

The cover design features a large, stylized circular graphic composed of multiple overlapping, curved bands in a rainbow spectrum (blue, purple, pink, red, orange, yellow, green). In the center of this graphic is a grey circle with several concentric white lines around its perimeter. Inside this grey circle, the text '22<sup>nd</sup> ANNUAL REPORT 2011-2012' is centered in a bold, black, sans-serif font.

**22<sup>nd</sup>**  
**ANNUAL REPORT**  
**2011-2012**

THE NAME BEHIND  
COLORS OF MODERN LIFE



**Bhagwandas K. Patel**  
Chairman & Managing Director



## CHAIRMAN'S STATEMENT

**Dear Members,**

I am delighted to report another year in which we have managed a satisfactory performance against a backdrop of continuing economic uncertainty, high cost, inflation and growing expenses day by day. I am immensely proud of the hard work and commitment to achieving these goals shown by my colleagues around the Group.

FY 2011-12 has been a challenging year where Indian economy had registered a growth of 6.9%, which is much lower when compared to previous years. Even under these tough times, Dynemic had delivered a sustained growth in generating total revenue with an increase by Rs. 18 crores, a growth by 27% in comparison to previous year. But in comparison, Net Profit has been negatively impacted by Rs. 42 Lacs, a decrease by 7% than previous year. This negative impact on net profits is largely attributable to MEE plant, which has incurred Rs. 4.50 crores on working capital and Rs. 3.80 crores on fixed assets which is a step ahead for pollution control.

Our consistent focus on our growth strategy has enabled us to meet economic and operational strategy and come away a better business. Our strategy is unchanged and we are on growth phase of our journey, a phase in which our core aim is sustainable and disciplined growth. The economic backdrop is still very volatile and is likely to remain so for some time.

The Board of Directors has recommended a dividend of Rs. 1.30 per equity share of Rs. 10 for the year 2011-12.

### **Outlook**

Out of total revenue generated, 26% was derived from domestic market and rest 74% from export market. Your Company exports major in Latin and North America, Far East & Asia Pacific, Europe and Gulf countries. This year we have more than doubled sale i.e. 62% in Latin and North America than previous year. Sale in Far East had increased by 22% whereas in South African countries there is back drop by 31%. In Europe our sale had increased by 29% whereas in Gulf countries by 9%.

The opportunities and challenges that face us around the world differ from region to region. We are therefore adapting our management structure to give each area the required focus. Our Group is splitted into these regions accordingly.

I thank all our stakeholders for partnering in our growth and we look forward to your continued support and patronage.

**Bhagwandas K. Patel**  
Chairman & Managing Director

"The surest way not to fail is to determine to succeed."  
- Richard Brinsley Sheridan

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Bhagwandas K. Patel	Chairman & Managing Director
Dashrathbhai P. Patel	Whole Time Director
Rameshbhai B. Patel	Whole Time Director
Dixit B. Patel	Whole Time Director
Jagdishbhai S. Shah	Independent Director
Vishnubhai G. Patel	Independent Director
Shankarlal B. Mundra	Independent Director
Ashishbhai R. Joshi	Independent Director
Hitendra H. Sheth	Independent Director (upto 26.12.2011)

### COMMITTEES OF DIRECTORS

#### Audit Committee

Ashish R. Joshi
Jagdishbhai S. Shah
Bhagwandas K. Patel (w.e.f 27.12.2011)
Hitendra H. Sheth (upto 26.12.2011)

#### Remuneration Committee

Shankarlal B. Mundra
Jagdishbhai S. Shah
Vishnubhai G. Patel (w.e.f. 27.12.2011)
Hitendra H. Sheth (upto 26.12.2011)

#### Investors Grievance Committee

Shankarlal B. Mundra (w.e.f. 27.12.2011)
Bhagwandas K. Patel
Hitendra H. Sheth (upto 26.12.2011)

#### Company Secretary

Varsha Mehta

#### Plant Location

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

### Important Communication to Members

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

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### TWENTYSECOND ANNUAL GENERAL MEETING

DATE : September 21, 2012

DAY : Friday

TIME : 3.00 P.M.

PLACE : Highland Park, The Restaurant,  
1st Floor, Vrundavan Complex,  
Opp. Chinmay Tower, Gurukul Road,  
Memnagar, Ahmedabad – 380052.

- NOTE :
- Shareholders are requested to bring their copy of the Annual Report with them to the Annual General Meeting.
  - No gifts or coupons would be given to the shareholders for attending the Annual General Meeting.
  - Members desirous of getting any information on any items of business of this Meeting are requested to address their queries to Ms. Varsha Mehta, Company Secretary at the Registered Office of the Company at least ten days prior to the date of the Meeting, so that the information required can be made readily available at the Meeting.

## NOTICE

Notice is hereby given that the 22nd Annual General Meeting of the Company will be held at Highland Park, The Restaurant, 1st Floor, Vrundavan Complex, Opposite Chinmay Tower, Gurukul Road, Memnagar, Ahmedabad - 380 052 on Friday, 21st September, 2012, at 3.00 p.m. to transact the following business :

### Ordinary Business :

1. To receive, consider and adopt the audited Statement of Profit and Loss for the year ended 31st March, 2012, Balance Sheet as at that date together with the Reports of the Directors and Auditors thereon.
2. To declare dividend of Rs. 1.30 per Equity Share i.e. 13% per Equity Share for the year ended 31st March, 2012.
3. To appoint a Director in place of Shri Shankarlal B. Mundra, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Vishnubhai G. Patel, who retires by rotation and being eligible, offers himself for re-appointment.
5. To re - appoint M/s Shah Rajesh & Associates, Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of the 22nd Annual General Meeting upto the conclusion of the next i.e. 23rd Annual General Meeting of the Company and to authorize the Board of Directors of the Company to fix their remuneration.

### Special Business :

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

“RESOLVED THAT pursuant to the provisions of Sections 198, 269 and 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, the relevant provisions of the Articles of Association of the Company and all applicable guidelines as applicable from time to time, approval be and is hereby accorded to the re-appointment of Shri Dixitbhai B. Patel as a Whole Time Director of the Company, for a period of 5 (five) years with effect from January 1, 2013, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary the terms and conditions of appointment and / or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or reenactment there of.

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

**By Order of the Board**

Ahmedabad  
23rd June, 2012

**Varsha R. Mehta**  
**Company Secretary**

### Notes

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF  
AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective, must be received at the Company's Registered Office not later than 48 hours before the commencement of the meeting.
2. The Register of Members and Share Transfer Books will remain closed from 11th September, 2012 to 21st September, 2012 (both days inclusive), for the purpose of payment of Dividend, if declared.
3. Members are requested to note that as a measure of austerity, copies of Annual Report will not be distributed at the Annual General Meeting.
4. The Dividend, as recommended by the Board of Directors, if declared at the 22nd Annual General Meeting, will be paid within the prescribed statutory period to those Members who hold Shares in physical form and whose name appears on the Company's Register of Members as holders of Equity Shares on 10th September, 2012.

In respect of Shares held in electronic form, to the Beneficial Owners of the Shares as at the close of business hours on 10th September, 2012, as per details to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited.

5. All documents referred to in the notice and annexures thereto along with other mandatory registers / documents are open for inspection at the registered office of the Company on all working days (except Sundays and Holidays) between 2.00 p.m. to 4.00 p.m. prior to the date of Annual General Meeting.
6. Directors retiring by rotation :  
  
Shri Shankarlal B. Mundra, Professional Director, aged 51 years is a bachelor of commerce and LLB. He is practicing as tax consultant since 22 years. He joined the Company on 29.09.2005. He does not hold any directorships in other companies nor is member or chairman of committees in other public Company. He does not hold any shares in the Company.  
  
Shri Vishnubhai G. Patel, Professional Director, aged 58 years is a doctor by profession holding a degree of M.B.B.S (DGO). He is having experience of 25 years as a Gynecologist in Ahmedabad. He joined the Company on 08.09.2005. He does not hold any directorships in other companies nor is member or chairman of committees in other public Company. He does not hold any shares in the Company.
7. An Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of Special Business in the Notice is annexed hereto.

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

**ITEM No. 6**

As the existing tenure of Shri Dixit B. Patel will be expiring on 31st December 2012, Board of Directors of the Company in its meeting held on 23.06.2012 has re-appointed him as a Whole-time Director of the company for a further period of five years with effect from 01.01.2013, subject to the approval of Members.

On re-appointment his office shall not be held to be liable to retire by rotation on the remuneration determined by the Remuneration Committee of the Board and approved by the Board.

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

Shri Dixit B. Patel aged 31 years is Bachelor of Science and had done Diploma in Export Management. He is young and enthusiastic Director, mainly looking after exports which contributes nearly about 75% of Company's turnover. He was appointed as Whole Time Director of the Company for a period of 5 years with effect from 01.01.2008 which was approved by the shareholders in the 17th Annual General Meeting held on 20.08.2007.

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

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

**(A) Salary :**

Basic Salary Rs. 40000/- (Rupees Forty Thousand only) per month each (in the scale of Rs. 40000/- to Rs. 200000/-) Perquisites :

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

**Period :**

From 01.01.2013 to 31.12.2017

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

**(B) General :**

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

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

Mr. Bhagwandas K. Patel, Managing Director of the Company may be considered as concerned and interested as being relative 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.

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 22nd Annual Report together with the audited accounts of the Company for the year ended March 31, 2012.

### FINANCIAL RESULTS

PARTICULARS	YEAR ENDED ON MARCH 31, 2012	YEAR ENDED ON MARCH 31, 2011
Sales And Other Operating Income	82,93,53,122	64,95,77,225
Other Income	29,60,299	43,02,683
(a) Total Income :	83,23,13,421	65,38,79,909
(b) Total Expenditure :	72,01,01,751	54,17,11,713
(c) Gross Profit :		
Before Interest, Depreciation & Amortisation		
Charges : (c) = (a) - (b)	11,22,11,670	11,21,68,196
Less : Interest	1,59,85,968	1,24,14,444
Gross Profit after Interest but before Depreciation and Amortisation Charges	9,62,25,702	9,97,53,752
Less : Depreciation & Amortisation Charges	1,63,28,691	1,49,62,241
Operational Profit / Profit Before Tax	7,98,97,011	8,47,91,511
Less : Current Tax	1,72,80,000	2,10,39,000
Deferred Tax	95,44,760	72,13,685
(Excess)/Short provision for taxes for earlier years	1,09,312	(5,79,508)
Profit After Tax	5,29,62,939	5,71,18,334
Add : Profit brought forward from previous year	11,23,42,564	8,00,39,175
Profit available for appropriation	16,53,05,503	13,71,57,509
Transfer to General Reserve	50,00,000	50,00,000
Proposed Dividend	1,47,26,984	1,69,92,674
Tax on Dividend	23,89,085	28,22,271
Balance Carried to Balance Sheet	14,31,89,434	11,23,42,564

### DIVIDEND & RESERVES

Your Directors are pleased to recommend dividend of 13% i.e. Rs. 1.30 each on 11328449 equity shares of Rs. 10/- each, for your final approval. The total outflow on dividend will be Rs. 1,47,26,984 and tax on dividend Rs. 23,89,085. The proposed dividend is tax free in the hands of shareholders. Appx. 9% of the Net Profit Rs. 50,00,000 has been transferred to General Reserves.

### COMPANY'S OPERATIONS

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

### DIRECTORS

During the year, Shri Hitendrabhai H. Sheth, Director, resigned to act as director of the Company w.e.f. 26.12.2011.

The Board wishes to place on record its appreciation for the guidance and valuable services rendered by Shri Hitendrabhai H. Sheth during his tenure as member of the Board.

Shri Shankarlal B. Mundra and Shri Vishnubhai G. Patel, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. Particulars of the directors being appointed/re-appointed, as required under clause 49 of the listing agreement with the Stock Exchange, are given in Notice / Explanatory Statement convening the ensuing 22nd Annual General Meeting, forming part of the Annual Report.

### DIRECTORS RESPONSIBILITY STATEMENT

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

- that in the preparation of the annual accounts for the financial year ended 31st March 2012, the applicable accounting standards have been followed and that there are no material departures;

- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit / loss of the Company for the year under review;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- that the Directors have prepared the accounts for the financial year ended 31st March, 2012 on a going concern basis.

#### **CORPORATE GOVERNANCE**

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

#### **PARTICULARS OF EMPLOYEES**

There was no employee drawing salary in excess of limits described under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

#### **ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE**

The information to be disclosed under Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in The Report of Board of Directors) Rules, 1988, are set out in Annexure A to this Report.

#### **FIXED DEPOSITS**

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

#### **INSURANCE**

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

#### **SUBSIDIARY COMPANIES & CONSOLIDATED FINANCIAL STATEMENT**

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

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

As required under Clause 32 of Listing Agreement with the Bombay Stock Exchange Limited and in accordance with the requirements of Accounting

Standard AS-21, 23 & 27 issued by the ICAI, the Company has prepared Consolidated Financial Statements of the Company. The audited

consolidated financial results include results of its subsidiary company Dynamic Overseas (India) Pvt. Ltd. and are included in Annual Report.

#### **AUDITORS AND AUDITORS REPORT**

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

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

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

#### **ACKNOWLEDGEMENT**

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

Ahmedabad  
23rd June, 2012

**For and on Behalf of the Board of Directors**

Sd/-  
Bhagwandas K. Patel  
Chairman & Managing Director



## ANNEXURE A - TO THE DIRECTORS' REPORT

Statement of particulars as per Section 217(1) (e) read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2012.

### I. CONSERVATION OF ENERGY :

(a) Energy conservation measures taken :

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

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

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

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

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

### II. TECHNOLOGY ABSORPTION :

Information on Technology absorption is given in the annexed Form : B.

### III. FOREIGN EXCHANGE EARNING AND OUTGO :

	Current Year Rs.	Previous Year Rs.
» Foreign Exchange earned	45,05,45,789	33,77,81,914
» Foreign Exchange used	6,54,59,413	3,86,85,449

### FORM - A

#### DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY :

#### 1] Power and Fuel Consumption :

		2011-12	2010-11
i]	Electricity :		
	Purchase Units :	Units : 43,55,144	32,08,488
	Total Amount :	Rs. 2,63,01,125	1,76,36,857
	Rate / Unit :	Rs. 6.04	5.50
ii]	Own (Diesel) Generator :		
	Total Ltrs. :	Ltrs. 15,066	45,436
	Total Amount :	Rs. 6,81,936	18,76,236
	Rate / Ltrs. :	Rs. 45.26	41.29
iii]	Gas :		
	Total SCM :	SCM 27,02,689	21,08,038
	Total Amount :	Rs. 6,19,51,628	3,73,67,231
	Rate / SCM :	Rs. 22.92	17.73
<b>2]</b>	<b>Consumption per unit of production :</b>		
1	Production : Dyes, Chemicals & Food Colours	Kgs. 64,79,578.870	56,26,129.650
2	Electricity	Units 0.672	0.570
3	Diesel	Ltrs. 0.002	0.008
4	Gas	SCM 0.417	0.375

**FORM - B**  
**TECHNOLOGY ABSORPTION**

**1. RESEARCH AND DEVELOPMENT (R & D)**

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

**2. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :**

- (a) Efforts, in brief, made towards technology absorption, adaptation and innovation :
- Dynemic Products Limited, produces LAKE colours and FOOD colours which are used in several Food, Pharma & cosmetic industries. Lakes are basically used in final application in dispersed form, its Particle size has to be as minimum as possible.
- Hence, Company installed JET MILL, at Unit 2, which helps in reducing Particle size of Lake colours.
- (b) Benefits derived as a result of the above efforts :-
- (i) Deriving Small Particle size
  - (ii) Increase in market potential
  - (iii) Boost in Exports due to good quality product (iv) Increased customer satisfaction
- (c) Import of technology
- (i) Technology imported - Not applicable
  - (ii) Year of import - Not applicable
  - (iii) Has technology been fully absorbed? - Not applicable
  - (iv) If not absorbed, areas where this has not taken place. - Not applicable
- Reasons there of and future plan of action

Ahmedabad  
23rd June, 2012

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

## ANNEXURE B - MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Industry Structure & Development

“Dynamic” is into manufacture of food colours and as known to all Colour in one form or another, has been added to our foods for centuries. Colour affects every moment of our lives, strongly influencing the clothes we wear, the furnishings in our homes and gardens, and the appeal of foods. The food colours manufactured by us are used as ingredient for foodstuffs, pharmaceuticals, confectionary, pet foods, healthcare, dairy, soft drinks and cosmetic industries.

FY 2011-12 has been a challenging one for each industry. Economic pressures have dominated with high interest rates, inflation and uncertainty in the global scenario. Dynamic has taken this operating environment as a challenge and focused on sustainable growth.

Current Status : Dyestuff Industry has gone into a tremendous change during last ten years as manufacturing activities in European countries have been stopped due to environmental & pollution problems. Today the global market of dyestuffs, pigments and intermediates is around USD 25.85 Billion with dyestuffs and pigments market is approximately around USD 17.88 Billion and the intermediates is about USD 7.98 Billion. India's share in the global market is about 8 to 9%.

### Opportunities

Global dyes industry would grow at around 4%. As far as food colour industry is concerned, we as per our study and knowledge can assure that the growth rate would be 5-9% per annum for entire world and that of USA alone would stand for 8-9%.

Presently India, China, Korea, Taiwan and Indonesia are the main Producer for the Dyestuffs and Pigments. Manufacturers in Europe & USA have almost shifter the production base to these Asian Countries. Main reason for this is the low cost of production and ample manpower within Asian Country.

### Threats, Risks and Concerns

While the size of the global chemical industry is in the region of USD 3 Trillion, the Indian chemical industry has an output of around USD 80 Billion and ranks 12th in the world.

While the overall industrialization and economic growth in India provides major opportunities for growth of chemical industry in India, there are some sever constraints and stumbling blocks like,

- Surge of imports from Asian and Middle East countries.
- Producers from Middle East (with feedstock cost advantage) and China aggressively pursuing Indian Markets due to very low tariff levels.
- Growing menace of dumping.
- High cost of Power, Energy, Finance and Capital Equipment.
- Adverse Dollar / Rupee exchange rate could also impact revenues as well as costs in the foreseeable future.
- Internal transaction costs being one of the highest in India -

Internal taxes - VAT rates substantially higher than other Asian countries.

High logistics cost due to poor infrastructure.

State levies, entry taxes add to the local transaction cost. Financial Highlights

#### (a) Net Sales and Other Income

Sales during the year ended 31st March, 2012 were Rs. 8066.44 Lacs as against Rs. 6369.34 Lacs in the previous year, an increase of Rs. 1697.10 Lacs in comparison over the previous year. There was increase in other income from Rs. 169.46 Lacs to Rs. 256.70 Lacs during the year.

#### (b) Expenditure

The total expenditure increased from Rs. 5690.88 Lacs to Rs. 7524.16 Lacs for the year under review showing a increase of Rs. 1833.28 Lacs over the previous financial year.

