



NAME FRIEND COLORS MODERN LIFE



**DYNEMIC
PRODUCTS LTD.**

**17th
2006-2007
Annual Report**

From the Chairman's Desk



Dear Shareholder,

Let me begin by extending warm welcome to the shareholders who are now a part of Dynamic Family. I also take this opportunity to update all our shareholders on the company's progress during the year 2006-07.

During the year under review your company's sales rose from Rs. 2864.75 Lacs to Rs. 3231.12 Lacs recording a growth of 9.30% and Profit reach to 266.95 Lacs from 246.15 Lacs. The implementation of the expansion project has been delayed and I personally regret for the same, but it was due to the fact that the acquisition of the land required for the expansion projects from GIDC has been delayed.

The additional land is required as the company has been advised by the environment consultants to plan the environment treatment plant as per the international standards. However the company already acquired the land and the status of implementation of the projects are as under:

At DPL Unit-1

The company is going into the backward integration process for manufacturing of Ethyl Acetate Plant. The project is already completed & commercial production is likely to be start from 1st August, 2007.

At DPL Unit-2

The company in this unit proposes to make expansion by installation of three plants (Plant A, B & C) for manufacturing of food colors & lake colors.

Plant A & C is expected to complete latest by November 2007. The commercial production will start from January, 2008.

Plant B is expected to complete latest by January 2008 and the commercial production will start from February, 2008.

Lastly I would like to take this opportunity to express my gratitude to the Board of Directors, banker, employees, suppliers and the shareholders for their instituted support and the confidence they have placed in our ability to make the company a great success.

With Best Regards,
Yours sincerely,

B. K. Patel
Chairman & Managing Director

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
Jagdishbhai S. Shah	- Director
Hitendra H. Sheth	- Director
Harish K. Shah	- Director
Vishnubhai G. Pate	- 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 Seventeenth 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 Monday, 20th August 2007, at - 11.30 a.m. to transact the following business :

Ordinary Business:

ITEM NO. 1

To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2007 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.

ITEM NO. 2

To declare dividend on Equity Shares for the year ended March 31, 2007.

ITEM NO. 3

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

ITEM NO. 4

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

ITEM NO. 5

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

Special Business:

ITEM NO. 6

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

"RESOLVED that pursuant to the provisions of Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the relevant provisions of the Articles of Association of the Company and all applicable guidelines as applicable from time to time, Mr. Dixit B. Patel be & is hereby reappointed as Whole Time Director of the Company for further period of five years w.e.f. 1-1-2008, on the following terms and conditions, including the remuneration payable to him as set out hereafter and with further liberty to the Board (which term shall be deemed to include the Remuneration Committee, if any, constituted by the Board) from time to time to alter and vary such terms & conditions including remuneration so as not to exceed the limits specified in section I of Part II i.e. in case of profit, and Section II of Part II i.e. in case of inadequacy of profit of Schedule XIII to the Companies Act, 1956 or any amendments thereto as may be agreed by the Board of Directors and Mr. Dixit B. Patel during the aforesaid period:-

(A) SALARY

Basic Salary Rs. 35000/- (Rupees Thirty Five Thousand only) per month (in the scale of Rs. 35000/- to Rs. 75000/-)

(B) Perquisites:

He is entitled to perquisites as specified within the maximum limit of part II of schedule XIII to the companies Act, 1956.

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

By Order of the Board

B. K. Patel
Managing Director

Place : Ahmedabad
Date : 25/06/2007

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 17TH ANNUAL GENERAL MEETING.
2. The relevant explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item no. 6 of the notice set out above is annexed herewith.
3. The Share Transfer Books and Register of Members of the Company will remain closed from 11th August 2007 to 20th August, 2007 (both days inclusive).
4. 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.
5. 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.
6. 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 10th August, 2007. 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 10th August, 2007 as per details furnished by the Depositories for this purpose. The dividend will be paid on or after 24th August, 2007.
7. 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.
8. 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.

ANNEXURE TO NOTICE**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****ITEM NO. 6**

As the existing tenure of Mr. Dixit B. Patel will be expiring on 31st December, 2007, Board of Directors of the Company in its meeting held on 25th June, 2007 has re-appointed him as a Whole-time Director of the company for a further period of five years on the remuneration and terms and conditions as set out in the resolution, subject to your approval. Remuneration Committee of the Board has also in its meeting held on 25th June, 2007 recommended the re-appointment of Mr. Dixit B. Patel as whole-time director and approved the payment of remuneration to Mr. Dixit B. Patel as set out in the resolution.

Mr. Dixit B. Patel is the young and dynamic Director of the Company. He is handling the International Marketing of the Company as Whole Time Director since he joined the Company and it is under his leadership the company is now having reach to more than 41 countries all over the world and the company's 77% revenue comes from export sales. He is well qualified and energetic. He has the capability to reach at the unexplored market for the products of the company and expand the business. It is in the interest of the Company to continue to avail his services for the growth and conduction of affairs and business of the Company and take advantage of his new ideas and ability to convert the opportunities in profit, by re-appointing him as a Whole Time Director of the Company. The period of office of Mr. Dixit B. Patel upon reappointment as a Whole Time Director shall not be liable to determination by retirement of Directors by rotation.

The copy of Resolution passed by the Board of Directors and Remuneration committee of the Board in its meeting held on 25th June, 2007 approving the reappointment of Mr Dixit B. Patel as Whole time Director is available for inspection by the members of the Company at its Registered Office between 11.00 AM to 1.00 PM on all working days till the date of Annual General Meeting.

This explanatory statement together with the accompanying notice may also be regarded as an abstract under Section 302 of the Companies Act, 1956.

The Board of Directors recommends the resolution for your approval.

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

By Order of the Board

Place: Ahmedabad

Date: 25/06/2007

B. K. Patel
Managing Director

**INFORMATION AS REQUIRED UNDER CLAUSE 49(IV)(G) OF THE LISTING AGREEMENT
IN RESPECT OF DIRECTORS SEEKING RE-APPOINTMENT**

Name of Director	Mr. Vishnubhai Patel	Mr. Shankarlal Mundra	Mr. Dixit Patel
Date of Birth	01/06/1954	01/11/1960	08.02.1981
Date of appointment	08/09/2005	29/09/2005	01.01.2003
Qualification	M.B.B.S. (D.G.O.)	B.Com, L.L.B.	B. Sc., Diploma in Export Management
Expertise in specific functional area	He s having experience of 20 years as a Gynecologist in Ahmedabad	He is practicing as tax consultant since 17 years	He has been driving Force in exporting the products
Directorship held in other companies (excluding private & foreign companies)	None	None	None
Membership/ Chairmanship of committees in other public company	None	None	None
Shareholding in the company	Nil	Nil	101500 shares

Directors' Report for the Year 2006-2007

To,

Dear Shareholders,

Your Directors are pleased to present the 17th Annual Report and Audited Accounts for the year ended 31st March, 2007.

FINANCIAL RESULTS:

Particulars	Year ended March 31	
	2007	2006
Sales And Other Income	337264086	295508932
Profit Before Depreciation & Prel. Exps W/Off	41839741	41275790
Less: Depreciation	4793730	4442043
Preliminary Exps. Written Off	144983	144983
Profit Before Tax	36901028	36688764
Less: Provision for Taxation		
Current Income Tax A/c	11000000	11500000
Deferred Income Tax A/c	946131	383458
Fringe Benefit Tax	152275	190184
Net Profit After Tax	26694883	24615122
Add: Balance of Profit of Previous Year	31756625	21289768
Add/ (Less) : Taxation of earlier years	1050267	0
Profit Available for Appropriation	57401241	45904890
Less: Appropriations:		
Transfer to General Reserve	1231000	1231000
Proposed Dividend	11328449	11328449
Tax on Dividend	1925270	1588815
Balance Carried to Balance Sheet	42916522	31756626

DIVIDEND:

The Board is pleased to recommend a dividend of 10% (Rs 1/- per Equity Share) for the year 2006-07 on the expanded capital. If approved by the Shareholders at the Annual General Meeting, Dividend will absorb Rs 132.54 Lacs inclusive of the Dividend Distribution Tax borne by the Company.

FINANCIAL REVIEW

Operations

Sales turnover of Rs. 3231.12 Lacs for the year ended March 31, 2007 showed a growth of 9.30% over the previous year turnover of Rs.2864.75 Lacs. Export sales for the year was 77% of Net Sales which stood at Rs.2475.52 Lacs against Rs.2195.14 Lacs during the previous year.

Profit before tax grew to Rs.369.01 Lacs from Rs.366.89 Lacs of previous year. Net Profit After tax is increased by 8.45% to 266.95 Lacs as compared to Rs. 246.15 Lacs of previous year.

OTHER SIGNIFICANT DEVELOPMENTS:

Participation in Exhibition

During the year under review, your Company has participated in the Food Ingredients Europe – 2007 exhibition at Europe, Institute of food techno 2006 at USA and XPO Chem. 206 exhibition at Korea and Indonesia. The response at these exhibitions has been encouraging and indicates the growing trust your Company has been able to garner during such events. It also indicates that there is wide market of food colors manufactured by Indian companies at the international level. The major reason for enhanced market share of India as compared to American & European countries in last recent years is supply of quality products by Indian Companies at par with international standards and at competitive prices.

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. In the said report the financial results of the wholly owned subsidiary company Dynamic USA inc which was incorporated on 9th June 2005 in the United States of America is not included due to pending finalization of the accounts as some of the information are awaited from the subsidiary company

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. However regarding segmental report which the company has reviewed in the board meeting held on 29-07-2006 and considered the fact that the products of the company are in fact backward or forward integration and are not included as separate reportable segment and so the segmental reporting has been discontinued. As regarding overdue debt of Rs. 37.33 Lacs, the company has taken sufficient steps to recover the same.

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 31-3-2007.

INSURANCE

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

DIRECTORS:

- a) In terms of the provisions of Sections 255 and 256 of the Companies Act, 1956 and Articles of Association of the Company, Mr. Vishnubhai G. Patel and Mr. Shankarlal B. Mundra, 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.
- b) Term of appointment of Mr. Dixit B. Patel as whole-time Director of the Company is expiring on 31st December, 2007. Remuneration committee of the Board of Directors of the company has recommended his reappointment. Board of Directors, subject to your approval, had re-appointed him as Whole-time Director for period of five years w.e.f. 01.01.2008. Necessary resolution for his reappointment is incorporated in the notice of the meeting..

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 2007-08.

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.

Place: Ahmedabad

Date: 25-8-2007

For and On Behalf of the Board of Directors

Sd/-

Bhagwandas K. Patel

Chairman & Managing Director

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	168519379	144445325
* Foreign Exchange used	1102712	2213245

FORM - A

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY :

1) Power and Fuel Consumption :

i) Electricity :		
Purchase Units :	Units	1499236
Total Amount :	Rs.	6212847
Rate /Unit :	Rs.	4.14
ii) Own (Diesel) Generator		
Total Ltrs.	Ltrs.	3200
Total Amount	Rs.	139648
Rate/ Ltrs.	Rs.	43.64
ii) GAS :		
Total SCM.	Ltrs.	820874
Total Amount	Rs.	8079505
Rate/ SCM.	Rs.	9.84

2) Consumption per unit of production :

1	Production : Dyes, Chemicals & Food Colours	3255074.010	Kgs.
2	Electricity	0.461	Units
3	Diesel	0.001	Ltrs.
5	Gas	0.252	Scm.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The food processing sector is crucial for the India's development in the era of globalization. India is the world's largest producer of food next to china and holds the potential to acquire the numero uno status with sustained efforts.

The processed food industry is set to grow at more than 10% per annum driven by consumer demand, organized distribution and policy initiative by the government. The food color industry again in relation to food processing industry has enormous opportunities to grow at more than 10% annum.

Opportunity and Threats

The company sees exciting opportunities in global food color industry which according to the forecast by "The Frost & Sullivan", The Europe market for the food colors set to grow from \$ 290 Million in 2006 to \$ 301 Million in 2008, wherein it includes 40% of the synthetic food colors and if the demands for other countries are included the company has good opportunity for the export of the food colors.

The company sees the risk associated with the foreign exchange rate fluctuation in the recent times which put the pressure on the margin of the company. However the company has put in place the marketing efforts to compensate this loss by way of incremental market share.

Project Progress Review.

Although the expansion project has been delayed due to the acquisition of the land which was required to meet the international standards for environment, the company has now started the implementation of the expansion project and the expansion project at unit 1 is likely to be completed in the first week of August 2007 whereas at Unit 2, it shall be completed by January 2008. And the company shall be able to get the benefit of the expanded capacity utilization for 2 months during the year 2007-08, if nothing unwanted happens.

