trading**

The Securities and Exchange Board of India (SEBI) has over the years introduced various amendments to the Insider Trading Regulations of 1992 which ordain new action steps by corporate and other market intermediaries for the purposes of prevention of Insider Trading.

Pursuant to the above requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended, the Company has adopted a 'Code of Conduct' for Prevention of Insider Trading (The Code) with effect from October 1, 2002. The Code is applicable to all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Compliance Office has been appointed for monitoring adherence to the said Regulations.

### **Disclosures**

- (a) There are no transactions with related parties i.e. with Promoters, Directors, Management, Subsidiaries or Relatives that may have potential conflict of interest with the Company at large.
- (b) There has been no instance of non-compliance by the Company on any matter related to Capital Markets and hence the question of penalties or strictures being imposed on the Company by the Stock Exchange or SEBI or any Statutory Authority does not arise.
- (c) In Compliance with the Securities & Exchange Board of India (Prohibition of Insider Trading Regulations, 1992) as amended till date, on Prohibition of Insider Trading, the Company has a comprehensive Code of Conduct and the same is being strictly adhered to by its management, staff and relevant business associates. The code expressly lays down the guidelines and the procedure to be followed and disclosures to be made, while dealing with shares of the Company and cautioning them on the consequences of non-compliance thereof. However whistle blower policy has not been formed during the year under review. Further, we affirm that no personnel has been denied access to the Audit Committee.



- (d) Share Reconciliation Audit (Formerly Secretarial Audit) :- A qualified Practicing Company Secretary carried out Secretarial Audit on quarterly basis to reconcile the total admitted capital with Central Depository Services (India) Ltd. (CDSL) and National Securities Depository Ltd. (NSDL) and the total issued and listed capital. The secretarial audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

#### **Disclosures on Non-Mandatory Requirements**

The Company has adopted/complied with the following non-mandatory requirements as prescribed in Annexure I D to Clause 49 of Listing Agreement with the Stock Exchange :-

- a) None of the Independent Directors on the Board of the Company has served for the tenure of exceeding nine years. The Company has ensured that the person who is being appointed as an Independent Director has the requisite qualifications and experience which would be of use to the Company and which in the opinion of the Company would enable him to contribute effectively to the Company in his capacity as an Independent Director.
- b) The Company has not setup Compensation and Remuneration Committee.
- c) We publish our quarterly results and half yearly results in widely circulated newspapers whereas we did not send half yearly results to any of shareholders.
- d) The financial statements of the Company are unqualified.
- e) The Board of Directors of the Company at its meeting held on 26<sup>th</sup> August 2009 has adopted the Whistle Blower Policy and appointed an ombudsperson. Employees can report to the Management concerned unethical behavior, act or suspected fraud or violation of the Company's Code of Conduct Policy. No Employee has been denied access to the Audit Committee.

#### **Means of Communications**

- The Company regularly provides information to the Stock Exchanges as per the requirements of the listing Agreement.
- The Quarterly/Half Yearly/Nine Months & Annual Results have been submitted to Bombay Stock Exchange Ltd. (BSE) and Calcutta Stock Exchange Association Ltd. (CSE) and also have been published in the leading English Newspapers i.e. Eco of India and in vernacular Language Newspaper i.e. Arthkruti.
- Company is posting its Quarterly Results/Half Yearly/Nine Months & Annual Results on its website namely [www.dynamicwealthservices.com](http://www.dynamicwealthservices.com)
- The Company has its own website namely [dynamicwealthservices.com](http://dynamicwealthservices.com) wherein Company regularly updates its Shareholding Pattern, Quarterly Results, Corporate Governance Report, Code of Conduct as well all those events which occurs from time to time.
- No formal representations were made to Institutional Investors or Analysts during the year under review.
- Management Discussion and Analysis forms part of the Annual Report will be posted to the shareholders of the Company.

#### **General Shareholder Information**

Detailed information in this regard is provided in section "Shareholders Information" which forms part of this Annual Report.

**Shareholders' Information**

**a. Next Annual General Meeting**

The information regarding 16<sup>th</sup> Annual General Meeting for the financial year ended on 31<sup>st</sup> March 2010 is as follows :-

Date : 17<sup>th</sup> August, 2011  
 Time : 11.00 A.M.  
 Venue : 53-A, Mirza Ghalib Street, 4<sup>th</sup> Floor, Kolkata-700 016.

**b. Financial Calendar :** 1<sup>st</sup> April to 31<sup>st</sup> March.

**c. Future Calendar :**

Subject Matter	Date
Financial Reporting of 1 <sup>st</sup> Quarter ended on 30 <sup>th</sup> June 2011	14 <sup>th</sup> August, 2011
Financial Reporting of 2 <sup>nd</sup> Quarter ended on 30 <sup>th</sup> September 2011	15 <sup>th</sup> November 2011
Financial Reporting of 3 <sup>rd</sup> Quarter ended on 31 <sup>st</sup> December 2011	15 <sup>th</sup> February 2012
Financial Reporting of 4 <sup>th</sup> Quarter ended on 31 <sup>st</sup> March 2012	30 <sup>th</sup> May 2012
Date of Annual General Meeting	During September 2012

**d. Date of Book Closure :** August 10 to August 17, 2011, (Both days inclusive)

**e. Dividend Payment :** No Dividend has been proposed for payment for the year under review.

**f. Listing of Shares :** Calcutta and Bombay Stock Exchange

**g. Custody Charges & Listing Fees :** Annual Custody Charges to NSDL & CDSL and Annual Listing Fees for Financial year 2010-2011 have been paid.

