

BOARD OF DIRECTORS

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

AUDITORS

SHAH RAJESH & ASSOCIATES
CHARTERED ACCOUNTANTS
4,Third Floor, Rambha Complex,
Opp. : Gujarat Vidhyapith,
Ashram Road, AHMEDABAD - 380 014

BANKERS

Citibank N. A.
C.G.Road Branch, Ahmedabad

HDFC Bank Ltd.
S. G. road Branch, Ahmedabad

REGISTERED OFFICE

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

PLANT LOCATION

Unit-1 : 6401, 6415, 6416,
GIDC Estate, Ankleshwar.

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

REGISTRAR & TRANSFER AGENT

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

SHARE LISTED AT

The Bombay Stock Exchange Limited

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NOTICE

Notice is hereby given that the Eighteenth Annual General Meeting of DYNAMIC PRODUCTS LIMITED will be held at Flash Banquet at First Floor, Shailly Complex, Surdhara Circle, Nr. Sal Hospital, Ahmedabad – 380054 on Tuesday, 2nd September 2008, at – 11.00 a.m. to transact the following business :

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2008 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend on Equity Shares for the year ended March 31, 2008.
3. To appoint a Director in place of Hitendra Sheth who retires from office by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Harish K. Shah who retires from office by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors until the conclusion of the next Annual General Meeting and to fix their remuneration.

Place: Ahmedabad

By Order of the Board

Date: 28/06/2008

Managing Director

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED HERewith AND, IF INTENDED TO BE USED, IT SHOULD BE RETURNED DULY COMPLETED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE COMMENCEMENT OF 18TH ANNUAL GENERAL MEETING.
2. The Share Transfer Books and Register of Members of the Company will remain closed from 23rd August 2008 to 2nd September, 2008 (both days inclusive).
3. Members holding shares in physical form are requested to notify / send the following to the Registrar & Transfer Agent of the Company :-
 - i) any change in their address / ECS mandate / bank details;
 - ii) particulars of their bank account, in case the same have not been sent earlier.
4. Members holding shares in the dematerialised form are requested to notify all changes with respect to their address, email id, ECS mandate and bank details to their Depository Participant.
5. Payment of dividend as recommended by the Directors, if approved at the Meeting, will be made to those members whose names are on the Company's Register of Members on 22nd August, 2008. In respect of shares held in electronic form, the dividend will be payable to the beneficial owners of shares as at the end of business hours on 22nd August, 2008 as per details furnished by the Depositories for this purpose.
6. Members are advised to avail the nomination facility in respect of the shares held by them singly. Nomination forms can be obtained from the Company.
7. Members/proxies should bring their Attendance slips sent herewith, duly filled in, for attending the meeting. Members who hold shares in Dematerialised form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for easy identification at the meeting and number of shares held by them.

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

Name of Director	Mr. Hitendra Sheth	Mr. Harish Shah
Date of Birth	18/06/1954	12/09/1955
Date of appointment	07/06/2004	02/07/2005
Qualification	M.Com, L.L.B., C.A.(Inter)	B.Com, L.L.B.
Expertise in specific functional area	He is having experience of More than 22 years in legal and tax consultancy	He has wide experience of about 22 years in the field of legal consultancy.
Directorship held in other companies (excluding private & foreign companies)	None	None
Membership/ Chairmanship of committees in other public company	None	None
Shareholding in the company	1500 shares	Nil

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

Directors' Report

To,

Dear Shareholders,

Your Directors are pleased to present the 18th Annual Report and Audited Accounts for the year ended 31st March, 2008.

FINANCIAL RESULTS:

Particulars	Year Ended March 31	
	2008	2007
Sales And Other Income	365232709	337264086
Profit Before Depreciation & Prel. Exps W/Off	36049412	41839741
Less: Depreciation	5061828	4793730
Preliminary Exps. Written Off	144983	144983
Profit Before Tax	30842601	36901028
Less: Provision for Taxation		
Current Income Tax A/c	10740000	11000000
Deferred Income Tax A/c	1454614	-946131
Fringe Benefit Tax	150610	152275
Net Profit After Tax	18497377	26694883
Add: Balance of Profit of Previous Year	42916522	31756625
Add/ (Less) : Taxation of earlier years	371663	-1050267
Profit Available for Appropriation	61785562	57401241
Less: Appropriations:		
Transfer to General Reserve	1231000	1231000
Proposed Dividend	11328449	11328449
Tax on Dividend	1925270	1925270
Balance Carried to Balance Sheet	47300843	42916522

DIVIDEND :

The Board is pleased to recommend a dividend of 10% (Rs 1/- per Equity Share) for the year 2007-08. If approved by the Shareholders at the Annual General Meeting, Dividend will absorb Rs 132.54 Lacs inclusive of the Dividend Distribution Tax borne by the Company.

FINANCIAL REVIEW :

Sales turnover of Rs. 3657.69 Lacs for the year ended March 31, 2008 showed a growth of 13.20% over the previous year turnover of Rs. 3231.12 Lacs. Export sale for the year is 68.53% of Net Sales which stood at Rs. 2506.77 Lacs against Rs. 2475.52 Lacs during the previous year. Profit before tax is Rs. 308.43 and Net Profit After tax is Rs. 184.97 Lacs.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT :

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

SUBSIDIARY COMPANIES :

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

CONSOLIDATED FINANCIAL STATEMENTS :

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

AUDITORS :

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

AUDITORS REPORT

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

PARTICULARS OF EMPLOYEES :

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

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

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given in Annexure-I and forms part of Directors' Report.

FIXED DEPOSITS :

The company has complied with the provisions of Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules, 1975. There is no unclaimed deposit for the year ended on 31-3-2008.

INSURANCE:

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

DIRECTORS :

In terms of the provisions of Sections 255 and 256 of the Companies Act, 1956 and Articles of Association of the Company, Mr. Hitendra Sheth and Mr. Harish K. Shah, Directors retire at the ensuing Annual General Meeting and, being eligible, have offered themselves for reappointment. Members are requested to consider their re-appointment as Directors of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT :

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

- In the preparation of the annual accounts, the applicable accounting standards have been followed;
- We have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- We have prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE :

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

LISTING :

The shares of the Company are listed on Bombay Stock Exchange Limited. The Company has paid the annual listing fees for the year 2008-09.

ACKNOWLEDGEMENTS :

Your company & Directors wish to place on record their appreciation of the assistance and co-operation extended by Investors, Bankers, Customers, Business Associates, Suppliers and Government. We are deeply grateful to shareholders for their continued faith, confidence and support to the company. The Directors wishes to place on record its appreciation of sincere and dedicated work of employees at all levels, which has largely contributed to the present growth of the Company.

For and On Behalf of the Board of Directors

Sd/-

Bhagwandas K. Patel

Chairman & Managing Director

Place: Ahmedabad

Date: 28th June 2008

ANNEXURE :- A TO DIRECTORS' REPORT

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

i] Conservation of Energy :

a] Energy conservation measures taken :

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

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

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

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

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

ii] Technology Absorption :

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

iii] Foreign Exchange earning and outgo :

	Current Year Rs.	Previous Year Rs.
* Foreign Exchange earned	250677280	168519379
* Foreign Exchange used	1223309	1102712

FORM - A

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY :

1] Power and Fuel Consumption :

i] Electricity :			
Purchase Units :	Units	1883407	
Total Amount :	Rs.	8133830	
Rate /Unit :	Rs.	4.32	
ii] Own (Diesel) Generator			
Total Ltrs.	Ltrs.	6500	
Total Amount	Rs.	232886	
Rate/ Ltrs.	Rs.	35.83	
ii] GAS :			
Total SCM.	Ltrs.	989578	
Total Amount	Rs.	10442044	
Rate/ SCM.	Rs.	10.55	

2] Consumption per unit of production :

1 Production : Dyes, Chemicals & Food Colours	3594095.180	Kgs.
2 Electricity	0.524	Units
3 Diesel	0.002	Ltrs.
5 Gas	0.275	Scm.

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure & Developments :

Our Company manufactures Edible food Colors as Ingredients for Foodstuffs, Pharmaceuticals, Personal Care, Ink Industries, Confectionery, Pet foods, Dairy Products, and Soft Drinks & Cosmetics Industries encompassing Industrial Sector. The Food Colors being meant for Industrial use, the demand for the colors is derived directly from its customers and end users who in turn span of large and diverse industry spectrum. The company is among the acknowledged leaders in the manufacturing of food colors. The company is exploring new avenues of applications to widen the customer base and improve capacity utilization.

Dynemic has successfully entered in the field of Food Color to primarily cater to niche applications. These specialties enhance performance characteristics of variety of products resulting in value added end products for different market segments.

Outlook on Opportunities :

On account of high cost of labour & Increasing Competition, the overseas manufacturers of food colors especially in developed countries are curtailing their production activities. In view of the same the demand of food colors had increased overall in the overseas market.

Project Progress Review :

- **Dynemic Products Ltd. EOU-I**
- Company's backwards integration Plant for Ethyl Acetate has already been completed and commercial Production was started from 18th August, 2007.
- Recover Plant (MEE) for 1:4 PHPS has already been completed & commercial production will start from 1st July, 2008.
- Company has also expanded their production capacity as given below :

Production Capacity Chart :

Product Name	Existing Capacity	Extended Capacity	Total Capacity
1:4 S.P.C.P.	1020 MT/PA	480 MT/ PA	1500 MT / PA
Pyrazolone	—	480 MT/ PA	480 MT / PA
Food Colors	720 MT/PA	480 MT/ PA	1200 MT / PA

The Commercial Production will start from 1st July, 2008.

- **Dynemic Products Ltd. EOU- II.**
- Plant – A has already been completed and Commercial Production will start from 15th July, 2008.
- Plant – C had also been completed and Commercial Production will start from 31st of July, 2008.
- Plant- B is under process and tentatively it should be completed latest by 30th of September, 2008 and commercial production is likely to start from 1st October, 2008.

Outlook on Threats, Risks and Concern :

The company continuously monitors the business environments and has put in place a framework for identification, assessment and management of Risks. Appropriate risk response strategies have been developed for achievements of business objective:

- Increasing unhealthy cut-throat competition from others small industries units base at Gujarat is seen as threat.
- Appreciating / Fluctuating currency is an area of concern.

Your Company has planned suitable action to deal with the competition and increasing price of fuel by substituting the fuel to the boiler. The implementation of the same is completed. Your company is also considering automation in the production equipments and the process.

Performance Review :

Sales turnover of Rs. 3657.69 Lacs for the year ended March 31, 2008 showed a growth of 13.20% over the previous year turnover of Rs. 3231.12 Lacs. Export sale for the year is 68.53% of Net Sales which stood at Rs. 2506.77 Lacs against Rs. 2475.52 Lacs during the previous year.

Internal Control System and their adequacy :

The company has proper and adequate system of internal controls to provide reasonable assurance that all assets

are safeguarded, transactions are authorized and recorded correctly to ensure compliance with the applicable policies and code of conduct. The Internal Control System have been found to be adequate commensurate with the size and nature of the business of Company and are reviewed from the time to time for further improvement. The Internal Control System of the company has well defined policies, guidelines, authorisation and approval procedures. The effectiveness of control continuously monitored by the management and is reviewed from time to time for future improvements.

Human Resources / Industrial Relations :

The Company has total 91 nos. of manpower as on 31st March, 2008 Relations between employees at various levels and the Management has been cordial. The Company has identified and assessed the competencies of Managers to develop their potential through trainings and management development activities and various measures are underway to maintain high motivation level of human resources.

Safety & Ecology :

The factory at Ankleshwar continues to achieve a considerable success in the prevention of accidents by adhering to strict guidelines. The Company takes pride that there are "No" Reportable Accidents since inception. This was made possible by appointing safety consultants, safety day mock drills and strict adherence to lay down ISO standards ,whereby calibration of instruments and safety interlocks were checked as per planned schedules .Maintenance of all equipments and testing thereof was carried out as per statutory requirements. Refresher Annual Safety Training Programmes of all concerned, which also include contractors, were conducted to enhance awareness of safety standards. A greater degree of participations/ involvements of workers in safety matters attained of holding periodical shop floor safety meetings.

In addition to continuous efficient operations of the effluent treatment plant at the factory, promotion of general awareness amongst the employees of the Company by training at all levels has provided good results with regard to pollution control and conservation of natural resources like waste and fuel. Solid waste is regularly disposed off as per statutory requirements. The Company is looking forward to further improving its commitments to environments and ecology.

Strict adherence to maintenance schedule has also reduced downtime of critical equipments, which in turn increased operational efficiency and reduced costs.

Cautionary Statement :

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

REPORT ON CORPORATE GOVERNANCE

Governance Philosophy

The Company believes in adopting the Best Practices in the area of Corporate Governance and follows the principles of full transparency and accountability, thereby protecting the interests of all its stakeholders. The Board acknowledges its responsibilities to the Shareholders for creating and safeguarding Shareholders' Wealth. During the year under review, the Board continued its pursuit of achieving these objectives through the adoption and monitoring of corporate strategies, prudent business plans ensuring that the Company pursues policies and procedures to satisfy its legal and ethical responsibilities. Your Company is committed to good corporate governance practices that create a long term relation of trust and harmony between the company and stakeholders.

BOARD OF DIRECTORS

a) Size and Composition of the Board:

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

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

Name of Director	Category of Director	No. of Board Meetings attended	Attendance at the last AGM	Directorships in other Indian Public Companies* as at 31st March 2008	Other Mandatory Committee** membership as at 31st March 2008	
					Chairman	Member
Bhagwandas K. Patel	CMD-Executive	9	Yes	NIL	NIL	NIL
Dashrathbhai P. Patel	WTD-Executive	9	Yes	NIL	NIL	NIL
Rameshbhai B. Patel	WTD-Executive	9	Yes	NIL	NIL	NIL
Shashikant P. Patel	WTD-Executive	9	Yes	NIL	NIL	NIL
Dixit B. Patel	WTD-Executive	9	Yes	NIL	NIL	NIL
Hitendra H. Sheth	NE-Independent	4	Yes	NIL	NIL	NIL
Jagdish S. Shah	NE-Independent	4	Yes	NIL	NIL	NIL
Harish K. Shah	NE-Independent	4	Yes	NIL	NIL	NIL
Vishnubhai G. Patel	NE-Independent	4	Yes	NIL	NIL	NIL
Shankarlal B. Mundra	NE-Independent	4	Yes	NIL	NIL	NIL

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

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

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

b) Management & Function of the Board :

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

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

Serial No.	Dates on which the Board Meeting was held	Total Strength of the Board	No. of Directors Present
1	05.04.2007	10	5
2	05.05.2007	10	5
3	25.06.2007	10	10
4	31.07.2007	10	8
5	03.10.2007	10	7
6	29.10.2007	10	10
7	07.01.2008	10	5
8	28.01.2008	10	10
9	24.03.2008	10	5

d) Committees of the Board

Currently the Board has three committees viz:

1) Audit Committee

Composition :

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

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

Name	Position held	Attendance at Audit Committee meeting held on			
		25.06.2007	31.07.2007	29.10.2007	28.01.2008
Mr. Hitendra H. Sheth	Chairman	Yes	Yes	Yes	Yes
Mr. Jagdish S. Shah	Member	Yes	Yes	Yes	Yes
Mr. Harish K. Shah	Member	Yes	Yes	Yes	Yes

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

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

Powers of the audit committee includes :

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

The terms of reference are broadly as under :

- Oversight of the company's financial reporting process and the disclosure of its financial Information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- Reviewing with management the annual financial statements before submission to the Board, focusing primarily on;
 - Matters required to be included in the Director's Report in terms of clause 2AA of Section 217 of the Companies Act, 1956
 - Any changes in accounting policies and practices.
 - Major accounting entries based on exercise of judgment by management.
 - Qualifications in draft audit report.
 - Significant adjustments arising out of audit.
 - The going concern assumption.
 - Compliance with accounting standards.
 - Compliance with stock exchange and legal requirements concerning financial statements
 - Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large.
- Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the periodical financial statements with management before submission to the board for their approval.
- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with external auditors before the audit commences nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
- Reviewing the Company's financial and risk management policies.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

2) Shareholders'/Investors' Relations Committee

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

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

During the financial year Twenty meetings were held on 06/04/2007, 16/04/2007, 30/04/2007, 31/05/2007, 15/06/2007, 30/06/2007, 16/07/2007, 31/07/2007, 29/09/2007, 15/10/2007, 31/10/2007, 15/11/2007, 30/11/2007, 15/12/2007, 15/01/2008, 31/01/2008, 15/02/2008, 29/02/2008, 15/03/2008 and 31/03/2008. Both members were present at all meetings.