FINANCIAL REVIEW

Sales turnover of Rs. 3231.12 Lacs for the year ended March 31, 2007 showed a growth of 9.30% over the previous year turnover of Rs.2864.75 Lacs. Export sales for the year was 77% of Net Sales which stood at Rs.2475.52 Lacs against Rs.2195.14 Lacs during the previous year.

Profit before tax grew to Rs.369.01 Lacs from Rs.366.89 Lacs of previous year. Net Profit After tax is increased by 8.45% to 266.95 Lacs as compared to Rs. 246.15 Lacs of previous year.

REPORT ON CORPORATE GOVERNANCE**Governance Philosophy**

The Company's philosophy on Corporate Governance is based on the principles of ethical and responsible decision making, transparency and accountability, integrity in financial reporting and recognizing the interest of the stakeholders. Company has a focused Board of Directors with expertise and integrity which is supported by a strong and professional management team. 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 Director	No. of Board of Meetings attended	Attendance at the last AGM	Directorships in other Indian Public Companies* as at 31 st March 2007	Other Mandatory Committee** membership as at 31 st March 2007	
					Chairman	Member
Bhagwandas K. Patel	CMD-Executive	8	Yes	NIL	NIL	NIL
Dashrathbhai P. Patel	WTD-Executive	8	Yes	NIL	NIL	NIL
Rameshbhai B. Patel	WTD-Executive	8	Yes	NIL	NIL	NIL
Shashikant P. Patel	WTD-Executive	8	Yes	NIL	NIL	NIL
Dixit B. Patel	WTD-Executive	8	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	15-4-06	10	10
2	18-5-06	10	7
3	29-07-06	10	9
4	24-08-06	10	6
5	30-09-06	10	5
6	30-10-06	10	7
7	30-01-07	10	10
8	01-03-07	10	6

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			
		18.05.06	29.07.06	30.10.06	30.01.07
Mr. Hitendra H. Sheth	Chairman.	Yes	Yes	Yes	Yes
Mr. Jagdish S. Shah	Member	Yes	Yes	No	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..

The Company Secretary acts as the Secretary to 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 :

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

- j. Reviewing the Company's financial and risk management policies.
- k. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

2) Shareholders'/Investors' Relations Committee

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

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

During the financial year Eight meetings were held on 08/04/2006, 01/07/2006, 05/10/2006, 30/11/2006, 30/12/2006, 10/01/2007, 15/02/2007 and 31/03/2007. 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 315 complaints were received from SEBI and shareholders directly which interalia 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 01/03/2007.

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/Wholetime Directors are paid remuneration as per the resolutions passed by the Company.

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

Name of the Director	Remuneration	Commission	Sitting fees	Total
Bhagwandas K. Patel	630000	Nil	Nil	630000
Dashrathbhai P. Patel	630000	Nil	Nil	630000
Rameshbhai B. Patel	630000	Nil	Nil	630000
Shashikant P. Patel	630000	Nil	Nil	630000
Dixit B. Patel	338500	Nil	Nil	338500

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, 2007.

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

SHAREHOLDERS INFORMATION

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

For the Year	Location	Date & Time	Special resolution passed
2005-06	Funpoint Club & Resorts Pvt Ltd Gandhinagar Sarkhej Highway, Sola Road, Nr. Kargil Petrol Pump, Near New Gujarat High Court, Ahmedabad - 380060	4 th August 2006 3.00 p.m.	No
2004-05	B-301, Satyamev Complex-1, Opp: New Gujarat High Court, S.G. Highway, Ahmedabad-380 060.	16 th August 2005 11.30 a.m.	Yes
2003-04	B-301, Satyamev Complex-1, Opp: New Gujarat High Court, S.G. Road, Sola, Ahmedabad-380 060.	30 th September 2004 11.00 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	: 1 st April 2006 to 31 st March 2007.
Date & Time of Annual General Meeting	: 20 th August 2007 at 11.30 a.m.
Venue	: Flash Banquet, First floor, Shailly Complex, Surdhara Circle, Nr. Sal Hospital, Ahmedabad - 380054
Book closure date	: 11 th August 2007 to 20 th August 2007 (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 24 th August 2007 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 2007-08 as per the following schedule:

First quarter	: on or before 31 st July, 2007
Second quarter	: on or before 31 st October, 2007
Third quarter	: on or before 31 st January, 2008

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The Company intends to announce the audited results for the financial year 2007-08 and will be announced before 30th June 2008 which will include the results for the forth quarter of the financial year 2007-08.

Means of communication

The quarterly/half yearly results of the Company are published in leading financial newspapers. The results were also simultaneously posted on Company's website. Since the quarterly and half-yearly financial results are published in leading newspapers as well as displayed on the website, 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' 06	29.30	22.5
May' 06	33.45	20.1
June' 06	21.95	9.10
July' 06	19.2	15.5
August' 06	20.75	15.6
September' 06	19.25	17.10
October' 06	19.90	16.75
November' 06	18.50	16.20
December' 06	25.30	16.55
January' 07	24.90	20.05
February' 07	23.70	17.75
March' 07	18.95	15.50

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, 2007, 4434508 no. of shares were in dematerialised form.

Distribution of Shareholding as on March 31st, 2007

No. of Equity shares held	No. of share holders	% of shareholders	No. of shares held	% of holding
1-500	11,924	90.98	2126237	18.77
501-1000	425	3.24	347587	3.07
1001-2000	327	2.49	498708	4.40
2001-3000	156	1.19	427729	3.78
3001-4000	25	0.19	88746	0.78
4001-5000	48	0.37	219853	1.94
5001-10000	99	0.75	734697	6.49
10001 & above	104	0.79	6884892	60.77
Total	13108	100	11328449	100

Categories of Shareholders as on March 31st, 2007

Category		No. of Shares	% of Shares
A	Promoter's Holding		
1	Indian Promoters	5348580	47.21
	Foreign Promoters		
2	Persons acting in Concert		
Sub total		5348580	47.21
B	Non-Promoters		
3	Institutional Investors		
	A Mutual Funds and UTI		
	B Banks, Financial Inst., Insurance Com.	22272	0.20
	(Central State Gov. Inst. (Non- Gov Inst.)		
	C FIIS		
Sub total		22272	0.20
4	Others		
	A Private corporate Bodies	377856	3.34
	B Indian Public	5545639	48.95
	C NRIs / OCBs	9166	0.08
	D Directors	1500	0.01
	E Clearing Members	22101	0.20
	F any other (please specify)	1335	0.01
Sub total		5957597	52.59
GRAND TOTAL		11328449	100.00

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 2006 to 31st March 2007 : 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, 6415, 6416 GIDC Estate, Ankleshwar. 2) Unit-2 : 3709/6, 3710/1, 3710/3 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. 079-27773071/72/73

Fax: 079-27432176

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 period from during the year ended 1st January to 31st March, 2007 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, 2007, there were no investor grivence matter against the Company remaining unattended /pending for more than 30 days.
- 5] We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

[**RAJESH D. SHAH**]
PROPIETOR

Place : Ahmedabad
Date : 25-6-2007

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

B. K. Patel
Managing Director

CEO/CFO CERTIFICATION

We, Mr. B. K. Patel, Managing Director and Mr. Paurav Shah, CFO, certify to the Board that :

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief :
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of 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

B. K. Patel
Managing Director

Paurav Shah
C.F.O.

AUDITOR'S REPORT

To
The Shareholders,
Dyemic Products Limited

We have audited the attached Balance Sheet of **DYEMIC PRODUCTS LIMITED** as at 31st March, 2007 and the annexed Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statement based on our audit.

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

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

We draw attention to

- (i) Note No. 2 regarding Segmental Reporting which has been not given.
- (ii) Note No. 3 regarding overdue debts of Rs. 3733862/-.

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, 2007 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, 2007,
- (b) in the case of the profit and loss account, of the profit for the year ended on that date ; and
- (c) in case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For, **SHAH RAJESH & ASSOCIATES**
CHARTERED ACCOUNTANTS
[RAJESH D. SHAH]
PROPIETOR

Place : Ahmedabad
Date : 25-6-2007

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 31-3-07 Rs
A	Subsidiaries :-		
1	Dynamic Overseas (I) Pvt. Ltd.	0	0
2	Dynamic USA Inc.	23.86 Lacs	23.86 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.	3.76 271(1)(c)	2001-02	Income Tax Appellate Tribunal, Ahmedabad
Income Tax Act, 1961	I.Tax	7.68	2003-04	Income Tax Appellate Tribunal,

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 We have verified that 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 ACCOUNTS

[**RAJESH D. SHAH**]
PROPIETOR

Place : Ahmedabad
Date : 25/6/2007

BALANCE SHEET AS AT 31 ST MARCH 2007

Sr.	No.	Particulars	Sch.	31/3/2007		31/3/2006	
				Rupees	Rupees	Rupees	Rupees
A.		SOURCES OF FUNDS :					
1		SHAREHOLDER'S FUNDS :					
	[a]	Share Capital	1	113284490		113284490	
	[b]	Reserves & Surplus	2	151892543	265177033	139314576	252599066
2		LOAN FUNDS :					
	[a]	Secured Loans	3	46865222		48319399	
	[b]	Unsecured Loans	4	6111067	52976289	3066682	51386081
3		DEFERRED TAX LIABILITY			12118154		13064285
		Refer to Note No. 1(j) & 2 of schedule 17					
		Total Rs.			330271476		317049432
B.		APPLICATION OF FUNDS :					
1		FIXED ASSETS :					
	[a]	Gross Block	5	111626299		105112259	
	[b]	Less : Depreciation		28104128		23610272	
	[c]	Net Block		83522171		81501987	
		CAPITAL WORK IN PROGRESS		18813900		1119920	
2		INVESTMENTS			102336071		82621907
3		CURRENT ASSETS, LOANS & ADVANCES :			104000445		132045666
	[a]	Inventories	6	46756989		49547949	
	[b]	Sundry Debtors	7	73151342		73652139	
	[c]	Cash & Bank Balances		11159409		14371874	
	[d]	Loans & Advances		38510137		31377469	
				169577877		168949431	
		Less : CURRENT LIABILITIES & PROVISIONS					
	[a]	Current Liabilities	8	21441356		42499725	
	[b]	Provisions		24405994		24417264	
		Net Current Assets			123730526		102032442
4		MISCELLANEOUS EXPENDITURE	9		204434		349417
		(To the extent not written off)					
		Total Rs.			330271476		317049432

Significant Accounting Policies & Notes on Accounts.

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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 : 25-06-07

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31-3-2007

Sr.	No.	Particulars	Sch.	31/3/2007		31/3/2006	
				Rupees	Rupees	Rupees	Rupees
A.		INCOME :					
	1	Sales (net)		323112359		286475189	
	2	Other Income	10	14151727		9033743	
	3	Increase/Decrease in Stocks	11	-12304358		14814979	
		Total Rs.			324959728		310323911
B.		EXPENDITURE :					
	1	Materials, Manufacturing & Operating Costs	12	241536676		191753268	
	2	Raw Mat.Pur.-Goods with Custom house		0		3014829	
	3	Purchase of Finished & Trading Materials		3203578		37083320	
	4	Salaries, Wages & Bonus	13	9903419		8349461	
	5	Repairs & Maintenance	14	8095286		8460719	
	6	Administrative & Other Expenses	15	15636503		15338259	
	7	Interest & Financial Exps.	16	4744525		5048266	
	8	Depreciation		4793730		4442043	
	9	Preliminary Expenses written off		144983		144983	
		Total Rs.			288058700		273635147
		Profit before Taxation			36901028		36688764
		Less: Provision for Taxation					
		Current Tax			11000000		11500000
		Deferred Tax			946131		383458
		Fringe Benefit tax			152275		190184
	16	Net Profit for the Year			26694883		24615122
		Add:- Net Balance Profit of Last Year			31756625		21289767
		Add/ (Less):- Taxation of earlier years			-1050267		0
	17	Balance available for Appropriation			57401241		45904889
		Appropriations :					
		General Reserves		1231000		1231000	
		Proposed Dividend		11328449		11328449	
		Tax on Dividend		1925270		1588815	
					14484719		14148264
	18	Balance Carried to Balance Sheet			42916522		31756625
		Earning Per Share					
		Basic			2.36		3.38
		Diluted			2.36		3.38

Significant Accounting Policies & Notes on Accounts.

