

*24<sup>th</sup>*

*Annual Report  
2012 - 2013*



**DYNAMIC INDUSTRIES LIMITED**

Registered Office : Plot No. 5501/2, Phase III, G.I.D.C., Vatva, Ahmedabad - 382 445.



## **BOARD OF DIRECTORS**



**HARIN D. MAMLATDARNA**  
CHAIRMAN

**DEEPAK N. CHOKSHI**  
VICE CHAIRMAN

**DINESH J. JAIN**  
EXECUTIVE DIRECTOR

**JATIN B. SURTI**  
(NON-EXECUTIVE  
DIRECTOR / INDEPENDENT)

**PRAVINCHANDRA D. MASTER**  
(NON-EXECUTIVE  
DIRECTOR / INDEPENDENT)

**RAGHAVDAS H. LAKHMANI**  
(NON-EXECUTIVE  
DIRECTOR / INDEPENDENT)



**COMPANY SECRETARY**  
(CONSULTING)  
**CHETAN R. SHAH**

### **AUDITORS**

G. K. CHOKSI & CO.  
Chartered Accountants  
"Madhuban", Nr. Madalpur Underbridge,  
Ellisbridge, Ahmedabad - 6.

### **BANKERS**

CENTRAL BANK OF INDIA  
Lal Darwaja Branch  
Nr. Roopalee Cinema, Ahmedabad.

### **REGISTRARS & SHARE TRANSFER AGENTS**

SHAREPRO SERVICES (INDIA) PVT. LTD.  
(Ahmedabad Branch)  
416-420, 4th Floor, Devnandan Mall,  
Opp. Sanyas Ashram, Ashram Road,  
Ellisbridge, Ahmedabad - 380 006.



**REGISTERED OFFICE :**  
Plot No. 5501/2, Phase III,  
Nr. Trikampura Cross Roads, GIDC,  
Vatva, Ahmedabad - 382 445.

**FACTORY :**  
Plot No. 125, Phase - I,  
Nr. Trikampura Cross Roads, GIDC,  
Vatva, Ahmedabad - 382 445.

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## NOTICE

NOTICE is hereby given that the Twenty Fourth Annual General Meeting of Dynamic Industries Limited will be held on 14th August, 2013 at 11.30 a.m. at 5501/2, Phase III, Near Trikampura Cross Roads, G.I.D.C., Vatva, Ahmedabad-382 445 to transact the following business :

### Ordinary Business :

1. To receive, consider and adopt the Audited statement of Profit and Loss for the year ended on 31st March, 2013, Balance Sheet as at that date together with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Dinesh J. Jain who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri Harin D. Mamlatdarna who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

### Special Business:

5. **Appointment of Shri Deepak N. Chokshi as Chairman and Managing Director and payment of remuneration**

To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution.

**“RESOLVED THAT** pursuant to sections 2(26), 198, 269, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 Shri Deepak N. Chokshi be and is hereby appointed as Chairman and Managing Director of the Company for a period of two years w.e.f. 01-10-2013.”

**“RESOLVED FURTHER THAT** pursuant to sections 198, 269, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such sanctions as may be necessary, the Company hereby approves the remuneration of Shri Deepak N. Chokshi for a period from 01-10-2013 to 30-09-2015, together with perquisites and other terms and conditions (including minimum remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the aforesaid period) as set out in the relevant explanatory statement appended hereto and forming part of this Notice with liberty to the Board of Directors to alter, vary or modify the terms and conditions of perquisites in such manner as may be agreed to between the Board of Directors and Shri Deepak N. Chokshi.”

**“RESOLVED FURTHER THAT** notwithstanding anything hereinabove stated where in any financial year the Company has incurred loss or profits are inadequate, the Company may pay Shri Deepak N. Chokshi remuneration by way of salary, perquisites and other allowances not exceeding the ceiling as provided in section II of part II of schedule XIII of the Companies Act, 1956.”

6. **Appointment of Shri Harin D. Mamlatdarna as Vice Chairman and Managing Director and payment of remuneration**

To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution.

**“RESOLVED THAT** pursuant to sections 2(26), 198, 269, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 Shri Harin D. Mamlatdarna be and is hereby appointed as Vice Chairman and Managing Director of the Company for a period of two years w.e.f. 01-10-2013.”

**“RESOLVED FURTHER THAT** pursuant to sections 198, 269, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such sanctions as may be necessary, the Company hereby approves the remuneration of Shri Harin D. Mamlatdarna for a period from 01-10-2013 to 30-09-2015, together with perquisites and other terms and conditions (including minimum remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the aforesaid period) as set out in the relevant explanatory statement appended hereto and forming part of this Notice with liberty to the Board of Directors to alter, vary or modify the terms and conditions of perquisites in such manner as may be agreed to between the Board of Directors and Shri Harin D. Mamlatdarna.”

## **DYNAMIC INDUSTRIES LIMITED**

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“**RESOLVED FURTHER THAT** notwithstanding anything hereinabove stated where in any financial year the Company has incurred loss or profits are inadequate, the Company may pay Shri Harin D. Mamlatdarna remuneration by way of salary, perquisites and other allowances not exceeding the ceiling as provided in section II of part II of schedule XIII of the Companies Act, 1956.”