#### (c) Profit

Profit before tax decreased from Rs. 847.91 Lacs to Rs. 798.97 Lacs this year. The Company's net profit after tax is Rs. 529.63 Lacs as compared to previous year Rs. 571.18 Lacs.

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

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

**Environmental & Hazardous Safety And Quality Assurance**

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

Dynemic had installed MEE water effluent plant in both the units which had incurred capital cost of around Rs. 3.80 crores upto now. This plant recycles maximum water waste which could be used again in process. The working cost of this plant for both the units, for whole year had incurred Rs. 4.50 crores.

**Internal Control Systems And its Adequacy**

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

**Human Resources**

Our employees are our most precious assets and we value their commitment. Relations with the employees at all levels remained cordial during the year. Your Company has 140 permanent employees as on 31st March, 2012.

**Cautionary Statement**

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

Ahmedabad  
23rd June, 2012

**For and on Behalf of the Board of Directors**

Sd/-

**Bhagwandas K. Patel**  
Chairman & Managing Director

## CORPORATE GOVERNANCE REPORT

### 1. Company's Philosophy on Corporate Governance

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

### 2. Board of Directors

The composition of the Board of Directors is as per Clause 49(I)(A) of BSE Listing Agreement and other required details are given below :

Name	Category	No. of Board Meetings attended		Attendance at the last AGM	Directorships in other Indian Public Companies* as at 31st March 2012	Other Mandatory Committee** membership as at 31st March 2012	
		Held	Attended			Chairman	Member
Bhagwandas K. Patel	CMD-Executive(Promoter)	8	8	Yes	NIL	NIL	NIL
Dashrath P. Patel	WTD-Executive(Promoter)	8	8	Yes	NIL	NIL	NIL
Ramesh B. Patel	WTD-Executive(Promoter)	8	8	Yes	NIL	NIL	NIL
Dixit B. Patel	WTD-Executive(Promoter)	8	8	Yes	NIL	NIL	NIL
Hitendra H. Sheth (upto 26.12.2011)	NE-Independent	8	3	Yes	NIL	NIL	NIL
Jagdish S. Shah	NE-Independent	8	4	Yes	NIL	NIL	NIL
Vishnu G. Patel	NE-Independent	8	3	Yes	NIL	NIL	NIL
Shankarlal B. Mundra	NE-Independent	8	3	Yes	NIL	NIL	NIL
Ashish R. Joshi	NE-Independent	8	4	No	NIL	NIL	NIL

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

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

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

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

During the Financial Year ended on 31st March, 2012, 8 (Eight) meetings of the Board of Directors were held on the following dates :-

28th May, 2011, 29th July, 2011, 6th August, 2011, 17th September, 2011, 14th October, 2011, 12th November, 2011, 27th December, 2011 and 11th February, 2012.

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

### 3. Audit Committee

The Audit Committee comprised of 3 members viz : Shri Hitendra H. Sheth upto 26.12.2011, Shri Ashish R. Joshi, Shri Jagdish S. Shah and Shri Bhagwandas K. Patel w.e.f. 27.12.2011. The Committee was reconstituted on 27.12.2011 with the induction of Shri Bhagwandas K. Patel and resignation of Shri Hitendra H. Sheth. Generally Shri Ashish R. Joshi, chairs the meetings of the Committee. The constitution and terms of reference of the Committee are set out in compliance with the requirements of Section 292A of the Companies Act, 1956 and clause 49 of the listing agreement.

During the financial year 2011-12, the Committee met four times on 28-05-2011, 06-08-2011, 12-11-2011 and 11-02-2012. Shri Ashish R. Joshi and Shri Jagdish S. Shah attended all meetings, Shri Hitendra H. Sheth attended three meetings and Shri Bhagwandas K. Patel attended one meeting. The Statutory Auditor is invited to attend the meetings of the Committee. The Company Secretary of the Company acts as the Secretary of the Committee.

### 4. Investors Grievance Committee

The Shareholders' / Investors' Grievance Committee comprised of 2 members viz : Shri Shankarlal B. Mundra (w.e.f. 27.12.2011), Shri Hitendra H. Sheth (upto 26.12.2011) and Shri Bhagwandas K. Patel. The Committee was reconstituted on 27.12.2011 with the induction of Shri Shankarlal B. Mundra in the Committee and resignation of Shri Hitendra H. Sheth. The constitution and terms of reference of the Committee are set out in compliance with the requirements of clause 49 of the listing agreement.

During the financial year 2011-12, the Committee met Seven times on 10.06.2011, 17.06.2011, 30.06.2011, 15.07.2011, 09.09.2011, 16.09.2011, and 22.12.2011 at registered office of the Company. All the Committee members attended all the meetings The Company Secretary, Ms. Varsha Mehta, is the Compliance Officer.

During the financial year, 5 complaints were received and all complaints were resolved. As of 31st March, 2012, NIL complaints were pending, which were replied to / resolved within a period of one month.

## 5. Remuneration Committee

The remuneration committee has 3 non-executive, Independent Directors as members viz : Shri Shankarlal B. Mundra, Shri Hitendra H. Sheth (upto 26.12.2011), Shri Jagdish S. Shah and Shri Vishnubhai G. Patel (w.e.f. 27.12.2011).

One meeting was held during the year 2011-12 on 02.05.2011 and attended by all members. Shri Shankarlal B. Mundra chairs the meetings. The terms of reference of Remuneration Committee include review, determination, increase / decrease and approval of remuneration, determination of terms of appointment, Company's policy for specific remuneration packages, etc. for the Executive and other Directors.

### Remuneration to Directors

#### Non-Executive Directors

The Non-Executive Directors do not draw any remuneration from the Company except for sitting fees. The Non-Executive Directors are paid sitting fees at the rate of Rs. 4,000/- for attending each meeting of the Board of Directors. The sitting fees paid to the Directors for the year ended on 31st March 2012 are as follows : Shri Hitendra H. Sheth Rs. 12000/-; Shri Jagdish S. Shah Rs. 16000/-; Shri Shankarlal Mundra Rs. 12000/-; Shri Vishnubhai G. Patel Rs. 12000/-; Shri Ashishbhai R. Joshi Rs. 16000/-.

#### Executive Directors

The salary, perquisites and allowances paid for the year ended March 31, 2012 to Executive Directors are :

Name of Director	Salary	Perquisites & Allowances	Total
Mr. Bhagwandas K. Patel	16,20,000	1,17,453	17,37,453
Mr. Dashrath P. Patel	12,00,000	97,461	12,97,461
Mr. Ramesh B. Patel	15,00,000	1,09,956	16,09,956
Mr. Shashikant P. Patel	2000	0	2000
Mr. Dixit B. Patel	9,00,000	64,974	9,64,974

Apart above, during the year Shri Shashikant P. Patel was paid compensation of Rs. 29,04,985/- after deducting TDS, the resolution which was passed by shareholders in previous year's annual general meeting.

There is no other pecuniary relationship or transaction by the Company with Non Executive Directors. The Company does not have any scheme for grant of stock option to its Directors or Employees.

## 6. General Body Meeting

### (a) Annual General Meetings

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

Year	Category - Date and Time	Venue	Special Resolutions passed
2010-11	Annual General Meeting 18th August, 2011at 4.00 p.m.	Dinner Bell - II, Atlantis Enclave, Nr. IDBI Bank, Subhash Chowk, Gurukul, Memnagar Road, Ahmedabad - 380052.	(1) Increase in Remuneration of Mr. Mukesh Patel, Export Manager.
2009-10	Annual General Meeting 13th August, 2010at 3.00 p.m.	Dinner Bell - II, Atlantis Enclave, Nr. IDBI Bank, Subhash Chowk, Gurukul, Memnagar Road, Ahmedabad - 380052.	(1) To carry on the business activities as covered under the Other Objects Clause No. III (C) 2 and 3 of the Memorandum of association of the company.
2008-09	Annual General Meeting 22nd September, 2009at 3.00 p.m.	Flash Banquet at First Floor, Shailly Complex, Surdhara Circle, Nr. Sal Hospital, Ahmedabad - 380054.	(1) Increase in Remuneration of M r. Mukesh Patel, Export Manager. (2) Increase in Remuneration of M r. Natvarbhai Patel, Sales Executive (Domestic)

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.

**7. Disclosures :**

- i. The Managing Director have certified to the Board of full compliances as per clause 49(V) of the listing agreement for the financial year ended 31st March, 2012.
- ii. There were no instances of non-compliance on any matter related to the capital markets, during the last three years.
- iii. There were no materially significant transactions with promoters, directors or the management, their subsidiaries or relatives that may have potential conflict with the interest of the Company at large. A disclosure of all related party transactions has been presented in the Note No. 28.3, Notes to the accounts of this Annual Report.
- iv. The Company has adopted accounting treatments which are prescribed by the Accounting Standards.
- v. In respect of compliance with the non-mandatory requirements, the Company has constituted a Remuneration Committee, details whereof are given under the heading, Remuneration Committee. The quarterly / half yearly financial statements are available on Company's and BSE's website and being published in Financial Express and Indian Express.

**8. Means of communication**

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

**9. General Shareholders' Information**

**i. Date of Book Closure :-**

From 11th September, 2012 to 21st September, 2012 (both days inclusive) for Annual General Meeting and payment of final dividend.

**ii. Financial Calendar 2012-2013 :- (tentative schedule)**

Financial year	:	1st April 2012 to 31st March 2013.
Board meetings for approval of quarterly results		
Quarter ended on June 30, 2012	:	On or before 15th August, 2012
Quarter ended on September 30, 2012	:	On or before 15th November, 2012
Quarter ended on December 31, 2012	:	On or before 15th February, 2013
Quarter ended on March 31, 2013	:	On or before 31st May, 2013 (Audited)
Annual General Meeting for the year 2012-13	:	In accordance with Section 166 of Companies Act, 1956.

**iii. Dividend payment :-**

The Board of Directors at their meeting held on 23/06/2012 recommended a final dividend of Rs. 1.30 per equity share on the face value of Rs. 10/- each for the financial year 2011-2012, subject to approval of the shareholders. Final dividend, if approved by the shareholders will be paid on or after 26th September, 2012.

**iv. Listing of equity shares on Stock Exchanges :-**

The equity shares of the Company are listed at Bombay Stock Exchange Limited. The Company has paid the annual listing fees for the financial year 2012-13.

**v. Stock code :-**

BSE : 532707  
ISIN : INE256H01015

**vi. Dematerializational Information :-**

As on 31st March 2012, 95.70 % of the Company's total shares, i.e. 10841038 no. of shares were held in dematerialized form and 4.30 % i.e. 487411 shares were held in physical form.

**vii. Custodial Fees to Depositories :-**

The annual custodial fees for the Financial Year 2012-13 has been paid to National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

**viii. Registrar & Share Transfer Agent :-**

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

**Bigshare Services Pvt. Ltd.**

E-2 & 3, Ansa Industrial Estate, Saki-Vihar Road, Sakinaka, Andheri(E), Mumbai - 400 072.  
Tel: 91-022-40430200, Fax: 91-22-2847 5207, E-mail : [investor@bigshareonline.com](mailto:investor@bigshareonline.com)

**ix. Share Transfer System :-**

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

**x. Share Market Price data :-**

The Monthly High and Low prices and volumes of Dynamic Products Limited at Bombay Stock Exchange limited for the year ended on 31st March, 2012 are as under :-

Month	Monthly High	Monthly Low	No. of Shares Traded
April'11	27.15	22.50	1,17,963
May'11	27.35	22.05	1,59,123
June'11	25.20	21.30	91,059
July'11	27.30	22.30	1,32,336
August'11	26.25	15.55	2,91,080
September'11	22.75	18.55	1,14,260
October'11	20.25	17.00	42,881
November'11	20.00	15.75	70,104
December'11	18.50	15.15	98,137
January'12	19.30	16.80	89,862
February'12	24.35	17.80	1,86,255
March'12	22.95	19.25	1,29,736

**xi. Distribution of Shareholding as on 31st March, 2012**

No. of Equity shares held	No. of share holders	% of shareholders	No. of shares held	% of holding
1 - 500	7654	84.89	13,95,474	12.32
501 - 1000	540	5.99	4,53,918	4.01
1001 - 2000	349	3.87	5,46,523	4.82
2001 - 3000	145	1.61	3,85,843	3.41
3001 - 4000	58	0.64	2,11,280	1.86
4001 - 5000	77	0.85	3,59,533	3.17
5001 - 10000	97	1.08	7,30,376	6.45
10001 & above	96	1.07	72,45,502	63.96
<b>TOTAL</b>	<b>9016</b>		<b>1,13,28,449</b>	



Shareholding pattern of the Company as on 31st March, 2012

Category	No. of Shares	% of Shares
<b>A Promoter's Holding</b>		
1 Indian Promoters	46,75,566	41.27
2 Foreign Promoters	—	—
<b>Sub Total</b>	<b>46,75,566</b>	<b>41.27</b>
<b>B Public Shareholding</b>		
1 Institutions		
2 Non-Institutions		
Private Corporate Bodies	3,73,019	3.29
Indian Public	61,92,875	54.67
NRIs / OCBs	82,420	0.73
Directors	0	0
Clearing Members	3,234	0.03
Trust	1,335	0.01
<b>Sub Total</b>	<b>66,52,883</b>	<b>58.73</b>
<b>GRAND TOTAL</b>	<b>1,13,28,449</b>	<b>100.0000</b>

**xii. Details of Shares held by Non-Executive Directors as on 31st March, 2012**

Name of the Non-Executive Director	Shares Held
Mr. Hitendra H. Sheth (upto 26.12.2011)	1,500
Mr. Jagdish S. Shah	Nil
Mr. Vishnubhai G. Patel	Nil
Mr. Shankarlal B. Mundra	Nil
Mr. Ashish R. Joshi	Nil

**xiii. Details of unclaimed shares in terms of Clause 5A(I) of listing agreement as on 31st March, 2012**

Particulars	No. of Shareholders	No. of shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year i.e. as on April 1, 2011	6	900
Number of shareholders who approached to Issuer / Registrar for transfer of shares from suspense account during the year 2011-12	2	300
Number of shareholders to whom shares were transferred from suspense account during the year 2011-12	2	300
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year i.e. as on March 31, 2012	4	600

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

**xiv. Plant Location**

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

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

Loans and Advances in the nature of loan to subsidiaries :

Name of the Company	Balance as at 31st March, 2012	Maximum outstanding during the year
	NIL	NIL

**xvi. Investor Correspondence :-**

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

**Ms. Varsha Mehta**

Dynemic Products Limited

B-301, Satyamev Complex-1, Opp. New Gujarat High Court, S.G. Road, Ahmedabad - 380060.

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

**For and on Behalf of the Board of Directors**

Sd/-

**Bhagwandas K. Patel**

Chairman & Managing Director

Ahmedabad  
23rd June, 2012

### CONFIRMATION ON CODE OF CONDUCT

This is to confirm that the Board has laid down a code of conduct for all Board members and senior management of the Company. It is further confirmed that all directors and senior management personnel of the Company have affirmed compliance with the code of conduct of the Company as at March 31, 2012, as envisaged in Clause 49(l)(D) of the Listing Agreement.

Ahmedabad  
23rd June, 2012

**For and on Behalf of the Board of Directors**

Sd/-  
**Bhagwandas K. Patel**  
Chairman & Managing Director

### CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER (CEO) UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To the Board of Directors of Dynamic Products Ltd.,

Dear Sirs,

- (a) We have reviewed financial statements and the cash flow statement for the year ended on 31.03.2012 and that to the best of their knowledge and belief;
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee.
  - (i) significant changes in internal control during the year.
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements;and
  - (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

Ahmedabad  
23rd June, 2012

**Bhagwandas K. Patel**  
Chairman & Managing Director

### ANNEXURE TO DIRECTORS' REPORT

#### CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT(S)

- 1] We have examined the Compliance of conditions of Corporate Governance by DYNAMIC Products Limited (" the Company") for the year ended 31st March,2012 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 , 2012, there were no investor grivence matter against the Company remaining unattended /pending for more than 30days.
- 5] We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Place : Ahmedabad  
Date : 23/6/2012

[RAJESH D. SHAH]  
PROPRIETOR  
FRN. 109767W

## AUDITOR'S REPORT

To  
The Shareholders,  
Dynamec Products Limited

We have audited the attached Balance Sheet of DYNEMIC PRODUCTS LIMITED as at 31st March 2012, the annexed Statement of Profit and Loss, and the Cash Flow Statement of the Company for the year ended on that date. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statement based on our audit.

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

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

- 1 We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our Audit.
- 2 In our opinion, proper books of accounts as required by law have been kept by the company, so far as appears from the examination of those books.
- 3 The said Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- 4 In our opinion, the Balance Sheet, Statement of Profit and Loss, 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, 2012 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, 2012,
  - (b) in the case of the Statement of Profit and Loss, 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

Place : Ahmedabad  
Date : 23/6/2012

[RAJESH D. SHAH]  
PROPRIETOR  
FRN. 109767W

## ANNEXURE TO THE AUDITOR'S REPORT

- 1 (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets;
- (b) Fixed Assets have been physically verified by the management periodically in a phased manner and no material discrepancies have been noticed on physical verification as confirmed by the management;
- (c) The Company has not disposed off any substantial part of its fixed assets so as to affect its going concern.
- 2 (a) As explained to us, inventories have been physically verified by the management, except for minor items and the inventories lying with outside parties which have been confirmed by them;
- (b) The procedures as explained to us, which are followed by the management for physical verification of the inventories, are, in our opinion, reasonable and adequate in relation to the size of the company and the nature of business;
- (c) The company has maintained proper records of inventories. No material discrepancies were noticed on physical verification.
- 3 (a) The Company has not granted any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Consequently clauses 4 (iii) (e) to 4(iii) (g) of the Companies ( Auditor's Report) Order ,2003 are not applicable to the Company.
- (b) The Company has taken unsecured loan from the concern in which directors are interested as listed in register maintained under section 301 of the Companies Act ,1956 as under :

Sr. No.	Name of the Unit	Amount involved (Max.balance) Rs.	Closing Bal As on 31-3-12 Rs
A	Subsidiaries:- Dynamic Overseas ( I ) Pvt.Ltd.	40,00,000	0

- (c) According to the information and explanation given to us, interest is paid on the advances / loans taken, however other terms and conditions of the loans taken from the concerns in which directors are interested as listed in the register maintained under section 301 of the Companies Act, 1956 are prima facie not prejudicial to the interest of the company.
- (d) According to information and explanation given to us and on the basis of the examination of the books of accounts, the loans have been fully repaid within the year to the concern in which Directors are interested as listed in the register maintained under Section 301 of the Companies Act, 1956, so other terms and conditions regarding the repayments are not applicable.
- 4 In our opinion and according to the information and explanation given to us, there are generally adequate internal control procedures commensurate with the size of the company and the nature of the business, for the purchase of inventory and fixed assets and for sale of goods and services. During the course of our audit no major weakness has been noticed in the internal control system.
- 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 as per the information available with the company.
- 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. The company has obtained the Cost Compliance Report from the Cost Accountants.