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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 : 25-06-07

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2007		31/3/2006	
		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.]		113284490		113284490
	Total Rs.		113284490		113284490
	SCHEDULE : 2 : RESERVES & SURPLUS :				
(i)	General Reserves : Opening Balance Add : Transferred from Profit & Loss A/c.	4064820 1231000		2833820 1231000	
		5295820		4064820	
	Less: Transfer for utilation in Bonus Shares	0	5295820	0	4064820
(ii)	Profit & Loss A/c. Balance		42916522		31756625
(iii)	Share Premium on issue of Equity Shares Add : Share Issue Refunds Less : Share Issue Expense	103493131 187070 0		110564225 7071094	
	Total Rs.		151892543		139314576
	SCHEDULE : 3 : SECURED LOANS :				
[a]	C.C.Hypo A/c. : * Citi Bank N.A. [HP. C.C. A/c. Secured against stock of Raw Materials, Stores, Finished Goods etc. & personal gurantee of Directors.]		10330694		1287230
[b]	P.C.F.C.A/c. : *Citi Bank N.A. [Secured against Book Debts.Present & Pertainings to mfg. of Industrial Dyes & Chemicals & personal guarnatee of Directors.]		36296513		46170713
[c]	Vehicle (Car) Loan A/c. : * Citi Bank N.A. Car Loan A/c. * ICICI Bank Car Laon [Secured against Hypothecation of Car)		238015 0		806500 54956
	Total Rs.		46865222		48319399
	SCHEDULE : 4 : UNSECURED LOANS :				
[a]	Fixed Deposits from Directors		2093660		11488
[b]	Fixed Deposits from Share holders		3170957		982187
[c]	Fixed Deposits from Publics		846450		823007
[d]	Shree Vardayini Chemical Ind. Pvt.Ltd.		0		1250000
	Total Rs.		6111067		3066682

SCHEDULE 5: FIXED ASSETS

Sl. No.	NAME OF THE ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		As on 01/04/06 Rs.	Addition during the Year Rs.	Deduction during the Year Rs.	As on 31/03/07 Rs.	Addition during the Year Rs.	Deduction during the Year Rs.	As on 31/03/06 Rs.	As on 31/03/07 Rs.
1	Building	21289365	0	0	21289365	711064	0	17371144	16660080
2	Computer	1260977	0	0	1260977	204405	0	750349	545944
3	Electric Fitting & Install.	3288218	11550	0	3299768	156648	0	2328341	2183243
4	Furniture	6402471	13500	0	6415971	405561	0	4301977	3909916
5	Lab Equipments	3764903	0	0	3764903	178833	0	2995853	2817020
6	Machineries	41415730	1195147	533086	42077791	1966282	285645	31257497	30238921
7	Office Equipments	2379177	390019	32500	2736696	161543	14229	1601921	1812126
8	Office Premises	3540255	0	0	3540255	57706	0	3408584	3350878
9	Pollu.Eff Treatment	5387481	0	0	5387481	255905	0	3384015	3128110
10	Resi.Premises	5892483	0	0	5892483	96047	0	5673289	5577242
11	Motor Cycle	501897	0	0	501897	23841	0	412175	388334
12	Motor Car	3955238	0	0	3955238	375748	0	3243186	2867438
13	Electric Motor & Pumps	1201031	73021	0	1274052	58339	0	888289	802971
14	Fire fighting Equipments	66566	21150	0	87716	3413	0	50921	68658
15	Gas Inst. & Fab	954279	7826	0	962105	31873	0	747127	723080
16	Generating Set	437200	0	0	437200	20767	0	228933	208166
17	Lease Hold Land	1089848	5324512	0	6414360	0	0	1089848	6414360
18	Pipes & Valve Fittings	1247354	42901	0	1290255	42856	0	952471	952516
19	Storage Tank	934426	0	0	934426	31210	0	757878	726668
20	Dies	103360	0	0	103360	11690	0	58189	46499
Total Rs.		105112259	7079676	565586	111626299	4793730	299874	81501986	83522171
Previous Years		96297323	11842861	3027925	105112259	4442043	527311	76601784	81501986

Project under implementation:-

1	Capital Work in Progress	869920	17372796		18242716	0	0	0	18242716
2	ERP Software Under Implementation	250000	321184	0	571184	0	0	0	571184
TOTAL		1119920	17693980	0	18813900	0	0	0	18813900

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2007		31/3/2006	
		Rupees	Rupees	Rupees	Rupees
[I]	SCHEDULE : 6 : INVESTMENTS :				
	TRADE INVESTMENTS (At Cost)				
(A)	Investments in Subsidiary				
	(i) Unquoted Investments				
	(1) Dynamic Overseas (India) P. Ltd. Shares [600 Shares of Rs.100 each (P.Y.F.500)]	60000		60000	
	(2) Dynamic USA Inc. Shares [1000 Shares of US\$ 1/- each (P.Y.F. Nil)] [Exchange Rate US\$ 1/- = Rs. 45.54]	45540		0	
			105540		60000
(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)	14066902		0	
	(2) In Equities as per List by BNP Paribas Bank (At Cost)	4219759		0	
		18324661		38000	
	Less:- Provision for Diminution in value of Investments (The list is attached as Annexure showing cost and market value of all the shares)	3425097		0	
			14899564		38000
	(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)]	40600		40600	
	* Bharuch Eco-Aqua Infra.Ltd [14000 Shares of Rs.10 each (P.Y.F.NIL)]	140000		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	
	* Ank.Res. &Anal.Inf.Ltd. [1000 Shares of Rs.10 each (P.Y.F.NIL)]	10000		10000	
			353200		353200
[II]	OTHER INVESTMENT (At Cost)				
	(A) Investments in Unquoted Mutual Funds				
	Liquid Dividend Plan(including dividend reinvested)				
	Birla Cash Plus-Institutional Premium Plan	0		40203366	
	[4990268.975 Units - Face Value of Rs 10.0195 per unit]				
	DSP Merrill Lynch-Regular Plan Growth	0		50222057	
	[49990.002 Units - Face Value of Rs 1000.2000 per unit]				
	Prudential ICICI Floating Rate Fund	0		25103562	
	[2486918.8071 Units - Face Value of Rs 10.0526 per unit]				
	Tata Liquid Fund - SHIP-Growth	0		16065481	
	[14356.020 Units - Face Value of Rs 1114.5150 per unit]				
	HDFC Cash Management Savings Plan	5402307		0	
	(507907.458 units - Face Value Rs. 10.6364 per unit)				
	Birla Bond Plus-Retail-Fortnightly Dividedn-Reinves	27068919		0	
	(2398325.647 units - Face value Rs. 11.1983 per unit)				
	DSP Merrill Lynch Liquid Plus Inst. Plan	48059028		0	
	(48049.418 units - Face value Rs. 1000.2 per unit)				

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2007		31/3/2006	
		Rupess	Rupess	Rupess	Rupess
	HSBC Unique Opportunities Fund (20000 units - Face value Rs. 10 per unit)	200000		0	
	Investment in Debt Funds by Kotak Securities				
	Franklin India Bluechip Fund (1296.277 units - Face Value Rs.122.93 per unit)	159351		0	
	HDFC Cash Mgt Fund (447608.895 units - Face Value Rs.16.248 per unit)	7272660		0	
	HDFC Top 200 Fund (1522.96 units - Face Value Rs. 104.504 per unit)	159155		0	
	K 30 Equity Scheme (2399.969 units - Face Value Rs.64.997 per unit)	155991		0	
	Magnum Equity Fund (6202.182 units - Face Value Rs. 26.56 per unit)	164730		0	
	Total Rs.		88642141		131594466
			104900445		132045666
	SCHEDULE : 7 : CURRENT ASSETS AND LOAND & ADVANCES :				
[A]	CURRENT ASSETS :				
	INVENTORIES :				
	[As per Inventory taken, valued and Certified by Directors of the Company]				
*	Raw Materials at Cost	19287859		10180640	
*	Packing Material.....at Cost	738313		319914	
*	ETP stockat Cost	26065		38285	
*	Stock in Custom Warehouse.....at Cost	0		3014829	
*	Work in progress.....at Estimated cost	6680922		13898210	
*	Finished Goods ...at Cost or Market Value which ever is lower	12259238		15310643	
*	Semi Finished Goods..... at Cost	7764592		6785428	
			46756989		49547949
	SUNDRY DEBTORS (Unsecured Considered Good)				
*	Due Over Six Months.	6907609		5675183	
*	Others	66243733		67976956	
	(Includes Due from Subsidiaries Rs. 8962454/- Out of which Rs. 358847/- are more than 6 months old)		73151342		73652139
	CASH AND BANK BALANCE :				
*	Foreign cheques & currencies a/c.	241024		45114	
*	Cash-in-hand	322948		753366	
*	Balance with Schedule Bank in current a/c	5965474		12960480	
*	Balance with Non-Schedule Bank in current a/c	303568		612913	
*	Balance with Non-Schedule Bank in margins a/c	3332106			
*	Balance with Schedule Bank in Fixed Deposits	994289		0	
			11159409		14371874
[B]	LOANS AND ADVANCES :				
*	Advances recoverable either in Cash or in Kind or for value to be received.	12096872		24163616	
*	Deposits with Govt. Bodies & Others	2060869		1965453	
*	Advance Income tax	10849427		2000000	
*	Advance Fringe Benefit Tax	208716			
*	Advances given for Capital Goods [New Project]	10851770		2140000	
	LOANS AND ADVANCES TO SUBSIDIARIES				
*	Dynemic Products (Inc) USA	50000		50000	
*	Dynemic USA Inc	2392483		1058400	

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2007		31/3/2006	
		Rupess	Rupess	Rupess	Rupess
*	(Refer to Note No. 15 & 16 of Schedule 17:				
*	Notes to Accounts)				
			38510137		31377469
	Total Current Assets and Loans & Advances		169577877		168949431
	SCHEDULE : 8 : CURRENT LIABILITIES :				
	CURRENT LIABILITIES :				
*	Sundry Creditors	19775593		29710886	
*	Share Application Money Refundable	1350600		12688839	
	Unclaimed Dividend (2005-06)	96764		0	
*	Advance from Customers	218399	21441356	100000	42499725
	PROVISIONS :				
*	Proposed Dividend	11328449		11328449	
*	Tax on Proposed Dividend	1925270		1588815	
*	Provision for Taxation for FBT	152275		0	
*	Provision for Taxation for current tax	11000000	24405994	11500000	24417264
	Total Rs.		45847350		66916989
	SCHEDULE : 9 : MISCELLANEOUS EXPENSES				
	(To the extent not Written Off)				
	PRELIMINARY EXPENSES :				
*	Last Balance	349417		364400	
*	Add : Additions during the year	0		130000	
		349417		494400	
*	Less : Written off during the year	144983	204434	144983	349417
	Total Rs.		204434		349417
	SCHEDULE : 10 : OTHER INCOME :				
	OTHER BUSINESS RELATED INCOME				
*	Bad Debts Recovered	137922		275844	
*	Cash Discount Received	494234		167669	
*	Quantity Discount	123404		0	
*	Commission Income	375000		708000	
*	Conversion Charge Income	2346100		36585	
*	DEPB Income	1718705		6863738	
*	Excise Refund Income	0		152592	
*	Insurance Claim	0		5750	
*	Interest (Late Payment)	50238		22854	
*	Interest on Income Tax Refund	0		556	
*	Profit on Purchase of DFRC Licence	0		35201	
*	Set Off on Sales Tax	0		32900	
*	Solid Waste Sales Income	7924		4601	
*	VAT Refund Income	57533		28444	
*	L/c Charges	0		1364	
*	Sample Income	0		374	
*	Kasar , Rates & Quality Difference.	451657		70915	
*	Vat Recoverable for the Year 2005-06	94868		0	
*	Income Relating to Previous Years	336393		0	
	TOTAL	6193977		8407387	
	OTHER INVESTMENT RELATED INCOME				
*	Dividend on Mutual Fund	5912425		594466	
*	Dividend From Company	181850		31890	
*	Interest on FD (Bank)	33794		0	