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

During the year 27 complaints were received from SEBI and shareholders directly which inter alia include non receipt of dividend, annual reports, etc. which were duly attended and resolved to their satisfaction.

No requests for share transfers are pending except those that are disputed or sub-judice.

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

3) Remuneration Committee:

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

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

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

During the year the meeting of the committee was held on 25/06/2007.

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

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

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

Name of the Director	Remuneration	Commission	Sitting fees	Total
Bhagwandas K. Patel	1344942	Nil	Nil	1344942
Dashrathbhai P. Patel	1279944	Nil	Nil	1279944
Rameshbhai B. Patel	1279944	Nil	Nil	1279944
Shashikant P. Patel	1279944	Nil	Nil	1279944
Dixit B. Patel	609972	Nil	Nil	609972

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

The Company paid sitting fees to Non-executive Directors as under for attending Board Meetings during the year ended 31st March, 2008.

Name of the Director	Sitting Fees
Hitendra H. Sheth	10000
Jagdish S. Shah	10000
Harish K. Shah	10000
Vishnubhai G. Patel	10000
Shankarlal B. Mundra	10000

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

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

Name of the Non Executive Director	Shares Held
Hitendra H. Sheth	1500
Jagdish S. Shah	Nil
Harish K. Shah	Nil
Vishnubhai G. Patel	Nil
Shankarlal B. Mundra	Nil

Code of Conduct for Senior Management

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

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

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

CEO / CFO Certification

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

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

For the Year	Location	Date & Time	Special resolution passed
2006-07	Flash Banquet at First Floor, Shailly Complex, Surdhara Circle, Nr. Sal Hospital, Ahmedabad – 380054	20th August, 2007 11.30 a.m.	No
2005-06	Funpoint Club & Resorts Pvt Ltd Gandhinagar Sarkhej Highway, Sola Road, Nr. Kargil Petrol Pump, Near New Gujarat High Court, Ahmedabad – 380060	4th August 2006 3.00 p.m.	No
2004-05	B-301, Satyamev Complex-1, Opp: New Gujarat High Court, S.G. Highway, Ahmedabad-380 060.	16th August 2005 11.30 a.m.	No

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

Financial year : 1st April 2007 to 31st March 2008.

Date & Time of Annual General Meeting : 2nd September 2008 at 11.00 a.m.

Venue : Flash Banquet,
First floor, Shailly Complex,
Surdhara Circle, Nr. Sal Hospital,
Ahmedabad - 380054

Book closure date : 23rd August 2008 to 2nd September 2008 (both days inclusive) for Annual General Meeting and payment of final dividend.

Dividend payment date : The dividend if declared shall be paid on or after 5th September 2008 but within the statutory limit of 30 days.

Registered office : B-301, Satyamev Complex-1, Opp: New Gujarat High Court, S.G. Highway, Ahmedabad-380 060.

Compliance officer : Mr. Bhagwandas Patel, Managing Director

Website address : www.dynemic.com

Financial calendar

The Company has announced/expects to announce the unaudited quarterly results for the year 2008-09 as per the following schedule:

First quarter	: on or before 31st July, 2008
Second quarter	: on or before 31st October, 2008
Third quarter	: on or before 31st January, 2009

The Company intends to announce the audited results for the financial year 2008-09 and will be announced before 30th June 2009 which will include the results for the forth quarter of the financial year 2008-09.

Means of communication

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

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

ADR/GDR

The Company has not issued any ADR/GDR.

Listing on Stock Exchange

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

Stock Code: 532707

Stock Market Price Data:

Month	Monthly High	Monthly Low
April' 07	18.00	15.60
May' 07	26.00	16.00
June' 07	22.75	18.10
July' 07	22.50	17.10
August' 07	22.50	16.05
September' 07	23.10	16.25
October' 07	29.00	16.05
November' 07	25.65	18.10
December' 07	34.95	21.20
January' 08	39.50	19.40
February' 08	27.40	19.30
March' 08	24.25	15.60

Registrar & Share Transfer Agent

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

Bigshare Services Pvt. Limited

E-2 Ansa Industrial Estate,

Sakivihar Road, Saki Naka, Andheri (E),

Mumbai-400 072.

Contact Person: Mr. Bhagwandas

Phone No. : 022-28470652, 022-28470653

Dematerialization Information

The shares of your Company are available in Dematerialised form with National Securities Depository Limited (NSDL) & Central Depository Services (I) Limited (CDSL). The ISIN of the Company is INE256H01015. As of March 31st, 2008, 6626300 no. of shares were in dematerialised form.

Distribution of Shareholding as on March 31, 2008

No. of Equity shares held	No of share holders	% of shareholders	No of shares held	% of holding
1-500	10430	97.8975	3430082	30.2784
501-1000	108	1.0137	791408	6.9860
1001-2000	58	0.5444	824986	7.2824
2001-3000	18	0.1689	444373	3.9226
3001-4000	7	0.0657	260740	2.3016
4001-5000	3	0.0281	135040	1.1920
5001-10000	18	0.1689	1118826	9.8762
10001 & above	12	0.1126	4322994	38.1605
Total	10654	100	11328449	100

Categories of Shareholders as on March 31, 2008

Category	No. of Shares	% of Shares
A Promoter's Holding		
1 Indian Promoters	5443003	48.0472
2 Foreign Promoters	—	—
Sub total	5443003	48.0472
B Non-Promoters		
3 Institutional Investors	—	—
A Mutual Funds and UTI	—	—
B Banks, Financial Inst., Insurance Com.	—	—
(Central State Gov. Inst. /Non- Gov Inst.)	—	—
C FIIS	—	—
Sub total	—	—
4 Others		
A Private corporate Bodies	449394	3.9669
B Indian Public	5408559	47.7431
C NRIs / OCBs	11208	0.0989
D Directors	1500	0.01324
E Clearing Members	13450	0.1187
F any other (please specify) – Trust	1335	0.01178
Sub total	5885446	51.9528
GRAND TOTAL	11328449	100.00

Secretarial Audit Report

The Company has appointed Mr. Nimesh Shah, Practicing Company Secretary to conduct Secretarial Audit of the company for the Financial Year ended March 31, 2008 who has submitted his report confirming the compliance of generally all applicable provisions of the various corporate laws. The Secretarial Audit Report forms part of the Annual Report.

Disclosures

- (1) There are no materially significant related party transactions of the Company with key managerial personnel which have potential conflict with the interest of the Company at large.
- (2) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the period from 1st April 2007 to 31st March 2008 : NIL.

(3) Secretarial Audit –

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

Nomination Facility

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

Unclaimed Dividends

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

Plant Locations

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

Address for Correspondence

Shareholders can do the correspondence at :

Managing Director

Dynemic Products Limited

B-301, Satyamev Complex-1,

Opp: New Gujarat High Court,

S.G. Road, Ahmedabad-380 060

Tel: Nos. 079-27773072/73

Fax: 079-27662176

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,2008 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 , 2008, there were no investor grivence matter against the Company remaining unattended /pending for more than 30days.
- 5] We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Place : Ahmedabad
Date : 28/06/2008

[**RAJESH D. SHAH**]
PROPIETOR

DECLARATION

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

For Dynemic Products Limited

Bhagwandas K. Patel
Managing Director

CEO/CFO CERTIFICATION

We, Mr. Bhagwandas K. Patel, Managing Director and Mr. Paurav Shah, Manager Accounts & Finance, certify to the Board that :

(a) We have reviewed financial statements and the cash flow statement for the year ended on 31.03.2008 and that to the best of their knowledge and belief :

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

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

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

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

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

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

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

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

For Dynemic Products Limited

Bhagwandas K. Patel
Managing Director

Paurav Shah
C.F.O.

SECRETARIAL AUDIT REPORT

The Board of Directors

Dynemic Products Limited

I have examined the registers, records and documents of **M/s Dynemic Products Limited** ("the Company") for the financial year ended on March 31, 2008 maintained under the provisions of –

- The Companies Act, 1956 and the Rules made under that Act.
 - The Depositories Act, 1956 and the regulations framed under that Act.
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.
 - The Equity Listing agreement with Bombay Stock Exchange Limited.
- 1) I report that, based on my examination and verification of the registers, records and documents produced to me and according to the information and explanations given to me by the company, the company, has in my opinion, complied with the provisions of the Companies Act, 1956 ("the Act") and the Rules made under the Act, and the Memorandum and Articles of Association of the Company, with regard to :
 - a) maintenance of statutory registers and documents and making in them necessary entries;
 - b) forms, returns, documents and resolutions required to be filed with the Registrar of Companies;
 - c) service of documents by the company on its Members and Registrar of Companies;
 - d) notice of Board meetings and Committee of Directors;
 - e) the meetings of Directors and Committee of Directors;
 - f) the seventeenth annual general meeting held on 20.08.2007;
 - g) minutes of proceedings of general meeting and of Board and other meetings;
 - h) approval of shareholders, the board of directors, the committee of directors wherever required;
 - i) borrowings and registration of charges;
 - j) contracts, common seal, registered office and publication of name of the company; and
 - k) generally, all other applicable provisions of the Act and the rules made under that Act.
 - 2) I further report that :
 - a) the Directors of the company have obtained Directors Identification Number as per Section 266A of the Act.
 - b) the Directors of the company have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings and directorships in other companies and interests in other entities.
 - c) the directors have complied with the disclosure requirements in respect of their eligibility of appointment and compliance with the Code of Conduct for Directors.
 - d) there was no prosecution initiated against, or show cause notice received by, the company and no fines or penalties were imposed on the company under the Companies Act, SEBI Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against the Company, its Directors and officers.
 - 3) I further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Regulations framed thereunder with regard to dematerialisation / rematerialisation of securities and reconciliation of records of dematerialized securities with all securities issued by the company.
 - 4) I further report that the Company has complied with :
 - a) the requirements under the Equity Listing Agreement entered with Bombay Stock Exchange Limited.
 - b) the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 with regard to the disclosures and maintenance of records required under the Regulations.

Place : Ahmedabad

Date : 28.06.2008

Nimesh Shah

Practising Company Secretary
Certificate of Practice No. 7600

SHAH RAJESH & ASSOCIATES
CHARTERED ACCOUNTANTS

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

AUDITOR'S REPORT

To
The Shareholders,
Dynemic Products Limited

We have audited the attached Balance Sheet of **DYNEMIC PRODUCTS LIMITED** as at 31st March, 2008 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 211 of 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, 2008 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, 2008,
 - (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 ACCOUNTS

Place : Ahmedabad
Date : 28/06/2008

[RAJESH D. SHAH]
PROPIETOR

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 granted unsecured loan to 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 31-3-08 Rs
A	Subsidiaries:- 1 Dynamic Overseas (I) Pvt.Ltd. 2 Dynemic USA Inc.	0 26.81 Lacs	0 26.81 Lacs

- (b) According to the information and explanation given to us, no interest is charged on the advances granted, however other terms and conditions of the loans granted to the concerns in which directors are interested as listed in the register maintained under section 301 of the Companies Act, 1956 are prima facie not prejudicial to the interest of the company.
- (c) According to information and explanation given to us and on the basis of the examination of the books of accounts, we could not verify whether the repayment of the loans granted to the concern in which Directors are interested as listed in the register maintained under Section 301 of the Companies Act, 1956, are regular or not, as terms and conditions regarding the repayments have not been specified or mentioned, however the amount outstanding at the year end is as mentioned above.
- (d) According to the information and explanation given to us and on the basis of the examination of the books of accounts, reasonable steps have been taken by the company for recovery of the due amount of loans given.
- (e) The Company has not taken 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.
- 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	Amount the Dues	Relating to (Rs. in lacs)	Forum where dispute is pending Asstt.year
Income Tax Act, 1961	I.Tax	11.57	2001-02	Income Tax Appellate Tribunal, Ahmedabad
Income Tax Act, 1961	Penalty u/s. 271(1)(c)	3.76	2001-02	Income Tax Appellate Tribunal, Ahmedabad
Income Tax Act, 1961	I.Tax	7.68	2003-04	Income Tax Appellate Tribunal, Ahmedabad

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

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

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

Place : Ahmedabad
Date : 28/06/2008

[RAJESH D. SHAH]
PROPIETOR

BALANCE SHEET AS AT 31ST MARCH 2008

Sr.	No.	Particulars	Sch.	31/3/2008		31/3/2007	
				Rupees	Rupees	Rupees	Rupees
A.		SOURCES OF FUNDS :					
1		SHAREHOLDER'S FUNDS :					
	[a]	Share Capital	1	113284490		113284490	
	[b]	Reserves & Surplus	2	157507864	270792354	151892543	265177033
2		LOAN FUNDS :					
	[a]	Secured Loans	3	86059267		46865222	
	[b]	Unsecured Loans	4	1835026	87894293	6111067	52976289
3		DEFERRED TAX LIABILITY Refer to Note No. 1(j) & 2 of schedule 17			13572768		12118154
		Total Rs.			372259415		330271476
B.		APPLICATION OF FUNDS :					
1		FIXED ASSETS :	5				
	[a]	Gross Block		168784387		111626299	
	[b]	Less : Depreciation		32938667		28104128	
	[c]	Net Block		135845720		83522171	
		CAPITAL WORK IN PROGRESS		80849530		18813900	
					216695250		102336071
2		INVESTMENTS	6		26435446		104000445
3		CURRENT ASSETS, LOANS & ADVANCES :	7				
	[a]	Inventories		64751006		46756989	
	[b]	Sundry Debtors		61143332		73151342	
	[c]	Cash & Bank Balances		3849904		11159409	
	[d]	Loans & Advances		56783903		38510137	
				186528145		169577877	
		Less : CURRENT LIABILITIES & PROVISIONS					
	[a]	Current Liabilities	8	21965160		21441356	
	[b]	Provisions		35493717		24405994	
				57458877		45847350	
		Net Current Assets			129069268		123730526
4		MISCELLANEOUS EXPENDITURE (To the extent not written off)	9		59451		204434
		Total Rs.			372259415		330271476

Significant Accounting Policies & Notes on accounts. 17

As per our Report of even date

For : SHAH RAJESH & ASSOCIATES
CHARTERED ACCOUNTANTS.

Rajesh D. Shah
Proprietor

Place : Ahmedabad.