7. **Reappointment of Shri Dinesh J. Jain as Executive Director and payment of remuneration**

To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution.

“**RESOLVED THAT** in terms of sections 198, 269, 309, 310, Schedule XIII and other applicable provisions of the Companies Act, 1956 Shri Dinesh J. Jain be and is hereby reappointed as Executive Director of the Company for a period of two years w.e.f. 01-10-2013.”

“**RESOLVED FURTHER THAT** pursuant to sections 198, 269, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such sanctions as may be necessary, the Company hereby approves the remuneration of Shri Dinesh J. Jain, Executive Director for a period from 01-10-2013 to 30-09-2015, together with perquisites and other terms and conditions (including minimum remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the aforesaid period) as set out in the relevant explanatory statement appended hereto and forming part of this Notice with liberty to the Board of Directors to alter, vary or modify the terms and conditions of perquisites in such manner as may be agreed to between the Board of Directors and Shri Dinesh J. Jain.”

“**RESOLVED FURTHER THAT** notwithstanding anything hereinabove stated where in any financial year, the Company has incurred loss or profits are inadequate, the Company may pay Shri Dinesh J. Jain remuneration by way of salary, perquisites and other allowances not exceeding the ceiling as provided in section II of part II of schedule XIII of the Companies Act, 1956.”

**Regd. Office :**

Plot No. 5501/2, Phase III,  
Nr. Trikampura Cross Roads,  
GIDC, Vatva,  
Ahmedabad - 382 445.

Date : 30<sup>th</sup> May, 2013

**By Order of the Board**

**DEEPAK N. CHOKSHI**

*Vice Chairman*

**Notes :**

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company.
2. An Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 is annexed herewith.
3. Register of Members and Share Transfer Books will remain closed from 13-08-2013 to 14-08-2013 (both days inclusive).

**Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956.****Item No. 5**

Shri Deepak N. Chokshi is commerce graduate and looks after finance, banking, commercial matters, accounting and administrative aspects of the business. He has a rich experience of over 32 years in the field of dyes and chemicals.

The Board of Directors of the Company after considering the time and efforts dedicated by Shri Deepak N. Chokshi towards the working of the Company decided to appoint him as Chairman and Managing Director of the Company for a period of two years w.e.f. 01-10-2013 subject to approval of the Shareholders in terms of sections 198, 269 read with Schedule XIII and other applicable provisions of the Companies Act, 1956. The terms of remuneration including salary, allowances and perquisites payable to him w.e.f. 01-10-2013 as approved by the Remuneration Committee and the Board of Directors subject to approval of the Shareholders are as follows :

**REMUNERATION :**

Basic Salary : Rs. 1,05,000/- per month with such revision as the Board may approve from time to time.

**Perquisites :**

Furnished accommodation, electricity, water, gas and furnishings, medical reimbursements, leave travel concessions for self and family, club fees, medical insurance, personal accident insurance, leave encashment, benefits of Provident Fund and Gratuity Fund, car and telephone, any other allowances etc. in accordance with the rules of the Company.

In case, no accommodation is provided to Shri Deepak N. Chokshi, he will be paid House Rent Allowance as per rules of the Company.

The terms and conditions of the said appointment may be altered and varied from time to time by the Board as it may, in its discretion, deem fit, within the maximum amount payable to Managing and whole Time Directors in accordance with Schedule XIII to the Act or any amendments made hereafter in this regard.

In the event of loss or inadequacy of profits in any financial year during the aforesaid period, the Company may pay to Shri Deepak N. Chokshi remuneration by way of Salary, allowances and perquisites as per section II of part II of Schedule XIII of the Companies Act, 1956.

Shri Deepak N. Chokshi is interested in the resolution as it relates to his own appointment and remuneration. No other Director is interested in the said resolution.

**Item No. 6**

Shri Harin D. Mamlatdarna is commerce graduate and looks after finance, banking, commercial matters, marketing, accounting and administrative aspects of the business. He is having a rich experience of more than 32 years in the field of dyes and chemicals and has also visited a number of European and Asian countries as well as USA to acquaint himself of the latest technology.

The Board of Directors of the Company after considering the time and efforts dedicated by Shri Harin D. Mamlatdarna towards the working of the Company decided to appoint him as Vice Chairman and Managing Director of the Company for a period of two years w.e.f. 01-10-2013 subject to approval of the Shareholders in terms of sections 198, 269 read with Schedule XIII and other applicable provisions of the Companies Act, 1956. The terms of remuneration including salary, allowances and perquisites payable to him w.e.f. 01-10-2013 as approved by the Remuneration Committee and the Board of Directors subject to approval of the Shareholders are as follows :

**REMUNERATION :**

Basic Salary : Rs. 1,05,000/- per month with such revision as the Board may approve from time to time.