**h. Stock Code & ISIN Code :** 530779 on BSE & 014037 on CSE  
 : INE118C01018 on CDSL & NSDL

**i. Market Price Data :**

The equity shares of the Company are under suspension mode for trading on BSE and hence market price data for the year under review is not applicable. Further, the Company has filed requisite documents with BSE for revocation of suspension and the Company is hopeful of positive response from BSE. However on CSE, there was no trading in the shares of Company due to lack of volume and liquidity on CSE.

**j. Registrar & Share Transfer Agent.**

M/s. MCS Limited has been appointed as Registrar & Share Transfer Agent for all work relating to share registry in terms of both physical and electronic mode. All transfer, transmission, request related to correspondence/queries, intimation of change of address etc. should be addressed to our RTA directly at the following Address:

**M/s. MCS Limited**

77/2A, Hazra Road, Kolkata-700 029

Tel : 033-24767350 – 54; Fax : 033-24747674

**k. Share Transfer Systems**

The Share transfer is processed by the Registrar & Share Transfer Agent, **MCS Limited** and approved by Share Transfer Committee, if the documents are complete in all respects, within 21 days from the date of lodgment.

**l. Shareholding Pattern as on 31<sup>st</sup> March 2011**

Categories	No. of Shares	% of Shareholding
Promoters, Directors & Relatives & Person acting in concert	1476000	12.62
Indian Bank / Mutual Funds	0	0
NRI/OCBS	0	0
Private Corporate Bodies	5842500	49.97
Indian Public	4373300	37.41
<b>Total .....</b>	<b>11691800</b>	<b>100.00</b>

**m. Distribution of Shareholding as on 31<sup>st</sup> March 2011.**

No. of Equity Shares	No. of Equity Holders	% of Share Holders	Total No. of Shares Held	% of Share Holders
1-500	757	56.75	197300	1.69
501-1000	164	12.29	131100	1.12
1001-2000	127	9.52	182900	1.56
2001-3000	84	6.30	217200	1.86
3001-4000	42	3.15	146600	1.25
4001-5000	17	1.27	78700	0.67
5001-10000	52	3.90	395900	3.39
10001-50000	50	3.75	1266800	10.83
500001-100000	15	1.12	1058900	9.06
100001 and Above	26	1.95	8016400	68.57
<b>Total....</b>	<b>1334</b>	<b>100.00</b>	<b>11691800</b>	<b>100.00</b>

**n. Categories of Shareholders as on 31<sup>st</sup> March 2011.**

No. of Equity Shares	No. of Equity Holders	% of Share Holders	Total No. of Shares Held	% of Share Holders
Individuals	1239	92.88	4373100	37.40
Non-Resident Indians	0	0.00	0	0.00
Body Corporate	46	3.45	5842700	49.98
Local Mutual Funds	0	0.00	0	0.00
Promoters	49	3.67	1476000	12.62
<b>Total ...</b>	<b>1334</b>	<b>100.00</b>	<b>11691800</b>	<b>100.00</b>

**o. Dematerialization of Shares & Liquidity**

The Company's Equity Shares are in Demat trading segment and the Company had established connectivity with both NSDL & CDSL by signing the necessary agreements.

**Procedures for dematerialization / rematerialization of Equity Shares:-**

Shareholders seeking demat / remat of their shares need to approach their Depository Participants (DP) with whom they maintain a demat account. The DP will generate an electronic request and will

send the physical share certificates to Registrar and Share Transfer Agents of the Company. Upon receipt of the request and share certificates, the Registrar will verify the same. Upon verification, the Registrar will request NSDL/CDSL to confirm the demat request. The demat account of the respective share holder will be credited with equivalent number of shares. In case of rejection of the request, the same shall be communicated to the shareholder.

In case of remat, upon receipt of the request from the shareholder, the DP generates a request and verification of the same is done by the Registrar. The Registrar then requests NSDL or CDSL to confirm the same. Approval of the Company is being sought and equivalent numbers of shares are issued in physical form to the shareholder. The share certificates are dispatched within one month from the date of issue of Shares.

The Shares of Company are under “B” category on Bombay Stock Exchange Ltd. 44.05% of the Company’s Equity Share Capital held under Public category has been dematerialized up to 31st March 2010.

**p. Unclaimed Dividend**

Pursuant to Section 205C of the Companies Act, 1956, Dividends that are unpaid/unclaimed for a period of seven year from the date of they became due for payment are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) administered by the Central Government. As on date there is no unclaimed Dividend in the Books of the Company.

**q. Nomination**

Individual Shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the depository participants as per the bye-laws and business rules applicable to NSDL and CDSL. Nomination forms can be obtained from the Company’s Registrar and Share Transfer Agent.

**r. Listing Fees & Annual Custodial Fees**

The Company has paid the Annual Listing Fees for year 2010-11 to BSE & CSE. Annual Custodial Fees to both the Depositories for the year 2010-11 have also been paid.

**s. Brief Resume of the Directors Seeking Re-Appointment**

- Mr. Ravi Newatia, Age 31, M.Com, is having vast experience in the area of Accounts, Taxation, Capital and Money Market activities since last 8 years and will be added benefit for the Company if he will be among Board of Directors

He is not holding any shares of the Company either in his name or in the name of his family members as on 31st March 2011.

As on 31st March 2011, he is on the Board of Directors of the following Companies.

Sr. No.	Name of the Company
1.	Ranisati Mercantiles Private Limited
2.	Indo Polysacks Private Limited
3.	Ritesh Stock Broking Private Limited
4.	Ritesh Real Estates Private Limited
5.	Om Vincom Private Limited

## Dynamic Portfolio Management & Services Limited

- Mr. Ashok Bothra Age 46, B.Com. is having vast experience in the area of Company Law, Accounts, Audit, Taxation & Capital Market activities since last 15 years and will be added benefit for the Company if he will be among Board of directors.