Date : 28-6-2008

For : DYNEMIC PRODUCTS LIMITED

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

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31-3-2008

Sr.	No.	Particulars	Sch.	31/3/2008		31/3/2007	
				Rupees	Rupees	Rupees	Rupees
A.		INCOME :					
	1	Sales (net)		365768545		323112359	
	2	Other Income	10	-535836		14151727	
	3	Increase/Decrease in Stocks	11	13285932		-12304358	
		Total Rs.			378518641		324959728
B.		EXPENDITURE :					
	1	Materials, Manufacturing & Operating Costs	12	291088020		241536675	
	2	Purchase of Finished & Trading Materials		4517889		3203578	
	3	Salaries, Wages & Bonus	13	18017598		9903419	
	4	Repairs & Maintenance	14	7383749		8095286	
	5	Administrative & Other Expenses	15	16614703		15636503	
	6	Interest & Financial Exps.	16	4847271		4744525	
	7	Depreciation		5061828		4793730	
	8	Preliminary Expenses written off		144983		144983	
		Total Rs.			347676040		288058700
		Profit before Taxation			30842601		36901028
		Less: Provision for Taxation					
		Current Tax			10740000		11000000
		Deferred Tax			1454614		-946131
		Fringe Benefit tax			150610		152275
	16	Net Profit for the Year			18497377		26694883
		Add:- Net Balance Profit of Last Year			42916522		31756625
		Add/ (Less):- Taxation of earlier years (Refunds/Paid)			371663		-1050267
	17	Balance available for Appropriation			61785562		57401241
		Appropriations :					
		General Reserves		1231000		1231000	
		Proposed Dividend		11328449		11328449	
		Tax on Dividend		1925270		1925270	
					14484719		14484719
	18	Balance Carried to Balance Sheet			47300843		42916522
		Earning Per Share					
		Basic			1.63		2.36
		Diluted			1.63		2.36

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

For : SHAH RAJESH & ASSOCIATES
CHARTERED ACCOUNTANTS.

Rajesh D. Shah
Proprietor

Place : Ahmedabad.
Date : 28-6-2008

For : DYNEMIC PRODUCTS LIMITED

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

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2008		31/3/2007	
		Rupess	Rupess	Rupess	Rupess
	SCHEDULE : 1 : SHARE CAPITAL :				
[a]	Authorised Share Capital [13000000 Equity Share of Rs. 10/- each] [PYF 11000000 Equity Shares]		130000000		130000000
			130000000		130000000
[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 earstwhile parttneship firm M/s. Saffron Dye stuff Industries without payment being received in cash, pursuant to the business acquired as per agreement entered.] Total Rs.		113284490		113284490
			113284490		113284490
	SCHEDULE : 2 : RESERVES & SURPLUS :				
	(i) General Reserves : Opening Balance	5295820		4064820	
	Add : Transferred from Profit & Loss A/c.	1231000		1231000	
		6526820		5295820	
	Less: Transfer for utilation in Bonus Shares	0	6526820	0	5295820
	(ii) Profit & Loss A/c. Balance		47300843		42916522
	(iii) Share Premium on issue of Equity Shares		103680201		103493131
	Add : Share Issue Exps. Refunds Recpts		0		187070
			103680201		103680201
	Total Rs.		157507864		151892543
	SCHEDULE : 3 : SECURED LOANS :				
[a]	C.C.Hypo A/c. : * Citi Bank N.A. * HDFC Bank Ltd. [HP. C.C. A/c. Secured against mortgage/ charge on all immoveable properities & stocks of Raw Materials, Stores, Finished Goods etc. & personal gurantee of Directors.]		10396548 22235553		10330694 0
[b]	P.C.F.C.A/c. : * Citi Bank N.A. [P. C. F. C. A/c. Secured against mortgage/ charge on all immoveable properities & book debts relating to to mfg. of Industrial Dyes & Chemicals & personal guarnatee of Directors.]	38391254		36296513	
[c]	W.C.D.L A/c (Securiy as above) * Citi Bank N.A.		15000000		
[d]	Vehicle (Car) Loan A/c. : * Citi Bank N.A. Car Loan A/c. [Secured against Hypothecation of Car)		35912		238015
	Total Rs.		86059267		46865222
	SCHEDULE : 4 : UNSECURED LOANS :				
[a]	Fixed Deposits from Directors		0		2093660
[b]	Fixed Deposits from Share holders		1160795		3170957
[c]	Fixed Deposits from Publics		674231		846450
	Total Rs.		1835026		6111067

SCHEDULE : 5 : FIXED ASSETS

Sr No	NAME OF THE ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As on 01/04/07 Rs.	Addition during the Year Rs.	Deduction during the Year Rs.	As on 31/03/08 Rs.	As on 01/04/07 Rs.	Addition during the Year Rs.	Deduction during the Year Rs.	As on 31/03/08 Rs.	As on 31/03/07 Rs.	As on 31/03/08 Rs.
1	Building	21289365	9916055	0	31205420	4629285	713917	0	5343202	16660080	25862218
2	Computer	1260977	94056	0	1355033	715033	210797	0	925830	545944	429203
3	Electric Fitting & Install.	3299768	1940339	0	5240107	1116525	157697	0	1274222	2183243	3965885
4	Furniture	6415971	596259	0	7012230	2506055	410989	0	2917044	3909916	4095186
5	Lab Equipments	3764903	1097958	0	4862861	947883	179244	0	1127127	2817020	3735734
6	Machineries	42077791	34321560	0	76399351	11838870	2120582	0	13959452	30238921	62439899
7	Office Equipments	2736696	141561	0	2878257	924570	179606	0	1104176	1812126	1774081
8	Office Premises	3540255	2346236	0	5886491	189377	80944	0	270321	3350878	5616170
9	Pollu.Eff Treatment	5387481	0	0	5387481	2259371	255905	0	2515276	3128110	2872205
10	Resi.Premises	5892483	6108	3962688	1935903	315241	74570	222420	167391	5577242	1768512
11	Motor Cycle	501897	42941	30000	514838	113563	24013	4870	132706	388334	382132
12	Motor Car	3955238	855100	0	4810338	1087800	443443	0	1531243	2867438	3279095
13	Electric Motor & Pumps	1274052	384209	0	1658261	371081	62139	0	433220	902971	1225041
14	Fire fighting Equipments	87716	13200	0	100916	19058	4271	0	23329	68658	77587
15	Gas Inst.& Fab	962105	759660	0	1721765	239025	35944	0	274969	723080	1446796
16	Generating Set	437200	0	0	437200	229034	20767	0	249801	208166	187399
17	Lease Hold Land	6414360	3843165	0	10257525	0	0	0	0	6414360	10257525
18	Pipes & Valve Fittings	1290255	3227556	0	4517811	337739	43289	0	381028	952516	4136783
19	Storage Tank	934426	1564813	0	2499239	207758	32021	0	239779	726668	2259460
20	Dies	103360	0	0	103360	56861	11690	0	68551	46499	34809
Total Rs.		111626299	61150776	3992688	168784387	28104128	5061828	227290	32938667	83522171	135845720
Previous Years		105112259	7079626	565586	111626299	23610272	4793730	299874	28104128	81501987	83522171

Project under implementation:-

1	Capital Work in Progress	18242716	61884480		80127196	0	0	0	0	0	80127196
2	ERP Software Under Implementation	571184	151150	0	722334	0	0	0	0	0	722334
TOTAL		18813900	62035630	0	80849530	0	0	0	0	0	80849530

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2008		31/3/2007	
		Rupess	Rupess	Rupess	Rupess
	SCHEDULE : 6 : INVESTMENTS :				
[I]	TRADE INVESTMENTS (At Cost)				
(A)	Investments in Subsidiary				
	(i) Unquoted Investments- Equity Shares				
	(1) Dynamic Overseas (India) P. Ltd. Shares [20600 Shares of Rs.100 each (P.Y.F.600)]	2060000		60000	
	(2) Dynamic USA Inc. Shares [1000 Shares of US\$ 1/- each (P.Y.F. Nil)] [Exchange Rate US\$ 1/- = Rs. 45.54]	45540		45540	
			2105540		105540
(B)	Other Investments				
	(i) Other Quoted Investments-Equity Shares				
	(1) Gujarat State Financial Corpn.Ltd. [190 Shares of Rs.20 each(P.Y.F.190)] [Market Price : Not available]	38000		38000	
	(2) In Equities as per List by Kotak Mahindra Bank Ltd (At Cost)	13036853		14066902	
	(2) In Equities as per List by BNP Paribas Bank (At Cost)	0		4219759	
		13074853		18324661	
	Less:- Provision for Diminution in value of Investments (Net)	5828753		3425097	
	(The list is attached as Annexure showing cost and market value of all the shares)		7246101		14899564
	(ii) Other Unquoted Investments-Equity Shares				
	* Enviro Technology Ltd. Shares [15000 Shares of Rs.10 each(P.Y.F.15000)]	150000		150000	
	* Bharuch Enviro Infrastructure Ltd. [1260 Shares of Rs.10 each(P.Y.F.1260)]	12600		40600	
	* Bharuch Eco-Aqua Infra.Ltd [16800 Shares of Rs.10 each (P.Y.F.14000)]	168000		140000	
	* Forum (Chandolidia) Aawas Owmer's Asso. [1 Share of Rs.100 each (P.Y.F.100)]	100		100	
	* Navsarjan Industrial Bank Ltd. 500 Shares Of Rs 25 each (P.Y.F.500)]	12500		12500	
	*Dyemic Holdings Pvt.Ltd. [1010000 Shares Of Rs.10 each (P.Y.F.NIL)]	10100000		0	
	* Ank.Res. & .Analy.Inf.Ltd. [1000 Shares of Rs.10 each (P.Y.F.1000)]	10000		10000	
			10453200		353200
[II]	OTHER INVESTMENT (At Cost)				
(A)	Investments in Unquoted Mutual Funds Liquid Dividend Plan(including dividend reinvested)				
	HDFC Cash Management Savings Plan (507907.458 units-Face Value Rs.10.6364 per unit)	0		5402307	

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2008		31/3/2007	
		Rupess	Rupess	Rupess	Rupess
(B)	Birla Bond Plus-Retail-Fortnightly Dividedn-Reinves (2398325.647 units-Face value Rs.11.1983 per unit)	0		27068919	
	DSP Merrill Lynch Liquid Plus Inst. Plan (48049.418 units-Face value Rs. 1000.2 per unit)	0		48059028	
	HSBC Unique Opportunities Fund (20000 units - Face value Rs. 10 per unit)	0	0	200000	
	Investments in Unquoted Mutual Funds				
	Non-Liquid Dividend Plan				
	Fidelity India Growth Fund	1000000			
	HDFC AMC PMS (Real Estate Portfolio)	730605			
	HDFC MID CAP EQUITY FUND	500000			
	HSBC Unique Opportunities Fund	200000			
	JM Basic Fund	700000			
	Reliance Equity Growth Fund	500000			
			3630605		
	Investment In Resie. Flat				
	Residential Flat (Vishwas City-5,F-501)	600000			
	Residential Flat (Vishwas City-5,Flat No. A-202)	1200000			
	Residential Flat (Vishwas City-5,Flat No.G-201)	1200000			
			3000000		
	Investment in Debt Funds by Kotak Securities				
	Franklin India Bluechip Fund (1296.277 units - Face Value Rs.122.93 per unit)	0		159351	
	HDFC Cash Mgt Fund (447608.895 units -Face Value Rs.16.248 per unit)	0		7272660	
	HDFC Top 200 Fund (1522.96 units - Face Value Rs. 104.504 per unit)	0		159155	
	K 30 Equity Scheme (2399.969 units - Face Value Rs.64.997 per unit)	0		155991	
	Magnum Equity Fund (6202.182 units - Face Value Rs. 26.56 per unit)	0	0	164730	
	Total Rs.		26435446		88642141
	SCHEDULE : 7 : CURRENT ASSETS AND LOANS & ADVANCES :				
[A]	CURRENT ASSETS :				
	INVENTORIES : Valued at Cost or Net realisable value whichever is low [As per Inventory taken, valued and Certified by Directors of the Company]				
*	Raw Materials	23683444		19287859	
*	Packing Material.....	1021069		738313	

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2008		31/3/2007	
		Rupess	Rupess	Rupess	Rupess
*	ETP stock	55809		26065	
*	Waste	3938		0	
*	Work in progress.....	13798812		6680922	
*	Finished Goods ...	16658796		12259238	
*	Semi Finished Goods.....	9529138		7764592	
			64751006		46756989
	SUNDRY DEBTORS (Unsecured Considered Good)				
*	Due Over Six Months.	238366		6907609	
*	Others	60904966		66243733	
	(Includes Due from Subsidiaries Rs. 1287000/-)		61143332		73151342
	CASH AND BANK BALANCE :				
*	Foreign cheques & currencies a/c.	19655		241024	
*	Cash-in-hand	38605		322948	
*	Balance with Schedule Bank in current a/c	2044439		5965474	
*	Balance with Non-Schedule Bank in current a/c	177133		303568	
*	Balance with Non-Schedule Bank in margins a/c	584370		3332106	
*	Balance with Schedule Bank in Fixed Deposits	985702		994289	
			3849904		11159409
[B]	LOANS AND ADVANCES :				
*	Advances recoverable either in Cash or in Kind or				
*	for value to be received.	12153622		12096872	
*	Deposits with Govt. Bodies & Others	4355959		2060869	
*	Advance Income tax	19849427		10849427	
*	Advance Fringe Benefit Tax	447679		208716	
*	Advances given for Capital Goods [New Project]	14704529		10851770	
*	Advances given for expenses	883844			
*	Advances given for goods	1658534			
*	LOANS AND ADVANCES TO SUBSIDIARIES				
*	Dynemic Products (Inc) USA	50000		50000	
*	Dynemic USA Inc	2680310		2392483	
	(Refer to Note No. 15 & 16 of Schedule 17: Notes to Accounts)		56783903		38510137
	Total Current Assets and Loans & Advances		186528145		169577877
	SCHEDULE : 8 : CURRENT LIABILITIES :				
	CURRENT LIABILITIES :				
*	Sundry Creditors	20727795		19775593	
*	Share Application Money Refundable	1072875		1350600	
*	Unclaimed Dividend (2006-07)	77166		96764	
*	Unclaimed Dividend (2005-06)	84852		0	
*	Advance from Customers	2472	21965160	218399	21441356