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2007		31/3/2006	
		Rupess	Rupess	Rupess	Rupess
*	Short Term Capital Gain - BNP PARIBAS MF	738184		0	
*	Short Term Capital Gain-KOTAK MAHINDRA MF	5029484		0	
	TOTAL	11895737		626356	
	LESS:- EXPEDITURE RELATING TO INCOME ON INVESTMENTS				
*	Service Tax - Kotak	96300		0	
*	Other Shares Related Expenses-BNP	94273		0	
*	Other Shares Related Expenses-Kotak	91955		0	
*	Securities Transaction Tax - BNP	33127		0	
*	Securities Transaction Tax - Kotak	182867		0	
*	Service Tax -BNP	14368		0	
*	Provision for Demunition in the Value of Investments	3425097		0	
	TOTAL	3937987		0	
	NET INCOME ON INVESTMENTS	7957750		626356	
	Total Rs.		14151727		9033743
	SCHEDULE - 11 : INCREASE / DECREASE IN				
	STOCKS :				
	CLOSING STOCK :				
*	Finished Goods	12259238		15310643	
*	Semi Finished Goods	7784592		6785428	
*	Stock with Custom warehouse	0		3014829	
*	Work-in-Progress	6680922		13898210	
			26704752		39009110
	OPENING STOCK :				
*	Finished Goods	15310643		13280375	
*	Goods in transit - Stock with Custom warehouse	3014829		828845	
*	Trading Stock(transfer from RM Purchase)	0		668982	
*	Semi Finished Goods	6785428		7909411	
*	Work-in-Progress	13898210		1506518	
			39009110		24194131
	Increase (Decrease) in Stocks...		12304358		14814979
	SCHEDULE - 12 : MATERIALS, MANUFACTURING & OPERATING COSTS				
A	RAW MATERIALS CONSUMED				
*	Opening Stock	10180640		12950635	
	Add. : Purchase during the year	207981291		155605461	
		218161931		168556096	
	Less : Closing Stock	19287859		10180640	
	Total Rs.		198974072		158375456
B	PACKING MATERIAL CONSUMED				
*	Op. Stock	319914		467541	
	Add: Purchases during the year	6386137		3940408	
		6706051		4407949	
	Less : Closing stock	738313		319914	
	Total Rs.		5967738		4088035
C	E.T.P MATERIAL CONSUMED				
*	Op. Stock	38285		80106	
	Add: Purchases during the year	1723250		1325505	
		1761535		1405611	

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2007		31/3/2006	
		Rupess	Rupess	Rupess	Rupess
	Less : Closing stock	26065		38285	
	Total Rs.		1735470		1367326
D	POWER & FUEL CONSUMED				
*	Electric Power & Burning	6212847		6385300	
*	Fuel Purchased & Consumed	139648		158983	
*	Gas Consumption Charges	8079505		6409202	
	Total Rs.		14432000		12953485
E	OTHER MFGS. EXPENSES				
*	Transportation	2744444		2197186	
*	Conversion Charges.	6152244		4297982	
*	Factory Exp	502046		1383363	
*	Labour Charges	2144232		2070047	
*	Forwarding & Handling Charges	5544830		4708232	
*	Pallatisation Charges	161652		312157	
*	Consumable Stores	3277947		0	
	Total Rs.		20527395		14968967
	TOTAL- MANUFACTURING COST		241536676		191753268
	SCHEDULE : 13 : SALARIES WAGES & BONUS				
*	Salary & Wages to Employees	5210868		4387279	
*	Salaries to Directors	2858500		2412000	
*	Bonus & other charges	1834051		1550182	
	Total Rs.		9903419		8349461
	SCHEDULE-14 : REPAIRS AND MAINTENANCE				
*	Electrical Parts & Maintenance	265773		427568	
*	ETP Parts & Maintenances	6132084		4152948	
*	Machinery Parts & Maintenance	1116501		3414920	
*	A.C. Service Charges	58450		43900	
*	Building Repairing	118370		63417	
*	Computer Maintenance & Consumables	199644		224691	
*	EPABX Maintenance	21469		12000	
*	Furniture Repairing & Maint	35348		2387	
*	Residential Premises (Maint.Exp.)	0		1800	
*	Type,Fax & Xerox Maintenance	10050		9400	
*	Vehicle Repairing (Director)	90972		61952	
*	Vehicle Repairing Exp	21229		45736	
*	Office Repairing Exps.	25396		0	
	Total Rs.		8095286		8460719
	SCHEDULE : 15 : ADMINISTRATIVE AND OTHER EXPENSES :				
*	Annual General Meeting Exp.	18144		0	
*	Annual Report Printing & Courier Charges	297112		0	
*	CDSL Exps	20000		0	
*	Director, Sitting Fees	50000		0	
*	Consultancy Fees	1268245		263725	
*	Employees Training Exps	46827		17900	
*	Excise & Service Tax Exps.	168230		1958689	
*	Exhibition Exp.	1096372		1972320	
*	Foreign Exchange Gain /loss	537397		501565	
*	Expenses Relating to Dividend Payments	176406		0	
*	Import-Export Licence Fees	441008		40138	
*	Insurance Premium	1297505		519866	
*	Keyman Insurance Premium	1431040		275756	
*	I S O Certification Exps	136205		52698	
*	NSDL Exp.	65498		0	

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2007		31/3/2006	
		Rupess	Rupess	Rupess	Rupess
*	Petrol Exps-Directors	349335		347548	
*	Petrol Exps-Others	75409		73440	
*	Sales Promotion Exps	25900		46122	
*	Selling Commission	622739		421784	
*	Software Purchase Expenses	12100		12000	
*	Staff Welfare Exps.	459751		294587	
*	Telephone Exps (Director)	126337		120433	
*	Telephone Exps-Others	405814		537579	
*	Travelling & Conveyance (Director)	264351		116243	
*	Travelling & Conveyance (Others)	269313		366210	
*	Advertisement Expense	549278		47860	
*	Angadia & Courier Exp	369003		357428	
*	Annual Listing Fees	30000			
*	Audit Fees	252810		252540	
*	Bad Debts	325258		0	
*	Bank Guarantee Written Off	38800		0	
*	Boni Expenses	500		18500	
*	Discount	9		50046	
*	Books & Periodicals Exp	47756		16171	
*	Brokerage Expenses	996		0	
*	BSE Filing Fees	150		0	
*	Business Development Exp	0		39088	
*	Certification /Analysis Fees	187400		103797	
*	Computer Parts	80453		0	
*	D&B Report Exp.	5388		0	
*	Donation Charges	84501		82060	
*	Drainage Charges	19834		17588	
*	Electric Inspection Fees.	4250		4250	
*	EOU Application Fees	0		16200	
*	ESI Expenses	16421		51057	
*	Export Inso & Seal Exps.	250		360	
*	FDA Approval Fees	90884		0	
*	HACCP Certification Fees	0		10656	
*	Fumigation Charges	4750		2200	
*	GIDC Service & Other Charge	0		20376	
*	Group Gratituty Insurance	0		76225	
*	Halal Registration	5000		6000	
*	Internal Audit Fees	11236		11224	
*	Internate Connection Renewal Fees	0		8602	
*	Lab-Testing Exp	314983		459123	
*	Legal& Proffessional Charges	705846		723592	
*	Licence Renewal Fee	7040		0	
*	Loss on Replacement of Xerox Machine	0		12705	
*	Loss on Sale of Motor Car	0		120607	
*	Lunch Eexpenses	0		2599	
*	Marking Fee (ISI)	261762		0	
*	Marketing Data Exp.	0		65763	
*	Medical Checkup Charges	0		4320	

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2007		31/3/2006	
		Rupess	Rupess	Rupess	Rupess
*	Medical Exp.	30150		21012	
*	Membership / Seminar Fees	81650		22461	
*	Misc Office Exp	275661		352800	
*	Municipal Tax	218961		228175	
*	Octroi Exp.	350		560	
*	Office Electric Bill Exp.	201012		188664	
*	Packing Material Exp	94403		404078	
*	P.F. Expense	11345		0	
*	Pooja Exp	39400		30546	
*	Post & Telegraph A/c	7483		6038	
*	Professional Tax (Company) A/c	1000		1000	
*	Profit/loss on Sale of DEPB	361545		321623	
*	Purchase Tax	3867		52458	
*	R & D Expenses	0		4000	
*	ROC Filing Fees	3050		8600	
*	ROUND OFF	274		0	
*	Sales Tax Exp.	54083		33037	
*	Security Exp	326171		277853	
*	Seminar Fees	0		300	
*	Stamp Paper and Franking Charges	00		0	
*	Stationery & Printing Exp	462513		592374	
*	Subscription A/c	12615		2740	
*	System Requirement Study Fees	0		15000	
*	Trade Mark Registration Fees	2500		0	
*	Visa Application Fees	0		26711	
*	Water Cess Fees (G.P.C.B.)	0		1695	
*	Water Charges	225502		98270	
*	Web Designing & Hosting Fees	92492		118491	
*	Zerox Exp	47822		54230	
*	Short Provision for taxation	0		1706012	
	Total Rs.		15636503		15338259
	SCHEDULE : 16 : INTEREST & FINANCIAL EXPENSES:				
*	Interest (Bank)	2672351		2426276	
*	Interest (Car Loan)	35485		91391	
*	Interest (ESI)	0		365	
*	Interest (Loan)	31644		158026	
*	Interest on Fixed Deposits	444728		944713	
*	Interest on Late Payment of FBT	4234		12031	
*	Interest on Late Payment of Service Tax	33048		0	
*	Interest on Late Payment of Wealth Tax	13463		0	
*	Interest on Loan	0		2500	
*	Interest (PLA)	0		129	
*	Interest (Sales Tax)	0		1452	
*	Interest (T.D.S.)	32862		72080	
*	Interest (Term Loan)	0		97233	
*	Loan Processing Fees	258152		283000	
*	Bank Charges & Foreign Bank Charges	1218557		959069	
	Total Rs		4744525		5048266

SCHEDULE : 17
Significant Accounting Policies & Notes forming parts of Accounts as on 31-3-2007
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 AND CAPITAL WORK IN PROGRESS:-

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

3] INVESTMENTS :-

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

4] RETIREMENT BENEFITS :-

Repayment for present liability of future payment of gratuity is being made to Approved Gratuity which fully cover the same under Group Gratuity Policy or Cash Accumulation Policy with Life Insurance Corporation of India. The Gratuity trusts are covered with Life Insurance Corporation of India (LIC) and premiums are paid on advise from LIC, which determines the same on the basis of actuarial valuation.

5] INVENTORIES :-

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 at Cost
- (ii) Finished Goods : Valued at Cost or Net Realisable Value whichever is lower
- (iii) Semi Finished Goods : At Cost
- (iv) Work in Progress : At Estimated Cost.
- (v) ETP Stock : At Cost
- (vi) Trading Stock : Valued at Cost or Net Realisable Value whichever is lower
- (vii) Goods in Transit : At Cost
- (viii) Packing Materials : At Cost

6] SALES :-

Sales are exclusive of Excise Duties and Sales tax

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 :-

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. 27843975/- (PYF 36912619/-) 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. 2266100/- (PYF Rs. Nil), 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.

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 balance unutilised amounts of Rs.1134.31 Lacs as on 31-3-2007 is invested temporary in various Short terms Instruments & Mutual Fund Schemes, and other instruments like Equities, Debt etc. and which shall be withdrawn from the said investments as per requirement of the fund for expansion projects.

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:-		
Capital work in progress-expansion projects	182.43	
Advances for capital goods-expansion projects	108.52	
Land Cost	53.25	
IPO Expenses like listings, advertisements etc (Net)	68.84	
Investments in various instruments	1069.29	1482.33
Balance in bank accounts		65.02

2] Segmental Reporting :-

In accordance with the Accounting Standard -17 on " Segment Reporting " issued by the Institute of Chartered Accountants of India, the Company had identified two reportable business segments in terms of its products one is Dyes & Intermediates and the other product is Food Colours during the last year 2005-06, which are regularly evaluated by the Management, in deciding the allocation of resources and assessment of performance. However, during the year under review, the Management has again evaluated the Segmental Reporting and after considering the technical facts put on the records before the Board Meeting held on 29-7-2006, and as informed to us, that both these products are forward and backward integration of the processes, as the intermediates are utilised further for the manufacturing process of the food colours which are again called the dyes, there are no separate reportable Segments and hence, information on Segment Reporting are not available to us and so, not given.

- 3] Certain debts amounting to Rs. 3733662/- are overdue for considerable time and provisions is required. The Management is taking steps to recover the same. Any shortfall in the recovery will be provided for on completion of recovery efforts.

4] Related Party Disclosures :-

A] List of parties where control exist

(i) Subsidiary Company

* Dynamic Overseas (India) Pvt.Ltd.

* Dynemic USA Inc.

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

(ii) Associates :-

* Shakti Intermediates Pvt.Ltd.