**Perquisites :**

Furnished accommodation, electricity, water, gas and furnishings, medical reimbursements, leave travel concessions for self and family, club fees, medical insurance, personal accident insurance, leave encashment, benefits of Provident Fund and Gratuity Fund, car and telephone, any other allowances etc. in accordance with the rules of the Company.

In case, no accommodation is provided to Shri Harin D. Mamlatdarna, he will be paid House Rent Allowance as per rules of the Company.

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The terms and conditions of the said appointment may be altered and varied from time to time by the Board as it may, in its discretion, deem fit, within the maximum amount payable to Managing and whole Time Directors in accordance with Schedule XIII to the Act or any amendments made hereafter in this regard.

In the event of loss or inadequacy of profits in any financial year during the aforesaid period, the Company may pay to Shri Harin D. Mamlatdarna remuneration by way of Salary, allowances and perquisites as per section II of part II of Schedule XIII of the Companies Act, 1956.

Shri Harin D. Mamlatdarna is interested in the resolution as it relates to his own appointment and remuneration. No other Director is interested in the said resolution.

### **Item No. 7**

Shri Dinesh J. Jain is a commerce graduate and has rich experience of more than 27 years in the field of dyes and chemicals and has also visited a number of European and Asian countries as well as USA to acquaint himself of the latest technology. He looks after commercial, administrative and marketing aspects of the business.

The Board of Directors of the Company reappointed Shri Dinesh J. Jain as Executive Director of the Company for a period from 01-10-2013 to 30-09-2015 subject to approval of the Shareholders in terms of sections 198, 269 read with Schedule XIII and other applicable provisions of the Companies Act, 1956. The terms of remuneration including salary, allowances and perquisites payable to him w.e.f. 01-10-2013 as approved by the Board subject to approval of the Shareholders are as follows :

### **REMUNERATION :**

Basic Salary : Rs. 1,05,000/- per month with such revision as the Board may approve from time to time.

### **Perquisites :**

Furnished accommodation, electricity, water, gas and furnishings, medical reimbursements, leave travel concessions for self and family, club fees, medical insurance, personal accident insurance, leave encashment, benefits of Provident Fund and Gratuity Fund, car and telephone, any other allowances etc. in accordance with the rules of the Company.

In case, no accommodation is provided to Shri Dinesh J. Jain, he will be paid House Rent Allowance as per rules of the Company.

The terms and conditions of the said appointment may be altered and varied from time to time by the Board as it may, in its discretion, deem fit, within the maximum amount payable to Managing and whole Time Directors in accordance with Schedule XIII to the Act or any amendments made hereafter in this regard.

In the event of loss or inadequacy of profits in any financial year during the aforesaid period, the Company may pay to Shri Dinesh J. Jain remuneration by way of Salary, allowances and perquisites as per section II of part II of Schedule XIII of the Companies Act, 1956.

Shri Dinesh J. Jain is interested in the resolution as it relates to his own appointment and remuneration. No other Director is interested in the said resolution.

### **Regd. Office :**

Plot No. 5501/2, Phase III,  
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GIDC, Vatva,  
Ahmedabad - 382 445.

Date : 30<sup>th</sup> May, 2013

### **By Order of the Board**

**DEEPAK N. CHOKSHI**  
Vice Chairman

## DIRECTORS' REPORT

**Dear Members,**

Your Directors have pleasure in placing before you the Twenty Fourth Annual Report and Audited Accounts for the year ended on 31st March, 2013.

Financial Results	[₹ in Lacs]	
Particulars	Year Ended 31-03-2013	Year Ended 31-03-2012
Total Income	4364.78	4180.69
Profit before depreciation and tax	197.60	245.35
Depreciation	64.78	64.30
Provision for Taxation		
Current Year	43.50	37.00
Deferred tax	13.05	8.88
Less : Excess provision of earlier year (net)	(8.82)	----
Profit After tax	85.09	135.17
<b>Balance b/f. from previous year</b>	<b>663.44</b>	<b>528.27</b>
<b>Balance carried to Balance Sheet</b>	<b>748.53</b>	<b>663.44</b>

### Dividend

In view of conserving resources, your directors do not recommend any dividend on equity shares for the year ended 31st March, 2013.

### Performance

Despite recession and stiff competition, performance of your Company for the year under review has remained satisfactory. Total income was Rs. 4364.78 lacs (previous year Rs. 4180.69 lacs). Tax expenses were Rs. 47.73 lacs (previous year Rs. 45.88 lacs). The net profit after tax was Rs. 85.09 lacs (previous year Rs. 135.17 lacs).

### Future outlook

While there is a marginal upward trend in the first quarter of the current year, the world economic scenario appears to be subdued. Major economies are virtually stagnant and the Eurozone is in a fluid state. The volatility witnessed in the year under review is expected to persist in the current financial year. Value of Indian Rupee against dollar has been affected. Figures of GDP growth are not encouraging. Political turmoils has aggravated the unstable market situation. Profitability of the Company may be marginally affected during the current year but the Company expects the market to stabilize in near future.

The Company is predominantly export oriented and has high acceptance of its product, both in the international & domestic market, besides cordial relationship with its customers.