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2008		31/3/2007	
		Rupess	Rupess	Rupess	Rupess
	PROVISIONS :				
*	Leave Encashment Salary Provisions	197113		0	
*	Proposed Dividend	11328449		11328449	
*	Tax on Proposed Dividend	1925270		1925270	
*	Provision for Taxation for FBT	302885		152275	
*	Provision for Taxation for current tax	21740000	35493717	11000000	24405994
	Total Rs.		57458877		45847350
	SCHEDULE : 9 : MISCELLANEOUS EXPENSES				
	(To the extent not Written Off)				
	PRELIMINARY EXPENSES :				
*	Last Balance	204434		349417	
*	Add : Additions during the year	0		0	
		204434		349417	
*	Less : Written off during the year	144983	59451	144983	204434
	Total Rs.		59451		204434
	SCHEDULE : 10 : OTHER INCOME :				
	OTHER BUSINESS RELATED INCOME				
*	Bad Debts Recovered	0		137922	
*	Cash Discount Received	374165		494234	
*	Quantity Discount	0		123404	
*	Commission Income	0		375000	
*	Conversion Charge Income	3168125		2346100	
*	DEPB Income	35477		1718705	
*	Excise Refund Income	37536		0	
*	Electricity Duty Refund	295637		0	
*	Interst On GEB Deposit	27816		0	
*	Misc Credit W/O	108027		0	
*	Packing Material Income	1122301		0	
*	Profit On Sale Of Res. Premises	459732		0	
*	Interest (Late Payment)	0		50238	
*	Round Off	10		0	
*	Solid Wate Sales Income	0		7924	
*	VAT Refund Income	0		57533	
*	L/c Charges	2029		0	
*	Kasar , Rates & Quality Difference.	0		451657	
*	Vat Recoverable for the Year 2005-06	0		94868	
*	Income Relating to Previous Years	0		336393	
	TOTAL	5630855		6193977	
	OTHER INVESTMENT RELATED INCOME				
*	Dividend on Mutual Fund	2927374		5912425	
*	Dividend From Company	194320		181850	
*	Dividend Income Others	600		0	
*	Interest Income	19439		0	
*	Gain/Loss On Sale Of MF	-159131		0	

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2008		31/3/2007	
		Rupess	Rupess	Rupess	Rupess
*	Interest on FD (Bank)	431933		33794	
*	Short Term Capital Gain - BNP PARIBAS MF	4997		738184	
*	Short Term Capital Gain-KOTAK MAHINDRA MF	-5338830		5029484	
	TOTAL	-1919298		11895737	
	LESS:- EXPEDITURE REALTING TO INCOME ON INVESTMENTS				
*	Service Tax - Kotak	67918		96300	
*	Other Shares Related Expenses-BNP	0		94273	
*	Other Shares Related Expenses-Kotak	1101487		91955	
*	Securities Transaction Tax - BNP	968		33127	
*	Securities Transaction Tax - Kotak	345143		182867	
*	Securities Transaction Tax - Mutual Fund	8353		0	
*	Management Cons. Fees & Entry Load	319395		0	
*	Service Tax -BNP	474		14368	
*	Provision for Demunition in the Value of Investments (Net)	2403656		3425097	
	TOTAL	4247393		3937987	
	NET INCOME/LOSS ON INVESTMENTS	-6166691		7957750	
	Total Rs.		-535836		14151727
	SCHEDULE : 11 : INCREASE / DECREASE IN STOCKS :				
	CLOSING STOCK :				
*	Finished Goods	16658796		12259238	
*	Semi Finished Goods	9529138		7764592	
*	Wastes Stocks	3938		0	
*	Work-in-Progress	13798812		6680922	
			39990684		26704752
	OPENING STOCK :				
*	Finished Goods	12259238		15310643	
*	Goods in transit - Stock with Custom warehouse	0		3014829	
*	Trading Stock(transfer from RM Purchase)	0		0	
*	Semi Finished Goods	7764592		6785428	
*	Work-in-Progress	6680922		13898210	
			26704752		39009110
	Increase (Decrease) in Stocks...		13285932		-12304358
	SCHEDULE : 12 : MATERIALS, MANUFACTURING & OPERATING COSTS				
A	RAW MATERIALS CONSUMED				
*	Opening Stock	19287859		10180640	
	Add. : Purchase during the year	244303716		207981291	
		263591575		218161931	
	Less : Closing Stock	23683444		19287859	
	Total Rs.		239908131		198874072

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2008		31/3/2007	
		Rupess	Rupess	Rupess	Rupess
B	<u>PACKING MATERIAL CONSUMED</u>				
*	Op. Stock	738313		319914	
	Add: Purchases during the year	7149963		6386137	
		7888276		6706051	
	Less : Closing stock	1021069		738313	
	Total Rs.		6867207		5967738
C	<u>E.T.P MATERIAL CONSUMED</u>				
*	Op. Stock	26065		38285	
	Add: Purchases during the year	2002838		1723250	
		2028903		1761535	
	Less : Closing stock	55809		26065	
	Total Rs.		1973093		1735470
D	<u>POWER & FUEL CONSUMED</u>				
*	Electric Power & Burning	8133830		6212847	
*	Fuel Purchased & Consumed	232886		139648	
*	Gas Consumption Charges	10442044		8079505	
	Total Rs.		18808760		14432000
E	<u>OTHER MFGS. EXPENSES</u>				
*	Transportation	2645732		2744444	
*	Conversion Charges.	7785816		6152244	
*	Factory Exp	737903		502046	
*	Labour Charges	3025939		2144232	
*	Forwarding & Handling Charges	5159106		5544830	
*	Pallatisation Charges	118898		161652	
*	ETP Expense	854166		0	
*	Unloading Labour Charges	6050		0	
*	Safety Expense	45109		0	
*	Consumable Stores	3152110		3277947	
	Total Rs.		23530829		20527395
	TOTAL:- MANUFACTURING COST		291088020		241536675
	<u>SCHEDULE : 13 : SALARIES WAGES & BONUS</u>				
*	Salary & Wages to Employees	8569166		5210868	
*	Salaries & Bonus to Directors	5794749		2858500	
*	Sitting Fees to Directors	50000		0	
*	Salary & Wages Expense	391090		0	
*	Leave Salary (Inc. Provisions -unpaid)	242735		0	
*	Bonus & other charges	2969858		1834051	
	Total Rs.		18017598		9903419
	<u>SCHEDULE-14 : REPAIRS AND MAINTENANCE</u>				
*	Electrical Parts & Maintenance	198823		265773	
*	ETP Parts & Maintenaces	5524914		6132084	
*	Machinery Parts & Maintenance	368871		1116501	

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2008		31/3/2007	
		Rupess	Rupess	Rupess	Rupess
*	A.C. Service Charges	77575		58450	
*	Building Repairing	9859		118370	
*	Computer Maintainance & Consumables	109835		199644	
*	EPABX Maintainance	33840		21469	
*	Machinery Repairing & Maint.	846470		0	
*	Lab Equipment Repairing	8375		0	
*	Furniture Repairing & Maint	350		35348	
*	Factory Fixtures Repairing	1737		0	
*	Type,Fax & Zerox Maintainance	2060		10050	
*	Vehicle Repairing (Director)	161542		90972	
*	Vehicle Repairing Exp	36998		21229	
*	Office Repairing Exps.	2500		25396	
	Total Rs.		7383749		8095286
	<u>SCHEDULE : 15 : ADMINISTRATIVE AND OTHER EXPENSES :</u>				
*	Annual Report Printing & Courier Charges	535990		297112	
*	Consultancy Fees	637085		1266245	
*	Exhibition Exp.	1185704		1096372	
*	Foreign Exchange Gain /loss	985527		537397	
*	Insurance Premium	1486513		1297505	
*	Keyman Insurance Premium	0		1431040	
*	Kasar , Rates & Quality Difference.	689342		0	
*	Petrol Exps-Directors	323166		349335	
*	Selling Commission	558969		622739	
*	Staff Welfare Exps.	367380		459751	
*	Telephone Exps-Others	410626		405814	
*	Travelling & Conveyance (Director)	186994		264351	
*	Business Metting USA	171960		0	
*	Angadia & Courier Exp	321960		369003	
*	Audit Fees	325000		252810	
*	Bad Debts	3364137		325258	
*	FDA Approval Fees	312190		90884	
*	Lab-Testing Exp	233640		314983	
*	Legal& Proffessional Charges	758800		705846	
*	Misc Office Exp	249216		275661	
*	Office Electric Bill Exp.	214692		201012	
*	Security Exp	538718		326171	
*	Stationery & Printing Exp	440747		462513	
*	Water Charges	207254		225502	
*	Other Administrative & Establishment Exps	2109093		4059200	
	Total Rs.		16614703		15636503

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2008		31/3/2007	
		Rupess	Rupess	Rupess	Rupess
	SCHEDULE : 16 : INTEREST & FINANCIAL EXPENSES:				
*	Interest (Bank)	3393506		2672351	
*	Interest (Car Loan)	8767		35485	
*	Interest (Loan)	0		31644	
*	Interest on Fixed Deposits	371406		444728	
*	Interest (Late Payment)	685		0	
*	Interest on Late Payment of FBT	1169		4234	
*	Interest on Late Payment of Service Tax	63033		33048	
*	Interest on Late Payment of Wealth Tax	0		13463	
*	Interest on Late Payment of Exise Duty	282911		0	
*	Interest (T.D.S.)	11514		32862	
*	Loan Processing Fees	0		258152	
*	Banking Cash Transaction Tax	150		0	
*	Bank Charges & Foreign Bank Charges	714129		1218557	
	Total Rs.		4847271		4744525

SCHEDULE : 17

Significant Accounting Policies & Notes forming parts of Accounts as on 31-3-2008

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 acquasition and installations and initial financing costs relating to the borrowed funds attributable to acquisition of Fixed Assets up to date, the assets is put to use, have been capitalised.
- (iv) No depreciation has been provided on Assets which are shown as Capital work in progress for new proposed expansion project.

3] INVESTMENTS :-

Long-term investments are stated at cost less provision for other than temporary diminuation 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 Grutuity Policy or Cash Accumulation Policy with Life Insurance Corporation of India.

The Gratuity trusts are covered with Life Insurance Corporation of India (LIC) and premiums are paid on advise from LIC, which determines the same on the basis of actuarial valuation. Provision for Leave Encashments is made as at the year end as per the financial figures and other details provided and certified by the management. Actuarial valuation for leave encashment is not available.

5] INVENTORIES :-

All Inventories are valued at lower of Cost or Net realisable value and the cost is ascertained on First in First Out basis as mentioned below:-

- (i) Raw Materials : Valued on FIFO basis
- (ii) Finished Goods : Valued on the basis of absorption costing comprising of direct cost and overheads
- (iii) Semi Finished Goods : Valued on the basis of absorption costing comprising of direct cost and overheads
- (iv) Work in Progress : Valued on the basis of absorption costing comprising of direct cost and overheads
- (v) ETP Stock : Valued on FIFO basis
- (vi) Trading Stock : Valued at Cost or Net Realisable Value whichever is lower
- (vii) Goods in Transit : At Cost
- (viii) Packing Materials : Valued on FIFO basis

6] SALES & REVENUE RECOGNITION :-

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

7] MISCELLANEOUS EXPENDITURE :-

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

8] TREATMENT OF EXCISE DUTY :-

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

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

Service tax payable on Transportation expts. has been credited to Service tax payable a/c. which has been set off against Modvate receivable for service tax paid on various expts. and balance of modvate receivable for Service tax paid on various expts. 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. 24586866/- (PYF 27843975/-) 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. 3168125/- (PYF Rs.2266100/-), has been included in other income and also show as expenditure under the head "other manufacturing expts" for the conversion or manufacturing process carried out by Unit-1 for the materials of Unit-2.

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 sheetdate, the carrying amount of Deferred Tax are reviewed to reassess realisation.
- (iv) Fringe benefit tax is recognised in accordance with the relevant provisions of the Income Tax Act, 1961 and the Guidance Note on Fringe Benefits Tax issued by ICAI.
- (v) Tax on distributed profits payable in accordance with the provisions of the Income Tax Act, 1961 is disclosed in accordance with the Guidance Note on Accounting for Corporate Dividend Tax issued by ICAI.

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] During the year 2005-06, the Company has raised money through the public issue of 44,22,569 shares of Rs. 10/- each at a premium of Rs.25/- per Equity share, amounting of Rs. 1547.90 Lacs. As informed by the management, the implementation of the projects as defined in the Prospectus filed with SEBI, at both the units have been delayed due to the delay in availability of the required land at both sites, the delay in the projects implementation has resulted in cost over run which has been financed from internal cash accruals at present and the estimates for the future cost over run for the projects under implementation has been under preparation and the same shall be financed from the long term borrowings from the bankers and from internal cash accruals, as per the informations given by the management. The net utilisations of the funds raised through IPO are as under:- (Rs. In lacs)

Funds Raised as per prospectus		1547.35
Invested as under:-		
Invested in projects completed	481.18	
Capital work in progress-expansion projects	801.27	
Advances for capital goods-expansion projects	147.04	
Land Cost	91.68	
IPO Expenses like listings, advertisements etc (Net)	68.84	
Investments in various instruments	0	1590.01
Cost over run financed from internal cash accruals		42.66

During the year , as per the information and the explanation given to us, the company has completed its expansion plan at EOU-1 and started the commercial production for its new plants, while for EOU-II, the project is still under implementation.

2] **Segmental Reporting :-**

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

In accordance with the Accounting Standard -17 on " Segment Reporting " issued by the Institute of Chartered Accountants of India , the Company had reviewed the segment reporting last year in 2006-07, as reported last year, the company has its operation in manufacturing, and marketing of Dyes & Intermediates. The primary reporting segment for the company, therefore is the business segment, viz., Dyes & Intermediates.

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

The secondary reporting segment for the company is the geographical segment based on the location of customers

which is :- 1) Domestic, 2) Export Information about secondary segments:-

Particulars	Domestic	Exports	Unallocated	Total
Revenue by geographical market	115091265	250677280	0	365768545
	(154592980)	(168519379)	(0)	(323112359)
Carrying amount of Segment Assets (Gross)	395813464	33904828	0	429718292
	(330362279)	(45756547)	(0)	(376118826)

Figures in brackets are for the previous year.

3] The export debts amounting to Rs. 3364137/- has been written off as bed debts for the exports sales.

4] **Related Party Disclosures :-**

A] List of parties where control exist

(i) Subsidiary Company

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

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

(ii) Associates :-

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

(iii) Key management personnel :-

Mr. B.K.Patel	Managing Director
Mr. Rameshbhai B.Patel	Wholetime Director
Mr.Dasharathbhai P.Patel	Wholetime Director
Mr.Shashikant P.Patel	Wholetime Director
Mr.Dixit B.Patel	Wholetime Director
Hitendra Kumar Patel	General Manager
Pitambarbhai Patel	Production Manager
Bhadreshbhai Sharma	Manager - Import
Mukeshbhai Patel	Manager - Export
Paurav Shah	Manager - Finance & Accounts
Pinky Mehta	Export - Executive

C] Transactions with related parties :-

Nature of Transaction	Key Mananagerial Personnel & other Relatives Rs.		Subsidiary Companies Amt.Rs.		Associates Amt.Rs.	
	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07
<u>Fixed Deposits taken</u>						
Taken during the period	25000	4034000	0	0	0	0
Repaid during the period	4056051	200000	0	0	0	0
Closing Balance	704939	4502536	0	0	0	0
<u>Loans & Advances</u>						
Given during the period	1613000	1545000	14237826	1334083	0	750000
Settled during the period	337638	1426500	17839247	796620	0	750000
Closing Balance	1499749	224387	2392483	2392483	0	0
<u>Investments</u>						
Given during the period	0	0	12100000	45540	0	0
Settled during the period	0	0	0	0	0	0
Closing Balance	0	0	12145540	105540	0	0
<u>Sundry Debtors</u>	0	0	1287000	8962455	967722	967722
Sundry Creditors	0	0	0	0	0	0
Purchase of Goods	0	0	0	0	2502838	2544151
Conversion Charges	0	0	0	0	964320	976048
Amount Expended on be half of other	6871745	3972393	0	0	0	0
Sales	0	0	3825750	10722132	43532	0

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

Particulars	2007-08	2006-07
Net Profit after tax (Amt.Rs.)	18497377	26694883
Weighted Average Nos. of Shares	11328449	11328449
Basic Earning per Share on nominal value of Rs.10/-per share	1.63	2.36

6] **COMPANY SECRETARY:-**

The company is required to appoint full time qualified company secretary U/s 383A(1), but has not appointed the same with effect from 1-05-2007, when the full time qualified company secretary resigned. As explained to us, the company is making efforts to appoint the same and for better compliance, the company has carried out Secreterial Audit by Practicing Company Secretary and obtained the Secretarial Audit Report for the F.Y 2007-08.

