



21ST
ANNUAL REPORT
2010-2011



THE NAME BEHIND
COLORS OF MODERN LIFE



CHAIRMAN'S STATEMENT

Dear Members,

I welcome you all to this 21st Annual General Meeting and present the Annual Report of your Company.

The Company has managed to turn in a satisfactory performance in a fairly challenging environment and sustained a steady momentum of profitability and growth. For the financial year ended on March 31, 2011, turned in after tax profit of Rs. 565.39 Lacs in comparison with profit after tax profit of Rs. 485.01 Lacs in the preceding 12-month period. The Board of Directors has recommended a dividend of Rs. 1.50 for an equity share of Rs. 10 for the financial year ended on March 31, 2011.

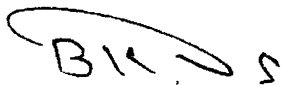
Industry Prospects

A Roman saying goes that people “eat with their eyes” as much as with their palates. Not alone children, even adults are attracted towards colored. Food colors are used in virtually every food product, bakery products, dairy products, confectionary products, cosmetic & personal care products, biscuit (cookie) filling sugar decoration, seasoning, soft drinks and pharmaceutical products. Though there is a growing realization that the color additives should be used to the minimum, the fact is that the food doesn't even look presentable at times without it and appears inedible. Colors are used to bring a variation and maintain the natural appeal of the preserved food. Either the synthetic food colors or natural food colors, the color has always had an important implication on the minds of people as far as food is concerned. Cuisines prepared in attractive colors have immensely lured men folk in all the quarters of the world. The overall colour market is forecast to grow in line with technological and sociological changes that will lead to an overall increase in processed food industry.

Looking Ahead

The outlook for the future continues to be optimistic as your Company is into national as well international player with capabilities is quickly taking shape. Our commitment is also shared by our highly motivated and innovative team of employees at all levels and I am confident of taking your Company to greater heights in the years to come.

In conclusion, I would like to heartily thank the Board, the management, shareholders and especially our vibrant team of employees for their consistent support and commitment to the Company.



Bhagwandas K. Patel

Chairman & Managing Director

“The thing always happens that you really believe in; and the belief in a thing makes it happen.”
- Frank Loyd Wright



Bhagwandas K. Patel
Chairman & Managing Director

CORPORATE INFORMATION

BOARD OF DIRECTORS

Bhagwandas K. Patel	<i>Chairman & Managing Director</i>
Dashrath P. Patel	<i>Whole Time Director</i>
Ramesh B. Patel	<i>Whole Time Director</i>
Shashikant P. Patel (upto 28.05.2011)	<i>Whole Time Director</i>
Dixit B. Patel	<i>Whole Time Director</i>
Jagdish S. Shah	<i>Independent Director</i>
Hitendra H. Sheth	<i>Independent Director</i>
Harish K. Shah (upto 08.11.2010)	<i>Independent Director</i>
Vishnu G. Patel	<i>Independent Director</i>
Shankarlal B. Mundra	<i>Independent Director</i>
Ashish R. Joshi (w.e.f. 29.12.2010)	<i>Independent Director</i>

COMMITTEES OF DIRECTORS

Audit Committee

Ashish R. Joshi (w.e.f. 29.12.2010)
Hitendra H. Sheth
Jagdish S. Shah
Harish K. Shah (upto 08.11.2010)

Remuneration Committee

Shankarlal B. Mundra
Hitendra H. Sheth
Jagdish S. Shah

Investors Grievance Committee

Hitendra H. Sheth (w.e.f. 09.11.2010)
Harish K. Shah (upto 08.11.2010)
Bhagwandas K. Patel

CHIEF FINANCIAL OFFICER

Josekutty Thomas

COMPANY SECRETARY

Varsha Mehta

PLANT LOCATION

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

IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their email addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with the Company's Share Transfer Agent, Bigshare Services Private Limited.

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TWENTYFIRST ANNUAL GENERAL MEETING

DATE : August 18, 2011

DAY : Thursday

TIME : 4.00 P.M.

PLACE : Dinner Bell – II, Atlantis Enclave, Nr. IDBI Bank, Subhash Chowk, Gurukul, Memnagar Road, Ahmedabad – 380052.

NOTE : 1. Shareholders are requested to bring their copy of the Annual Report with them to the Annual General Meeting.

2. No gifts or coupons would be given to the shareholders for attending the Annual General Meeting.

NOTICE

Notice is hereby given that the 21st Annual General Meeting of the Company will be held at Dinner Bell – II, Atlantis Enclave, Nr. IDBI Bank, Subhash Chowk, Gurukul, Memnagar Road, Ahmedabad – 380052 on Thursday, 18th August, 2011, at 4.00 p.m. to transact the following business :

Ordinary Business :

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended 31st March, 2011, Balance Sheet as at that date together with the Reports of the Directors and Auditors thereon.
2. To declare dividend of Rs. 1.50 per Equity Share i.e. 15 % per Equity Share for the year ended 31st March, 2011.
3. To appoint a Director in place of Shri Jagdishbhai S. Shah, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Director in place of Shri Vishnubhai G. Patel, who retires by rotation and being eligible, offers himself for re-appointment.
5. To re-appoint M/s Shah Rajesh & Associates, Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of the 21st Annual General Meeting upto the conclusion of the next i.e. 22nd Annual General Meeting of the Company and to authorize the Board of Directors of the Company to fix their remuneration.

Special Business :

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution :

“RESOLVED THAT Shri Ashish R. Joshi, who was appointed as an Additional Director of the Company under Section 260 of the Companies Act, 1956, and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 from a member, in writing, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution :

“RESOLVED THAT pursuant to the provisions of Section 318, and all other applicable provisions, if any, of the Companies Act, 1956, the relevant provisions of the Articles of Association of the Company and all applicable guidelines as applicable from time to time, approval of the Company be and is hereby accorded for paying compensation on not offering himself for re-appointment to Mr. Shashikant P. Patel as a Wholtime Director of the Company, for the services rendered by him and his long term association with the Company”.

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

“RESOLVED THAT pursuant to provisions of Section – 314(1B) and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modifications or reenactments thereof for the time being in force, consent of the company be and is hereby accorded that remuneration of Shri Mukesh B. Patel, Manager Export, who is relative of Shri Bhagwandas K. Patel, Managing Director and Shri Dixit B. Patel, Director of the Company, be increased w.e.f. 01/04/2012 from Rs. 49,500/- Gross per month plus bonus and other perquisites (in the scale of Rs. 50,000/- to Rs. 2,50,000/-) per month time to time on normal increment basis as per general policy of the Company and applicable to other employees in his grade.”

9. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution :

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311, 317, read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, the relevant provisions of the Articles of Association of the Company and all applicable guidelines as applicable from time to time, Shri Bhagwandas K. Patel be and is hereby re-appointed as Managing Director of the Company for further period of five years with effect from January 1, 2011 and upon re-appointment as a Managing Director his office shall not be liable to retire by rotation, on the following terms and conditions as set out hereunder :-

Salary :

Gross Salary Rs. 100000/- (Rupees One Lac only) per month (in the scale of Rs. 100000/- to Rs. 200000/-)

Commission :

Commission at the rate of 1.5% to 3% on the sale of products which are not manufactured by the Company, which is exclusively handled by the Managing Director.

Perquisites :

- (a) Bonus, Medical Allowance, HRA, Children Education Allowance, Entertainment Expenses, Conveyance, LTC etc. as per company's rule.
- (b) Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund where the said contributions are upto the limits which are not taxable under the income-tax Act, 1961.
- (c) Gratuity as per company's rule. Encashment of leave at the end of the term will not also be included in the monetary value of perquisites.

Period :

From 01.01.2011 to 31.12.2015

RESOLVED FURTHER THAT the Board be and is hereby authorized to vary, alter, increase, enhance or widen the scope of remuneration and perquisites to the extent specified in Schedule XIII and other applicable provisions, if any, of the Act, as amended from time to time.

SITTING FEES : As long as Shri Bhagwandas K. Patel functions as the Managing Director, he shall not be paid any sitting fees for attending the meetings of the Board of Directors / Committee thereof.

RESOLVED FURTHER THAT in the event of the Company not earning any profit / earning inadequate profits during any financial year during the currency of the tenure of Shri Bhagwandas K. Patel, as Managing Director, the remuneration payable shall be as per limit prescribed in Schedule XIII of the Companies Act 1956.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts and deeds as may be expedient to give effect to this resolution."

10. To re-appoint Shri Dashrathbhai P. Patel as a Wholetime Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Sections 198, 269 and 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, the relevant provisions of the Articles of Association of the Company and all applicable guidelines as applicable from time to time, approval be and is hereby accorded to the re-appointment of Shri Dashrathbhai P. Patel as a Whole Time Director of the Company, for a period of 5 (five) years with effect from January 1, 2011, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary the terms and conditions of appointment and / or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or reenactment thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary proper or expedient to give effect to this Resolution."

11. To re-appoint Shri Rameshbhai B. Patel as a Wholetime Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Sections 198, 269 and 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, the relevant provisions of the Articles of Association of the Company and all applicable guidelines as applicable from time to time, approval be and is hereby accorded to the re-appointment of Shri Rameshbhai B. Patel as a Whole Time Director of the Company, for a period of 5 (five) years with effect from January 1, 2011, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary the terms and conditions of appointment and / or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or reenactment thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary proper or expedient to give effect to this Resolution."

By Order of the Board

Ahmedabad
28th May, 2011

Varsha R. Mehta
Company Secretary

Notes

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Proxies, in order to be effective, must be received at the Company's Registered Office not later than 48 hours before the commencement of the meeting.
2. The Register of Members and Share Transfer Books will remain closed from 8th August, 2011 to 18th August, 2011 (both days inclusive), for the purpose of payment of Dividend, if declared.
3. Members are requested to note that as a measure of austerity, copies of Annual Report will not be distributed at the Annual General Meeting.
4. The Dividend, as recommended by the Board of Directors, if declared at the 21st 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, 2011.

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, 2011, as per details to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited.

5. **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.**
6. 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 Sundays and Holidays) between 2.00 p.m. to 4.00 p.m. prior to the date of Annual General Meeting.

7. Directors retiring by rotation :

Shri Jagdishbhai S. Shah, Professional Director, aged 55 years is a bachelor of commerce and LLB. He has to his advantage 30 years of work experience. He joined the Company on 07.06.2004. Apart providing services to the Company, he is also holding the post of Asst. General Manager in Industrial Extension Bureau (iNDEXTb), the Government of Gujarat Organization since 30 years. He has wide experience of project guidance and also investment opportunities exist. He has contributed lot in industrialization of Gujarat. He does not hold any directorships in other companies nor is member or chairman of committees in other public Company. He does not hold any shares in the Company.

Shri Vishnubhai G. Patel, Professional Director, aged 57 years is a doctor by profession holding a degree of M.B.B.S (DGO). He is having experience of 25 years as a Gynecologist in Ahmedabad. He joined the Company on 08.09.2005. He does not hold any directorships in other companies nor is member or chairman of committees in other public Company. He does not hold any shares in the Company.

8. An Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of Special Business in the Notice is annexed hereto.

**EXPLANATORY STATEMENTS UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956
IN RESPECT OF SPECIAL BUSINESS TO BE TRANSACTED AT THE MEETING**

ITEM No. 6

Shri Ashishbhai R. Joshi was appointed as an Additional Director by the Board of Directors of the Company ("the Board") during the year. Pursuant to Section 260 of the Companies Act, 1956 ("the Act"), Shri Ashishbhai R. Joshi shall hold office upto the date of ensuing Annual General Meeting of the Company. Due notice and deposit under Section 257 of the Act has been received from member proposing the appointment of Shri Ashishbhai R. Joshi as a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation.

A brief profile of Shri Ashishbhai R. Joshi is setout hereunder as required under Clause 49 of the Listing Agreement :-

Shri Ashishbhai R. Joshi aged 46 years is a Chartered Accountant having over 23 years of experience in finance and project field. He was appointed as Additional Director of the Company on 29.12.2010. Apart from professional background and experience he was invited by a NRI Group in September 1995, for making presentation to the Gujarat State Chief Minister's Delegation, visiting the United States on Geographical Information System (GIS). As a Director of M/s Saket Projects Ltd., visited USA in April 1996 and entered into an agreement with a leading consulting organization called ITT (International Trade Technology) for looking after mutual interest in several areas like projects on turnkey basis, exploring market potential in Asian Region, maintaining Government relations etc. He has also co-authored books as Planning an Industrial Unit, Financing an Industrial Unit and Small Scale Industry. At present he is working as a Sr. G.M. in ABG Cement Ltd.

The Board had expressed no hesitation in recommending his appointment.

None of the Directors except the Appointee is interested in the resolution set out in Item no. 6 of the Notice.

ITEM No. 7

The Board of Directors of the Company at its meeting held on 29/12/2010 had re-appointed Shri Shashikant P. Patel as a Whole Time Director with effect from January 1, 2011. Shri Shashikant P. Patel had not offered himself for re-appointment at the ensuing General Meeting and also resigned as a Director w.e.f. 28.05.2011. The Board at its meeting held on 28.05.2011, subject to the approval of Members, considered to give him Rs. 20,00,000/-, residential premises worth Rs. 7,05,985.25/- book value and its market value Rs. 9,75,000/- and car worth Rs. 3,23,952/- book value as a token looking to his long term association and dedication towards the Company.

None of the Directors are interested in the resolution set out in item no. 7 of the Notice.

ITEM No. 8

Shri Mukeshbhai B. Patel is the Export Manager of the company and is working with the company since January, 2003. He is Bachelor of Engineering (Mechanical) and has also done post graduate diploma in International Trade. He is handling the International Marketing of the Company since he joined the Company. His present salary is Rs. 49,500/- Gross plus other permissible perquisite. The performance of the Shri Mukeshbhai B. Patel has been reviewed by the management from time to time.

In view of his rich experience and contribution made by Shri Mukeshbhai B. Patel to the Company for the last several years, the Board considered to get approval of shareholders for increase in remuneration on yearly normal increment basis as applicable to other employees in his grade w.e.f. from 1st April, 2012 from Rs. 49,500/- Gross per month plus bonus and other perquisites (in the scale of Rs. 50,000/- to Rs. 2,50,000/-) per month.

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

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

ITEM No. 9

Shri Bhagwandas K. Patel was appointed as Managing Director with effect from 01.01.2011 for a period of five years by the Board of Directors at their meeting held on 29.12.2010 on the terms and conditions as set out in the Notice at Item No. 9. As per the Companies Act, 1956, his appointment requires to be consented to by the Members of the Company in the Annual General Meeting and is also subject to the approval of the Central Government.

Shri Bhagwandas K. Patel is the Managing Director and is responsible for all the day to day operations of the Company subject to superintendence and control of the Board of Directors. A brief profile of Shri Bhagwandas K. Patel is setout hereunder as required under Clause 49 of the Listing Agreement :-

Shri Bhagwandas K. Patel aged 55 years is the pioneer and founder of the Company. He is Inter C.A. and has wide and rich experience of 20 years in the existing business. Before starting his own company on 14th June, 1990, he had worked as administrative & finance head in

M/s Britco Surgicals for six years. Under his leadership the Company has achieved great heights. He was appointed as Managing Director of the Company for a period of 5 years with effect from 16.07.2005 which was approved by the shareholders in the 15th Annual General Meeting held on 16.08.2005.

The remuneration proposed to be paid to the Managing Director is comparable with the remuneration being paid for similar assignments in the industry.

The above may be treated as an abstract of the terms of re-appointment of Shri Bhagwandas K. Patel as Managing Director under Section 302 of the Act.

Your Directors commend the Resolution at Item No. 9 for your approval.

Shri Dixitbhai B. Patel, a Whole Time Director of the Company may be considered as concerned and interested as being relative of Shri Bhagwandas K. Patel and Shri Bhagwandas K. Patel may be considered as concerned and interested as the resolution pertains to himself. None of the other Directors is in any way concerned or interested in the resolution at Item no. 9.

ITEM No. 10 & 11

The Board of Directors of the Company at its meeting held on 29.12.2010 has, subject to the approval of Members, re-appointed Shri Dashrathbhai P. Patel and Shri Rameshbhai B. Patel as Whole Time Director, for a further period of 5 years with effect from 01.01.2011, and on re-appointment their office shall not be held to be liable to retire by rotation on the remuneration determined by the Remuneration Committee of the Board and approved by the Board.