### Directorate

Shri Dinesh J. Jain and Shri Harin D. Mamlatdarna, Directors of the Company who retire by rotation, and being eligible, offer themselves for reappointment.

Shri Dinesh J. Jain is a commerce graduate and has rich experience of more than 27 years in the field of dyes and chemicals and has also visited a number of European and Asian countries as well as USA to acquaint himself of the latest technology. He looks after commercial, administrative and marketing aspects of the business.

Directorship in other Companies : 1

Shri Harin D. Mamlatdarna is commerce graduate and has a rich experience of more than 32 years in the field of dyes and chemicals and has also visited a number of European and Asian countries as well as USA to acquaint himself of the latest technology. He looks after production, commercial, export and administrative aspects of the business.

Directorship in other Companies : Nil

### Disclosure on Stock Exchanges

The equity shares of the Company are listed on the Bombay Stock Exchange Ltd. The Company has paid necessary Listing fees for the year 2013-2014 to the Bombay Stock Exchange Ltd.

### Subsidiary Company

During the year, the Company has incorporated a Subsidiary Company named Neo Farbe Private Limited. The said Company has not commenced any commercial operations during the year under review. Hence, details relating to Subsidiary Company are not provided for.



## **DYNAMIC INDUSTRIES LIMITED**

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### **Fixed Deposits**

The Company has not accepted any deposits from the public during the year under review.

### **Insurance**

All the properties and assets of the Company are adequately insured.

### **Energy, Technology and Foreign Exchange**

In accordance with the provisions of section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, the relevant information pertaining to conservation of energy, technology absorption, foreign exchange earning and outgo is given in Annexure – I to the Directors' Report.

### **Corporate Governance**

A separate Report on Corporate Governance alongwith the Certificate from the Statutory Auditors regarding the Compliance of conditions of corporate governance pursuant to Clause 49 of the Listing Agreement is provided in a separate Annexure - II.

### **Compliance Certificate**

A copy of Compliance Certificate obtained from a Company Secretary in wholetime practice pursuant to section 383A (1) of the Companies Act, 1956 read with the Companies (Compliance Certificate) Rules, 2001 is annexed herewith as Annexure – III.

### **Particulars of Employees**

There are no employees drawing remuneration in terms of disclosure requirement pursuant to the provisions of section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975

### **Personnel**

Relations between the Employees and the Management continued to be cordial during the year under review. Your Directors hereby place on record their appreciation for the efficient and loyal services rendered by the employees of the Company at all levels.

### **Directors' Responsibility Statement**

In accordance with the provisions of Section 217 (2AA) of the Companies Act, 1956 as amended by Companies {Amendment} Act, 2000, your Directors state :

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
2. That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and a fair view of the state of affairs of the Company at the end of the financial year ended on 31.03.2013 and of the Profit of the Company for the year ended on 31.03.2013;
3. 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;
4. That the Directors have prepared annual accounts on a going concern basis.

### **Cost Auditors**

M/s. Hitesh Batra & Associates, Cost Accountants, Ahmedabad have been reappointed as the Cost auditors to conduct the audit of the cost accounts maintained by the Company for the financial year ended 31-03-2014.

### **Auditors**

M/s. G. K. Chokshi & Co., Chartered Accountants, Ahmedabad hold office until the conclusion of the ensuing Annual General Meeting. The Company has received a certificate under section 224(1)(B) of the Companies Act, 1956 from them. You are requested to appoint the Auditors and fix their remuneration.

### **Acknowledgement**

Your Directors take this opportunity to express their gratitude for the co-operation and support from its customers, vendors, bankers and business associates and look forward to their continued support.

The Directors are also grateful to the shareholders for the confidence reposed in the Company. Your Directors also wish to place on record their sincere appreciation of the valuable contribution and efforts made by all the employees to achieve in these trying times.

**For and on behalf of the Board**

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2013

**DEEPAK N. CHOKSHI**  
*Vice Chairman*



## ANNEXURE I TO THE DIRECTORS' REPORT

### A. TECHNOLOGY ABSORPTION:-

The Company has no foreign collaboration and is well versed with the indigenous technology.

### B. CONSERVATION OF ENERGY:-

(i) As power and energy expenditure are not main cost constituent of company's overall product costing. So at present company is not required to take any conservation measures.

(ii) Power and fuel consumption

	2012-2013	2011-2012
<b>Electricity</b>		
Purchase Unit	9,04,419	9,23,389
Total Amount	63,53,932	53,49,147
Rate (per unit)	7.03	5.79
<b>Light Diesel Oil / Diesel Oil / Furnace Oil</b>		
Quantity (in LTRS)	1,800	3,600
Total Amount	86,582	1,33,206
Average rate per unit	48.10	37.00
<b>Fire Wood</b>		
Quantity (in Kgs.)	Nil	14,570
Total Amount	Nil	47,353
Average rate per unit	Nil	3.25
<b>Gas</b>		
Quantity (in scm.)	6,21,547	7,40,135
Total Amount	2,50,16,514	2,25,38,759
Average rate per unit	40.25	30.45

### C. RESEARCH AND DEVELOPMENT

#### a. Specific areas in which R&D carried out by the company:-

Dyes

#### b. Benefits derived as a result of the above R&D

By addition on new products the company has been able to improve presence in overseas market. R & D has also resulted in to cost reduction.