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

Nature of timing difference	Deferred Tax Liability / Assets		
	Balance As on 1st April 07	Debit/(Credit) for the year Rs. Rs.	Balance As on 31st March 2008
(a) Deferred Tax Liability			
- Depreciation	13271042	2271617	15542659
- Prov for deminution in Investments	(1152888)	(817003)	(1969891)
Total	(12118154)	1454614	13572768

10] Remuneration to Auditors

Particulars	Current Year Amount Rs.	Previous Year Amount Rs.
As Audit Fees	250000	175000
As Tax Audit Fees	75000	50000
For Taxation	125000	125000
For Other Matters- CIT (Apeals)	30000	25000
For Service Tax	43260	81090

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

The managerial remunerations is as per Section 198 and Schedule XIII of the Companies Act, 1956, as per the certificate dtd. 27-05-2008 of Practicing Company Secretary Shri Nimesh Shah.

Particulars	2007-08 Amount Rs.	2006-07 Amount Rs.
(a) Remuneration	5794749	3155500
(b) Contribution to P. F.	—	—
(c) Perquisites	—	—
TOTAL Rs.	5794749	3155500

- 12] Contingent Liability for Letter of Credits and Bank Guarantees is of Rs.2004673/-
- 13] Estimated Amount Contract remaining to be executed and not provided for Rs.31500000/-for the new expansion project (P.Y.F.Rs.11853600/-)
- 14] Some of the Debit/Credit balances are subject to reconciliation/ confirmation in certain cases.However, in the opinion of the Board of Directors all Assets including sundry debtors , loans and advances and deposits would be, in ordinary course of business, realised at least value stated.

- 15] Fixed Assets includes investment made by the company in Residential building for Employees of the Company. Title of certain residential buildings are still in the name of Employee, and transferring the same in the name of the Company is under process, however the power of attorney and affidavits has been taken in favour of the company for such assets, as per the information and the explanation given to us.
- 16] Amount due to SSI Units has not been segregated in view of non availability of requisite information for the purpose of ascertaining the liability if any, under the "Interest on delayed payments to Small Scale & Ancillary Undertaking Act 1993." The company does not have information as to which of its creditors is registered under The Micro, Small and Medium Enterprises Development Act, 2006, hence, no disclosure as required by the said Act is given.
- 17] The Company has made investments for the incorporation of Subsidiary Company Dynamic Products (Inc) USA of Rs. 50000/- in the earlier year in the United States of America, the same is shown under the head "LOANS AND ADVANCES" as the specific details of the investment are not available for our verification.
- 18] The Company has made investments for incorporation of wholly owned subsidiary company Dynamic USA Inc. of Rs. 2680310/- outstanding at the year end, in the United State of America, the same is shown under the head "Advances Recoverable in cash or in kind" as current assets in Loans & Advances.
The said wholly owned subsidiary Dynamic USA Inc., as informed to us, has been involved in the marketing of the products of the company but as such the final accounts are not available to us, and hence, the results of the said subsidiary has not been included in separately prepared consolidated financial statements.
- 19] The US subsidiary company DynamicUSA Inc. has made an allotment of Equity share of 1000 of US\$ 1/- each and accordingly the same is shown as Investment in subsidiary at Rs. 45540/-.
- 20] Excise duty on goods manufactured by the company is accounted only at the time of removal of goods from the factory for sale and/or captive consumption. Such excise duty liability on finished goods as on 31st March, 2008 is estimated at Rs.2402198/-. This Accounting Policy has no impact on the profit for the year.
- 21] 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	2007-08	2006-07
(i)	Licenced Capacity	Not Applicable	Not Applicable
(ii)	Installed Capacity		
a.	Dyes Intermediates	2880 MT	2220 MT
b.	Food Colours	2635 MT	840 MT

B (i) : Production, Purchase, Sales and Stock of Finished Goods (As certified by Management) for the Year ended as on 31-3-2008

Sr No	Products	Unit	Opening Stock		Purchases		Production	Captive Consumption	Sale		Closing Stock	
			Qty	Amount Rs.	Qty	Amount Rs.			Qty	Amount Rs.	Qty	Amount Rs.
							Qty	Qty				
(I)	Finished Goods (Packed) :											
1	Dyes & Intermediates	Kgs.	1583.000 (4575.800)	354627 (642047)	0.000 (7000.000)	0 (462000)	2501842.860 (2125893.820)	1574350.000 (1296325.000)	911607.580 (839562.620)	170681084 (150389078)	17468.280 (1583.000)	3502226 (354627)
2	Food Colours	Kgs.	40102.300 (34941.000)	10761189 (14123935)	0.000 (0.000)	0 (0)	937203.190 (855889.500)	19440.200 (8221.200)	928948.000 (842507.000)	177977704 (161737340)	28917.290 (40102.300)	11585601 (10761189)
3	Lake Colours	Kgs.	2468.500 (448.500)	995351 (210816)	0.000 (0.000)	0 (0)	19389.000 (9314.000)	526.000 (0.000)	17319.700 (7294.000)	6376816 (2772275)	4011.800 (2468.500)	1167337 (995351)
4	Preparation Colours	Kgs.	764.500 (875.000)	148071 (333844)	0.000 (250.000)	0 (65000)	34421.000 (21329.500)	80.000 (318.000)	33518.000 (21372.000)	5012898 (5128239)	1587.500 (764.500)	403632 (148071)
	Total (I)			12259238 (15310642)		0 (527000)	3492856.050 (3012426.820)			360048503 (320026932)		16658796 (12259238)
(II)	Finished Goods (Captive use) :											
	Dyes & Intermediates	Kgs.	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 (II)			0		0	0.000			0		0
(III)	Semi Finished Goods :											
	Dyes & Intermediates	Kgs.	19726.330 (21041.700)	1601950 (2538762)	0.000 (0.000)	0 (0)	51715.160 (7251.100)	4062.000 (8566.470)	0.000 (0.000)	0 (0)	67379.490 (19726.330)	6265204 (1601950)
2	Food Colours	Kgs.	18593.990 (17344.800)	6162642 (2506274)	0.000 (0.000)	0 (0)	48177.500 (235396.090)	46585.990 (234146.900)	0.000 (0.000)	0 (0)	20185.500 (18593.990)	263934 (6162642)
	Total (III)			7764592 (5045036)		0 (0)	99892.660 (242647.190)			0 (0)		9529138 (7764592)
(IV)	Misc.items (By Products) :											
	ETP Materials	Kgs.	0.000 (0.000)	0 (0)	0.000 (0.000)	0 (0)	1296.470 (0.000)	0.000 (0.000)	1296.470 (0.000)	6754 (0)	0.000 (0.000)	0 (0)
	Total (IV)			0		0	1296.470			6753.85		0
(IV)	Trading Materials - Finished Goods :											
	Trading Materials	Kgs.	0.000 (0.000)	0 (0)	28770.000 (19370.000)	4517889 (2531578)	50.000 (0.000)	0 (0)	28820.000 (19370.000)	5713288 (3085427)	0.000 (0.000)	0 (0)
2	Trading of HDPE Drum	Nos.	0.000 (0.000)	0 (0)	0.000 (0.000)	0 (0)	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)	0 (0)	0.000 (0.000)	0 (0)
	Total (VI)			0 (0)		4517889 (2531578)	50.000 (0.000)	0 (0)		5713288 (3085427)		0 (0)
	GRAND TOTAL			20023830 (20355678)		4517889 (3058578)	3594095.180 (3255074.010)	0 (0)		365768545 (323112358)		26187934 (20023830)

Note : 1. Interdivisional transfer for Purchase and sales of Goods are being included in respective figure of Sales and Purchses of goods for Quantity and Value both.

2. The figures shown in the brackets relates to the previous year i.e. 2006-07

**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	9915.000	590934	16055.000	1075685
2	Aniline Oil	Kgs	2894.000	182322	3144.000	191470
3	Ethyl Acetate	Kgs	11395.000	464184	19245.000	485668
4	Sodium Metal	Kgs	4740.000	261921	11491.000	579950
5	Benzene	Ltrs.	4708.000	195349	2618.000	108647
6	Beta Napthol	Kgs	0.000	0	0.000	0
7	Iodine	Kgs	506.240	585383	1378.240	1466833
8	Others	Kgs	274320.380	17007766	370173.050	19775190
Total Rs.			19287859		23683444	

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

Sr. No	Particulars	Unit	2006-07		2007-08	
			Qty	Amount Rs.	Qty	Amount Rs.
1	Di Ethyl Oxalate	Kgs	631900.000	39466003	766860.000	51000989
2	Aniline Oil	Kgs	552400.000	34699235	659600.000	38553090
3	Ethyl Acetate	Kgs	384900.000	16855280	473640.000	13202454
4	Sodium Metal	Kgs	74078.000	4797014	118349.000	6148896
5	Benzene	Ltrs.	44849.000	1826896	54815.000	2288837
6	Beta Napthol	Kgs	78184.000	6133766	75400.000	8692373
7	Iodine	Kgs	4250.000	3855865	5628.000	6234546
8	Others	Kgs	5579712.017	91240014	7709764.725	113786946
Total Rs.			198874072		239908131	

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

Particulars	Current Year Amount Rs.	Previous Year Amount Rs.
Raw Materials	27610663	51857989
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	2007-08		2006-07	
		Amount Rs.	% of Total	Amount Rs.	% of Total
A	Imported	27610663	11%	51857989	25%
B	Indigeneous Raw Materials	216693053	89%	156123302	75%
	Stores & Spares	0%	0	0	
C	Expenses in Foreign Curr.	1223309	0%	1102712	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	250677280	0%	168519379	0

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

For : SHAH RAJESH & ASSOCIATES
CHARTERED ACCOUNTANTS.
Rajesh D. Shah
Proprietor

For : DYNEMIC PRODUCTS LIMITED

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

Place : Ahmedabad.
Date : 28-6-2008

STATEMENT OF CASH FLOW STATEMENT OF DYNEMIC PRODUCTS LTD.FOR THE YEAR ENDE

Sr.	PARTICULARS	31/3/2008	31/3/2007
A]	CASH FLOW FROM OPERATING ACTIVITIES		
	NET PROFIT AFTER TAX & EXTRA ORDINARY ITEMS	18497376	26694883
	ADJUSTMENTS FOR :-		
	PROVISION FOR TAX & DEFERRED TAX	12345224	10206144
	MISC.EXPS.WRITTEN OFF	144983	144983
	DEPRECIATION	5061828	4793730
	DEPRECIATION WRITTEN BACK	-227290	-299874
	SHORT PROVISION FOR I.TAX (NET)	0	0
	DIMUNITION IN THE VALUE OF INVESTMENTS	2403656	3425097
	INTEREST & FINANCIAL CHARGES	4847271	4744525
	PROFIT/LOSS ON SALE/REPLACEMENT OF FIXED ASSETS	-446602	0
	INETEREST/ DIVIDEND/CAPITAL GAINS INCOME	3763035	-11382847
	OPERATING PROFIT BEFORE WORKING CAPITAL CAHNGES	46389481	38326642
	ADJUSTMENTS FOR :-		
	TRADE & OTHER RECEIVABLES	12008010	500797
	INVENTORIES	-17994017	2790960
	TRADE PAYABLES	523803	-21058369
	LOANS & ADVANCES	-8686314	1925475
	CASH GENERATED FROM OPERATIONS	32240964	22485506
	DIRECT TAXES PAID	-9228087	-21608410
	NET CASH FROM OPERATING ACTIVITIES	23012877	877096
B]	CASH FLOW FROM INVESTING ACTIVITIES		
	PURCHASE OF FIXED ASSETS	-123186406	-24773606
	SALE OF FIXED ASSETS	4230000	565586
	PURCHASE OF INVESTMENTS	0	0
	SALES OF INVESTMENTS	75161344	24620124
	INCOME TAX REFUND	418701	0
	INETEREST/ DIVIDEND/CAPITAL GAINS INCOME RECEIVED	-3763035	11382847
	NET CASH USED IN INVESTING ACTIVITIES	-47139397	11794950
C]	CASH FLOW FROM FINANCING ACTIVITIES		
	PROCEEDS FROM ISSUING SHARES(NET OF ISSUE EXP.)	0	0
	PROCEEDS FROM BORROWINGS	34918004	1590208
	IPO EXPS REFUNDS	0	187070
	INTEREST & FINANCIAL CHARGES PAID	-4847271	-4744525
	PRELIMINARY EXPS INCURRED	0	0
	DIVIDEND & DIVI. TAX PAID	-13253719	-12917264
	NET CASH USED FROM FINANCING ACTIVITES	16817014	-15884511
D]	NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	-7309506	-3212465
E]	CASH AND CASH EQUIVALENTS(OPENING)	11159409	14371874
F]	CASH AND CASH EQUIVALENTS(CLOSING) (D + E)	3849904	11159409

As per our Report of even date

For : SHAH RAJESH & ASSOCIATES
CHARTERED ACCOUNTANTS.

Rajesh D. Shah
Proprietor

For : DYNEMIC PRODUCTS LIMITED

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

Place : Ahmedabad.
Date : 28-6-2008

**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, 2008
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	20600 Equity Shares of Rs.10/-each
	b] Extent of interest of Holding Company at the end of the financial year of the Subsidiary Company	98%
5	The Net aggregate amount of the Subsidiary Company's Profit(Loss) so far as it concerns the members of the Holding Company :	1278684
	a] Not dealt within the Holding Company's accounts	
	i] For the period 1st April,2007to 31st March,2008	1278684
	ii] For the previous period(s) since it become the Holding Company's Subsidiary (Loss)	-37393
	a] Dealt within the Holding Company's accounts	
	i] For the period 1st April,2005 to 31st March,2006	0
	ii] For the previous period(s) since it become the Holding Company's Subsidiary	0

For For & on behalf of board of Directors of

DYNEMIC PRODUCTS LIMITED

B. K. Patel – Chairman & Mg. Director

D. P. Patel – Wholetime Director

R. B. Patel – Wholetime Director

S. P. Patel – Wholetime Director

D. B. Patel – Wholetime Director

Paurav Shah – Chief Financial Officer

Place : Ahmedabad.

Date : 28-6-2008

SHAH RAJESH & ASSOCIATES
CHARTERED ACCOUNTANTS

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

Auditor's Report

The Board of Directors
Dynemic Products Limited

We have audited the attached Consolidated Balance Sheet of DYNEMIC PRODUCTS LTD AND ITS SUBSIDIARY as at 31st March, 2008 and the annexed Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of 'Dynemic Products. Ltd's management. Our responsibility is to express an opinion on these financial statement based on our audit.

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

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

We draw attention to

- (i) Note No 17 regarding the non availability of the final accounts of the subsidiary Dynemic USA Inc, and consequently non inclusion of the same in the consolidated results.