He is not holding any shares of the Company either in his name or in the name of this family members as on 31st March 2011.

As on 31st March 2011, he is on the Board of Directors of the following Companies.

Sr. No.	Name of the Company
1.	Blue Circle Services Limited
2.	Unisys Softwares & Holding Industries Limited
3.	JMD Telefilms Industries Limited
4.	First Financial Services Ltd.
5.	Asian Lac Capital & Financial Ltd.

**t. Details on use of Public Funds Obtained in the last three years :**

No Fund has been raised by the Company by way of Public Issue or Right Issue or Preferential Issue during last three years.

**u. Investors Correspondence**

Shareholders can contact the following Officials for secretarial matters of the Company :-

Mr. Suruchi Garodia - dpms.kolkata@gmail.com

**v. Outstanding GDRs./ADRs/Warrants or any convertible instruments, conversion data likely impact on Equity :**

Not Applicable.

**w. Code of Conduct**

The Board of Directors of the Company has laid down Code of Conduct for Directors and for Senior Management & Employees. All Board Members and Senior Management have affirmed compliance with the Code of Conduct for the year under review. Declaration to this effect signed by the Managing Director & Chief Executive Officer is annexed to this report.

**x. Address for Correspondence**

53-A, Mirza Ghalib Street, 4<sup>th</sup> Floor, Kolkata-700 016

Email : dpms.kolkata@gmail.com

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## Dynamic Portfolio Management & Services Limited

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### Chairman & Managing Director's Declaration on Code of Conduct

As required by Clause 49 of Listing Agreement, the Managing Director and CEO's Declaration for Code of Conduct is given below:

To  
The Members of

### Dynamic Portfolio Management & Services Limited

- (a) They have reviewed financial statements and the cash flow statement for the year 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 their 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) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) They have indicated to the auditors and the Audit committee
  - (i) significant changes in internal control over financial reporting 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 over financial reporting.
- (e) We further declare that all Board Members and Senior Managerial Personnel have affirmed compliance with the Code of Conduct for the current Financial Year.

By order of the Board  
**For Dynamic Portfolio Management & Services Limited**

**Arun Kumar Agarwal**  
Chairman & Managing Director

## Dynamic Portfolio Management & Services Limited

### Secretarial Compliance Report for the Year ended 31<sup>st</sup> March 2011

To  
The Board of Directors,  
Dynamic Portfolio Management & Services Limited  
Kolkata-700 016

We have examined the registers, records and papers of M/s. Dynamic Portfolio Management & Services Limited as required to be maintained under the Companies Act, 1956, (hereinafter referred to as "The Act"), the rules made thereunder and also the provisions contained in the Memorandum of Association and Articles of Association of the Company for the year ended 31<sup>st</sup> March 2011.

On the basis of our examination as well as information and explanations furnished by the Company and the records made available to us, we report that:

1. Equity Shares of the Company are listed on BSE & CSE.
2. All the requisite registers and other records required under the Act and the Rules made thereunder have been maintained in accordance with the requirements of the Act.
3. All the requisite forms, returns and documents have been filed with the Registrar of Companies and other authorities as required under the Act and Rules made thereunder.
4. All the requirements of the Act relating to the meetings of the Directors, Shareholders and Committees of the Board as well as relating to maintenance of the minutes of the proceedings there at have been complied with.
5. The Board of Directors of the Company is duly constituted.
6. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of Section 299 of the Companies Act, 1956.
7. The Company has not raised any fund by way of issuing Equity Shares on Right or Bonus or Public or Preferential issue during the financial year 2009-10.
8. Share Certificates have been delivered to the transferee within Applications for transfer and transmissions of the Shares have been registered within the prescribed for this purpose.
9. The provisions of Companies Act, 1956, relating to declaration and payment of Dividend have been complied with.
10. The amounts borrowed by the Company from Banks/Bodies Corporate are within the borrowing limits of the Company. There are no borrowings which are outstanding as on March 31, 2011.
11. Necessary approval of Directors, Shareholders, Central Government and other authorities, wherever applicable and required under the Companies Act, 1956, have been obtained.
12. The Company has altered its Memorandum of Association & Articles of Association to the tune of increased in Authorized Capital however no changes have been made elsewhere in Memorandum of Association & Articles of Association.

For **M/s. VKM & Associates**  
Company Secretaries

Place : Kolkata  
Date : May 30, 2011

**Vijay Kumar Mishra**  
Partner  
C. P. No. 4279

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members of **Dynamic Portfolio Management & Services Ltd.**

We have examined the compliance of the conditions of Corporate Governance by **Dynamic Portfolio Management & Services Ltd.** (The Company) for the year ended 31<sup>st</sup> March 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with all stock exchanges where the Shares of Company are listed.

The compliance of the conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to 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 an opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investors Grievances Committee.