#### c. Future plan of Action

R&D is being strengthened and equipped to play an effective role for improving the quality.

#### d. Expenditure on R&D.

No separate expenditure on R&D is booked in the accounts but is included in laboratory expenses.

### D. TECHNOLOGY ABSORPTION, ADOPTATION AND INNOVATION

#### a. Efforts Made :-

The Company deploys indigenous technology and continues its efforts to increase its yield, production, scale of operations and upgradation of technology.

#### b. Benefits derived as a result of above efforts

Product improved through high efficiency and energy saving has improved an overall working of the Company.

### Foreign Exchange earning and out go (Rs. in lacs)

	2012-2013	2011-2012
Foreign Exchange Earning	3412.27	3411.23
Foreign Exchange out go	1446.35	1384.65

**ANNEXURE II TO DIRECTOR'S REPORT - REPORT ON CORPORATE GOVERNANCE****1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Good corporate practices stem from the culture and mindset of the organization. Corporate Governance is set of systems and practices to ensure that the operations of the Company are being managed in a way which ensures fairness, integrity, transparency and accountability in its dealings with its customers, stakeholders, dealers, lenders, government and employees. Sound governance system based on relationship and trust is integral to creating value on an overall basis. The philosophy of the Company on Corporate Governance lies in its concerns to protect interests of various stakeholders, fair dealings with all while enhancing the wealth of shareholders. The Board of Directors and the Management of the Company commit themselves to achieve high standards in Corporate Governance by complying with the mandatory guidelines in this regard and also regularly reviewing management systems for further improvement. Accountability and transparency are pivotal features to improve decision making and the rationale behind such decisions, which in turn conquers stakeholders' confidence.

**2. BOARD OF DIRECTORS****Composition of the Board of Directors.**

The Board of Directors is comprised of 6 members, of which 3 are wholetime Directors including Chairman. All other Directors are Non-Executive Directors.

<b>Name of Director</b>	<b>Category</b>	<b>No. of other Directorships</b>	<b>Membership of Board Committees</b>
Harin D. Mamlatdarna	Chairman / Wholetime Director	Nil	1
Deepak N. Chokshi	Vice Chairman / Wholetime Director	Nil	1
Dinesh J. Jain	Executive Director	1	1
Jatinbhai B. Surti	Non-Executive Director / Independent	Nil	2
Pravinchandra D. Master	Non-Executive Director / Independent	Nil	2
Raghavdas H. Lakhmani	Non-Executive Director / Independent	Nil	2

**Attendance of each Director at Board Meetings and the last Annual General Meeting**

5 Board Meetings were held during the financial year 2012-2013. The composition of Directors and the attendance at the Board Meeting during the year 2012-2013 and last Annual General Meeting are as under :

<b>Name of Director</b>	<b>No. of Board Meetings held</b>	<b>No. of Board Meetings attended</b>	<b>Last AGM Attendance</b>
Harin D. Mamlatdarna	5	5	Yes
Deepak N. Chokshi	5	5	Yes
Dinesh J. Jain	5	5	No
Jatinbhai B. Surti	5	5	Yes
Pravinchandra D. Master	5	5	Yes
Raghavdas H. Lakhmani	5	3	Yes

Number of Board Meetings held during the financial year 2012-2013 was 5. The dates on which these Board Meetings were held are 01-04-2012, 30-05-2012, 09-08-2012, 09-11-2012 and 14-02-2013.

The last Annual General Meeting was held on 14-08-2012.

**3. AUDIT COMMITTEE**

As a measure of good Corporate Governance and to provide assistance to the Board of Directors in fulfilling the Board's responsibilities, an Audit Committee had been constituted by the Board. The Audit Committee aims to monitor various areas of the management, compliances, disclosures, transparency and integrity of financial reporting.

Terms of reference of the Audit Committee cover the matters specified for Audit Committee under Clause 49 of the Listing Agreement. Main areas are deliberated as under.

- a) To provide an open avenue of communication between the independent auditors, internal auditors and the Board of Directors (BOD).
- b) To oversee the work of the independent auditors for the purpose of preparing or issuing an audit report or related work.
- c) To consider and review the adequacy of internal control including computerized information system controls and security : and related findings and recommendations of the independent auditor and internal auditor together with the management's responses.
- d) To review and discuss with the management and the independent auditors, the annual audited financial statements and quarterly audited / un audited financial statements, including the company's disclosures under "Management's Discussion and Analysis of Financial Condition and of Results of Operations"
- e) To conduct a post – audit review of the financial statements and audit findings, including any significant suggestions for improvements provided to management by the independent auditors.
- f) Review, in conjunction with counsel, any legal matters that could have a significant impact on the company's financial statements.
- g) Report periodically to the Board of Directors on significant activities.