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, 2008,
- (b) in the case of the Consolidated Profit and Loss account, of the profit for the year ended on that date
and
- (c) in case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

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

Place : Ahmedabad
Date : 28/6/2008

[RAJESH D. SHAH]
PROPIETOR

BALANCE SHEET AS AT 31 ST MARCH 2008

Sr.	No.	Particulars	Sch.	31/3/2008		31/3/2007	
				Rupees	Rupees	Rupees	Rupees
A.		SOURCES OF FUNDS :					
1		SHAREHOLDER'S FUNDS :					
	[a]	Share Capital	1	113284490		113284490	
	[b]	Reserves & Surplus	2	158281479	271565969	152271100	265555590
2		MINORITY INTEREST			551474		288387
3		LOAN FUNDS :					
	[a]	Secured Loans	3	86059267		46865222	
	[b]	Unsecured Loans	4	1835026	87894293	6111067	52976289
4		DEFERRED TAX LIABILITY			13607100		12143497
		Refer to Note No. 1(j) & 2 of schedule 21					
		Total Rs.			373618836		330963763
B.		APPLICATION OF FUNDS :					
1		FIXED ASSETS :	5				
	[a]	Gross Block		169401463		112243375	
	[b]	Less : Depreciation		32999895		28144949	
	[c]	Net Block		136401568		84098426	
		CAPITAL WORK IN PROGRESS		80849530		18813900	
2		INVESTMENTS	6		217251098		102912326
3		CURRENT ASSETS, LOANS & ADVANCES :	7		24375446		103940445
	[a]	Inventories		64751006		46765114	
	[b]	Sundry Debtors		62296591		73609139	
	[c]	Cash & Bank Balances		3902144		11219661	
	[d]	Loans & Advances		59010901		38556006	
				189960642		170149919	
		Less : CURRENT LIABILITIES & PROVISIONS					
	[a]	Current Liabilities	8	22213910		21521967	
	[b]	Provisions		35813890		24721394	
				58027800		46243361	
		Net Current Assets			131932842		123906558
4		MISCELLANEOUS EXPENDITURE	9		59451		204434
		(To the extent not written off)					
		Total Rs.			373618836		330963763

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

For : SHAH RAJESH & ASSOCIATES
CHARTERED ACCOUNTANTS.
Rajesh D. Shah
Proprietor

For : DYNEMIC PRODUCTS LIMITED

B. K. Patel – **Chairman & Mg. Director**
D. P. Patel – **Wholtime Director**
R. B. Patel – **Wholtime Director**
S. P. Patel – **Wholtime Director**
D. B. Patel – **Wholtime Director**
Paurav Shah – **Chief Financial Officer**

Place : Ahmedabad.
Date : 28-6-2008

FOR THE YEAR ENDED 31-3-2008

Sr.	No.	Particulars	Sch.	31/3/2008		31/3/2007	
				Rupees	Rupees	Rupees	Rupees
A.		INCOME :					
	1	Sales (net)		380430042		329303291	
	2	Other Income	10	76305		14592991	
	3	Increase/Decrease in Stocks	11	13277807		-12296233	
		Total Rs.			393784153		331600048
B.		EXPENDITURE :					
	1	Materials, Manufacturing & Operating Costs	12	291855990		246782640	
	2	Raw Mat.Pur.-Goods with Custom house		0		0	
	3	Purchase of Finished & Trading Materials		16975421		3203578	
	4	Salaries, Wages & Bonus	13	18181098		10034419	
	5	Repairs & Maintenance	14	7383749		8095286	
	6	Administrative & Other Expenses	15	17419442		15950369	
	7	Interest & Financial Exps.	16	4911324		4788936	
	8	Depreciation		5082239		4814141	
	9	Preliminary Expenses written off		144983		144983	
		Total Rs.			361954245		293814353
		Profit before Taxation			31829908		37785696
		Less: Provision for Taxation					
		Current Tax			11059918		11315400
		Deferred Tax			1463603		-934488
		Fringe Benefit tax			150865		152275
	16	Net Profit for the Year			19155522		27252509
		Add:- Net Balance Profit of Last Year			43295079		31800606
		Add/ (Less):- Taxation of earlier years			371663		-1050267
					62822263		58002848
		Less : Profit transfered to Minority Interest			263087		223050
		(Loss) Tr.to Cost of Control on Consolidation		0		0	
	17	Balance available for Appropriation			62559176		57779798
		Appropriations :					
		General Reserves		1231000		1231000	
		Proposed Dividend		11328449		11328449	
		Tax on Dividend		1925270		1925270	
					14484719		14484719
	18	Balance Carried to Balance Sheet			48074458		43295079
		Earning Per Share					
		Basic			1.69		2.41
		Diluted			1.69		2.41

Significant Accounting Policies & Notes on accounts. 17

As per our Report of even date

For : SHAH RAJESH & ASSOCIATES
CHARTERED ACCOUNTANTS.

Rajesh D. Shah
Proprietor

For : DYNAMIC PRODUCTS LIMITED

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

Place : Ahmedabad.

Date : 28-6-2008

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2008		31/3/2007	
		Rupess	Rupess	Rupess	Rupess
	SCHEDULE : 1 : SHARE CAPITAL :				
[a]	Authorised Share Capital [13000000 Equity Share of Rs. 10/- each] [PYF 11000000 Equity Shares]		130000000		130000000
			130000000		130000000
[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 earstwhile parttneship firm M/s. Saffron Dye stuff Industries without payment being received in cash,pursuant to the business acquired as per agreement entered.] Total Rs.		113284490		113284490
			113284490		113284490
	SCHEDULE : 2 : RESERVES & SURPLUS :				
	(i) General Reserves : Opening Balance	5295820		4064820	
	Add : Transferred from Profit & Loss A/c.	1231000		1231000	
		6526820		5295820	
	Less: Transfer for utilation in Bonus Shares	0	6526820	0	5295820
	(ii) Profit & Loss A/c. Balance		48074458		43295079
	(iii) Share Premium on issue of Equity Shares	103680201		103493131	
	Add : Share Issue Refunds	0		187070	
			103680201		103680201
	Total Rs.		158281479		152271100
	SCHEDULE : 3 : SECURED LOANS :				
[a]	C.C.Hypo A/c. : * Citi Bank N.A. * HDFC Bank Ltd. [HP. C.C. A/c. Secured against mortgage/ charge on all immoveable properities & stocks of Raw Materials, Stores, Finished Goods etc. & personal gurantee of Directors.]		10396548 22235553		10330694
[b]	P.C.F.C.A/c. : * Citi Bank N.A. [P.C.F.C.A/c. Secured against mortgage/charge on all immoveable properities & book debts relating to mfg. of Industrial Dyes & Chemicals & personal guarnatee of Directors.]		38391254		36296513
[c]	W.C.D.L A/c (Securiy as above) * Citi Bank N.A.		15000000		
[d]	Vehicle (Car) Loan A/c. : * Citi Bank N.A. Car Loan A/c. [Secured against Hypothecation of Car)		35912		238015
	Total Rs.		86059267		46865222
	SCHEDULE : 4 : UNSECURED LOANS :				
[a]	Fixed Deposits from Directors		0		2093660
[b]	Fixed Deposits from Share holders		1160795		3170957
[c]	Fixed Deposits from Publics		674231		846450
[d]	Shree Vardayini Chemical Ind. Pvt.Ltd.		0		0
	Total Rs.		1835026		6111067

SCHEDULE : 5 : FIXED ASSETS

Sr No	NAME OF THE ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As on 01/04/07 Rs.	Addition during the Year Rs.	Deduction during the Year Rs.	As on 31/03/08 Rs.	As on 01/04/07 Rs.	Addition during the Year Rs.	Deduction during the Year Rs.	As on 31/03/08 Rs.	As on 31/03/07 Rs.	As on 31/03/08 Rs.1
1	Goodwill (on Consolidation)	5976	0	0	5976	0	0	0	0	5976	5976
2	Building	21289365	9916055	0	31205420	4629286	713918	0	5343204	16660079	25862216
3	Computer	1260977	94056	0	1355033	715032	210796	0	925828	545945	429205
4	Electric Fitting & Install.	3299768	1940339	0	5240107	1116525	157697	0	1274222	2183243	3965885
5	Furniture	6415971	596259	0	7012230	2506056	410989	0	2917045	3909915	4095185
6	Lab Equipments	3764903	1097958	0	4862861	947883	179244	0	1127127	2817020	3735734
7	Machineries	42077791	34321560	0	76399351	11838870	2120582	0	13959452	30238921	62439899
8	Office Equipments	2736696	141561	0	2878257	924569	179606	0	1104175	1812127	1774082
9	Office Premises	4151355	2346236	0	6497591	230199	101355	0	331554	3921156	6166037
10	Pollu.Eff Treatment	5387481	0	0	5387481	2259372	255905	0	2515277	3128109	2872204
11	Resi.Premises	5892483	6108	3962688	1935903	315242	74570	222420	167392	5577241	1768511
12	Motor Cycle	501897	42941	30000	514838	113563	24012	4870	132705	388334	382133
13	Motor Car	3955238	855100	0	4810338	1087799	443443	0	1531242	2867439	3279096
14	Electric Motor & Pumps	1274052	384209	0	1658261	371080	62139	0	433219	902972	1225042
15	Fire fighting Equipments	87716	13200	0	100916	19058	4271	0	23329	68658	77587
16	Gas Inst.& Fab	962105	759660	0	1721765	239024	35944	0	274968	723081	1446797
17	Generating Set	437200	0	0	437200	229034	20767	0	249801	208166	187399
18	Lease Hold Land	6414360	3843165	0	10257525	0	0	0	0	6414360	10257525
19	Pipes & Valve Fittings	1290255	3227556	0	4517811	337738	43289	0	381027	952517	4136784
20	Storage Tank	934426	1564813	0	2499239	207758	32021	0	239779	726668	2259460
21	Dies	103360	0	0	103360	56860	11690	0	68550	46500	34810
	Total Rs.	112243375	61150776	3992688	169401463	28144949	5082237	227290	32999895	84098426	136401568
	Previous Years	105729335	7079626	565586	112243375	23630682	4814141	299874	28144949	82098653	84098426

Project under implementation:-

1	Capital Work in Progress	18242716	61884480		80127196	0	0	0	0	18242716	80127196
2	ERP Software Under Implementation	571184	151150	0	722334	0	0	0	0	571184	722334
	TOTAL	18813900	62035630	0	80849530	0	0	0	0	18813900	80849530

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2008		31/3/2007	
		Rupess	Rupess	Rupess	Rupess
	SCHEDULE : 6 : INVESTMENTS :				
[I]	TRADE INVESTMENTS (At Cost)				
(A)	Investments in Subsidiary				
	(i) Unquoted Investments				
	(1) Dynamic Overseas (India) P. Ltd. Shares [20600 Shares of Rs.100 each (P.Y.F.600)]	0		0	
	(2) Dynamic USA Inc. Shares [1000 Shares of US\$ 1/- each (P.Y.F. Nil)] [Exchange Rate US\$ 1/- = Rs. 45.54]	45540		45540	
			45540		45540
(B)	Other Investments				
	(i) Other Quoted Investments- Equity Shares				
	(1) Gujarat State Financial Corpn.Ltd. [190 Shares of Rs.20 each(P.Y.F.190)] [Market Price : Not available]	38000		38000	
	(2) In Equities as per List by Kotak Mahindra Bank Ltd (At Cost)	13036853		14066902	
	(2) In Equities as per List by BNP Paribas Bank (At Cost)	0		4219759	
		13074853		18324661	
	Less:- Provision for Diminution in value of Investments	5828753		3425097	
	(The list is attached as Annexure showing cost an market value of all the shares)		7246101		14899564
	(ii) Other Unquoted Investments- Shares				
	* Enviro Technology Ltd. Shares [15000 Shares of Rs.10 each(P.Y.F.15000)]	150000		150000	
	* Bharuch Enviro Infrastructure Ltd. [4060 Shares of Rs.10 each(P.Y.F.1260)]	12600		40600	
	* Bharuch Eco-Aqua Infra.Ltd [14000 Shares of Rs.10 each (P.Y.F.NIL)]	168000		140000	
	* Forum (Chandolidia) Aawas Owner's Asso. [1 Share of Rs.100 each (P.Y.F.NIL)]	100		100	
	* Navsarjan Industrial Bank Ltd. [500 Shares of Rs.25 each (P.Y.F.500)]	12500		12500	
	*Dyemic Holdings Pvt.Ltd. [1010000 Shares Of Rs.10 each (P.Y.F.NIL)]	10100000			
	* Ank.Res. & Anal.y.Inf.Ltd. [1000 Shares of Rs.10 each (P.Y.F.NIL)]	10000		10000	
			10453200		353200
[II]	OTHER INVESTMENT (At Cost)				
(A)	Investments in Unquoted Mutual Funds Liquid Dividend Plan(including dividend reinvested)				
	HDFC Cash Management Savings Plan (507907.458 units - Face Value Rs. 10.6364 per unit)	0		5402307	

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2008		31/3/2007	
		Rupess	Rupess	Rupess	Rupess
(B)	Birla Bond Plus-Retail-Fortnightly Dividedn-Reinves (2398325.647 units-Face value Rs.11.1983 per unit)	0		27068919	
	DSP Merrill Lynch Liquid Plus Inst. Plan (48049.418 units - Face value Rs.1000.2 per unit)	0		48059028	
	HSBC Unique Opportunities Fund (20000 units - Face value Rs. 10 per unit)	0		200000	
	Investments in Unquoted Mutual Funds				
	Non-Liquid Dividend Plan				
	Fidelity India Growth Fund	1000000			
	HDFC AMC PMS (Real Estate Portfolio)	730605			
	HDFC MID CAP EQUITY FUND	500000			
	HSBC Unique Opportunities Fund	200000			
	JM Basic Fund	700000			
	Reliance Equity Growth Fund	500000			
			3630605		
	Investment In Resie. Flat				
	Residential Flat (Vishwas City-5,F-501)	600000			
	Residential Flat (Vishwas City-5,Flat No. A-202)	1200000			
	Residential Flat (Vishwas City-5,Flat No.G-201)	1200000			
			3000000		
	Investment in Debt Funds by Kotak Securities				
	Franklin India Bluechip Fund (1296.277 units - Face Value Rs.122.93 per unit)	0		159351	
	HDFC Cash Mgt Fund (447608.895 units - Face Value Rs.16.248 per unit)	0		7272660	
	HDFC Top 200 Fund (1522.96 units - Face Value Rs. 104.504 per unit)	0		159155	
	K 30 Equity Scheme (2399.969 units - Face Value Rs.64.997 per unit)	0		155991	
	Magnum Equity Fund (6202.182 units - Face Value Rs. 26.56 per unit)	0		164730	
			0		88642141
	Total Rs.		24375446		103940445
	SCHEDULE : 7 : CURRENT ASSETS				
	AND LOAND & ADVANCES :				
[A]	CURRENT ASSETS :				
	INVENTORIES : Valued at Cost or Net realisable value whichever is low				
	[As per Inventory taken, valued and Certified by Directors of the Company]				
*	Raw Materials	23683444		19287859	
*	Packing Material.....	1021069		738313	
*	ETP stock	55809		26065	
*	Waste	3938		0	
*	Work in progress.....	13798812		6680922	

