

Letter to Shareholders

Dear Shareowners,

I have great pleasure in sharing with you the highlights of another year of great achievements.

It is my great pleasure that I share with you our signature milestones and highlights for the financial year ended 31st March 2010. We are heartened to report that Dynemic continued to deliver robust financial numbers and highly commendable margins. Despite the ever-escalating increases in the cost of raw materials and recessionary period in the market, the Company has continued to deliver, both operationally and financially. It is my indeed belief that we have emerged stronger and in better competitive shape than ever.

For the financial year ended on 31st March 2010, the Company turned in after tax profit of Rs. 485.01 Lacs on the back of total fund investment of approximately Rs. 4806.50 Lacs. These compared with profit after tax and revenue of Rs. 190.06 Lacs and Rs. 4282.42 Lacs, in the preceding 12-month period.

In spite of rising costs in raw materials, Dynemic was still able to demonstrate strong profitability. The Company recorded gross profit margin to 19.67 % compared to previous year 14.24 %.

Our current growth could be attributed to the core factors:-

- Strict adherence to International Quality Norms.
- Unrelenting passion for service.
- Commitment to delivery schedule.
- Deep concern for the environment.
- Competitive and attractive prices.

Earnings per share stood at Rs. 4.28 compared to Rs. 1.68 in the earlier period. The earning per share grew by Rs. 2.60.

Review by Geographical Markets

The Group's export sales grew by 22.58 % to reach Rs. 4697.62 Lacs, from Rs. 3832.42 Lacs in previous year. Domestic sales too increased by 47.57 % to reach Rs. 1592.00 Lacs.

Industry Prospects

The colour of food is the first contact point of the consumer with it. Thus, we first judge it from its appearance (colour, texture, shape) and then from other sensory attributes such as aroma or taste. The prominent role of food colours in their acceptability is therefore unquestionable. Food Colours are in use before the Food Industry was organized. With the span of time, the Food Industry started growing & got organized, in developed countries, resulting in increase of Food Colours. There has been an increasing awareness of the effects of synthetic colours. In this backdrop, natural food colours have a significant role to play in the Food Industry. Irrespective of what we use to dye our foods and how we regulate it may continue to change, but there is no end in sight to the timeless practice of coloring our food resulting in continuous increase in usage of Food Colour. Over the Years Consumption of Food Colours is continuously increasing with good pace & shall further grew as Food Industry is taking shape in Developing & Under Developed Countries apart from Developed Countries.

Dividends

Since the Company's public issue i.e. from 2005-06, the Company has maintained its consistency in paying dividend @ 10%. This year the Board is pleased to recommend a final dividend of 13% (i.e. Rs.1.30 per share), bringing the total dividend distribution for FY2010 to Rs. 147.27 Lacs.

Looking Ahead

We will strive for leadership in our chosen products and markets by providing high quality products and services to our customers. We will seek profitable growth by innovative application of science and technology. We will pursue excellence in all that we undertake and take steps to continuously improve. We will take responsible care of the environment around us and improve the quality of life in the communities we operate in. Our Motto is total 'Customer Satisfaction' Our Vision 'To be the Largest Global Supplier / Key Player in the Food Colors. Mission Statement 'Promise of Unmatched and International Quality, Terms and Customized Services – a Benchmark for Others to Follow'

Commitment to shareholders

The Company's board has continued to focus on good governance. This is underpinned by our strong belief that good governance will invariably lead to a more valuable company.

With a bedrock foundation in best corporate practices, we are then better able to grow the Company, but also ensure sustained performance over the long term. We will drive initiatives to expand our business, and will develop people to uphold a culture that is adaptive to the ever-hanging macro environment.

I would like to take this opportunity to express my gratitude to the Board of Directors, Bankers, Employees, Suppliers and the Shareholders for their unstinted support and the confidence reposed on us.

With best wishes

Sincerely,



Bhagwandas K. Patel
Chairman & Managing Director

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Corporate Information

BOARD OF DIRECTORS

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

Audit Committee

Hitendra H. Sheth, Jagdishbhai S. Shah
Harish K. Shah

Remuneration Committee

Shankarlal B. Mundra, Hitendra H. Sheth
Jagdishbhai S. Shah

**Shareholders' /
Investors Grievance Committee**

Harish K. Shah
Bhagwandas K. Patel

Chief Financial Officer

Josekutty Thomas

Company Secretary

Varsha R. Mehta

Auditors

M/s Shah Rajesh & Associates
Chartered Accountants
4, Third Floor, Rambha Complex,
Opp. Gujarat Vidhyapith, Ashram Road,
Ahmedabad – 380 014.

Principal Bankers

Citibank N.A.

C.G. Road Branch, Ahmedabad.

HDFC Bank Ltd.

S.G. Road Branch, Ahmedabad.

Axis Bank Limited

Vastrapur 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 Private Limited
E-2, Ansa Industrial Estate, Sakivihar Road,
Saki Naka, Andheri (E), Mumbai – 400 072.

Shares Listed At

The Bombay Stock Exchange Limited

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 20th Annual Report and the audited accounts of the Company for the year ended March 31, 2010.

FINANCIAL RESULTS :

Particulars	Year Ended On March 31, 2010	Year Ended On March 31, 2009
Sales And Other Income	64,10,34,153	49,67,28,713
Profit Before Depreciation & Prel. Exps W/Off	8,96,39,097	4,14,42,880
Less : Depreciation	1,44,71,805	96,12,421
Preliminary Expenses Written Off	0	59,451
Profit Before Tax	7,51,67,292	3,17,71,008
Less : Provision for Taxation		
Current Income Tax A/c	1,94,00,000	61,65,000
Deferred Income Tax A/c	72,66,063	64,46,077
Fringe Benefit Tax	0	1,55,038
Net Profit After Tax	4,85,01,229	1,90,04,892
Add : Balance of Profit of Previous Year	5,17,73,237	4,73,00,845
Add / (Less) : Taxation of earlier years	5,45,457	47,781
Profit Available for Appropriation	9,97,29,009	6,62,57,956
Less : Appropriations :		
Transfer to General Reserve	24,60,000	12,31,000
Proposed Dividend	1,47,26,984	1,13,28,449
Tax on Dividend	25,02,851	19,25,270
Balance Carried to Balance Sheet	8,00,39,174	5,17,73,237

DIVIDEND

Your Directors are pleased to recommend dividend of 13% i.e. Rs. 1.30 each on 11328449 equity shares of Rs. 10/- each, for your final approval. The total outflow on dividend will be Rs. 1,47,26,984 and tax on dividend Rs. 25,02,851. The proposed dividend is tax free in the hands of shareholders.

FINANCIAL REVIEW

The Net Sales Turn over of the Company increased to Rs. 6289.62 Lacs in FY 2010 as against Rs. 4911.22 Lacs in PY 2009, showing an increase of 28.07%. Export Sales increased by 22.58% i.e. from Rs. 3832.42 Lacs to Rs. 4697.62 Lacs in the year under review. Profit before tax is Rs. 751.67 Lacs and Net Profit after tax is Rs. 485.01 Lacs.

SUBSIDIARY COMPANIES

As required under Section 212 of the Companies Act, 1956, the audited accounts of the Subsidiary, Dynamic Overseas (India) Pvt. Limited are annexed to this report. The Board has reviewed the affairs of the said subsidiary. In the said report the financial results of the wholly owned subsidiary company Dynamic USA Inc is not incorporated as the said subsidiary has been closed down.

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.

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.

CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION AND ANALYSIS

Your Company is committed to maintain the highest standards of Corporate Governance. Your Directors adhere to the stipulations set out in the Listing Agreement with the Stock Exchanges.

A report on Corporate Governance and Management Discussion and Analysis Report as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange forms part of the Annual Report.

Certificate from the Auditors of the Company, M/s Shah Rajesh & Associates, confirming compliance of conditions of Corporate Governance as stipulated under the aforesaid Clause 49, is annexed to this Report.

DIRECTORS RESPONSIBILITY STATEMENT

In compliance of Section 217 (2AA) of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 2000, the Directors of your Company confirm :

- that the applicable accounting standards have been followed in the preparation of the annual accounts and that there are no material departures;
- that appropriate accounting policies have been selected and applied consistently and such 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;
- that proper and sufficient care has been taken 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;
- that the annual accounts have been prepared on a going concern basis.

ENERGY, TECHNOLOGY, AND FOREIGN EXCHANGE

The information to be disclosed under Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in The Report of Board of Directors) Rules, 1988, with respect to energy, technology, and foreign exchange is given in Annexure I and is annexed separately to form part of this report.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and Article 150 of the Articles of Association, Mr. Hitendra H. Sheth and Mr. Shankarlal B. Mundra, retire by rotation and being eligible, offer themselves for reappointment at the ensuing Annual General Meeting. Members are requested to consider their re-appointment as Directors of the Company.

EMPLOYEE RELATIONS & 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.

RE-INSTANTMENT IN REMUNERATION OF EXECUTIVE DIRECTORS

The salary voluntarily decreased by Executive Directors on 01.06.2009 has been re-instated w.e.f. 01.04.2010.

AUDITORS

M/s Shah Rajesh & Associates, Chartered Accountants, retire at the conclusion of the forthcoming Annual General Meeting and being eligible have offered themselves for re-appointment.

AUDITORS REPORT

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

LISTING

The shares of the Company are listed on Bombay Stock Exchange Limited. The Company has paid the annual listing fees for the year 2010-11.

ACKNOWLEDGEMENT

Your directors express their sincere thanks to all customers, vendors, investors, bankers, insurance companies, consultants and advisors for their continued support throughout the year.

Your Directors sincerely acknowledges the contribution made by all the employees for their dedicated services to the company.

Place: Ahmedabad
Date: 29.05.2010

For and On Behalf of the Board of Directors
Sd/-
Bhagwandas K. Patel
Chairman & Managing Director

ANNEXURE :- I TO DIRECTORS' REPORT

Information as per Section 217(1) (e) read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2010.

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 minimized.

(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 optimized and cost of production to that extent is under control.

(d) Total energy consumption and energy consumption per unit of production as per Form : A of the Annexure to the Rules in respect of industries specified in the schedule thereto

II. TECHNOLOGY ABSORPTION :

The Company has not acquired outside technology and hence the question of technology absorption does not arise as per Form : B.

III. FOREIGN EXCHANGE EARNING AND OUTGO :

	Current Year Rs.	Previous Year Rs.
* Foreign Exchange earned	41,36,59,835	32,58,65,212
* Foreign Exchange used	18,03,782	12,60,205

FORM - A

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY :

1] Power and Fuel Consumption :

	2009-10	2008-09
i] Electricity :		
Purchase Units :	Units 32,48,916	Units : 19,88,986
Total Amount :	Rs. 1,81,46,550	Rs. 1,12,67,052
Rate /Unit :	Rs. 5.59	Rs. 5.66
ii] Own (Diesel) Generator		
Total Ltrs.	Ltrs. 12,394	Ltrs. 14,138
Total Amount	Rs. 4,51,037	Rs. 5,35,173
Rate/ Ltrs.	Rs. 36.39	Rs. 37.85
ii] GAS :		
Total SCM.	Scm 19,22,633	Scm 11,97,350
Total Amount	Rs. 2,81,95,770	Rs. 1,42,84,454
Rate/ SCM.	Rs. 14.67	Rs. 11.93

2] Consumption per unit of production :

	2009-10	2008-09
1 Production : Dyes, Chemicals & Food Colours	Kgs. 63,75,480.920	Kgs. 39,33,973.470
2 Electricity	Units 0.510	Units 0.506
3 Diesel	Ltrs. 0.002	Ltrs. 0.004
4 Gas	Scm. 0.302	Scm. 0.304

FORM - B TECHNOLOGY ABSORPTION

RESEARCH AND DEVELOPMENT (R & D)

1. Specific areas in which R & D carried out by the Company	The company is fully equipped with the research and development facilities and is constantly engaged in developing products as per specification of the customers. The Company is updating manufacturing process of the existing products leading to reduction in process time and cost of production and also in developing new products.
2. Benefit derived as a result of R & D	
3. Future Plan of Action	Not Planned at this stage

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION : NIL

Place: Ahmedabad
Date: 29.05.2010

For and On Behalf of the Board of Directors
Sd/-

Bhagwandas K. Patel
Chairman & Managing Director

ANNEXURE :- II MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure & Development

The Processed Food Industry is one of Fast Growing Industry not only in India but in rest of the Developing & under Developed Countries. Food Colour is one of the principle additives for colouring the Food & contributes significant role. India's Food & Grocery Sector is estimated worth US\$182 billion & is expected to grow to US\$ 340 billion by 2025. Whereas India's processed Food Market is estimated at US\$90 Billion with more than 1000 Million Consumers.

Our Company Manufacture Colours for many industries viz., Food, Drugs, Pharma, Cosmetics, Personal Care, Beverages, Confectionery, Pet Foods, Dairy Products & Edible Ink. Intense researches are carried out pertaining to diversified Uses of these Colours for More Value Addition.

Our Company is among the acknowledged leaders in the manufacturing of Food Colours. With High Quality standards, Timely delivery & competitive prices, the company had earned reputation in Local & International markets. The company is exploring new avenues of applications to widen the customer base & improve capacity utilization.

Outlook on Opportunities & Strengths

- Growth in manufacture of food products, cosmetics, pharmaceuticals, confectionary, dairy products, soft drinks etc., are expected to result in significant growth in demand for the products.
- Stringent environmental laws in the western countries have led to discontinuance of production of certain dyes.
- Policy of American and European companies to outsource the lower value products from Non-Traditional Suppliers (NTS) countries like us has increased demand for dyestuffs. This can be exploited aggressively.
- Capability to produce World class end products.
- Strong presence in the export market due to timely delivery of products with required quality. Proven track record of the company in this area puts the company into preferred suppliers list of multinational companies.
- Major raw material component sources within the country.
- Good R&D base and quality human resources.
- Our Food Colour bear US FDA Certification and ISO 9001:2008, ISO 14001, HACCP & KOSHER Certification. Our modern quality control laboratory tests the raw materials, the food colour in production at intermediate steps and the finished food colour.

Segment wise or Product wise performance as per Sect Standards and AS-17, Sec. 211

The Company is engaged in manufacturing and marketing of Dyes & Intermediates. There is only one reportable segment i.e. "Dyes & Dyes Intermediates". So the segment wise or product wise performance report is not given in the report.

Project Progress Review

The Company has completed its expansion project during the previous year & had already started commercial production.

Also the company is continuously striving for progress & development. As apart of it, we have initiated to develop D&C Colors (Colors that are used in Drugs, Hair Care, Cosmetics, Personal Care) & Inkjet Dyes (these are used in producing Inks for Printing with Inkjet Nozzle on various sunstrate like, Leather, Various Textile Products, Food & also for producing Ink for Computer Printers, Writing Ink, Marking Ink, Finer Liner Ball Point Ink & other Ink Industries). The Company is eyeing to start production of these products in near future.

Threats, Risk & Concerns

Risk taking is intrinsic to business growth. All business organisation face risks either from internal operations or from external environment. The base of any business is a healthy appetite for risk. This is why one of the greatest and most important challenges for an organisation is to define the optimal risk level for its business to ensure that its activities produce risk adjusted returns.

- Fiscal incentive offered to the small scale units in the past has led to fragmentation in the industry and diseconomies of scale.
- The industry, on account of its small size, finds it tough to compete in high margin products with global players, who can offer personalized buyer support on account of their diversified product base and investment in application development.
- Stiff competition from other regional players like, China and other low cost manufacturers can put pressure on price and impact the Company's global business.
- Stiff rational pricing pressures.

- Environmental hazards concerns.
- Non tariff barriers imposed by developed countries.
- **Operational risks** are associated with systems, processes and people and cover areas such as succession planning, attrition and retention of people, operational failure or interruption, disruption in supply chain, failure of research & development facilities, and faulty application of information technology and non-compliance of regulatory provisions. The Company is exposed to all such operational risks. However, the policies and process framework of the Company supported by the strong management information system and group guidelines provide proactive approach to mitigate operational risks to a great extent.
- **Strategic risks** arise from inability to adjust to changes in the environment such as arising from acquisition or merger, customer priorities, customer loyalty, competition threats etc. Company is better placed to mitigate risk arising out of such strategies. Company's approach in providing solution and servicing its customer for over almost twenty years, its attitude towards the customers to consider them as its partners in progress provide the Company requisite comforts to mitigate risks arising out of competition and customer loyalty.
- Any economic downturn/recession or unforeseen events like terrorist attacks, floods, can dampen the sales.

Environmental & Hazardous Safety And Quality Assurance

Hazard risks are related to natural hazards arising out of nature of product/operations, accidents, fire, earthquake or cyclone etc. Risk associated with protection of environment, safety of operations and health of people at work is monitored regularly with reference to statutory regulations prescribed by the government authorities. 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 ISO 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 & HALAL certification for its products. Moreover both the plants at Ankleshwar as well as corporate office of the company have sustained the status ISO 9001:2008 certification.

Internal Control Systems And its Adequacy

The Company has adequate internal control procedures commensurate with its size and nature of business. The Company has clearly laid down policies, guidelines and procedures that form a part of the internal control systems. The adequacy of Internal Control Systems, which encompass the Company's business processes and financial reporting systems, is examined by the management as well as by its internal auditors at regular intervals. The internal auditors carry out audits at regular intervals in order to identify weaknesses and suggest improvements for better functioning. The observations and recommendations of the Internal Auditors are discussed by the Audit Committee, to ensure effective corrective action.