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

For **Mukesh Choudhary & Associates**  
Chartered Accountants

Place : Kolkata  
Date : May 30, 2011

**Ranjit Kr. Modi**  
Partner



## **Audit Report**

We have audited the attached Balance Sheet of **Dynamic Portfolio Management & Services Limited** as at 31<sup>st</sup> March 2011 and also the Profit & Loss Account for the year ended on that day annexed hereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

- a. As required by the Companies (Auditors' Report) Order, 2003 issued by the Department of Company Affairs in terms of Section 227 (4A) of the Companies Act 1956, we enclose in the Annexure, a statement on the matter specified in the said Order to the extent applicable;
- b. Further to our comments in the annexure referred to in paragraph 1 above –
  - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - ii. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
  - iii. The Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts'
  - iv. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement together with notes of accounts dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act 1956.
  - v. On the basis of written representations received from the Directors, as on 31<sup>st</sup> March 2011, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31<sup>st</sup> March 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act 1956;
  - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, give the information required by the Companies Act 1956, and give a true and fair view in conformity with the accounting principles generally accepted in India :-
    1. in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2011;
    2. in the case of the Profit and Loss Account, of the Profit for the year ended on that date;
    3. in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

**For Mukesh Choudhary & Associates**  
Chartered Accountants

Place : Kolkata  
Date : May 30, 2011

**Ranjit Kr. Modi**  
Partner

**Annexure to the Auditors' Report**

(Referred to in Paragraph 1 of our report of even date)

1. (a) The Company has maintained proper books of records showing full particulars including quantitative details and situations of fixed assets.  
(b) As per the information and explanations given to us, the Company has carried out physical verification of fixed assets during the year. In our opinion, the frequency of such verification is reasonable.  
(c) In our opinion and according to the information and explanation given to us, the Company has not made any substantial disposal during the year.  
(d) The procedure of physical verification of stock & securities followed by management are reasonable and adequate in relation to the size of the Company nature of its business.  
(e) The Company has maintained proper record of Inventories. No discrepancies noticed on physical verification of Investments as compared to the books & records.
2. The Company does not have any inventories. Accordingly the Clause 4(ii) of the Companies, (Auditors' Report) Order 2003 is not applicable.
3. (a) According to the information and explanation given to us and on the basis of records furnished before us, the Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.  
(b) In view of above, Clause 4(iii)(a),(b),(c) and (d) of Companies (Auditors' Report) Order, 2003 are not applicable.  
(c) According to the information and explanation given to us and on the basis of records furnished before us for the verification, the Company has not taken any loans, secured or unsecured from Companies, firms or other parties covered in the register maintained under section 301 of the Act.  
(d) In view of above, clause 4(iii)(e), (f) and (g) of Companies (Auditors' Report) Order, 2003 are not applicable.
4. In our opinion and according the information & explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of business with regard to purchase and sales. During the course of our Audit, we have not observed any continuing failure to correct major weakness of internal audit.
5. (a) In our opinion and according the information & explanations given to us, the particulars of contract or arrangements that were required to be entered in the register maintained under Section 301 of the Companies Act 1956 have been so entered in the said register.  
(b) In respect of transactions entered exceeding the value of five lacs in the register maintained in pursuance of Section 301 of the Companies Act 1956, according to information and explanation given to us, the transactions made pursuance of such contracts or arrangements have been made at prices which are prima-facie reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public hence Clause 4(vi) of Companies (Auditors' Report) Order 2003 is not applicable.
7. The Company has appointed a firm of Chartered Accountants, to carry out internal audit functions, on broadly reviewing the Audit Reports furnished before us and information and explanation given to us by the management, we are of the opinion that the Internal Audit is commensurate with the size of the Company and the nature of business.
8. We are informed that the Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act 1956 in respect of products dealt with by the Company.

9. (a) In our opinion and according to the information and explanations given to us, undisputed statutory dues including Provident Fund, Investors' Education & Protection Fund, Employees State Insurance Scheme, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, CESS and any other statutory dues have been regularly deposited in time during the year with appropriate authorities and there are no undisputed statutory dues payable for a period of six months from the date they became payable as at 31<sup>st</sup> March 2011.
- (b) According to the information and explanation given to us there are no disputes pending before the authorities in respect of Sales Tax, Income Tax, Custom Duty and CESS.
10. The Company does not have accumulated losses as at the end of financial year and has not incurred cash losses in the current financial year and in the immediate preceding financial year.
11. According to the records made available to us and information and explanation given to us by the management, the Company has not defaulted in repayment of any dues to financial institutions or banks.
12. According to the information and explanations given to us, the Company has not granted any loans & advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not chit fund, nidhi, mutual fund and societies and accordingly clause 4(xiii) of Companies (Auditors' Report) Order, 2003 is not applicable.
14. In our opinion and according to the information and explanations given to us, the Company has kept adequate records of its transactions and contracts in shares, securities, debentures and other investments and timely entries have been made therein. The Shares, Securities, Debentures and Other Investments are held in the name of the Company.
15. In our opinion and according to the information and explanations given to us, the Company has not given guarantees for loans taken by others from Banks & Financial Institutions. Accordingly Clause 4(xv) of Companies (Auditors' Report) Order, 2003 is not applicable.
16. In our opinion and according to the information and explanations given to us, the Company has not obtained any Term Loan. Accordingly Clause 4(xvi) of Companies (Auditors' Report) Order, 2003 is not applicable.
17. According to the information and explanations given to us and on the basis of and overall examination of the Balance Sheet of the Company, no funds raised on short term basis have been utilized for long term investment and vice versa.
18. During the period, the Company has made allotment of shares on preferential basis. The allotment and the pricing of the shares have been made in accordance with guidelines laid down in this regard by SEBI and hence prices at which these have been issued, are prima-facie, prejudicial to the interest of the Company.
19. During the period, the Company has not issued any debentures. Accordingly Clause 4(xix) of Companies (Auditors' Report) Order, 2003 is not applicable.
20. The Company has not raised any money through a Public Issue during the year under Audit. Accordingly Clause 4(xx) of Companies (Auditors' Report) Order, 2003 is not applicable.
21. During the course of examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the Company noticed or reported during the period nor we have been informed of such instances by the management.