A brief profile of Shri Dashrathbhai P. Patel is setout hereunder as required under Clause 49 of the Listing Agreement :-

Shri Dashrathbhai P. Patel aged 58 years is Bachelor of Science having rich experience in colour & chemical industry and is one of the promoter of the Company. He is technological sound person and at present is In-charge of total production, R&D of Unit II, Ankleshwar. He is also marketing head of the domestic market. He was appointed as Whole Time Director of the Company for a period of 5 years with effect from 16.07.2005 which was approved by the shareholders in the 15th Annual General Meeting held on 16.08.2005.

A brief profile of Shri Rameshbhai B. Patel is setout hereunder as required under Clause 49 of the Listing Agreement :-

Shri Rameshbhai B. Patel aged 46 years is Bachelor of Science having rich experience of above 20 years in colour & chemical industry and is one of the promoter of the Company. He is in charge of total production/R&D of Unit I at Ankleshwar. He has been instrumental and a driving force for increasing efficiency of plants, developing new product/expanding product range, selecting technology at Dynamic Products Ltd. He was appointed as Whole Time Director of the Company for a period of 5 years with effect from 16.07.2005 which was approved by the shareholders in the 15th Annual General Meeting held on 16.08.2005.

It is proposed to seek Members' approval for the re-appointment of and remuneration payable to Shri Dashrathbhai P. Patel and Shri Rameshbhai B. Patel, as Whole Time Director, in terms of the applicable provisions of the Act.

Broad particulars of the terms of re-appointment of and remuneration payable to Shri Dashrathbhai P. Patel and Shri Rameshbhai B. Patel are as under :

(A) Salary :

Gross Salary Rs. 95000/- (Rupees Ninety Five Thousand only) per month each (in the scale of Rs. 95000/- to Rs. 200000/-)

Perquisites :

- (a) Bonus, Medical Allowance, HRA, Children Education Allowance, Entertainment Expenses, Conveyance, LTC etc. as per company's rule.
- (b) Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund where the said contributions are upto the limits which are not taxable under the income-tax Act, 1961.
- (c) Gratuity as per company's rule. Encashment of leave at the end of the term will not also be included in the monetary value of perquisites.

Period :

From 01.01.2011 to 31.12.2015

The remuneration proposed to be paid to the Whole Time Director is comparable with the remuneration being paid for similar assignments in the industry.

(B) General :

- (i) Shri Dashrathbhai P. Patel and Shri Rameshbhai B. Patel satisfy all the conditions set out in Part-I of Schedule XIII to the Act for being eligible for the re-appointment.
- (ii) The office of Whole Time Director may be terminated by the Company or the concerned Director by giving the other 1 (one) month prior notice in writing.
- (iii) The employment of Whole Time Director may be terminated by the Company without notice or payment in lieu of notice :
 - if the Director is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associate company to which he is required to render services; or
 - in the event of any serious repeated or continuing breach or non-observance by the Director of any of the stipulations contained in the terms of employment with the Company; or
 - in the event the Board expresses its loss of confidence in the Director.
- (iv) Upon termination by whatever means of the Whole Time Director's employment :
 - The Director shall immediately tender his resignation from the office as Director of the Company and from such other offices held by him in the Company, in any subsidiary and associate company and other entities without claim for compensation for loss of office,
 - The Director shall not without the consent of the Company at any time thereafter represent himself as connected with the Company or any of its subsidiary or associate company.
- (v) The Whole Time Director will perform his duties as such with regard to all work of the Company and he will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board and his functions will be under the overall authority of the Chairman & Managing Director.
- (vi) The Whole Time Director shall adhere to the Company's Code of Business Conduct and Ethics for Directors and Management personnel.

The above may be treated as an abstract of the terms of re-appointment of Shri Dashrathbhai P. Patel and Shri Rameshbhai B. Patel under Section 302 of the Act.

Except for Shri Dashrathbhai P. Patel and Shri Rameshbhai B. Patel, none of the other Directors is in any way concerned or interested in the resolution at Item no. 10 & 11.

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 21st Annual Report together with the audited accounts of the Company for the year ended March 31, 2011.

FINANCIAL RESULTS

PARTICULARS	YEAR ENDED ON MARCH 31, 2011	YEAR ENDED ON MARCH 31, 2010
Sales And Other Income	65,38,79,909	64,10,33,195
Profit Before Depreciation & Prel. Exps W/Off	9,97,53,753	8,96,39,098
Less : Depreciation	1,49,62,241	1,44,71,805
Preliminary Expenses Written Off	0	0
Profit Before Tax	8,47,91,512	7,51,67,293
Less : Provision for Taxation		
Current Income Tax A/c	2,10,39,000	1,94,00,000
Deferred Income Tax A/c	72,13,685	72,66,063
Fringe Benefit Tax	0	0
Net Profit After Tax	5,65,38,827	4,85,01,229
Add : Balance of Profit of Previous Year	8,00,39,175	5,17,73,237
Add / (Less) : Taxation of earlier years	(5,79,508)	5,45,457
Profit Available for Appropriation	13,71,57,509	9,97,29,010
Less : Appropriations :		
Transfer to General Reserve	50,00,000	24,60,000
Proposed Dividend	1,69,92,674	1,47,26,984
Tax on Dividend	28,22,271	25,02,851
Balance Carried to Balance Sheet	11,23,42,564	8,00,39,175

DIVIDEND & RESERVES

Your Directors are pleased to recommend dividend of 15% i.e. Rs. 1.50 each on 11328449 equity shares of Rs. 10/- each, for your final approval. The total outflow on dividend will be Rs. 1,69,92,674 and tax on dividend Rs. 28,22,271. The proposed dividend is tax free in the hands of shareholders. Appx. 9% of the Net Profit Rs. 50,00,000 has been transferred to General Reserves.

COMPANY'S OPERATIONS

Information on operational and financial performance, etc. of the Company for the financial year is given in the Management Discussion and Analysis which is set out as Annexure B to the directors' Report.

DIRECTORS

Shri Ashishbhai R. Joshi joined the Board as Additional Director in 29.12.2010. Further, during the year, Shri Harishbhai K. Shah, and Shri Shashikant P. Patel, Directors, resigned to act as directors of the Company w.e.f. 08.11.2010 and 28.05.2011 respectively.

The Board wishes to place on record its appreciation for the guidance and valuable services rendered by Shri Harishbhai K. Shah and Shri Shashikant P. Patel during their tenure as members of the Board.

Shri Jagdishbhai S. Shah and Shri Vishnubhai G. Patel, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. Particulars of the directors being appointed/re-appointed, as required under clause 49 of the listing agreement with the Stock Exchange, are given in Notice / Explanatory Statement convening the ensuing 21st Annual General Meeting, forming part of the Annual Report.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956 it is hereby confirmed :

- that in the preparation of the annual accounts for the financial year ended 31st March 2011, the applicable accounting standards have been followed and that there are no material departures;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit / loss of the Company for the year under review;

- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- that the Directors have prepared the accounts for the financial year ended 31st March, 2011 on a going concern basis.

CORPORATE GOVERNANCE

In terms of clause 49 of listing agreement with the Stock Exchange, a certificate from Auditors of the Company on compliance of conditions of Corporate Governance is annexed to the Annual Report. A report on Corporate Governance as provided in clause 49 of the Listing Agreement is included in the Annual Report.

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.

ENERGY, TECHNOLOGY ABSORPTION 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, are set out in Annexure A to this Report.

FIXED DEPOSITS

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

INSURANCE

The Company has made necessary arrangements for adequately insuring its insurable interests.

SUBSIDIARY COMPANIES & CONSOLIDATED FINANCIAL STATEMENT

The Ministry of Corporate Affairs, Government of India vide its General Circular No. 2/2011 dated 8th February, 2011 has granted a general exemption under Section 212(8) of the Companies Act, 1956 from attaching the accounts along with the report of the Board of Directors and Auditors as required by section 212(1) of the Companies Act, 1956 and as such the accounts of its Subsidiary, Dynamic Overseas (India) Pvt. Limited are not annexed herewith. The Board has reviewed the affairs of the said subsidiary.

The Company will provide the annual accounts of its subsidiary companies and the related detailed information on the specific request made by the shareholders and the said accounts are open for the inspection at the registered office of the Company during office hours on all working days, except Sundays and holidays, between 2.00 p.m. to 4.00 p.m.

As required under Clause 32 of Listing Agreement with the Bombay Stock Exchange Limited and in accordance with the requirements of Accounting Standard AS-21 issued by the ICAI, the Company has prepared Consolidated Financial Statements of the Company. The audited consolidated financial results include results of its subsidiary company Dynamic Overseas (India) Pvt. Limited and are included in Annual Report.

LIMITED LIABILITY PARTNERSHIP

The Company has become partner in Vishwas Organizers, LLP to pursue its other objects pertaining to real estate activity. During the year the Company has invested Rs. 1,50,00,000 in the said LLP.

AUDITORS AND AUDITORS REPORT

Your Company's auditors M/s Shah Rajesh & Associates, Chartered Accountants, are due to retire at the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received letter from M/s Shah Rajesh & Associates, Chartered Accountants, to the effect that their reappointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for reappointment within the meaning of Section 226 of the said Act.

The Notes on Accounts referred to in the Auditors' report are self-explanatory and do not call for any further comments.

ACKNOWLEDGEMENT

The Board wishes to express appreciation and place on record its gratitude for the faith reposed in and co-operation extended to the Company by all customers, vendors, investors, bankers, insurance companies, consultants and advisors of the Company. Your Directors place on record their appreciation of the dedicated and sincere services rendered by the employees of the company.

For and on Behalf of the Board of Directors

Sd/-

Bhagwandas K. Patel

Chairman & Managing Director

Ahmedabad
28th May, 2011

ANNEXURE A - TO THE DIRECTORS' REPORT

Statement of particulars 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, 2011.

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	33,77,81,914	41,36,59,835
» Foreign Exchange used	19,21,655	18,03,782

FORM – A

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY :

		2010-11	2009-10
1] Power and Fuel Consumption :			
i] Electricity :			
Purchase Units :	Units	32,08,488	32,48,916
Total Amount :	Rs.	1,76,36,857	1,81,46,550
Rate / Unit :	Rs.	5.50	5.59
ii] Own (Diesel) Generator :			
Total Ltrs. :	Ltrs.	45,436	12,394
Total Amount :	Rs.	18,76,236	4,51,037
Rate / Ltrs. :	Rs.	41.29	36.39
iii] Gas :			
Total SCM :	SCM	21,08,038	19,22,633
Total Amount :	Rs.	3,73,67,231	2,81,95,770
Rate / SCM :	Rs.	17.73	14.67
2] Consumption per unit of production :			
1 Production : Dyes, Chemicals & Food Colours	Kgs.	56,26,129.650	63,75,480.920
2 Electricity	Units	0.570	0.510
3 Diesel	Ltrs.	0.008	0.002
4 Gas	SCM	0.375	0.302

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

For and on Behalf of the Board of Directors

Sd/-

Bhagwandas K. Patel

Chairman & Managing Director

Ahmedabad
28th May, 2011

ANNEXURE B - MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure & Development

"Dynamic" manufactures edible food colours as ingredient for foodstuffs, pharmaceuticals, confectionary, pet foods, healthcare, dairy, soft drinks and cosmetic industries. The Food colours are intended for industrial use. The demand for the colours is derived directly from its customers and end users through the company's various appointed distributors and country specific suppliers. The company is among the acknowledged world wide leaders in the manufacturing of Food Colours.

"Dynamic" has successfully entered the field of food colours to primarily cater to niche applications. Your company's colours enhance visual characteristics of a variety of products resulting in value added end products for different market segments.

Opportunities

Processed food industry has done exceeding well even in the recent turbulent times with more and more people world wide choosing foods, drinks and other consumables off the shelf than making it themselves your company sees a steady increase in demand of its colours in times to come.

Threats, Risks and Concerns

The Company continuously monitors the business environments and has put in place a framework for identification assessments and management of Risks.

Appropriate risk response strategies have been developed for achievement of business objective.

- Appreciating / Fluctuating currency is an area of concern.

Financial Highlights

(a) Net Sales and Other Income

Sales during the year ended 31st March, 2011 were Rs. 6,369.34 Lacs as against Rs. 6,289.62 Lacs in the previous year, an increase of Rs. 79.72 Lacs in comparison over the previous year. There was increase in other income from Rs. 120.72 Lacs to Rs. 169.46 Lacs during the year.

(b) Expenditure

The total expenditure decreased from Rs. 5,692.75 Lacs to Rs. 5,575.32 for the year under review showing a decrease of Rs. 117.43 Lacs over the previous financial year. Out of the total expenditure, there is an decrease in financial charges, material & manufacturing cost whereas there is increase in purchase of trading materials, depreciation, administrative expenses.

(c) Interest and Financial Expenses

Interest and Financial charges were Rs. 124.14 Lacs as compared to previous year Rs. 177.04 Lacs. Financial charges decreased by Rs. 52.90 Lacs.

(d) Profit

Profit before tax increased from Rs. 751.67 Lacs to Rs. 847.91 Lacs this year. The Company's net profit after tax is Rs. 565.39 Lacs as compared to previous year Rs. 485.01 Lacs.

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.

Environmental & Hazardous Safety And Quality Assurance

In pursuit of excellence towards sustainable development and to go beyond compliance, your Company continued to integrate its ISO:14001:2004, HACCP Code : 2003, ISO 9001:2008. Your Company is committed to ensuring the highest standards of environment management and strict compliance with regulatory requirements at all times.

Internal Control Systems And its Adequacy

Your Company has a comprehensive system of internal controls to safeguard the Company's assets against loss from unauthorized use and ensure proper authorization of financial transactions. The Company has an exhaustive budgetary control system to monitor all expenditures against approved budgets on an ongoing basis. The Company maintains a system of internal controls designed to provide assurance regarding the effectiveness and efficiency of operations, the reliability of financial controls and compliance with applicable laws and regulations as applicable in the various jurisdictions in which the Company operates.

ERP implementation

In order to bring about the integration in the working of various functions and also bring about the system and process orientation in all facets of business processes, your Company is in the process of implementing Enterprise Resource Planning solutions (ERP). The implementation is in the advanced stage of completion.

Human Resources

Our employees are our most precious assets and we value their commitment. Relations with the employees at all levels remained cordial during the year. Your Company has 150 permanent employees as on 31st March, 2011.

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

Ahmedabad
28th May, 2011

CORPORATE GOVERNANCE REPORT

1. Company's Philosophy on Corporate Governance

Your Company believes that adhering to global standards of Corporate Governance is essential to enhance shareholder value and achieve long term corporate goals. The Company's philosophy on Corporate Governance stresses the importance of transparency, accountability and protection of shareholder interests. The Board conducts periodic review of business plans, monitors performance and compliance to regulatory requirements.

2. Board of Directors

The composition of the Board of Directors and other required details are given below :

Name	Category	No. of Board Meetings attended		Attendance at the last AGM	Directorships in other Indian Public Companies* as at 31st March 2011	Other Mandatory Committee** membership as at 31st March 2011	
		Held	Attended			Chairman	Member
Bhagwandas K. Patel	CMD-Executive(Promoter)	6	6	Yes	NIL	NIL	NIL
Dashrath P. Patel	WTD-Executive(Promoter)	6	6	Yes	NIL	NIL	NIL
Ramesh B. Patel	WTD-Executive(Promoter)	6	5	Yes	NIL	NIL	NIL
Shashikant P. Patel (upto 28.05.2011)	WTD-Executive(Promoter)	6	5	Yes	NIL	NIL	NIL
Dixit B. Patel	WTD-Executive(Promoter)	6	6	Yes	NIL	NIL	NIL
Hitendra H. Sheth	NE-Independent	6	4	Yes	NIL	NIL	NIL
Jagdish S. Shah	NE-Independent	6	4	Yes	NIL	NIL	NIL
Harish K. Shah (upto 08.11.2010)	NE-Independent	6	3	Yes	NIL	NIL	NIL
Vishnu G. Patel	NE-Independent	6	2	Yes	NIL	NIL	NIL
Shankarlal B. Mundra	NE-Independent	6	3	Yes	NIL	NIL	NIL
Ashish R. Joshi (w.e.f. 29.12.2010)	NE-Independent	6	0	No	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.

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

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, 2011, 6 (Six) meetings of the Board of Directors were held on the following dates :- 29th May, 2010, 17th July, 2010, 31st August, 2010, 30th October, 2010, 29th December, 2010, and 5th February, 2011.