Human Resources and Industrial Relations

The Company constantly facilitates and encourages its employees at all levels to enhance their knowledge and skills and continuously seeks to inculcate within its employees, a strong sense of business ethics and social responsibility. Relations with the employees at all levels remained cordial during the year. Your Company has 150 permanent employees as on 31st March, 2010.

Financial Performance

The Company has credit limits with Citibank N.A. and Axis Bank Limited to meet its regular working capital requirements. Financial risks are concerned with volatility in interest and exchange rates, credit, asset-liability mismatch. The Company is exposed to forex risks arising from various currency exposures, primarily with respect to USD and Euro. As a measure of prudent foreign exchange management and as a matter of policy, the Company does not speculate on foreign currencies. Company has put in place system driven credit control procedure and proactive approach to prepare liquidity planner and constant review thereof to ensure that at any given point of time there is adequate cover available to extinguish its liabilities.

(a) Net Sales and Other Income

Sales during the year ended 31st March, 2010 were Rs. 6289.62 Lacs as against Rs. 4911.22 Lacs in the previous year. There was an increase of Rs. 1378.40 Lacs in sales over the previous year. In spite of higher manufacturing overheads, finance cost and depreciation charges, Company earned more profits on account of higher sales and lower material consumption. Their was increase in other income from Rs. 56.07 Lacs to Rs. 120.72 Lacs during the year.

(b) Expenditure

The total expenditure increased from Rs. 4649.57 Lacs to Rs. 5658.67 Lacs for the year under review which shows an increase of 21.70% over the previous financial year. Out of the total expenditure, there is an increase in financial charges, material cost, manufacturing, depreciation, administrative expenses.

(c) Interest and Financial Expenses

Interest and Financial charges were Rs. 177.04 Lacs as compared to previous year Rs. 146.12 Lacs. Financial charges increased by 21.16 % due to increase in borrowings to meet increased working capital requirements.

(d) Profit before tax

Due to our good quality product and marketing strategy the Company was able to earn the Profit before tax Rs. 751.67 Lacs as compared to previous year Rs. 317.72 Lacs.

(e) Net Profit

The Company's net profit after tax is Rs. 485.01 Lacs as compared to previous year Rs. 190.06 Lacs.

Cautionary Statement

Certain statements under "Management Discussion & Analysis" may be forward looking statement within the meaning of applicable securities laws and regulations. The forward looking statements are based on certain assumptions and expectations of future events. Actual results may differ materially from those expressed or implied from the statement since the Company's operations are influenced by many external and internal factors beyond the control of the Company.

For and On Behalf of the Board of Directors

Sd/-

Bhagwandas K. Patel

Chairman & Managing Director

Place: Ahmedabad

Date: 29.05.2010

ANNEXURE :- III REPORT ON CORPORATE GOVERNANCE

Company's Philosophy on Code of Governance

Corporate Governance is the set of policies, processes and practices governing the affairs of a company in pursuit of its business goals. Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. As stakeholders across the globe evince keen interest in the practices and performance of companies, Corporate Governance has emerged on the centre stage. Good governance practices stem from the culture and mindset of the organization.

Your Company endeavors to adopt best practices of Corporate Governance.

Over the years, governance processes and systems have been strengthened and institutionalized at Company. Effective implementation of these policies underpins the commitment of the Company to uphold highest principles of Corporate Governance consistent with the Company's goal to enhance shareholder value.

The Company has complied with the requirements of the Corporate Governance in terms of Clause 49 of the Listing Agreement. The Board of Directors presents a composite Corporate Governance report on the compliance of the Listing requirements in the following paragraphs.

(1) Board of Directors

The Company has a balanced mix of executive and non-executive independent directors. The Board consists of 10 directors as on 31st March, 2010, comprising of five being Executive & Non Independent Directors and five being Non Executive & Independent Directors. The composition of the Board is in compliance with the requirements of Clause 49(I)(A) of the Listing Agreement with the Stock Exchange.

(2) Board Procedure

Board members are provided appropriate documents and information pertaining to the matters to be considered at each board and committee meetings, to enable the Board to discharge its responsibilities effectively and the chairman and managing director reviews the overall performance of the Company.

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year.

Name of Director	Category of Director	No. of Board Meetings attended		Attendance at the last AGM	Directorships in other Indian Public Companies* as at 31 March 2010	Other Mandatory Committee** membership as at 31st March 2010	
		Held	Attended			Chairman	Member
Bhagwandas K. Patel	CMD-Executive (Promoter)	9	9	Yes	NIL	NIL	NIL
Dashrathbhai P. Patel	WTD-Executive (Promoter)	9	9	Yes	NIL	NIL	NIL
Rameshbhai B. Patel	WTD-Executive (Promoter)	9	9	Yes	NIL	NIL	NIL
Shashikant P. Patel	WTD-Executive (Promoter)	9	9	Yes	NIL	NIL	NIL
Dixit B. Patel	WTD-Executive (Promoter)	9	9	Yes	NIL	NIL	NIL
Hitendra H. Sheth	NE-Independent	9	8	Yes	NIL	NIL	NIL
Jagdish S. Shah	NE-Independent	9	8	Yes	NIL	NIL	NIL
Harish K. Shah	NE-Independent	9	6	Yes	NIL	NIL	NIL
Vishnubhai G. Patel	NE-Independent	9	6	Yes	NIL	NIL	NIL
Shankarlal B. Mundra	NE-Independent	9	7	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.

(3) Board Meeting

Minimum four Board meetings are held in each year. Apart from the four prescheduled Board meetings, the meetings are also convened by giving appropriate notice to address the specific needs of the Company.

During the Financial Year ended on 31st March, 2010, 9 (Nine) meetings of the Board of Directors were held on the following dates :-

1st May, 2009, 27th June, 2009, 25th July, 2009, 1st September, 2009, 24th September, 2009, 31st October, 2009, 9th December, 2009, 30th January, 2010 and 11th February, 2010.

The time gap between any two board meetings was not more than 4 months.

(4) Committees of the Board

A Mandatory Committees

→ Audit Committee

- i) The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement with the Exchanges, read with Section 292A of the Companies Act, 1956.
- ii) The Terms of reference of the Audit Committee are as follows :-
 - 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 to the Board, the appointment, re-appointment and if required the replacement or removal of the Statutory Auditor and the fixation of audit fees.
 - Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditor.
 - 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.
- Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the periodical financial statements with management before submission to the board for their approval.
- 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.
- Discussion with internal auditors any significant findings and follow up there on.
- 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.
- 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.
- Reviewing the Company's financial and risk management policies.
- Carrying out any other function as mentioned in the term of reference of Audit Committee.

iii) Composition of Audit Committee and Particulars of Meetings attended by the members are given below :

Name	Category	Attendance at Audit Committee meeting held on			
		27/06/2009	25/07/2009	31/10/2009	30/01/2010
Mr. Hitendra H. Sheth – Chairman	NE-Independent	Yes	Yes	Yes	Yes
Mr. Jagdish S. Shah – Member	NE-Independent	Yes	Yes	Yes	Yes
Mr. Harish K. Shah - Member	NE-Independent	Yes	Yes	Yes	Yes

➔ **Shareholders' / Investors Grievance Committee**

The Shareholders' / Investors' Grievance Committee interalia reviews shareholder / investor grievances. The Committee comprises of,

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

The Committee met from time to time during the year to review redressal of the shareholder grievances. The Committee is authorized to approve share transfers and remat related requests. Further, members of the Committee are severally authorized to approve share transfers and transmission. Committee specifically look into the redressal of complaints of investors such as non credit of shares to demat account of the shareholders, non-receipt of dividend, notices, annual report, etc. The Committee periodically review complaint status and give instruction to the Registrar and Share Transfer agent M/s Bigshare Services Pvt. Ltd.

During the financial year Seven meetings were held on 17.04.2009, 22.05.2009, 24.07.2009, 14.08.2009, 05.10.2009, 06.11.2009 and 05.01.2010 at registered office of the Company. All the members were present at all meetings.

During the year, the Company has appointed Ms. Varsha R. Mehta as Company Secretary and Compliance Officer.

Details of Shareholders' Complaints

Details of Complaints received	Nos.
Number of Shareholders' Complaints received from 01.04.2009 to 31.03.2010	14
Number of Complaints not solved to the satisfaction of the shareholder	0
Number of Pending Complaints on 31.03.2010	0

B Non-Mandatory Committee

→ Remuneration Committee

i) Terms of reference :

The role of the Remuneration Committee is to facilitate the transparency, accountability and reasonableness of the remuneration of Director.

The Remuneration Committee review and recommends remuneration package for the Executive Directors and senior managerial personnel.

All aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options and benefits-in-kind shall be covered by the Remuneration Committee. Each member of the Remuneration Committee shall abstain from voting any resolutions in respect of his remuneration package.

ii) Composition, name of members and Chairman of the Committee :

The Committee comprises of the following members :-

Name	Designation	Category
Mr. Shankarlal B. Mundra	Chairman	NE-Independent
Mr. Hitendra H. Sheth	Member	NE-Independent
Mr. Jagdish S. Shah	Member	NE-Independent

iii) Meeting and Attendance during the year :-

During the year one meeting of the Remuneration Committee was held on 01.06.2009, attended by all members.

iv) Remuneration Policy :

The Non Executive Directors of the Company are paid by way of sitting fees.

There is no other pecuniary relationship or transaction by the Company with Non Executive Directors.

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.

The Company does not have any scheme for grant of stock option to its Directors or Employees.

v) Remuneration paid to Directors :

Looking to the market and company's condition, during the year under review, Executive Directors had voluntarily decreased their salary by 35% w.e.f. 01/06/2009. This has been reinstated on 01/04/2010 when the company's condition were satisfactory.

Executive Directors

The salary and bonus paid for the year ended March 31, 2010 to Executive Directors are :

Name of Director	Salary	Bonus	Total
Mr. Bhagwandas K. Patel	8,50,000	88,298	9,38,298
Mr. Dashrathbhai P. Patel	8,07,500	83,883	8,91,383
Mr. Rameshbhai B. Patel	8,07,500	83,883	8,91,383
Mr. Shashikant P. Patel	8,07,500	83,883	8,91,383
Mr. Dixit B. Patel	3,82,500	39,734	4,22,234

* The remunerations are as per Section 198 and Schedule XIII of the Companies Act, 1956.

* No other perquisites or benefits are given except as mentioned above.

Non-Executive Directors

Sitting fees paid to Non-Executive Directors for the year ended March, 31 2010 :

Name of Independent Director	Sitting Fees
Mr. Hitendra H. Sheth	32,000
Mr. Jagdish S. Shah	32,000
Mr. Harish K. Shah	24,000
Mr. Vishnubhai G. Patel	24,000
Mr. Shankarlal B. Mundra	28,000

(5) General Body Meeting

Last three Annual General Meetings of the Company were held as given below :

Year	Category – Date and Time	Venue	Special Resolutions passed
2008-09	Annual General Meeting 22 nd September, 2009 at 3.00 p.m.	Flash Banquet at First Floor, Shaibly Complex, Surdhara Circle, Nr. Sal Hospital, Ahmedabad – 380054.	(1) Increase in Remuneration of Mr. Mukesh Patel, Export Manager. (2) Increase in Remuneration of Mr. Natvarbhai Patel, Sales Executive (Domestic)
2007-08	Annual General Meeting 2 nd September, 2008 at 11.00 a.m.	Flash Banquet at First Floor, Shaibly Complex, Surdhara Circle, Nr. Sal Hospital, Ahmedabad – 380054.	No
2006-07	Annual General Meeting 20th August, 2007 at 11.30 a.m.	Flash Banquet at First Floor Shaibly Complex, Surdhara Circle Nr. Sal Hospital, Ahmedabad – 380054.	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.

(6) Disclosures**a. Legal Compliances**

The Company has formalized a system for legal compliances applicable to the Company.

There were no instances of material non-compliances during the year under review. No strictures or penalties were imposed on the Company by SEBI, stock exchanges or any statutory authority on any matter related to capital markets during the last three years.

b. Code of Business Conduct

The Company has adopted a Code of Business Conduct based on the business principles of the Company. The Code of Business Conduct has also been posted on the website of the Company. In compliance with the Code, directors and senior management of the Company have affirmed their compliance with the Code for the year under review. A declaration to this effect signed by the Managing Director forms part of this annual report.

c. Related Party Transactions

There were no materially significant transactions with promoters, directors or the management, their subsidiaries or relatives that may have potential conflict with the interest of the Company at large. A disclosure of all related party transactions has been presented in the Schedule No. 17, Notes to the accounts of this Annual Report.

d. Compliance with Corporate Governance Code

The Company has complied with all the mandatory requirements laid down by the Corporate Governance Code. The Company has fulfilled the the non mandatory requirements as prescribed in Annexure ID to clause 49 of the Listing Agreement with the exchange by setting up a Remuneration Committee for fair remuneration policy of the Company.

e. Accounting Treatment

The Company has adopted accounting treatments which are prescribed by the Accounting Standards.

f. CEO/CFO Certification

Chief Executive Officer (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.

g. Auditors' Certificate on Corporate Governance

The Company has obtained a certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance prescribed in Clause 49 of the Listing agreement with Stock Exchange which is attached herewith.

h. Report on Corporate Governance

This Chapter read with the information given in the section titled Additional Shareholders' information constitutes the compliance report on Corporate Governance.

i. Management Discussion and Analysis Report

This is given as the Separate chapter in the Annual Report.

j. Insider Trading

All the directors and senior management personnel have affirmed compliance with the Corporate Code laid down by the Board of Directors of the Company.

k. Disclosures regarding Re-appointment of Directors

As per the Articles of Association, one third of the Directors are liable to retire by rotation every year and if eligible, they offer themselves for reelection by the shareholders at the general meeting.

l. Means of communication

The quarterly/half yearly financial statements are announced within one month of the end of the quarter. The aforesaid financial statements are taken on record by the Board of Directors and are communicated to the Stock Exchanges where the Company's securities are listed. Once the stock exchanges have been intimated these results are published within 48 hours in two leading daily news papers. The above information, reports and all other communication to stock exchanges are also available at Bombay Stock Exchange Limited (BSE) site www.bseindia.com

(7) ADR/GDR

The Company has not issued any ADR/GDR.

(8) General Shareholders' Information

I. Annual General Meeting :-

Day, date and time : Friday, 13th August, 2010 at 3.00 pm.
Venue : Dinner Bell-II, Atlantis Enclave, Nr. IDBI Bank, Subhash Chowk, Gurukul, Memnagar Road, Ahmedabad 380052

II. Date of Book Closure : From 6th August, 2010 to 13th August, 2010 (both days inclusive) for Annual General Meeting and payment of final dividend.

III. Financial Calendar 2010-2011 :
(tentative schedule)

Financial year : 1st April 2010 to 31st March 2011.

Board meetings for approval of quarterly results

Quarter ended on June 30, 2010 : On or before 15th August, 2010

Quarter ended on September 30, 2010 : On or before 15th November, 2010

Quarter ended on December 31, 2010 : On or before 15th February, 2011

Quarter ended on March 31, 2011 : On or before 31st May, 2011 (Audited)

Annual General Meeting for the year 2010-11 : In accordance with Section 166 of Companies Act, 1956.

IV. Dividend payment :-

The Board of Directors at their meeting held on 29/05/2010 recommended a final dividend of Rs. 1.30 per equity share of the face value of Rs. 10/- each for the financial year 2009-2010, subject to approval of the shareholders. Final dividend, if approved by the shareholders will be paid within the prescribed statutory period.

V. Listing of equity shares is at : The Bombay Stock Exchange Limited,
Floor 25, P J Towers, Dalal Street, Fort, Mumbai – 400 001.

VI. Stock code : BSE : 532707
ISIN : INE256H01015.

VII. Dematerializational Information :

The shares of your Company are available in Dematerialised form with National Securities Depository Limited (NSDL) & Central Depository Services (I) Limited (CDSL). As on 31st March 2010, 9504244 no. of shares were in dematerialized form.

VIII. Custodial Fees to Depositories :-

The annual custodial fees for the Financial Year 2010-11 has been paid to National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

IX. Corporate Identification Number (CIN) allotted by :- L99999GJ1990PLC013886
The Ministry of Corporate Affairs

X. Secretarial Audit :-

Secretarial Audit is being carried out every quarter by a practicing Company Secretary and his audit report is placed before the Board for its perusal and filed regularly with the Stock Exchange within the stipulated time.

XI. Investors Safeguard :-

In order to serve you better and enable you to avoid risks while dealing in securities, you are requested to follow the general safeguards as detailed hereunder :-

• **Demat your Shares**

Members are requested to convert their physical holding to demat/electronic form through any of the nearest depository participants (DPs) to avoid the hassles involved in the physical shares such as possibility of loss, mutilation etc. and also to ensure safe and speedy transaction in securities.

• **Register your Electronic Clearing Service (ECS) Mandate**

ECS helps in quick remittance of dividend without possible loss/delay in postal transit. Members are requested to register their ECS details with the Company or their respective DPs.

• **Do not forget to encash your Dividends**

Please encash your dividends promptly to avoid hassles of revalidation/losing your right of claim owing to transfer of unclaimed dividends beyond seven years to Investor Education and Protection Fund.