(iii) Key management personnel :-

Mr. B.K.Patel	Managing Director
Mr. Rameshbhai B.Patel	Wholtime Director
Mr.Dasharathbhai P.Patel	Wholtime Director
Mr.Shashikant P.Patel	Wholtime Director
Mr.Dixit B.Patel	Wholtime Director
Hitendra Kumar Patel	General Manager
Pitambarbhai Patel	Production Manager
Bhadreshbhai Sharma	Manager - Import
Mukeshbhai Patel	Manager - Export
Dhruvesh Patel	Manager - Finance & Accounts
Pinky Mehta	Export - Executive
Reena Desai	Company Secretary

C] Transactions with related parties :-

Nature of Transaction	Key Mananagerial Personnel & other Relatives Rs.		Subsidiary Companies Amt. Rs.		Associates Amt. Rs.	
	2006-07	2005-06	2006-07	2005-06	2006-07	2005-06
Fixed Deposits taken						
Taken during the period	4034000	127000	0		0	0
Repaid during the period	200000	5793539	0		0	0
Closing Balance	4502536	427049	0		0	0
Loans & Advances						
Given during the period	1545000	19500	1334083	4058400	750000	0
Settled during the period	1426500	102087	796620	3436620	750000	0
Closing Balance	224387	105887	2392483	1855020	0	0
Investments						
Given during the period	0	0	45540	0	0	0
Settled during the period	0	0	0	0	0	0
Closing Balance	0	0	05540	60000	0	0
Sundry Debtors	0	0	8962455	0	967722	1872000
Sundry Creditors	0	0	00		0	0
Purchase of Goods	0	0	0	0	2544151	3283179
Conversion Charges	0	0	0	0	976043	1226557
Amount Expended on be half of other	3972393	3937549	0	0	0	0
Sales	0	0	0722132	66233	0	1872000

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	2006-07	2005-06
Net Profit after tax (Amt.Rs.)	26694883	24615122
Weighted Average Nos. of Shares	11328449	7274427
Basic Earing per Share on nominal value of Rs.10/-per share	2.36	3.38

6] Paise have been rounded upto the nearest rupees.

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

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

Nature of timing difference	Deferred Tax Liability / Assets		
	Balance As on 1st April 06	Debit / (Credit) for the year Rs.	Balance As on 31st March 2007
(a) Deferred Tax Liability			
- Depreciation	13064286	206756	13271042
- Prov for demination in Investments	0	(1152888)	(1152888)
- Total	13064286	(946131)	12118155

9] Remuneration to Auditors

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

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

Particulars	2006-07 Amount Rs.	2005-06 Amount Rs.
(a) Remuneration	2858500	2709000
(b) Contribution to P. F.	---	---
(c) Perquisites	---	---
TOTAL	2858500	2709000

- 11] Contingent Liability for Letter of Credits and Bank Guarantees is of Rs.6907126/-
- 12] Estimated Amount Contract remaining to be executed and not provided for Rs. 1,18,53,600/- for the new expansion project (P.Y.F.Rs.2560000/-)
- 13] 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.
- 14] 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 has been taken in favour of the company for such assets, as per the information and the explanation given to us
- 15] 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.
- 16] 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.
- 17] The Company has made investments for incorporation of wholly owned subsidiary company Dynamic USA Inc. of Rs. 2392483/- during the year :2006-07 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.
- 18] 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/-.
- 19] 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, 2007 is estimated at Rs.2020321/-. This Accounting Policy has no impact on the profit for the year.
- 20] 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.
- 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	2006-07	2005-06
(i)	Licenced Capacity	Not Applicable	Not Applicable
(ii)	Installed Capacity		
	a. Dyes Intermediates	2220 MT	2220 MT
	b. Food Colours	840 MT	840 MT

B(i) : Production, Purchase, Sales and Stock of Finished Goods (As certified by Management) for the Year ended as on 31-3-2007

Sr. No.		Products	Opening Stock		Purchases		Production		Captive		Sale		Closing Stock	
		Unit	Qty	Amount	Qty	Rs.	Amount	Qty	Consumption	Qty	Amount	Qty	Amount	Rs.
(I) Finished Goods (Packed) :														
1		Dyes & Intermediates	Kgs.	4575.800 (35294.000)	642047 (5777298)	7000.000 (0.000)	462000 (0)	2125893.820 (2515279.606)	1296325.000 (1953426.000)	839562.620 (592571.800)	150389078 (106819575)	1583.000 (4575.800)	354627 (642047)	
2		Food Colours	Kgs.	34941.000 (35995.000)	14123935 (6543892)	0.000 (2195.000)	0 (1483467)	855889.500 (735705.250)	8221.200 (8044.250)	842507.000 (729910.000)	161737340 (129160674)	40102.300 (34941.000)	10761189 (14123935)	
3		Lack Colours	Kgs.	448.500 (806.000)	210816 (303223)	0.000 (0.000)	0 (0)	9314.000 (2841.000)	0.000 (5.000)	7294.000 (3193.500)	2772275 (1651813)	2468.500 (448.500)	995351 (210816)	
4		Preparation Colours	Kgs.	875.000 (859.000)	333844 (655962)	250.000 (200.000)	65000 (162212)	21329.500 (31434.000)	318.000 (35.000)	21372.000 (31583.000)	5128239 (4571177)	764.500 (875.000)	148071 (333844)	
Total (I)				15310642 (13280375)		527800 (1645678)	3012426.820 (3285259.856)				320026932 (242203239)		12259238 (15310642)	
(II) Finished Goods (Captive use) :														
1		Dyes & Intermediates	Kgs.	0.000 (1450.000)	0 (179139)	0.000 (0.000)	0 (0)	0.000 (0.000)	0.000 (1450.000)	0.000 (0.000)	0 (0)	0.000 (0.000)	0 (0)	
Total (II)				179139		0	0.000				0		0	
(III) Semi Finished Goods :														
1		Dyes & Intermediates	Kgs.	21041.700 (45285.760)	2538762 (2422300)	0.000 (0.000)	0 (0)	7251.100 (0.000)	8566.470 (24244.080)	0.000 (0.000)	0 (0)	19726.330 (21041.700)	1601950 (2538762)	
2		Food Colours	Kgs.	17344.800 (35579.550)	2506274 (5079435)	0.000 (0.000)	0 (0)	235396.090 (0.000)	234146.900 (18234.750)	0.000 (0.000)	0 (0)	18593.990 (17344.800)	6162642 (2506274)	
Total (III)				5045036 (7501735)		0 (0)	242647.190 (0.000)				0 (0)		7764592 (5045036)	
(IV) Misc. Items (Received by conversion) : (The same has been included in the Raw Materials Consumption details)														
1		Raw Materials	Kgs.	0.000 (5886.580)	0 (228537)	0.000 (0.000)	0 (0)	0.000 (839535.220)	0.000 (785422.800)	0.000 (29865.000)	0 (2847275)	0.000 (30134.000)	0 (1740392)	
Total (IV)				0 (228537)		0 (0)	0.000 (0.000)				0 (2847275)		0 (1740392)	
(V) Trading Materials- Finished Goods :														
1		Trading Materials	Kgs.	0.000 (845.000)	0 (668982)	19370.000 (218633.800)	2531578 (35307615)	0.000 (0.000)	0 (0.000)	19370.000 (219478.800)	3085427 (41275492)	0.000 (0.000)	0 (0)	
2		Trading of HDPE Drum	Nos.	0.000 (0.000)	0 (0)	0.000 (1008.000)	0 (130026)	0.000 (0.000)	0.000 (0.000)	0.000 (1008.000)	0 (149184)	0.000 (0.000)	0 (0)	
Total (V)				0 (668982)		2531578 (35437641)	0.000 (0.000)				3085427 (41242476)		0 (0)	
GRAND TOTAL				20534817 (21679629)		3056578 (37083320)	3255074.010 (3285259.856)				323112359 (286475180)		20023830 (22096070)	

Note : 1. Interdivisional transfer for Purchase and sales of Goods are being included in respective figure of Sales and Purchases of goods for Quantity and Value both.
 figures shown in the brackets relates to the previous year i.e. 2005-06

2. The

C. Quantity and Value thereof 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	13815.000	947363	9915.000	590934
2	Aniline Oil	Kgs	12174.000	778760	2894.000	182322
3	Ethyl Acetate	Kgs	10030.000	384958	11395.000	464184
4	Sodium Metal	Kgs	6818.000	585847	4740.000	261921
5	Benzene	Ltrs.	3649.000	114478	4708.000	195349
6	Beta Napthol	Kgs	4184.000	346557	0.000	0
7	Iodine	Kgs	106.240	142389	506.240	585383
8	Others	Kgs	197435.644	6880288	274320.380	17007766
	Total Rs.			10180640		19287859

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

Sr. No	Particulars	Unit	2006-07		2005-06	
			Qty	Amount Rs.	Qty	Amount Rs.
1	Di Ethyl Oxalate	Kgs	631800.000	39466003	549890.000	36462505
2	Aniline Oil	Kgs	552400.000	34699235	472600.000	30858063
3	Ethyl Acetate	Kgs	384900.000	16855280	335290.000	14618166
4	Sodium Metal	Kgs	74078.000	4797014	59580.000	8033170
5	Benzene	Ltrs.	44849.000	1826896	48360.000	1840644
6	Beta Napthol	Kgs	78184.000	6133766	70583.603	5242119
7	Iodine	Kgs	4250.000	3855865	1150.000	1182102
8	Others	Kgs	5579712.017	91240014	5198873.492	60138687
	Total Rs.			198874072		158375456

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

Particulars	Current Year Amount Rs.	Previous Year Amount Rs.
Raw Materials	1102712	19749772
Stores & Spares	NIL	NIL
Capital Goods	NIL	NIL

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

Sr. No.	Particulars	2006-07		2005-06	
		Amount Rs.	% of Total	Amount Rs.	% of Total
A	Imported	51857989	25%	15411778	10%
B	Indigenous Raw Materials	156123302	75%	140193683	90%
	Stores & Spares	0	0%	0	0
C	Expenses in Foreign Curr.	1102712	0%	2213245	0
D	Amount remitted during the year in Foreign Currency	0	0%	0	0
E	Earning in Foreign Exchange	168519379	0%	144445325	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 & 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 : 25-06-07

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

Sr.	PARTICULARS	31/3/2007	31/3/2006
A]	CASH FLOW FROM OPERATING ACTIVITIES		
	NET PROFIT AFTER TAX & EXTRA		
	ORDINARY ITEMS	26694883	24615122
	ADJUSTMENTS FOR :-		
	PROVISION FOR TAX & DEFERRED TAX	10208144	11883458
	MISC.EXPS.WRITTEN OFF	144983	144983
	DEPRECIATION	4793730	4442043
	DEPRECIATION WRITTEN BACK	-299874	-527311
	SHORT PROVISION FOR I.TAX (NET)	0	1706012
	DIMUNITION IN THE VALUE OF INVESTMENTS	3425097	
	INTEREST & FINANCIAL CHARGES	4744525	4089197
	PROFIT/LOSS ON SALE/REPLACEMENT OF FIXED ASSETS	0	133312
	INETEREST/ DIVIDEND INCOME	-11382847	-649766
	OPERATING PROFIT BEFORE WORKING		
	CAPITAL CAHNGES	38326642	45837049
	ADJUSTMENTS FOR :-		
	TRADE & OTHER RECEIVABLES	500797	-12482306
	INVENTORIES	2790960	-11855536
	TRADE PAYABLES	-21058369	12398415
	LOANS & ADVANCES	1925475	-8638579
	CASH GENERATED FROM OPERATIONS	22485506	25259043
	DIRECT TAXES PAID	-21608410	-12960302
	NET CASH FROM OPERATING ACTIVITIES	877096	12298741
B]	CASH FLOW FROM INVESTING ACTIVITIES		
	PURCHASE OF FIXED ASSETS	-24773606	-11643346
	SALE OF FIXED ASSETS	565586	1575178
	PURCHASE OF INVESTMENTS	0	-131642466
	SALES OF INVESTMENTS	24620124	0
	INCOME TAX REFUND	0	754290
	INETEREST/ DIVIDEND INCOME RECEIVED	11382847	649766
	NET CASH USED IN INVESTING ACTIVITIES	11794950	-140306578
C]	CASH FLOW FROM FINANCING ACTIVITIES		
	PROCEEDS FROM ISSUING SHARES(NET OF ISSUE EXP.)	0	147718821
	PROCEEDS FROM BORROWINGS	1590208	-2993048
	IPO EXPS REFUNDS	187070	0
	INTEREST & FINANCIAL CHARGES PAID	-4744525	-4089197
	PRELIMINARY EXPS INCURRED	0	-130000
	DIVIDEND & DIVI. TAX PAID	-12917264	0
	NET CASH USED FROM FINANCING ACTIVITES	-15884511	140506576
D]	NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	-3212465	12498739
E]	CASH AND CASH EQUIVALENTS(OPENING)	14371874	1873135
F]	CASH AND CASH EQUIVALENTS(CLOSING) (D + E)	11159409	14371874

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 : 25-06-07

**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 , 2007
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	600 Equity Shares of Rs.10/-each
	b] Extent of interest of Holding Company at the end of the financial year of the Subsidiary Company	60%
5	The Net aggregate amount of the Subsidiary Company's Profit(Loss) so far as it concerns the members of the Holding Company :	334575
	a] Not dealt within the Holding Company's accounts	
	i] For the period 1st April,2006 to 31st March,2007	334575
	ii] For the previous period(s) since it become the Holding Company's Subsidiary	38005
	a] Dealt within the Holding Company's accounts	
	i] For the period 1st April,2006 to 31st March,2007	0
	ii] For the previous period(s) since it become the Holding Company's Subsidiary	0