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

3. Audit Committee

The Audit Committee comprised of 3 members viz : Shri Hitendra H. Sheth, Shri Ashish R. Joshi w.e.f. 29.12.2010, Shri Jagdish S. Shah and Shri Harish K. Shah upto 08.11.2010. The Committee was reconstituted on 29.12.2010 with the induction of Shri Ashish R. Joshi and resignation of Shri Harish K. Shah. Generally Shri Hitendra H. Sheth, chairs the meetings of the Committee. The constitution and terms of reference of the Committee are set out in compliance with the requirements of Section 292A of the Companies Act, 1956 and clause 49 of the listing agreement.

During the financial year 2010-11, the Committee met four times. Shri Hitendra H. Sheth and Shri Jagdish S. Shah attended all meetings, Shri Harish K. Shah attended three meetings and Shri Ashish R. Joshi was not able to attend in any meeting. The Statutory Auditor, CFO are invited to attend the meetings of the Committee. The Company Secretary of the Company acts as the Secretary of the Committee.

4. Investors Grievance Committee

The Shareholders' / Investors' Grievance Committee comprised of 2 members viz : Shri Harish K. Shah (upto 08.11.2010), Shri Hitendra H. Sheth (w.e.f. 09.11.2010) and Shri Bhagwandas K. Patel. The Committee was reconstituted by passing Circular resolution on 09.11.2010 with the induction of Shri Hitendra H. Sheth in the Committee and resignation of Shri Harish K. Shah. Upto 08.11.2010 Shri Harish K. Shah has chair the Committee. The constitution and terms of reference of the Committee are set out in compliance with the requirements of clause 49 of the listing agreement.

During the financial year 2010-11, the Committee met Eleven times on 05.04.2010, 07.05.2010, 25.06.2010, 05.08.2010, 03.09.2010, 08.10.2010, 22.10.2010, 04.11.2010, 12.11.2010, 31.12.2010 and 25.02.2011 at registered office of the Company. All the Committee members attended all the meetings The Company Secretary, Ms. Varsha Mehta, is the Compliance Officer.

During the financial year, 8 complaints were received and all complaints were resolved. As of 31st March, 2011, NIL complaints were pending, which were replied to / resolved within a period of one month.

5. Remuneration Committee

The remuneration committee has 3 non-executive, Independent Directors as members viz : Shri Shankarlal B. Mundra, Shri Hitendra H. Sheth and Shri Jagdish S. Shah.

Three meetings were held during the year 2010-11 on 21.05.2010, 27.12.2010 and 05.02.2011 and attended by all members. Shri Shankarlal B. Mundra chairs the meetings. The terms of reference of Remuneration Committee include review, determination, increase / decrease and approval of remuneration, determination of terms of appointment, Company's policy for specific remuneration packages, etc. for the Executive and other Directors.

Remuneration to Directors

Non-Executive Directors

The Non-Executive Directors do not draw any remuneration from the Company except for sitting fees. The Non-Executive Directors are paid sitting fees at the rate of Rs. 4,000/- for attending each meeting of the Board of Directors. The sitting fees paid to the Directors for the year ended on 31st March 2011 are as follows : Shri Hitendra H. Sheth Rs. 16000/-; Shri Jagdish S. Shah Rs. 16000/-; Shri Harish K. Shah Rs. 12000/-; Shri Shankarlal B. Mundra Rs. 12000/-; Shri Vishnu G. Patel Rs. 8000/-; Shri Ashish R. Joshi NIL.

Executive Directors

The salary and bonus paid for the year ended March 31, 2011 to Executive Directors are :

Name of Director	Salary	Bonus	Total
Mr. Bhagwandas K. Patel	12,00,000	82,467	12,82,467
Mr. Dashrath P. Patel	11,40,000	78,344	12,18,344
Mr. Ramesh B. Patel	11,40,000	78,344	12,18,344
Mr. Shashikant P. Patel	10,46,000	78,344	11,24,344
Mr. Dixit B. Patel	6,60,000	42,108	7,02,108

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

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

5. General Body Meeting

(a) Annual General Meetings

The date, time and venue of the last three Annual General Meetings and special resolutions passed at the meetings are given below:

Year	Category – Date and Time	Venue	Special Resolutions passed
2009-10	Annual General Meeting 13th August, 2010 at 3.00 p.m.	Dinner Bell – II, Atlantis Enclave, Nr. IDBI Bank, Subhash Chowk, Gurukul, Memnagar Road, Ahmedabad – 380052.	(1) 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.
2008-09	Annual General Meeting 22nd September, 2009. at 3.00 p.m	Flash Banquet, at First Floor, Shailly 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 2nd September, 2008 at 11.00 a.m.	Flash Banquet, at First Floor, Shailly 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 :

- The Managing Director and the CFO have certified to the Board of full compliances as per clause 49(V) of the listing agreement for the financial year ended 31st March, 2011.
- There were no instances of non-compliance on any matter related to the capital markets, during the last three years.
- 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. 16, Notes to the accounts of this Annual Report.

- iv. The Company has adopted accounting treatments which are prescribed by the Accounting Standards.
- v. In respect of compliance with the non-mandatory requirements, the Company has constituted a Remuneration Committee, details whereof are given under the heading, Remuneration Committee. The quarterly/half yearly financial statements are available on BSE's website and being published in Financial Express and Indian Express.

7. Means of communication

- i. The quarterly/half yearly financial statements are announced within 45 days of the end of the quarter and are regularly submitted / published to Stock Exchange in accordance with the Listing agreement.
- ii. The Company has its official website namely www.dynemic.com which is providing all the product related and general information about the Company. The Company is regular in submitting all the relevant information with BSE and updating in website as per clause 54 of Listing Agreement.
- iii. Management Discussion and Analysis Report, in compliance with the requirements of clause 49 of the listing agreement with Stock Exchange, is annexed to the Directors' Report which forms part of the Annual Report being sent to all the members of the Company.
- iv. The Company has not issued any ADR/GDR.

8. General Shareholders' Information

i. Date of Book Closure :-

From 8th August, 2011 to 18th August, 2011 (both days inclusive) for Annual General Meeting and payment of final dividend.

ii. Financial Calendar 2011-2012 :- (tentative schedule)

Financial year : 1st April 2011 to 31st March 2012.

Board meetings for approval of quarterly results

Quarter ended on June 30, 2011 : On or before 15th August, 2011

Quarter ended on September 30, 2011 : On or before 15th November, 2011

Quarter ended on December 31, 2011 : On or before 15th February, 2012

Quarter ended on March 31, 2012 : On or before 31st May, 2012 (Audited)

Annual General Meeting for the year 2011-12 : In accordance with Section 166 of Companies Act, 1956.

iii. Dividend payment :-

The Board of Directors at their meeting held on 28/05/2011 recommended a final dividend of Rs. 1.50 per equity share on the face value of Rs. 10/- each for the financial year 2010-2011, subject to approval of the shareholders. Final dividend, if approved by the shareholders will be paid on or after 23rd August, 2011.

iv. Listing of equity shares on Stock Exchanges :-

The equity shares of the Company are listed at Bombay Stock Exchange Limited. The Company has paid the annual listing fees for the financial year 2011-12.

v. Stock code :-

BSE : 532707

ISIN : INE256H01015

vi. Dematerializational Information :-

As on 31st March 2011, 84.95 % of the Company's total shares, i.e. 9623494 no. of shares were held in dematerialized form and 15.05 % i.e. 1704955 shares were held in physical form.

viii. Custodial Fees to Depositories :-

The annual custodial fees for the Financial Year 2011-12 has been paid to National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

ix. Registrar & Share Transfer Agent :-

The Company has appointed Bigshare Services Pvt. Ltd. as the Share Transfer Agent. For any assistance, request or instruction regarding transfer or transmission of shares, dematerialization of shares, change of address, non-receipt of annual report and any other query relating to the shares of the Company, please write to the following address :

Bigshare Services Pvt. Ltd.

E-2 & 3, Ansa Industrial Estate, Saki-Vihar Road, Sakinaka. Andheri(E), Mumbai - 400 072.

Tel: 91-022-40430200 Fax: 91-022-2847 5207 E-mail : investor@bigshareonline.com

x. Share Transfer System :-

The Company's shares are traded on the Stock Exchange compulsorily in dematerialized mode. Physical shares, which are lodged for transfer with the Transfer Agent are processed and returned to the shareholders within stipulated time.

xi. Share Market Price data :-

The Monthly High and Low prices and volumes of Dymenic Products Limited at Bombay Stock Exchange Limited for the year ended on 31st March, 2011 are as under :-

Month	Monthly High	Monthly Low	No. of Shares Traded
April'10	24.00	18.35	4,25,248
May'10	24.70	18.00	6,24,190
June'10	28.40	22.55	13,35,012
July'10	34.70	24.80	47,35,118
August'10	34.35	28.05	10,22,829
September'10	32.50	27.50	7,54,942
October'10	33.85	28.85	6,67,597
November'10	31.90	24.40	3,73,472
December'10	27.75	23.05	1,30,929
January'11	27.95	24.05	1,99,621
February'11	26.30	20.55	1,39,718
March'11	25.00	21.05	1,76,877

xii. Distribution of Shareholding as on 31st March, 2011

No. of Equity shares held	No. of share holders	% of shareholders	No. of shares held	% of holding
1 – 500	7,934	85.9123	14,43,740	12.7444
501 – 1000	496	5.3709	4,20,198	3.7092
1001 – 2000	341	3.6925	5,33,725	4.7114
2001 – 3000	142	1.5376	3,79,117	3.3466
3001 – 4000	58	0.6280	2,12,976	1.8800
4001 – 5000	69	0.7472	3,26,262	2.8800
5001 – 10000	93	1.0070	6,97,150	6.1540
10001 & above	102	1.1045	73,15,281	64.5744
TOTAL	9,235		1,13,28,449	

Shareholding pattern of the Company as on 31st March, 2011

Category	No. of Shares	% of Shares
A Promoter's Holding		
1 Indian Promoters	51,92,073	45.83216
2 Foreign Promoters	—	—
Sub Total	51,92,073	45.83216
B Public Shareholding		
1 Institutions		
Financial Institutions/Banks	245	0.00216
2 Non-Institutions		
Private Corporate Bodies	5,41,127	4.77671
Indian Public	55,34,845	48.8579
NRIs / OCBs	54,670	0.48259
Directors	1,500	0.01324
Clearing Members	2,654	0.02343
Trust	1,335	0.01178
Sub Total	61,36,376	54.16784
GRAND TOTAL	1,13,28,449	100.0000

xiii. Details of Shares held by Non-Executive Directors as on 31st March, 2011

Name of the Non-Executive Director	Shares Held
Mr. Hitendra H. Sheth	1,500
Mr. Jagdish S. Shah	Nil
Mr. Harish K. Shah (upto 08.11.2010)	Nil
Mr. Vishnu G. Patel	Nil
Mr. Shankarlal B. Mundra	Nil
Mr. Ashish R. Joshi (w.e.f. 29.12.2010)	Nil

xiv. Details of unclaimed shares in terms of Clause 5A of listing agreement as on 31st March, 2011

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, 2010	6	900
Number of shareholders who approached to Issuer / Registrar for transfer of shares from suspense account during the year 2010-11	Nil	Nil
Number of shareholders to whom shares were transferred from suspense account during the year 2010-11	Nil	Nil
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, 2011	6	900

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

xv. Plant Location

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

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

xvi. 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, 2011	Maximum outstanding during the year
	NIL	NIL

xvii. 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. : 079-27663071/76, 65233073 Fax No. : 079-27662176 Email : cs@dynemic.com

For and on Behalf of the Board of Directors

Sd/-

Bhagwandas K. Patel

Chairman & Managing Director

Ahmedabad
28th May, 2011

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,2011 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 , 2011, there were no investor grievance matter against the Company remaining unattended /pending for more than 30 days.
- 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 ACCOUNTANTS

[RAJESH D. SHAH]
PROPRIETOR
FRN. 109767W

Ahmedabad
28th May, 2011

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, 2011, as envisaged in Clause 49 of the Listing Agreement.

For and on Behalf of the Board of Directors

Sd/-

Bhagwandas K. Patel
Chairman & Managing Director

Ahmedabad
28th May, 2011

CERTIFICATION BY THE CHIEF EXECUTIVE OFFIER (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 31.03.2011 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.

Ahmedabad
28th May, 2011

Bhagwandas K. Patel
Chairman & Managing Director

Josekutty Thomas
C.F.O.

AUDITOR'S REPORT

To
The Shareholders,
Dyemic Products Limited

We have audited the attached Balance Sheet of **DYNEMIC PRODUCTS LIMITED** as at 31st March,2011 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, 2011 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,2011,
 - (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
FRN. 109767W

Place : Ahmedabad
Date : 28th May, 2011

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) Rs.	Closing Bal As on 31-3-11 Rs.
A	Subsidiaries:- Dynamic Overseas (I) Pvt. Ltd.	25 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	7.67	2007-08	ITAT Ahmedabad

The above demand has 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.
- 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
FRN. 109767W

Place : Ahmedabad
Date : 28th May, 2011

BALANCE SHEET AS AT 31 ST MARCH 2011

Particulars	Sch.	31st March, 2011		31st March, 2010	
		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	23,12,40,585	34,45,25,075	19,39,37,195	30,72,21,685
2 LOAN FUNDS :					
[a] Secured Loans	3	16,77,85,195		16,17,88,913	
[b] Unsecured Loans	4	51,79,764	17,29,64,959	1,16,39,869	17,34,28,782
3 DEFERRED TAX LIABILITY			3,44,98,593		2,72,84,908
Total Rs.			55,19,88,627		50,79,35,375
B. APPLICATION OF FUNDS :					
1 FIXED ASSETS :	5				
[a] Gross Block		37,44,00,599		35,15,04,457	
[b] Less : Depreciation		6,86,15,935		5,64,43,911	
[c] Net Block		30,57,84,664		29,50,60,546	
CAPITAL WORK IN PROGRESS		0		0	
			30,57,84,664		29,50,60,546
2 INVESTMENTS	6		4,18,74,581		2,38,63,224
3 CURRENT ASSETS, LOANS & ADVANCES :	7				
[a] Inventories		7,32,97,913		6,97,21,131	
[b] Sundry Debtors		12,48,21,620		12,84,23,542	
[c] Cash & Bank Balances		67,83,674		65,58,758	
[d] Loans & Advances		9,04,43,690		6,13,53,612	
			29,53,46,895		26,60,57,043
Less : CURRENT LIABILITIES & PROVISIONS					
[a] Current Liabilities	8	4,95,91,436		3,97,83,567	
[b] Provisions		4,14,26,077		3,72,61,871	
			9,10,17,513		7,70,45,438
Net Current Assets			20,43,29,382		18,90,11,605
Total Rs.			55,19,88,627		50,79,35,375
Significant Accounting Policies & Notes on Accounts.	16				

As per our Report of even date

For : SHAH RAJESH & ASSOCIATES
CHARTERED ACCOUNTANTS.

(R. D. SHAH)
PROPRIETOR.
FRN. 109767W

Place : Ahmedabad.
Date : 28/05/2011

For : DYNEMIC PRODUCTS LIMITED

(B. K. Patel) *Chairman & Mg. Director*
(D. P. Patel) *Director*
(R. B. Patel) *Director*
(D. B. Patel) *Director*
(Josekutty Thomas) *Chief Financial Officer*
(Varsha Mehta) *Company Secretary*

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31-3-2011

Particulars	Sch.	31st March, 2011		31st March, 2010	
		Rupees	Rupees	Rupees	Rupees
A. INCOME :					
1 Sales (net)		63,69,33,628		62,89,61,842	
2 Other Income	9	1,69,46,281		1,20,71,353	
3 Increase/Decrease in Stocks	10	(1,15,55,969)		34,09,094	
Total Rs.		64,23,23,940		64,44,42,289	
B. EXPENDITURE :					
1 Materials, Manufacturing & Operating Costs	11	44,98,11,610		48,47,46,454	
2 Purchase of Finished & Trading Materials		2,14,81,542		19,83,837	
3 Salaries, Wages & Bonus	12	2,46,47,977		1,98,75,837	
4 Repairs & Maintenance	13	1,35,93,261		1,10,80,127	
5 Administrative & Other Expenses	14	2,06,21,353		1,94,12,679	
6 Interest & Financial Expenses	15	1,24,14,444		1,77,04,258	
7 Depreciation		1,49,62,241		1,44,71,805	
8 Preliminary Expenses written off		0		0	
Total Rs.		55,75,32,427		56,92,74,996	
Profit before Taxation		8,47,91,512		7,51,67,293	
Less: Provision for Taxation					
Current Tax		2,10,39,000		1,94,00,000	
Deferred Tax		72,13,685		72,66,063	
Fringe Benefit tax		0		0	
16 Net Profit for the Year		5,65,38,827		4,85,01,229	
Add:- Net Balance Profit of Last Year		8,00,39,175		5,17,73,237	
Add/ (Less):- Taxation of earlier years (Refunds/Paid)		(5,79,508)		5,45,457	
17 Balance available for Appropriation		13,71,57,509		9,97,29,010	
Appropriations :					
General Reserves		50,00,000		24,60,000	
Proposed Dividend		1,69,92,674		1,47,26,984	
Tax on Dividend		28,22,271		25,02,851	
		2,48,14,945		1,96,89,835	
18 Balance Carried to Balance Sheet		11,23,42,564		8,00,39,175	
Earning Per Share					
Basic			4.99	4.28	
Diluted			4.99	4.28	

Significant Accounting Policies & Notes on Accounts.