**For Mukesh Choudhary & Associates**  
Chartered Accountants

Place : Kolkata  
Date : May 30, 2011

**Ranjit Kr. Modi**  
Partner

# Dynamic Portfolio Management & Services Limited

## BALANCE SHEET AS AT 31ST MARCH, 2011

	Sch.	31.3.2011 Amount (Rs.)	Amount (Rs.)	31.3.2010 Amount (Rs.)	Amount (Rs.)
<b>A. SOURCES OF FUNDS</b>					
<b>1) SHARE HOLDERS FUND</b>					
Share Capital	1		116,129,450.00		116,129,450.00
<b>2) LOAN FUND</b>					
Secured Loans	2		252,293.60		-
Deferred Tax Liability			-		292.00
			<b>116,381,743.60</b>		<b>116,129,742.00</b>
<b>B. APPLICATION OF FUND</b>					
<b>1) FIXED ASSETS</b>	3				
a) Gross Block		558,810.00		1,339,058.07	
b) Depreciation		154,163.08	404,646.92	1,315,647.36	23,410.71
<b>2) CURRENT ASSETS, LOANS &amp; ADVANCES</b>					
<b>Current Assets:</b>					
Inventories	4	7,856,122.00		14,233,897.00	
Sundry Debtors	5	420,386.00		107,847.00	
Cash & Bank Balances	6	757,669.09		333,737.14	
Loans & Advances	7	105,322,725.63		100,001,684.63	
		114,356,902.72		114,677,165.77	
Less: Current Liabilities and Provisions	8	225,986.00	114,130,916.72	468,798.00	114,208,367.77
Profit & Loss Account			1,834,342.96		1,897,963.52
Deferred tax Asset			11,837.00		-
			<b>116,381,743.60</b>		<b>116,129,742.00</b>
Significant Accounting Policies & Notes on Accopnts	12				
Schedule 1 to 8 & 12 referred to above from an integral part of the Financial Statements In terms of our report of even date attached.					

**For Mukesh Choudhary & Associates**

Chartered Accountants

**Ranjit Kr. Modi**

Partner

Membership No. 062254

Place : Kolkata

Date : 30 May 2010

**Arun Kr. Agarwal**

Chairman & Managing Director

**Ritesh Kr. Newatia**

Director

# Dynamic Portfolio Management & Services Limited

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

	Schedule	Year ended on 31.3.2011	Year ended on 31.3.2010
<b>A. INCOME</b>			
Sales		9,777,775.00	27,977,500.00
Increase\ (Decrease) in Stock	9	(6,377,775.00)	(15,195,225.00)
Others Income	10	7,360,859.00	4,380,368.07
		<b>10,760,859.00</b>	<b>17,162,643.07</b>
<b>B. EXPENDITURE</b>			
Purchases		3,400,000.00	12,782,275.00
Employees Remuneration & Benefits		326,200.00	305,950.00
Operating & Administrative Expenses	11	6,826,925.65	3,981,066.50
Depreciation		115,663.79	28,824.24
		<b>10,668,789.44</b>	<b>17,098,115.74</b>
<b>PROFIT BEFORE TAXATION</b>		<b>92,069.56</b>	<b>64,527.33</b>
Less: Provision for taxation			
Current Tax Liability		40,578.00	10,920.00
Deffered Tax (Asset) \ Liability		(12,129.00)	(1,354.00)
<b>PROFIT AFTER TAXATION</b>		<b>63,620.56</b>	<b>54,961.33</b>
Taxes for Earlier Years		-	(4,193.00)
Brought forward from the Last year		(1,897,963.52)	<b>(1,948,731.85)</b>
Balance Carried to Balance Sheet		<b>(1,834,342.96)</b>	<b>(1,897,963.52)</b>
<b>Earning per Share(EPS)</b>		0.0054	0.0047
<b>Diluted EPS</b>		0.0054	0.0047
<b>(Face Value Rs. 10/- per share)</b>			
<b>Notes forming part of the accounts &amp;</b>	12		
Schedule 9 to 11 & 12 referred to above form an integral part of the Financial Statements In terms of our report of even date attached.			