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2008		31/3/2007	
		Rupess	Rupess	Rupess	Rupess
*	Finished Goods ...	16658796	64751006	12267363	46765114
*	Semi Finished Goods.....	9529138		7764592	
	SUNDRY DEBTORS (Unsecured Considered Good)				
*	Due Over Six Months.	392258	62296591	6718770	73609139
*	Others	61904333		66890369	
	(Includes Due from Subsidiaries Rs. 8962454/- Out of which Rs. 358847/- are more than 6 months old)				
	CASH AND BANK BALANCE :		3902144		11219661
*	Foreign cheques & currencies a/c.	19655		241024	
*	Cash-in-hand	45124		338437	
*	Balance with Schedule Bank in current a/c	2090160	59010901	6010237	38556006
*	Balance with Non-Schedule Bank in current a/c	177133		303568	
*	Balance with Non-Schedule Bank in margins a/c	584370		3332106	
*	Balance with Schedule Bank in Fixed Deposits	985702	189960642	994289	170149919
[B]	LOANS AND ADVANCES :				
*	Advances recoverable either in Cash or in Kind or for value to be received.	14380620		12142741	
*	Deposits with Govt. Bodies & Others	4355959	59010901	2060869	38556006
*	Advance Income tax	19849427		10849427	
	Advance Fringe Benefit Tax	447679		208716	
*	Advances given for Capital Goods [New Project]	14704529	189960642	10851770	170149919
*	Advances given for expenses	883844			
*	Advances given for goods	1658534			
*	LOANS AND ADVANCES TO SUBSIDIARIES		59010901		38556006
*	Dynemic Products (Inc) USA	50000		50000	
*	Dynemic USA Inc	2680310		2392483	
	(Refer to Note No. 15 & 16 of Schedule 17: Notes to Accounts)		189960642		170149919
	Total Current Assets and Loans & Advances				
	SCHEDULE : 8 : CURRENT LIABILITIES :				
	CURRENT LIABILITIES :		22213910		21521967
*	Sundry Creditors	20976545		19818544	
*	Share Application Money Refundable	1072875		1350600	
*	Unclaimed Dividend (2006-07)	77166	22213910	0	21521967
*	Unclaimed Dividend (2005-06)	84852		96764	
*	Advance from Customers	2472		256059	
	PROVISIONS :		11328449		11328449
*	Leave Encashment Salary Provisions	197113			
*	Proposed Dividend	11328449		11328449	



SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2008		31/3/2007	
		Rupess	Rupess	Rupess	Rupess
*	Tax on Proposed Dividend	1925270		1925270	
*	Provision for Taxation for FBT	303140		152275	
*	Provision for Taxation for current tax	22059918	35813890	11315400	24721394
	Total Rs.		58027800		46243361
	SCHEDULE : 9 : MISCELLANEOUS EXPENSES				
	(To the extent not Written Off)				
	PRELIMINARY EXPENSES :				
*	Last Balance	204434		349417	
*	Add : Additions during the year	0		0	
		204434		349417	
*	Less : Written off during the year	144983	59451	144983	204434
	Total Rs.		59451		204434
	SCHEDULE : 10 : OTHER INCOME : OTHER BUSINESS RELATED INCOME				
*	Bad Debts Recovered	0		137922	
*	Cash Discount Received	374165		494234	
*	Quantity Discount	0		123404	
*	Commission Income	0		375000	
*	Conversion Charge Income	3168125		2346100	
*	DEPB Income	612619		1935335	
	Drawback Income	34999		0	
*	Excise Refund Income	37536		0	
*	Freight Recovered	0		2203	
*	Electricity Duty Refund	295637		0	
	Interst On GEB Deposit	27816		0	
	Misc Credit W/O	108027		0	
	Packing Material Income	1122301		0	
	Profit On Sale Of Res. Premises	459732		0	
*	Interest (Late Payment)	0		50238	
	Round Off	10		0	
*	Income Tax Refund	0		8238	
*	Interest on Income Tax Refund	0		372	
*	Solid Wate Sales Income	0		7924	
*	VAT Refund Income	0		57533	
*	L/c Charges	2029		0	
*	Sample Income	0		0	
*	Kasar , Rates & Quality Difference.	0		451686	
*	Excise income	0		213792	
*	Vat Recoverable for the Year 2005-06	0		94868	
*	Income Relating to Previous Years	0		336393	
	TOTAL	6242996		6635241	
	OTHER INVESTMENT RELATED INCOME				
*	Dividend on Mutual Fund	2927374		5912425	
*	Dividend From Company	194320		181850	

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2008		31/3/2007	
		Rupess	Rupess	Rupess	Rupess
*	Dividend Income Others	600		0	
*	Interest Income	19439		0	
*	Gain/Loss On Sale Of MF	-159131		0	
*	Interest on FD (Bank)	431933		33794	
*	Short Term Capital Gain - BNP PARIBAS MF	4997		738184	
*	Short Term Capital Gain-KOTAK MAHINDRA MF	-5338830		5029484	
	TOTAL	-1919298		11895737	
	LESS:- EXPEDITURE REALTING TO INCOME ON INVESTMENTS				
*	Service Tax - Kotak	67918		96300	
*	Other Shares Related Expenses-BNP	0		94273	
*	Other Shares Related Expenses-Kotak	1101487		91955	
*	Securities Transaction Tax - BNP	968		33127	
*	Securities Transaction Tax - Kotak	345143		182867	
	Securities Transaction Tax - Mutual Fund	8353		0	
	Management Cons. Fees & Entry Load	319395		0	
*	Service Tax -BNP	474		14368	
*	Provision for Demution in the Value of Investments	2403656		3425097	
	TOTAL	4247393		3937987	
	NET INCOME ON INVESTMENTS	-6166691		7957750	
	Total Rs.		76305		14592991
	SCHEDULE : 11 : INCREASE / DECREASE IN STOCKS :				
	CLOSING STOCK :				
*	Finished Goods	16658796		12267363	
*	Semi Finished Goods	9529138		7764592	
*	Stock with Custom warehouse	3938		0	
*	Work-in-Progress	13798812		6680922	
			39990684		26712877
	OPENING STOCK :				
*	Finished Goods	12267363		15310643	
*	Goods in transit - Stock with Custom warehouse	0		3014829	
*	Trading Stock(transfer from RM Purchase)	0		0	
*	Semi Finished Goods	7764592		6785428	
*	Work-in-Progress	6680922		13898210	
			26712877		39009110
	Increase (Decrease) in Stocks...		13277807		-12296233
	SCHEDULE : 12 : MATERIALS, MANUFACTURING & OPERATING COSTS				
A	RAW MATERIALS CONSUMED				
*	Opening Stock	19287859		10180640	
	Add. : Purchase during the year	244303716		212565649	
		263591575		222746289	
	Less : Closing Stock	23683444		19287859	
	Total Rs.		239908131		203458430



SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2008		31/3/2007	
		Rupess	Rupess	Rupess	Rupess
B	<u>PACKING MATERIAL CONSUMED</u>				
*	Op. Stock	738313		319914	
	Add: Purchases during the year	7149963		6386137	
		7888276		6706051	
	Less : Closing stock	1021069		738313	
	Total Rs.		6867207		5967738
C	<u>E.T.P MATERIAL CONSUMED</u>				
*	Op. Stock	26065		38285	
	Add: Purchases during the year	2002838		1723250	
		2028903		1761535	
	Less : Closing stock	55809		26065	
	Total Rs.		1973093		1735470
D	<u>POWER & FUEL CONSUMED</u>				
*	Electric Power & Burning	8133830		6212847	
*	Fuel Purchased & Consumed	232886		139648	
*	Gas Consumption Charges	10442044		8079505	
	Total Rs.		18808760		14432000
E	<u>OTHER MFGS. EXPENSES</u>				
*	Transportation	2705832		2746932	
*	Conversion Charges.	7785816		6152244	
*	Factory Exp	737903		502046	
*	Labour Charges	3025939		2144232	
*	Forwarding & Handling Charges	5866976		6203949	
*	Pallatisation Charges	118898		161652	
*	ETP Expense	854166		0	
*	Unloading Labour Charges	6050		0	
*	Safety Expense	45109		0	
*	Consumable Stores	3152110		3277947	
	Total Rs.		24298799		21189002
	TOTAL:- MANUFACTURING COST		291855990		246782640
	<u>SCHEDULE : 13 : SALARIES WAGES & BONUS</u>				
*	Salary & Wages to Employees	8732666		5291868	
*	Salaries & Bonus to Directors	5794749		2908500	
*	Sitting Fees to Directors	50000		0	
*	Salary & Wages Expense	391090		0	
*	Leave Salary (Inc. Provisions -unpaid)	242735		0	
*	Bonus & other charges	2969858		1834051	
	Total Rs.		18181098		10034419
	<u>SCHEDULE-14 : REPAIRS AND MAINTENANCE</u>				
*	Electrical Parts & Maintenance	198823		265773	
*	ETP Parts & Maintenaces	5524914		6132084	
*	Machinery Parts & Maintenance	368871		1116501	

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2008		31/3/2007	
		Rupess	Rupess	Rupess	Rupess
*	A.C. Service Charges	77575		58450	
*	Building Repairing	9859		118370	
*	Computer Maintainance & Consumables	109835		199644	
*	EPABX Maintainance	33840		21469	
*	Machinery Repairing & Maint.	846470		0	
*	Lab Equipment Repairing	8375		0	
*	Furniture Repairing & Maint	350		35348	
*	Factory Fixtures Repairing	1737		0	
*	Type,Fax & Zerox Maintainance	2060		10050	
*	Vehicle Repairing (Director)	161542		90972	
*	Vehicle Repairing Exp	36998		21229	
*	Office Repairing Exps.	2500		25396	
	Total Rs.		7383749		8095286
	<u>SCHEDULE : 15 : ADMINISTRATIVE AND OTHER EXPENSES :</u>				
*	Annual Report Printing & Courier Charges	535990		297112	
*	Consultancy Fees	637085		1269485	
*	Exhibition Exp.	1185704		1096372	
*	Foreign Exchange Gain /loss	1288588		600778	
*	Insurance Premium	1499048		1299770	
*	Keyman Insurance Premium	0		1431040	
*	Kasar , Rates & Quality Difference.	689342		0	
*	Petrol Exps-Directors	323166		349335	
*	Selling Commission	677994		665411	
*	Staff Welfare Exps.	367380		459751	
*	Telephone Exps-Others	414378		406588	
*	Travelling & Conveyance (Director)	186994		264351	
*	Business Metting USA	171960		0	
*	Angadia & Courier Exp	347101		380331	
*	Audit Fees	355000		286518	
*	Bad Debts	3364137		325258	
*	FDA Approval Fees	312190		90884	
*	Lab-Testing Exp	233640		314983	
*	Legal& Proffessional Charges	890000		786142	
*	Misc Office Exp	254716		84811	
*	Office Electric Bill Exp.	225294		202488	
*	Security Exp	538718		326171	
*	Stationery & Printing Exp	498329		513756	
*	Water Charges	207254		225502	
*	Other Administrative & Establishment Exps	2215434		4273533	
	Total Rs.		17419442		15950369

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2008		31/3/2007	
		Rupess	Rupess	Rupess	Rupess
	SCHEDULE : 16 : INTEREST & FINANCIAL EXPENSES:				
*	Interest (Bank)	3393506		2672351	
*	Interest (Car Loan)	8767		35485	
*	Interest (Loan)	0		31644	
*	Interest on Fixed Deposits	371406		444728	
	Interest (Late Payment)	685		0	
*	Interest on Late Payment of FBT	1169		4234	
*	Interest on Late Payment of Service Tax	63033		33048	
*	Interest on Late Payment of Wealth Tax	0		13463	
*	Interest on Late Payment of Exise Duty	282911		0	
*	Interest (T.D.S.)	11572		32931	
*	Loan Processing Fees	0		258152	
	Banking Cash Transaction Tax	150		0	
*	Bank Charges & Foreign Bank Charges	778124		1262900	
	Total Rs.		4911324		4788936

SCHEDULE : 17
Signigicant Accounting Policies & Notes forming parts of Consolidated Accounts as on 31-3-2008
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 prepered on following basis :-

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

3] FIXED ASSETS AND CAPITAL WORK IN PROGRESS:-

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

- (iii) All Fixed Assets are valued at Cost Less Accumulated depreciation (Other than land where no depreciation is charged). All costs relating to the acquisition and installations and initial financing costs relating to the borrowed funds attributable to acquisition of Fixed Assets up to date, the assets is put to use, have been capitalised.
- (iv) No depreciation has been provided on Assets which are shown as Capital work in progress for new proposed expansion project.

4] INVESTMENTS :-

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

5] RETIREMENT BENEFITS :-

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

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

6] INVENTORIES :-

All Inventories are valued at lower of Cost or Net realisable value and the cost is ascertained on First in First Out basis as mentioned below:-

- (i) Raw Materials : Valued on FIFO basis
- (ii) Finished Goods : Valued on the basis of absorption costing comprising of direct cost and overheads
- (iii) Semi Finished Goods : Valued on the basis of absorption costing comprising of direct cost and overheads
- (iv) Work in Progress : Valued on the basis of absorption costing comprising of direct cost and overheads
- (v) ETP Stock : Valued on FIFO basis
- (vi) Trading Stock : Valued at Cost or Net Realisable Value whichever is lower
- (vii) Goods in Transit : At Cost
- (viii) Packing Materials : Valued on FIFO basis

7] SALES :-

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

7] MISCELLANEOUS EXPENDITURE :-

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

8] TREATMENT OF EXCISE DUTY :-

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

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

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

10] FOREIGN CURRENCY TRANSACTIONS :-

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

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

11] INTER DIVISIONAL TRANSFER :-

Interdivisional transfer of goods of Rs. 24586866/- (PYF 27843975/-) 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. 3168125/- (PYF Rs.2266100/-), has been included in other income and also show as expenditure under the head "other manufacturing exps" for the conversion or manufacturing process carried out by Unit-1 for the materials of Unit-2.

12] TAXES ON INCOME :-

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

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] During the year 2005-06, the Company has raised money through the public issue of 44,22,569 shares of Rs. 10/- each at a premium of Rs.25/- per Equity share, amounting of Rs. 1547.90 Lacs. As informed by the management, the implementation of the projects as defined in the Prospectus filed with SEBI, at both the units have been delayed due to the delay in availability of the required land at both sites, the delay in the projects implementation has resulted in cost over run which has been financed from internal cash accruals at present and the estimates for the future cost over run for the projects under implementation has been under preparation and the same shall be financed from the long term borrowings from the bankers and from internal cash accruals, as per the informations given by the management. The net utilisations of the funds raised through IPO are as under:- (Rs. In lacs)

Funds Raised as per prospectus	1547.35
Invested as under:-	
Invested in projects completed	481.18
Capital work in progress-expansion projects	801.27
Advances for capital goods-expansion projects	147.04
Land Cost	91.68
IPO Expenses like listings, advertisements etc (Net)	68.84
Investments in various instruments	0
Cost over run financed from internal cash accruals	42.66
	1590.01

During the year, as per the information and the explanation given to us, the company has completed its expansion plan at EOU-1 and started the commercial production for its new plants, while for EOU-II, the project is still under implementation.

2] Segmental Reporting :-**A] Segment information for primary reporting (by business segment)**

In accordance with the Accounting Standard -17 on " Segment Reporting " issued by the Institute of Chartered Accountants of India, the Company had reviewed the segment reporting last year in 2006-07, as reported last year, the company has its operation in manufacturing, and marketing of Dyes & Intermediates The primary reporting segment for the company, therefore is the business segment, viz., Dyes & Intermediates.