• **Update your Address**

To receive all communications promptly, please update your address registered with the Company.

• **Consolidate your Multiple Folios**

Members are requested to consolidate their shareholdings held under multiple folios to save them from the burden of receiving multiple communications and corporate benefits.

• **Register Nominations**

To help your successors get the shares transmitted in their favour, please register your nomination. Member(s) desirous of availing this facility, may submit nomination in Form 2B which is available on the website of Bigshare Services Pvt. Limited, Registrar of the Company. Member(s) holding shares in Dematerialised form are requested to register their nominations directly with their respective DPs.

• **Prevention of Frauds**

There are certain instances of fraudulent transactions observed, relating to dormant folios, where the shareholder has either expired or has gone abroad. Hence we urge you to exercise due diligence and notify us of any change

in address/stay in abroad or demise of any shareholder as soon as possible. Do not leave your demat account dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified.

- **Confidentiality of Security Deposits**

Do not disclose your Folio No./DP. Id./Client Id. to an unknown person. Do not hand over signed blank transfer deeds/delivery instruction slips to any unknown person.

- **Dealing of Securities with Registered Intermediaries**

Members must ensure that they deal with only SEBI registered intermediaries and must obtain a valid contract note/confirmation memo from the broker/sub-broker, within 24 hours of execution of the trade and it should be ensured that the contract note/confirmation memo contains order no., trade no., trade time, quantity, price and brokerage.

XII. 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 the Company has to transfer the same to the Investor Education & Protection Fund in this financial year.

XIII. Registrar & Share Transfer Agent

The Company in compliance with SEBI guidelines has appointed Bigshare Services Pvt. Ltd. as share transfer agent for both the Physical and Electronic form of shareholding. Shareholders' correspondence should be addressed to the Company's Registrars and Share Transfer Agents at :

Bigshare Services Pvt. Ltd.

E-2, Ansa Industrial Estate,

Sakivihar Road, Saki Naka, Andheri (E),

Mumbai – 400 072.

Contact Person : Mr. Bhagwandas

Phone No. : 022-40430200

XIV. Share Transfer System

Job of Registrar and Transfer Agents is carried out by Bigshare Services Pvt. Ltd, Mumbai, Transfer and dematerialization of shares are processed by Bigshare Services Pvt. Ltd, Mumbai and are approved by Shareholders' / Investors' Grievance Committee.

XV. Share Market Price data :-

The Monthly High and Low prices and volumes of Dynamic Products Limited at Bombay Stock Exchange Limited for the year ended on 31st March, 2010 are as under :-

Month	Monthly High	Monthly Low	No. of Shares Traded
April'09	29.20	19.10	30,66,450
May'09	23.60	18.25	9,96,044
June'09	25.95	20.25	10,08,510
July'09	23.90	15.10	21,00,483
August'09	18.50	13.50	10,55,840
September'09	18.65	15.45	3,76,888
October'09	16.55	14.05	3,02,625
November'09	15.45	13.55	2,53,050
December'09	17.75	14.60	2,44,411
January'10	22.85	15.65	3,36,439
February'10	25.25	16.10	15,81,923
March'10	20.50	17.50	4,33,630

XVI. Distribution of Shareholding as on 31st March, 2010

No. of Equity shares held	No. of share holders	% of shareholders	No. of shares held	% of holding
000001 – 005000	9613	97.79247	33,94,919	29.96808
005001 – 010000	103	1.04781	7,65,707	6.75915
010001 – 020000	49	0.49847	7,06,034	6.23240
020001 – 030000	23	0.23398	5,81,590	5.13389
030001 – 040000	8	0.08138	2,87,815	2.54064
040001 – 050000	10	0.10173	4,36,416	3.85239
050001 – 100000	15	0.15259	10,25,394	9.05150
100001 & above	9	0.09156	41,30,574	36.46196
TOTAL	9830		1,13,28,449	

XVII. Shareholding pattern of the Company as on 31st March, 2010

Category	No. of Shares	% of Shares
A Promoter's Holding		
1 Indian Promoters	50,89,021	44.92249
2 Foreign Promoters	---	---
Sub Total	50,89,021	44.92249
B Public Shareholding		
1 Institutions		
Financial Institutions/Banks	245	0.00216
2 Non-Institutions		
Private Corporate Bodies	6,31,262	5.57236
Indian Public	55,61,466	49.09291
NRIs / OCBs	32,418	0.28616
Directors	1,500	0.01324
Clearing Members	11,202	0.09888
Trust	1,335	0.01178
Sub Total	62,39,428	55.0775
GRAND TOTAL	1,13,28,449	100.0000

XVIII. Dematerialization of Shares and Liquidity Distribution as on 31st March, 2010

Share Capital	No. of shares	%
Listed Capital	1,13,28,449	100.00
Held in Dematerialized form :-		
CDSL	38,22,142	33.74
NSDL	56,82,102	50.16
Held in Physical Form	18,24,205	16.10
Total	1,13,28,449	100.00

XIX. Details of Shares held by Non-Executive Directors as on 31st March, 2010

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

XX. Details of unclaimed shares in terms of Clause 5A of listing agreement as on 31st March, 2010

Particulars	No. of Shareholders	No. of shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year i.e. as on April 1, 2009	7	1050
Number of shareholders who approached to Issuer / Registrar for transfer of shares from suspense account during the year 2009-10	1	150
Number of shareholders to whom shares were transferred from suspense account during the year 2009-10	1	150
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year i.e. as on March 31, 2010	6	900

that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

XXI. Plant Location

Unit-1 : 6401/15/16 GIDC Estate, Ankleshwar.

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

XXII. Investor Correspondence :-

All enquiries, clarification and correspondence should be addressed to the Company Secretary and Compliance Officer at the registered office of the Company :-

Ms. Varsha Mehta

Dynemic Products Limited

B-301, Satyamev Complex-1,

Opp. New Gujarat High Court,

S.G. Road, Ahmedabad – 380060.

Tel. Nos. : 079-27663071/73/76

Fax No. : 079-27662176

Email : cs@dynemic.com

XXIII. Information pursuant to Clause 32 of the Listing Agreement :-

Loans and Advances in the nature of loan to subsidiaries :

Name of the Company

**Balance as at
31st March, 2010**

**Maximum outstanding
during the year**

NIL

NIL

Place: Ahmedabad

Date: 29.05.2010

For and On Behalf of the Board of Directors
Sd/-

Bhagwandas K. Patel
Chairman & Managing Director

ANNEXURE :- 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,2010 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, 2010, there were no investor grievance 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 : 29.05.2010

CONFIRMATION ON CODE OF CONDUCT

This is to confirm that the Board has laid down a code of conduct for all Board members and senior management of the Company. It is further confirmed that all directors and senior management personnel of the Company have affirmed compliance with the code of conduct of the Company as at March 31, 2010, as envisaged in Clause 49 of the Listing Agreement.

For and On Behalf of the Board of Directors

Place: Ahmedabad
Date: 29.05.2010

Sd/-
Bhagwandas K. Patel
Chairman & Managing Director

CEO/CFO CERTIFICATION

Certification by the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) under Clause 49 of the Listing Agreement To the Board of Directors of Dynemic Products Ltd.,

Dear Sirs,

- (a) We have reviewed financial statements and the cash flow statement for the year ended on 31.03.2010 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.

Bhagwandas K. Patel
Chairman & Managing Director
Josekutty Thomas
C.F.O.

Place : Ahmedabad
Date : 29.05.2010

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,
Dynemic Products Limited

We have audited the attached Balance Sheet of **DYNEMIC PRODUCTS LIMITED** as at 31st March,2010 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.

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, 2010 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,2010,
 - (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 ACCOUNTANTS
[**RAJESH D. SHAH**]
PROPRIETOR
M. No. : 36232

Place : Ahmedabad
Date : 29.05.2010

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 not granted any loans, secured or unsecured from companies,firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Consequently clauses 4 (iii) (e) to 4(iii) (g) of the Companies (Auditor's Report) Order ,2003 are not applicable to the Company.
- (b) The Company has taken unsecured loan from the concern in which directors are interested as listed in register maintained under section 301 of the Companies Act ,1956 as under :

Sr. No.	Name of the Unit	Amount involved (Max.balance)	Closing Bal As on 31-3-10 Rs.
A	Subsidiaries:- Dynamic Overseas (I) Pvt.Ltd.	90 Lacs	0
B	Associates:- Dyemic Holdings Pvt.Ltd.	4 Lacs	0

- (c) 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.
- (d) 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	0.56	2005-06	CIT (A) Ahmedabad
Income Tax Act, 1961	I.Tax	7.67	2007-08	CIT (A) Ahmedabad
Income Tax Act, 1961	Penalty 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 preceding 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, all the major project implementation has been completed during the year 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 ACCOUNTANTS
[RAJESH D. SHAH]
 PROPRIETOR
 M. No. : 36232

Place : Ahmedabad
 Date : 29.05.2010

BALANCE SHEET AS AT 31ST MARCH, 2010

Sr.	No.	Particulars	Sch.	31/3/2010		31/3/2009	
				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	19,39,37,195	30,72,21,685	16,32,11,258	27,64,95,748
2		LOAN FUNDS :					
	[a]	Secured Loans	3	16,17,88,913		14,54,08,042	
	[b]	Unsecured Loans	4	1,16,39,869	17,34,28,782	63,37,849	15,17,45,891
3		DEFERRED TAX LIABILITY			2,72,84,908		2,00,18,845
		Refer to Note No. 1(j) & 2 of schedule 17					
		Total Rs.			50,79,35,375		44,82,60,484
B.		APPLICATION OF FUNDS :					
1		FIXED ASSETS :	5				
	[a]	Gross Block		35,15,04,457		30,33,25,642	
	[b]	Less : Depreciation		5,64,43,911		4,22,25,530	
	[c]	Net Block		29,50,60,546		26,11,00,112	
		CAPITAL WORK IN PROGRESS		0		4,61,70,216	
2		INVESTMENTS	6		29,50,60,546		30,72,70,328
3		CURRENT ASSETS, LOANS & ADVANCES :	7		2,38,63,224		2,53,25,808
	[a]	Inventories		6,97,21,131		5,94,17,162	
	[b]	Sundry Debtors		12,84,23,542		7,32,24,899	
	[c]	Cash & Bank Balances		65,58,758		43,02,232	
	[d]	Loans & Advances		6,13,53,612		4,01,28,395	
				26,60,57,043		17,70,72,688	
		Less: CURRENT LIABILITIES & PROVISIONS					
	[a]	Current Liabilities	8	3,97,83,567		4,13,64,674	
	[b]	Provisions		3,72,61,871		2,00,43,667	
				7,70,45,438		6,14,08,341	
		Net Current Assets			18,90,11,605		11,56,64,348
4		MISCELLANEOUS EXPENDITURE	9		0		0
		(To the extent not written off)					
		Total Rs.			50,79,35,375		44,82,60,484

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

Place : Ahmedabad.
Date : 29.05.2010

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

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

Sr.	No.	Particulars	Sch.	31/3/2010		31/3/2009	
				Rupees	Rupees	Rupees	Rupees
A. INCOME :							
	1	Sales (net)		62,89,61,842		49,11,21,524	
	2	Other Income	10	1,20,72,311		56,07,189	
	3	Increase/Decrease in Stocks	11	34,09,094		(1,03,316)	
		Total Rs.			64,44,43,247		49,66,25,397
B. EXPENDITURE :							
	1	Materials, Manufacturing & Operating Costs	12	48,47,46,454		38,90,97,868	
	2	Purchase of Finished & Trading Materials		19,83,837		95,00,994	
	3	Salaries, Wages & Bonus	13	1,98,75,837		1,93,24,275	
	4	Repairs & Maintenance	14	1,10,80,127		79,63,776	
	5	Administrative & Other Expenses	15	1,94,13,637		1,46,83,472	
	6	Interest & Financial Exps.	16	1,77,04,258		1,46,12,134	
	7	Depreciation		1,44,71,805		96,12,421	
	8	Preliminary Expenses written off		0		59,451	
		Total Rs.			56,92,75,955		46,48,54,389
		Profit before Taxation			7,51,67,292		3,17,71,008
		Less: Provision for Taxation					
		Current Tax			1,94,00,000		61,65,000
		Deferred Tax			72,66,063		64,46,077
		Fringe Benefit tax			0		1,55,038
	16	Net Profit for the Year			4,85,01,229		1,90,04,892
		Add:- Net Balance Profit of Last Year			5,17,73,237		4,73,00,845
		Add/ (Less):- Taxation of earlier years (Refunds/Paid)			5,45,457		(47,781)
	17	Balance available for Appropriation			9,97,29,009		6,62,57,956
		Appropriations :					
		General Reserves		24,60,000		12,31,000	
		Proposed Dividend		1,47,26,984		1,13,28,449	
		Tax on Dividend		25,02,851		19,25,270	
	18	Balance Carried to Balance Sheet			1,96,89,835		1,44,84,719
		Earning Per Share			8,00,39,174		5,17,73,237
		Basic			4.28		1.68
		Diluted			4.28		1.68

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 – Wholtime Director
R. B. Patel – Wholtime Director
S. P. Patel – Wholtime Director
D. B. Patel – Wholtime Director
Josekutty Thomas – Chief Financial Officer

Place : Ahmedabad.

Date : 29.05.2010

**CASH FLOW STATEMENT OF
DYNEMIC PRODUCTS LTD. FOR THE YEAR ENDED 31ST MARCH, 2010**

Sr.	PARTICULARS	31/3/2010	31/3/2009
A]	CASH FLOW FROM OPERATING ACTIVITIES		
	NET PROFIT AFTER TAX & EXTRA		
	ORDINARY ITEMS	4,85,01,228	1,90,04,892
	ADJUSTMENTS FOR :-		
	PROVISION FOR TAX & DEFERRED TAX	2,66,66,063	1,27,66,115
	MISC.EXPS.WRITTEN OFF	0	59,451
	DEPRECIATION	1,44,71,805	96,12,421
	DEPRECIATION WRITTEN BACK	(2,53,426)	(3,25,557)
	DIMUNITION IN THE VALUE OF INVESTMENTS	(22,64,945)	7,43,766
	INTEREST & FINANCIAL CHARGES	1,77,04,258	1,46,12,134
	PROFIT/LOSS ON SALE/REPLACEMENT OF FIXED ASSETS	68,699	(3,12,359)
	INTEREST/DIVIDEND/CAPITAL GAINS INCOME	(12,25,142)	32,48,526
	OPERATING PROFIT BEFORE WORKING	10,36,68,541	5,94,09,390
	CAPITAL CHANGES		
	ADJUSTMENTS FOR :-		
	TRADE & OTHER RECEIVABLES	(5,51,98,644)	(1,20,81,567)
	INVENTORIES	(1,03,03,969)	53,33,844
	TRADE PAYABLES	(15,81,106)	1,93,99,514
	LOANS & ADVANCES	(95,17,610)	24,46,192
	CASH GENERATED FROM OPERATIONS	2,70,67,212	7,45,07,373
	DIRECT TAXES PAID	(1,75,00,000)	(90,89,310)
	NET CASH FROM OPERATING ACTIVITIES	95,67,212	6,54,18,063
B]	CASH FLOW FROM INVESTING ACTIVITIES		
	PURCHASE OF FIXED ASSETS	(29,54,819)	(9,82,52,484)
	SALE OF FIXED ASSETS	5,12,005	2,31,440
	SALES OF INVESTMENTS	37,27,529	3,65,872
	INCOME TAX REFUND/ PAID FOR EARLIER YEARS	(5,45,457)	(47,781)
	INTEREST/ DIVIDEND/CAPITAL GAINS INCOME RECEIVED	12,25,142	(32,48,526)
	NET CASH USED IN INVESTING ACTIVITIES	19,64,400	(10,09,51,480)
C]	CASH FLOW FROM FINANCING ACTIVITIES		
	PROCEEDS FROM BORROWINGS	2,16,82,891	6,38,51,598
	INTEREST & FINANCIAL CHARGES PAID	(1,77,04,258)	(1,46,12,134)
	DIVIDEND & DIVI. TAX PAID	(1,32,53,719)	(1,32,53,719)
	NET CASH USED FROM FINANCING ACTIVITIES	(92,75,086)	3,59,85,745
D]	NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	22,56,525	4,52,329
E]	CASH AND CASH EQUIVALENTS(OPENING)	43,02,232	38,49,904
F]	CASH AND CASH EQUIVALENTS(CLOSING) (D + E)	65,58,758	43,02,233