**For Mukesh Choudhary & Associates**

Chartered Accountants

**Ranjit Kr. Modi**

Partner

Membership No. 062254

Place : Kolkata

Date : 30 May 2011

**Arun Kr. Agarwal**

Chairman & Managing Director

**Ritesh Kr. Newatia**

Director

# Dynamic Portfolio Management & Services Limited

## SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AND THE PROFIT & LOSS ACCOUNT

	Year ended on 31.3.2011		Year ended on 31.3.2010	
<b>SCHEDULE - 1</b>				
<b>SHARE CAPITAL</b>				
Authorised				
12110000(P.Y.12110000) Equity Shares of Rs. 10/- each	121,100,000.00		121,100,000.00	
Issued, Subscribed & Paid Up				
11691800(P.Y.11691800) Equity Shares	116,918,000.00		116,918,000.00	
of Rs. 10/- each fully paid up in cash	788,550.00		788,550.00	
Less: Calls in Arrear	116,129,450.00		116,129,450.00	
<b>SCHEDULE - 2</b>				
<b>SECURED LOANS</b>				
(i) Loan against hypothication of vehicles				
Vehicle Loan	252,293.60		-	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
<b>SCHEDULE - 4</b>				
<b>INVENTORIES:</b>				
(as taken valued and certified by the management)				
<b>Un-quoted Shares (At Cost)</b>				
Ambaa Securities Pvt. Ltd.	103,600	155,400.00	103,600	155,400.00
Chowdhurys Vinimay Pvt Ltd	2,000	100,000.00	2,000	100,000.00
Darshan Vyapaar Pvt. Ltd.	96,700	145,050.00	96,700	145,050.00
Fullford Vinimay Pvt. Ltd.	-	-	50,000	2,500,000.00
Indo Polysacks Pvt. Ltd.	6,000	300,000.00	6,000	300,000.00
Jwel Moulders & Holdings Pvt. Ltd.	235,300	352,950.00	235,300	352,950.00
Paradigm Granite Pvt Ltd.	3,000	900,000.00	-	-
Ritesh Commercial Holdings Ltd.	200,361	400,722.00	200,361	400,722.00
Ritesh Projects Pvt. Ltd.	2,750	550,000.00	2,750	550,000.00
Rastra Udyog Ltd.	-	-	264,500	4,677,775.00
Ritesh Exim Pvt. Ltd.	68,000	102,000.00	68,000	102,000.00
Ritesh Enclave Pvt. Ltd.	6,750	1,350,000.00	6,750	1,350,000.00
Rani Sati Mercantiles Pvt. Ltd.	13,000	2,600,000.00	13,000	2,600,000.00
Supreme Metals Export Pvt. Ltd.	-	-	500	100,000.00
Suman Securities Pvt. Ltd.	6,000	300,000.00	6,000	300,000.00
Shiv Shankar Securities Pvt. Ltd.	3,000	600,000.00	3,000	600,000.00
<b>Total</b>	<b>746,461.00</b>	<b>7,856,122.00</b>	<b>1,058,461.00</b>	<b>14,233,897.00</b>

## Dynamic Portfolio Management & Services Limited

	Amount (Rs.)	AS AT 31.03.2011 Amount (Rs.)	Amount (Rs.)	AS AT 31.03.2010 Amount (Rs.)
<b>SCHEDULE - 5</b>				
<b>Sundry Debtors</b>				
(Unsecured considered good)				
Due for exceeding six months	-	-		
Other Debts	420,386.00	420,386.00	107,847.00	107,847.00
<b>SCHEDULE - 6</b>				
<b>Cash &amp; Bank Balances</b>				
Cash in hand (As certified by management)	452,930.12		305,705.17	
Balances with scheduled banks				
Standard Chartered Bank	13,320.26		13,320.26	
Indusind Bank	290,640.71		13,933.71	
The Vysya Bank Ltd.	778.00	757,669.09	778.00	333,737.14
<b>SCHEDULE - 7</b>				
<b>LOANS &amp; ADVANCES</b>				
<b>LOANS</b>	102,975,281.00		66,793,331.00	
(Unsecured considered good)				
<b>ADVANCES</b>				
(Advances recoverable in Cash or in kind or for value to be received)				
Tax Deducted at Sources	1,692,158.63		2,353,067.63	
Advance Income Tax	45,913.00		45,913.00	
Other Advance	603,373.00		30,803,373.00	
Sales Tax Deposit	6,000.00	105,322,725.63	6,000.00	100,001,684.63
<b>SCHEDULE - 8</b>				
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>				
<b>CURRENT LIABILITIES</b>				
Creditors for Expenses	26,000.00		12,000.00	
Other Liabilities	-	26,000.00	11,242.00	23,242.00
<b>PROVISIONS</b>				
Provision for Taxation	51,498.00		297,068.00	
Provision for N.P.A	148,488.00	199,986.00	148,488.00	445,556.00
		225,986.00		468,798.00

**SCHEDULE - 3**

.

**DETAILS OF FIXED ASSETS**

Particulars	Gross block				Depreciation		Net Block	
	Cost as on 01.04.2010	Addition	Deletions	Cost as on 31.03.2011	Up to 31.03.2010	For the year	AS ON 31.03.2011	AS ON 31.03.2010
Motor Vehicles	-	496,900.00	-	496,900.00	-	108,204.81	388,695.19	-
Computer	40,910.00	-	-	108,204.81	34,447.52	6,461.48	1.00	6,462.48
Air Conditioner	21,000.00	-	-	21,000.00	4,051.77	997.50	15,950.73	16,948.23
<b>Total</b>	<b>61,910.00</b>	<b>496,900.00</b>	<b>-</b>	<b>558,810.00</b>	<b>38,499.29</b>	<b>115,663.79</b>	<b>404,646.92</b>	<b>23,410.71</b>
<b>Previous Year's Total</b>	<b>1,339,083.00</b>	<b>-</b>	<b>24.93</b>	<b>1,339,058.07</b>	<b>1,286,823.12</b>	<b>28,824.24</b>	<b>23,410.71</b>	<b>52,259.88</b>



**SCHEDULE 12****ACCOUNTING POLICIES & NOTES FORMING PART OF THE ACCOUNTS****Significant Accounting Policies General****Basis of Preparation of Financial Statements**

1. The Financial Statements are prepared on mercantile basis under the historical cost convention in accordance with the generally accepted accounting principles in India, Accounting Standards notified under section 211(3C) of the Companies Act 1956, read with the Companies (Accounting Standard) Rules, 2006 and the other relevant provisions of the Companies Act, 1956.

**Revenue Recognition**

2. All revenue and expenses are accounted on accrual basis.

**Fixed Asset**

3. Fixed Assets are stated at cost less Depreciation, cost comprises the purchases price and other attributable costs. Depreciation on assets is provided on written down value method as per rates prescribed in Schedule XIV to the Companies Act 1956.

**Depreciation**

4. Depreciation is provided on Straight-line basis at the rates prescribed in Schedule XIV to the Companies Act 1956.
5. Depreciation on additions/ deletions is calculated on pro-rata with respect to date of addition/ deletions.