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As per our Report of even date

For : SHAH RAJESH & ASSOCIATES
CHARTERED ACCOUNTANTS.

(R. D. SHAH)
PROPRIETOR.
FRN. 109767W

Place : Ahmedabad.

Date : 28/05/2011

For : DYNEMIC PRODUCTS LIMITED

(B. K. Patel) *Chairman & Mg. Director*

(D. P. Patel) *Director*

(R. B. Patel) *Director*

(D. B. Patel) *Director*

(Josekutty Thomas) *Chief Financial Officer*

(Varsha Mehta) *Company Secretary*

CASH FLOW STATEMENT OF DYNEMIC PRODUCTS LTD. FOR THE YEAR ENDED 31ST MARCH, 2011

PARTICULARS	31/3/2011	31/3/2010
A] CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit after Tax & Extra Ordinary Items	5,65,38,826	4,85,01,228
Adjustments for :-		
Provision for Tax & Deferred Tax	2,82,52,685	2,66,66,063
Miscellaneous Expenses Written Off	0	0
Depreciation	1,49,62,241	1,44,71,805
Depreciation Written Back	(27,90,270)	(2,53,426)
Diminution in the Value of Investments	(6,07,099)	(22,64,945)
Interest and Financial charges	1,24,14,444	1,77,04,258
Profit/Loss on Sale/Replacement of Fixed Assets	2,35,813	68,699
Interest/Dividend/Capital Gains Income	(10,72,298)	(12,25,142)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	10,79,34,343	10,36,68,542
Adjustments for :-		
Trade and Other Receivables	36,01,922	(5,51,98,644)
Inventories	(35,76,782)	(1,03,03,969)
Trade Payables	98,07,869	(15,81,106)
Loans & Advances	(2,36,59,713)	(95,17,610)
CASH GENERATED FROM OPERATIONS	9,41,07,640	2,70,67,213
Direct Taxes Paid	(2,21,00,000)	(1,75,00,000)
NET CASH FROM OPERATING ACTIVITIES	7,20,07,640	95,67,213
B] CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(2,64,67,864)	(29,54,819)
Sale of Fixed Assets	5,45,693	5,12,005
Sale of Investments	(1,74,04,258)	37,27,529
Income Tax Refund/Paid for Earlier Years	5,79,508	(5,45,457)
Interest/Dividend/Capital Gains Income Received	10,72,298	12,25,142
NET CASH USED IN INVESTING ACTIVITIES	(4,16,74,623)	19,64,400
C] CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Borrowings	(4,63,823)	2,16,82,891
Interest and Financial Charges Paid	(1,24,14,444)	(1,77,04,258)
Dividend & Dividend Tax Paid	(1,72,29,835)	(1,32,53,719)
NET CASH USED FROM FINANCING ACTIVITIES	(3,01,08,102)	(92,75,086)
D] NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	2,24,915	22,56,526
E] CASH AND CASH EQUIVALENTS(OPENING)	65,58,758	43,02,232
F] CASH AND CASH EQUIVALENTS(CLOSING) (D + E)	67,83,674	65,58,758

As per our Report of even date

For : SHAH RAJESH & ASSOCIATES
CHARTERED ACCOUNTANTS.

(R. D. SHAH)
PROPRIETOR.
FRN. 109767W

Place : Ahmedabad.
Date : 28/05/2011

For : DYNEMIC PRODUCTS LIMITED

(B. K. Patel) *Chairman & Mg. Director*
(D. P. Patel) *Director*
(R. B. Patel) *Director*
(D. B. Patel) *Director*
(Josekutty Thomas) *Chief Financial Officer*
(Varsha Mehta) *Company Secretary*

SCHEDULES FORMING PART OF ACCOUNTS :

Particulars	31st March, 2011		31st March, 2010	
	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		1,02,17,820		77,57,820
Add : Transferred from Profit & Loss A/c.		50,00,000		24,60,000
		1,52,17,820		1,02,17,820
Less: Transfer for utilization in Bonus Shares		0	1,52,17,820	0
(ii) Profit & Loss A/c. Balance			11,23,42,564	8,00,39,174
(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.			23,12,40,585	19,39,37,195
SCHEDULE : 3 : SECURED LOANS :				
[a] C.C.Hypo A/c. : Citi Bank N.A.		56,00,347		65,42,535
Axis Bank Ltd.		4,05,20,939		1,95,49,784
[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.		8,70,37,419		7,62,66,837
HDFC Bank Ltd.		0		0
[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 (Security as above) Citi Bank N.A.		0		2,00,00,000
[d] Term Loan A/c (Security as above) Citi Bank N.A.- FCTL& INR		2,62,50,000		2,32,50,000
Axis Bank Ltd.- Car Loans		13,79,243		0
Axis Bank Ltd.- TL		69,97,247		1,61,79,757
Total Rs.			16,77,85,195	16,17,88,913

Particulars	31st March, 2011		31st March, 2010	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE : 4 : UNSECURED LOANS :				
[a] Fixed Deposits from Directors		2,60,793		13,10,373
[b] Fixed Deposits from Share holders		34,56,762		83,62,841
[c] Fixed Deposits from Public		14,62,209		19,66,655
Total Rs.		51,79,764		1,16,39,869

SCHEDULE : 5 : FIXED ASSETS.

Sr No	NAME OF THE ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As on 01/04/10 Rs.	Addition during the Year Rs.	Deduction during the Year Rs.	As on 31/03/11 Rs.	As on 01/04/10 Rs.	Addition during the Year Rs.	Deduction during the Year Rs.	As on 31/03/11 Rs.	As on 31/03/10 Rs.	As on 31/03/11 Rs.
1	Building	12,38,76,401	3,78,235	0	12,42,54,636	1,12,42,208	41,42,212	0	1,53,84,420	11,26,34,193	10,88,70,216
2	Computer	15,69,634	3,85,774	9,54,609	10,00,799	13,86,030	2,60,693	12,01,898	4,44,824	1,83,604	5,55,975
3	Electric Fitting & Installation	1,22,27,781	6,277	0	1,22,34,058	22,37,461	5,80,943	0	28,18,404	99,90,320	94,15,654
4	Furniture	76,28,023	74,240	0	77,02,263	38,50,557	4,83,276	0	43,33,833	37,77,466	33,68,430
5	Lab Equipments	57,18,621	1,73,168	0	58,91,789	16,43,885	2,73,447	0	19,17,332	40,74,736	39,74,457
6	Machineries	14,36,59,120	30,73,311	9,42,679	14,57,89,752	2,56,47,186	68,71,591	4,72,060	3,20,46,717	11,80,11,934	11,37,43,035
7	Office Equipments	29,98,269	27,400	0	30,25,669	14,76,233	1,90,333	0	16,66,566	15,22,036	13,59,103
8	Office Premises	58,86,491	0	0	58,86,491	4,62,219	95,948	0	5,58,167	54,24,272	53,28,324
9	Pollution Effluent Treatment	1,08,10,527	1,84,28,549	0	2,92,39,076	30,27,090	6,74,800	0	37,01,890	77,83,437	2,55,37,186
10	Residential Premises	14,23,898	0	0	14,23,898	1,80,425	23,210	0	2,03,634	12,43,473	12,20,264
11	Motor Cycle	5,14,838	90,770	2,44,661	3,60,947	1,79,243	24,098	1,21,170	82,171	3,35,595	2,78,776
12	Motor Car	48,10,338	20,76,059	13,75,294	55,11,103	24,45,209	4,94,978	9,48,508	19,91,679	23,65,129	35,19,424
13	Electric Motor & Pumps	19,36,328	1,92,402	0	21,28,730	6,10,657	96,263	0	7,06,920	13,25,671	14,21,810
14	Fire fighting Equipments	5,58,645	0	0	5,58,645	54,379	26,537	0	80,916	5,04,266	4,77,729
15	Gas Inst.& Fab	22,36,466	0	0	22,36,466	4,10,459	74,697	0	4,85,156	18,26,007	17,51,310
16	Lease Hold Land	1,13,20,350	2,83,373	0	1,16,03,723	0	0	0	0	1,13,20,350	1,16,03,723
17	Pipes & Valve Fittings	88,74,582	0	0	88,74,582	8,85,815	2,96,409	0	11,82,224	79,88,767	76,92,358
18	Storage Tank	41,35,451	1,90,086	54,479	42,71,058	4,21,155	1,40,809	46,581	5,15,383	37,14,296	37,55,675
19	ERP Computer Software	12,15,334	10,18,220	0	22,33,554	1,91,768	1,97,007	0	3,88,775	10,23,566	18,44,779
20	Dies	1,03,360	70,000	0	1,73,360	91,933	14,991	0	1,06,924	11,427	66,436
	Total Rs.	35,15,04,457	2,64,67,864	35,71,722	37,44,00,599	5,64,43,911	1,49,62,241	27,90,217	6,86,15,935	29,50,60,546	30,57,84,664
	Previous Years	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

Note:- Opening balances have been regrouped wherever required

Project under implementation:-

1	Capital Work in Progress	0	0	0	0	0	0	0	0	0	0
2	ERP Software Under Implementation	0	0	0	0	0	0	0	0	0	0
	TOTAL	0	0	0	0	0	0	0	0	0	0

Particulars	31st March, 2011		31st March, 2010	
	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 [20,600 Shares of Rs.100 each (P.Y.F.20,600)]	20,60,000		20,60,000	
		20,60,000		20,60,000
(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)	50,57,056		53,02,007	
	50,95,056		53,40,007	
Less:- Provision for Diminution in value of Investment (Net) (The list is attached as Annexure I showing cost and market value of all the shares)	20,51,060	30,43,996	26,58,160	26,81,847
(ii) Other Unquoted Investments- Equity Shares				
Enviro Technology Ltd. Shares [15,000 Shares of Rs.10 each(P.Y.F.15,000)]	1,50,000		1,50,000	
Bharuch Enviro Infrastructure Ltd. [1,260 Shares of Rs.10 each(P.Y.F.1,260)]	12,600		12,600	
Bharuch Eco-Aqua Infra.Ltd [89,300 Shares of Rs.10 each (P.Y.F.32,300)]	8,93,000		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	
Dynemic Holdings Pvt.Ltd. [10,10,000 Shares Of Rs.10 each (P.Y.F.10,10,000)]	1,01,00,000		1,01,00,000	
Ank.Res. &.Analy.Inf.Ltd. [1,000 Shares of Rs.10 each (P.Y.F.1,000)]	10,000	1,11,78,200	10,000	1,06,08,200
(iii) Other Unquoted Investments - LLP				
Vishwas Organisers LLP- Capital Contribution (25% share in LLP)	2,50,000		0	
Interest Accrued on above capital	9,376		0	
Vishwas Organisers LLP- Loan Contribution	1,47,50,000		0	
Interest Accrued on above Loans	5,46,084	1,55,55,460	0	0
[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)	59,36,925		44,13,177	
HDFC MID CAP EQUITY FUND	5,00,000		5,00,000	
HSBC Unique Opportunities Fund	2,00,000		2,00,000	
	76,36,925		61,13,177	
(The list is attached as Annexure II showing cost and market value of all MF)		76,36,925		61,13,177
Investment In Residential Flat	24,00,000		24,00,000	
		24,00,000		24,00,000
Total Rs.		4,18,74,581		2,38,63,224

Particulars	31st March, 2011		31st March, 2010	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE : 7 : CURRENT ASSETS AND LOANS & ADVANCES :				
[A] CURRENT ASSETS :				
INVENTORIES :				
Valued at Cost or Net realisable value whichever is lower				
[As per Inventory taken, valued and Certified by Directors of the Company]				
Raw Materials	3,93,85,714		2,44,88,965	
Packing Material	20,61,500		18,98,092	
ETP stock	1,10,206		37,612	
Trading Materials	1,42,500		0	
Work in progress	45,45,143		51,59,382	
Finished Goods	2,31,10,214		3,19,69,628	
Semi Finished Goods	39,42,636		61,67,452	
		7,32,97,913		6,97,21,131
SUNDRY DEBTORS (Unsecured Considered Good)				
Due Over Six Months.	2,79,756		4,17,447	
Others (Includes Due from Subsidiaries Rs.0(PYF 0/-)	12,45,41,864		12,80,06,095	
		12,48,21,620		12,84,23,542
CASH AND BANK BALANCE :				
Cash-in-hand	46,138		1,17,424	
Balance with Schedule Bank in current a/c	39,87,215		50,80,589	
Balance with Non-Schedule Bank in current a/c	2,95,227		2,17,726	
Balance with Non-Schedule Bank in margins a/c	461		72,344	
Balance with Schedule Bank in Fixed Deposits	24,54,632		10,70,675	
		67,83,674		65,58,758
[B] LOANS AND ADVANCES :				
Advances recoverable either in Cash or in Kind or for value to be received.	5,02,12,481		2,75,65,493	
Deposits with Govt. Bodies & Others	1,11,59,511		80,98,957	
Advance Income tax (FY 0809)	0		28,80,630	
Advance Income tax (FY 0910)	0		1,75,00,000	
Advance Income tax (FY 1011)	2,21,00,000		0	
Advances given for expenses/capital Goods	10,84,887		6,36,179	
Advances given for goods	58,86,811		46,72,353	
		9,04,43,690		6,13,53,612
Total Current Assets and Loans & Advances		29,53,46,896		26,60,57,044

Particulars	31st March, 2011		31st March, 2010	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE : 8 : CURRENT LIABILITIES :				
CURRENT LIABILITIES :				
Sundry Creditors	4,78,72,543		3,83,28,473	
Share Application Money Refundable	10,62,375		10,72,875	
Unclaimed Dividend (2009-10)	1,38,856		0	
Unclaimed Dividend (2008-09)	1,11,154		1,23,129	
Unclaimed Dividend (2007-08)	97,685		99,035	
Unclaimed Dividend (2006-07)	72,941		73,091	
Unclaimed Dividend (2005-06)	79,052		81,552	
Advance from Customers	1,56,830		5,412	
		4,95,91,436		3,97,83,567
PROVISIONS :				
Leave Encashment Salary Provisions	5,72,132		6,32,036	
Proposed Dividend	1,69,92,674		1,47,26,984	
Tax on Proposed Dividend	28,22,271		25,02,851	
Provision for Taxation for current tax	2,10,39,000		1,94,00,000	
		4,14,26,077		3,72,61,871
Total Rs.		9,10,17,513		7,70,45,438
SCHEDULE : 9 : OTHER INCOME :				
OTHER BUSINESS RELATED INCOME				
Interest on Income Tax Refund	5,26,813		0	
Cash Discount Received	2,18,711		5,10,949	
Foreign Exchange Gain & Loss	7,49,310		3,11,624	
Office Rent Income	1,08,000		1,08,000	
Conversion Charge Income	2,63,250		46,77,750	
DEPB Income	86,92,074		3,26,571	
Focus Market Income	16,95,032		18,91,174	
Interest On GEB Deposit	3,48,694		58,659	
Interest On ETL Deposit	1,11,000		1,11,000	
Misc Interest Income	410		0	
Packing Material Income	0		2,11,697	
Profit on Sale of Residential Premises	0		81,812	
Profit/loss on Sale of VKYP	0		5,136	
Creditors W/O	0		1,09,308	
Kasar, Rates & Quality Difference.	42,308		61,199	
Quantity Discount	1,33,703		90,023	
Discount Income	8,49,210		0	
Insurance Claim Received	13,270		13,480	
Miscellaneous Income	15,099		4,910	
Subsidy Income	15,00,000		0	
Freight Recovered	0		7,974	
TOTAL		1,52,66,884		85,81,266