As per our Report of even date

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

Rajesh D. Shah
Proprietor
M. No. 36232

Place : Ahmedabad.
Date : 29.05.2010

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

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2010		31/3/2009	
		Rupees	Rupees	Rupees	Rupees
	SCHEDULE : 1 : SHARE CAPITAL :				
[a]	Authorised Share Capital [13000000 Equity Share of Rs. 10/- each] [PYF 13000000 Equity Shares]		13,00,00,000		13,00,00,000
			13,00,00,000		13,00,00,000
[b]	Issued, Subscribed and paid up : [11328449 Equity Shares of Rs. 10/- each fully paid up (PYF 11328449)]. [Out of the above 4125820 [PY.F.672880] Equity Shares were allotted as fully paid up Bonus Shares to the existing Shareholders without payment being received in cash] [Out of the above 1400000 Equity shares were allotted as fully paid up to the partners of erstwhile Partnership firm M/s. Saffron Dye stuff Industries without payment being received in cash, pursuant to the business acquired as per agreement entered.] Total Rs.		11,32,84,490		11,32,84,490
	SCHEDULE : 2 : RESERVES & SURPLUS :				
	(i) General Reserves : Opening Balance	77,57,820		65,26,820	
	Add : Transferred from Profit & Loss A/c.	24,60,000		12,31,000	
		1,02,17,820		77,57,820	
	Less: Transfer for utilization in Bonus Shares	0	1,02,17,820	0	77,57,820
	(ii) Profit & Loss A/c. Balance		8,00,39,174		5,17,73,237
	(iii) Share Premium on issue of Equity Shares	10,36,80,201		10,36,80,201	
	Total Rs.		10,36,80,201		10,36,80,201
			19,39,37,195		16,32,11,258
	SCHEDULE : 3 : SECURED LOANS :				
[a]	C.C.Hypo A/c. :				
	* Citi Bank N.A.		65,42,535		2,97,66,403
	* HDFC Bank Ltd.		0		2,05,47,756
	* Axis Bank Ltd.		1,95,49,784		0
	[HP. C.C. A/c. Secured against pari passu mortgage/ charge on all immovable properties & stocks of Raw Materials, Stores, Finished Goods etc. & personal guarantee of Directors.]				
[b]	P.C.F.C.A/c. :				
	* Citi Bank N.A.		7,62,66,837		5,26,75,393
	* HDFC Bank Ltd.		0		21,68,490
	[P. C. F. C. A/c. Secured against mortgage/ charge on all immovable properties & book debts relating to mfg. of Industrial Dyes & Chemicals & personal guarantee of Directors.]				
[c]	W.C.D.L A/c (Securiy as above)				
	* Citi Bank N.A.		2,00,00,000		0
[d]	Term Loan A/c (Securiy as above)				
	* Citi Bank N.A.		2,32,50,000		4,02,50,000
	* Axis Bank Ltd.		1,61,79,757		0
	Total Rs.		16,17,88,913		14,54,08,042
	SCHEDULE : 4 : UNSECURED LOANS :				
[a]	Fixed Deposits from Directors		13,10,373		11,99,783
[b]	Fixed Deposits from Share holders		83,62,841		45,92,996
[c]	Fixed Deposits from Public		19,66,655		5,45,070
	Total Rs.		1,16,39,869		63,37,849

SCHEDULE : 5 : FIXED ASSETS

Sr No	NAME OF THE ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As on 01/04/09 Rs.	Addition during the Year Rs.	Deduction during the Year Rs.	As on 31/03/10 Rs.	As on 01/04/09 Rs.	Addition during the Year Rs.	Deduction during the Year Rs.	As on 31/03/10 Rs.	As on 31/03/09 Rs.	As on 31/03/10 Rs.
1	Building	9,39,90,627	2,98,85,774	0	12,38,76,401	72,04,450	40,37,758	0	1,12,42,208	8,67,86,177	11,26,34,193
2	Computer	14,08,054	1,61,580	0	15,69,634	11,48,969	2,37,061	0	13,86,030	2,59,085	1,83,604
3	Electric Fitting & Install.	1,14,40,461	7,87,320	0	1,22,27,781	16,60,745	5,76,716	0	22,37,461	97,79,716	99,90,320
4	Furniture	75,61,745	66,278	0	76,28,023	33,68,981	4,81,576	0	38,50,557	41,92,764	37,77,466
5	Lab Equipments	56,26,495	97,126	0	57,18,621	13,74,429	2,69,456	0	16,43,885	42,52,066	40,74,736
6	Machineries	13,34,82,175	1,72,27,175	4,34,215	15,02,75,135	1,87,86,171	70,70,624	2,09,609	2,56,47,186	11,46,95,004	12,46,27,949
7	Office Equipments	29,34,807	63,462	0	29,98,269	12,89,539	1,86,694	0	14,76,233	16,45,268	15,22,036
8	Office Premises	58,86,491	0	0	58,86,491	3,66,271	95,948	0	4,62,219	55,20,220	54,24,272
9	Pollu.Eff Treatment	53,87,481	0	0	53,87,481	27,71,182	2,55,908	0	30,27,090	26,16,299	23,60,391
10	Resi.Premises	19,35,903	0	5,12,005	14,23,898	1,98,946	25,296	43,817	1,80,425	17,35,957	12,43,473
11	Motor Cycle	5,14,838	0	0	5,14,838	1,55,975	23,268	0	1,79,243	3,58,863	3,35,595
12	Motor Car	48,10,338	0	0	48,10,338	19,88,225	4,56,984	0	24,45,209	28,22,113	23,65,129
13	Electric Motor & Pumps	18,96,932	54,396	15,000	19,36,328	5,19,950	90,707	0	6,10,657	13,76,982	13,25,671
14	Fire fighting Equipments	4,87,815	70,830	0	5,58,645	28,123	26,256	0	54,379	4,59,692	5,04,266
15	Gas Inst.& Fab	21,74,984	61,482	0	22,36,466	3,35,933	74,526	0	4,10,459	18,39,051	18,26,007
16	Lease Hold Land	1,13,14,645	5,705	0	1,13,20,350	0	0	0	0	1,13,14,645	1,13,20,350
17	Pipes & Valve Fittings	82,28,918	6,45,664	0	88,74,582	5,91,314	2,94,501	0	8,85,815	76,37,604	79,88,767
18	Storage Tank	29,24,239	21,043	2,800	29,42,482	3,23,254	97,901	0	4,21,155	26,00,985	25,21,327
19	ERP Computer Software	12,15,334	0	0	12,15,334	32,834	1,58,934	0	1,91,768	11,82,500	10,23,566
20	Dies	1,03,360	0	0	1,03,360	80,241	11,692	0	91,933	23,119	11,427
	Total Rs.	30,33,25,642	4,91,42,835	9,64,020	35,15,04,457	4,22,25,532	1,44,71,805	2,53,426	5,64,43,911	26,11,00,112	29,50,60,546
	Previous Years	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	13,58,45,720	26,11,00,112

Note:- Opening balances have been regrouped wherever required

Project under implementation:-

1	Capital Work in Progress	4,61,70,216	0	4,61,70,216	0	0	0	0	0	4,61,70,216	0
2	ERP Software Under Implementation	0	0	0	0	0	0	0	0	0	0
	TOTAL	4,61,70,216	0	4,61,70,216	0	0	0	0	0	4,61,70,216	0

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2010		31/3/2009	
		Rupees	Rupees	Rupees	Rupees
	SCHEDULE : 6 : INVESTMENTS :				
[I]	TRADE INVESTMENTS (At Cost)				
(A)	Investments in Subsidiary				
	(i) Unquoted Investments- Equity Shares				
	(1) Dynamic Overseas (India) P. Ltd. Shares [20600 Shares of Rs.100 each (P.Y.F.20600)]	20,60,000		20,60,000	
	(2) Dynamic USA Inc. Shares [Nil Shares of US\$ 1/- each (P.Y.F. 1000)] [Exchange Rate US\$ 1/- = Rs. 45.54]	0		45,540	
			20,60,000		21,05,540
(B)	Other Investments				
	(i) Other Quoted Investments- Equity Shares				
	(1) Gujarat State Financial Corpn.Ltd. [190 Shares of Rs. 200 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)	53,02,007		84,40,159	
		53,40,007		84,78,159	
	Less:- Provision for Diminution in value of Investments (Net)	26,58,160		49,23,105	
	(The list is attached as Annexure I showing cost and market value of all the shares)		26,81,847		35,55,054
	(ii) Other Unquoted Investments- Equity Shares				
	* Enviro Technology Ltd. Shares [15000 Shares of Rs.10 each(P.Y.F.15000)]	1,50,000		1,50,000	
	* Bharuch Enviro Infrastructure Ltd. [1260 Shares of Rs.10 each(P.Y.F.1260)]	12,600		12,600	
	* Bharuch Eco-Aqua Infra.Ltd [32300 Shares of Rs.10 each (P.Y.F.32300)]	3,23,000		3,23,000	
	* Forum (Chandolidia) Aawas Owner'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. [1010000 Shares Of Rs.10 each (P.Y.F.1010000)]	1,01,00,000		1,01,00,000	
	* Ank.Res. &.Analy.Inf.Ltd. [1000 Shares of Rs.10 each (P.Y.F.1000)]	10,000		10,000	
			1,06,08,200		1,06,08,200
[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)	44,13,177		24,57,014	
	HDFC MID CAP EQUITY FUND	5,00,000		5,00,000	

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2010		31/3/2009	
		Rupees	Rupees	Rupees	Rupees
	HSBC Unique Opportunities Fund	2,00,000		2,00,000	
	JM Basic Fund	0		19,00,000	
	(The list is attached as Annexure II showing cost and market value of all MF)	61,13,177	61,13,177	60,57,014	60,57,014
	Investment In Resie. Flat	24,00,000		30,00,000	
	Total Rs.		24,00,000		30,00,000
	SCHEDULE : 7 : CURRENT ASSETS AND LOANS & ADVANCES :		2,38,63,224		2,53,25,808
[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	2,44,88,965		1,81,80,600	
*	Packing Material.....	18,98,092		12,88,825	
*	ETP stock	37,612		60,369	
*	Waste	0		25,931	
*	Work in progress.....	51,59,382		1,00,41,092	
*	Finished Goods ...	3,19,69,628		2,08,52,441	
*	Semi Finished Goods.....	61,67,452		89,67,904	
			6,97,21,131		5,94,17,162
	SUNDRY DEBTORS (Unsecured Considered Good)				
*	Due Over Six Months.	4,17,447		7,52,133	
*	Others	12,80,06,095		7,24,72,766	
	(Includes Due from Subsidiaries Rs.0(PYF 0/-))		12,84,23,542		7,32,24,899
	CASH AND BANK BALANCE :				
*	Foreign cheques & currencies a/c.	0		5,093	
*	Cash-in-hand	1,17,424		47,208	
*	Balance with Schedule Bank in current a/c	50,80,589		22,04,149	
*	Balance with Non-Schedule Bank in current a/c	2,17,726		2,65,343	
*	Balance with Non-Schedule Bank in margins a/c	72,344		2,965	
*	Balance with Schedule Bank in Fixed Deposits	10,70,675		17,77,474	
			65,58,758		43,02,232
[B]	LOANS AND ADVANCES :				
*	Advances recoverable either in Cash or in Kind or for value to be received.	2,75,65,493		1,84,15,332	
*	Deposits with Govt. Bodies & Others	80,98,957		83,92,021	
*	Advance Income tax (FY 0809)	28,80,630		90,00,000	
*	Advance Income tax (FY 0910)	1,75,00,000		0	
*	Advance Fringe Benefit Tax	0		89,310	

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2010		31/3/2009	
		Rupees	Rupees	Rupees	Rupees
*	Advances given for expenses	6,36,179		34,152	
*	Advances given for goods	46,72,353		7,34,400	
	LOANS AND ADVANCES TO SUBSIDIARIES				
*	Dynemic USA Inc.	0		50,000	
*	Dynemic USA Inc	0		34,13,180	
	(Refer to Note No. 15 & 16 of Schedule 17: Notes to Accounts)				
	Total Current Assets and Loans & Advances		6,13,53,612		4,01,28,395
			26,60,57,044		17,70,72,687
	SCHEDULE : 8 : CURRENT LIABILITIES :				
	CURRENT LIABILITIES :				
*	Sundry Creditors	3,83,28,473		3,99,53,499	
*	Share Application Money Refundable	10,72,875		10,72,875	
*	Unclaimed Dividend (2008-09)	1,23,129		0	
*	Unclaimed Dividend (2007-08)	99,035		1,04,785	
*	Unclaimed Dividend (2006-07)	73,091		73,591	
*	Unclaimed Dividend (2005-06)	81,552		81,552	
*	Advance from Customers	5,412	3,97,83,567	78,371	4,13,64,674
	PROVISIONS :				
*	Leave Encashment Salary Provisions	6,32,036		4,69,910	
*	Proposed Dividend	1,47,26,984		1,13,28,449	
*	Tax on Proposed Dividend	25,02,851		19,25,270	
*	Provision for Taxation for FBT	0		1,55,038	
*	Provision for Taxation for current tax	1,94,00,000	3,72,61,871	61,65,000	2,00,43,667
	Total Rs.		7,70,45,438		6,14,08,341
	SCHEDULE : 9 : MISCELLANEOUS EXPENSES				
	(To the extent not Written Off)				
	PRELIMINARY EXPENSES :				
*	Last Balance	0		59,451	
*	Add : Additions during the year	0		0	
		0		59,451	
*	Less : Written off during the year	0	0	59,451	0
	Total Rs.		0		0
	SCHEDULE : 10 : OTHER INCOME :				
	OTHER BUSINESS RELATED INCOME				
*	Environmental Subsidy	0		10,00,000	
*	Cash Discount Received	5,10,949		4,76,302	
*	Foreign Exchange Gain & Loss	3,11,624		20,14,204	
*	Office Rent Income	1,08,000		1,08,000	
*	Conversion Charge Income	46,77,750		42,19,950	
*	DEPB Income	3,26,571		3,01,706	
*	Focus Market Income	18,91,174		0	
*	Interest On GEB Deposit	58,659		27,627	

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2010		31/3/2009	
		Rupees	Rupees	Rupees	Rupees
*	Interest On ETL Deposit	1,11,000		61,638	
*	Packing Material Income	2,11,697		9,02,145	
*	Profit On Sale Of Machineries	958		0	
*	Profit on Sale of Res. Premises	81,812		0	
*	Profit/loss on Sale of VKYP	5,136		0	
*	Creditors W/O	1,09,308		0	
*	Kasar, Rates & Quality Difference.	61,199		0	
*	Quantity Discount	90,023		0	
*	Duty Draw Back Income	0		4,14,535	
*	Insurance Claim Received	13,480		9,644	
*	Misc Income	4,910		6,241	
*	Vat Refund on Foreign Exhibitions	0		56,587	
*	Freight Recovered	7,974		902	
	TOTAL	85,82,224		95,99,481	
	OTHER INVESTMENT RELATED INCOME				
*	Dividend on Mutual Fund	3,53,670		52,355	
*	Dividend From Company	41,965		98,009	
*	Interest on HDFC Real Estate Fund	1,14,030		65,769	
*	Interest on FD (Bank)	1,57,846		88,424	
*	Interest on Staff Loan	42,907		0	
*	Short Term Capital Gain-KOTAK MAHINDRA MF	6,56,742		(49,18,306)	
	TOTAL	13,67,160		(46,13,749)	
	LESS:- EXPENDITURE RELATING TO INCOME ON INVESTMENTS				
*	Service Tax - Kotak	0		16,122	
*	Other Shares Related Expenses-Kotak	0		1,49,477	
*	Securities Transaction Tax - Kotak	4,759		93,634	
*	Securities Transaction Tax - Mutual Fund	6,852		1,367	
*	Management Cons. Fees & Entry Load	1,30,407		23,591	
*	Provision for Demuntion in the Value of Investments(Net)	(22,64,945)		(9,05,648)	
	TOTAL	(21,22,927)		(6,21,457)	
	NET INCOME/LOSS ON INVESTMENTS	34,90,087		(39,92,292)	
	Total Rs.		1,20,72,311		56,07,189
	SCHEDULE : 11 : INCREASE / DECREASE IN				
	STOCKS :				
	CLOSING STOCK :				
*	Finished Goods	3,19,69,628		2,08,52,441	
*	Semi Finished Goods	61,67,452		89,67,904	
*	Wastes Stocks	0		25,931	
*	Work-in-Progress	51,59,382		1,00,41,092	
			4,32,96,462		3,98,87,368
	OPENING STOCK :				
*	Finished Goods	2,08,52,441		1,66,58,796	

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2010		31/3/2009	
		Rupees	Rupees	Rupees	Rupees
*	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
	Increase (Decrease) in Stocks...		34,09,094		(1,03,316)
	SCHEDULE : 12 : MATERIALS,				
	MANUFACTURING & OPERATING COSTS				
A	RAW MATERIALS CONSUMED				
*	Opening Stock	1,81,80,600		2,36,83,444	
	Add : Purchase during the year	38,75,83,296		31,47,93,264	
		40,57,63,896		33,84,76,708	
	Less : Closing Stock	2,44,88,965		1,81,80,600	
	Total Rs.		38,12,74,931		32,02,96,108
B	PACKING MATERIAL CONSUMED				
*	Op. Stock	12,88,825		10,21,069	
	Add: Purchases during the year	1,35,29,558		88,36,201	
		1,48,18,383		98,57,270	
	Less : Closing stock	18,98,092		12,88,825	
	Total Rs.		1,29,20,291		85,68,445
C	E.T.P MATERIAL CONSUMED				
*	Op. Stock	60,369		55,809	
	Add: Purchases during the year	24,92,658		20,78,369	
		25,53,027		21,34,178	
	Less : Closing stock	37,612		60,369	
	Total Rs.		25,15,415		20,73,809
D	POWER & FUEL CONSUMED				
*	Electric Power & Burning	1,81,73,046		1,12,67,052	
*	Fuel Purchased & Consumed	4,51,037		5,35,173	
*	Gas Consumption Charges	2,81,95,771		1,42,84,454	
	Total Rs.		4,68,19,854		2,60,86,679
E	OTHER MEQS. EXPENSES				
*	Transportation	49,53,960		31,07,770	
*	Conversion Charges.	87,57,404		87,54,557	
*	Factory Exp	8,31,868		5,13,017	
*	Labour Charges	72,84,309		42,25,765	
*	Forwarding & Handling Charges	91,77,798		74,75,829	
*	Pallatisation Charges	2,46,416		2,11,948	
*	ETP Expense	81,33,162		19,77,240	
*	Freight & Cartage Exps	1,62,990		20,245	
*	Safety Expense	50,004		95,216	
*	Colour Expense	69,744		22,136	
*	Custom Duty on Debonding	1,58,489		0	
*	Consumable Stores	13,89,819		56,69,104	
	Total Rs.		4,12,15,963		3,20,72,827
	TOTAL:- MANUFACTURING COST		48,47,46,454		38,90,97,868