- 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	Amount (Rs. in lacs)	Nature of the Dues	Relating to Asstt.year	Forum where dispute is pending
Income Tax Act, 1961	4.27	I.Tax	2009-10	CIT ( A)- VI Ahmedabad

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

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

Place : Ahmedabad  
Date : 23/6/2012

[RAJESH D. SHAH]  
PROPRIETOR  
FRN. 109767W

**BALANCE SHEET AS AT 31 ST MARCH 2012**

Sr.	No.	Particulars	NOTE NO.	31/3/2012		31/3/2012	
				Rupees	Rupees	Rupees	Rupees
<b>A.</b>		<b><u>EQUITIES AND LIABILITIES :</u></b>					
<b>1</b>		<b>SHAREHOLDER'S FUNDS :</b>					
	[a]	Share Capital	1	11,32,84,490		11,32,84,490	
	[b]	Reserves and surplus	2	26,70,87,455	38,03,71,945	23,12,40,585	34,45,25,075
<b>2</b>		<b>NON CURRENT LIABILITIES :</b>					
	[a]	Long-term borrowings	3	1,02,36,968		1,66,13,077	
	[b]	Deferred tax liabilities (net) Refer Note No. 28.5		4,40,43,352		3,44,98,593	
	[c]	Other long-term liabilities	4	22,65,182		0	
	[d]	Long Term Provisions		0	5,65,45,502	0	5,11,11,670
<b>3</b>		<b>CURRENT LIABILITIES :</b>					
	[a]	Short Term Borrowings	5	19,78,82,400		13,56,53,968	
	[b]	Trade Payables	6	6,65,83,297		4,36,44,639	
	[c]	Other current liabilities	7	1,56,44,849		2,66,44,711	
	[d]	Short Term Provisions	8	3,52,36,684	31,53,47,229	4,14,26,077	24,73,69,395
		<b>TOTAL - EQUITY AND LIABILITIES</b>			<b>75,22,64,676</b>		<b>64,30,06,140</b>
<b>B.</b>		<b><u>ASSETS :</u></b>					
<b>1</b>		<b>NON CURRENT ASSETS :</b>					
	[a]	Fixed Assets	9				
		(i) Tangible Assets		31,63,04,101		30,39,39,884	
		(ii) Intangible Assets		14,82,719		18,44,779	
		Net Block		31,77,86,821		30,57,84,664	
		Capital Work in Progress		0		0	
				31,77,86,821		30,57,84,664	
	[b]	Non Current Investments	10	3,54,21,038		3,88,30,585	
	[c]	Long-term loans and advances	11	1,28,60,834		1,20,51,381	
	[d]	Other non-current assets		0	36,60,68,692	0	35,66,66,629
<b>2</b>		<b>CURRENT ASSETS:</b>					
	[a]	Current investments	12	14,95,586		30,43,996	
	[b]	Inventories	13	14,60,47,056		7,32,97,913	
	[c]	Trade receivables	14	13,94,66,628		12,48,21,620	
	[d]	Cash and cash equivalents	15	39,49,953		67,83,674	
	[e]	Short-term loans and advances	16	8,71,92,636		7,14,22,256	
	[f]	Other current assets	17	80,44,125	38,61,95,984	69,70,053	28,63,39,511
		<b>TOTAL - ASSETS</b>			<b>75,22,64,676</b>		<b>64,30,06,140</b>

As per our Report of even date  
For : SHAH RAJESH & ASSOCIATES  
CHARTERED ACCOUNTANTS.

(Rajesh D. Shah)  
PROPRIETOR.  
FRN. 109767W  
Place : Ahmedabad.  
Date : 23/06/2012

For : DYNAMIC PRODUCTS LIMITED  
(B. K. PATEL) Chairman & M. D.  
(D. P. PATEL) DIRECTOR  
(R. B. PATEL) DIRECTOR  
(D. B. PATEL) DIRECTOR  
(Varsha Mehta) COMPANY SECRETARY

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31-3-2012**

Sr.No.	Particulars	NOTE NO.	31/3/2012		31/3/2011	
			Rupees	Rupees	Rupees	Rupees
	<b>REVENUE</b>					
<b>A.</b>	[ a ] SALES OF PRODUCTS		87,32,41,594		67,58,81,011	
	[ b ] OTHER OPERATING INCOME	18	2,27,09,452		1,26,43,597	
			89,59,51,046		68,85,24,608	
	LESS:- EXCISE DUTY		6,65,97,924		3,89,47,383	
	<b>INCOME FROM OPERATIONS</b>		82,93,53,122		64,95,77,225	
	[ c ] OTHER INCOME	19	29,60,299		43,02,683	
	<b>TOTAL REVENUE Rs.</b>		<b>83,23,13,421</b>		<b>65,38,79,909</b>	
<b>B.</b>	<b>EXPENSES :</b>					
	[ a ] Cost of Materials Consumed	20	51,24,81,087		33,30,70,855	
	[ b ] Purchases of Stock-in-Trade		4,43,18,800		2,14,81,542	
	[ c ] Changes in Inventories	21	(7,44,20,234)		1,15,55,969	
	[ d ] Employee Benefits Expenses	22	3,29,22,187		24,58,3977	
	[ e ] Finance Costs	23	1,59,85,968		1,24,14,444	
	[ f ] Depreciation & Amortisations		1,63,28,691		1,49,62,241	
	[ g ] <b>Other Expenses:</b>					
	Other Manufacturing Expenses	24	16,37,26,161		11,67,40,755	
	Repairs & Maintenance	25	1,82,46,434		1,35,93,261	
	Administrative, Selling & Other Expenses	26	2,28,27,315	20,47,99,911	2,06,85,354	15,10,19,370
	<b>TOTAL EXPENSES Rs.</b>		<b>75,24,16,410</b>		<b>56,90,88,398</b>	
	<b>Profit before Taxation</b>		7,98,97,011		8,47,91,511	
	Less: Provision for Taxation					
	Current Tax		1,72,80,000		2,10,39,000	
	Deferred Tax		95,44,759		72,13,685	
	Add/ (Less):- Taxation of earlier years (Refunds/Paid)		1,09,312		(5,79,508)	
16	<b>Net Profit for the Year</b>		<b>5,29,62,939</b>		<b>5,71,18,334</b>	
	<b>Earning Per Share</b>					
	Basic		4.68		5.04	
	Diluted		4.68		5.04	

As per our Report of even date  
For : SHAH RAJESH & ASSOCIATES  
CHARTERED ACCOUNTANTS.

(Rajesh D. Shah)  
PROPRIETOR.  
FRN. 109767W  
Place : Ahmedabad.  
Date : 23/06/2012

For : DYNEMIC PRODUCTS LIMITED  
(B. K. PATEL) Chairman & M. D.  
(D. P. PATEL) DIRECTOR  
(R. B. PATEL) DIRECTOR  
(D. B. PATEL) DIRECTOR  
(Varsha Mehta) COMPANY SECRETARY

**CASH FLOW STATEMENT OF DYNEMIC PRODUCTS LTD. FOR THE YEAR ENDED 31/03/2012**

Sr.	PARTICULARS	31/3/2012	31/3/2011
<b>A ]</b>	<b><u>Cash Flow From Operating Activities</u></b>		
	Net Profit Before Tax & Extra		
	Ordinary Items	7,98,97,011	8,47,91,511
	Adjustments for :-		
	Depreciation & Amortisations	1,63,28,691	1,49,62,241
	Depreciation Written Back	(28,10,078)	(27,90,270)
	Diminution in the Value of Investments	15,05,087	(6,07,099)
	Finance Costs	1,59,85,968	1,24,14,444
	Profit/Loss on Sale/Replacement of Fixed Assets	8,11,796	2,35,813
	Interest/ Dividend/Capital Gains Income	(29,60,299)	(10,72,298)
	<b>Operating Profit Before Working</b>		
	<b>Capital Changes</b>	<b>10,87,58,175</b>	<b>10,79,34,343</b>
	Adjustments for :-		
	Trade Receivables	(1,46,45,008)	36,01,922
	Inventories	(7,27,49,143)	(35,76,782)
	Trade Payables	2,29,38,658	98,07,869
	Loans, Advances & Other Receivables	(1,35,31,892)	(2,36,59,713)
	<b>Cash Generated From Operations</b>	<b>3,07,70,790</b>	<b>9,41,07,640</b>
	Direct Taxes Paid	(1,81,86,503)	(2,21,00,000)
	<b>Net Cash From Operating Activities</b>	<b>1,25,84,287</b>	<b>7,20,07,640</b>
<b>B ]</b>	<b><u>Cash Flow From Investing Activities</u></b>		
	Purchase of Fixed Assets	(3,15,14,754)	(2,64,67,864)
	Sale of Fixed Assets	21,64,616	5,45,693
	Sales of Investments	34,52,870	(1,74,04,258)
	Income Tax Refund/ Paid for Earlier Years	(1,09,312)	5,79,508
	Interest/ Dividend/Capital Gains Income Received	29,60,299	10,72,298
	<b>Net Cash Used In Investing Activities</b>	<b>(2,30,46,281)</b>	<b>(4,16,74,623)</b>
<b>C ]</b>	<b><u>Cash Flow From Financing Activities</u></b>		
	Proceeds from Borrowings	4,34,29,185	(4,63,823)
	Interest & Financial Charges Paid	(1,59,85,968)	(1,24,14,444)
	Dividend & Dividend Tax Paid	(1,98,14,945)	(1,72,29,835)
	<b>Net Cash Used From Financing Activities</b>	<b>76,28,273</b>	<b>(3,01,08,102)</b>
<b>D ]</b>	<b>Net Increase In Cash And Cash Equivalents (A+B+C)</b>	<b>(28,33,721)</b>	<b>2,24,915</b>
<b>E ]</b>	<b>Cash and Cash Equivalents (opening)</b>	<b>67,83,674</b>	<b>65,58,758</b>
<b>F ]</b>	<b>Cash and Cash Equivalents (closing) ( D + E )</b>	<b>39,49,953</b>	<b>67,83,674</b>

As per our Report of even date  
For : SHAH RAJESH & ASSOCIATES  
CHARTERED ACCOUNTANTS.

(Rajesh D. Shah)  
PROPRIETOR.  
FRN. 109767W  
Place : Ahmedabad.  
Date : 23/06/2012

For : DYNEMIC PRODUCTS LIMITED  
(B. K. PATEL) Chairman & M. D.  
(D. P. PATEL) DIRECTOR  
(R. B. PATEL) DIRECTOR  
(D. B. PATEL) DIRECTOR  
(Varsha Mehta) COMPANY SECRETARY



## SIGNIFICANT ACCOUNTING POLICIES :

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

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

### 2] FIXED ASSETS, DEPRECIATION AND CAPITAL WORK IN PROGRESS:-

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

### 3 ] INVESTMENTS :-

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

### 4 ] RETIREMENT BENEFITS :-

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

The Gratuity trusts are covered with Life Insurance Corporation of India (LIC) and premiums are paid on advise from LIC, which determines the same on the basis of actuarial valuation.

Provision for Leave Encashments is made as at the year end as per the financial figures and other details provided and certified by the Actuaries M/s. K. A. PANDIT, as per their report dtd. 03/05/2012.

The disclosures as per AS 15 is annexed separately.

### 5 ] INVENTORIES :-

All Inventories are valued at lower of Cost or Net realisable value and the cost is ascertained on First in First Out basis wherever applicable.

### 6 ] SALES & REVENUE RECOGNITION :-

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

### 7 ] 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.

**8] TREATMENT OF SERVICE TAX PAYABLE ON TRANSPORTATION EXPENSES :-**

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.

**9] FOREIGN CURRENCY TRANSACTIONS :-**

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

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

**10] INTER DIVISIONAL TRANSFER :-**

Interdivisional transfer of goods of Rs. 60829325/- ( PYF 6528611/-) 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. Nil (PYF Rs.263250/-), 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.

**11] 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 revived to reassure realisation.
- (iv) Tax on distributed profits payable in accordance with the provisions of the Income Tax Act, 1961 is disclosed in accordance with the Guidance Note on Accounting for Corporate Dividend Tax issued by ICAI.

**12] IMPAIRMENT LOSS:-**

As required by the Accounting Standards (AS 28) " Impairment of Assets " issued by ICAI, as informed to us, the company has carried out the assessment of impairment of assets. There has been no impairment loss during the year.

**13] Contigent Liability :-**

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

The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

**Notes on Financial Statements for the Year ended 31st March 2012**

Particulars	31/3/2012	31/3/2011
<b>NOTE : 1 : SHARE CAPITAL :</b>		
[a] <b>Authorised Share Capital</b> [13000000 Equity Share of Rs. 10/- each] [PYF 13000000 Equity Shares]	13,00,00,000 <b>13,00,00,000</b>	13,00,00,000 <b>13,00,00,000</b>
[b] <b>Issued, Subscribed and paid up :</b> [11328449 Equity Shares of Rs. 10/- each fully paid up (PYF 11328449)].	11,32,84,490	11,32,84,490
<b>Total Rs.</b>	<b>11,32,84,490</b>	<b>11,32,84,490</b>

1.1 Details of shareholders holding more than 5% shares

Name of Shareholder	As at 31-03-2012 Nos of Shares	% held	As at 31-03-2011 Nos of Shares	% held
Bhagwandas Kalidas Patel	11,14,245	9.84	10,34,245	9.13
Rameshkumar Bhagwandas Patel	6,71,018	5.92	6,71,018	5.92
Dashrathbhai Prahladbhai Patel	6,66,330	5.88	6,66,330	5.88
Shashikant P Patel	5,70,127	5.03	5,81,344	5.13

1.2 The reconciliation of the number of share outstanding is set out below

Particulars	As at 31-03-2012 Nos of Shares	As at 31-03-2011 Nos of Shares
Equity shares at the beginning of the year	1,13,28,449	1,13,28,449
Add:- NIL	0	0
Less:- NIL	0	0
Equity shares at the end of the year	1,13,28,449	1,13,28,449

**NOTE : 2 : RESERVES & SURPLUS :**

[a] <b>General Reserves :-</b>				
Opening Balance	1,52,17,820		1,02,17,820	
Add : Transferred from Profit & Loss A/c.	50,00,000	2,02,17,820	50,00,000	1,52,17,820
[b] <b>Share Premium on issue of Equity Shares</b>		10,36,80,201		10,36,80,201
[c] <b>Profit &amp; Loss A/c.</b>				
Balance Carried forward from earlier year	11,23,42,564		8,00,39,175	
ADD:- Transferred from Profit & Loss A/c	5,29,62,939		5,71,18,334	
	16,53,05,503		13,71,57,509	
LESS:- Appropriations out of Profit & Loss A/c				
General Reserves	50,00,000		50,00,000	
Proposed Dividend	1,47,26,984		1,69,92,674	
Dividend Per Share Rs.1.30 per share ( PY Rs. 1.50)				
Tax on Dividend	23,89,085		28,22,271	
	2,21,16,069	14,31,89,434	2,48,14,945	11,23,42,564
<b>Total Rs.</b>	<b>26,70,87,455</b>		<b>23,12,40,585</b>	

**NOTE : 3 : LONG TERM BORROWINGS :**

	<b>FROM BANKS:- SECURED- TERM LOANS FROM</b>		
[a]	* Citi Bank N.A.- FCTL	74,18,335	1,30,14,387
[b]	* Axis Bank Ltd.- TL	0	0
	[ HP. C.C. A/c. Secured against pari passu mortgage/ charge on all immovable properties & stocks of Raw Materials, Stores, Finished Goods etc. & personal guarantee of Directors. ]		
	Defaults:- NIL		
	Principal Amount- USD equivalent to Rs. 200,00,000/-		
	Date of start of repayments- 10/03/2011		
	Nos of Installments- 12 quarterly installments		
	Due Date of Last Installment- 10/02/2014		
	Rate of Interest- 3 months USD Libor + 355bps p.a.		

Particulars	31/3/2012		31/3/2011	
[c] * Axis Bank Ltd.- Car Loans (Secured against the specific cars) Principal Amount- Rs. 15,00,000/- Defaults:- NIL Date of start of repayments- 05/02/2011 Nos of Installments-36 monthly installments Due Date of Last Installment- 05/12/2013 Rate of Interest- 8.44% p.a.	4,08,322		9,14,189	
[d] * ICICI Bank Ltd.- Car Loans (Secured against the specific cars) Defaults:- NIL Principal Amount- Rs. 1113140/- Date of start of repayments- 15/04/2012 Nos of Installments- 36 monthly installments Due Date of Last Installment- 10/02/2015 Rate of Interest- 10.12% p.a.	7,62,569	85,89,226	0	1,39,28,576
<b>FROM OTHER PARTIES:- UNSECURED</b>				
[a] Fixed Deposits from Directors	0		0	
[b] Fixed Deposits from Share holders	9,68,058		12,41,583	
[c] Fixed Deposits from Public	6,79,684	16,47,742	14,42,918	26,84,501
<b>Total Rs.</b>	<b>1,02,36,968</b>		<b>1,66,13,077</b>	
<b>NOTE : 4 : OTHER LONG TERM LIABILITIES:-</b>				
TRADE PAYABLES				
Sundry Creditors (For Goods- Unsecured) (Outstanding for more than one year)	0		0	
OTHERS- Capital Goods	22,65,182	22,65,182	0	0
<b>Total Rs.</b>	<b>22,65,182</b>		<b>0</b>	
<b>NOTE : 5 : SHORT TERM BORROWINGS :</b>				
<b>FROM BANKS:- SECURED</b>				
[a] <b>C.C.Hypo A/c. :</b>				
* Citi Bank N.A.	26,40,287		56,00,347	
* Axis Bank Ltd. [ HP. C.C. A/c. Secured against pari passu mortgage/ charge on all immovable properties & stocks of Raw Materials, Stores, Finished Goods etc. & personal guarantee of Directors. ]	6,67,04,653		4,05,20,939	
[b] <b>P.C.F.C.A/c. :</b>				
* Citi Bank N.A.	12,57,35,082		8,70,37,419	
* HDFC Bank Ltd. [ P. C. F. C. A/c. Secured against mortgage/ charge on all immovable properties & book debts relating to to mfg. units, office premises & personal guarantee of Directors.]			0	
	19,50,80,022		13,31,58,705	
<b>FROM OTHER PARTIES:- UNSECURED</b>				
[a] Fixed Deposits from Directors	0		2,60,793	
[b] Fixed Deposits from Share holders	13,34,287		22,15,177	
[c] Fixed Deposits from Public	14,68,091	28,02,378	19,293	24,95,263
<b>Total Rs.</b>	<b>19,78,82,400</b>		<b>13,56,53,968</b>	
<b>NOTE : 6 : TRADE PAYABLES :</b>				
* Micro, Small & Medium Enter. (For Goods- Unsecured)	22,70,988		24,81,273	
* Others (For Goods- Unsecured)	6,43,12,309		4,11,63,366	
<b>Total Rs.</b>	<b>6,65,83,297</b>		<b>4,36,44,639</b>	