**Inventories**

6. Stock-in-Trade is valued at cost or market value whichever is lower (Scrip wise).

**Investments**

7. Stock / Securities acquired and intended to be held for a longer period are classified as Investments.
8. Investments are valued at cost of acquisition with the provision where necessary for diminution, other than temporary, in the value of investments.

**Retirement Benefit**

9. None of the Employee has completed the service period to become eligible for payment of gratuity.

**Income Tax**

10. Tax expenses comprise of current, deferred and fringe benefit tax.
11. Provision for current income tax and fringe benefit tax is made on the basis of relevant provisions of Income Tax Act, 1961 as applicable to the financial year.
12. Deferred Tax is recognized subject to the consideration of prudence on timing differences, 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.

**Provisions, Contingent Liabilities & Contingent Assets**

13. The Company creates a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.
14. A disclosure for a contingent liability is made when there is a possible obligation or present obligation that probably will not require an outflow of resources or where reliable estimate of the amount of the obligation cannot be made.
15. Contingent Assets are neither recognized nor disclosed.

**Others**

16. None of the Raw Materials, Stores, Spares and Components consumed or purchased during the year have been imported.
17. None of the Earnings / Expenditures is in Foreign Currency.
18. Balance of Debtors, Creditors, Deposits, Loans and Advances are subject to confirmation.
19. In the opinion of the Board, the Current Assets, Loans & Advances are approximately of the value stated if realized in the ordinary course of business. The provision for depreciation and all known liabilities are adequate and not in excess of the amounts reasonably necessary.
20. Investments of the Company have been considered by the management to be of a long term nature and hence they are long term investments and are valued at cost of acquisitions.

**Segment Report**

21. Segment reporting as defined in Accounting Standard 17 is not applicable as the Company is primarily engaged in NBFC Activities as well as Investments in Shares & Securities. As informed to us, there are not separate segment within the Company as defined as 17 (Segment Report).

**Notes to Accounts**

22. In the opinion of the Board, Current Assets, Loans and Advances are approximately of the value state, if realized in the ordinary course of business. Provisions for all known liabilities are adequate and not in excess of the amount considered necessary for the same.

**Contingent Liabilities**

23. Contingent Liabilities not provided for – Rs. Nil

**Particulars of Director's Remuneration (In Rupees)**

24. Rs. Nil has been paid to Directors as Directors' Remuneration for the Year (P.Y. Rs. Nil)

**Related Party Transactions**

25. Key Management Personnel –
  - a. Mr. Arun Kr. Agarwal
  - b. Ravi Kr. Newatia
  - c. Ritesh Kr. Newatia
  - d. Prasanta Dhar
  - e. Vikas Kr. Agarwal
  - f. Ashok Bothra
26. Subsidiary & Group Companies or Companies under same management –
  - i. Ritesh Real Estates Pvt Ltd
  - ii. Ritesh Construction Pvt Ltd
  - iii. Charisma Combines Pvt Ltd
  - iv. Ranisati Mercantiles Pvt Ltd
  - v. Indo Polysacks Pvt Ltd
  - vi. Shiv Shankar Securities Pvt Ltd
  - vii. Speed Business Pvt Ltd
  - viii. Ritesh Stock Broking Pvt Ltd
  - ix. Om Vincom Pvt Ltd
  - x. VPL Oil Marketing Pvt Ltd
  - xi. Darshan Vyapaar Pvt Ltd

## Dynamic Portfolio Management & Services Limited

### 27. Details of transactions with related parties –

Transaction with related parties	Subsidiary Companies	Key Management Personnel & Relatives
<b>Remuneration</b>	-	<b>Nil</b>
	(   -   )	<b>(Nil)</b>
Investments:		
<b>Investment in Subsidiary</b>		-
	(   -   )	(   -   )
<b>Investment in Group Cos.</b>	<b>3645050</b>	-
	<b>6556122</b>	(   -   )

### Differed Tax on Income

28. Differed Tax Asset (Net) for the year ended 31<sup>st</sup> March 2011 amounts to Rs. Nil

### 29. Remuneration to Auditors

Particulars	31.03.2011	31.03.2010
Remuneration to Auditors for Audit Purpose	<b>7000</b>	7000

### Earning per Equity Share

	Unit	31.03.2011	31.03.2010
Net Profit after Tax available for Share holders	Rs.	<b>63621</b>	54961
No. of Equity Shares	No.	<b>11691180</b>	11691180
Basis & Diluted Earning Per Share (Rs.)	Rs.	<b>0.00</b>	-0.02

31. Sundry Debtors and creditors are subject to confirmation and reconciliation.

32. There are no Micro and Small Scale Business Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2011. This information as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

33. Information pursuant to provisions of paragraph 3,4(C) and 4(D) of Part II of Schedule VI of the Companies Act, 1956 to the extent applicable is as under:

Details of sales and purchases in respect of stock in trade:

Opening Stock		Purchases		Sales		Closing Stock	
Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
1058461	14333897	253000	3400000	565000	9777775	746461	7856122
1577761	29429122	351500	12782275	870800	27977500	1058461	14233897

34. Previous years' figures have been regrouped, rearranged wherever necessary to make them comparable with those of current year.