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 : 25-06-07

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, 2007 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. 2 regarding Segmental Reporting which has been not given.
- (ii) Note No. 3 regarding overdue debts of Rs. 3733662/-.
- (iii) 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, 2007,
- (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 : 25/6/2007

[**RAJESH D. SHAH**]
PROPIETOR

BALANCE SHEET AS AT 31 ST MARCH 2007

Sr.	No.	Particulars	Sch.	31/3/2007		31/3/200	
				Rupees	Rupees	Rupees	Rupees
A.		SOURCES OF FUNDS :					
1		SHAREHOLDER'S FUNDS :					
	[a]	Share Capital	1	113284490		113284490	
	[b]	Reserves & Surplus	2	152271100	265555590	139358557	252643047
2		MINORITY INTEREST			288387		65337
3		LOAN FUNDS :					
	[a]	Secured Loans	3	46865222		48319399	
	[b]	Unsecured Loans	4	6111067	52976289	3066682	51386081
4		DEFERRED TAX LIABILITY			12143497		13077986
		Refer to Note No. 1(j) & 2 of schedule 21					
		Total Rs.			330963763		317172451
B.		APPLICATION OF FUNDS :					
1		FIXED ASSETS :	5				
	[a]	Gross Block		112243375		105729335	
	[b]	Less : Depreciation		28144949		23630682	
	[c]	Net Block		84098426		82098653	
		CAPITAL WORK IN PROGRESS		18813900		1119920	
2		INVESTMENTS	6		102912326		83218573
3		CURRENT ASSETS, LOANS & ADVANCES :	7		103940445		131985666
	[a]	Inventories		46765114		49547949	
	[b]	Sundry Debtors		73609139		73826334	
	[c]	Cash & Bank Balances		11219661		14639249	
	[d]	Loans & Advances		38556006		30608975	
				170149919		168622507	
		Less : CURRENT LIABILITIES & PROVISIONS					
	[a]	Current Liabilities	8	21521967		42524448	
	[b]	Provisions		24721394		24479264	
		Net Current Assets			123906558		101618795
4		MISCELLANEOUS EXPENDITURE	9		204434		349417
		(To the extent not written off)					
		Total Rs.			330963763		317172451

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

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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 : 25-06-07

FOR THE YEAR ENDED 31-3-2007

Sr.	No.	Particulars	Sch.	31/3/2007		31/3/2006	
				Rupees	Rupees	Rupees	Rupees
A.		INCOME :					
	1	Sales (net)		329303291		289934020	
	2	Other Income	10	14592991		9039054	
	3	Increase/Decrease in Stocks	11	-12296233		14814979	
		Total Rs.			331600049		313788053
B.		EXPENDITURE :					
	1	Materials, Manufacturing & Operating Costs	12	246782640		192039140	
	2	Raw Mat.Pur.-Goods with Custom house		0		3014829	
	3	Purchase of Finished & Trading Materials		3203578		39820123	
	4	Salaries, Wages & Bonus	13	10034419		8373461	
	5	Repairs & Maintenance	14	8095286		8460719	
	6	Administrative & Other Expenses	15	15950369		15511343	
	7	Interest & Financial Exps.	16	4788936		5070876	
	8	Depreciation		4814141		4462454	
	9	Preliminary Expenses written off		144983		144983	
		Total Rs.			293814353		276897927
		Profit. before Taxation			37785696		36890126
		Less: Provision for Taxation					
		Current Tax			11315400		11562000
		Deferred Tax			934488		397158
		Fringe Benefit tax			152275		190184
	16	Net Profit for the Year			27252509		24740784
		Add:- Net Balance Profit of Last Year			31800806		21227446
		Add/ (Less):- Taxation of earlier years			-1050267		0
					58002848		45968230
		Less : Profit transfered to Minority Interest			223050		25337
		(Loss) Tr.to Cost of Control on Consolidation			0		5977
	17	Balance available for Appropriation			57779798		45948870
		Appropriations :					
		General Reserves		1231000		1231000	
		Proposed Dividend		11328449		11328449	
		Tax on Dividend		1925270		1588815	
					14484719		14148264
	18	Balance Carried to Balance Sheet			43295079		31800606
		Earning Per Share					
		Basic			2.41		3.40
		Diluted			2.41		3.40

Significant Accounting Policies & Notes on Accounts.

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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 : 25-06-07

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2007		31/3/2006	
		Rupess	Rupess	Rupess	Rupess
	SCHEDULE : 1 : SHARE CAPITAL :				
[a]	Authorised Share Capital [13000000 Equity Share of Rs. 10/- each] [PYF 113000000 Equity Shares]		1300000000		1300000000
			1300000000		1300000000
[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. Saifron 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	4064820		2833820	
	Add : Transferred from Profit & Loss A/c.	1231000		1231000	
		5295820		4064820	
	Less: Transfer for utilation in Bonus Shares	0	5295820	0	4064820
	(ii) Profit & Loss A/c. Balance		43295079		31800606
	(iii) Share Premium on issue of Equity Shares	103493131		110564225	
	Add : Share Issue Refunds	187070			
	Less : Share Issue Expense	0	103680201	7071094	103493131
	Total Rs.		152271100		139358557
	SCHEDULE : 3 : SECURED LOANS :				
[a]	C.C.Hypo A/c. : * Citi Bank N.A. [HP. C.C. A/c. Secured against stock of Raw Materials, Stores, Finished Goods etc. & personal gurantee of Directors.]		10330694		1287230
[b]	P.C.F.C.A/c. : * Citi Bank N.A. [Secured against Book Debts.Present & Pertainings to mfg. of Industrial Dyes & Chemicals & personal guarnatee of Directors.]		36296513		46170713
[c]	Vehicle (Car) Loan A/c. : * Citi Bank N.A. Car Loan A/c. * ICICI Bank Car Laon [Secured against Hypothecation of Car) Total Rs.		238015 0		806500 54956
			46865222		48319399
	SCHEDULE : 4 : UNSECURED LOANS :				
[a]	Fixed Deposits from Directors		2093660		11488
[b]	Fixed Deposits from Share holders		3170957		982187
[c]	Fixed Deposits from Publics		846450		823007
[d]	Shree Vardayini Chemical Ind. Pvt.Ltd.		0		1250000
	Total Rs.		6111067		3066682


SCHEDULE - 5: FIXED ASSETS

Sr	NAME OF THE ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		As on 01/04/06 Rs.	Addition during the Year Rs.	Deduction during the Year Rs.	As on 31/03/07 Rs.	Addition during the Year Rs.	Deduction during the Year Rs.	As on 31/03/06 Rs.	As on 31/03/07 Rs.
1	Goodwill (on Consolidation)	5976	0	0	5976	0	0	5976	5976
2	Building	21289365	0	0	21289365	711065	0	17371144	16660079
3	Computer	1260977	0	0	1260977	204404	0	750349	545945
4	Electric Fitting & Install.	3288218	11550	0	3299768	156648	0	2328341	2183243
5	Furniture	6402471	13500	0	6415971	405561	0	4301977	3809915
6	Lab Equipments	3764903	0	0	3764903	178833	0	2995853	2817020
7	Machineries	41415730	1195147	533086	42077791	1966282	285645	31257497	30233921
8	Office Equipments	2379177	390019	32500	2736696	161543	14229	1601921	1812127
9	Office Premises	4151355	0	0	4151355	78117	0	3999273	3921156
10	Pollu.Eff Treatment	5387481	0	0	5387481	255905	0	3384015	3128109
11	Resi.Premises	5692483	0	0	5692483	96047	0	5673289	5577241
12	Motor Cycle	501897	0	0	501897	23841	0	412175	380334
13	Motor Car	3955238	0	0	3955238	375748	0	3243198	2867439
14	Electric Motor & Pumps	1201031	73021	0	1274052	58339	0	888289	902972
15	Fire fighting Equipments	66566	21150	0	87716	3413	0	50921	68658
16	Gas Inst.& Fab	954279	7826	0	962105	31873	0	747127	723081
17	Generating Set	437200	0	0	437200	20767	0	228933	208166
18	Lease Hold Land	1089848	5324512	0	6414360	0	0	1089848	6414360
19	Pipes & Valve Fittings	1247354	42901	0	1290255	42856	0	952471	952517
20	Storage Tank	934426	0	0	934426	31210	0	757878	726668
21	Dies	103360	0	0	103360	11690	0	58190	46500
	Total Rs.	105729335	7079626	565586	112243315	4814141	299874	82098652	84098426
	Previous Years	96297323	11140502	1708490	105729335	4462453	527311	76601783	82098652

Note : The Opening balance of Machinery includes Machinery of asfs. 720800/-, namely, Heat pipe exchanger which was originally purchased for new expansion plant has been transferred from Machinery A/c. to Capital work in progress A/c and the depreciation thereon has not been claimed.

Project under Implementation:-

1	Capital Work in Progress	869920	17372796		18242716	0	0	869920	18242716
2	ERP Software Under Implementation	250000	321184	0	571184	0	0	250000	571184
	TOTAL	1119920	17693980	0	18813900	0	0	1119920	18813900

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2007		31/3/2006	
		Rupess	Rupess	Rupess	Rupess
[I]	SCHEDULE : 6 : INVESTMENTS :				
(A)	TRADE INVESTMENTS (At Cost)				
	Investments in Subsidiary				
	(i) Unquoted Investments				
	(1) Dynamic Overseas (India) P. Ltd. Shares [600 Shares of Rs.100 each (P.Y.F.500)]	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		0	
			45540		0
(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)	14066902		0	
	(2) In Equities as per List by BNP Paribas Bank (At Cost)	4219759		0	
		18324661		38000	
	Less:- Provision for Diminution in value of Investments	3425097		0	
	(The list is attached as Annexure showing cost on market value of all the shares)		14899564		38000
	(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)]	40600		40600	
	* Bharuch Eco-Aqua Infra.Ltd [14000 Shares of Rs.10 each (P.Y.F.NIL)]	140000		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	
	* Ank.Res. &Anal.Inf.Ltd. [1000 Shares of Rs.10 each (P.Y.F.NIL)]	10000		10000	
			353200		353200
[II]	OTHER INVESTMENT (At Cost)				
(A)	Investments in Unquoted Mutual Funds				
	Liquid Dividend Plan(including dividend reinvested)				
	Birla Cash Plus-Institutional Premium Plan [4990268.975 Units - Face Value of Rs 10.0195 per unit]	0		40203366	
	DSP Merrill Lynch-Regular Plan Growth [49990.002 Units - Face Value of Rs 1000.2000 per unit]	0		50222057	
	[2486918.8071 Units - Face Value of Rs 10.0526 per unit]				
	Tata Liquid Fund - SHIP-Growth [14356.020 Units - Face Value of Rs 1114.5150 per unit]	0		16065481	
	HDFC Cash Management Savings Plan (507907.458 units - Face Value Rs. 10.6384 per unit)	5402307		0	
	Birla Bond Plus-Retail-Fortnightly Dividedn-Reinves (2398325.647 units - Face value Rs. 11.1983 per unit)	27068919		0	
	DSP Merrill Lynch Liquid Plus Inst. Plan (48049.418 units - Face value Rs. 1000.2 per unit)	48059028		0	

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2007		31/3/2006	
		Rupess	Rupess	Rupess	Rupess
	HSBC Unique Opportunities Fund (20000 units - Face value Rs. 10 per unit)	200000		0	
	Investment in Debt Funds by Kotak Securities				
	Franklin India Bluechip Fund (1296.277 units - Face Value Rs.122.93 per unit)	159351		0	
	HDFC Cash Mgt Fund (447608.895 units - Face Value Rs.16.248 per unit)	7272660		0	
	HDFC Top 200 Fund (1522.96 units - Face Value Rs. 104.504 per unit)	159155		0	
	K 30 Equity Scheme (2399.969 units - Face Value Rs.64.997 per unit)	155991		0	
	Magnum Equity Fund (6202.182 units - Face Value Rs. 26.56 per unit)	164730		0	
	Total Rs.		88642141		131594466
			103940445		131985666
	SCHEDULE - 7 : CURRENT ASSETS AND LOAN & ADVANCES :				
[A]	CURRENT ASSETS :				
	INVENTORIES :				
	[As per Inventory taken, valued and Certified by Directors of the Company]				
*	Raw Materials at Cost	19287859		10180640	
*	Packing Material.....at Cost	738313		319914	
*	ETP stockat Cost	26065		38285	
*	Stock in Custom Warehouse.....at Cost	0		3014829	
*	Work in progress.....at Estimated cost	6680922		13898210	
*	Finished Goods ...at Cost or Market Value which ever is lower	12267363		15310643	
*	Semi Finished Goods..... at Cost	7764592		6785428	
			46765114		49547949
	SUNDRY DEBTORS (Unsecured Considered Good)				
*	Due Over Six Months.	6718770		5675183	
*	Others	66890369		68151151	
	(Includes Due from Subsidiaries Rs. 8962454/-)		73609139		73826334
	CASH AND BANK BALANCE :				
*	Foreign cheques & currencies a/c.	241024		45114	
*	Cash-in-hand	338437		784593	
*	Balance with Schedule Bank in current a/c	6010237		13196628	
*	Balance with Non-Schedule Bank in current a/c	303568		612913	
*	Balance with Non-Schedule Bank in margins a/c	3332106		0	
*	Balance with Schedule Bank in Fixed Deposits	994289		0	
			11219661		14639249
[B]	LOANS AND ADVANCES :				
*	Advances recoverable either in Cash or in Kind or for value to be received.	12142741		23395122	
*	Deposits with Govt. Bodies & Others	2060869		1965453	
*	Advance Income tax	10849427		2000000	
*	Advance Fringe Benefit Tax	208716		0	
*	Advances given for Capital Goods [New Project]	10851770		2140000	
	LOANS AND ADVANCES TO SUBSIDIARIES				
*	Dynemic Products (Inc) USA	50000		50000	
*	Dynemic USA Inc	2392483		1058400	