**Notes on Financial Statements for the Year ended 31st March 2012**

**Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

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

SR NO.	PARTICULARS	31/3/2012	31/3/2011
1	Amount of interest paid by the Company in terms of Section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year.	0.00	0.00
2	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the day during the year) but without adding the interest specified under the MSMED.	0.00	0.00
3	Amount of interest accrued and remaining unpaid at the year end of the accounting year.	0.00	0.00

**NOTE : 7 : OTHER CURRENT LIABILITIES :**

Other Payables-Sundry Creditors (For Others-Unsecured)	32,92,633	42,27,904
* Share Application Money Refundable	10,62,375	10,62,375
* Unclaimed Dividend ( 2010-11)	1,74,997	0
* Unclaimed Dividend ( 2009-10)	1,25,531	1,38,856
* Unclaimed Dividend ( 2008-09)	1,09,504	1,11,154
* Unclaimed Dividend ( 2007-08)	96,035	97,685
* Unclaimed Dividend ( 2006-07)	66,791	72,941
* Unclaimed Dividend ( 2005-06)	78,902	79,052
* Advance from Customers	23,04,421	1,56,830
* Current maturities of Long term loans	0	
Refer Note No. 3		
* Citi Bank N.A.- FCTL & INR	74,18,338	1,32,35,613
* Axis Bank Ltd.- TL	0	69,97,247
* Axis Bank Ltd.- Car Loans	5,05,867	4,65,054
* ICICI Bank Ltd.- Car Loans	3,50,571	0
* Interest accrued but not due on borrowings	58,884	0
* Interest accrued and due on borrowings	0	0
* Unpaid matured deposits & Interest accrued thereon	0	0
<b>Total Rs.</b>	<b>1,56,44,849</b>	<b>2,66,44,711</b>

**NOTE : 8 : SHORT TERM PROVISIONS:-**

* Leave Encashment Salary Provisions	8,40,615	5,72,132
Refer Note No. 28.1		
* Proposed Dividend	1,47,26,984	1,69,92,674
* Tax on Proposed Dividend	23,89,085	28,22,271
* Provision for Taxation for current tax	1,72,80,000	2,10,39,000
<b>Total Rs.</b>	<b>3,52,36,684</b>	<b>4,14,26,077</b>

**NOTE : 9 FIXED ASSETS.**

Sr No	NAME OF THE ASSETS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
		As on 01/04/11 Rs.	Addition during the Year Rs.	Deduction during the Year Rs.	As on 31/03/12 Rs.	As on 01/04/11 Rs.	Addition during the Year Rs.	Deduction during the Year Rs.	As on 31/03/12 Rs.	As on 31/03/11 Rs.	As on 31/03/12 Rs.
<b>A</b>	<b>TANGIBLES</b>										
1	Lease Hold Land	1,16,03,723	26,62,500	0	1,42,66,223	0	0	0	0	1,16,03,723	1,42,66,223
	<b>OWN ASSETS</b>										
2	Building	12,42,54,636	14,69,743	0	12,57,24,379	1,53,84,420	41,82,703	0	1,95,67,123	10,88,70,216	10,61,57,256
3	Machineries	14,57,89,752	1,48,71,320	36,45,262	15,70,15,810	3,20,46,717	71,16,688	17,68,822	3,73,94,584	11,37,43,035	11,96,21,226
4	Furniture	77,02,263	0	0	77,02,263	43,33,833	4,87,553	0	48,21,387	33,68,430	28,80,876
5	Motor Cycle	3,60,947	1,01,095	1,54,251	3,07,791	82,171	15,604	50,169	47,606	2,78,776	2,60,185
6	Motor Car	55,11,103	14,18,361	10,38,310	58,91,154	19,91,679	4,98,895	7,88,338	17,02,236	35,19,424	41,88,918
7	Office Equipments	30,25,669	1,79,013	2,47,350	29,57,332	16,66,566	1,91,138	79,591	17,78,113	13,59,103	11,79,219
8	Computer	10,00,799	1,05,175	0	11,05,974	4,44,824	1,72,518	0	6,17,342	5,55,975	4,88,632
9	Electric Fitting & Installation	1,22,34,058	4,15,137	0	1,26,49,195	28,18,404	5,91,026	0	34,09,430	94,15,654	92,39,765
10	Lab Equipments	58,91,789	0	0	58,91,789	19,17,332	2,79,860	0	21,97,192	39,74,457	36,94,597
11	Office Premises	58,86,491	0	0	58,86,491	5,58,167	95,950	0	6,54,116	53,28,324	52,32,375
12	Pollution Effect Treatment	2,92,39,076	84,79,615	0	3,77,18,691	37,01,890	16,27,236	0	53,29,127	255,37,186	3,23,89,564
13	Residence Premises	14,23,898	3,21,303	9,08,811	8,36,390	2,03,634	15,013	1,23,158	95,489	12,20,264	7,40,901
14	Electric Motor & Pumps	21,28,730	2,72,178	0	24,00,908	7,06,920	1,08,583	0	8,15,503	14,21,810	15,85,405
15	Fire fighting Equipments	5,58,645	0	0	5,58,645	80,916	26,536	0	1,07,452	4,77,729	4,51,193
16	Gas Installation & Fabrication	22,36,466	6,498	0	22,42,964	4,85,156	74,698	0	5,59,854	17,51,310	16,83,110
17	Pipes & Valve Fittings	88,74,582	11,06,016	0	99,80,598	11,82,224	3,19,362	0	15,01,586	76,92,358	84,79,012
18	Storage Tank	42,71,058	0	0	42,71,058	5,15,383	1,42,653	0	6,58,037	37,55,675	36,13,021
19	Dies	1,73,360	1,06,800	0	2,80,160	1,06,924	20,614	0	1,27,537	66,436	1,52,623
	Total Rs. ....	37,21,67,045	3,15,14,754	59,93,984	39,76,87,815	6,82,27,161	1,59,66,631	28,10,078	8,13,83,714	30,39,39,884	31,63,04,101
	Previous Years	35,02,89,123	2,54,49,644	35,71,722	37,21,67,045	5,62,52,143	1,47,65,235	27,90,217	6,82,27,161	29,40,36,980	30,39,39,884
<b>B</b>	<b>INTANGIBLES:-</b>										
1	ERP Computer Software	22,33,554	0	0	22,33,554	3,88,775	3,62,060	0	7,50,835	18,44,779	14,82,719
2		0	0	0	0	0	0	0	0	0	0
	<b>TOTAL</b>	<b>22,33,554</b>	<b>0</b>	<b>0</b>	<b>22,33,554</b>	<b>3,88,775</b>	<b>3,62,060</b>	<b>0</b>	<b>7,50,835</b>	<b>18,44,779</b>	<b>14,82,719</b>
	Previous Years	12,15,334	10,18,220	0	22,33,554	1,91,768	1,97,007	0	3,88,775	10,23,566	18,44,779

Note:- Opening balances have been regrouped wherever required

**NOTE : 10 : NON CURRENT INVESTMENTS :**

	31/3/2012	31/3/2011
[a] <b>Investment In Property - Residential Flat</b>	0	24,00,000
	0	24,00,000
[b] <b>INVESTMENTS IN EQUITY ( At Cost )</b>		
<b>Trade Investments:-</b>		
<b>Unquoted Investments- Equity Shares</b>		
<b>(i) Investments in Subsidiary</b>		
(1) Dynamic Overseas (India) P. Ltd. Shares [20,600 Shares of Rs. 100 each (P.Y.F. 20,600)]	20,60,000	20,60,000
	20,60,000	20,60,000
<b>(ii) Investments in Others</b>		
* Enviro Technology Ltd. Shares [15,000 Shares of Rs.10 each(P.Y.F.15,000)]	1,50,000	1,50,000
* Bharuch Enviro Infrastructure Ltd. [1,260 Shares of Rs.10 each(P.Y.F.1,260)]	12,600	12,600
* Bharuch Eco-Aqua Infra.Ltd [78,450 Shares of Rs.10 each (P.Y.F.89,300)]	7,84,500	8,93,000
* Forum (Chandolidia) Aawas Owner's Asso. [1 Share of Rs.100 each (P.Y.F.100)]	100	100
* Navsarjan Industrial Bank Ltd. 500 Shares Of Rs 25 each (P.Y.F.500)]	0	12,500
*Dynamic Holdings Pvt.Ltd. [10,10,000 Shares Of Rs.10 each (P.Y.F.10,10,000)]	1,01,00,000	1,01,00,000
* Ank.Res. &Anal.y.Inf.Ltd. [1,000 Shares of Rs.10 each (P.Y.F.1,000)]	10,000	10,000
	1,10,57,200	1,11,78,200
[b] <b>Investments in Mutual Funds</b>		
<b>Non-Liquid Dividend Plan (Balance)</b>		
<b>List for purchases &amp; sales of MF is given seperately</b>		
Fidelity India Growth Fund	0	10,00,000
HDFC AMC PMS (Real Estate Portfolio)	52,83,501	59,36,925
HDFC MID CAP EQUITY FUND	0	5,00,000
HSBC Unique Opportunities Fund	2,00,000	2,00,000
(The list is attached as Annexure-II showing cost and market value of all MF )	54,83,501	76,36,925
	54,83,501	76,36,925

SR NO.	PARTICULARS	31/3/2012	31/3/2011
[c]	<b>Other Non Current Investments</b>		
	Vishwas Organisers LLP- Capital Contribution (25% share in LLP Firm)	2,50,000	2,50,000
	Interest Accrued on above capital	31,876	9,376
	Vishwas Organisers LLP- Loan Contribution	1,47,50,000	1,47,50,000
	Interest Accrued on above Loans	17,88,461	1,68,20,337
		5,46,084	1,55,55,460
	<b>Total Rs.</b>	<b>3,54,21,038</b>	<b>3,88,30,585</b>
<b>NOTE : 11 : LONG TERM LOANS &amp; ADVANCES:-</b>			
[a]	Capital Advances- For capital goods	0	8,30,250
[b]	Deposits- Deposits with govt bodies & others	1,27,99,214	1,11,59,511
[c]	Loans & Advances to Related Parties	0	0
[d]	Other Loans & Advances	0	0
	Advance Sales Tax (Unsecured , considered good)	61,620	61,620
	<b>Total Rs.</b>	<b>1,28,60,834</b>	<b>1,20,51,381</b>
<b>NOTE : 12 : CURRENT INVESTMENTS :</b>			
[a]	<b>Investments- Equity Shares- Quoted</b>		
	(1) Gujarat State Financial Corpn.Ltd. [190 Shares of Rs.200 each(P.Y.F.190) ] [ Market Price : Not available]	38,000	38,000
	(2) In Equities as per List by Kotak Mahindra Bank Ltd ( At Cost)	50,13,733	50,57,056
		50,51,733	50,95,056
	Less:- Provision for Diminution in value of Investments (Net)	35,56,148	20,51,060
	(The list is attached as Annexure-I showing cost and market value of all the shares)	14,95,586	30,43,996
	<b>Total Rs.</b>	<b>14,95,586</b>	<b>30,43,996</b>
<b>NOTE: 13: INVENTORIES :</b>			
	<b>Valued at Cost or Net realisable value whichever is lower</b> [As per Inventory taken, valued and Certified by] Directors of the Company ]		
*	Raw Materials .....	3,76,54,451	3,93,85,714
*	Packing Material.....	21,17,607	20,61,500
*	ETP stock .....	1,14,271	1,10,206
*	Trading Materials.....	0	1,42,500
*	Work in progress.....	53,59,501	45,45,143
*	Finished Goods ...	10,08,01,226	2,31,10,214
*	Semi Finished Goods.....	0	39,42,636
	<b>Total Rs.</b>	<b>14,60,47,056</b>	<b>7,32,97,913</b>
<b>NOTE :14: TRADES RECEIVABLES (Unsecured Considered Good)</b>			
*	Due Over Six Months.	2,39,999	2,79,756
*	Others	13,92,26,629	12,45,41,864
	<b>Total Rs.</b>	<b>13,94,66,628</b>	<b>12,48,21,620</b>

SR NO.	PARTICULARS	31/3/2012	31/3/2011
<b>NOTE: 15 :CASH AND CASH EQUIVALENTS :</b>			
*	Cash-in-hand	1,47,884	46,138
*	Balance with Schedule Bank in current a/c#	17,76,346	39,87,215
	# Balance include Unclaimed Dividend of Rs. 397861/- ( PY Rs. 420636/-)		
*	Balance with Non-Schedule Bank in current a/c	1,43,518	2,95,227
*	Balance with Non-Schedule Bank in margins a/c	461	461
*	Fixed Deposits with Banks *	18,81,744	24,54,632
	* Fixed deposits include deposits of Rs. 1849791/- ( PY Rs. 0) with maturity of more than 12 months		
	<b>Total Rs.</b>	<b>39,49,953</b>	<b>67,83,674</b>
<b>NOTE : 16: SHORT TERM LOANS AND ADVANCES :</b>			
	( Unsecured, Considered Good)		
*	With Excise & Vat Authorities	6,47,00,398	4,08,21,736
*	Other Loans & Advances	32,90,769	23,59,072
*	Advance Income tax ( FY 1112)	1,80,00,000	0
*	Advance Income tax ( FY 1011)	0	2,21,00,000
*	Advances given for expenses	6,66,631	2,54,637
*	Advances given for goods	5,34,838	58,86,811
	<b>Total Rs.</b>	<b>8,71,92,636</b>	<b>7,14,22,256</b>
<b>NOTE : 17: OTHER CURRENT ASSETS :</b>			
	( Unsecured, Considered Good)		
*	Other Receivables	80,44,125	69,70,053
	<b>Total Rs.</b>	<b>80,44,125</b>	<b>69,70,053</b>
<b>NOTE : 18 : OTHER OPERATING INCOME :</b>			
*	Cash Discount Received	1,57,039	2,18,711
*	Conversion Charge Income	0	2,63,250
*	Foreign Exchange Gain & Loss- Exports & Imports	10,73,551	7,49,310
*	DEPB Income	1,08,88,617	86,92,074
*	Focus Market Income	28,14,027	16,95,032
*	Duty Draw Back Income	62,18,958	0
*	Profit/loss on Sale of FMS	1,612	0
*	Kasar Vatav	6,367	42,308
	Old Drum Sale Income	3,51,524	0
	Old Machinery Scrap Sale Income	2,62,239	0
	Liner Scrap Sale Income	65,279	0
*	Quantity Discount	0	1,33,703
*	Discount Income	7,99,591	8,49,210
*	VAT Refund Income	69,361	0
*	Sample Income	1,287	0
	<b>TOTAL</b>	<b>2,27,09,452</b>	<b>1,26,43,597</b>
<b>NOTE: 19 : OTHER INCOME]</b>			
*	Interest on Income Tax Refund	0	5,26,813
*	Office Rent Income	1,08,000	1,08,000
*	Interest On GEB Deposit	1,74,346	3,48,694
*	Interest On ETL Deposit	1,11,305	1,11,000
*	Misc Interest Income	0	410
*	Creditors W/o	68,088	0
*	Short Term Capital Gain on Investment	2,00,000	0
*	Keyman Insurance Premium Income	10,38,754	0
*	Insurance Claim Received	0	13,270
*	Misc Income	0	15,099
*	Subsidy Income	0	15,00,000



SR NO.	PARTICULARS	31/3/2012	31/3/2011
*	Dividend on Mutual Fund	5,65,476	26,000
*	Dividend From Company	30,423	27,675
*	Interest on HDFC Real Estate Fund	6,50,011	1,95,294
*	Interest on FD (Bank)	98,805	1,21,502
*	Interest on Staff Loan	1,29,807	1,24,629
*	Interest From Partnership-Vishwas LLP	14,02,919	6,17,178
*	Long Term Capital Gain-KOTAK MAHINDRA MF	13,564	49,913
*	Short Term Capital Gain-KOTAK MAHINDRA MF	0	0
	<b>TOTAL</b>	<b>45,91,497</b>	<b>37,85,477</b>
	LESS:- EXPENDITURE RELATING TO INCOME ON INVESTMENTS		
*	Securities Transaction Tax - Kotak	0	369
*	Securities Transaction Tax - Mutual Fund	4,701	0
*	Management Cons. Fees & Entry Load	1,21,411	89,524
*	Provision for Diminution in the Value of Investments (Net)	15,05,087	(6,07,099)
	<b>TOTAL</b>	<b>16,31,199</b>	<b>(5,17,206)</b>
	<b>TOTAL OTHER INCOME ( NET)</b>	<b>29,60,299</b>	<b>43,02,683</b>
	<b>NOTE: 20 : COST OF RAW MATERIALS CONSUMED</b>		
*	Opening Stock	3,93,85,714	2,44,88,965
	Add. : Purchase during the year	51,07,49,824	34,79,67,604
		55,01,35,538	37,24,56,569
	Less : Closing Stock	3,76,54,451	3,93,85,714
	<b>Total Rs.</b>	<b>51,24,81,087</b>	<b>33,30,70,855</b>
	<b>Refer Note No. 27.9 A &amp; B</b>		
	<b>NOTE : 21 : CHANGES IN INVENTORIES</b>		
	<b>OPENING INVENTORIES :</b>		
*	Finished Goods	2,31,10,214	3,19,69,628
*	Semi Finished Goods	39,42,636	61,67,452
*	Trading Materials	1,42,500	0
*	Work-in-Progress	45,45,143	51,59,382
		3,17,40,493	4,32,96,462
	<b>CLOSING INVENTORIES :</b>		
*	Finished Goods	10,08,01,226	2,31,10,214
*	Semi Finished Goods	0	39,42,636
*	Wastes Stocks	0	1,42,500
*	Work-in-Progress	53,59,501	45,45,143
		10,61,60,727	3,17,40,493
	<b>CHANGES IN INVENTORIES</b>	<b>(7,44,20,234)</b>	<b>1,15,55,969</b>
	<b>NOTE : 22 : EMPLOYEES BENEFITS EXPS. :-</b>		
*	Salary & Wages to Employees	1,72,73,874	1,39,85,150
*	Salaries & Bonus to Directors	56,11,844	55,45,607
*	Compensation paid to Director S P Patel	29,04,985	0
*	Contribution to PF	12,92,567	8,05,592
*	Other Salary & Wages Expense	12,95,210	8,89,664
*	Leave Salary (Inc. Provisions - unpaid)	11,16,952	3,75,646
	<b>Refer Note No. 28.1</b>		
*	Bonus & other expenses	34,26,755	29,82,318
	<b>Total Rs.</b>	<b>3,29,22,187</b>	<b>2,45,83,977</b>