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2010		31/3/2009	
		Rupees	Rupees	Rupees	Rupees
	SCHEDULE : 13 : SALARIES WAGES & BONUS				
*	Salary & Wages to Employees	1,16,13,631		85,54,164	
*	Salaries & Bonus to Directors	40,34,681		60,19,656	
*	Sitting Fees to Directors	1,40,000		92,500	
*	Salary & Wages Expense	6,51,885		7,27,767	
*	Leave Salary (Inc. Provisions -unpaid)	3,49,956		4,68,314	
*	Bonus & other charges	30,85,684		34,61,874	
	Total Rs.		1,98,75,837		1,93,24,275
	SCHEDULE-14 : REPAIRS AND MAINTENANCE				
*	Electrical Parts & Maintenance	4,91,053		3,47,111	
*	ETP Parts & maintenance	49,38,080		55,91,740	
*	Machinery Parts & Maintenance	16,20,955		16,61,342	
*	A.C. Service Charges	1,13,811		72,589	
*	Building Repairing	16,322		2,369	
*	Computer Maintenance & Consumables	1,98,001		97,329	
*	EPABX Maintenance	0		12,800	
*	Lab Equipment Repairing	1,18,912		8,700	
*	Furniture Repairing & Maint	47,968		23,720	
*	Type, Fax & Zerox Maintenance	3,450		6,210	
*	Vehicle Repairing (Director)	1,62,831		95,829	
*	Vehicle Repairing Exp	22,185		24,859	
*	Office Repairing Exps.	3,900		0	
*	Consumable Stores (Plant)	31,15,137		0	
*	Consumable Stores(Electricals)	2,27,522		0	
*	Residential Premises Repairing Exps.	0		18,578	
*	Mobile Repairing	0		600	
	Total Rs.		1,10,80,127		79,63,776
	SCHEDULE : 15 : ADMINISTRATIVE AND OTHER EXPENSES :				
*	Consultancy Fees- Legal & Professional	2,89,250		6,33,829	
*	Exhibition Exp.	5,85,134		7,30,334	
*	Insurance Premium	21,02,085		18,55,027	
*	Kasar, Rates & Quality Difference.	0		28,041	
*	Petrol Exps-Directors	2,83,053		2,95,898	
*	Selling Commission	13,91,884		18,01,542	
*	Staff Welfare Exps.	3,88,509		4,42,270	
*	Telephone Exps-Others	3,41,385		3,41,702	
*	Travelling & Conveyance (Director)	2,03,707		2,41,423	
*	Advances to Subsidiary W/o	30,36,307		0	
*	Investment in Subsidiary W/o	45,540		0	
*	Angadia & Courier Exp	4,76,688		3,45,250	
*	Audit Fees	3,25,000		3,25,000	
*	Bad Debts	4,46,338		0	
*	FDA Approval Fees	5,80,866		2,07,614	
*	Lab-Testing Exp	5,07,576		1,76,680	
*	Legal & Professional Charges	7,80,604		6,09,256	

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2010		31/3/2009	
		Rupees	Rupees	Rupees	Rupees
*	Misc Office Exp	1,20,569		1,65,682	
*	Office Electric Bill Exp.	3,08,731		2,55,636	
*	Security Exp	6,06,420		6,98,766	
*	Stationery & Printing Exp- Incl (Annual Reports)	7,73,544		8,06,279	
*	Water Charges	3,51,667		3,68,642	
*	Sales Promotion Exps	1,01,517		2,84,114	
*	Registration, Renewal & Filing Fees	5,64,532		1,37,408	
*	Stamp Paper and Franking Charges	9,41,270		6,70,920	
*	Advertisement Expense	3,03,401		2,99,209	
*	LOSS ON SALE OF Machinery	1,51,469		3,12,359	
*	Other Administrative & Establishment Exps	34,06,592		26,50,591	
	Total Rs.		1,94,13,637		1,46,83,472
	SCHEDULE : 16 : INTEREST & FINANCIAL EXPENSES:				
*	Interest	1,50,46,732		1,12,71,119	
*	Other Financial Charges	26,57,526		33,41,015	
	Total Rs.		1,77,04,258		1,46,12,134

SCHEDULE : 17

Significant Accounting Policies & Notes forming parts of Accounts as on 31-3-2010

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] 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.

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 exps. has been credited to Service tax payable a/c. which has been set off against Modvate receivable for service tax paid on various exps. and balance of modvate receivable for Service tax paid on various exps. 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. 51383981/- (PYF 43957459/-) 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. 4677750/- (PYF Rs. 4219950/-), 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) Deferred 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 reassure realisation.
- (iv) 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 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 all the units during the year. 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 has its operation in manufacturing, and marketing of Dyes & Dyes Intermediates. The primary reporting segment for the company, therefore is the business segment, viz., Dyes & 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	21,53,02,007	41,36,59,835	0	62,89,61,842
	(16,52,56,312)	(32,58,65,212)	(0)	(49,11,21,524)
Carrying amount of Segment Assets (Gross)	48,29,11,727	10,20,69,087	0	58,49,80,814
	(45,92,33,646)	(5,04,35,178)	(0)	(50,96,68,824)

Figures in brackets are for the previous year.

3] Related Party Disclosures :-

A] List of parties where control exist

(i) Subsidiary Company

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

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

(ii) Associates :-

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

(iii) Key management personnel :-

Mr. Bhagwandas 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
Amisha Patel	Manager - Accounts
Pinky Mehta	Manager - Logistics
Josekutty Thomas	Chief Financial Officer
Varsha Mehta	Company Secretary

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C] Transactions with related parties :-

Nature of Transaction	Key Managerial Personnel & their Relatives Rs.		Subsidiary Companies Amt. in Rs.		Associates Amt. in Rs.	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Fixed Deposits taken						
Taken during the period	56,46,000	55,80,000	0	0	0	0
Repaid during the period	11,77,108	13,37,948	0	0	0	0
Closing Balance	1,04,42,585	52,15,119	0	0	0	0
Loans & Advances						
Given during the period	10,55,884	7,82,139	90,00,000	45,10,000	4,00,000	78,40,945
Settled during the period	11,59,170	11,68,007	90,00,000	45,10,000	4,00,000	78,40,945
Closing Balance	10,53,502	11,31,881	0	34,13,180	0	0
Investments						
Given during the period	0	0	0	0	0	0
Settled during the period	0	0	0	0	0	0
Closing Balance	0	0	1,22,05,540	1,22,05,540	0	0
Sundry Debtors						
Sundry Creditors	0	0	0	0	0	0
Purchase of Goods	0	0	0	0	0	10,98,078
Conversion Charges	0	0	0	0	30,24,003	13,49,224
Amount Expended on behalf of	58,00,375	75,15,564	0	0	0	0
Sales	0	0	54,03,340	10,07,470	14,096	8,340

4] 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	2009-10	2008-09
Net Profit after tax (Amt.Rs.)	4,85,01,229	1,90,04,892
Weighted Average Nos. of Shares	1,13,28,449	1,13,28,449
Basic Earning per Share on nominal value of Rs.10/-per share	4.28	1.68

5] COMPANY SECRETARY:- The company has appointed full time qualified company secretary U/s 383A(1).

6] Paise have been rounded upto the nearest rupees.

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

8] 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 2009	Debit/(Credit) for the year Rs.	Balance As on 31st March 2010
(a) Deferred Tax Liability			
- Depreciation	2,16,80,906	64,96,208	2,81,77,114
-Prov for diminution in Investments	(16,62,061)	(7,69,855)	(8,92,206)
Total	(2,00,18,845)	(72,66,063)	(2,72,84,908)

9] 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	2,00,000
For Other Matters- ITAT (Appeals)	1,20,000	0
For Service Tax	66,435	64,890

- 10] Managerial Remuneration under Section 198 of the Companies Act, 1956 :
The managerial remunerations are as per Section 198 and Schedule XIII of the Companies Act, 1956, as certified by the management

Particulars	2009-10 Amount Rs.	2008-09 Amount Rs.
(a) Remuneration	40,34,681	60,19,656
Total Rs.	40,34,681	60,19,656

- 11] Contingent Liability for Letter of Credits and Bank Guarantees is of Rs.21,14,676/- (PYF 9006888/-)
12] Estimated Amount Contract remaining to be executed and not provided for Rs.NIL/-for the new expansion project (P.Y.F.Rs.NIL/-)
13] The company is required to make certain disclosures regarding outstanding dues and the payments made to Sundry Creditors under The Micro, Small and Medium Enterprises Development Act, 2006. On the basis of the information and the records available with the Company, the following disclosures are made for the amount due to the Micro Small and Medium enterprises who have registered with the competent authorities:- (in lacs)

SR NO.	PARTICULARS	31/03/2010	31/03/2009
1	Principal amount remaining unpaid to any supplier as at the year end	29.25	0.00
2	Amount of interest paid by the Company in terms of Section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the day during the accounting year.	0.00	0.00
3	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the day during the year) but without adding the interest specified under the MSMED.	0.00	0.00
4	Amount of interest accrued and remaining unpaid at the year end of the accounting year.	0.00	0.00
	The List of SME includes		
	Total		
1	Shakti Chemicals	1526658.00	
2	Shree Gayatri Ice Factory	657077.00	
3	Shree Kuvarika Industries	559386.00	
4	Shree Vahanvati Ice Factory	181540.00	
		2924661.00	

- 14] The Company has made investments for the incorporation of Subsidiary Company Dynamic USA Inc. of Rs. 50000/- in the earlier year in the United States of America, the same has been written off to the Profit & Loss A/c during the year.
15] The Company has made investments for incorporation of wholly owned subsidiary company Dynamic USA Inc. of Rs. 3413180/- which was outstanding at the previous year end (including forex gain/ loss), in the United States of America, and the same was 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 incorporated for the marketing of the products of the company. As informed to us, the said subsidiary has been closed and hence, the final accounts are not available to us, and so, the results of the said subsidiary has not been included in separately prepared consolidated financial statements, and the aforesaid amount of Rs. 3413180/- has been written off to the Profit & Loss A/c.
16] 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. 45540/- in the previous year. During the year under review, the aforesaid amount of Rs. 45540/- has been written off to the Profit & Loss A/c, as per information given to us, the activity of the US subsidiary has been closed.
17] 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, 2010 is estimated at Rs 295302/-. This Accounting Policy has no impact on the profit for the year. There is no excise duty on stocks of finished goods of EOU-II, as the said unit is 100% EOU, on which excise duty is not applicable.
18] Additional information pursuant 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	2009-10	2008-09
(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	2,820 MT

B (i) : Production, Purchase, Sales and Stock of Finished Goods (As certified by Management) for the Year ended as on 31-3-2010

Sr No	Products	Unit	Opening Stock		Purchases		Production		Captive Consumption		Sale		Closing Stock	
			Qty	Amount Rs.	Qty	Amount Rs.	Qty	Amount Rs.	Qty	Amount Rs.	Qty	Amount Rs.	Qty	Amount Rs.
1	(I) Finished Goods (Packed) : Dyes & Intermediates	Kgs.	4,677.145 (17,468.280)	10,23,445 (35,02,226)	0.000 (0.000)	0 (0)	40,16,230.730 (25,72,583.230)	24,90,083.300 (16,27,726.570)	15,21,211.325 (9,57,647.795)	26,35,28,907 (20,30,31,539)	9,613.250 (4,677.145)	17,22,242 (10,23,445)		
2	Food Colours	Kgs.	92,308.390 (34,516.590)	1,98,28,996 (1,31,56,570)	0.000 (0.000)	0 (0)	23,07,574.900 (13,35,176.000)	4,44,406.900 (84,511.750)	17,90,950.200 (11,92,872.450)	36,27,67,590 (27,56,41,936)	1,64,526.190 (92,308.090)	3,02,47,386 (1,98,28,996)		
	Total (I)			2,08,52,441 (1,66,58,796)		0 (0)	63,23,805.630 (39,07,759.230)			62,62,96,498 (47,86,73,475)		3,19,69,628 (2,08,52,441)		
1	(II) Semi Finished Goods : Dyes & Intermediates	Kgs.	60,965.566 (67,379.490)	69,93,603 (62,65,204)	0.000 (0.000)	0 (0)	30,417.770 (25,359.500)	30,866.700 (31,773.430)	0.000 (0.000)	0 (0)	60,516.630 (60,965.560)	41,74,174 (69,93,603)		
2	Food Colours	Kgs.	12,685.500 (20,185.500)	19,74,301 (32,63,934)	0.000 (0.000)	0 (0)	19,740.000 (0.000)	12,454.400 (7,500.000)	0.000 (0.000)	0 (0)	19,971.100 (12,685.500)	19,93,278 (19,74,301)		
	Total (II)			89,67,903.6 (95,29,138)		0 (0)	50,157.770 (25,359.500)			0 (0)		61,67,452 (89,67,904)		
1	(III) Misc.items (By Products) : ETP Materials	Kgs.	0.000 (0.000)	0 (0)	0.000 (0.000)	0 (0)	1,517.520 (854.740)	0.000 (0.000)	1,517.520 (854.700)	24,290 (12,946)	0.000 (0.000)	0 (0)		
	Total (III)			0 (0)		0 (0)	1,517.520 (854.740)			24,290 (12,946)		0 (0)		
1	(IV) Trading Materials- Finished Goods : Trading Materials	Kgs.	0.000 (0.000)	0 (0)	34,706.000 (91,275.000)	19,83,837 (95,00,994)	0.000 (0.000)	0 (0)	0.000 (0.000)	26,41,055 (1,24,35,102)	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 (0)		19,83,837 (95,00,994)	0.000 (0.000)	0 (0)	0.000 (0.000)	26,41,055 (1,24,35,102)		0 (0)		
	GRAND TOTAL			2,98,20,344 (2,61,87,934)		19,83,837 (95,00,994)	63,75,480.920 (39,33,973.470)			62,89,61,842 (49,11,21,522)		3,81,37,080 (2,98,20,345)		

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. 2008-09

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	33,430.000	24,71,393	5,252.000	4,66,630
2	Aniline Oil	Kgs	21,664.000	11,09,657	5,814.000	4,61,525
3	Ethyl Acetate(Captive)	Kgs	22,050.000	5,39,845	12,975.000	3,05,247
4	Sodium Metal	Kgs	7,341.000	4,28,311	9,368.000	8,45,815
5	Benzene	Ltrs.	1,144.000	25,724	5,249.000	2,36,073
6	Iodine	Kgs	736.500	8,22,479	400.000	5,44,724
7	Others	Kgs	2,14,512.153	1,27,83,190	4,27,635.847	2,16,28,951
	Total Rs.			1,81,80,600		2,44,88,965

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

Sr. No	Particulars	Unit	2009-10		2008-09	
			Qty	Amount Rs.	Qty	Amount Rs.
1	Di Ethyl Oxalate	Kgs	9,20,260.000	7,16,36,985	7,66,860.000	5,10,00,989
2	Aniline Oil	Kgs	10,79,000.000	6,68,90,198	6,59,600.000	3,85,53,090
3	Ethyl Acetate	Kgs	0.00	0	4,73,640.000	1,32,02,454
4	Ethyl Acetate(Captive)	Kgs	5,79,075.000	2,34,598	0.000	0
	Captive Prod.	Kgs				
5	Sodium Metal	Kgs	1,43,523.000	1,19,79,576	1,18,349.000	61,48,896
6	Benzene	Ltrs.	49,099.000	18,56,604	54,815.000	22,88,837
7	Beta Naphthol	Kgs	2,41,000.000	2,64,21,385	75,400.000	86,92,373
8	Iodine	Kgs	4,836.500	68,92,110	5,628.000	62,34,546
9	Others	Kgs	1,31,23,703.780	19,53,63,474	55,79,712.017	11,37,86,946
	Total Rs.			38,12,74,931		23,99,08,131

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

Particulars	Current Year Amount Rs.	Previous Year Amount Rs.
Raw Materials	6,45,32,087	4,68,85,187
Stores & Spares	NIL	NIL
Capital Goods	NIL	NIL

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

Sr. No.	Particulars	2009-10		2008-09	
		Amount Rs.	% of Total	Amount Rs.	% of Total
A	Imported	6,45,32,087	17%	4,68,85,187	15%
B	Indigeneous Raw Materials	32,30,51,209	83%	26,79,08,077	85%
	Stores & Spares	0	0%	0	0
C	Expenses in Foreign currency	18,03,782	0%	12,60,205	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	41,36,59,835	0%	32,58,65,212	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 : 29.05.2010

**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, 2010
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	20,600 Equity Shares of Rs. 100/-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 :	15,62,730
	a] Not dealt within the Holding Company's accounts	
	i] For the period 1st April, 2009 to 31st March, 2010	15,62,730
	ii] For the previous period(s) since it become the Holding Company's Subsidiary (Loss)	12,69,132
	a] Dealt within the Holding Company's accounts	
	i] For the period 1st April,2009 to 31st March,2010	0
	ii] For the previous period(s) since it become the Holding Company's Subsidiary	0

2	Name of Subsidiary Company	Dynamic USA INC
		The subsidiary company was incorporated by the Company on 06.09.2005 with a view to to expand geographical as well as to develop market of its products in USA. However due to tough market conditions and non-availability of experienced staff at USA, the said subsidiary failed to substantially start its business activities and the said subsidiary has been closed down on.
		As the said subsidiary has been closed down, financial data and other data are not attached.