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2007		31/3/2006	
		Rupess	Rupess	Rupess	Rupess
*	(Refer to Note No. 15 & 16 of Schedule 17:				
*	Notes to Accounts)				
	Total Current Assets and Loans & Advances		38556006		30608975
	SCHEDULE : 8 : CURRENT LIABILITIES :		170149919		168622507
	CURRENT LIABILITIES :				
*	Sundry Creditors	19818544		29735609	
*	Share Application Money Refundable	1350600		12688839	
	Unclaimed Dividend (2005-06)	96764		0	
*	Advance from Customers	256059	21521967	100000	42524448
	PROVISIONS :				
*	Proposed Dividend	11328449		11328449	
*	Tax on Proposed Dividend	1925270		1588815	
*	Provision for Taxation for FBT	152275		0	
*	Provision for Taxation for current tax	11315400	24721394	11562000	24479264
	Total Rs.		46243361		67003712
	SCHEDULE : 9 : MISCELLANEOUS EXPENSES				
	(To the extent not Written Off)				
	PRELIMINARY EXPENSES :				
*	Last Balance	349417		364400	
*	Add : Additions during the year	0		130000	
		349417		494400	
*	Less : Written off during the year	144983	204434	144983	349417
	Total Rs.		204434		349417
	SCHEDULE : 10 : OTHER INCOME :				
	OTHER BUSINESS RELATED INCOME				
*	Bad Debts Recovered	137922		275844	
*	Cash Discount Received	494234		167669	
*	Quantity Discount	123404		0	
*	Commission Income	375000		708000	
*	Conversion Charge Income	2346100		36585	
*	DEPB Income	1935335		6863738	
*	Excise Refund Income	0		152592	
*	Freight Recovered	2203		0	
*	Insurance Claim	0		5750	
*	Interest (Late Payment)	50238		22854	
*	Income Tax Refund	8238		0	
*	Interest on Income Tax Refund	372		556	
*	Profit on Purchase of DFRC Licence	0		35201	
*	Set Off on Sales Tax	0		32900	
*	Solid Wate Sales Income	7924		4601	
*	VAT Refund Income	57533		28444	
*	L/c Charges	0		1364	
*	Sample Income	0		374	
*	Kasar , Rates & Quality Difference.	451686		70922	
*	Excise income	213792		5304	
*	Vat Recoverable for the Year 2005-06	94868		0	
*	Income Relating to Previous Years	336393		0	
	TOTAL	6635241		8412698	

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2007		31/3/2006	
		Rupess	Rupess	Rupess	Rupess
	OTHER INVESTMENT RELATED INCOME				
*	Dividend on Mutual Fund	5912425		594466	
*	Dividend From Company	181850		31890	
*	Interest on FD (Bank)	33794		0	
*	Short Term Capital Gain - BNP PARIBAS MF	738184		0	
*	Short Term Capital Gain-KOTAK MAHINDRA MF	5029484		0	
	TOTAL	11895737		626356	
	LESS:- EXPENDITURE REALTING TO INCOME ON INVESTMENTS				
*	Service Tax - Kotak	96300		0	
*	Other Shares Related Expenses-BNP	94273		0	
*	Other Shares Related Expenses-Kotak	91955		0	
*	Securities Transaction Tax - BNP	33127		0	
*	Securities Transaction Tax - Kotak	182867		0	
*	Service Tax -BNP	14368		0	
*	Provision for Demuntion in the Value of Investments	3425097		0	
	TOTAL	3937987		0	
	NET INCOME ON INVESTMENTS	7957750		626356	
	Total Rs.		14592991		9039054
	SCHEDULE - 11 : INCREASE / DECREASE IN STOCKS :				
	CLOSING STOCK :				
*	Finished Goods	12267363		15310643	
*	Semi Finished Goods	7764592		6785428	
*	Stock with Custom warehouse	0		3014829	
*	Work-in-Progress	6680922		13898210	
			26712877		39009110
	OPENING STOCK :				
*	Finished Goods	15310643		13280375	
*	Goods in transit - Stock with Custom warehouse	3014829		828845	
*	Trading Stock(transfer from RM Purchase)	0		668992	
*	Semi Finished Goods	6785428		7909411	
*	Work-in-Progress	13898210		1506518	
			39009110		24194131
	Increase (Decrease) in Stocks...		-12296233		14814979
	SCHEDULE - 12 : MATERIALS, MANUFACTURING & OPERATING COSTS				
A	RAW MATERIALS CONSUMED				
*	Opening Stock	10180640		12950635	
	Add. : Purchase during the year	212565649		155605461	
		222746289		168556096	
	Less : Closing Stock	19287859		10180640	
	Total Rs.		203458430		158375456
B	PACKING MATERIAL CONSUMED				
*	Op. Stock	319914		467541	
	Add: Purchases during the year	6386137		3940408	
		6706051		4407949	
	Less : Closing stock	738313		319914	
	Total Rs.		5967738		4088035

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2007		31/3/2006	
		Rupess	Rupess	Rupess	Rupess
C	E.T.P MATERIAL CONSUMED				
*	Op. Stock	38285		80106	
	Add: Purchases during the year	1723250		1325505	
		1761535		1405611	
	Less : Closing stock	26065		38285	
	Total Rs.		1735470		1367326
D	POWER & FUEL CONSUMED				
*	Electric Power & Burning	6212847		6385300	
*	Fuel Purchased & Consumed	139648		158983	
*	Gas Consumption Charges	8079505		6409202	
	Total Rs.		14432000		12953485
E	OTHER MFGS. EXPENSES				
*	Transportation	2746932		2197186	
*	Conversion Charges.	6152244		4297982	
*	Factory Exp	502046		1383363	
*	Labour Charges	2144232		2070047	
*	Forwarding & Handling Charges	6203949		4994103	
*	Pallatisation Charges	161652		312157	
*	Consumable Stores	3277947		0	
	Total Rs.		21189002		15254838
	TOTAL:- MANUFACTURING COST		246782640		192039140
	SCHEDULE : 13 : SALARIES WAGES & BONUS				
*	Salary & Wages to Employees	5291868		4411279	
*	Salaries to Directors	2908500		2412000	
*	Bonus & other charges	1834051		1550182	
	Total Rs.		10034419		8373461
	SCHEDULE-14 : REPAIRS AND MAINTENANCE				
*	Electrical Parts & Maintenance	265773		427568	
*	ETP Parts & Maintenaces	6132084		4152948	
*	Machinery Parts & Maintenance	1116501		3414920	
*	A.C. Service Charges	58450		43900	
*	Building Repairing	118370		63417	
*	Computer Maintainance & Consumables	199644		224691	
*	EPABX Maintainance	21469		12000	
*	Furniture Repairing & Maint	35348		2387	
*	Residential Premises (Maint.Exp.)	0		1800	
*	Type,Fax & Zerox Maintainance	10050		9400	
*	Vehicle Repairing (Director)	90972		61952	
*	Vehicle Repairing Exp	21229		45736	
*	Office Repairing Exps.	25396		0	
	Total Rs.		8095286		8460719
	SCHEDULE : 15 : ADMINISTRATIVE AND OTHER EXPENSES :				
*	Annual General Meeting Exp.	18144		0	
*	Annual Report Printing & Courier Charges	297112		0	
*	CDSL Exps	20000		0	
*	Consultancy Fees	1269485		263725	
*	Employees Training Exps	46827		17900	
*	Excise & Service Tax Exps.	168230		1958689	


SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2007		31/3/2006	
		Rupess	Rupess	Rupess	Rupess
*	Exhibition Exp.	1096372		1972320	
*	Foreign Exchange Gain /loss	600778		518529	
*	Expenses Relating to Dividend Payments	176406		0	
*	Import-Export Licence Fees	451678		40138	
*	Insurance Premium	1299770		525249	
*	Keyman Insurance Premium	1431040		275756	
*	I S O Certification Exps	159205		52698	
*	NSDL Exp.	65498		0	
*	Petrol Exps-Directors	349335		347548	
*	Petrol Exps-Others	75409		73440	
*	Sales Promotion Exps	25900		46122	
*	Selling Commission	665411		463903	
*	Software Purchase Expenses	12100		12000	
*	Staff Welfare Exps.	459751		294587	
*	Telephone Exps (Director)	126337		120433	
*	Telephone Exps-Others	406588		537579	
*	Travelling & Conveyance (Director)	264351		116243	
*	Travelling & Conveyance (Others)	269313		366210	
*	Foreign Travelling Expenses (Director)	28568		249994	
*	Advertisement Expense	549278		47860	
*	Angadia & Courier Exp	380331		375960	
*	Annual Listing Fees	30000		0	
*	Audit Fees	286518		269376	
*	Bad Debts	325258		0	
*	Bank Guarantee Written Off	38800		0	
*	Boni Expenses	500		18500	
*	Discount	0		50046	
*	Books & Periodicals Exp	47756		16171	
*	Brokerage Expenses	996		0	
*	BSE Filing Fees	150		0	
*	Business Development Exp	0		39088	
*	Certification /Analysis Fees	187400		103797	
*	Computer Parts	80453		0	
*	D&B Report Exp.	5388		0	
*	Donation Charges	84501		82060	
*	Drainage Charges	19834		17588	
*	Electric Inspection Fees.	9726		4250	
*	EOU Application Fees	0		16200	
*	ESI Expenses	16421		51057	
*	Export Inso & Seal Exps.	250		360	
*	FDA Approval Fees	90884		0	
*	HACCP Certification Fees	0		10656	
*	Fumigation Charges	4750		2200	
*	GIDC Service & Other Charge	0		20376	
*	Group Gratitude Insurance	0		76225	
*	Halal Registration	5000		6000	
*	Internal Audit Fees	11236		11224	
*	Internate Connection Renewal Fees	0		8602	
*	Lab-Testing Exp	314983		459523	
*	Legal & Professional Charges	786142		773782	
*	Licence Renewal Fee	7040		0	
*	Loss on Replacement of Xerox Machine	0		12705	
*	Loss on Sale of Motor Car	0		120607	

SCHEDULES FORMING PART OF ACCOUNTS

	Particulars	31/3/2007		31/3/2006	
		Rupess	Rupess	Rupess	Rupess
*	Lunch Eepenses	0		2599	
*	Marking Fee (ISI)	261762		0	
*	Marketing Data Exp.	0		65763	
*	Medical Checkup Charges	0		4320	
*	Medical Exp.	30150		21012	
*	Membership / Seminar Fees	67323		38085	
*	Misc Office Exp	284811		352800	
*	Municipal Tax	218961		228175	
*	Octroi Exp.	350		560	
*	Office Electric Bill Exp.	202488		189135	
*	Packing Material Exp	94403		404078	
*	P.F. Expense	11345		0	
*	Photography Exp.	400		0	
*	Pooja Exp	39400		30546	
*	Post & Telegraph A/c	7483		6038	
*	Professional Tax (Company) A/c	2000		5000	
*	Profit/loss on Sale of DEPB	377717		321623	
*	Purchase Tax	3867		52458	
*	R & D Expenses	0		4000	
*	ROC Filing Fees	3650		9000	
*	ROUND OFF	276		0	
*	Sales Tax Exp.	54083		33037	
*	Security Exp	326171		277853	
*	Seminar Fees	0		300	
*	Stamp Paper and Franking Charges	100		0	
*	Stationery & Printing Exp	513756		593549	
*	Subscription A/c	12615		2740	
*	System Requirement Study Fees	0		15000	
*	Trade Mark Registration Fees	2500		0	
*	Visa Application Fees	0		26711	
*	Water Cess Fees (G.P.C.B.)	0		1695	
*	Water Charges	225502		98270	
*	Web Designing & Hosting Fees	94232		119481	
*	Zerox Exp	47822		54230	
*	Short Provision for taxation	0		1706012	
	Total Rs.		15950369		15511343
	SCHEDULE : 16 : INTEREST & FINANCIAL EXPENSES:				
*	Interest (Bank)	2672351		2426276	
*	Interest (Car Loan)	35485		91391	
*	Interest (ESI)	0		365	
*	Interest (Loan)	31644		158026	
*	Interest on Fixed Deposits	444728		944713	
*	Interest on Late Payment of FBT	4234		12031	
*	Interest on Late Payment of Service Tax	33048		0	
*	Interest on Late Payment of Wealth Tax	13463		0	
*	Interest on Loan	0		2500	
*	Interest (PLA)	0		129	
*	Interest (Sales Tax)	0		1460	
*	Interest (T.D.S.)	32931		72136	
*	Interest (Term Loan)	0		97233	
*	Loan Processing Fees	258152		283000	
*	Bank Charges & Foreign Bank Charges	1262900		981616	
	Total Rs.		4788936		5070876