SR NO.	PARTICULARS	31/3/2012	31/3/2011
<b>NOTE : 23 : FINANCE COSTS :-</b>			
*	Interest	1,07,44,906	91,37,719
*	Forex Gain Loss on FCTL	18,22,286	0
*	Other Financial Charges	34,18,775	32,76,725
	<b>Total Rs.</b>	<b>1,59,85,968</b>	<b>1,24,14,444</b>
<b>NOTE : 24 : OTHER MANUFACTURING EXPS:-</b>			
A	<b>PACKING MATERIAL CONSUMED</b>		
*	Op. Stock	20,61,500	18,98,092
	Add: Purchases during the year	1,64,84,154	1,30,51,109
		1,85,45,654	1,49,49,201
	Less : Closing stock	21,17,607	20,61,500
	<b>Total Rs.</b>	<b>1,64,28,047</b>	<b>1,28,87,701</b>
B	<b>E.T.P MATERIAL CONSUMED</b>		
*	Op. Stock	1,10,206	37,612
	Add: Purchases during the year	29,31,480	27,09,320
		30,41,686	27,46,932
	Less : Closing stock	1,14,271	1,10,206
	<b>Total Rs.</b>	<b>29,27,415</b>	<b>26,36,726</b>
C	<b>POWER &amp; FUEL CONSUMED</b>		
*	Electric Power & Burning	2,63,01,125	1,76,36,857
*	Fuel Purchased & Consumed	6,81,936	18,76,236
*	Gas Consumption Charges	6,19,51,627	3,73,67,231
	<b>Total Rs.</b>	<b>8,89,34,688</b>	<b>5,68,80,324</b>
D	<b>OTHER MFGS. EXPENSES</b>		
*	Transportation	61,82,993	46,97,734
*	Conversion / Job Charges	56,72,524	38,17,652
*	Factory Expenses	9,56,044	8,36,615
*	Labour Charges	1,41,09,697	92,66,810
*	Forwarding & Handling Charges	1,40,12,295	1,36,41,468
*	Pallatisation Charges	5,64,978	3,95,586
*	ETP Expense	1,10,78,452	67,00,594
*	Freight & Cartage Expenses	0	45,695
*	Colour Expense	6,54,531	5,02,339
*	Custom Duty on Debonding	0	28,17,182
*	Consumable Stores	22,04,497	16,14,329
	<b>Total Rs.</b>	<b>5,54,36,011</b>	<b>4,43,36,004</b>
	<b>TOTAL:- MANUFACTURING COST</b>	<b>16,37,26,161</b>	<b>11,67,40,755</b>
<b>NOTE : 25 : REPAIRS AND MAINTENANCE EXPS:-</b>			
*	Electrical Parts & Maintenance	6,54,534	5,27,200
*	ETP Parts & Maintenances	49,52,938	37,68,154
*	Machinery Parts Repairs & Maintenance	42,55,660	35,02,001
*	A.C. Service Charges	72,483	83,420
*	Building Repairing	4,54,565	2,64,509
*	Computer Maintenance & Consumables	2,09,711	1,66,653
*	EPABX Maintenance	6,250	2,600
*	Lab Equipment Repairing	57,664	1,03,534
*	Furniture Repairing & Maintenance	66,706	52,438
*	Type,Fax & Xerox Maintenance	5,700	1,830
*	Vehicle Repairing (Director)	1,58,965	1,66,600
*	Vehicle Repairing Exp	15,460	28,485
*	Consumable Stores (Plant)	66,08,489	43,87,971
*	Consumable Stores(Electricals)	7,27,310	5,37,867
	<b>Total Rs.</b>	<b>1,82,46,434</b>	<b>1,35,93,261</b>

SR NO.	PARTICULARS	31/3/2012	31/3/2011
<b>NOTE : 26 : ADMINISTRATIVE AND OTHER EXPS:-</b>			
*	Consultancy, Legal & Professional Fees	10,64,865	13,73,992
*	Exhibition Expenses	18,13,848	11,91,955
*	Insurance Premium	24,41,140	27,50,731
*	Petrol Exps-Directors	3,16,640	3,32,590
*	Sitting Fees to Directors	68,000	64,000
*	Selling Commission	33,05,258	18,80,848
*	Rates & Quality Differences	4,82,399	0
*	Staff Welfare Expenses	4,98,360	2,87,034
*	Telephone Exps-Others	2,98,562	3,51,834
*	Travelling & Conveyance (Director)	4,56,817	5,03,372
*	Angadia & Courier Expenses	6,25,009	5,16,364
*	Audit Fees	3,75,000	3,75,000
*	FDA Approval Fees	29,24,329	29,05,037
*	Lab-Testing Expenses	4,55,798	3,61,659
*	Misc OfficeExpenses	2,66,416	2,18,105
*	Office Electric Bill Expenses	2,44,506	2,66,370
*	Security Expenses	8,39,120	6,14,834
*	Stationery & Printing Expenses- Incl (Annual Reports)	6,95,183	8,97,106
*	Water Charges	4,36,958	3,36,815
*	Sales Promotion Expenses	1,57,302	2,85,326
*	Registration Certification, Renewal & Filing Fees	4,83,577	6,27,783
*	Advertisement Expense	53,529	2,62,162
*	Loss/Profits on sale/w/o of assets	8,11,796	2,35,813
*	Other Administrative & Establishment Expenses	37,12,904	40,46,624
<b>Total Rs.</b>		<b>2,28,27,315</b>	<b>2,06,85,354</b>

**Note 27 Additional information to the financial statements**

27.1	Contingent Liabilities and Commitments:-	As at 31 March, 2012	As at 31 March, 2011
<b>I</b>	<b>Contingent Liabilities:-</b>		
(a)	Letter of Credits- Citi Bank	68,87,461	58,23,265
(b)	Letter of Credits- Axis Bank	0	74,99,803
<b>II</b>	<b>Commitments:-</b>		
(a)	Estimated amount of contracts remaining to be executed on capital account and not provided for		
	Tangible assets	0	0
	Intangible assets	0	0
(b)	Uncalled liability on shares and other investments partly paid	0	0
(c)	Other commitments (specify nature)	0	0

**27.2 Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges**

Loans and advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by such parties:

Name of the party	Relationship	As at 31 March, 2012	As at 31 March, 2011
NIL		0	0

**27.3 Details of fixed assets held for sale**

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Investments in Property - Residential Flats	0	24,00,000

**27.4 Value of imports calculated on CIF basis @:**

Particulars	As at 31 March, 2012	As at 31 March, 2011
Raw Materials	6,84,99,667	4,79,64,680
Stores & Spares	NIL	NIL
Capital Goods	NIL	NIL

**27.5 Expenditure in foreign currency :**

Sr. No	Particulars	As at 31 March, 2012	As at 31 March, 2011
1	Exhibition Expenses- Foreign	8,96,196	9,30,283
2	FDA Approval Fees	29,24,329	0
3	Foreign Travelling Exps	77,152	4,12,809
4	Selling Commission	4,10,541	5,78,563
<b>TOTAL</b>		<b>43,08,218</b>	<b>19,21,655</b>

**27.6 Amounts remitted in foreign currency during the year on account of dividend:**

Sr. No	Particulars	As at 31 March, 2012	As at 31 March, 2011
1		0	0
2			
<b>TOTAL</b>		<b>0</b>	<b>0</b>

**27.7 Earnings in foreign exchange:**

Sr. No	Particulars	As at 31 March, 2012	As at 31 March, 2011
1	Export of goods calculated on FOB basis	45,05,45,789	33,77,81,914
2	Other income, indicating the nature thereof.	0	0
<b>TOTAL</b>		<b>45,05,45,789</b>	<b>33,77,81,914</b>

**27.8 Details of consumption of imported and indigenous items \***

Sr. No.	Particulars	As at 31 March, 2012		As at 31 March, 2011	
		Amount Rs.	% of Total	Amount Rs.	% of Total
1	Imported - Raw Materials	6,84,99,667	13%	4,79,64,680	14%
2	Indigenous Raw Materials	44,39,81,420	87%	30,00,02,924	86%
3	Stores & Spares	0	0%	0	0

**27.9 A. Quantity and Value there of in regard to each item of stock of Raw Materials  
(As certified by Management)**

Sr. No	Particulars	Unit	Opening Stock		Closing Stock	
			Qty	Amount Rs.	Qty	Amount Rs.
1	Di Ethyl Oxalate	Kgs	18,922.000	15,27,953	8,500.000	8,01,809
2	Aniline Oil	Kgs	52,463.000	39,85,029	23,273.000	19,67,077
3	Sodium Bisulphite	Kgs	29,480.000	5,36,804	6,765.000	1,35,300
4	Sodium Metal	Kgs	7,883.000	9,82,902	12,789.000	16,54,944
5	Sodium Nitrite	Kgs	37,397.238	11,62,434	29,876.238	10,78,562
6	Caustic Soda Lye	Kgs	20,111.000	3,99,079	10,602.000	2,95,793
7	Sulphuric Acid	Kgs	42,321.000	2,01,033	33,257.557	1,18,791
8	Iodine	Kgs	746.500	12,01,865	250.000	8,02,500
9	Others	Kgs	4,47,234.987	2,93,88,614	3,05,272.637	3,07,99,674
	Total Rs.			<b>3,93,85,714</b>		<b>3,76,54,451</b>

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

Sr. No	Particulars	Unit	2011-12		2010-11	
			Qty	Amount Rs.	Qty	Amount Rs.
1	Di Ethyl Oxalate	Kgs	7,20,422.000	6,50,01,879	7,76,330.000	6,19,84,493
2	Aniline Oil	Kgs	9,22,200.000	7,05,42,538	9,52,800.000	6,76,32,128
3	Sodium Bisulphite	Kgs	10,59,365.000	2,07,85,902	12,33,830.000	2,06,51,177
4	Sodium Metal	Kgs	6,26,671.000	2,06,72,617	1,21,485.000	1,40,97,273
5	Sodium Nitrite	Kgs	1,11,194.000	1,47,57,136	6,06,360.000	1,80,14,142
6	Caustic Soda Lye	Kgs	7,51,104.000	1,76,97,178	8,19,120.000	1,20,24,855
7	Sulphuric Acid	Kgs	26,88,928.443	1,22,88,551	29,14,969.000	1,15,36,938
8	Iodine	Kgs	9,946.500	2,84,29,480	6,253.500	94,71,710
9	Others	Kgs	64,08,039.700	26,23,05,805	47,99,430.487	11,76,58,139
	Total Rs.			<b>51,24,81,087</b>		<b>33,30,70,855</b>

Note:- Some of the finished goods items purchased, repacked and sold, are included in the above consumption figures and consequently, also included in production figures.

**27.10 Remuneration to Auditors**

Particulars	Current Year Amount Rs.	Previous Year Amount Rs.
As Audit Fees	3,00,000	3,00,000
As Tax Audit Fees	75,000	75,000
For Taxation	2,50,000	2,00,000
For Other Matters- Appeals	30,000	90,000
For Service Tax	67,465	63,345

**27.11** The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure. Paise have been rounded upto the nearest rupee.

**NOTE 28 DISCLOSURES UNDER ACCOUNTING STANDARDS:**

**28.1 DISCLOSURES AS PER AS 15- Employees Benefits**

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

**Defined Contribution Plans:-**

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

Employer's Contribution to Provident & Other funds	12,92,567
Group Gratuity Insurance Premium paid to LIC	3,92,377

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

**Defined Benefits Plans:-**

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

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

**Leave Disclosures:**

<b>I. Assumptions :</b>	<b>2011-12</b>	<b>2010-11</b>
Discount Rate Current Period	8.75%	8.25%
Rate of Return on Plan Assets Current Period	8.75%	8.25%
Salary Escalation Current Period	7.00%	7.00%
Attrition Rate Current Period	2.00%	2.00%
<b>II. Table Showing Change in Benefit Obligation :</b>	<b>2011-12</b>	<b>2010-11</b>
Liability at the beginning of the year	5,72,132	4,51,469
Interest Cost	47,201	36,118
Current Service Cost	2,65,992	2,43,891
Past Service Cost (Non Vested Benefit)	-	-
Past Service Cost (Vested Benefit)	-	-
Settlement	-	-
Liability Transfer In	-	-
Liability Transfer out	-	-
Benefit Paid	(8,48,470)	(2,17,448)
Actuarial (gain)/loss on obligations	8,03,760	58,102
Liability at the end of the year	8,40,615	5,72,132
<b>III. Tables of Fair value of Plan Assets :</b>	<b>2011-12</b>	<b>2010-11</b>
Fair Value of Plan Assets at the beginning of the year	-	-
Expected Return on Plan Assets	-	-
Contributions	8,03,760	2,17,448
Fund Transfer In	-	-
Fund Transfer Out	-	-
Benefit Paid	8,03,760	(2,17,448)
Actuarial gain/(loss) on Plan Assets	-	-
Fair Value of Plan Assets at the end of the year	-	-
Total Actuarial Gain/(Loss) To Be Recognised	8,03,760	(58,102)
<b>IV. Recognition of Transitional Liability</b>	<b>2011-12</b>	<b>2010-11</b>
Transition Liability at start	-	-
Transition Liability Recognised during Year	-	-
Transition Liability at end	-	-
<b>V. Actual Return on Plan Assets :</b>	<b>2011-12</b>	<b>2010-11</b>
Expected Return on Plan Assets	-	-
Actuarial gain/(loss) on Plan Assets	-	-
Actual Return on Plan Assets	-	-
<b>VI. Amount Recognised in the Balance Sheet :</b>	<b>2011-12</b>	<b>2010-11</b>
Liability at the end of the year	8,40,615	5,72,132
Fair Value of Plan Assets at the end of the year	-	-
Difference	(8,40,615)	(5,72,132)
Unrecognised Past Service Cost	-	-
Un recognised Transition Liability	-	-
Amount Recognised in the Balance Sheet	(8,40,615)	(5,72,132)

<b>VII. Expenses Recognised in the Income Statement :</b>	<b>2011-12</b>	<b>2010-11</b>
Current Service Cost	2,65,992	2,43,891
Interest Cost	47,201	36,118
Expected Return on Plan Assets	-	-
Past Service Cost (Non Vested Benefit) Recognised	-	-
Past Service Cost (Vested Benefit) Recognised	-	-
Recognition of Transition Liability	-	-
Actuarial (Gain) or Loss	8,03,760	58,102
Expense Recognisable in P& L- as per actuarial valuation	11,16,953	3,38,111
Expense Recognised in P& L	11,16,952	3,75,646
<b>VIII. Balance Sheet Reconciliation</b>	<b>2011-12</b>	<b>2010-11</b>
Opening Net Liability	5,72,132	4,51,469
Expense as above	11,16,952	3,38,111
Transfer from other company	-	-
Transfer to other company	-	-
Employers Contribution	(8,48,470)	(2,17,448)
Amount Recognised in Balance Sheet	8,40,615	5,72,132
<b>IX. OTHER DETAILS</b>	<b>2011-12</b>	<b>2010-11</b>
NO OF MEMBERS	140	110
SALARY PM	19,28,334	12,06,940
CONTRIBUTION FOR NEXT YEAR	-	-
<b>X. Category of Assets</b>	<b>2011-12</b>	<b>2010-11</b>
Government of India Assets	-	-
Corporate Bonds	-	-
Special Deposits Scheme	-	-
State Govt	-	-
Property	-	-
Other	-	-
Insurer Managed Funds	-	-
Total	-	-
<b>XI. EXPERIENCE ADJUSTMENT</b>	<b>2011-12</b>	<b>2010-11</b>
Experience adjustments on plan liabilities (Gain)/Loss	8,40,760	69,115
Experience adjustments on plan Assets Gain/(Loss)	0	0

## 28.2 DISCLOSURES AS PER AS 17- Segment Reporting

### Segmental Reporting :-

#### Segment information for primary reporting ( by business segment)

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

#### Segment information for secondary reporting ( by geographical segments)

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

1) Domestic, 2) Export

Information about secondary segments:-

Particulars	Domestic	Exports	Unallocated	Total
Revenue by geographical market	21,19,00,617	59,47,43,053	0	80,66,43,670
	(17,84,82,749)	(45,84,50,879)	(0)	(63,69,33,628)
Carrying amount of Segment Assets ( Gross)	65,00,59,018	10,22,05,658	0	75,22,64,676
	(55,73,74,970)	(8,56,31,171)	(0)	(64,30,06,141)

Figures in brackets are for the previous year.

**28.3 DISCLOSURES AS PER AS 18- Related Party Transactions**

A ] List of parties where control exist

(i) Subsidiary Company

\* Dynamic Overseas ( India ) Pvt.Ltd.

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

(ii) Associates :-

\* Shakti Intermediates Pvt.Ltd.

\* Dynamic Holdings Pvt Ltd

(iii) Key management personnel :-

Mr. Bhagwandas K. Patel Managing Director

Mr. Rameshbhai B. Patel Wholetime Director

Mr. Dashrathbhai P. Patel Wholetime Director

Mr. Dixit B. Patel Wholetime Director

C ] Transactions with related parties :-

Nature of Transaction	Key Managerial Personnel & their Relatives Rs.		Subsidiary Companies Amt.Rs.		Associates Amt.Rs.	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
<b><u>Fixed Deposits taken</u></b>						
Taken during the period	10,50,000	85,000	0	0	0	0
Repaid during the period	25,98,090	74,98,567	0	0	0	0
Closing Balance	25,98,833	37,42,299	0	0	0	0
<b><u>Loans &amp; Advances</u></b>						
Given during the period	16,80,901	20,20,876	40,00,000	25,00,000	0	0
Settled during the period	20,16,842	15,32,370	40,00,000	25,00,000	0	0
Closing Balance	12,06,068	15,42,078	0	0	0	0
<b><u>Investments</u></b>						
Given during the period	0	0	0	0	0	0
Settled during the period	0	0	0	0	0	0
Closing Balance	0	0	20,60,000	20,60,000	1,01,00,000	1,01,00,000
<b><u>Sundry Debtors</u></b>	0	0	0	0	0	0
Sundry Creditors	0	0	0	0	0	0
Purchase of Goods	0	0	0	0	70,739	0
Conversion Charges	0	0	0	0	36,94,229	18,39,223
Amount Expended on be half of	1,03,38,966	75,60,781	0	0	0	0
Sales	0	0	99,20,900	83,91,968	14,159	5,025



#### 28.4 DISCLOSURES AS PER AS 20- Earning Per Share

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	2011-12	2010-11
Net Profit after tax ( Amt.Rs.)	5,29,62,939	5,71,18,334
Weighted Average Nos. of Shares	1,13,28,449	1,13,28,449
Basic Earning per Share on nominal value of Rs.10/-per share	4.68	5.04

#### 28.5 DISCLOSURES AS PER AS 22- Accounting for Taxes on Income:

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 11	Debit/(Credit) for the year Rs.	Balance As on 31st March 2012
(a) Deferred Tax Liability			
- Depreciation	3,51,89,136	90,44,807	4,42,33,943
- Prov for diminution in Value of Investments	(6,90,543)	- (4,99,952)	(1,90,591)
Total	3,44,98,593	95,44,759	4,40,43,352

As per our Report of even date  
For : SHAH RAJESH & ASSOCIATES  
CHARTERED ACCOUNTANTS.