Relying on the review and discussions with the management and the independent auditor, the Audit Committee believes that the Company's financial statements are fairly presented in conformity with Generally Accepted Accounting Principles in all material aspects.

The Committee has recommended to the Board the re-appointment of Chartered Accountants, as the statutory and independent auditors of the Company for the fiscal year ending March 31, 2014, and that necessary resolution for appointing them as Auditors be placed before the shareholders. The Committee recommended the re-appointment of internal auditors to review various operations of the company.

The Constitution of the committee and the attendance of each member of the committee is given below :

Name	Designation	Category
Pravinchandra D. Master	Chairman	Non-Executive Director / Independent
Jatinbhai B. Surti	Member	Non-Executive Director / Independent
Raghavdas H. Lakhmani	Member	Non-Executive Director / Independent

Four meetings of the Audit Committee were held during the year on the following dates :  
30-05-2012, 09-08-2012, 09-11-2012 and 14-02-2013.

Committee Members	Meetings held	Meetings attended
Pravinchandra D. Master	4	4
Jatinbhai B. Surti	4	4
Raghavdas H. Lakhmani	4	4

#### 4. REMUNERATION COMMITTEE

The Remuneration Committee is formed to review the policy on remuneration packages for Executive Directors. The Committee determines and recommends to the Board the compensation to the directors. All Board-level compensation is approved by shareholders, and separately disclosed in the financial statements.

In fixing remuneration, practices followed by the companies of size and standing similar to the Company and that of the industry standards are taken into consideration. However, remuneration to Non- Executive Directors will be decided by the Board of Directors.

The Constitution of the committee and the attendance of each member of the committee is given below :

Name	Designation	Category
Pravinchandra D. Master	Chairman	Non-Executive Director / Independent
Jatinbhai B. Surti	Member	Non-Executive Director / Independent
Raghavdas H. Lakhmani	Member	Non-Executive Director / Independent

## DYNAMIC INDUSTRIES LIMITED

A meeting of the Remuneration Committee was held on 30-05-2012 for renewal / revision in remuneration of the Executive Directors during the financial year under review.

### Details of remuneration paid / payable to the Directors for Financial Year 2012-2013

[Amount in Rupees]

Name of Director	Salary and Perquisites (Rs.)	Commission	Shares Issued under ESOP	Details of service contracts : notice period & severance fees
Deepak N. Chokshi	16,07,552	Nil	Nil	Ordinary Resolution dt .14-8-2012, valid upto 30-9-2013; no Notice period and no severance fees
Harin D. Mamlatdarna	16,11,062	Nil	Nil	
Dinesh J. Jain	10,43,007	Nil	Nil	

### 5. SHARE TRANSFER CUM INVESTOR GRIEVANCE COMMITTEE

The Share Transfer Cum Investor Grievance Committee has been constituted to administer the following activities:

- Transfer of shares
- Transmission of shares
- Issue of Duplicate Share Certificates
- Change of Status
- Change of Name
- Transposition of Shares
- Sub-Division of Share Certificates
- Consolidation of folios
- Shareholders' requests for Dematerialisation of shares
- Shareholders' requests for Rematerialisation of shares

The Committee meets from time to time and approves the transfer and transmission of shares, deletion of names, issue of duplicate share certificates etc. The Committee facilitates prompt and effective redressal of investors' complaints and the reporting of the same to the Board of Directors.

The Board has constituted a Share Transfer Cum Investor Grievance Committee which looks after shareholders' and investors' grievances.

Name	Designation	Category
Shri Deepak N. Chokshi	Chairman	Wholetime Director
Shri Harin D. Mamlatdarna	Member	Wholetime Director
Shri Dinesh J. Jain	Member	Executive Director

The Board has delegated the power of Share Transfer to Registrar and Share Transfer Agent, M/s. Sharepro Services (I) P. Ltd., who processes the transfers.

No. of shareholders' complaints received	nil.
No. of complaints not solved to the satisfaction of shareholders	nil.
No. of pending share transfers	nil.

As at 31st March, 2013 no equity Shares were pending for transfer.

### 6. GENERAL BODY MEETINGS

Details of last three AGMs held

Year	Date	Time	Venue	No. of Special Resolutions passed
2009-10	14-08-2010	11.30 a.m.	5501/2, Phase III, Near Trikampura Cross Roads, G.I.D.C., Vatva, Ahmedabad - 382 445.	---
2010-11	12-08-2011	11.30 a.m.	5501/2, Phase III, Near Trikampura Cross Roads, G.I.D.C., Vatva, Ahmedabad - 382 445.	---
2011-12	14-08-2012	11.30 a.m.	5501/2, Phase III, Near Trikampura Cross Roads, G.I.D.C., Vatva, Ahmedabad - 382 445.	---

- I) No Resolutions were put through postal ballot.
- II) Resolutions were passed on show of hands.