Particulars	31st March, 2011		31st March, 2010	
	Rupees	Rupees	Rupees	Rupees
OTHER INVESTMENT RELATED INCOME				
Dividend on Mutual Fund	26,000		3,53,670	
Dividend From Company	27,675		41,965	
Interest on HDFC Real Estate Fund	1,95,294		1,14,030	
Interest on FD (Bank)	1,21,502		1,57,846	
Interest on Staff Loan	1,24,629		42,907	
Interest From Partnership-Vishwas LLP	6,17,178		0	
Long Term Capital Gain-KOTAK MAHINDRA MF	49,913		0	
Short Term Capital Gain-KOTAK MAHINDRA MF	0		6,56,742	
TOTAL		11,62,191		13,67,160
LESS:- EXPENDITURE RELATING TO INCOME ON INVESTMENTS				
Securities Transaction Tax - Kotak	369		4,759	
Securities Transaction Tax - Mutual Fund	0		6,852	
Management Cons. Fees & Entry Load	89,524		1,30,407	
Provision for Diminution in the Value of Investments (Net)	(6,07,099)		(22,64,945)	
TOTAL		(5,17,206)		(21,22,927)
NET INCOME/LOSS ON INVESTMENTS		16,79,397		34,90,087
Total Rs.		1,69,46,281		1,20,71,353
SCHEDULE : 10 : INCREASE / DECREASE IN STOCKS :				
CLOSING STOCK :				
Finished Goods	2,31,10,214		3,19,69,628	
Semi Finished Goods	39,42,636		61,67,452	
Trading Materials	1,42,500		0	
Work-in-Progress	45,45,143		51,59,382	
		3,17,40,493		4,32,96,462
OPENING 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
Increase (Decrease) in Stocks...		(1,15,55,969)		34,09,094

Particulars	31st March, 2011		31st March, 2010	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE:11:MATERIALS, MANUFACTURING & OPERATING COSTS				
A RAW MATERIALS CONSUMED				
Opening Stock	2,44,88,965		1,81,80,600	
Add. : Purchase during the year	34,79,67,604		38,75,83,296	
	37,24,56,569		40,57,63,896	
Less : Closing Stock	3,93,85,714		2,44,88,965	
Total Rs.	33,30,70,855		38,12,74,931	
B PACKING MATERIAL CONSUMED				
Op. Stock	18,98,092		12,88,825	
Add: Purchases during the year	1,30,51,109		1,35,29,558	
	1,49,49,201		1,48,18,383	
Less : Closing stock	20,61,500		18,98,092	
Total Rs.	1,28,87,701		1,29,20,291	
C E.T.P MATERIAL CONSUMED				
Op. Stock	37,612		60,369	
Add: Purchases during the year	27,09,320		24,92,658	
	27,46,932		25,53,027	
Less : Closing stock	1,10,206		37,612	
Total Rs.	26,36,726		25,15,415	
D POWER & FUEL CONSUMED				
Electric Power & Burning	1,76,36,857		1,81,73,046	
Fuel Purchased & Consumed	18,76,236		4,51,037	
Gas Consumption Charges	3,73,67,231		2,81,95,771	
Total Rs.	5,68,80,324		4,68,19,854	
E OTHER MFGS. EXPENSES				
Transportation	46,97,734		49,53,960	
Conversion Charges	38,17,652		87,57,404	
Factory Expense	8,36,615		8,31,868	
Labour Charges	92,66,810		72,84,309	
Forwarding & Handling Charges	1,36,41,468		91,77,798	
Pallatisation Charges	3,95,586		2,46,416	
ETP Expense	67,00,594		81,33,162	
Freight & Cartage Expense	45,695		1,62,990	
Safety Expense	0		50,004	
Colour Expense	5,02,339		69,744	
Custom Duty on Debonding	28,17,182		1,58,489	
Consumable Stores	16,14,329		13,89,819	
Total Rs.	4,43,36,004		4,12,15,963	
TOTAL:- MANUFACTURING COST	44,98,11,610		48,47,46,454	
SCHEDULE : 12 : SALARIES WAGES & BONUS				
Salary & Wages to Employees	1,48,74,814		1,22,65,516	
Salaries & Bonus to Directors	55,45,607		40,34,681	
Sitting Fees to Directors	64,000		1,40,000	
Leave Salary (Inc. Provisions -unpaid)	3,75,646		3,49,956	
Bonus & other charges	37,87,910		30,85,684	
Total Rs.	2,46,47,977		1,98,75,837	

Particulars	31st March, 2011		31st March, 2010	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE-13 : REPAIRS AND MAINTENANCE				
Electrical Parts & Maintenance	5,27,200		4,91,053	
ETP Parts & Maintenance	37,68,154		49,38,080	
Machinery Parts Repairs & Maintenance	35,02,000		16,20,955	
A.C. Service Charges	83,420		1,13,811	
Building Repairing	2,64,509		16,322	
Computer Maintenance & Consumables	1,71,083		2,01,451	
Lab Equipment Repairing	1,03,534		1,18,912	
Furniture Repairing & Maintenance	52,438		47,968	
Vehicle Repairing Expenses	1,95,085		1,85,016	
Office Repairing Expenses	0		3,900	
Consumable Stores - Plant & Electricals	49,25,838		33,42,659	
Total Rs.	1,35,93,261		1,10,80,127	
SCHEDULE : 14 : ADMINISTRATIVE AND OTHER EXPENSES :				
Consultancy Fees- Legal & Professional	12,07,222		10,69,854	
Exhibition Expense	11,91,955		5,85,134	
Insurance Premium	27,50,731		21,02,085	
Petrol Expenses-Directors	3,32,590		2,83,053	
Selling Commission	18,80,848		13,91,884	
Staff Welfare Expenses	2,87,034		3,88,509	
Telephone Expense-Others	3,51,834		3,41,385	
Travelling & Conveyance (Director)	5,03,372		2,03,707	
Advances to Subsidiary W/o	0		30,36,307	
Investment in Subsidiary W/o	0		45,540	
Angadia & Courier Expense	5,16,364		4,76,688	
Audit Fees	3,75,000		3,25,000	
Bad Debts	0		4,46,338	
FDA Approval Fees	29,05,037		5,80,866	
Lab-Testing Expense	3,61,659		5,07,576	
Misc Office Expense	2,18,105		1,20,569	
Office Electric Bill Expense	2,66,370		3,08,731	
Security Expense	6,14,834		6,06,420	
Stationery & Printing Exp- Incl (Annual Reports)	8,97,106		7,73,544	
Water Charges	3,36,815		3,51,667	
Sales Promotion Expense	2,85,326		1,01,517	
Registration, Renewal & Filing Fees	5,97,783		5,64,532	
Stamp Paper and Franking Charges	1,96,770		9,41,270	
Advertisement Expense	2,62,162		3,03,401	
Loss/Profits on sale/w/o of assets	2,35,813		1,50,511	
Other Administrative & Establishment Expense	40,46,624		34,06,592	
Total Rs.	2,06,21,353		1,94,12,679	
SCHEDULE : 15 : INTEREST & FINANCIAL EXPENSES:				
Interest	91,37,719		1,50,46,732	
Other Financial Charges	32,76,725		26,57,526	
Total Rs.	1,24,14,444		1,77,04,258	

SCHEDULE : 16

Significant Accounting Policies & Notes forming parts of Accounts as on 31-3-2011

I] Significant Accounting Policies :

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

- (i) The Annual Accounts have been prepared on the Historical cost basis and confirms to the statutory provisions of Companies Act , 1956 and General Accounting practices prevailing in the country, and the Accounting Standards issued by the Institute of Chartered Accountants 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, detemined 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 Actuaries M/s. K. A. PANDIT, as per their report dtd. 06/04/2011.

The disclosures as per AS 15 is annexed seperately and marked as Annexure - III

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 :-

Preliminery 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 EXPENSES :-

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

10] FOREIGN CURRENCY TRANSACTIONS :-

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

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

11] INTER DIVISIONAL TRANSFER :-

Interdivisional transfer of goods of Rs. 65,28,611/- (PYF 5,13,83,981/-) 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. 2,63,250/- (PYF Rs.46,77,750/-), has been included in other income and also shown as expenditure under the head "other manufacturing expenses" 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 reassess 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] Contingent Liability :-

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

II] NOTES ON ACCOUNTS :-

1] 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	17,84,82,749 (21,53,02,007)	45,84,50,879 (41,36,59,835)	0 (0)	63,69,33,628 (62,89,61,842)
Carrying amount of Segment Assets (Gross)	55,73,74,970 (48,29,11,727)	8,56,31,171 (10,20,69,087)	0 (0)	64,30,06,141 (58,49,80,814)

Figures in brackets are for the previous year.

2] Related Party Disclosures :-

A] List of parties where control exist

(i) Subsidiary Company

- * Dynamic Overseas (India) Pvt.Ltd.

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

(ii) Associates :-

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

(iii) Key management personnel :-

Mr. Bhagwandas K. Patel	Managing Director
Mr. Ramesh B. Patel	Wholetime Director
Mr. Dashrath P. Patel	Wholetime Director
Mr. Shashikant P. Patel	Wholetime Director
Mr. Dixit B. Patel	Wholetime Director

C] Transactions with related parties :-

Nature of Transaction	Key Managerial Personnel & their Relatives Rs.		Subsidiary Companies Amt.Rs.		Associates Amt.Rs.	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Fixed Deposits taken						
Taken during the period	85,000	56,46,000	0	0	0	0
Repaid during the period	74,98,567	11,77,108	0	0	0	0
Closing Balance	37,42,299	1,04,42,585	0	0	0	0
Loans & Advances						
Given during the period	20,20,876	10,55,884	25,00,000	90,00,000	0	4,00,000
Settled during the period	15,32,370	11,59,170	25,00,000	90,00,000	0	4,00,000
Closing Balance	15,42,008	10,53,502	0	0	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	20,60,000	20,60,000	1,01,00,000	1,01,00,000
Sundry Debtors	0	0	0	0	0	0
Sundry Creditors	0	0	0	0	0	0
Purchase of Goods	0	0	0	0	0	0
Conversion Charges	0	0	0	0	18,39,223	30,24,003
Amount Expended on behalf of	75,60,781	58,00,375	0	0	0	0
Sales	0	0	83,91,968	54,03,340	5,025	14,096

- 3] 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	2010-11	2009-10
Net Profit after tax (Amt.Rs.)	5,65,38,827	4,85,01,229
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	4.99	4.28

- 4] COMPANY SECRETARY:- The company has full time qualified company secretary U/s 383A(1).
5] Paise have been rounded upto the nearest rupees.
6] Previous year's Figures have been regrouped and /or rearranged wherever necessary to make them comparative with current year's figures.
7] 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 10	Debit/(Credit) for the year Rs.	Balance As on 31st March 2011
(a) Deferred Tax Liability			
- Depreciation	2,81,77,114	70,12,022	3,51,89,136
- Provision for diminution in Investments	(8,92,206)	-(2,01,663)	(6,90,543)
Total	2,72,84,908	72,13,685	3,44,98,593

8] Remuneration to Auditors

Particulars	Current Year Amount Rs.	Previous Year Amount Rs.
As Audit Fees	3,00,000	2,50,000
As Tax Audit Fees	75,000	75,000
For Taxation	2,00,000	2,00,000
For Other Matters- ITAT (Apeals)	90,000	1,20,000
For Service Tax	63,345	66,435

9] 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	2010-11 Amount Rs.	2009-10 Amount Rs.
(a) Remuneration	55,45,607	40,34,681
TOTAL Rs.	55,45,607	40,34,681

10] Contingent Liability for Letter of Credits and Bank Guarantees is of Rs.1,42,38,068/- (PYF 21,14,676/-)

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

12] 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:-

SR NO.	PARTICULARS	31/3/2011	31/3/2010
1	Principal amount remaining unpaid to any supplier as at the year end	24.81	29.25
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 & remaining unpaid at the year end of the accounting year.	0.00	0.00

Sundry Creditors having SME status

G	Sundry Creditors : UNIT- I :-	Amt.Rs.
	For Raw materials :	
1	Shakti Chemicals	6,25,401.00
2	Shree Kuvarika Industries	14,79,541.00
3	Shree Vahanvati Ice Factory	3,76,331.00
		24,81,273.00

13] 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, 2011 is estimated at Rs 8,17,746/. 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.

14] 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	2010-11	2009-10
(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 31-3-2011

Sr No	Products	Unit	Opening Stock		Purchases		Production		Sale		Closing Stock	
			Qty	Amount Rs.	Qty	Amount Rs.	Qty	Qty	Qty	Amount Rs.	Qty	Amount Rs.
(I) Finished Goods (Packed):												
1	Dyes & Intermediates	Kgs.	9,613.250 (4,677.145)	17,22,242 (10,23,445)	0.000 (0.000)	0 (0)	35,86,463.000 (40,16,230.730)	22,85,838.065 (24,90,083.300)	13,06,360.750 (15,21,211.325)	26,79,08,430 (26,35,28,907)	3,877.435 (9,613.250)	5,68,634 (17,22,242)
2	Food Colours	Kgs.	1,57,744.690 (87,986.790)	2,89,91,006 (1,89,24,844)	0.000 (0.000)	0 (0)	19,18,966.900 (22,38,347.900)	5,12,618.650 (4,40,783.900)	14,76,905.000 (17,27,806.100)	31,89,35,559 (34,73,04,182)	87,187.940 (1,57,744.690)	2,01,59,165 (2,89,91,006)
3	Lake Colours	Kgs.	3,905.700 (2,694.300)	8,20,624 (5,63,569)	0.000 (0.000)	0 (0)	58,734.600 (22,492.000)	8,706.500 (3,282.000)	45,229.000 (17,998.600)	2,00,05,107 (76,41,745)	8,704.800 (3,905.700)	18,78,644 (8,20,624)
4	Granuals	Kgs.	918.000 (20.000)	1,99,385 (6,832)	0.000 (0.000)	0 (0)	8,041.000 (2,498.000)	0.000 (0.000)	8,275.000 (1,600.000)	18,27,567 (6,06,759)	684.000 (918.000)	1,56,605 (1,99,385)
5	Preparation Colours	Kgs.	1,957.800 (1,607.000)	2,36,371 (3,33,751)	0.000 (0.000)	0 (0)	42,377.500 (44,237.000)	852.000 (341.000)	41,139.000 (43,545.500)	64,08,958 (72,14,904)	2344.300 (1957.800)	3,47,166 (2,36,371)
Total (I)			3,19,69,628 (2,08,52,441)		0 (0)		56,14,583.000 (63,23,805.630)		61,50,85,621 (62,62,96,497)		2,31,10,214 (3,19,69,628)	
(II) Semi Finished Goods :												
1	Dyes & Intermediates	Kgs.	60,516.630 (60,965.560)	41,74,174 (69,93,603)	0.000 (0.000)	0 (0)	0.000 (30,417.770)	32,441.935 (30,866.700)	0.000 (0.000)	0 (0)	28,074.695 (60,516.630)	19,07,241 (41,74,174)
2	Food Colours	Kgs.	19,971.100 (12,685.500)	19,93,278 (19,74,301)	0.000 (0.000)	0 (0)	10,645.000 (19,740.000)	8,655.000 (12,454.400)	0.000 (0.000)	0 (0)	21,961.100 (19,971.100)	20,35,395 (19,93,278)
Total (II)			61,67,452 (89,67,904)		0 (0)		10,645.000 (50,157.770)		0 (0)		39,42,636 (61,67,452)	
(III) Misc.items (By Products) :												
1	ETP Materials	Kgs.	0.000 (0.000)	0 (0)	0.000 (0.000)	0 (0)	901.650 (1,517.520)	0.000 (0.000)	901.650 (1,517.520)	16,451 (24,290)	0.000 (0.000)	0 (0)
Total (III)			0 (0)		0 (0)		901.650 (1,517.520)		16,451 (24,290)		0 (0)	
(IV) Trading Materials - Finished Goods												
1	Trading Materials	Kgs.	0.000 (0.000)	0 (0)	2,98,287.000 (34,706.000)	2,14,81,542 (19,83,837)	0.000 (0.000)	0 (0)	2,98,037.000 (34,706.000)	2,18,31,557 (26,41,055)	250.000 (0.000)	1,42,500 (0)
2	Trading of HDPE Drums	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)		2,14,81,542 (19,83,837)		0.000 (0.000)		2,18,31,557 (26,41,055)		1,42,500 (0)	
GRAND TOTAL			3,81,37,080 (2,98,20,345)		2,14,81,542 (19,83,837)		56,26,129.650 (63,75,480.920)		0 (0)		2,71,95,350 (3,81,37,080)	