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 : 29.05.2010

Annexure – I

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 (542)	372.85 (372.85)	2,02,083.08 (2,02,083.08)	286.35 (81.90)	1,55,201.70 (44,389.80)	-46,881.38 (-1,57,693)
Finance – Banks – Private Sector						
HDFC Bank	0 (1)	0 (1940.69)	0 (1940.69)	0 (973.4)	0 (973.4)	0 (-967)
Finance – Banks – Public Sector						
IDBI	0 (500)	0 (89.45)	0 (44,725.30)	0 (45.4)	0 (22,700)	0 (-22,025)
Finance – Term Lending Institutions						
IDFC	0 (1,000)	0 (106.74)	0 (1,06,741.70)	0 (54.2)	0 (54,200)	0 (-52,542)
Mining / Minerals						
GMDC	300 (300)	144.41 (144.41)	43,322.84 (43,322.84)	141.9 (39.65)	42,570.00 (11,895)	-752.84 (-31,426)
Sesa Goa	0 (10,000)	0 (174.36)	0 (17,43,622.85)	0 (100.75)	0 (10,07,500)	0 (-7,36,123)
Miscellaneous						
Reliance Natural Resources Ltd.	3,000 (3,000)	167.50 (167.50)	5,02,504.70 (5,02,504.70)	62.25 (44.85)	1,86,750.00 (1,34,550.00)	-3,15,754.70 (-3,67,955)
Other						
Sejal Architectural Glass Ltd.	2,500 (8,000)	58.53 (59.87)	1,46,323.57 (4,78,970.97)	77.75 (23.15)	1,94,375.00 (1,85,200.00)	48,051.43 (-2,93,771)
Paper & Paper Boards						
Kalptaru Papers Ltd.	25,000 (25,000)	83.03 (83.03)	20,75,826.50 (20,75,826.50)	13.97 (10.27)	3,49,250.00 (2,56,750)	-17,26,576.50 (-18,19,077)
Pesticides/Agro Chemicals						
Meghmani Organics Ltd.	2,500 (2,500)	19.77 (19.77)	49,425.00 (49,425.00)	16.00 (6.81)	40,000.00 (17,025.00)	-9,425.00 (-32,400.00)
Pharmaceuticals						
Sun Pharma Advanced Research Company Ltd.	2,500 (2,500)	98.63 (98.63)	2,46,568.00 (2,46,568.00)	99.65 (52.80)	2,49,125.00 (1,32,000.00)	2,557.00 (-1,14,568)
Power – Generation / Distribution						
JP Hydro Power	0 (1,500)	0 (58.17)	0 (87,256.70)	0 (29.15)	0 (43,725)	0 (-43,532)
Reliance Power	0 (5,000)	0 (146.72)	0 (7,33,612.46)	0 (102.50)	0 (5,12,500)	0 (-2,21,112)
Refineries						
Reliance Industries Limited (Formerly known as RPL)	1,256 (10,050)	1,374.53 (171.78)	17,26,404.02 (17,26,404.02)	1,074.65 (95.15)	13,49,760.40 (9,56,257.50)	-3,76,643.62 (-7,70,147)
Sugar – Others						
Renuka Sugar	0 (643)	0 (136.24)	0 (87,605.41)	0 (91.3)	0 (58,705.90)	0 (-28,900)
Telecommunications – Service						
Reliance Communications Ltd.	450 (450)	687.89 (687.89)	3,09,549.24 (3,09,549.24)	170.7 (174.85)	76,815.00 (78,682.50)	-2,32,734.24 (-2,30,867.00)
Equity Total			53,02,007.00 (84,40,159.00)		26,43,847.00 (35,17,054.00)	-26,58,160.00 (-49,23,105.00)
Net Asset Value			53,02,007.00 (84,40,159.00)		26,43,847.00 (35,17,054.00)	-26,58,160.00 (-49,23,105.00)

Annexure – II

LIST OF INVESTMENT IN MUTUAL FUND SHOWING MARKET VALUE AND COST VALUE

Scheme	Units	Cost Price	Hldg. Cost	Mkt. Price	Mkt. Value
Fidelity India Growth Fund	97,799.51 (97,799.51)	10 (10)	10,00,000.00 (10,00,000.00)	10.733 (5.612)	10,49,682.15 (5,48,850.86)
HDFC Mid-Cap Equity Fund	50,000.00 (50,000.00)	10 (10)	5,00,000.00 (5,00,000.00)	13.089 (5.876)	6,54,450.00 (2,93,800.00)
HSBC Unique Opportunities Fund	20,000.00 (20,000.00)	10 (10)	2,00,000.00 (2,00,000.00)	10.1983 (5.6683)	2,03,966.00 (1,13,366)
JM Basic Fund	0 (1,19,930.215)	0 (15.8425)	0 (19,00,000.00)	0 (8.2929)	0 (9,94,569.28)
HDFC AMC PMS (Real Estate Portfolio)	19,193.00 (6,886.00)	229.937 (356.812)	44,13,177.00 (24,57,014.00)	263.858 (396.35)	50,64,226.00 (27,29,264.00)
Total Portfolio Value			61,13,177.00 (60,57,014.00)		69,72,324.15 (46,79,850.14)

The figures shown in the brackets relates to the previous year i.e. 2008-09.

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, 2010 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 Stantard (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.

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, 2010,
 - (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

[**RAJESH D. SHAH**]

PROPRIETOR
M. No. : 36232

Place : Ahmedabad

Date : 29.05.2010

BALANCE SHEET AS AT 31ST MARCH, 2010

Sr.	No.	Particulars	Sch.	31/3/2010		31/3/2009	
				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	19,57,91,081	30,90,75,571	16,40,00,476	27,72,84,966
2		MINORITY INTEREST			5,73,521		5,51,793
3		LOAN FUNDS :					
	[a]	Secured Loans	3	16,17,88,913		14,54,08,042	
	[b]	Unsecured Loans	4	1,16,39,869	17,34,28,782	63,37,849	15,17,45,891
4		DEFERRED TAX LIABILITY			2,73,32,783		2,00,60,637
		Refer to Note No. 1(j) & 2 of schedule 21					
		Total Rs.			51,04,10,657		44,96,43,287
B.		APPLICATION OF FUNDS :					
1		FIXED ASSETS :	5				
	[a]	Gross Block		35,21,21,533		30,39,42,718	
	[b]	Less : Depreciation		5,65,45,966		4,23,07,171	
	[c]	Net Block		29,55,75,567		26,16,35,547	
		CAPITAL WORK IN PROGRESS		0		4,61,70,216	
2		INVESTMENTS	6		29,55,75,567		30,78,05,763
3		CURRENT ASSETS, LOANS & ADVANCES :	7		2,18,03,224		2,32,65,808
	[a]	Inventories		6,97,21,131		5,94,17,162	
	[b]	Sundry Debtors		12,84,23,542		7,34,24,098	
	[c]	Cash & Bank Balances		1,04,42,576		69,62,416	
	[d]	Loans & Advances		6,20,69,306		4,02,10,938	
				27,06,56,555		18,00,14,614	
		Less : CURRENT LIABILITIES & PROVISIONS					
	[a]	Current Liabilities	8	3,98,68,643		4,13,96,757	
	[b]	Provisions		3,77,56,046		2,00,46,142	
				7,76,24,689		6,14,42,899	
		Net Current Assets			19,30,31,866		11,85,71,716
4		MISCELLANEOUS EXPENDITURE	9		0		0
		(To the extent not written off)					
		Total Rs.			51,04,10,657		44,96,43,287

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 : 29.05.2010

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

Sr.	No.	Particulars	Sch.	31/3/2010		31/3/2009	
				Rupees	Rupees	Rupees	Rupees
A.		INCOME :					
	1	Sales (net)		63,82,52,961		49,22,61,954	
	2	Other Income	10	1,24,51,668		59,03,694	
	3	Increase/Decrease in Stocks	11	34,09,094		(1,03,316)	
		Total Rs.			65,41,13,723		49,80,62,332
B.		EXPENDITURE :					
	1	Materials, Manufacturing & Operating Costs	12	48,55,94,776		38,92,19,738	
	2	Purchase of Finished & Trading Materials		85,24,588		1,04,07,361	
	3	Salaries, Wages & Bonus	13	1,99,98,316		1,93,98,525	
	4	Repairs & Maintenance	14	1,10,80,127		79,63,776	
	5	Administrative & Other Expenses	15	2,00,31,696		1,49,49,932	
	6	Interest & Financial Exps.	16	1,76,30,093		1,46,33,853	
	7	Depreciation		1,44,92,216		96,32,832	
	8	Preliminary Expenses written off		0		59,451	
		Total Rs.			57,73,51,812		46,62,65,467
		Profit before Taxation			7,67,61,911		3,17,96,865
		Less: Provision for Taxation					
		Current Tax			1,98,94,175		61,65,550
		Deferred Tax			72,72,146		64,53,537
		Fringe Benefit tax			0		1,56,963
	16	Net Profit for the Year			4,95,95,590		1,90,20,816
		Add:- Net Balance Profit of Last Year			5,25,62,455		4,80,74,458
		Add/ (Less):- Taxation of earlier years			5,53,422		(47,781)
					10,16,04,623		6,70,47,493
		Less : Profit transfered to Minority Interest			21,728		318
		(Loss) Tr.to Cost of Control on Consolidation			0		0
	17	Balance available for Appropriation			10,15,82,895		6,70,47,174
		Appropriations :					
		General Reserves		24,60,000		12,31,000	
		Proposed Dividend		1,47,26,984		1,13,28,449	
		Tax on Dividend		25,02,851		19,25,270	
					1,96,89,835		1,44,84,719
	18	Balance Carried to Balance Sheet			8,18,93,060		5,25,62,455
		Earning Per Share					
		Basic			4.38		1.68
		Diluted			4.38		1.68

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 : 29.05.2010

**CONSOLIDATED CASH FLOW STATEMENT OF
DYNEMIC PRODUCTS LTD. FOR THE YEAR ENDED ON 31ST MARCH, 2010**

Sr.	PARTICULARS	31/3/2010	31/3/2009
A]	CASH FLOW FROM OPERATING ACTIVITIES		
	NET PROFIT AFTER TAX & EXTRA ORDINARY ITEMS	4,96,01,676	1,90,28,275
	ADJUSTMENTS FOR :-		
	PROVISION FOR TAX & DEFERRED TAX	2,71,60,238	1,27,68,590
	MISC.EXPS.WRITTEN OFF	0	59,451
	DEPRECIATION	1,44,92,216	96,32,832
	DEPRECIATION WRITTEN BACK	(2,53,426)	(3,25,557)
	DIMINUTION IN THE VALUE OF INVESTMENTS	(22,64,945)	7,43,766
	INTEREST & FINANCIAL CHARGES	1,77,38,718	1,46,33,853
	INTEREST/ DIVIDEND INCOME	(12,25,142)	32,48,526
	OPERATING PROFIT BEFORE WORKING		
	CAPITAL CHANGES	10,52,49,335	5,97,89,736
	ADJUSTMENTS FOR :-		
	TRADE & OTHER RECEIVABLES	(5,49,99,445)	(1,11,27,507)
	INVENTORIES	(1,03,03,969)	53,33,844
	TRADE PAYABLES	(15,28,113)	1,91,82,847
	LOANS & ADVANCES	(95,64,537)	39,10,335
	CASH GENERATED FROM OPERATIONS	2,88,53,271	7,70,89,255
	DIRECT TAXES PAID	(1,80,20,000)	(90,89,310)
	NET CASH FROM OPERATING ACTIVITIES	1,08,33,271	6,79,99,945
B]	CASH FLOW FROM INVESTING ACTIVITIES		
	PURCHASE OF FIXED ASSETS	(29,54,819)	(9,82,52,484)
	SALE OF FIXED ASSETS	5,12,005	2,31,440
	SALES OF INVESTMENTS	37,27,529	3,65,872
	INCOME TAX REFUND/ PAID FOR EARLIER YEARS	(5,53,422)	0
	INTEREST/ DIVIDEND INCOME RECEIVED	12,25,142	(32,48,526)
	NET CASH USED IN INVESTING ACTIVITIES	19,56,435	(10,09,03,698)
C]	CASH FLOW FROM FINANCING ACTIVITIES		
	PROCEEDS FROM BORROWINGS	2,16,82,891	6,38,51,598
	INTEREST & FINANCIAL CHARGES PAID	(1,77,38,718)	(1,46,33,853)
	DIVIDEND & DIVI. TAX PAID	(1,32,53,719)	(1,32,53,719)
	NET CASH USED FROM FINANCING ACTIVITIES	(93,09,546)	3,59,64,026
D]	NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	34,80,160	30,60,272
E]	CASH AND CASH EQUIVALENTS(OPENING)	69,62,416	39,02,144
F]	CASH AND CASH EQUIVALENTS(CLOSING) (D + E)	1,04,42,576	69,62,416

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 : 29.05.2010

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2010		31/3/2009	
		Rupees	Rupees	Rupees	Rupees
	SCHEDULE : 1 : SHARE CAPITAL :				
[a]	Authorised Share Capital [13000000 Equity Share of Rs. 10/- each] [PYF 13000000 Equity Shares]		13,00,00,000		13,00,00,000
			13,00,00,000		13,00,00,000
[b]	Issued, Subscribed and paid up : [11328449 Equity Shares of Rs. 10/- each fully paid up (PYF 11328449)]. [Out of the above 4125820 [P.Y.F.672880] Equity Shares were allotted as fully paid up Bonus Shares to the existing Shareholders without payment being received in cash] [Out of the above 1400000 Equity shares were allotted as fully paid up to the partners of erstwhile partnership 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	77,57,820		65,26,820	
	Add : Transferred from Profit & Loss A/c.	24,60,000		12,31,000	
		1,02,17,820		77,57,820	
	Less: Transfer for utilization in Bonus Shares	0	1,02,17,820	0	77,57,820
	(ii) Profit & Loss A/c. Balance		8,18,93,060		5,25,62,455
	(iii) Share Premium on issue of Equity Shares	10,36,80,201		10,36,80,201	
			10,36,80,201		10,36,80,201
	Total Rs.		19,57,91,081		16,40,00,476
	SCHEDULE : 3 : SECURED LOANS :				
[a]	C.C.Hypo A/c. :				
	* Citi Bank N.A.		65,42,535		2,97,66,403
	* HDFC Bank Ltd.		0		2,05,47,756
	* Axis Bank Ltd.		1,95,49,784		0
	[HP. C.C. A/c. Secured against mortgage/charge on all immovable properties & stocks of Raw Materials, Stores, Finished Goods etc. & personal guarantee of Directors.]				
[b]	P.C.F.C.A/c. :				
	* Citi Bank N.A.		7,62,66,837		5,26,75,393
	* HDFC Bank Ltd.		0		21,68,490
	[P. C. F. C. A/c. Secured against mortgage/charge on all immovable properties & book debts relating to mfg. of Industrial Dyes & Chemicals & personal guarantee of Directors.]				
[c]	W.C.D.LA/c (Security as above)				
	* Citi Bank N.A.		2,00,00,000		0
[d]	Term Loan A/c (Security as above)				
	* Citi Bank N.A.		2,32,50,000		4,02,50,000
	* Axis Bank Ltd.		1,61,79,757		0
	Total Rs.		16,17,88,913		14,54,08,042
	SCHEDULE : 4 : UNSECURED LOANS :				
[a]	Fixed Deposits from Directors		13,10,373		11,99,783
[b]	Fixed Deposits from Share holders		83,62,841		45,92,996
[c]	Fixed Deposits from Public		19,66,655		5,45,070
	Total Rs.		1,16,39,869		63,37,849