(Rajesh D. Shah)  
PROPRIETOR.  
FRN. 109767W  
Place : Ahmedabad.  
Date : 23/06/2012

For : DYNEMIC PRODUCTS LIMITED  
(B. K. PATEL) Chairman & M. D.  
(D. P. PATEL) DIRECTOR  
(R. B. PATEL) DIRECTOR  
(D. B. PATEL) DIRECTOR  
(Varsha Mehta) COMPANY SECRETARY

**ANNEXURE - I**  
**LIST OF HOLDING OF EQUITY SHARES SHOWING MARKET VALUE AND COST VALUE**

Security Name	Qty	Avg. Cost	Hldg. Cost	Mkt. Price	Mkt. Value	Unrealised Gain Loss
<b>Equity Construction and Contracting</b>	542	372.85	2,02,083.00	85.65	46,422.30	-1,55,660.78
- Real Estate HDIL	(542)	(372.85)	(2,02,083.00)	(182.20)	(98,752.40)	-(1,03,330.60)
<b>Diversified Reliance Industries Limited</b> (Formerly known as RPL)	1,256	1,374.53	17,26,404.02	750.60	9,42,753.60	-7,83,650.42
	(1,256)	(1,374.53)	(17,26,404.00)	(1,036.40)	(13,01,718.40)	-(4,24,685.60)
<b>Mining/Minerals</b>	0	0	0	0	0	0
GMDC	(300)	(144.41)	(43,320.00)	(139.25)	(41,775.00)	-(1,545.00)
<b>Miscellaneous</b>	750	670.01	5,02,504.70	117.15	87,862.50	-4,14,642.20
Reliance Power Ltd.	(750)	(670.01)	(5,02,504.70)	(133.30)	(99,975.00)	-(4,02,529.00)
<b>Paper &amp; Paper Boards</b>	25,000	83.03	20,75,826.50	8.44	2,11,000.00	-18,64,826.50
Kalptaru Papers Ltd.	(25,000)	(83.03)	(20,75,826.00)	(12.57)	(3,14,250.00)	-(17,61,576.00)
<b>Pesticides/Agro Chemicals</b>	2,500	19.77	49,425.00	7.90	19,750.00	-29,675.00
Meghmani Organics Ltd.	(2,500)	(19.77)	(49,425.00)	(14.35)	(35,875.00)	-(13,550.00)
<b>Pharmaceuticals</b> Sun Pharma	1,500	98.63	1,47,940.80	74.65	1,11,975.00	-35,965.80
Advanced Research Company Ltd.	(1,500)	(98.63)	(1,47,945.00)	(72.30)	(1,08,450.00)	-(39,495.00)
<b>Telecommunications – Service</b>	450	687.89	3,09,549.24	84.05	37,822.50	-2,71,726.74
Reliance Communications Ltd.	(450)	(687.89)	(3,09,549.00)	(111.70)	(50,265.00)	-(2,59,284.00)
<b>Equity Total</b>			<b>50,13,733.34</b>		<b>14,57,585.90</b>	<b>-35,56,147.44</b>
			<b>(50,57,056.00)</b>		<b>(30,05,996.00)</b>	<b>-(20,51,060.00)</b>
<b>Net Asset Value</b>			<b>50,13,733.34</b>		<b>14,57,585.90</b>	<b>-35,56,147.44</b>
			<b>(50,57,056.00)</b>		<b>(30,05,996.00)</b>	<b>-(20,51,060.00)</b>

**ANNEXURE - II**  
**LIST OF INVESTMENT IN MUTUAL FUND SHOWING MARKET VALUE AND COST VALUE**

Scheme	Units	Cost Price	Hldg. Cost	Mkt. Price	Mkt. Value
Fidelity India Growth Fund	0.00	0	0.00	0.00	0.00
	(97,799.51)	(10)	(10,00,000.00)	(12.652)	(12,37,359.41)
HDFC Mid-Cap Equity Fund	0.00	0	0.00	0.00	0.00
	(50,000.00)	(10)	(5,00,000.00)	(15.095)	(7,54,750.00)
HSBC Unique Opportunities Fund	20,000.00	10	2,00,000.00	10.154	2,03,072.00
	(20,000.00)	(10)	(2,00,000.00)	(11.216)	(2,24,316.00)
HDFC AMC PMS (Real Estate Portfolio)	42,093.00	125.520	52,83,501.00	172.432	72,58,182.00
	(30,705.00)	(193.354)	(59,36,925.00)	(240.939)	(73,98,048.00)
<b>Total Portfolio Value</b>			<b>54,83,501.00</b>		<b>74,61,254.00</b>
			<b>(76,36,925.00)</b>		<b>(96,14,473.41)</b>

The figures in the brackets relates to the previous year i.e. 2010-11.

**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, 2012
3 Date from which become Subsidiary Company	1st September, 2005
4 a] Number of shares held by Dynemic Products Ltd. in the Subsidiary at the end of the financial year of the Subsidiary Company.	20600 Equity Shares of Rs. 100/- each
b] Extent of interest of Holding Company at the end of the financial year of the Subsidiary Company.	98%
5 The Net aggregate amount of the Subsidiary Company's Profit (Loss) so far as it concerns the members of the Holding Company :	8,67,200
a] Not dealt within the Holding Company's accounts	
i] For the period 1st April, 2011 to 31st March, 2012	8,67,200
ii] For the previous period(s) since it become the Holding Company's Subsidiary (Loss)	27,97,066
b] Dealt within the Holding Company's accounts	
i] For the period 1st April, 2011 to 31st March, 2012	0
ii] For the previous period(s) since it become the Holding Company's Subsidiary	0

**As per our Report of even date**

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

**(Rajesh D. Shah)  
PROPRIETOR.**

FRN. 109767W

Place : Ahmedabad.

Date : 23/06/2012

**For : DYNEMIC PRODUCTS LIMITED**

**(B. K. PATEL) Chairman & M. D.  
(D. P. PATEL) DIRECTOR  
(R. B. PATEL) DIRECTOR  
(D. B. PATEL) DIRECTOR  
(Varsha Mehta) COMPANY SECRETARY**

## CONSOLIDATED AUDITOR'S REPORT

**To**

The Board of Directors  
Dyemic Products Limited

We have audited the attached Consolidated Balance Sheet of DYNEMIC PRODUCTS LTD AND ITS SUBSIDIARY as at 31st March , 2012 and the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of 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 statements. An audit also includes, assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall presentation of financial statement. We believe that our audit provides a reasonable basis for our opinion.

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

Further to the comments given above, we report that on the basis of the information and explanations given to us, we are of the opinion that the said consolidated financial statements of the Dyemic Products Ltd, give a true and fair view in confirmity with the accounting principal generally accepted in India,

- (a) in the case of the Consolidated Balance sheet of the state of affairs of the Dyemic Products Ltd as at 31st March,2012,
- (b) in the case of the Consolidated Statement of Profit and Loss, 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 : 23/06/2012

[ RAJESH D. SHAH ]  
PROPRIETOR  
FRN. 109767W

## CONSOLIDATED BALANCE SHEET AS AT 31 ST MARCH 2012

Sr.No.	Particulars	NOTE NO.	31/3/2012		31/3/2011	
			Rupees	Rupees	Rupees	Rupees
<b>A.</b>	<b><u>EQUITIES AND LIABILITIES :</u></b>					
<b>1</b>	<b>SHAREHOLDER'S FUNDS :</b>					
	[a] Share Capital	1	11,32,84,490		11,32,84,490	
	[b] Reserves and surplus	2	26,99,94,219	38,32,78,709	23,35,57,738	34,68,42,228
<b>2</b>	<b>MINORITY INTEREST</b>			5,95,008		5,82,975
<b>3</b>	<b>NON CURRENT LIABILITIES :</b>					
	[a] Long-term borrowings	3	1,02,36,968		1,66,13,077	
	[b] Deferred tax liabilities (net) Refer Note No. 28.5		4,40,99,799		3,45,51,312	
	[c] Other long-term liabilities	4	22,65,182		0	
	[d] Long Term Provisions		0	56601949	0	5,11,64,389
<b>4</b>	<b>CURRENT LIABILITIES :</b>					
	[a] Short Term Borrowings	5	19,78,82,400		13,56,53,968	
	[b] Trade Payables	6	6,65,83,297		4,36,44,639	
	[c] Other current liabilities	7	1,56,80,042		2,66,78,081	
	[d] Short Term Provisions	8	3,55,16,209	315661948	4,16,62,732	24,76,39,420
	<b>TOTAL - EQUITY AND LIABILITIES</b>			<b>756137614</b>		<b>64,62,29,012</b>
<b>B.</b>	<b><u>ASSETS :</u></b>					
<b>1</b>	<b>NON CURRENT ASSETS :</b>					
	[a] Fixed Assets	9				
	(i) Tangible Assets		31,67,72,325		30,44,28,518	
	(ii) Intangible Assets		14,88,695		18,50,755	
	Net Block		31,82,61,020		30,62,79,274	
	Capital Work in Progress		0		0	
			31,82,61,020		30,62,79,274	
	[b] Non Current Investments	10	3,33,61,038		3,67,70,585	
	[c] Long-term loans and advances	11	1,28,85,156		1,20,75,703	
	[d] Other non-current assets		0	36,45,07,214	0	35,51,25,562
<b>2</b>	<b>CURRENT ASSETS:</b>					
	[a] Current investments	12	14,95,586		30,43,996	
	[b] Inventories	13	14,60,47,056		7,32,97,913	
	[c] Trade receivables	14	13,94,66,628		12,84,42,213	
	[d] Cash and cash equivalents	15	89,36,243		77,73,568	
	[e] Short-term loans and advances	16	8,76,40,762		7,15,75,706	
	[f] Other current assets	17	80,44,125	39,16,30,400	69,70,053	29,11,03,449
	<b>TOTAL - ASSETS</b>			<b>75,61,37,614</b>		<b>64,62,29,012</b>
	Significant Accounting Policies					
	Notes on Financial Statements	1 to 28				

As per our Report of even date  
For : SHAH RAJESH & ASSOCIATES  
CHARTERED ACCOUNTANTS.

(Rajesh D. Shah)  
PROPRIETOR.  
FRN. 109767W  
Place : Ahmedabad.  
Date : 23/06/2012

For : DYNAMIC PRODUCTS LIMITED  
(B. K. PATEL) Chairman & M. D.  
(D. P. PATEL) DIRECTOR  
(R. B. PATEL) DIRECTOR  
(D. B. PATEL) DIRECTOR  
(Varsha Mehta) COMPANY SECRETARY

**CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31-3-2012**

Sr.No.	Particulars	NOTE NO.	31/3/2012		31/3/2011	
			Rupees	Rupees	Rupees	Rupees
	<b>REVENUE</b>					
A.	[ a ] SALES OF PRODUCTS		87,55,08,138		67,93,94,613	
	[ b ] OTHER OPERATING INCOME	18	2,33,01,335		1,27,47,475	
			89,88,09,473		69,21,42,088	
	LESS:- EXCISE DUTY		6,65,97,924		3,89,47,383	
	<b>INCOME FROM OPERATIONS</b>		83,22,11,549		65,31,94,705	
	[ c ] OTHER INCOME	19	29,60,299		43,02,683	
	<b>TOTAL REVENUE Rs.</b>		<b>83,51,71,848</b>		<b>65,74,97,389</b>	
B.	<b>EXPENSES :</b>					
	[ a ] Cost of Materials Consumed	20	51,24,81,087		33,30,70,855	
	[ b ] Purchases of Stock-in-Trade		4,52,75,300		2,30,83,996	
	[ c ] Changes in Inventories	21	(7,44,20,234)		1,15,55,969	
	[ d ] Employee Benefits Expenses	22	3,29,57,187		2,47,13,977	
	[ e ] Finance Costs	23	1,58,75,968		1,24,00,360	
	[ f ] Depreciation & Amortisations		1,63,49,102		1,49,82,652	
	[ g ] <b>Other Expenses:</b>					
	Other Manufacturing Expenses	24	16,41,82,164		11,74,32,193	
	Repairs & Maintenance	25	1,82,46,434		1,35,93,261	
	Administrative, Selling & Other Expenses	26	2,34,42,929	20,58,71,528	2,11,46,816	15,21,72,270
	<b>TOTAL EXPENSES Rs.</b>		<b>75,43,89,939</b>		<b>57,19,80,079</b>	
	<b>Profit before Taxation</b>		8,07,81,909		8,55,17,310	
	Less: Provision for Taxation					
	Current Tax		1,75,59,526		2,12,75,655	
	Deferred Tax		95,48,488		72,18,529	
	Add/ (Less):- Taxation of earlier years (Refunds/Paid)		1,09,312		(5,67,930)	
16	<b>Net Profit for the Year</b>					
	<b>(Before adjustment for Minority Interest)</b>		<b>5,35,64,583</b>		<b>5,75,91,056</b>	
	Less:- Share of Profit Transferred to Minority Interest		12,033		9,454	
17	<b>Net Profit for the Year</b>					
	<b>(After adjustment for Minority Interest)</b>		<b>5,35,52,550</b>		<b>5,75,81,602</b>	
	<b>Earning Per Share</b>					
	Basic		4.73		5.08	
	Diluted		4.73		5.08	
	<b>Significant Accounting Policies</b>					
	<b>Notes on Financial Statements</b>	1 to 28				

As per our Report of even date  
For : SHAH RAJESH & ASSOCIATES  
CHARTERED ACCOUNTANTS.

(Rajesh D. Shah)  
PROPRIETOR.  
FRN. 109767W  
Place : Ahmedabad.  
Date : 23/06/2012

For : DYNEMIC PRODUCTS LIMITED  
(B. K. PATEL) Chairman & M. D.  
(D. P. PATEL) DIRECTOR  
(R. B. PATEL) DIRECTOR  
(D. B. PATEL) DIRECTOR  
(Varsha Mehta) COMPANY SECRETARY

**CONSOLIDATED CASH FLOW STATEMENT OF DYNAMIC PRODUCTS LTD. FOR THE YEAR ENDED 31/03/2012**

Sr.	PARTICULARS	31/3/2012	31/3/2011
<b>A ]</b>	<b><u>Cash Flow From Operating Activities</u></b>		
	Net Profit Before Tax & Extra		
	Ordinary Items	8,07,81,909	8,55,17,306
	Adjustments for :-		
	Depreciation & Amortisations	1,63,49,102	1,49,82,652
	Depreciation Written Back	(28,10,078)	(27,90,270)
	Diminution in the Value of Investments	15,05,087	(6,07,099)
	Finance Costs	1,58,75,968	1,24,57,072
	Profit/Loss on Sale/Replacement of Fixed Assets	8,11,796	2,35,813
	Interest/ Dividend/Capital Gains Income	(29,60,299)	(10,72,298)
	<b>Operating Profit Before Working</b>		
	<b>Capital Changes</b>	<b>10,95,53,486</b>	<b>10,87,23,177</b>
	Adjustments for :-		
	Trade Receivables	(1,10,24,415)	(18,670)
	Inventories	(7,27,49,143)	(35,76,782)
	Trade Payables	2,29,38,658	97,56,163
	Loans, Advances & Other Receivables	(1,38,26,399)	(2,36,15,966)
	<b>Cash Generated From Operations</b>	<b>3,48,92,186</b>	<b>9,12,67,922</b>
	Direct Taxes Paid	(1,84,21,503)	(2,21,00,000)
	<b>Net Cash From Operating Activities</b>	<b>1,64,70,683</b>	<b>6,91,67,922</b>
<b>B ]</b>	<b><u>Cash Flow From Investing Activities</u></b>		
	Purchase of Fixed Assets	(3,15,14,754)	(2,64,67,864)
	Sale of Fixed Assets	21,64,616	5,45,693
	Sales of Investments	34,52,870	(1,74,04,258)
	Income Tax Refund/ Paid for Earlier Years	(1,09,312)	5,67,930
	Interest/ Dividend/Capital Gains Income Received	29,60,299	10,72,298
	<b>Net Cash Used In Investing Activities</b>	<b>(2,30,46,281)</b>	<b>(4,16,86,201)</b>
<b>C ]</b>	<b><u>Cash Flow From Financing Activities</u></b>		
	Proceeds from Borrowings	4,34,29,185	(4,63,823)
	Interest & Financial Charges Paid	(1,58,75,968)	(1,24,57,072)
	Dividend & Dividend Tax Paid	(1,98,14,945)	(1,72,29,835)
	<b>Net Cash Used From Financing Activities</b>	<b>77,38,272</b>	<b>(3,01,50,730)</b>
<b>D ]</b>	<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>11,62,674</b>	<b>(26,69,009)</b>
<b>E ]</b>	<b>Cash and Cash Equivalents(opening)</b>	<b>77,73,568</b>	<b>1,04,42,576</b>
<b>F ]</b>	<b>Cash and Cash Equivalents(closing) ( D + E )</b>	<b>89,36,243</b>	<b>77,73,568</b>

As per our Report of even date  
For : SHAH RAJESH & ASSOCIATES  
CHARTERED ACCOUNTANTS.

(Rajesh D. Shah)  
PROPRIETOR.  
FRN. 109767W  
Place : Ahmedabad.  
Date : 23/06/2012

For : DYNAMIC PRODUCTS LIMITED  
(B. K. PATEL) Chairman & M. D.  
(D. P. PATEL) DIRECTOR  
(R. B. PATEL) DIRECTOR  
(D. B. PATEL) DIRECTOR  
(Varsha Mehta) COMPANY SECRETARY

## SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

### A 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 after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS 21)- "Consolidated Financial Statements" 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.

### B Other Significant Accounting Policies :

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

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

#### 2] FIXED ASSETS, DEPRECIATION AND CAPITAL WORK IN PROGRESS:-

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

#### 3 ] INVESTMENTS :-

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

#### 4 ] RETIREMENT BENEFITS :-

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

The Gratuity trusts are covered with Life Insurance Corporation of India (LIC) and premiums are paid on advise from LIC, which determines the same on the basis of actuarial valuation.

Provision for Leave Encashments is made as at the year end as per the financial figures and other details provided and certified by the Actuaries M/s. K. A. PANDIT, as per their report dtd. 03/05/2012.

The disclosures as per AS 15 is annexed separately.

#### 5 ] INVENTORIES :-

All Inventories are valued at lower of Cost or Net realisable value and the cost is ascertained on First in First Out basis wherever applicable.



**6] SALES & REVENUE RECOGNITION :-**

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

**7] 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.

**8] TREATMENT OF SERVICE TAX PAYABLE ON TRANSPORTATION EXPENSES :-**

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

**9] FOREIGN CURRENCY TRANSACTIONS :-**

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

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

**10] INTER DIVISIONAL TRANSFER :-**

Interdivisional transfer of goods of Rs. 60829325/- ( PYF 6528611/-) 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. Nil (PYF Rs.263250/-), has been included in other income and also shown as expenditure under the head "other manufacturing expenses" for the conversion or manufacturing process carried out by Unit-1 for the materials of Unit-2.

**11] 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 revived to reassure realisation.
- (iv) Tax on distributed profits payable in accordance with the provisions of the Income Tax Act, 1961 is disclosed in accordance with the Guidance Note on Accounting for Corporate Dividend Tax issued by ICAI.