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. 2009-10

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	5,252.000	4,66,630	18,922.000	15,27,953
2	Aniline Oil	Kgs	5,814.000	4,61,525	52,463.000	39,85,029
3	Sodium Bisulphite	Kgs	1,810.000	29,141	29,480.000	5,36,804
4	Sodium Metal	Kgs	9,368.000	8,45,815	7,883.000	9,82,902
5	Sodium Nitrite	Kgs	28,757.238	8,46,945	37,397.238	11,62,434
6	Caustic Soda Lye	Kgs	18,953.000	2,45,755	20,111.000	3,99,079
7	Sulphuric Acid	Kgs	82,750.000	3,43,724	42,321.000	2,01,033
8	Iodine	Kgs	400.000	5,44,724	746.500	12,01,865
9	Others	Kgs	3,13,589.609	2,07,04,706	4,47,234.987	2,93,88,614
	Total Rs.			2,44,88,965		3,93,85,714

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

Sr. No	Particulars	Unit	2010-11		2009-10	
			Qty	Amount Rs.	Qty	Amount Rs.
1	Di Ethyl Oxalate	Kgs	7,76,330.000	6,19,84,493	9,20,260.000	7,16,36,985
2	Aniline Oil	Kgs	9,52,800.000	6,76,32,128	10,79,000.000	6,68,90,198
3	Sodium Bisulphite	Kgs	12,33,830.000	2,06,51,177	12,86,690.000	1,81,70,484
4	Sodium Metal	Kgs	1,21,485.000	1,40,97,273	1,43,523.000	1,19,79,576
5	Sodium Nitrite	Kgs	6,06,360.000	1,80,14,142	6,89,456.712	1,94,57,705
6	Caustic Soda Lye	Kgs	8,19,120.000	1,20,24,855	9,68,173.319	1,54,88,697
7	Sulphuric Acid	Kgs	29,14,969.000	1,15,36,938	32,82,165.000	73,94,814
8	Iodine	Kgs	6,253.500	94,71,710	4,836.500	68,92,110
9	Others	Kgs	47,99,430.487	11,76,58,139	77,66,392.749	16,33,64,361
	Total Rs.			33,30,70,855		38,12,74,931

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

Particulars	Current Year Amount Rs.	Previous Year Amount Rs.
Raw Materials	4,79,64,680	6,45,32,087
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	2010-11		2009-10	
		Amount Rs.	% of Total	Amount Rs.	% of Total
A	Imported	4,79,64,680	14%	6,45,32,087	17%
B	Indigeneous Raw Materials	30,00,02,924	86%	32,30,51,209	83%
	Stores & Spares	0	0%	0	0
C	Expenses in Foreign Currency	19,21,655	0%	18,03,782	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	33,77,81,914	0%	41,36,59,835	0

Signature to Schedule 1 to 16

As per our Report of even date

**For : SHAH RAJESH & ASSOCIATES
CHARTERED ACCOUNTANTS.**
**(R. D. SHAH)
PROPRIETOR.**

FRN. 109767W

Place : Ahmedabad.

Date : 28/05/2011

For : DYNEMIC PRODUCTS LIMITED
(B. K. Patel) *Chairman & Mg. Director*
(D. P. Patel) *Director*
(R. B. Patel) *Director*
(D. B. Patel) *Director*
(Josekutty Thomas) *Chief Financial Officer*
(Varsha Mehta) *Company Secretary*

**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 , 2011
3	Date from which it become Subsidiary Company	1st September ,2005
4	a] Number of shares held by Dynemic Products Ltd. in the Subsidiary at the end of the financial year of the Subsidiary Company b] Extent of interest of Holding Company at the end of the financial year of the Subsidiary Company	20,600 Equity Shares of Rs.100/-each 98%
5	The Net aggregate amount of the Subsidiary Company's Profit(Loss) so far as it concerns the members of the Holding Company : a] Not dealt within the Holding Company's accounts i] For the period 1st April,2010 to 31st March,2011 ii] For the previous period(s) since it become the Holding Company's Subsidiary (Profit/Loss)	7,11,279 7,11,279 23,33,802
	b] Dealt within the Holding Company's accounts i] For the period 1st April,2010 to 31st March,2011 ii] For the previous period(s) since it become the Holding Company's Subsidiary	0 0

For : DYNEMIC PRODUCTS LIMITED

(B. K. Patel) *Chairman & Mg. Director*

(D. P. Patel) *Director*

(R. B. Patel) *Director*

(D. B. Patel) *Director*

(Josekutty Thomas) *Chief Financial Officer*

(Varsha Mehta) *Company Secretary*

Place : Ahmedabad.

Date : 28/05/2011

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	542	372.85	2,02,083.00	182.20	98,752.40	-1,03,330.60
Construction and Contracting - Real Estate HDIL	(542)	(372.85)	(2,02,083.00)	(286.35)	(1,55,201.70)	-(46,881.38)
Diversified						
Reliance Industries Limited	1,256 (1,256)	1,374.53 (1,374.53)	17,26,404.00 (17,26,404.00)	1,036.40 (1,074.65)	13,01,718.40 (13,49,760.40)	-4,24,685.60 (-3,76,643.62)
Mining/Minerals						
GMDC	300 (300)	144.41 (144.41)	43,320.00 (43,322.84)	139.25 (141.90)	41,775.00 (42,570.00)	-1,545.00 (-752.84)
Miscellaneous						
Reliance Power Ltd.	750 (3,000)	670.01 (167.50)	5,02,504.00 (5,02,504.70)	133.30 (62.25)	99,975.00 (1,86,750.00)	-4,02,529.00 (-3,15,754.70)
Paper & Paper Boards						
Kalptaru Papers Ltd.	25,000 (25,000)	83.03 (83.03)	20,75,826.00 (20,75,826.00)	12.57 (13.97)	3,14,250.00 (3,49,250.00)	-17,61,576.00 (-17,26,576.50)
Pesticides/Agro Chemicals						
Meghmani Organics Ltd.	2,500 (2,500)	19.77 (19.77)	49,425.00 (49,425.00)	14.35 (16.00)	35,875.00 (40,000.00)	-13,550.00 (-9,425.00)
Pharmaceuticals						
Sun Pharma Advanced Research Company Ltd.	1,500 (2,500)	98.63 (98.63)	1,47,945.00 (2,46,568.00)	72.30 (99.65)	1,08,450.00 (2,49,125.00)	-39,495.00 (2,557.00)
Other						
Sejal Architectural Glass Ltd.	0 (2,500)	0 (58.53)	0 (1,46,323.57)	0 (77.75)	0 (1,94,375.00)	0 (48,051.43)
Telecommunications – Service						
Reliance Communications Ltd.	450 (450)	687.89 (687.89)	3,09,549.00 (3,09,549.00)	111.70 (170.70)	50,265.00 (76,815.00)	-2,59,284.00 (-2,32,734.00)
Equity Total			50,57,056.00 (53,02,007.00)		-30,05,996.00 (26,43,847.00)	20,51,060.80 -(26,58,160.00)
Net Asset Value			50,57,056.00 (53,02,007.00)		-30,05,996.00 (26,43,847.00)	20,51,060.80 -(26,58,160.00)

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)	12.652 (10.733)	12,37,359.41 (10,49,682.15)
HDFC Mid-Cap Equity Fund	50,000.00 (50,000.00)	10 (10)	5,00,000.00 (5,00,000.00)	15.095 (13.089)	7,54,750.00 (6,54,450.00)
HSBC Unique Opportunities Fund	20,000.00 (20,000.00)	10 (10)	2,00,000.00 (2,00,000.00)	11.216 (10.198)	2,24,316.00 (2,03,966.00)
HDFC AMC PMS (Real Estate Portfolio)	30,705.00 (19,193.00)	193.354 (229.937)	59,36,925.00 (44,13,177.00)	240.939 (263.858)	73,98,048.00 (50,64,226.00)
Total Portfolio Value			76,36,925.00 (61,13,177.00)		96,14,473.41 (69,72,324.15)

The figures in the brackets relates to the previous year i.e. 2009-10.

ANNEXURE - III DISCLOSURES AS PER AS - 15

The disclosures of "Employee Benefits" defined as per accounting standard AS 15 are given as below :-

Defined Contribution Plans:-

Contribution to Defined Contribution Plans, recognised as expense for the year is as under:-

Employer's Contribution to Provident & Other funds	805592
Group Gratuity Insurance Premium paid to LIC	600980

(Group Gratuity Fund is managed by the LIC and the company pay the defined contribution as premium to the LIC of India.)

Defined Benefits Plans:-

The present value of obligation is determined based on actuarial valuation using Projected Unit Credit Method.

The Leave encashment is recognised on the basis of the actuarial valuation, valued by actuary, M/s K.A. PANDIT.

Leave Disclosures:	Apr 10 - Mar 11
I. Assumptions :	Apr 10 - Mar 11
Discount Rate Previous Period	8.00%
Rate of Return on Plan Assets Previous Period	8.00%
Salary Escalation Previous Period	7.00%
Attrition Rate Previous Period	2.00%
Discount Rate Current Period	8.25%
Rate of Return on Plan Assets Current Period	8.25%
Salary Escalation Current Period	7.00%
Attrition Rate Current Period	2.00%
II. Table Showing Change in Benefit Obligation :	Apr 10 - Mar 11
Liability at the beginning of the year	4,51,469
Interest Cost	36,118
Current Service Cost	2,43,891
Past Service Cost (Non Vested Benefit)	—
Past Service Cost (Vested Benefit)	—
Settlement	—
Liability Transfer In	—
Liability Transfer out	—
Benefit Paid	(2,17,448)
Actuarial (gain)/loss on obligations	58,102
Liability at the end of the year	5,72,132
III. Tables of Fair value of Plan Assets :	Apr 10 - Mar 11
Fair Value of Plan Assets at the beginning of the year	—
Expected Return on Plan Assets Contributions	2,17,448
Fund Transfer In	—
Fund Transfer Out	—
Benefit Paid	(2,17,448)
Actuarial gain/(loss) on Plan Assets	—
Fair Value of Plan Assets at the end of the year	—
Total Actuarial Gain/(Loss) To Be Recognised	(58,102)
IV. Recognition of Transitional Liability	Apr 10 - Mar 11
Transition Liability at start	—
Transition Liability Recognised during Year	—
Transition Liability at end	—
V. Actual Return on Plan Assets :	Apr 10 - Mar 11
Expected Return on Plan Assets	—
Actuarial gain/(loss) on Plan Assets	—
Actual Return on Plan Assets	—

VI. Amount Recognised in the Balance Sheet :	Apr 10 - Mar 11
Liability at the end of the year	5,72,132
Fair Value of Plan Assets at the end of the year	—
Difference	(5,72,132)
Unrecognised Past Service Cost	—
Un recognised Transition Liability	—
Amount Recognised in the Balance Sheet	(5,72,132)
VII. Expenses Recognised in the Income Statement :	Apr 10 - Mar 11
Current Service Cost	2,43,891
Interest Cost	36,118
Expected Return on Plan Assets	—
Past Service Cost (Non Vested Benefit) Recognised	—
Past Service Cost (Vested Benefit) Recognised	—
Recognition of Transition Liability	—
Actuarial (Gain) or Loss	58,102
Expense Recognisable in P& L- as per actuarial valuation	3,38,111
Expense Recognised in P& L	3,75,646
VIII. Balance Sheet Reconciliation	Apr 10 - Mar 11
Opening Net Liability	4,51,469
Expense as above	3,38,111
Transfer from other company	—
Transfer to other company	—
Employers Contribution	(2,17,448)
Amount Recognised in Balance Sheet	5,72,132
IX. OTHER DETAILS	Apr 10 - Mar 11
NO. OF MEMBERS	110
SALARY PM	12,06,940
CONTRIBUTION FOR NEXT YEAR	—
X. Category of Assets	Apr 10 - Mar 11
Government of India Assets	—
Corporate Bonds	—
Special Deposits Scheme	—
State Govt	—
Property	—
Other	—
Insurer Managed Funds	—
Total	—
XI. EXPERIENCE ADJUSTMENT	Apr 10 - Mar 11
Experience adjustments on plan liabilities (Gain)/Loss	69,115
Experience adjustments on plan Assets Gain/(Loss)	—

CONSOLIDATED 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 , 2011 and the annexed Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of 'Dynemic Products Ltd's management. Our responsibility is to express an opinion on these financial statement based on our audit.

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

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

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, 2011,

(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
FRN. 109767W

Place : Ahmedabad
Date : 28th May, 2011

CONSOLIDATED BALANCE SHEET AS AT 31 ST MARCH 2011

Particulars	Sch.	31st March, 2011		31st March, 2010	
		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	23,35,57,737	34,68,42,227	19,57,91,081	30,90,75,571
2 MINORITY INTEREST			5,82,975		5,73,521
3 LOAN FUNDS :					
[a] Secured Loans	3	16,77,85,195		16,17,88,913	
[b] Unsecured Loans	4	51,79,764	17,29,64,959	1,16,39,869	17,34,28,782
4 DEFERRED TAX LIABILITY			3,45,51,312		2,73,32,783
Total Rs.			55,49,41,472		51,04,10,657
B. APPLICATION OF FUNDS :					
1 FIXED ASSETS :	5				
[a] Gross Block		37,50,17,675		35,21,21,533	
[b] Less : Depreciation		6,87,38,401		5,65,45,966	
[c] Net Block		30,62,79,274		29,55,75,567	
CAPITAL WORK IN PROGRESS		0		0	
			30,62,79,274		29,55,75,567
2 INVESTMENTS	6		3,98,14,581		2,18,03,224
3 CURRENT ASSETS, LOANS & ADVANCES :	7				
[a] Inventories		7,32,97,913		6,97,21,131	
[b] Sundry Debtors		12,84,42,213		12,84,23,542	
[c] Cash & Bank Balances		77,73,567		1,04,42,576	
[d] Loans & Advances		9,06,21,462		6,20,69,305	
			30,01,35,155		27,06,56,556
Less : CURRENT LIABILITIES & PROVISIONS					
[a] Current Liabilities	8	4,96,24,806		3,98,68,643	
[b] Provisions		4,16,62,732		3,77,56,046	
			9,12,87,538		7,76,24,689
Net Current Assets			20,88,47,617		19,30,31,866
Total Rs.			55,49,41,472		51,04,10,657

Significant Accounting Policies & Notes on Accounts.

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As per our Report of even date

For : SHAH RAJESH & ASSOCIATES
CHARTERED ACCOUNTANTS.

(R. D. SHAH)
PROPRIETOR.
FRN. 109767W

Place : Ahmedabad.
Date : 28/05/2011

For : DYNEMIC PRODUCTS LIMITED

(B. K. Patel) *Chairman & Mg. Director*
(D. P. Patel) *Director*
(R. B. Patel) *Director*
(D. B. Patel) *Director*
(Josekutty Thomas) *Chief Financial Officer*
(Varsha Mehta) *Company Secretary*

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31-3-2011

Particulars	Sch.	31st March, 2011		31st March, 2010	
		Rupees	Rupees	Rupees	Rupees
A. INCOME :					
1 Sales (net)		64,04,47,230		63,82,52,961	
2 Other Income	9	1,70,50,159		1,24,50,710	
3 Increase/Decrease in Stocks	10	(1,15,55,969)		34,09,094	
Total Rs.		64,59,41,420		65,41,12,765	
B. EXPENDITURE :					
1 Materials, Manufacturing & Operating Costs	11	45,05,03,048		48,55,94,776	
2 Purchase of Finished & Trading Materials		2,30,83,996		85,24,588	
3 Salaries, Wages & Bonus	12	2,47,77,977		1,99,98,316	
4 Repairs & Maintenance	13	1,35,93,261		1,10,80,127	
5 Administrative & Other Expenses	14	2,10,82,816		2,00,30,738	
6 Interest & Financial Expense	15	1,24,00,360		1,76,30,093	
7 Depreciation		1,49,82,652		1,44,92,216	
8 Preliminary Expenses written off		0		0	
Total Rs.		56,04,24,110		57,73,50,854	
Profit before Taxation		8,55,17,309		7,67,61,911	
Less: Provision for Taxation					
Current Tax		2,12,75,655		1,98,94,175	
Deferred Tax		72,18,529		72,72,146	
Fringe Benefit tax		0		0	
16 Net Profit for the Year		5,70,23,125		4,95,95,591	
Add:- Net Balance Profit of Last Year		8,18,93,060		5,25,62,455	
Add/ (Less):- Taxation of earlier years		(5,67,930)		5,53,422	
		13,94,84,115		10,16,04,623	
Less : Profit transfered to Minority Interest		9,454		21,728	
(Loss) Tr.to Cost of Control on Consolidation		0		0	
17 Balance available for Appropriation		13,94,74,660		10,15,82,894	
Appropriations :					
General Reserves		50,00,000		24,60,000	
Proposed Dividend		1,69,92,674		1,47,26,984	
Tax on Dividend		28,22,271		25,02,851	
		2,48,14,945		1,96,89,835	
18 Balance Carried to Balance Sheet		11,46,59,716		8,18,93,060	
Earning Per Share					
Basic			5.03	4.38	
Diluted			5.03	4.38	
Significant Accounting Policies & Notes on Accounts.	16				

As per our Report of even date

For : SHAH RAJESH & ASSOCIATES
CHARTERED ACCOUNTANTS.