SCHEDULE : 5 : FIXED ASSETS

Sr No	NAME OF THE ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As on 01/04/09 Rs.	Addition during the Year Rs.	Deduction during the Year Rs.	As on 31/03/10 Rs.	As on 01/04/09 Rs.	Addition during the Year Rs.	Deduction during the Year Rs.	As on 31/03/09 Rs.	As on 31/03/10 Rs.	
1	Goodwill (on Consolidation)	5,976	0	0	5,976	0	0	0	5,976	5,976	
2	Building	9,41,08,312	2,97,68,089	0	12,38,76,401	72,04,450	40,37,758	0	8,69,03,862	11,26,34,194	
3	Computer	14,08,054	1,61,580	0	15,69,634	11,48,969	2,37,061	0	2,59,085	1,83,605	
4	Electric Fitting & Install.	1,14,40,461	7,87,320	0	1,22,27,781	16,60,745	5,76,716	0	97,79,716	99,90,320	
5	Furniture	75,61,745	66,278	0	76,28,023	33,68,981	4,81,576	0	41,92,764	37,77,466	
6	Lab Equipments	56,26,495	92,126	0	57,18,621	13,74,429	2,69,456	0	42,52,066	40,74,736	
7	Machineries	13,41,76,389	1,65,32,961	4,34,215	15,02,75,135	1,87,86,171	70,70,624	2,09,609	11,53,90,218	12,46,27,949	
8	Office Equipments	29,34,807	63,462	0	29,98,269	12,89,539	1,86,694	0	16,45,268	15,22,035	
9	Office Premises	64,97,591	0	0	64,97,591	4,47,915	1,16,359	0	60,49,676	59,33,317	
10	Pollu.Eff Treatment	53,87,481	0	0	53,87,481	27,71,182	2,55,908	0	26,16,299	23,60,391	
11	Resi.Premises	19,35,903	0	5,12,005	14,23,898	1,98,946	25,296	43,817	17,36,957	12,43,473	
12	Motor Cycle	5,14,838	0	0	5,14,838	1,55,975	23,268	0	3,58,863	3,35,595	
13	Motor Car	48,10,338	0	0	48,10,338	19,88,225	4,56,984	0	28,22,113	23,65,129	
14	Electric Motor & Pumps	18,96,932	54,396	15,000	19,36,328	5,19,950	90,707	0	13,76,982	13,25,671	
15	Fire fighting Equipments	1,00,916	4,57,729	0	5,58,645	28,123	26,256	0	54,379	5,04,266	
16	Gas Inst.& Fab	21,74,984	61,482	0	22,36,466	3,35,933	74,526	0	18,39,051	18,26,098	
17	Lease Hold Land	1,13,14,645	5,705	0	1,13,20,350	0	0	0	1,13,14,645	1,13,20,350	
18	Pipes & Valve Fittings	82,28,918	6,45,664	0	88,74,582	5,91,314	2,94,501	0	76,37,604	79,88,768	
19	Storage Tank	24,99,239	4,46,043	2,800	29,42,482	3,23,254	97,901	0	4,21,155	25,21,327	
20	ERP Computer Software	12,15,334	0	0	12,15,334	32,834	1,58,934	0	1,91,768	10,23,566	
21	Dies	1,03,360	0	0	1,03,360	80,241	11,692	0	91,933	11,427	
Total Rs.		30,39,42,718	4,91,42,835	9,64,020	35,21,21,533	4,23,07,176	1,44,92,216	2,53,426	5,65,45,965	29,55,75,567	
Previous Years		16,94,01,463	13,57,56,795	12,15,504	30,39,42,718	3,29,99,895	96,32,832	3,25,557	4,32,07,170	26,16,35,549	

Project under implementation:-

1	Capital Work in Progress	4,61,70,216	0	4,61,70,216	0	0	0	0	4,61,70,216	0
2	ERP Software Under Implementation	0	0	0	0	0	0	0	0	0
TOTAL		4,61,70,216	0	4,61,70,216	0	0	0	0	4,61,70,216	0

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2010		31/3/2009	
		Rupees	Rupees	Rupees	Rupees
	SCHEDULE : 6 : INVESTMENTS :				
[I]	TRADE INVESTMENTS (At Cost)				
(A)	Investments in Subsidiary				
	(i) Unquoted Investments				
	(1) Dynamic Overseas (India) P. Ltd. Shares [20600 Shares of Rs.100 each (P.Y.F.20600)]	0		0	
	(2) Dynamic USA Inc. Shares [1000 Shares of US\$ 1/- each (P.Y.F. Nil)] [Exchange Rate US\$ 1/- = Rs. 45.54]	0		45,540	
			0		45,540
(B)	Other Investments				
	(i) Other Quoted Investments- Equity Shares				
	(1) Gujarat State Financial Corpn.Ltd. [190 Shares of Rs. 200 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)	53,02,007		84,40,159	
		53,40,007		84,78,159	
	Less:- Provision for Diminution in value of Investments	26,58,160		49,23,105	
	(The list is attached as Annexure I showing cost and market value of all the shares)		26,81,847		35,55,054
	(ii) Other Unquoted Investments- Shares				
	* Enviro Technology Ltd. Shares [15000 Shares of Rs.10 each(P.Y.F.15000)]	1,50,000		1,50,000	
	* Bharuch Enviro Infrastructure Ltd. [1260 Shares of Rs.10 each(P.Y.F.1260)]	12,600		12,600	
	* Bharuch Eco-Aqua Infra.Ltd [32300 Shares of Rs.10 each (P.Y.F. 32300)]	3,23,000		3,23,000	
	* Forum (Chandolidia) Aawas Owner'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. [1010000 Shares Of Rs.10 each (P.Y.F.1010000)]	1,01,00,000		1,01,00,000	
	* Ank.Res. & Analy.Inf.Ltd. [1000 Shares of Rs.10 each (P.Y.F. 1000)]	10,000		10,000	
			1,06,08,200		1,06,08,200
[II]	OTHER INVESTMENT (At Cost)				
	Investments in Unquoted Mutual Funds				
	Non-Liquid Dividend Plan (Balance)				

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2010		31/3/2009	
		Rupees	Rupees	Rupees	Rupees
	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)	44,13,177		24,57,014	
	HDFC MID CAP EQUITY FUND	5,00,000		5,00,000	
	HSBC Unique Opportunities Fund	2,00,000		2,00,000	
	JM Basic Fund	0		19,00,000	
		61,13,177		60,57,014	
	(The list is attached as Annexure II showing cost and market value of all MF)		61,13,177		60,57,014
	Investment In Resie. Flat	24,00,000		30,00,000	
			24,00,000		30,00,000
	Total Rs.		2,18,03,224		2,32,65,808
	SCHEDULE : 7 : CURRENT ASSETS AND LOAN & ADVANCES :				
[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	2,44,88,965		1,81,80,600	
*	Packing Material.....	18,98,092		12,88,825	
*	ETP stock	37,612		60,369	
*	Waste	0		25,931	
*	Work in progress.....	51,59,382		1,00,41,092	
*	Finished Goods ...	3,19,69,628		2,08,52,441	
*	Semi Finished Goods.....	61,67,452		89,67,904	
			6,97,21,131		5,94,17,162
	SUNDRY DEBTORS (Unsecured Considered Good)				
*	Due Over Six Months.	4,17,447		9,51,332	
*	Others	12,80,06,095		7,24,72,766	
	(Includes Due from Subsidiaries Rs.0(PYF 0/-) (Considered doubtful Rs.446338/-)		12,84,23,542		7,34,24,098
	CASH AND BANK BALANCE :				
*	Foreign cheques & currencies a/c.	0		5,093	
*	Cash-in-hand	1,21,127		82,376	

SCHEDULES FORMING PART OF ACCOUNTS

Particulars	31/3/2010		31/3/2009	
	Rupees	Rupees	Rupees	Rupees
* Balance with Schedule Bank in current a/c	89,60,704		48,29,165	
* Balance with Non-Schedule Bank in current a/c	2,17,726		2,65,343	
Balance with Non-Schedule Bank in margins a/c	72,344		2,965	
* Balance with Schedule Bank in Fixed Deposits	10,70,675		17,77,474	
		1,04,42,576		69,62,416
[B] LOANS AND ADVANCES :				
* Advances recoverable either in Cash or in Kind or for value to be received.	2,77,61,187		1,84,97,876	
* Deposits with Govt. Bodies & Others	80,98,957		83,92,021	
* Advance Income tax (FY 0809)	28,80,630		90,00,000	
* Advance Income tax (FY 0910)	1,80,20,000		0	
* Advance Fringe Benefit Tax	0		89,310	
* Advances given for expenses	6,36,179		34,152	
* Advances given for goods	46,72,353		7,34,400	
* LOANS AND ADVANCES TO SUBSIDIARIES				
* Dymenic USA Inc	0		50,000	
* Dymenic USA Inc	0		34,13,180	
(Refer to Note No. 15 & 16 of Schedule 17: Notes to Accounts)				
		6,20,69,306		4,02,10,939
Total Current Assets and Loans & Advances		27,06,56,555		18,00,14,613
SCHEDULE : 8 : CURRENT LIABILITIES :				
CURRENT LIABILITIES :				
* Sundry Creditors	3,84,13,549		3,99,85,582	
* Share Application Money Refundable	10,72,875		10,72,875	
* Unclaimed Dividend (2008-09)	1,23,129		0	
* Unclaimed Dividend (2007-08)	99,035		1,04,785	
* Unclaimed Dividend (2006-07)	73,091		73,591	
* Unclaimed Dividend (2005-06)	81,552		81,552	
* Advance from Customers	5,412	3,98,68,643	78,371	4,13,96,757
PROVISIONS :				
* Leave Encashment Salary Provisions	6,32,036		4,69,910	
* Proposed Dividend	1,47,26,984		1,13,28,449	
* Tax on Proposed Dividend	25,02,851		19,25,270	
* Provision for Taxation for FBT	0		1,56,963	
* Provision for Taxation for current tax	1,98,94,175	3,77,56,046	61,65,550	2,00,46,142
Total Rs.		7,76,24,689		6,14,42,899
SCHEDULE : 9 : MISCELLANEOUS EXPENSES				
(To the extent not Written Off)				
PRELIMINARY EXPENSES :				
* Last Balance	0		59,451	
* Add : Additions during the year	0		0	
	0		59,451	
* Less : Written off during the year	0	0	59,451	0
Total Rs.		0		0

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2010		31/3/2009	
		Rupees	Rupees	Rupees	Rupees
	SCHEDULE : 10 : OTHER INCOME :				
	OTHER BUSINESS RELATED INCOME				
*	Environmental Subsidy	0		10,00,000	
*	Cash Discount Received	5,10,949		4,76,302	
*	Foreign Exchange Gain & Loss	3,09,119		20,14,204	
*	Office Rent Income	1,08,000		1,08,000	
*	Conversion Charge Income	46,77,750		42,19,950	
*	DEPB Income	4,23,708		3,38,218	
*	Drawback Income	1,37,689		4,14,535	
*	Excise Refund Income	18,91,174		0	
*	Freight Recovered	7,974		2,56,756	
*	Interest On GEB Deposit	58,659		27,627	
*	Interest On ETL Deposit	1,11,000		61,638	
*	Packing Material Income	2,11,697		9,02,145	
*	Profit On Sale Of Res. Premises	958		0	
*	Profit on Sale of Res. Premises	81,812		0	
*	Profit/loss on Sale of VKYP	5,136		0	
*	Creditors W/O	1,09,308		0	
*	Kasar, Rates & Quality Difference.	61,201		569	
*	Quantity Discount	90,023		0	
*	Income Tax Refund	0		3,570	
*	Insurance Claim Receivable	13,480		9,644	
*	Misc Income	4,910		6,241	
*	Vishesh Krishi Upaj Yojana Income	1,47,034		0	
*	Vat Refund on Foreign Exhibitions	0		56,587	
	TOTAL	89,61,581		98,95,986	
	OTHER INVESTMENT RELATED INCOME				
*	Dividend on Mutual Fund	3,53,670		52,355	
*	Dividend From Company	41,965		98,009	
*	Interest on HDFC Real Estate Fund	1,14,030		65,769	
*	Interest on FD (Bank)	1,57,846		88,424	
*	Interest on Staff Loan	42,907		0	
*	Short Term Capital Gain-KOTAK MAHINDRA MF	6,56,742		(49,18,306)	
	TOTAL	13,67,160		(46,13,749)	
	LESS:- EXPENDITURE RELATING TO INCOME ON INVESTMENTS				
*	Service Tax - Kotak	0		16,122	

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2010		31/3/2009	
		Rupees	Rupees	Rupees	Rupees
*	Other Shares Related Expenses-Kotak	0		1,49,477	
*	Securities Transaction Tax - Kotak	4,759		93,634	
*	Securities Transaction Tax - Mutual Fund	6,852		1,367	
*	Management Cons. Fees & Entry Load	1,30,407		23,591	
*	Provision for Demuniton in the Value of Investments	(22,64,945)		(9,05,648)	
	TOTAL	(21,22,927)		(6,21,457)	
	NET INCOME ON INVESTMENTS	34,90,087		(39,92,292)	
	Total Rs.		1,24,51,668		59,03,694
	SCHEDULE : 11 : INCREASE / DECREASE IN				
	STOCKS :				
	CLOSING STOCK :				
*	Finished Goods	3,19,69,628		2,08,52,441	
*	Semi Finished Goods	61,67,452		89,67,904	
*	Stock with Custom warehouse	0		25,931	
*	Work-in-Progress	51,59,382		1,00,41,092	
			4,32,96,462		3,98,87,368
	OPENING STOCK :				
*	Finished Goods	2,08,52,441		1,66,58,796	
*	Goods in transit - Stock with Custom warehouse	25,931		3,938	
*	Semi Finished Goods	89,67,904		95,29,138	
*	Work-in-Progress	1,00,41,092		1,37,98,812	
			3,98,87,368		3,99,90,684
	Increase (Decrease) in Stocks...		34,09,094		(1,03,316)
	SCHEDULE : 12 : MATERIALS, MANUFACTURING & OPERATING COSTS				
A	RAW MATERIALS CONSUMED				
*	Opening Stock	1,81,80,600		2,36,83,444	
	Add. : Purchase during the year	38,75,83,296		31,47,93,264	
		40,57,63,896		33,84,76,708	
	Less : Closing Stock	2,44,88,965		1,81,80,600	
	Total Rs.		38,12,74,931		32,02,96,108
B	PACKING MATERIAL CONSUMED				
*	Op. Stock	12,88,825		10,21,069	
	Add: Purchases during the year	1,35,29,558		88,36,201	
		1,48,18,383		98,57,270	
	Less : Closing stock	18,98,092		12,88,825	
	Total Rs.		1,29,20,291		85,68,445

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2010		31/3/2009	
		Rupees	Rupees	Rupees	Rupees
C	E.T.P MATERIAL CONSUMED				
*	Op. Stock	60,369		55,809	
	Add: Purchases during the year	24,92,658		20,78,369	
		25,53,027		21,34,178	
	Less : Closing stock	37,612		60,369	
	Total Rs.		25,15,415		20,73,809
D	POWER & FUEL CONSUMED				
*	Electric Power & Burning	18173046		1,12,67,052	
*	Fuel Purchased & Consumed	451037		5,35,173	
*	Gas Consumption Charges	28195771		1,42,84,454	
	Total Rs.		4,68,19,854		2,60,86,679
E	OTHER MFGS. EXPENSES				
*	Transportation	49,53,960		31,07,770	
*	Conversion Charges.	87,57,404		87,54,557	
*	Factory Exp	8,31,868		5,13,017	
*	Labour Charges	72,84,309		42,25,765	
*	Forwarding & Handling Charges	1,00,26,120		75,97,699	
*	Pallatisation Charges	2,46,416		2,11,948	
*	ETP Expense	81,33,162		19,77,240	
*	Freight & Cartage Exps	1,62,990		20,245	
*	Safety Expense	50,004		95,216	
*	Colour Expense	69,744		22,136	
*	Custom Duty on Debonding	1,58,489		0	
*	Consumable Stores	13,89,819		56,69,104	
	Total Rs.		4,20,64,285		3,21,94,697
	TOTAL:- MANUFACTURING COST		48,55,94,776		38,92,19,738
	SCHEDULE : 13 : SALARIES WAGES & BONUS				
*	Salary & Wages to Employees	1,17,36,110		86,28,414	
*	Salaries & Bonus to Directors	40,34,681		60,19,656	
*	Sitting Fees to Directors	1,40,000		92,500	
*	Salary & Wages Expense	6,51,885		7,27,767	
*	Leave Salary (Inc. Provisions -unpaid)	3,49,956		4,68,314	
*	Bonus & other charges	30,85,684		34,61,874	
	Total Rs.		1,99,98,316		1,93,98,525
	SCHEDULE-14 : REPAIRS AND MAINTENANCE				
*	Electrical Parts & Maintenance	4,91,053		3,47,111	
*	ETP Parts & Maintenance	49,38,080		55,91,740	

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2010		31/3/2009	
		Rupees	Rupees	Rupees	Rupees
*	Machinery Parts & Maintenance	16,20,955		16,61,342	
*	A.C. Service Charges	1,13,811		72,589	
*	Building Repairing	16,322		2,369	
*	Computer Maintenance & Consumables	1,98,001		97,329	
*	EPABX Maintenance	0		12,800	
*	Lab Equipment Repairing	1,18,912		8,700	
*	Furniture Repairing & Maint	47,968		23,720	
*	Type, Fax & Xerox Maintenance	3,450		6,210	
*	Vehicle Repairing (Director)	1,62,831		95,829	
*	Vehicle Repairing Exp	22,185		24,859	
*	Office Repairing Exps.	3,900		0	
*	Consumable Stores (Plant)	31,15,137		0	
*	Consumable Stores(Electricals)	2,27,522		0	
*	Residential Premises Repairing Exps.	0		18,578	
*	Mobile Repairing	0		600	
	Total Rs.		1,10,80,127		79,63,776
	SCHEDULE : 15 : ADMINISTRATIVE AND OTHER EXPENSES :				
*	Consultancy Fees	2,89,250		6,33,829	
*	Exhibition Exp.	5,85,134		7,30,334	
*	Insurance Premium	21,02,359		18,63,533	
*	Kasar, Rates & Quality Difference.	0		28,041	
*	Petrol Exps-Directors	2,83,053		2,95,898	
*	Selling Commission	14,97,147		18,10,199	
*	Staff Welfare Exps.	3,88,509		4,42,270	
*	Telephone Exps-Others	3,41,385		3,67,815	
*	Travelling & Conveyance (Director)	2,03,707		2,41,423	
*	Advances to Subsidiary W/o	30,36,307		0	
*	Investment in Subsidiary W/o	45,540		0	
*	Angadia & Courier Exp	4,80,692		3,45,735	
*	Audit Fees	3,55,000		3,55,000	
*	Bad Debts	6,32,818		0	
*	FDA Approval Fees	5,80,866		2,07,614	
*	Lab-Testing Exp	5,07,576		1,76,680	
*	Legal & Professional Charges	8,23,559		6,43,608	
*	Misc Office Exp	1,27,116		1,68,182	
*	Office Electric Bill Exp.	3,32,313		2,76,470	

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2010		31/3/2009	
		Rupees	Rupees	Rupees	Rupees
*	Security Exp	6,06,420		6,98,766	
*	Stationery & Printing Exp	8,16,247		8,07,699	
*	Water Charges	3,51,667		3,68,642	
*	Sales Promotion Exps	1,01,517		2,84,114	
*	Registration, Renewal & Filing Fees	6,03,944		1,68,082	
*	Stamp Paper and Franking Charges	9,41,270		6,70,920	
*	Advertisement Expense	3,03,401		2,99,209	
*	Loss on sale of Machinery	1,51,469		3,12,359	
*	Other Administrative & Establishment Exps	35,43,428		27,53,510	
	Total Rs.		2,00,31,696		1,49,49,932
	SCHEDULE : 16 : INTEREST & FINANCIAL EXPENSES:				
*	Interest	1,49,38,735		1,12,71,119	
*	Other Financial Charges	26,91,358		33,62,734	
	Total Rs.		1,76,30,093		1,46,33,853

SCHEDULE : 17

Significant Accounting Policies & Notes forming parts of Consolidated Accounts as on 31-3-2010

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 together 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.