## 7. NOTES ON DIRECTORS' APPOINTMENT / REAPPOINTMENT

1. Shri Dinesh J. Jain retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

Shri Dinesh J. Jain is a commerce graduate and has rich experience of more than 27 years in the field of dyes and chemicals and has also visited a number of European and Asian countries as well as USA to acquaint himself of the latest technology. He looks after commercial, administrative and marketing aspects of the business.

Directorship in other Companies : 1

2. Shri Harin D. Mamlatdarna retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

Shri Harin D. Mamlatdarna is commerce graduate and has a rich experience of more than 32 years in the field of dyes and chemicals and has also visited a number of European and Asian countries as well as USA to acquaint himself of the latest technology. He looks after production, commercial, export and administrative aspects of the business.

Directorship in other Companies: Nil

## 8. DEMAT / REMAT OF SHARES

Details of Shares Dematerialised / Rematerialised during the last financial year is as below:

a) Number of Demat requests approved	11
b) Number of Shares Dematerialised	1,700
c) Percentage of Shares Dematerialised	0.06%
d) Number of Remat requests approved	Nil
e) Number of Shares Rematted	Nil

Representatives of the Company are constantly in touch with M/s. Sharepro Services (I) P. Ltd., Share Transfer Agents of the Company and review periodically the outstanding matters.

## 9. DISCLOSURES

- a) There are no materially significant transactions made by the company with its promoters, directors or the management or relatives etc. which have potential conflict with the interest of the Company at large. The Register of contract containing the transactions in which Directors are interested is placed before the Board regularly for its approval.

Transactions with related parties are disclosed in Note No. 2.30 to the Notes forming part of the Accounts in accordance with provisions of Accounting Standard 18 – Related Party Disclosures issued by The Institute of Chartered Accountants of India.

- b) There were no strictures or penalties imposed on the company by either SEBI or the stock exchanges or any statutory authority or non compliance of any matter related to the capital markets.

## 10. MEANS OF COMMUNICATIONS

The quarterly as well as the half yearly unaudited financial results in the prescribed form are taken on record by the Board of Directors at its meetings within one month of the close of every quarter / half year respectively and the same are furnished to all the Stock Exchanges where the Company's shares are listed. The results are also published in two newspapers, one in English and the other in Regional Language.

## 11. GENERAL SHAREHOLDERS INFORMATION

### i) Annual General Meeting

The 24th Annual General Meeting will be held on 14th August, 2013 at 11.30 a.m. at Plot No. 5501/2, Phase III, Trikampura Cross Roads, GIDC, Vatva, Ahmedabad – 382445.

- ii) Date of Book Closure : 13th August, 2013 to 14th August, 2013  
(both days inclusive) for Annual General Meeting
- iii) Regd. Office : 5501/2, Phase III, Near Trikampura Cross Roads,  
G.I.D.C., Vatva, Ahmedabad -382445
- iv) Listing of equity shares on Stock Exchanges : Bombay Stock Exchange Limited  
Demat ISIN Numbers in NSDL and CDSL for equity shares : INE457C01010
- v) Stock Code : 524818 (BSE)

## DYNAMIC INDUSTRIES LIMITED

### vi) Stock Market Data (in Rs. / Per Share)

Month	The Bombay Stock Exchange Ltd.	
	Month's High	Month's Low
April, 2012	9.55	8.00
May, 2012	9.17	7.85
June, 2012	9.10	8.11
July, 2012	9.45	8.01
August, 2012	9.30	7.59
September, 2012	8.24	6.75
October, 2012	9.34	8.05
November, 2012	9.39	8.03
December, 2012	10.00	8.00
January, 2013	11.41	8.10
February, 2013	9.00	7.75
March, 2013	8.50	7.25

### vii) Share Transfer System

Applications for transfer of shares held in physical form are received at the office of the Registrars and Share Transfer Agents of the Company, M/s. Sharepro Services (India) Private Limited.

All valid transfers are processed within 15 days from the date of receipt.

### viii) a) Shareholding pattern as on 31-03-2013 is as given below :

Sr. No.	Category	No. of Shares	% of holding
1	Promoters	15,49,674	51.17
2	Persons acting in Concert	-----	-----
3	Mutual Funds, UTI, Banks, Financial	-----	-----
4	Institutions, Insurance Companies, Central / State Govt. Government Institutions	-----	-----
5	FII's	-----	-----
6	Others	14,78,826	48.83
<b>Grand Total</b>		<b>30,28,500</b>	<b>100.00</b>

### b) Distribution of Shareholding as on 31-03-2013 is as under :

Slab of Share Holding	No. of Shareholders	% of Shareholders	No. of Shares	Amount (₹)	% of Capital
1 to 500	1,920	85.26	299375	2993750	9.89
501 to 1,000	153	6.79	131678	1316780	4.35
1,001 to 2,000	55	2.44	86838	868380	2.87
2,001 to 3,000	40	1.78	97105	971050	3.21
3,001 to 4,000	19	0.84	67376	673760	2.22
4,001 to 5,000	16	0.71	74829	748290	2.47
5,001 to 10,000	14	0.62	99731	997310	3.29
10,001 and above	35	1.56	2171568	21715680	71.70
<b>Total</b>	<b>2,252</b>	<b>100.00</b>	<b>3028500</b>	<b>30285000</b>	<b>100.00</b>

**ix) Dematerialization of Shares and liquidity**

The Securities and Exchange Board of India (SEBI), through a notification have made it compulsory that delivery in the Company's shares against Stock Exchange trades became compulsory in demat format. As on 31-03-2013, 28,24,749 equity shares (93.27% of the total number of shares) have been dematerialized.