(R. D. SHAH)
PROPRIETOR.
FRN. 109767W

Place : Ahmedabad.
Date : 28/05/2011

For : DYNAMIC PRODUCTS LIMITED

(B. K. Patel) *Chairman & Mg. Director*

(D. P. Patel) *Director*

(R. B. Patel) *Director*

(D. B. Patel) *Director*

(Josekutty Thomas) *Chief Financial Officer*

(Varsha Mehta) *Company Secretary*

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2011

PARTICULARS	31/3/2011	31/3/2010
A] CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit after Tax & Extra Ordinary Items	5,70,27,966	4,96,01,676
Adjustments for :-		
Provision for Tax & Deferred Tax	2,84,89,340	2,71,60,238
Miscellaneous Expenses Written Off	0	0
Depreciation	1,49,82,652	1,44,92,216
Depreciation Written Back	(27,90,270)	(2,53,426)
Diminution in the Value of Investments	(6,07,099)	(22,64,945)
Interest and Financial charges	1,24,57,072	1,77,38,718
Interest / Dividend Income	(10,72,298)	(12,25,142)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	10,84,87,364	10,52,49,335
Adjustments for :-		
Trade and Other Receivables	(18,670)	(5,49,99,445)
Inventories	(35,76,782)	(1,03,03,969)
Trade Payables	97,56,163	(15,28,113)
Loans & Advances	(2,33,80,153)	(95,64,537)
CASH GENERATED FROM OPERATIONS	9,12,67,922	2,88,53,271
Direct Taxes Paid	(2,21,00,000)	(1,80,20,000)
NET CASH FROM OPERATING ACTIVITIES	6,91,67,922	1,08,33,271
B] CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(2,64,67,864)	(29,54,819)
Sale of Fixed Assets	5,45,693	5,12,005
Sale of Investments	(1,74,04,258)	37,27,529
Income Tax Refund/Paid for Earlier Years	5,67,930	(5,53,422)
Interest/Dividend Income Received	10,72,298	12,25,142
NET CASH USED IN INVESTING ACTIVITIES	(4,16,86,201)	19,56,435
C] CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Borrowings	(4,63,823)	2,16,82,891
Interest and Financial Charges Paid	(1,24,57,072)	(1,77,38,718)
Dividend & Dividend Tax Paid	(1,72,29,835)	(1,32,53,719)
NET CASH USED FROM FINANCING ACTIVITIES	(3,01,50,730)	(93,09,546)
D] NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(26,69,009)	34,80,160
E] CASH AND CASH EQUIVALENTS (OPENING)	1,04,42,576	69,62,416
F] CASH AND CASH EQUIVALENTS (CLOSING) (D + E)	77,73,567	1,04,42,576

As per our Report of even date

For : SHAH RAJESH & ASSOCIATES
CHARTERED ACCOUNTANTS.

(R. D. SHAH)
PROPRIETOR.
FRN. 109767W

Place : Ahmedabad.
Date : 28/05/2011

For : DYNEMIC PRODUCTS LIMITED

(B. K. Patel) *Chairman & Mg. Director*
(D. P. Patel) *Director*
(R. B. Patel) *Director*
(D. B. Patel) *Director*
(Josekutty Thomas) *Chief Financial Officer*
(Varsha Mehta) *Company Secretary*

CONSOLIDATED SCHEDULES FORMING PART OF ACCOUNTS :

Particulars	31st March, 2011		31st March, 2010	
	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 : [1,13,28,449 Equity Shares of Rs. 10/- each fully paid up (PYF 1,13,28,449)]. [Out of the above 41,25,820 [P.Y.F.6,72,880] Equity Shares were allotted as fully paid up Bonus Shares to the existing Shareholders without payment being received in cash] [Out of the above 14,00,000 Equity shares were allotted as fully paid up to the partners of 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	1,02,17,820		77,57,820	
Add : Transferred from Profit & Loss A/c.	50,00,000		24,60,000	
	1,52,17,820		1,02,17,820	
Less: Transfer for utilization in Bonus Shares	0	1,52,17,820	0	1,02,17,820
(ii) Profit & Loss A/c. Balance	11,46,59,716		8,18,93,060	
(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.	23,35,57,737		19,57,91,081	
SCHEDULE : 3 : SECURED LOANS :				
[a] C.C.Hypo A/c. : Citi Bank N.A.	56,00,347		65,42,535	
Axis Bank Ltd.	4,05,20,939		1,95,49,784	
[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.	8,70,37,419		7,62,66,837	
HDFC Bank Ltd.	0		0	
[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 (Security as above) Citi Bank N.A.	0		2,00,00,000	
[d] Term Loan A/c (Security as above) Citi Bank N.A.	2,62,50,000		2,32,50,000	
Axis Bank Ltd.- Car Loans	13,79,243		0	
Axis Bank Ltd.-TL	69,97,247		1,61,79,757	
Total Rs.	16,77,85,195		16,17,88,913	

Particulars	31st March, 2011		31st March, 2010	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE : 4 : UNSECURED LOANS :				
[a] Fixed Deposits from Directors		2,60,793		13,10,373
[b] Fixed Deposits from Share holders		34,56,762		83,62,841
[c] Fixed Deposits from Public		14,62,209		19,66,655
Total Rs.		51,79,764		1,16,39,869

SCHEDULE : 5 : FIXED ASSETS.

Sr No	NAME OF THE ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As on 01/04/10 Rs.	Addition during the Year Rs.	Deduction during the Year Rs.	As on 31/03/11 Rs.	As on 01/04/10 Rs.	Addition during the Year Rs.	Deduction during the Year Rs.	As on 31/03/11 Rs.	As on 31/03/10 Rs.	As on 31/03/11 Rs.
1	Goodwill (on Consolidation)	5,976	0	0	5,976	0	0	0	0	5,976	5,976
2	Building	12,38,76,401	3,78,235	0	12,42,54,636	1,12,42,207	41,42,212	0	1,53,84,420	11,26,34,194	10,88,70,216
3	Computer	15,69,634	3,85,774	9,54,609	10,00,799	13,86,029	2,60,693	12,01,898	4,44,824	1,83,605	5,55,975
4	Electric Fitting & Installation	1,22,27,781	6,277	0	1,22,34,058	22,37,461	5,80,943	0	28,18,404	99,90,320	94,15,654
5	Furniture	76,28,023	74,240	0	77,02,263	38,50,557	4,83,276	0	43,33,833	37,77,466	33,68,430
6	Lab Equipments	57,18,621	1,73,168	0	58,91,789	16,43,885	2,73,447	0	19,17,332	40,74,736	39,74,457
7	Machineries	14,36,59,120	30,73,311	9,42,679	14,57,89,752	2,56,47,186	68,71,591	4,72,060	3,20,46,718	11,80,11,934	11,37,43,034
8	Office Equipments	29,98,269	27,400	0	30,25,669	14,76,234	1,90,333	0	16,66,566	15,22,035	13,59,103
9	Office Premises	64,97,591	0	0	64,97,591	5,64,274	1,16,359	0	6,80,632	59,33,317	58,16,959
10	Pollution Effluent Treatment	1,08,10,527	1,84,28,549	0	2,92,39,076	30,27,090	6,74,800	0	37,01,890	77,83,437	2,55,37,186
11	Residential Premises	14,23,898	0	0	14,23,898	1,80,425	23,210	0	2,03,635	12,43,473	12,20,263
12	Motor Cycle	5,14,838	90,770	2,44,661	3,60,947	1,79,243	24,098	1,21,170	82,171	3,35,595	2,78,776
13	Motor Car	48,10,338	20,76,059	13,75,294	55,11,103	24,45,209	4,94,978	9,48,508	19,91,679	23,65,129	35,19,424
14	Electric Motor & Pumps	19,36,328	1,92,402	0	21,28,730	6,10,657	96,263	0	7,06,920	13,25,671	14,21,810
15	Fire fighting Equipments	5,58,645	0	0	5,58,645	54,379	26,537	0	80,915	5,04,266	4,77,730
16	Gas Inst.& Fab	22,36,466	0	0	22,36,466	4,10,458	74,697	0	4,85,155	18,26,008	17,51,311
17	Lease Hold Land	1,13,20,350	2,83,373	0	1,16,03,723	0	0	0	0	1,13,20,350	1,16,03,723
18	Pipes & Valve Fittings	88,74,582	0	0	88,74,582	8,85,814	2,96,409	0	11,82,223	79,88,768	76,92,359
19	Storage Tank	41,35,451	1,90,086	54,479	42,71,058	4,21,155	1,40,809	46,581	5,15,383	37,14,296	37,55,675
20	ERP Computer Software	12,15,334	10,18,220	0	22,33,554	1,91,768	1,97,007	0	3,88,775	10,23,566	18,44,779
21	Dies	1,03,360	70,000	0	1,73,360	91,933	14,991	0	1,06,924	11,427	66,436
	Total Rs.	35,21,21,533	2,64,67,864	35,71,722	37,50,17,675	5,65,45,966	1,49,82,652	27,90,217	6,87,38,400	29,55,75,570	30,62,79,274
	Previous Years	16,94,01,463	13,57,56,795	12,15,504	35,21,21,533	3,29,99,895	96,32,832	3,25,557	4,32,07,170	13,64,01,568	26,16,35,549

Project under implementation:-

1	Capital Work in Progress	0	0	0	0	0	0	0	0	0	0
2	ERP Software Under Implementation	0	0	0	0	0	0	0	0	0	0
	TOTAL	0	0	0	0	0	0	0	0	0	0

Particulars	31st March, 2011		31st March, 2010	
	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.20,600)]	0		0	
	0		0	
(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)	50,57,056		53,02,007	
	50,95,056		53,40,007	
Less:- Provision for Diminution in value of Investments (The list is attached as Annexure I showing cost and market value of all the shares)	20,51,060	30,43,996	26,58,160	26,81,847
(ii) Other Unquoted Investments- Equity Shares				
Enviro Technology Ltd. Shares [15,000 Shares of Rs.10 each(P.Y.F.15,000)]	1,50,000		1,50,000	
Bharuch Enviro Infrastructure Ltd. [1260 Shares of Rs.10 each(P.Y.F.1260)]	12,600		12,600	
Bharuch Eco-Aqua Infra.Ltd [89300 Shares of Rs.10 each (P.Y.F.32300)]	8,93,000		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	
Dynemic 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	1,11,78,200	10,000	1,06,08,200
(iii) Other Unquoted Investments - LLP				
Vishwas Organisers LLP- Capital Contribution (25% share in LLP)	2,50,000		0	
Interest Accrued on above capital	9,376		0	
Vishwas Organisers LLP- Loan Contribution	1,47,50,000		0	
Interest Accrued on above Loans	5,46,084	1,55,55,460	0	0
[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)	59,36,925		44,13,177	
HDFC MID CAP EQUITY FUND	5,00,000		5,00,000	
HSBC Unique Opportunities Fund	2,00,000		2,00,000	
	76,36,925		61,13,177	
(The list is attached as Annexure II showing cost and market value of all MF)		76,36,925		61,13,177
Investment In Residential Flat	24,00,000		24,00,000	
		24,00,000		24,00,000
Total Rs.		3,98,14,581		2,18,03,224

Particulars	31st March, 2011		31st March, 2010	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE : 7 : CURRENT ASSETS AND LOANS & ADVANCES :				
[A] CURRENT ASSETS :				
INVENTORIES :				
Valued at Cost or Net realisable value whichever is lower				
[As per Inventory taken, valued and Certified by Directors of the Company]				
Raw Materials	3,93,85,714		2,44,88,965	
Packing Material	20,61,500		18,98,092	
ETP stock	1,10,206		37,612	
Trading Materials	1,42,500		0	
Work in progress	45,45,143		51,59,382	
Finished Goods	2,31,10,214		3,19,69,628	
Semi Finished Goods	39,42,636		61,67,452	
		7,32,97,913		6,97,21,131
SUNDRY DEBTORS (Unsecured Considered Good)				
Due Over Six Months.	2,79,756		4,17,447	
Others (Includes Due from Subsidiaries Rs.0(PYF 0/-))	12,81,62,457		12,80,06,095	
		12,84,42,213		12,84,23,542
CASH AND BANK BALANCE :				
Cash-in-hand	47,208		1,21,127	
Balance with Schedule Bank in current a/c	49,76,039		89,60,704	
Balance with Non-Schedule Bank in current a/c	2,95,227		2,17,726	
Balance with Non-Schedule Bank in margins a/c	461		72,344	
Balance with Schedule Bank in Fixed Deposits	24,54,632		10,70,675	
		77,73,567		1,04,42,576
[B] LOANS AND ADVANCES :				
Advances recoverable either in Cash or in Kind or for value to be received.	5,03,90,253		2,77,61,187	
Deposits with Govt. Bodies & Others	1,11,59,511		80,98,957	
Advance Income tax (FY 0809)	0		28,80,630	
Advance Income tax (FY 0910)	0		1,80,20,000	
Advance Income tax (FY 1011)	2,21,00,000		0	
Advances given for expenses/capital Goods	10,84,887		6,36,179	
Advances given for goods	58,86,811		46,72,353	
		9,06,21,462		6,20,69,306
Total Current Assets and Loans & Advances		30,01,35,155		27,06,56,555

Particulars	31st March, 2011		31st March, 2010	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE : 8 : CURRENT LIABILITIES :				
CURRENT LIABILITIES :				
Sundry Creditors	4,79,05,913		3,84,13,549	
Share Application Money Refundable	10,62,375		10,72,875	
Unclaimed Dividend (2009-10)	1,38,856		0	
Unclaimed Dividend (2008-09)	1,11,154		1,23,129	
Unclaimed Dividend (2007-08)	97,685		99,035	
Unclaimed Dividend (2006-07)	72,941		73,091	
Unclaimed Dividend (2005-06)	79,052		81,552	
Advance from Customers	1,56,830		5,412	
		4,96,24,806		3,98,68,643
PROVISIONS :				
Leave Encashment Salary Provisions	5,72,132		6,32,036	
Proposed Dividend	1,69,92,674		1,47,26,984	
Tax on Proposed Dividend	28,22,271		25,02,851	
Provision for Taxation for current tax	2,12,75,655		1,98,94,175	
		4,16,62,732		3,77,56,046
Total Rs.		9,12,87,538		7,76,24,689
SCHEDULE : 9 : OTHER INCOME :				
OTHER BUSINESS RELATED INCOME				
Interest on Income Tax Refund	5,26,813		0	
Cash Discount Received	2,18,711		5,10,949	
Foreign Exchange Gain & Loss	6,82,117		3,09,119	
Office Rent Income	1,08,000		1,08,000	
Conversion Charge Income	2,63,250		46,77,750	
DEPB Income	87,87,793		4,23,708	
Focus Market Income	17,33,502		20,28,863	
Freight Recovered	0		7,974	
Interest On GEB Deposit	3,48,694		58,659	
Interest On ETL Deposit	1,11,000		1,11,000	
Misc Interest Income	410		0	
Packing Material Income	0		2,11,697	
Profit on Sale of Residential Premises	0		81,812	
Profit/loss on Sale of VKYP/DEBP	36,881		5,136	
Creditors W/O	0		1,09,308	
Kasar, Rates & Quality Difference	42,309		61,201	
Quantity Discount	1,33,703		90,023	
Discount Income	8,49,210		0	
Insurance Claim Receivable	13,270		13,480	
Misc Income	15,099		4,910	
Vishesh Krishi Upaj Yojana Income	0		1,47,034	
Subsidy Income	15,00,000		0	
TOTAL		1,53,70,762		89,60,623