As per our report of even date

**For M/s. Mukesh Choudhary & Associates**  
Chartered Accountant

**Arun Kr. Agarwal**  
Director

**Ranjit Kr. Modi**  
Partner

**Ravi Kr. Newatia**  
Director

Kolkata, May 30, 2011

# Dynamic Portfolio Management & Services Limited

## STATEMENT PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

### Balance Sheet Abstract and Company's General Business Profile

#### I Registration Details

Registration No.	:	63178
State Code No.	:	21
Balance Sheet Date	:	31.03.2011

#### II Capital raised during the year

Public Issue	:	0.00
Right Issue	:	0.00
Bonus Issue	:	0.00
Private Placement	:	0.00

#### III Position of Mobilisation and Deployment of Funds ('000)

Total Liabilities	:	116381.74
Total Assets	:	116381.74

##### Sources of funds

Paid-up Capital	:	116129.45
Reserves & Surplus	:	0.00
Secured Loans	:	252.29
Unsecured Loans	:	0.00
Share Application Money	:	0.00
Deferred Tax Liability	:	0.00

##### Application of funds

Net Fixed Assets	:	404.65
Investments	:	0.00
Net Current Assets	:	114130.00
Deferred Tax Asset	:	0.00
Accumulated losses	:	1834.34

#### IV Performance of Company ('000)

Turnover	:	17138.64
Total Expenditure	:	10668.79
Profit / Loss before taxes	:	92.07
Profit /Loss after taxes	:	63.62
Earning Per Share	:	0.0054
Dividend rate	:	0.00

#### V Generic Names of Three Principal Products/Services of the Company (as per monetary terms)

Item Code No. (ITC Code)	:	N.A.
Product Description	:	
Item Code No. (ITC Code)	:	
Product Description	:	
Item Code No. (ITC Code)	:	
Product Description	:	

Note : For ITC Code of products please refer to the the publication Indian Trade Classification based on harmonized commodity description and coding system by Ministry Commerce, Directorate General of Commercial Intelligence & Statistics, Calcutta-700 001

# Dynamic Portfolio Management & Services Limited

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2011

	PARTICULARS	AS AT 31.03.2011 Amount (Rs.)	AS AT 31.03.2010 Amount (Rs.)
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
	1) Net Profit /(Loss) before Tax and extraordinary items		
	Adjustments for:		
	Depreciation	92,070.00	64,527.00
	Profit on Sale of Car	115,663.00	28,824.00
	Deferred Tax	-	(29,975.00)
		<b>(12,219.00)</b>	<b>(1,354.00)</b>
	<b>2) Operating Profit before changes in working capital</b>	<b>195,514.00</b>	<b>62,022.00</b>
	Adjustments for:		
	Sundry Debtors	(312,539.00)	541,586.00
	Inventories	6,377,775.00	15,195,225.00
	Advances & Others Loans	(5,321,041.00)	(15,454,502.00)
	Other Liabilities	2,758.00	4,011.00
	<b>3) Cash Generated from Operations</b>	<b>942,467.00</b>	<b>348,342.00</b>
	Taxes Paid	(273,928.00)	(21,781.00)
	<b>4) Cash flow before extraordinary items</b>	<b>668,539.00</b>	<b>326,561.00</b>
	Extraordinary Item		
	<b>Net Generated from Operating Activities (A)</b>	<b>668,539.00</b>	<b>326,561.00</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES;</b>		
	Purchase of Fixed Assets	(496,900.00)	-
	Sales of Fixed Assets	-	30,000.00
	<b>Net Cash Generated in Investing Activities (B)</b>	<b>(496,900.00)</b>	<b>30,000.00</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
	Veichile Loan Taken	252,294.00	-
	Net Cash Generated from Financing Activities (C)	252,294.00	-
	<b>Net Increase /Decrease in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>423,933.00</b>	<b>356,561.00</b>
	Cash & Cash Equivalents - Opening Balance	333,737.00	(15,824.00)
	Cash & Cash Equivalents - Closing Balance	<b>757,670.00</b>	<b>333,737.00</b>

## **Dynamic Portfolio Management & Services Ltd.**

53A, Mirza Ghalib Street, 4<sup>th</sup> Floor, Kolkata-700 016

### **PROXY FORM**

I/We \_\_\_\_\_ resident of \_\_\_\_\_  
in the district of \_\_\_\_\_ being member/members of the above  
named Company, hereby appoint \_\_\_\_\_  
resident of \_\_\_\_\_ in the district of \_\_\_\_\_  
\_\_\_\_\_ or failing him \_\_\_\_\_  
resident of \_\_\_\_\_ in the district of \_\_\_\_\_ as my/our  
proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company  
to be held on Friday, the 17th day of August 2011 at 11.00 A.M., at Registered Office of the  
Company at 53-A, Mirza Ghalib Street, 4th Floor, Kolkata-700 016 and any adjournment thereof.

Registered Folio No./DP-Client ID \_\_\_\_\_ No. of Shares held \_\_\_\_\_

Signed on this \_\_\_\_\_ day of \_\_\_\_\_ 2011

Signed by the said \_\_\_\_\_

Signature of Proxy \_\_\_\_\_

Attested by Shareholder \_\_\_\_\_

Affix  
Revenue  
Stamp

## **Dynamic Portfolio Management & Services Ltd.**

53A, Mirza Ghalib Street, 4<sup>th</sup> Floor, Kolkata-700 016

### **ATTENDANCE SLIP**

I hereby record my presence at the Annual General Meeting of the Company held on Friday, the  
17th day of August 2011 at 11.00 A.M., at Registered Office of the Company at 53A, Mirza Ghalib  
Street, 4th Floor, Kolkata-700 016.

Name of Shareholder/s \_\_\_\_\_

Father/Husband's Name \_\_\_\_\_

Name of Proxy or Company Representative \_\_\_\_\_

Registered Folio No. / DP-Client ID \_\_\_\_\_ No. of Shares held \_\_\_\_\_

Signature of the Shareholder(s) or Proxy or Company Representative \_\_\_\_\_

**No gift of any nature will be distributed at the Annual General Meeting**