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

The secondary reporting segment for the company is the geographical segment based on the location of customers

which is :- 1) Domestic, 2) Export

Information about secondary segments:-

Particulars	Domestic	Exports	Unallocated	Total
Revenue by geographical market	115091265	265338777	0	380430042
	(154592980)	(174710311)	(0)	(329303291)
Carrying amount of Segment Assets (Gross)	397741807	33904828	0	431646635
	(330362279)	(45756547)	(0)	(376118826)
Figures in brackets are for the previous year.				

3] The export debts amounting to Rs. 3364137/- has been written off as bad debts for the exports sales.

4] Related Party Disclosures :-**A] List of parties where control exist****(i) Subsidiary Company**

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

B] Other related parties with whom transactions have taken place during the year**(ii) Associates :-**

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

(iii) Key management personnel :-

Mr. B.K.Patel	Managing Director
Mr. Rameshbhai B.Patel	Wholetime Director
Mr.Dasharathbhai P.Patel	Wholetime Director
Mr.Shashikant P.Patel	Wholetime Director
Mr.Dixit B.Patel	Wholetime Director
Hitendra Kumar Patel	General Manager
Pitambarbhai Patel	Production Manager
Bhadreshbhai Sharma	Manager - Import
Hareshbhai Patel	Manager - Export
Mukeshbhai Patel	Manager - Export
Paurav Shah	Manager - Finance & Accounts
Pinky Mehta	Export - Executive

C] Transactions with related parties :-

Nature of Transaction	Key Mananagerial Personnel & other Relatives Rs.		Subsidiy Companies Amt.Rs.		Associates Amt.Rs.	
	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07
Fixed Deposits taken						
Taken during the period	25000	4034000		0	0	0
Repaid during the period	4056051	200000		0	0	0
Closing Balance	704939	4502536		0	0	0
Loans & Advances						
Given during the period	1613000	1545000	14237826	1334083	0	750000
Settled during the period	337638	1426500	17839247	796620	0	750000
Closing Balance	1499749	224387	2392483	2392483	0	0
Investments						
Given during the period	0	0	12100000	45540	0	0
Settled during the period	0	0	0	0	0	0
Closing Balance	0	0	12145540	105540	0	0
Sundry Debtors	0	0	1287000	8962455	967722	967722
Sundry Creditors	0	0	0	0	0	0
Purchase of Goods	0	0	0	0	2502838	2544151
Conversion Charges	0	0	0	0	964320	976048
Amount Expended on be half of other	6871745	3972393	0	0	0	0
Sales	0	0	3825750	10722132	43532	0

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

Particulars	2007-08	2006-07
Net Profit after tax (Amt.Rs.)	19155522	27252509
Weighted Average Nos. of Shares	11328449	7284427
Basic Earing per Share on nominal value of Rs.10/-per share	1.69	3.74

- 6] COMPANY SECRETARY:-

The company is required to appoint full time qualified company secretary U/s 383A(1), but has not appointed the same with effect from 1-05-2007, when the full time qualified company secretary resigned. As explained to us, the company is making efforts to appoint the same and for better compliance, the company has carried out Secreterial Audit by Practticing Company Secretary and obtained the Secreterial Audit Report for the F.Y 2007-08.

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

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

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

Nature of timing difference	Deferred Tax Liability / Assets		
	Balance As on 1st April 07	Debit/(Credit) for the year Rs.	Balance As on 31st March 2008
(a) Deferred Tax Liability			
- Depreciation	13296385	2280606	15576991
- Prov for demination in investments	(1152888)	(817003)	(1969891)
Total	12143497	1463603	13607100

- 10] Remuneration to Auditors

Particulars	Current Year Amount Rs.	Previous Year Amount Rs.
As Audit Fees	250000	175000
As Tax Audit Fees	75000	50000
For Taxation	125000	125000
For Other Matters- CIT (Apeals)	30000	25000
For Service Tax	43260	81090

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

The managerial remunerations is as per Section 198 and Schedule XIII of the Companies Act, 1956, as per the certificate dtd. 27-05-2008 of Practicing Company Secretary Shri Nimesh Shah.

Particulars	2007-08 Amount Rs.	2006-07 Amount Rs.
(a) Remuneration	5794749	3155500
(b) Contribution to P. F.	—	—
(c) Perquisites	—	—
TOTAL Rs.	5794749	3155500

- 12] Contingent Liability for Letter of Credits and Bank Guarantees is of Rs.2004673/-
- 13] Estimated Amount Contract remaining to be executed and not provided for Rs.31500000/-for the new expansion project (P.Y.F.Rs.11853600/-)
- 14] Some of the Debit/Credit balances are subject to reconciliation/ confirmation in certain cases.However, in the opinion of the Board of Directors all Assets including sundry debtors, loans and advances and deposits would be, in ordinary course of business, realised at least value stated.
- 15] Fixed Assets includes investment made by the company in Residential building for Employees of the Company. Title of certain residential buildings are still in the name of Employee, and transferring the same in the name of the Company is under process, however the power of attorney and affidavits has been taken favour of the company for such assets, as per the information and the explanation given to us
- 16] Amount due to SSI Units has not been segregated in view of non availability of requisite information for the purpose of ascertaining the liability if any,under the “ Interest on delayed payments to Small Scale & Ancillary Undertaking Act 1993. “ The company does not have information as to which of its creditors is registered under The Micro, Small and Medium Enterprises Development Act, 2006, hence, no disclosure as required by the said Act is given.
- 17] The Company has made investments for the incorporation of Subsidiary Company Dynamic Products (Inc) USA of Rs. 50000/- in the earlier year in the United States of America, the same is shown under the head “LOANS AND ADVANCES” as the specific details of the investment are not available for our verification.
- 18] The Company has made investments for incorporation of wholly owned subsidiary company Dynamic USA Inc. of Rs. 2680310/- outstanding at the year end, in the Unites State of America, the same is shown under the head “ Advances Recoverable in cash or in kind “ as current assets in Loans & Advances. The said wholly owned subsidiary Dynamic USA Inc.,as informed to us, has been involved in the marketing of the products of the company but as such the final accounts are not available to us, and hence, the results of the said subsidiary has not been included in separately prepared consolidated financial statements.
- 19] The US subsidiary company DynamicUSA Inc. has made an allotment of Equity share of 1000 of US\$ 1/- each and accordingly the same is shown as Investment in subsidiary at Rs. 45540/-.
- 20] Excise duty on goods manufactured by the company is accounted only at the time of removal of goods from the factory for sale and/or captive consumption. Such excise duty liability on finished goods as on 31st March, 2008 is estimated at Rs.2402198/-.This Accounting Policy has no impact on the profit for the year.
- 21] The company has invested further Rs. 20,00,000/- as share capital in the subsidiary company on 25-3-08 and so, the holding of the company has been increased to 98% from existing 60%, however, as the investment has been made at the year end, the minority interest for the year ended 31-3-2008, has been worked out onsidering the share in the current profit at 40%, and accordingly in the net worth for the year ended 31-3-08.

Signature to Schedule 1 to 17

As per our Report of even Date

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

**Rajesh D. Shah
Proprietor**

For : DYNEMIC PRODUCTS LIMITED

**B. K. Patel – Chairman & Mg. Director
D. P. Patel – Wholetime Director
R. B. Patel – Wholetime Director
S. P. Patel – Wholetime Director
D. B. Patel – Wholetime Director
Paurav Shah – Chief Financial Officer**

Place : Ahmedabad.

Date : 28-6-2008

**STATEMENT OF CONSOLIDATED CASH FLOW STATEMENT OF
DYNAMIC PRODUCTS LTD.FOR THE YEAR ENDED**

Sr.	PARTICULARS	31/3/2008	31/3/2007
A]	CASH FLOW FROM OPERATING ACTIVITIES		
	NET PROFIT AFTER TAX & EXTRA ORDINARY ITEMS	19164508	27252509
	ADJUSTMENTS FOR :-		
	PROVISION FOR TAX & DEFERRED TAX	12665397	10533187
	MISC.EXPS.WRITTEN OFF	144983	144983
	DEPRECIATION	5082239	4814141
	DEPRECIATION WRITTEN BACK	-227290	-299874
	SHORT PROVISION FOR I.TAX (NET)	0	0
	DIMUNITION IN THE VALUE OF INVESTMENTS	2403656	3425097
	INTEREST & FINANCIAL CHARGES	4911324	4788936
	PROFIT/LOSS ON SALE/REPLACEMENT OF FIXED ASSETS	0	0
	INETEREST/ DIVIDEND INCOME	3763035	-11382847
	OPERATING PROFIT BEFORE WORKING		
	CAPITAL CAHNGES	47907851	39276133
	ADJUSTMENTS FOR :-		
	TRADE & OTHER RECEIVABLES	11312547	217195
	INVENTORIES	-17985892	2782835
	TRADE PAYABLES	691942	-21002480
	LOANS & ADVANCES	-10895340	1111112
	CASH GENERATED FROM OPERATIONS	31031109	22384795
	DIRECT TAXES PAID	-9543487	-21670410
	NET CASH FROM OPERATING ACTIVITIES	21487622	714385
B]	CASH FLOW FROM INVESTING ACTIVITIES		
	PURCHASE OF FIXED ASSETS	-123186406	-24773606
	SALE OF FIXED ASSETS	4230000	565586
	PURCHASE OF INVESTMENTS	0	0
	SALES OF INVESTMENTS	77161344	24620124
	INCOME TAX REFUND	0	0
	INETEREST/ DIVIDEND INCOME RECEIVED	-3763035	11382847
	NET CASH USED IN INVESTING ACTIVITIES	-45558098	11794950
C]	CASH FLOW FROM FINANCING ACTIVITIES		
	PROCEEDS FROM ISSUING SHARES(NET OF ISSUE EXP.)	0	0
	PROCEEDS FROM BORROWINGS	34918004	1590208
	IPO EXPS REFUNDS	0	187070
	INTEREST & FINANCIAL CHARGES PAID	-4911324	-4788936
	PRELIMINARY EXPS INCURRED	0	0
	DIVIDEND & DIVI. TAX PAID	-13253719	-12917264
	NET CASH USED FROM FINANCING ACTIVITES	16752961	-15928922
D]	NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	-7317516	-3419587
E]	CASH AND CASH EQUIVALENTS(OPENING)	11219661	14639249
F]	CASH AND CASH EQUIVALENTS(CLOSING) (D + E)	3902145	11219661

As per our Report of even date

For : SHAH RAJESH & ASSOCIATES
CHARTERED ACCOUNTANTS.

Rajesh D. Shah
Proprietor

For : DYNAMIC PRODUCTS LIMITED

B. K. Patel – **Chairman & Mg. Director**
D. P. Patel – **Wholetime Director**
R. B. Patel – **Wholetime Director**
S. P. Patel – **Wholetime Director**
D. B. Patel – **Wholetime Director**
Paurav Shah – **Chief Financial Officer**

Place : Ahmedabad.

Date : 28-6-2008

Balance Sheet Abstract and Company's General Business Profile

I] Registration Details

Registration No. 13886 Balance Sheet Date 31/3/2008 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 372259415 Total Assets 372259415

Sources of Fund

Paid up Equity Share Capital 113284490 Paid up Preference Share Capital NIL

Reserves & Surplus 157507864 Secured Loans 86059267

Deferred tax liability 13572768 secured Loans 1835026

Application of Fund

Net Fixed Assets 0 Investments 26435446

Net Current Assets 129069268 Misc.Expenses 59451

Accumulated Losses NIL

IV] Performance of the Company :

Turnover 365768545 Other Income -535836 Total Expenditure 334390108

Profit before tax 30842601 Profit after tax 18497377

Earning per share 1.63 Dividend Rate % 10

V] Generic Names of Three Principal Products of the Company

Item Code No. (ITC Code) 293390
Products Descripton S.P.C.P.(Dye-Intermeidate)

Item Code No. (ITC Code) 292100
Products Descripton Sulphanilic Acid.(Dye-Intermeidate)

Item Code No. (ITC Code) 320490
Products Descripton Tartrazine (Food Color)

As per our Report of even Date

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

**Rajesh D. Shah
Proprietor**

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

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

Place : Ahmedabad.

Date : 28-6-2008



DYNEMIC PRODUCTS LTD.

Regd. Office : B-301, Satyamev Complex-I, Opp. New Gujarat High Court, S.G. Highway, Sola Road, Ahmedabad - 380 060.
Ph : 079-27663071/72/73 Fax No. : 079-27662176

Date : 28th June, 2008

Dear Share Holder(s),

Sub: - Option for ECS Mandate / Bank Mandate

ECS MANDATE

As an added service to our Shareholders, we are pleased to offer the facility of electronic credit of dividend directly to their respective bank accounts, through Electronic Clearing Services (ECS). This facility is currently available to the Shareholders located at Ahmedabad, Bangalore, Bhubneshwer, Chandigarh, Chennai, Delhi, Guwahati, Hyderabad, Jaipur, Kanpur, Kolkatta, Mumbai, Nagpur, Patna and Trivendram. Shareholders in these locations who would like to avail this facility are requested to fill in the Mandate Form provided on the reverse of this letter and submit (if not done earlier) the same to the Company at its Share Transfer Agent, Bigshare Services Pvt. Limited, E-2/3 Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (E), Mumbai -400 072 latest by **22nd August, 2008**. This service not only protects the Shareholder against fraudulent interception and encashment of Dividend Warrants but also eliminates dependence on the postal system, loss/damage of Dividend Warrants in transit and correspondence relating to revalidation / issue of duplicate dividend warrants.

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

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

BANK MANDATE

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

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

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

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

Thanking you we remain,

Yours faithfully,
For DYNEMIC PRODUCTS LTD.

Bhagwandas K. Patel
Managing Director

Encl: As above

FORM
FOR PHYSICAL HOLDERS ONLY

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

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

Dear Sirs,

L.F. No. :

Re: Form for ECS Mandate / Bank Mandate

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

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

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

- (PLEASE STRIKE OUT WHICHEVER IS NOT APPLICABLE)

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

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

Place :

Date :

Signature of Sole/First Shareholder

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



DYNEMIC PRODUCTS LIMITED

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

PROXY FORM

18th Annual General Meeting - 2nd September, 2008

DP ID _____

Regd. Folio No. /Client ID _____

No. of Shares _____

I/We _____ of _____ in the
district of _____ being a Member / Members of the Company hereby
appoint _____ of _____ in the district of _____
or failing him/her _____ of _____ in the

district of _____ as my/our Proxy to vote for me / us on my / our behalf at the **18th Annual General Meeting** of the company to be held at Flash Banquet, First Floor, Shailly Complex, Surdhara Circle, Nr. Sal Hospital, Ahmeabad - 380054 on Tuesday, 2nd September, 2008 at 11.00 a.m. at any adjournment(s) thereof.

Signed this _____ day of _____ 2008.

Affix
Revenue
stamp

Signed

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



DYNEMIC PRODUCTS LIMITED

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

ATTENDANCE SLIP

18th Annual General Meeting - 2nd September, 2008

DP ID _____

Regd. Folio No. /Client ID _____

No. of Shares _____

I certify that I am a member/proxy for the member of the Company.

I hereby record my presence at the **18th Annual General Meeting** of the Company at Flash Banquet, First Floor, Shailly Complex, Surdhara Circle, Nr. Sal Hospital, Ahmedabad - 380054 on Tuesday 2nd september, 2008 at 11.00 a.m.

Name of the member / proxy
(in BLOCK letters)

Signature of Member / Proxy

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