**12] IMPAIRMENT LOSS:-**

As required by the Accounting Standards (AS 28) " Impairment of Assets " issued by ICAI, as informed to us, the company has carried out the assessment of impairment of assets. There has been no impairment loss during the year.

**13] Contigent Liability :-**

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

The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

**Notes on Consolidated Financial Statements for the Year ended 31st March 2012**

Particulars	31/3/2012	31/3/2011
<b>NOTE : 1 : SHARE CAPITAL :</b>		
[a] <b>Authorised Share Capital</b> [13000000 Equity Share of Rs. 10/- each] [PYF 13000000 Equity Shares]	13,00,00,000	13,00,00,000
	<b>13,00,00,000</b>	<b>13,00,00,000</b>
[b] <b>Issued, Subscribed and paid up :</b> [11328449 Equity Shares of Rs. 10/- each fully paid up (PYF 11328449)].	11,32,84,490	11,32,84,490
<b>Total Rs.</b>	<b>11,32,84,490</b>	<b>11,32,84,490</b>

1.1 Details of shareholders holding more than 5% shares

Name of Shareholder	As at 31-03-2012 Nos of Shares	% held	As at 31-03-2011 Nos of Shares	% held
Bhagwandas Kalidas Patel	11,14,245	9.84	10,34,245	9.13
Rameshkumar Bhagwandas Patel	6,71,018	5.92	6,71,018	5.92
Dashrathbhai Prahladbhai Patel	6,66,330	5.88	6,66,330	5.88
Shashikant P Patel	5,70,127	5.03	5,81,344	5.13

1.2 The reconciliation of the number of share outstanding is set out below

Particulars	As at 31-03-2012 Nos of Shares	As at 31-03-2011 Nos of Shares
Equity shares at the beginning of the year	1,13,28,449	1,13,28,449
Add:- NIL	0	0
Less:- NIL	0	0
Equity shares at the end of the year	1,13,28,449	1,13,28,449

**NOTE : 2 : RESERVES & SURPLUS :**

[a] <b>General Reserves :-</b>				
Opening Balance	1,52,17,820		1,02,17,820	
Add : Transferred from Profit & Loss A/c.	50,00,000	2,02,17,820	50,00,000	1,52,17,820
[b] <b>Share Premium on issue of Equity Shares</b>		10,36,80,201		10,36,80,201
[c] <b>Profit &amp; Loss A/c.</b>				
Balance Carried forward from earlier year	11,46,59,717		8,18,93,060	
ADD:- Transferred from Profit & Loss A/c	5,35,52,550		5,75,81,602	
	16,82,12,267		13,94,74,662	
LESS:- Appropriations out of Profit & Loss A/c				
General Reserves	50,00,000		50,00,000	
Proposed Dividend	1,47,26,984		1,69,92,674	
Dividend Per Share Rs.1.30 per share ( PY Rs. 1.50)				
Tax on Dividend	23,89,085		28,22,271	
	2,21,16,069	14,60,96,198	2,48,14,945	11,46,59,717
<b>Total Rs.</b>	<b>26,99,94,219</b>		<b>23,35,57,738</b>	

**NOTE : 3 : LONG TERM BORROWINGS :**

<b>FROM BANKS:- SECURED- TERM LOANS FROM</b>		
[a] * Citi Bank N.A.- FCTL	74,18,335	1,30,14,387
[b] * Axis Bank Ltd.- TL	0	0
[ HP. C.C. A/c. Secured against pari passu mortgage/ charge on all immovable properties & stocks of Raw Materials, Stores, Finished Goods etc. & personal guarantee of Directors. ]		
Defaults:- NIL		
Principal Amount- USD equivalent to Rs. 200,00,000/-		
Date of start of repayments- 10/03/2011		
Nos of Installments- 12 quarterly installments		
Due Date of Last Installment- 10/02/2014		
Rate of Interest- 3 months USD Libor + 355bps p.a.		

Particulars	31/3/2012		31/3/2011	
[c] * Axis Bank Ltd.- Car Loans (Secured against the specific cars) Principal Amount- Rs. 1500000/- Defaults:- NIL Date of start of repayments- 05/02/2011 Nos of Installments-36 monthly installments Due Date of Last Installment- 05/12/2013 Rate of Interest- 8.44% p.a.	4,08,322		9,14,189	
[d] * ICICI Bank Ltd.- Car Loans (Secured against the specific cars) Defaults:- NIL Principal Amount- Rs. 1113140/- Date of start of repayments- 15/04/2012 Nos of Installments- 36 monthly installments Due Date of Last Installment- 10/02/2015 Rate of Interest- 10.12% p.a.	7,62,569	85,89,226	0	1,39,28,576
<b>FROM OTHER PARTIES:- UNSECURED</b>				
[a] Fixed Deposits from Directors	0		0	
[b] Fixed Deposits from Share holders	9,68,058		12,41,583	
[c] Fixed Deposits from Public	6,79,684	16,47,742	14,42,918	26,84,501
<b>Total Rs.</b>		<b>1,02,36,968</b>		<b>1,66,13,077</b>
<b>NOTE : 4 : OTHER LONG TERM LIABILITIES:-</b>				
TRADE PAYABLES				
Sundry Creditors (For Goods- Unsecured) (Outstanding for more than one year)	0		0	
OTHERS- Capital Goods	22,65,182	22,65,182	0	0
<b>Total Rs.</b>		<b>22,65,182</b>		<b>0</b>
<b>NOTE : 5 : SHORT TERM BORROWINGS :</b>				
<b>FROM BANKS:- SECURED</b>				
[a] <b>C.C.Hypo A/c. :</b>				
* Citi Bank N.A.	26,40,287		56,00,347	
* Axis Bank Ltd.	6,67,04,653		4,05,20,939	
[ HP. C.C. A/c. Secured against pari passu mortgage/ charge on all immovable properties & stocks of Raw Materials, Stores, Finished Goods etc. & personal guarantee of Directors. ]				
[b] <b>P.C.F.C.A/c. :</b>				
* Citi Bank N.A.	12,57,35,082		8,70,37,419	
* HDFC Bank Ltd.			0	
[ P. C. F. C. A/c. Secured against mortgage/ charge on all immovable properties & book debts relating to to mfg. units, office premises & personal guarantee of Directors.]		19,50,80,022		13,31,58,705
<b>FROM OTHER PARTIES:- UNSECURED</b>				
[a] Fixed Deposits from Directors	0		2,60,793	
[b] Fixed Deposits from Share holders	13,34,287		22,15,177	
[c] Fixed Deposits from Public	14,68,091	28,02,378	19,293	24,95,263
<b>Total Rs.</b>		<b>19,78,82,400</b>		<b>13,56,53,968</b>
<b>NOTE : 6 : TRADE PAYABLES :</b>				
* Micro, Small & Medium Enter. (For Goods- Unsecured)	22,70,988		24,81,273	
* Others (For Goods- Unsecured)	6,43,12,309		4,11,63,366	
<b>Total Rs.</b>		<b>6,65,83,297</b>		<b>4,36,44,639</b>

**Notes on Consolidated Financial Statements for the Year ended 31st March 2012**

**Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

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

SR NO.	PARTICULARS	31/3/2012	31/3/2011
1	Amount of interest paid by the Company in terms of Section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year.	0.00	0.00
2	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the day during the year) but without adding the interest specified under the MSMED.	0.00	0.00
3	Amount of interest accrued and remaining unpaid at the year end of the accounting year.	0.00	0.00

**NOTE : 7 : OTHER CURRENT LIABILITIES :**

Other Payables-Sundry Creditors (For Others-Unsecured)	33,27,827	42,61,274
* Share Application Money Refundable	10,62,375	10,62,375
* Unclaimed Dividend ( 2010-11)	1,74,997	0
* Unclaimed Dividend ( 2009-10)	1,25,531	1,38,856
* Unclaimed Dividend ( 2008-09)	1,09,504	1,11,154
* Unclaimed Dividend ( 2007-08)	96,035	97,685
* Unclaimed Dividend ( 2006-07)	66,791	72,941
* Unclaimed Dividend ( 2005-06)	78,902	79,052
* Advance from Customers	23,04,421	1,56,830
* Current maturities of Long term loans Refer Note No. 3	0	
* Citi Bank N.A.- FCTL & INR	74,18,338	1,32,35,613
* Axis Bank Ltd.- TL	0	69,97,247
* Axis Bank Ltd.- Car Loans	5,05,867	4,65,054
* ICICI Bank Ltd.- Car Loans	3,50,571	0
* Interest accrued but not due on borrowings	58,884	0
* Interest accrued and due on borrowings	0	0
* Unpaid matured deposits & Interest accrued thereon	0	0
<b>Total Rs.</b>	<b>1,56,80,042</b>	<b>2,66,78,081</b>

**NOTE : 8 : SHORT TERM PROVISIONS:-**

* Leave Encashment Salary Provisions <b>Refer Note No. 28.1</b>	8,40,615	5,72,132
* Proposed Dividend	1,47,26,984	1,69,92,674
* Tax on Proposed Dividend	23,89,085	28,22,271
* Provision for Taxation for current tax	1,75,59,526	2,12,75,655
<b>Total Rs.</b>	<b>3,55,16,209</b>	<b>4,16,62,732</b>

**NOTE : 9 FIXED ASSETS.**

Sr No	NAME OF THE ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		As on 01/04/11 Rs.	Addition during the Year Rs.	Deduction during the Year Rs.	As on 31/03/12 Rs.	As on 01/04/11 Rs.	Addition during the Year Rs.	Deduction during the Year Rs.	As on 31/03/12 Rs.	As on 31/03/11 Rs.	As on 31/03/12 Rs.
<b>TANGIBLES</b>											
1	Lease Hold Land	1,16,03,723	26,62,500	0	1,42,66,223	0	0	0	0	1,16,03,723	1,42,66,223
<b>OWN ASSETS</b>											
2	Building	12,48,65,736	14,69,743	0	12,63,35,479	1,55,06,886	42,03,114	0	1,97,10,000	10,93,58,850	10,66,25,479
3	Machineries	14,57,89,752	1,48,71,320	36,45,262	15,70,15,810	3,20,46,717	71,16,688	17,68,822	3,73,94,584	11,37,43,035	11,96,21,226
4	Furniture	77,02,263	0	0	77,02,263	43,33,833	4,87,553	0	48,21,387	33,68,430	28,80,876
5	Motor Cycle	3,60,947	1,01,095	1,54,251	3,07,791	82,171	15,604	50,169	47,606	2,78,776	2,60,185
6	Motor Car	55,11,103	14,18,361	10,38,310	58,91,154	19,91,679	4,98,895	7,88,338	17,02,236	35,19,424	41,88,918
7	Office Equipments	30,25,669	1,79,013	2,47,350	29,57,332	16,66,566	1,91,138	79,591	17,78,113	13,59,103	11,79,219
8	Computer	10,00,799	1,05,175	0	11,05,974	4,44,824	1,72,518	0	6,17,342	5,55,975	4,88,632
9	Electric Fitting & Installation	1,22,34,058	4,15,137	0	1,26,49,195	28,18,404	5,91,026	0	34,09,430	94,15,654	92,39,765
10	Lab Equipments	58,91,789	0	0	58,91,789	19,17,332	2,79,860	0	21,97,192	39,74,457	36,94,597
11	Office Premises	58,86,491	0	0	58,86,491	5,58,167	95,950	0	6,54,116	53,28,324	52,32,375
12	Pollution Effluent Treatment	2,92,39,076	84,79,615	0	3,77,18,691	37,01,890	16,27,236	0	53,29,127	2,55,37,186	3,23,89,564
13	Residential Premises	14,23,898	3,21,303	9,08,811	8,36,390	2,03,634	15,013	1,23,158	95,489	12,20,264	7,40,901
14	Electric Motor & Pumps	21,28,730	2,72,178	0	24,00,908	7,06,920	1,08,583	0	8,15,503	14,21,810	15,85,405
15	Fire fighting Equipments	5,58,645	0	0	5,58,645	80,916	26,536	0	1,07,452	4,77,729	4,51,193
16	Gas Installation & Fabrication	22,36,466	6,498	0	22,42,964	4,85,156	74,698	0	5,59,854	17,51,310	16,83,110
17	Pipes & Valve Fittings	88,74,582	11,06,016	0	99,80,598	11,82,224	3,19,362	0	15,01,586	76,92,358	84,79,012
18	Storage Tank	42,71,058	0	0	42,71,058	5,15,383	1,42,653	0	6,58,037	37,55,675	36,13,021
19	Dies	1,73,360	1,06,800	0	2,80,160	1,06,924	20,614	0	1,27,537	66,436	1,52,623
Total Rs. ....		37,27,78,145	3,15,14,754	59,93,984	39,82,98,915	6,83,49,627	1,59,87,042	28,10,078	8,15,26,591	30,44,28,518	31,67,72,324
Previous Years		35,09,00,223	2,54,49,644	35,71,722	37,27,78,145	5,63,54,198	1,47,85,645	27,90,217	6,83,49,625	29,45,46,028	30,44,28,519
<b>INTANGIBLES:-</b>											
1	ERP Computer Software	22,33,554	0	0	22,33,554	3,88,775	3,62,060	0	7,50,835	18,44,779	14,82,719
2	Goodwill ( on Consolidation)	5,976	0	0	5,976	0	0	0	0	5,976	5,976
TOTAL		22,39,530	0	0	22,39,530	3,88,775	3,62,060	0	7,50,835	18,50,755	14,88,695
Previous Years		12,21,310	10,18,220	0	22,39,530	1,91,768	1,97,007	0	3,88,775	10,29,542	18,50,755

Note:- Opening balances have been regrouped wherever required

**NOTE : 10 : NON CURRENT INVESTMENTS :**

	31/3/2012	31/3/2011
[a] <b>Investment In Property - Residential Flat</b>	0	24,00,000
	0	24,00,000
[b] <b>INVESTMENTS IN EQUITY ( At Cost )</b>		
<b>Trade Investments:-</b>		
<b>Unquoted Investments- Equity Shares</b>		
<b>(i) Investments in Others</b>		
* Enviro Technology Ltd. Shares [15,000 Shares of Rs.10 each(P.Y.F.15,000)]	1,50,000	1,50,000
* Bharuch Enviro Infrastructure Ltd. [1,260 Shares of Rs.10 each(P.Y.F.1,260)]	12,600	12,600
* Bharuch Eco-Aqua Infra.Ltd [78,450 Shares of Rs.10 each (P.Y.F.89,300)]	7,84,500	8,93,000
* Forum (Chandolidia) Aawas Owner's Asso. [1 Share of Rs.100 each (P.Y.F.100)]	100	100
* Navsarjan Industrial Bank Ltd. 500 Shares Of Rs 25 each (P.Y.F.500)]	0	12,500
*Dyemic Holdings Pvt.Ltd. [10,10,000 Shares Of Rs.10 each (P.Y.F.10,10,000)]	1,01,00,000	1,01,00,000
* Ank.Res. & Analy.Inf.Ltd. [1,000 Shares of Rs.10 each (P.Y.F.1,000)]	10,000	10,000
	1,10,57,200	1,11,78,200
[b] <b>Investments in Mutual Funds</b>		
<b>Non-Liquid Dividend Plan (Balance)</b>		
<b>List for purchases &amp; sales of MF is given seperately</b>		
Fidelity India Growth Fund	0	10,00,000
HDFC AMC PMS (Real Estate Portfolio)	52,83,501	59,36,925
HDFC MID CAP EQUITY FUND	0	5,00,000
HSBC Unique Opportunities Fund	2,00,000	2,00,000
(The list is attached as Annexure-II showing cost and market value of all MF )	54,83,501	76,36,925
	54,83,501	76,36,925

SR NO.	PARTICULARS	31/3/2012	31/3/2011
[c]	<b>Other Non Current Investments</b>		
	Vishwas Organisers LLP- Capital Contribution (25% share in LLP Firm)	2,50,000	2,50,000
	Interest Accrued on above capital	31,876	9,376
	Vishwas Organisers LLP- Loan Contribution	1,47,50,000	1,47,50,000
	Interest Accrued on above Loans	17,88,461	5,46,084
	<b>Total Rs.</b>	<b>3,33,61,038</b>	<b>3,67,70,585</b>
<b>NOTE : 11 : LONG TERM LOANS &amp; ADVANCES:-</b>			
[a]	Capital Advances- For capital goods	0	8,30,250
[b]	Deposits- Deposits with govt bodies & others	1,28,00,714	1,11,61,011
[c]	Loans & Advances to Related Parties	0	0
[d]	Other Loans & Advances	0	0
	Advance Sales Tax (Unsecured , considered good)	84,442	84,442
	<b>Total Rs.</b>	<b>1,28,85,156</b>	<b>1,20,75,703</b>
<b>NOTE : 12 : CURRENT INVESTMENTS :</b>			
[a]	<b>Investments- Equity Shares- Quoted</b>		
	(1) Gujarat State Financial Corporation Ltd. [190 Shares of Rs.200 each(P.Y.F.190 ) [ Market Price : Not available]	38,000	38,000
	(2) In Equities as per List by Kotak Mahindra Bank Ltd ( At Cost)	50,13,733	50,57,056
		50,51,733	50,95,056
	Less:- Provision for Diminution in value of Investments (Net)	35,56,148	20,51,060
	(The list is attached as Annexure-I showing cost and market value of all the shares)	14,95,586	30,43,996
	<b>Total Rs.</b>	<b>14,95,586</b>	<b>30,43,996</b>
<b>NOTE: 13: INVENTORIES :</b>			
	<b>Valued at Cost or Net realisable value whichever is lower</b> [As per Inventory taken, valued and Certified by Directors of the Company ]		
*	Raw Materials .....	3,76,54,451	3,93,85,714
*	Packing Material.....	21,17,607	20,61,500
*	ETP stock .....	1,14,271	1,10,206
*	Trading Materials.....	0	1,42,500
*	Work in progress.....	53,59,501	45,45,143
*	Finished Goods ...	10,08,01,226	2,31,10,214
*	Semi Finished Goods.....	0	39,42,636
	<b>Total Rs.</b>	<b>14,60,47,056</b>	<b>7,32,97,913</b>
<b>NOTE :14: TRADES RECEIVABLES (Unsecured Considered Good)</b>			
*	Due Over Six Months.	2,39,999	2,79,756
*	Others	13,92,26,629	12,81,62,457
	<b>Total Rs.</b>	<b>13,94,66,628</b>	<b>12,84,42,213</b>