- 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. Actuarial valuation for leave encashment is not available.
- 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 exps. has been credited to Service tax payable a/c. which has been set off against Modvate receivable for service tax paid on various exps. and balance of modvate receivable for Service tax paid on various exps. 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. 51383981/- (PYF 43957459/-) 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. 4677750/- (PYF Rs.4219950/-), 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.
- 13] **TAXES ON INCOME :-**
- Current tax is determined as tax payable in respect of taxable income of current year.
 - Deferred 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.
 - 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 revived to reassure realisation.
 - 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 outflow 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 all the units during the year. 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 has its operation in manufacturing, and marketing of Dyes & Dyes Intermediates The primary reporting segment for the company, therefore is the business segment, viz., Dyes & 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 customer which is :- 1) Domestic, 2) Export

Information about secondary segments:-

Particulars	Domestic	Exports	Unallocated	Total
Revenue by geographical market	21,53,02,007 (16,52,56,312)	42,29,50,954 (32,70,05,642)	0 (0)	63,82,52,961 (49,22,61,954)
Carrying amount of Segment Assets (Gross)	48,59,66,259 (46,06,51,008)	10,20,69,087 (5,04,35,178)	0 (0)	58,80,35,346 (51,10,86,186)

Figures in brackets are for the previous year.

3] Related Party Disclosures :-

A] List of parties where control exist

(i) Subsidiary Company

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

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

(ii) Associates :-

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

(iii) Key management personnel :-

Mr. Bhagwandas 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
Amisha Patel	Manager - Accounts
Pinky Mehta	Manager - Logistics
Josekutty Thomas	Chief Financial Officer
Varsha Mehta	Company Secretary

C] Transactions with related parties :-

Nature of Transaction	Key Managerial Personnel & other Relatives Amt. Rs.		Subsidiary Companies Amt. in Rs.		Associates Amt. in Rs.	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Fixed Deposits taken						
Taken during the period	56,46,000	55,80,000	0	0	0	0
Repaid during the period	11,77,108	13,37,948	0	0	0	0
Closing Balance	1,04,42,585	52,15,119	0	0	0	0
Loans & Advances						
Given during the period	10,55,884	7,82,139	90,00,000	45,10,000	4,00,000	78,40,945
Settled during the period	11,59,170	11,68,007	90,00,000	45,10,000	4,00,000	78,40,945
Closing Balance	10,53,502	11,13,881	0	34,13,180	0	0
Investments						
Given during the period	0	0	0	0	0	0
Settled during the period	0	0	0	0	0	0
Closing Balance	0	0	1,22,05,540	1,22,05,540	0	0
Sundry Debtors	0	0	0	0	0	0
Sundry Creditors	0	0	0	0	0	0
Purchase of Goods	0	0	0	0	0	10,98,078
Conversion Charges	0	0	0	0	30,24,003	13,49,224
Amount Expended on be half of other	58,00,375	75,15,564	0	0	0	0
Sales	0	0	54,03,340	10,07,470	14,096	8,340

4] 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	2009-10	2008-09
Net Profit after tax (Amt.Rs.)	4,95,95,590	1,90,20,816
Weighted Average Nos. of Shares	1,13,28,449	1,13,28,449
Basic Earning per Share on nominal value of Rs.10/-per share	4.38	1.68

5] COMPANY SECRETARY:- The company has appointed full time qualified company secretary U/s 383A(1).

6] Paise have been rounded upto the nearest rupees.

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

8] 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 2009	Debit/(Credit) for the year Rs.	Balance As on 31st March 2010
(a) Deferred Tax Liability			
- Depreciation	2,17,22,698	65,02,291	2,82,24,989
-Prov for deminution in investments	(16,62,061)	-(7,69,855)	(8,92,206)
Total	2,00,60,637	72,72,146	2,73,32,783

9] 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- ITAT (Apeals)	1,20,000	0
For Service Tax	66,435	64,890

10] 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 certified by the management

Particulars	2009-10 (Amount Rs.)	2008-09 (Amount Rs.)
(a) Remuneration	40,34,681	60,19,656
TOTAL Rs.	40,34,681	60,19,656

11] Contingent Liability for Letter of Credits and Bank Guarantees is of Rs.2114676/- (PYF 9006888/-)

12] Estimated Amount Contract remaining to be executed and not provided for Rs.NIL/-for the new expansion project (P.Y.F.Rs.NIL)

13] The company is required to make certain disclosures reagrding outstanding dues and the payments made to Sundry Creditors under The Micro, Small and Medium Enterprises Development Act, 2006. On the basis of the information and the records available with the Company, the following disclosures are made for the amount due to the Micro Small and Medium enterprises who have registered with the competent authorities:- (in lacs)

SR NO.	PARTICULARS	31/03/2010	31/03/2009
1	Principal amount remaining unpaid to any supplier as at the year end	29.25	0.00
2	Amount of interest paid by the Company in terms of Section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year.	0.00	0.00
3	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the day during the year) but without adding the interest specified under the MSMED.	0.00	0.00
4	Amount of interest accrued and remaining unpaid at the year end of the accounting year.	0.00	0.00
	Total		
1	The List of SME includes		
2	Shakti Chemicals 1526658.00		
3	Shree Gayatri Ice Factory 657077.00		
4	Shree Kuvarika Industries 559386.00		
	Shree Vahanvati Ice Factory 181540.00	2924661.00	

14] The Company has made investments for the incorporation of Subsidiary Company Dymenic USA Inc. of Rs. 50,000/- in the earlier year in the United States of America, the same has been written off to the Profit & Loss A/c during the year.

15] The Company has made investments for incorporation of wholly owned subsidiary company Dymenic USA Inc. of Rs. 34,13,180/- which was outstanding at the previous year end (including forex gain/ loss), in the United States of America, and the same was shown under the head " Advances Recoverable in cash or in kind " as current assets in Loans & Advances. The said wholly owned subsidiary Dymenic USA Inc.,as informed to us, has been incorporated for the marketing of the products of the company. As informed to us, the said subsidiary has been closed and hence, the final accounts are not available to us, and so, the results of the said subsidiary has not been included in separately prepared consolidated financial statements, and the aforesaid amount of Rs. 3413180/- has bn written off to the Profit & Los A/c.

16] The US subsidiary company Dynamic USA 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. 45540/- in the previous year. During the year under review, the aforesaid amount of Rs. 45,540/- has been written off to the Profit & Loss A/c, as per information given to us, the activity of the US subsidiary has been closed.

17] 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, 2010 is estimated at Rs 2,95,302/-This Accounting Policy has no impact on the profit for the year. There is no excise duty on stocks of finished goods of EOU-II, as the said unit is 100% EOU, on which excise duty is not applicable.

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 : **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 : 29.05.2010

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 Paid up Preference Share Capital

 Reserves & Surplus Secured Loans

 Deferred tax liability Unsecured Loans
Application of Fund

 Net Fixed Assets Investments

 Net Current Assets Misc.Expenses

 Accumulated Losses
IV] Performance of the Company :

 Turnover Other Income Total Expenditure

 Profit before tax Profit after tax

 Earning per share Dividend Rate %
V] Generic Names of Three Principal Products of the Company

 Item Code No. (ITC Code)
 Products Descripton

 Item Code No. (ITC Code)
 Products Descripton

 Item Code No. (ITC Code)
 Products Descripton

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 : 29.05.2010

NOTICE

Notice is hereby given that the Twentieth Annual General Meeting of DYNEMIC PRODUCTS LIMITED will be held at Dinner Bell - II Atlantis Enclave, Nr. IDBI Bank, Subhash Chowk, Gurukul, Memnagar Road, Ahmedabad-380052 on Friday, 13th August, 2010, at 3.00 pm. to transact the following business :

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2010 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend @13% i.e. Rs. 1.30 per Equity Share for the year ended 31st March, 2010.
3. To appoint a Director in place of Mr. Hitendra H. Sheth who retires from office by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Shankarlal B. Mundra who retires from office by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors until the conclusion of the next Annual General Meeting and to fix their remuneration.

Special Business:

6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:-
"RESOLVED THAT PURSUANT TO THE PROVISIONS OF Section 149(2A) of the Companies Act, 1956, the consent of the members of the company be and is hereby accorded to carry on the business activities as covered under the Other Objects Clause No. III (C) 2 and 3 of the memorandum of association of the company and the Board of directors of the company be and is hereby authorized to take all such effective steps to implement the decision of the members of the company as they may consider appropriate in the interest of the company and to do all such acts, deeds and things from time to time for and on behalf of the company".

Place : Ahmedabad
Date : 29.05.2010

By Order of the Board
Varsha R. Mehta
Company Secretary

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
A blank form of Proxy is enclosed herewith and Proxies, in order to be effective, must be received by the Company, duly filled, stamped and signed, at its Registered Office not less than 48 hours before the Meeting.
2. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting are requested to send a duly certified copy of their Board Resolution authorizing their representatives to attend and vote at the forthcoming 20th Annual General Meeting.
3. The Register of Members and Share Transfer Books will remain closed from 6th August, 2010 to 13th August, 2010 (both days inclusive), for the purpose of payment of Dividend, if declared.
4. Profile of the Directors seeking re-appointment, as required in terms of Clause 49 of the Listing Agreement entered into with the Stock Exchanges, are annexed to this Notice.
5. Members are requested to :
 - i) Note that as a measure of austerity, copies of Annual Report will not be distributed at the Annual General Meeting.
 - ii) Members/Proxies/Representatives should bring the enclosed Attendance Slip, 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.
 - iii) Quote their Folio / Client ID & DP ID Nos. in all correspondence.
 - iv) Note that no gifts / compliments / coupons will be distributed at the Annual General Meeting.
 - v) Members are requested to notify immediately any change of address to their Depository Participants (DP) in respect of shares held in dematerialized form.
 - vi) Members holding Shares in more than one folio in the same name(s) are requested to send the details of their folios alongwith the Share Certificates so as to enable the Company to consolidate their holdings into one folio.
 - vii) 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.
 - viii) Members holding shares in physical form are requested to notify / send the following to the Registrar & Transfer Agent of the Company :-
 - (a) any change in their address / ECS mandate / bank details
 - (b) particulars of their bank account, in case the same have not been sent earlier.

6. The Dividend, as recommended by the Board of Directors, if declared at the 20th Annual General Meeting, will be paid within the prescribed statutory period to those Members who hold Shares in physical form and whose name appears on the Company's Register of Members as holders of Equity Shares on 5th August, 2010.
In respect of Shares held in electronic form, to the Beneficial Owners of the Shares as at the close of business hours on 5th August, 2010, as per details to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited.
7. Members desirous of getting any information on any items of business of this Meeting are requested to address their queries to Ms. Varsha Mehta, Company Secretary at the Registered Office of the Company at least ten days prior to the date of the Meeting, so that the information required can be made readily available at the Meeting.
8. All documents referred to in the notice and annexures thereto along with other mandatory registers / documents are open for inspection at the registered office of the Company on all working days (except Saturdays and Sundays) between 11.00 a.m. to 1.00 p.m. prior to the date of Annual General Meeting.

ANNEXURE TO NOTICE

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

Item No. 6

An incorporated Company can undertake new business activities provided they are mentioned in the Object clause of the Memorandum of Association of the Company. The Company plans to undertake new business activity as mentioned in Other Objects Clause No. III (C) 2 and 3 of the memorandum of association of the company pertaining to real estate business. This activity is being looked at from the point of view of value addition to the organization thus enhancing shareholders value.

For purpose of reference of Other Objects Clause No. III (C) 2 and 3 of MOA have been extracted hereunder :

Other Objects Clause No. III (C) 2 and 3 :

2. To undertake and/or direct all types of construction and the maintenance of and to acquire by purchase, lease, exchange, hire or otherwise, lands, properties, buildings and estates of any tenure or any interest therein, to sell, lease, let, mortgage or otherwise dispose off the same and to purchase, construct and sell for self or for any person, free hold or lease hold lands, house properties, buildings, offices, factories, workshops, godowns, farm houses, farms and any kind of landed properties or any share/interest therein and to carry on the business of land and estate agents on commission or otherwise without commission.
3. To carry on the business and act as promoters, organizers and developers of lands, estates properties co-operative housing societies, associations, housing schemes, shopping-office complexes, townships, farms, farm houses, holiday resorts, hotels, motels and to finance with or without security and/or interest for the same and to deal with and improve such properties either as owner or as agents.

Pursuant to section 149 (2A) of the Companies Act, 1956 the Company is required to obtain approval from its shareholders by a special resolution before commencing any activity stated in its MOA which is not its existing activity. Accordingly, the Company is approaching its shareholders for its approval in terms of section 149(2A)

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

None of the Directors of the Company is deemed to be interested or concerned in the resolution.

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. Hitendra H. Sheth	Mr. Shankarlal B. Mundra
Date of Birth	18/06/1954	01/11/1960
Date of appointment	07/06/2004	29/09/2005
Qualification	M.Com,L.L.B.,C.A.(Inter)	B.Com, L.L.B.
Expertise in specific functional area	He is having experience of more than 22 years in legal and tax consultancy.	He is practicing as tax consultant since 20 years.
List of Companies in which Directorship is held as on 31.03.2010	None	None
Chairman / Member of the *Committees of other Companies on which he is a Director as on 31.03.2010	None	None
Shareholding in the company	1500 shares	Nil

* The Committees include the Audit Committee, the Remuneration Committee and the Shareholder's / Investor Grievance Committee.

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.

DYNEMIC PRODUCTS LTD.

Registered Office : B-301, Satyamev Complex-1, Opp. New Gujarat High Court,
S.G. Road, Sola, Ahmedabad – 380 060.

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE AUDITORIUM

DP. Id		NAME & ADDRESS OF THE REGISTERED SHAREHOLDER
Client Id/ Folio No.		
No. of Shares		

I hereby record my presence at the 20th Annual General Meeting of the Company at Dinner Bell - II Atlantis Enclave, Nr. IDBI Bank, Subhash Chowk, Gurukul, Memnagar Road, Ahmedabad-380052 on Friday, 13th August, 2010, at 3.00 p.m.

Full name of the Proxy, if attending the Meeting :

Signature of the Member / Joint Member / Proxy attending the Meeting :

_____, 2010

Note :

Persons attending the Meeting are requested to bring this Attendance Slip and Annual Report with them. Duplicate Attendance Slip and Annual Reports will not be issued at the Annual General Meeting.

DYNEMIC PRODUCTS LTD.

Registered Office : B-301, Satyamev Complex-1, Opp. New Gujarat High Court,
S.G. Road, Sola, Ahmedabad – 380 060.

PROXY FORM

I/We,
of being a member / members of Dynemic Products Ltd. hereby
appoint of or failing him / her
..... of as my / our proxy to vote for me / us on my / our behalf at
the 20th Annual General Meeting of the Company to be held at Dinner Bell - II Atlantis Enclave, Nr. IDBI Bank, Subhash
Chowk, Gurukul, Memnagar Road, Ahmedabad-380052 on Friday, 13th August, 2010, at 3.00 p.m. and at any adjournment
thereof.

Registered Folio / DP. ID. & Client ID.: _____

No. of Shares held : _____

Affix a
Revenue
Stamp

Signed this day of 2010

Signature(s) of Member(s)

Notes :

- Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the time of the Meeting.
- A Member entitled to attend and vote at this Meeting is entitled to appoint a proxy and the Proxy need not be a Member.