SCHEDULE : 17
Significant Accounting Policies & Notes forming parts of Consolidated Accounts as on 31-3-2007
1] Significant Accounting Policies :
1] BASIS OF PREPARATION OF FINANCIAL STATEMENT & ACCOUNTING :-

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

2] PRINCIPLES OF CONSOLIDATION :-

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

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

3] FIXED ASSETS AND CAPITAL WORK IN PROGRESS:-

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

6] INVENTORIES :-

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 at Cost
- (ii) Finished Goods : Valued at Cost or Net Realisable Value whichever is lower
- (iii) Semi Finished Goods : At Cost
- (iv) Work in Progress : At Estimated Cost.
- (v) ETP Stock : At Cost
- (vi) Trading Stock : Valued at Cost or Net Realisable Value whichever is lower
- (vii) Goods in Transit : At Cost
- (viii) Packing Materials : At Cost

7] SALES :-

Sales are exclusive of Excise Duties and Sales tax

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 :-

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. 27843975/- (PYF 36912619/-) 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. 2286100/- (PYF Rs. Nil), 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.

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 balance unutilised amounts of Rs.1134.31 Lacs as on 31-3-2007 is invested temporary in various Short Instruments & Mutual Fund Schemes, and other instruments like Equities, Debt etc. and which shall be withdrawn from the said investments as per requirement of the fund for expansion projects. The net utilisitions of the funds raised through IPO are as under:- (Rs. In lacs)

Funds Raised as per prospectus	1547.35	
Invested as under:-		
Capital work in progress-expansion projects	182.43	
Advances for capital goods-expansion projects	108.52	
Land Cost	53.25	
IPO Expenses like listings, advertisements etc	68.84	
Investments in various instruments	1069.29	1482.33
Balance in bank accounts		65.02

2] Segmental Reporting :-

In accordance with the Accounting Standard -17 on "Segment Reporting" issued by the Institute of Chartered Accountants of India, the Company had identified two reportable business segments in terms of its products one is Dyes & Intermediates and the other product is Food Colours during the last year 2005-06, which are regularly evaluated by the Management, in deciding the allocation of resources and assessment of performance. However, during the year under review, the Management has again evaluated the Segmental Reporting and after considering the technical facts put on the records before the Board Meeting held on 29-7-2006, and as informed to us, that both these products are forward and backward integration of the processes, as the intermediates are utilised further for the manufacturing process of the food colours which are again called the dyes, there are no separate reportable Segments and hence, information on Segment Reporting are not available to us and so, not given.

- 3] Certain debts amounting to Rs. 3733662/- are overdue for considerable time and provisions is required. The Management is taking steps to recover the same. Any shortfall in the recovery will be provided for on completion of recovery efforts.

4] Related Party Disclosures :-

A] List of parties where control exist

(i) Subsidiary Company

* Dynamic Overseas (India) Pvt.Ltd.

* Dynamic USA Inc.

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

(ii) Associates :-

* Shakti Intermediates 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
Dhruvesh Patel	Manager - Finance & Accounts
Pinky Mehta	Export - Executive
Reena Desai	Company Secretary

C] Transactions with related parties :-

Nature of Transaction	Key Managerial Personnel & other Relatives Rs.		Subsidiary Companies Amt. Rs.		Associates Amt. Rs.	
	2006-07	2005-06	2006-07	2005-06	2006-07	2005-06
Fixed Deposits taken						
Taken during the period	4034000	127000	0		0	0
Repaid during the period	200000	5793539	0		0	0
Closing Balance	4502536	427049	0		0	0
Loans & Advances						
Given during the period	1545000	19500	1334083	4058400	750000	0
Settled during the period	1426500	102087	796620	3436620	750000	0
Closing Balance	224387	105887	2392483	1855020	0	0
Investments						
Given during the period	0	45540	0	0	0	
Settled during the period	0	0	0	0	0	
Closing Balance	0	105540	60000	0	0	
Sundry Debtors	0	8962455	0	967722	1872000	
Sundry Creditors	0	0	0	0	0	
Purchase of Goods	0	0	0	2544151	3283179	
Conversion Charges	0	0	0	976048	1226557	
Amount Expended on be half of other Sales	3972393	3937549	0	0	0	0
	0	10722132	66233	0	1872000	

- 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	2006-07	2005-06
Net Profit after tax (Amt.Rs.)	27252509	24740784
Weighted Average Nos. of Shares	11328449	7284427
Basic Earing per Share on nominal value of Rs.10/-per share	2.41	3.40

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

Nature of timing difference	Deferred Tax Liability / Assets		
	Balance As on 1st April 06	Debit / (Credit) for the year Rs.	Balance As on 31st March 2007
(a) Deferred Tax Liability			
- Depreciation	13077986	218399	13296385
- Prov for deminution in investments	0	(1152888)	(1152888)
Total	13077986	-934488	12143498

9] Remuneration to Auditors

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

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

Particulars	2006-07 Amount Rs.	2005-06 Amount Rs.
(a) Remuneration	2858500	2709000
(b) Contribution to P. F.	---	---
(c) Perquisites	---	---
TOTAL Rs.	2858500	2709000

- 11] Contingent Liability for Letter of Credits and Bank Guarantees is of Rs. 6907126/-
- 12] Estimated Amount Contract remaining to be executed and not provided for Rs.1,18,53,600/-for the new expansion project (P.Y.F. Rs. 2560000/-)
- 13] 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.
- 14] 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 has been taken in favour of the company for such assets, as per the information and the explanation given to us
- 15] 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."
- 16] 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.
- 17] The Company has made investments for incorporation of wholly owned subsidiary company Dynamic USA Inc. of Rs. 2392483/- during the year :2006-07 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.
- 18] 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/-.
- 19] 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, 2007 is estimated at Rs.2020321/-. This Accounting Policy has no impact on the profit for the year.
- 20] 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.

Signature to Schedule 1 to 17

As per our Report of even Date

For : **SHAH RAJESH & ASSOCIATES**
CHARTERED ACCOUNTANTS.Rajesh D. Shah
ProprietorFor & on behalf of board of Directors of
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 : 25-06-07

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

Sr.	PARTICULARS	31/3/2007	31/3/2006
A]	CASH FLOW FROM OPERATING ACTIVITIES		
	NET PROFIT AFTER TAX & EXTRA		
	ORDINARY ITEMS	27252509	24740784
	ADJUSTMENTS FOR :-		
	PROVISION FOR TAX & DEFERRED TAX	10533187	12149342
	MISC.EXPS.WRITTEN OFF	144983	144983
	DEPRECIATION	4814141	4462454
	DEPRECIATION WRITTEN BACK	-299874	-527311
	SHORT PROVISION FOR I.TAX (NET)	0	1706012
	DIMUNITION IN THE VALUE OF INVESTMENTS	3425097	
	INTEREST & FINANCIAL CHARGES	4788936	5070876
	PROFIT/LOSS ON SALE/REPLACEMENT OF FIXED ASSETS	0	133312
	INETEREST/ DIVIDEND INCOME	-11382847	-649766
	OPERATING PROFIT BEFORE WORKING		
	CAPITAL CAHNGES	39276133	47230686
	ADJUSTMENTS FOR :-		
	TRADE & OTHER RECEIVABLES	217195	-12656501
	INVENTORIES	2782835	-11855536
	TRADE PAYABLES	21002480	12423137
	LOANS & ADVANCES	1111112	-7870085
	CASH GENERATED FROM OPERATIONS	22384795	27271701
	DIRECT TAXES PAID	21670410	-13166830
	NET CASH FROM OPERATING ACTIVITIES	714385	14104871
B]	CASH FLOW FROM INVESTING ACTIVITIES		
	PURCHASE OF FIXED ASSETS	-24773606	-12260422
	SALE OF FIXED ASSETS	565586	1575178
	PURCHASE OF INVESTMENTS	0	-131582466
	SALES OF INVESTMENTS	24620124	0
	INCOME TAX REFUND	0	754290
	INETEREST/ DIVIDEND INCOME RECEIVED	11382847	649766
	NET CASH USED IN INVESTING ACTIVITIES	11794950	-140863654
C]	CASH FLOW FROM FINANCING ACTIVITIES		
	PROCEEDS FROM ISSUING SHARES(NET OF ISSUE EXP.)	0	147718821
	PROCEEDS FROM BORROWINGS	1590208	-2993048
	IPO EXPS REFUNDS	187070	0
	INTEREST & FINANCIAL CHARGES PAID	-4788936	-5070876
	PRELIMINARY EXPS INCURRED	0	-130000
	DIVIDEND & DIVI. TAX PAID	-12917264	0
	NET CASH USED FROM FINANCING ACTIVITES	15928922	139524897
D]	NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	3419589	12766114
E]	CASH AND CASH EQUIVALENTS(OPENING)	14639249	1873135
F]	CASH AND CASH EQUIVALENTS(CLOSING) (D + E)	11219661	14639249

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 : 25-06-07

Balance Sheet Abstract and Company's General Business Profile**I] Registration Details**

Registration No.	13886	Balance Sheet Date	3/31/2007	State Code	4
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II] Capital Raised during the year :

Public Issue	0	Right Issue	NIL	Private Placement	NIL
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III] Position of Mobilisation and Deployment of Fund :-

Total Liabilities	330271476	Total Assets	330271476
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Sources of Fund

Paid up Equity Share Capital	113284490	Paid up Preference Share Capital	NIL
Reserves & Surplus	151892543	Secured Loans	46865222
Deferred tax liability	12118154	Un secured Loans	6111067

Application of Fund

Net Fixed Assets	0	Investments	104000445
Net Current Assets	123730526	Misc. Expenses	204434
Accumulated Losses	NIL		

IV] Performance of the Company :

Turnover	323112359	Other Income	14151727	Total Expenditure	300363058
Profit before tax	36901028	Profit after tax	26694883		
Earning per share	2.36	Dividend Rate %	10		

V] Generic Names of Three Principal Products of the Company

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

As per our Report of even Date

For : SHAH RAJESH & ASSOCIATES
CHARTERED ACCOUNTANTS.

Rajesh D. Shah
Proprietor

Place : Ahmedabad.

Date : 25-06-07

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



DYNEMIC PRODUCTS LTD.

Regd. Office: B-301, Satyamev Complex-I, Opp. New Gujarat High Court, S.G.Highway, Sola Road, Ahmedabad-380 060.
Ph :079-27773071/72/73 Fax No.: 079-27432176

Date : 25th June, 2007.

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 10th August, 2007. 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.

B. 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

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

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 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 for reasons beyond the control of the Company.

Place :

Date :

Signature of Sole/First Shareh

- 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 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

17th Annual General Meeting - 20th August, 2007

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 **17th Annual General Meeting** of the company to be held at Flash Banquet, First Floor, Shailly Complex, Surdhara Circle, Nr. Sal Hospital, Ahmedabad - 380054 on Monday, 20th August, 2007 at 11.30 a.m. at any adjournment(s) thereof.

Signed this _____ day of _____ 2007.

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

17th Annual General Meeting - 20th August, 2007

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 **17th Annual General Meeting** of the Company at Flash Banquet, First Floor, Shailly Complex, Surdhara Circle, Nr. Sal Hospital, Ahmedabad - 380054 on Monday 20th August, 2007 at 11.30 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.



B-301, Salyamev Complex-1, Opp. New Gujarat High Court, Sarkar, Gandhinagar Highway, Solat, Ahmedabad - 380 069, India
Phone : +91-79-27773041/2/3 Fax : +91-79-2774329/6 E-mail : info@dynemic.com Web Site : www.dynemic.com