Particulars	31st March, 2011		31st March, 2010	
	Rupees	Rupees	Rupees	Rupees
OTHER INVESTMENT RELATED INCOME				
Dividend on Mutual Fund	26,000		3,53,670	
Dividend From Company	27,675		41,965	
Interest on HDFC Real Estate Fund	1,95,294		1,14,030	
Interest on FD (Bank)	1,21,502		1,57,846	
Interest on Staff Loan	1,24,629		42,907	
Interest From Partnership-Vishwas LLP	6,17,178		0	
Long Term Capital Gain-KOTAK MAHINDRA MF	49,913		0	
Short Term Capital Gain-KOTAK MAHINDRA MF	0		6,56,742	
TOTAL	11,62,191		13,67,160	
LESS:- EXPENDITURE RELATING TO INCOME ON INVESTMENTS				
Securities Transaction Tax - Kotak	369		4,759	
Securities Transaction Tax - Mutual Fund	0		6,852	
Management Cons. Fees & Entry Load	89,524		1,30,407	
Provision for Diminution in the Value of Investments	(6,07,099)		(22,64,945)	
TOTAL	(5,17,206)		(21,22,927)	
NET INCOME ON INVESTMENTS	16,79,397		34,90,087	
Total Rs.	1,70,50,159		1,24,50,710	
SCHEDULE:10: INCREASE / DECREASE IN STOCKS :				
CLOSING STOCK :				
Finished Goods	2,31,10,214		3,19,69,628	
Semi Finished Goods	39,42,636		61,67,452	
Trading Materials	1,42,500		0	
Work-in-Progress	45,45,143		51,59,382	
	3,17,40,493		4,32,96,462	
OPENING STOCK :				
Finished Goods	3,19,69,628		2,08,52,441	
Goods in transit-Stock with Custom warehouse	0		25,931	
Semi Finished Goods	61,67,452		89,67,904	
Work-in-Progress	51,59,382		1,00,41,092	
	4,32,96,462		3,98,87,368	
Increase (Decrease) in Stocks...	(1,15,55,969)		34,09,094	

Particulars	31st March, 2011		31st March, 2010	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE:11:MATERIALS, MANUFACTURING & OPERATING COSTS				
A RAW MATERIALS CONSUMED				
Opening Stock	2,44,88,965		1,81,80,600	
Add. : Purchase during the year	34,79,67,604		38,75,83,296	
	37,24,56,569		40,57,63,896	
Less : Closing Stock	3,93,85,714		2,44,88,965	
Total Rs.	33,30,70,855		38,12,74,931	
B PACKING MATERIAL CONSUMED				
Op. Stock	18,98,092		12,88,825	
Add: Purchases during the year	1,30,51,109		1,35,29,558	
	1,49,49,201		1,48,18,383	
Less : Closing stock	20,61,500		18,98,092	
Total Rs.	1,28,87,701		1,29,20,291	
C E.T.P MATERIAL CONSUMED				
Op. Stock	37,612		60,369	
Add: Purchases during the year	27,09,320		24,92,658	
	27,46,932		25,53,027	
Less : Closing stock	1,10,206		37612	
Total Rs.	26,36,726		25,15,415	
D POWER & FUEL CONSUMED				
Electric Power & Burning	1,76,36,857		1,81,73,046	
Fuel Purchased & Consumed	18,76,236		4,51,037	
Gas Consumption Charges	3,73,67,231		2,81,95,771	
Total Rs.	5,68,80,324		4,68,19,854	
E OTHER MFGS. EXPENSES				
Transportation	47,11,684		49,53,960	
Conversion Charges	38,17,652		87,57,404	
Factory Expense	8,36,615		8,31,868	
Labour Charges	92,66,810		72,84,309	
Forwarding & Handling Charges	1,43,04,235		1,00,26,120	
Pallatisation Charges	4,10,307		2,46,416	
ETP Expense	67,00,594		81,33,162	
Freight & Cartage Expense	45,695		1,62,990	
Safety Expense	0		50,004	
Colour Expense	5,02,339		69,744	
Custom Duty on Debonding	28,17,182		1,58,489	
Consumable Stores	16,14,329		13,89,819	
Total Rs.	4,50,27,442		4,20,64,285	
TOTAL:- MANUFACTURING COST	45,05,03,048		48,55,94,776	
SCHEDULE : 12 : SALARIES WAGES & BONUS				
Salary & Wages to Employees	1,50,04,814		1,23,87,995	
Salaries & Bonus to Directors	55,45,607		40,34,681	
Sitting Fees to Directors	64,000		1,40,000	
Leave Salary (Inc. Provisions -unpaid)	3,75,646		3,49,956	
Bonus & other charges	37,87,910		30,85,684	
Total Rs.	2,47,77,977		1,99,98,316	

Particulars	31st March, 2011		31st March, 2010	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE-13 : REPAIRS AND MAINTENANCE				
Electrical Parts & Maintenance	5,27,200		4,91,053	
ETP Parts & Maintenance	37,68,154		49,38,080	
Machinery Parts & Maintenance	35,02,000		16,20,955	
A.C. Service Charges	83,420		1,13,811	
Building Repairing	2,64,509		16,322	
Computer Maintenance & Consumables	1,71,083		2,01,451	
Lab Equipment Repairing	1,03,534		1,18,912	
Furniture Repairing & Maintenance	52,438		47,968	
Vehicle Repairing Expenses	1,95,085		1,85,016	
Office Repairing Expenses	0		3,900	
Consumable Stores - Plant & Electricals	49,25,838		33,42,659	
Total Rs.		1,35,93,261		1,10,80,127
SCHEDULE : 14 : ADMINISTRATIVE AND OTHER EXPENSES :				
Consultancy Fees	12,76,107		11,12,809	
Exhibition Expense	11,91,955		5,85,134	
Insurance Premium	27,63,282		21,02,359	
Petrol Exps-Directors	3,32,590		2,83,053	
Selling Commission	19,08,163		14,97,147	
Staff Welfare Expense	2,87,034		3,88,509	
Telephone Expenses-Others	3,51,834		3,41,385	
Travelling & Conveyance (Director)	5,03,372		2,03,707	
Advances to Subsidiary W/o	0		30,36,307	
Investment in Subsidiary W/o	0		45,540	
Angadia & Courier Expense	5,35,573		4,80,692	
Audit Fees	4,08,090		3,55,000	
Bad Debts	0		6,32,818	
FDA Approval Fees	29,05,037		5,80,866	
Lab-Testing Expense	3,61,659		5,07,576	
Misc Office Expense	2,35,155		1,27,116	
Office Electric Bill Expense	2,96,899		3,32,313	
Security Expense	6,14,834		6,06,420	
Stationery & Printing Expense	9,28,456		8,16,247	
Water Charges	3,36,815		3,51,667	
Sales Promotion Expense	2,85,326		1,01,517	
Registration, Renewal & Filing Fees	6,89,909		6,03,944	
Stamp Paper and Franking Charges	1,96,770		9,41,270	
Advertisement Expense	2,62,162		3,03,401	
LOSS ON SALE OF Machinery	2,35,813		1,50,511	
Other Administrative & Establishment Expense	41,75,985		35,43,428	
Total Rs.		2,10,82,816		2,00,30,738
SCHEDULE : 15 : INTEREST & FINANCIAL EXPENSES:				
Interest	90,81,067		1,49,38,735	
Other Financial Charges	33,19,293		26,91,358	
Total Rs.		1,24,00,360		1,76,30,093

SCHEDULE : 16

Significant Accounting Policies & Notes forming parts of Consolidated Accounts as on 31-3-2011

I] Significant Accounting Policies :

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

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

2] PRINCIPLES OF CONSOLIDATION :-

The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as of the company.

The consolidated financial statements have been prepared on following basis :-

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

3] FIXED ASSETS AND CAPITAL WORK IN PROGRESS:-

- (i) Fixed Assets have been accounted for at their Historical Cost.
- (ii) During the year, the company has provided the depreciation on straight line method at rates for single shift specified in Schedule IXV of the Companies Act,1956 on the prorata basis for the additions from Fixed Assets.
- (iii) All Fixed Assets are valued at Cost Less Accumulated depreciation (Other than land where no depreciation is charged). All costs relating to the acquisition and installations and initial financing costs relating to the borrowed funds attributable to acquisition of Fixed Assets up to date, the assets is put to use, have been capitalised.

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 Actuaries M/s. K. A. PANDIT, as per their report dtd. 06/04/2011.

The disclosures as per AS 15 is annexed seperately and marked as Annexure - III

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 :-

Preliminery 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 beenshown 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 expenses has been shown under the head Loans & Advances in Current Assets side of Balance Sheet.

11] FOREIGN CURRENCY TRANSACTIONS :-

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

12] INTER DIVISIONAL TRANSFER :-

Interdivisional transfer of goods of Rs. 65,28,611/- (PYF 5,13,83,981/-) 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 unrealised profit on stock is being eliminated while valuing the inventories. The Conversion Charges of Rs. 2,63,250/- (PYF Rs.46,77,750/-), has been included in other income and also shown 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 :-

- (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 sheetdate, 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.

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] 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] 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	17,84,82,749	46,19,64,481	0	64,04,47,230
	(21,53,02,007)	(42,29,50,954)	(0)	(63,82,52,961)
Carrying amount of Segment Assets (Gross)	55,69,77,246	8,92,51,764	0	64,62,29,010
	(48,59,66,259)	(10,20,69,087)	(0)	(58,80,35,346)

Figures in brackets are for the previous year.

2] Related Party Disclosures :-

A] List of parties where control exist

- (i) Subsidiary Company
 - * Dynamic Overseas (India) Pvt.Ltd.

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

- (ii) Associates :-
 - * Shakti Intermediates Pvt.Ltd.
 - * Dynamic Holdings Pvt Ltd

(iii) Key management personnel :-

Mr. Bhagwandas K. Patel	Managing Director
Mr. Ramesh B. Patel	Wholetime Director
Mr. Dashrath P. Patel	Wholetime Director
Mr. Shashikant P. Patel	Wholetime Director
Mr. Dixit B. Patel	Wholetime Director

C] Transactions with related parties :-

Nature of Transaction	Key Managerial Personnel & their Relatives Rs.		Subsidiary Companies Amt.Rs.		Associates Amt.Rs.	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Fixed Deposits taken						
Taken during the period	85,000	56,46,000	0	0	0	0
Repaid during the period	74,98,567	11,77,108	0	0	0	0
Closing Balance	37,42,299	1,04,42,585	0	0	0	0
Loans & Advances						
Given during the period	20,20,876	10,55,884	25,00,000	90,00,000	0	4,00,000
Settled during the period	15,32,370	11,59,170	25,00,000	90,00,000	0	4,00,000
Closing Balance	15,42,008	10,53,502	0	0	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	20,60,000	20,60,000	1,01,00,000	1,01,00,000
Sundry Debtors	0	0	0	0	0	0
Sundry Creditors	0	0	0	0	0	0
Purchase of Goods	0	0	0	0	0	0
Conversion Charges	0	0	0	0	18,39,223	3,02,4003
Amount expended on behalf of other	75,60,781	58,00,375	0	0	0	0
Sales	0	0	83,91,968	54,03,340	5,025	14,096

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	2010-11	2009-10
Net Profit after tax (Amt.Rs.)	5,70,23,125	4,95,95,590
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	5.03	4.38

5] COMPANY SECRETARY:- The company has 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 10	Debit/(Credit) for the year Rs.	Balance As on 31st March 2011
(a) Deferred Tax Liability			
- Depreciation	2,82,24,989	70,16,866	3,52,41,855
- Provision for diminution in investments	(8,92,206)	-(2,01,663)	(6,90,543)
Total	2,73,32,783	72,18,529	3,45,51,312

9] Remuneration to Auditors

Particulars	Current Year Amount Rs.	Previous Year Amount Rs.
As Audit Fees	3,00,000	2,50,000
As Tax Audit Fees	75,000	75,000
For Taxation	2,00,000	2,00,000
For Other Matters- ITAT (Apeals)	90,000	1,20,000
For Service Tax	63,345	66,435

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	2010-11 Amount Rs.	2009-10 Amount Rs.
(a) Remuneration	55,45,607	40,34,681
TOTAL Rs.	55,45,607	40,34,681

11] Contingent Liability for Letter of Credits and Bank Guarantees is of Rs.1,42,38,068/- (PYF 21,14,676/-)

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:-

(Rs. In Lacs)

SR NO.	PARTICULARS	31/3/2011	31/3/2010
1	Principal amount remaining unpaid to any supplier as at the year end	24.81	29.25
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 & remaining unpaid at the year end of the accounting year.	0.00	0.00

Sundry Creditors having SME status

G	Sundry Creditors : UNIT- I :-	Amt.Rs.
	For Raw materials :	
1	Shakti Chemicals	6,25,401.00
2	Shree Kuvarika Industries	14,79,541.00
3	Shree Vahanvati Ice Factory	3,76,331.00
		<u>24,81,273.00</u>

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, 2011 is estimated at Rs 8,17,746/- .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.**

**(R. D. SHAH)
PROPRIETOR.**

FRN. 109767W

Place : Ahmedabad.

Date : 28/05/2011

For : DYNEMIC PRODUCTS LIMITED

(B. K. Patel) *Chairman & Mg. Director*

(D. P. Patel) *Director*

(R. B. Patel) *Director*

(D. B. Patel) *Director*

(Josekutty Thomas) *Chief Financial Officer*

(Varsha Mehta) *Company Secretary*

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I] Registration Details

Registration No.	13886	Balance Sheet Date	31/3/2011
Sate Code	4		

II] Capital Raised during the year :

Public Issue	0	Right Issue	NIL
Private Placement	NIL		

III] Position of Mobilisation and Deployment of Fund :-

Total Liabilities	55,19,88,627	Total Assets	55,19,88,627
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Sources of Fund

Paid up Equity Share Capital	113284490	Paid up Preference Share Capital	NIL
Reserves & Surplus	23,12,40,585	Secured Loans	16,77,85,195
Deferred tax liability	3,44,98,593	Un secured Loans	51,79,764

Application of Fund

Net Fixed Assets	0	Investments	4,18,74,581
Net Current Assets	20,43,29,382	Misc.Expenses	0
Accumulated Losses	NIL		

IV] Performance of the Company :

Turnover	63,69,33,628	Other Income	1,69,46,281
Total Expenditure	56,90,88,396		
Profit before tax	8,47,91,512	Profit after tax	5,65,38,827
Earning per share	4.99	Dividend Rate %	15

V] Generic Names of Three Principal Products of the Company

Item Code No. (ITC Code)	293390
Products Description	S.P.C.P.(Dye-Intermediate)
Item Code No. (ITC Code)	292100
Products Description	Sulphanilic Acid.(Dye-Intermediate)
Item Code No. (ITC Code)	320490
Products Descripton	Tartrazine (Food Color)

As per our Report of even date

For : SHAH RAJESH & ASSOCIATES
CHARTERED ACCOUNTANTS.

(R. D. SHAH)
PROPRIETOR.
FRN. 109767W

Place : Ahmedabad.
Date : 28/05/2011

For : DYNEMIC PRODUCTS LIMITED

(B. K. Patel) *Chairman & Mg. Director*

(D. P. Patel) *Director*

(R. B. Patel) *Director*

(D. B. Patel) *Director*

(Josekutty Thomas) *Chief Financial Officer*

(Varsha Mehta) *Company Secretary*

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 HALL

DP. Id _____ NAME & ADDRESS OF THE REGISTERED SHAREHOLDER _____

Client Id/Folio No. _____

No. of Shares _____

I hereby record my presence at the 21st Annual General Meeting of the Company at Dinner Bell – II, Atlantis Enclave, Nr. IDBI Bank, Subhash Chowk, Gurukul, Memnagar Road, Ahmedabad – 380052 on Thursday, 18th August, 2011, at 4.00 p.m.

Full name of the Proxy, if attending the Meeting :

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

_____, 2011

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, _____

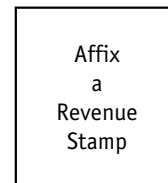
of _____ being a member / members of Dynemic Products Ltd.

hereby appoint _____ of _____ or failing him / her _____ of _____ as my / our proxy to vote for me / us on my / our behalf at the 21st 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 Thursday, 18th August, 2011, at 4.00 p.m. and at any adjournment thereof.

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

No. of Shares held : _____

Signed this _____ day of _____ 2011



Signature(s) of Member(s)

Notes :

- (a) 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.
- (b) A Member entitled to attend and vote at this Meeting is entitled to appoint a proxy and the Proxy need not be a Member.

PLANT AT ANKLESHWAR





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