SR NO.	PARTICULARS	31/3/2012	31/3/2011
<b>NOTE: 15 : CASH AND CASH EQUIVALENTS :</b>			
*	Cash-in-hand	1,61,642	47,208
*	Balance with Schedule Bank in current a/c# # Balance include Unclaimed Dividend of Rs. 397861/- ( PY Rs. 420636/-)	67,48,878	49,76,039
*	Balance with Non-Schedule Bank in current a/c	1,43,518	2,95,227
*	Balance with Non-Schedule Bank in margins a/c	461	461
*	Fixed Deposits with Banks * * Fixed deposits include deposits of Rs. 1849791/- ( PY Rs. 0) with maturity of more than 12 months	18,81,744	24,54,632
<b>Total Rs.</b>		<b>89,36,243</b>	<b>77,73,568</b>
<b>NOTE : 16: SHORT TERM LOANS AND ADVANCES :</b>			
( Unsecured, Considered Good)			
*	With Excise & Vat Authorities	6,47,00,939	4,08,22,748
*	Other Loans & Advances	35,03,354	2511,510
*	Advance Income tax ( FY 1112)	1,82,35,000	0
*	Advance Income tax ( FY 1011)	0	2,21,00,000
*	Advances given for expenses	6,66,631	2,54,637
*	Advances given for goods	5,34,838	58,86,811
<b>Total Rs.</b>		<b>8,76,40,762</b>	<b>7,15,75,706</b>
<b>NOTE : 17: OTHER CURRENT ASSETS :</b>			
( Unsecured, Considered Good)			
*	Other Receivables	80,44,125	69,70,053
<b>Total Rs.</b>		<b>80,44,125</b>	<b>69,70,053</b>
<b>NOTE : 18 : OTHER OPERATING INCOME :</b>			
*	Cash Discount Received	1,57,039	2,18,711
*	Conversion Charge Income	0	2,63,250
*	Foreign Exchange Gain & Loss- Exports & Imports	12,03,697	6,82,117
*	DEPB Income	1,11,35,711	87,87,793
*	Focus Market Income	28,54,329	17,33,502
*	Duty Draw Back Income	63,93,297	0
*	Profit/loss on Sale of FMS	1,612	36,881
*	Kasar Vatav	6,370	42,309
*	Old Drum Sale Income	3,51,524	0
*	Old Machinery Scrap Sale Income	2,62,239	0
*	Liner Scrap Sale Income	65,279	0
*	Quantity Discount	0	1,33,703
*	Discount Income	7,99,591	8,49,210
*	VAT Refund Income	69,361	0
*	Sample Income	1,287	0
<b>TOTAL</b>		<b>2,33,01,335</b>	<b>1,27,47,475</b>
<b>NOTE: 19 : OTHER INCOME</b>			
*	Interest on Income Tax Refund	0	5,26,813
*	Office Rent Income	1,08,000	1,08,000
*	Interest On GEB Deposit	1,74,346	3,48,694
*	Interest On ETL Deposit	1,11,305	1,11,000
*	Misc Interest Income	0	410
*	Creditors W/o	68,088	0
*	Short Term Capital Gain on Investment	2,00,000	0
*	Keyman Insurance Premium Income	10,38,754	0
*	Insurance Claim Received	0	13,270
*	Misc Income	0	15,099

SR NO.	PARTICULARS	31/3/2012	31/3/2011
*	Subsidy Income	0	15,00,000
*	Dividend on Mutual Fund	5,65,476	26,000
*	Dividend From Company	30,423	27,675
*	Interest on HDFC Real Estate Fund	6,50,011	1,95,294
*	Interest on FD (Bank)	98,805	1,21,502
*	Interest on Staff Loan	1,29,807	1,24,629
*	Interest From Partnership-Vishwas LLP	14,02,919	6,17,178
*	Long Term Capital Gain-KOTAK MAHINDRA MF	13,564	49,913
*	Short Term Capital Gain-KOTAK MAHINDRA MF	0	0
	<b>TOTAL</b>	<b>45,91,497</b>	<b>37,85,477</b>
	LESS:- EXPENDITURE RELATING TO INCOME ON INVESTMENTS		
*	Securities Transaction Tax - Kotak	0	369
*	Securities Transaction Tax - Mutual Fund	4,701	0
*	Management Consultancy Fees & Entry Load	1,21,411	89,524
*	Provision for Diminution in the Value of Investments (Net)	15,05,087	(6,07,099)
	<b>TOTAL</b>	<b>(16,31,199)</b>	<b>(5,17,206)</b>
	<b>TOTAL OTHER INCOME ( NET)</b>	<b>29,60,299</b>	<b>43,02,683</b>
	<b>NOTE: 20 : COST OF RAW MATERIALS CONSUMED</b>		
*	Opening Stock	3,93,85,714	2,44,88,965
	Add. : Purchase during the year	51,07,49,824	34,79,67,604
		550135538	37,24,56,569
	Less : Closing Stock	37654451	3,93,85,714
	<b>Total Rs.</b>	<b>51,24,81,087</b>	<b>33,30,70,855</b>
	<b>Refer Note No. 27.9 A &amp; B</b>		
	<b>NOTE : 21 : CHANGES IN INVENTORIES</b>		
	<b>OPENING INVENTORIES :</b>		
*	Finished Goods	2,31,10,214	3,19,69,628
*	Semi Finished Goods	39,42,636	61,67,452
*	Trading Materials	1,42,500	0
*	Work-in-Progress	45,45,143	51,59,382
		3,17,40,493	4,32,96,462
	<b>CLOSING INVENTORIES :</b>		
*	Finished Goods	10,08,01,226	2,31,10,214
*	Semi Finished Goods	0	39,42,636
*	Wastes Stocks	0	1,42,500
*	Work-in-Progress	53,59,501	45,45,143
		10,61,60,727	3,17,40,493
	<b>CHANGES IN INVENTORIES</b>	<b>(7,44,20,234)</b>	<b>1,15,55,969</b>
	<b>NOTE : 22 : EMPLOYEES BENEFITS EXPENSES :-</b>		
*	Salary & Wages to Employees	1,73,03,874	1,41,15,150
*	Salaries & Bonus to Directors	56,11,844	55,45,607
*	Compensation paid to Director S P Patel	29,04,985	0
*	Contribution to PF	12,92,567	8,05,592
*	Other Salary & Wages Expense	12,95,210	8,89,664
*	Leave Salary (Inc. Provisions - unpaid)	11,16,952	3,75,646
	<b>Refer Note No. 28.1</b>		
*	Bonus & other expenses	34,31,755	29,82,318
	<b>Total Rs.</b>	<b>3,29,57,187</b>	<b>2,47,13,977</b>



SR NO.	PARTICULARS	31/3/2012	31/3/2011
<b>NOTE : 23 : FINANCE COSTS :-</b>			
*	Interest	1,04,58,409	90,81,067
*	Forex Gain Loss on FCTL	18,22,286	0
*	Other Financial Charges	35,95,273	33,19,293
	<b>Total Rs.</b>	<b>1,58,75,968</b>	<b>1,24,00,360</b>
<b>NOTE : 24 : OTHER MANUFACTURING EXPENSES:-</b>			
A	<b>PACKING MATERIAL CONSUMED</b>		
*	Opening Stock	20,61,500	18,98,092
	Add: Purchases during the year	1,64,84,154	1,30,51,109
		1,85,45,654	1,49,49,201
	Less : Closing stock	21,17,607	20,61,500
	<b>Total Rs.</b>	<b>1,64,28,047</b>	<b>1,28,87,701</b>
B	<b>E.T.P MATERIAL CONSUMED</b>		
*	Op. Stock	1,10,206	37,612
	Add: Purchases during the year	29,31,480	27,09,320
		30,41,686	27,46,932
	Less : Closing stock	1,14,271	1,10,206
	<b>Total Rs.</b>	<b>29,27,415</b>	<b>26,36,726</b>
C	<b>POWER &amp; FUEL CONSUMED</b>		
*	Electric Power & Burning	2,63,01,125	1,76,36,857
*	Fuel Purchased & Consumed	6,81,936	18,76,236
*	Gas Consumption Charges	6,19,51,627	3,73,67,231
	<b>Total Rs.</b>	<b>8,89,34,688</b>	<b>5,68,80,324</b>
D	<b>OTHER MANUFACTURING EXPENSES</b>		
*	Transportation	61,82,993	47,11,684
*	Conversion / Job Charges	56,72,524	38,17,652
*	Factory Expenses	9,56,044	8,36,615
*	Labour Charges	1,41,09,697	92,66,810
*	Forwarding & Handling Charges	1,44,68,298	1,43,04,235
*	Pallatisation Charges	5,64,978	4,10,307
*	ETP Expense	1,10,78,452	67,00,594
*	Freight & Cartage Expenses	0	45,695
*	Colour Expense	6,54,531	5,02,339
*	Custom Duty on Debonding	0	28,17,182
*	Consumable Stores	22,04,497	16,14,329
	<b>Total Rs.</b>	<b>5,58,92,014</b>	<b>4,50,27,442</b>
	<b>TOTAL:- MANUFACTURING COST</b>	<b>16,41,82,164</b>	<b>11,74,32,193</b>
<b>NOTE : 25 : REPAIRS AND MAINTENANCE EXPENSES:-</b>			
*	Electrical Parts & Maintenance	6,54,534	5,27,200
*	ETP Parts & Maintenances	49,52,938	37,68,154
*	Machinery Parts Repairs & Maintenance	42,55,660	35,02,001
*	A.C. Service Charges	72,483	83,420
*	Building Repairing	4,54,565	2,64,509
*	Computer Maintenance & Consumables	2,09,711	1,66,653
*	EPABX Maintenance	6,250	2,600
*	Lab Equipment Repairing	57,664	1,03,534
*	Furniture Repairing & Maintenance	66,706	52,438
*	Type,Fax & Zerox Maintenance	5,700	1,830
*	Vehicle Repairing (Director)	1,58,965	1,66,600
*	Vehicle Repairing Expenses	15,460	28,485
*	Consumable Stores (Plant)	66,08,489	43,87,971
*	Consumable Stores(Electricals)	7,27,310	5,37,867
	<b>Total Rs.</b>	<b>1,82,46,434</b>	<b>1,35,93,261</b>

SR NO.	PARTICULARS	31/3/2012	31/3/2011
<b>NOTE : 26 : ADMINISTRATIVE AND OTHER EXPENSES:-</b>			
*	Consultancy, Legal & Professional Fees	11,75,001	14,42,877
*	Exhibition Expenses	18,13,848	11,91,955
*	Insurance Premium	24,49,692	27,63,282
*	Petrol Expenses-Directors	3,16,640	3,32,590
*	Sitting Fees to Directors	68,000	64,000
*	Selling Commission	34,93,138	19,08,163
*	Rates & Quality Differences	4,82,399	0
*	Staff Welfare Expenses	4,98,360	2,87,034
*	Telephone Expenses-Others	2,98,562	3,51,834
*	Travelling & Conveyance (Director)	4,56,817	5,03,372
*	Angadia & Courier Expenses	6,27,052	5,35,573
*	Audit Fees	4,08,090	4,08,090
*	FDA Approval Fees	29,24,329	29,05,037
*	Lab-Testing Expenses	5,27,769	3,61,935
*	Misc Office Expenses	2,66,416	2,18,105
*	Office Electric Bill Expenses	2,99,762	2,96,899
*	Security Expenses	8,39,120	6,14,834
*	Stationery & Printing Expenses- Incl (Annual Reports)	7,03,017	9,28,456
*	Water Charges	4,36,958	3,36,815
*	Sales Promotion Expenses	1,57,302	2,85,326
*	Registration Certification, Renewal & Filing Fees	5,42,525	7,19,909
*	Advertisement Expense	53,529	2,62,162
*	Profit / Loss on Sale of DEPB, FMS & VKUJ	32,944	0
*	Loss/Profits on sale/w/o of assets	8,11,796	2,35,813
*	Other Administrative & Establishment Expenses	37,59,864	41,92,760
<b>Total Rs.</b>		<b>2,34,42,929</b>	<b>2,11,46,816</b>

**Note 27 Additional information to the financial statements**

27.1	Contingent Liabilities and Commitments:-	As at 31 March, 2012	As at 31 March, 2011
<b>I Contingent Liabilities:-</b>			
(a)	Letter of Credits- Citi Bank	68,87,461	58,23,265
(b)	Letter of Credits- Axis Bank	0	74,99,803
<b>II Commitments:-</b>			
(a)	Estimated amount of contracts remaining to be executed on capital account and not provided for		
	Tangible assets	0	0
	Intangible assets	0	0
(b)	Uncalled liability on shares and other investments partly paid	0	0
(c)	Other commitments (specify nature)	0	0

**27.2 Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges**

Loans and advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by such parties:

Name of the party	Relationship	As at 31 March, 2012	As at 31 March, 2011
NIL		0	0

**27.3 Details of fixed assets held for sale**

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Investments in Property - Residential Flats	0	24,00,000

**27.4 Remuneration to Auditors**

Particulars	Current Year Amount Rs.	Previous Year Amount Rs.
As Audit Fees	3,00,000	3,00,000
As Tax Audit Fees	75,000	75,000
For Taxation	2,50,000	2,00,000
For Other Matters - Appeals	30,000	90,000
For Service Tax	67,465	63,345

**27.5** The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure. Paise have been rounded upto the nearest rupee.

**NOTE 28 DISCLOSURES UNDER ACCOUNTING STANDARDS:**
**28.1 DISCLOSURES AS PER AS 17- Segment Reporting Segmental Reporting :-**

Segment information for primary reporting (by business segment)

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

Segment information for secondary reporting (by geographical segments)

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

1) Domestic, 2) Export

Information about secondary segments:-

Particulars	Domestic	Exports	Unallocated	Total
Revenue by geographical market	21,19,00,617	59,70,09,597	0	80,89,10,214
	(17,84,82,749)	(46,19,64,481)	(0)	(64,04,47,230)
Carrying amount of Segment Assets ( Gross)	65,39,31,955	10,22,05,658	0	75,61,37,614
	(55,69,77,246)	(8,92,51,764)	(0)	(64,62,29,010)

Figures in brackets are for the previous year.

**28.2 DISCLOSURES AS PER AS 18- Related Party Transactions**

A ] List of parties where control exist

( i ) Subsidiary Company

\* Dynamic Overseas ( India ) Pvt.Ltd.

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

(ii) Associates :-

\* Shakti Intermediates Pvt.Ltd.

\* Dynamic Holdings Pvt Ltd

(iii) Key management personnel :-

Mr. Bhagwandas K. Patel Managing Director

Mr. Rameshbhai B. Patel Wholetime Director

Mr. Dashrathbhai P. Patel Wholetime Director

Mr. Dixit B. Patel Wholetime Director

C ] Transactions with related parties :-

Nature of Transaction	Key Managerial Personnel & their Relatives Rs.		Subsidiary Companies Amount Rs.		Associates Amount Rs.	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
<b>Fixed Deposits taken</b>						
Taken during the period	10,50,000	85,000	0	0	0	0
Repaid during the period	25,98,090	74,98,567	0	0	0	0
Closing Balance	25,98,833	37,42,299	0	0	0	0
<b>Loans &amp; Advances</b>						
Given during the period	16,80,901	20,20,876	40,00,000	25,00,000	0	0
Settled during the period	20,16,842	15,32,370	40,00,000	25,00,000	0	0
Closing Balance	12,06,068	15,42,078	0	0	0	0
<b>Investments</b>						
Given during the period	0	0	0	0	0	0
Settled during the period	0	0	0	0	0	0
Closing Balance	0	0	20,60,000	20,60,000	1,01,00,000	1,01,00,000
<b>Sundry Debtors</b>	0	0	0	0	0	0
Sundry Creditors	0	0	0	0	0	0
Purchase of Goods	0	0	0	0	70,739	0
Conversion Charges	0	0	0	0	36,94,229	18,39,223
Amount Expended on be half of Sales	1,03,38,966	75,60,781	0	0	0	0
	0	0	99,20,900	83,91,968	14,159	5,025

**28.3 DISCLOSURES AS PER AS 20- Earning Per Share**

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	2011-12	2010-11
Net Profit after tax ( Amt.Rs.)	5,35,52,550	5,75,91,056
Weighted Average Nos. of Shares	1,13,28,449	1,13,28,449
Basic Earning per Share on nominal value of Rs.10/-per share	4.73	5.08

**28.4 DISCLOSURES AS PER AS 22- Accounting for Taxes on Income:**

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 11	Debit/(Credit) for the year Rs.	Balance As on 31st March 2012
(a) Deferred Tax Liability			
- Depreciation	3,52,41,855	90,48,535	4,42,90,390
-Prov for diminution in Value of Investments	(6,90,543)	-(4,99,952)	(1,90,591)
Total	3,45,51,312	95,48,487	4,40,99,799

As per our Report of even date  
For : SHAH RAJESH & ASSOCIATES  
CHARTERED ACCOUNTANTS.

(Rajesh D. Shah)  
PROPRIETOR.  
FRN. 109767W  
Place : Ahmedabad.  
Date : 23/06/2012

For : DYNEMIC PRODUCTS LIMITED  
(B. K. PATEL) Chairman & M. D.  
(D. P. PATEL) DIRECTOR  
(R. B. PATEL) DIRECTOR  
(D. B. PATEL) DIRECTOR  
(Varsha Mehta) COMPANY SECRETARY

**DYNEMIC PRODUCTS LTD.**

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

**ATTENDANCE SLIP**

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

D. P. ID	NAME & ADDRESS OF THE REGISTERED SHAREHOLDER
CLIENT ID / FOLIO NO.	
NO. OF SHARES	

I hereby record my presence at the 22nd Annual General Meeting of the Company at Highland Park, The Restaurant, 1st Floor, Vrundavan Complex, Opposite Chinmay Tower, Gurukul Road, Memnagar, Ahmedabad – 380 052 on Friday, 21st September, 2012, at 3.00 p.m.

Full name of the Proxy, if attending the Meeting :

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

\_\_\_\_\_, 2012

**Note :**

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

**DYNEMIC PRODUCTS LTD.**

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

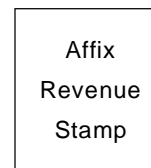
**PROXY FORM**

I/We, \_\_\_\_\_  
of \_\_\_\_\_ being a member / members of Dymenic Products Ltd. hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him / her \_\_\_\_\_ of \_\_\_\_\_ as my / our proxy to vote for me / us on my / our behalf at the 22nd Annual General Meeting of the Company to be held at Highland Park, The Restaurant, 1st Floor, Vrundavan Complex, Opposite Chinmay Tower, Gurukul Road, Memnagar, Ahmedabad – 380 052 on Friday, 21st September, 2012, at 3.00 p.m. and at any adjournment thereof.

Registered Folio / DP. ID. & Client ID.: \_\_\_\_\_

No. of Shares held : \_\_\_\_\_

Affix a Revenue Stamp



Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012

Signature(s) of Member(s)

**Notes :**

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



## What is the "Green Economy"?

“ For the purposes of the Green Economy Initiative, UNEP has developed a working definition of a green economy as one that results in improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities. In its simplest expression, a green economy can be thought of as one which is low carbon, resource efficient and socially inclusive.

Practically speaking, a green economy is one whose growth in income and employment is driven by public and private investments that reduce carbon emissions and pollution, enhance energy and resource efficiency, and prevent the loss of biodiversity and ecosystem services. These investments need to be catalyzed and supported by targeted public expenditure, policy reforms and regulation changes. This development path should maintain, enhance and, where necessary, rebuild natural capital as a critical economic asset and source of public benefits, especially for poor people whose livelihoods and security depend strongly on nature.”





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