**x) Outstanding GDRs / ADRs / Warrants or Conversion instruments, Conversion date and like impact on equity - Not applicable****xi) Plant Location :**

- 1) Plot No. 125, Phase I, GIDC, Vatva, Ahmedabad – 382 445.
- 2) 5501/2, Phase III, Near Trikampura Cross Roads, G.I.D.C., Vatva, Ahmedabad -382 445.

**xii) Investors' correspondence :**

For transfer / dematerialisation of shares, Change of Address, Change in Status of investors, payment of dividend on shares and other query relating to the shares of the Company:

Sharepro Services (India) Private Limited (Ahmedabad Branch)

416 – 420, 4th Floor, Devnandan Mall, Opp. Sanyas Ashram, Ashram Road, Ellisbridge, Ahmedabad – 380 009

Phone Nos. : 079 – 26582381 to 84 Fax: 079- 26582385

Email :- [sharepro@shareproservices.com](mailto:sharepro@shareproservices.com)

Contact Person :- Mr. Tavde / Mr. Nitin Joshi

- xiii) Name of the Compliance Officer : Shri Deepak N. Chokshi.

**Compliance Certificate of the Auditors**

A Certificate from the Auditors of the Company regarding compliance of conditions of corporate Governance as stipulated under clause 49 of the listing Agreement is attached to this Report.



**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

**Overview**

The financial statements have been prepared in compliance with the requirement of the Companies Act, 1956 and Generally Accepted Accounting Principles (GAAP) in the India. The management of the company accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present the company's state of affairs and profit for the year.

**Competition**

Competition in the domestic as well as international market has intensified and forced the players to adopt aggressive marketing strategy and promotional campaigns to capture and protect their market shares, The Company has the plans to penetrate better in to world market, especially through the customer retention and business development in the regions which has not been tapped.

Sharp fluctuations in value of the Indian Rupee, the rising energy costs and the inventory prices have put pressure on the profitability of the Company.

The Company sells its products through a well-established network in different countries, which are supported by the Company's strong marketing force. The Company has developed a well-defined Trade Relationship Management Policy. The Company's broad product range and frequent visits by its marketing people to the outlets and the importing countries ensure that the Company's products receive maximum response and are adequately promoted.

**Initiatives by the Company**

The Company has taken the following initiatives :

Concentration on reduction of costs by undertaking specific exercise in different fields.

Stress on Far East Asian and Latin American markets which are growing on a regular basis.

Focusing on modernization of manufacturing process to improvise quality and reduction of costs.

The Company is quite confident that the overall productivity, profitability would improve in a sustainable manner, as a result of this strategy.

**Outlook**

The profit margins in the industry are reeling. However, the Company has taken remedial measures. The Company is confident to meet the challenges with its strength in marketing network, its strategic planning, Research & Development productivity improvement and cost reduction exercise.

**Internal Control Systems and their adequacy**

Your Company places significant emphasis and efforts on the internal control systems. There is a well established internal Audit Department with clearly laid down powers and responsibilities that are required to ensure the adequacy of the internal Control System.

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## FINANCIAL HIGHLIGHTS

### Revenues

Total income during the year under review was Rs. 4364.78 lacs (Previous year Rs. 4180.69 lacs).

### Operating expenses

The operating and other expenses for the year ended 31-03-2013 were Rs. 682.80 lacs (Previous year Rs. 615.85 lacs)

### Profit after Tax

The net profit after tax during the year under review period was Rs. 85.09 lacs (Previous year Rs. 135.17 lacs)

### Interest on borrowings

The company has incurred interest cost of Rs. 129.05 lacs (Previous year Rs. 139.57 lacs)

### Capital employed

The Return on Average Capital Employed (ROCE) for the year ended 31-03-2013 was 4.87% as compared to 8.11% for the same period last year

### Return on net worth

The return on Average Net worth (RONW) for the year ended 31-03-2013 was 2.79% as compared to 6.45% for the same period last year.

### Fixed Assets

There was addition of Rs. 47.54 lacs to the Fixed Assets of the Company. (Previous year Rs. 1929.40 lacs).

### Share capital

At present, the Company has only one class of share – equity shares of par value Rs. 10 each. The authorized share capital of the company is Rs. 3,50,00,000/- divided into 35,00,000 equity shares of Rs. 10 each. The paid up share capital of the company is Rs. 3,02,85,000/- divided into 30,28,500 equity shares of Rs. 10 each.

Out of the profits for the year ended March 31, 2013, a sum of Rs. Nil has been transferred to General Reserve. (Previous year Rs. Nil)

### Sundry Debtors

Sundry debtors amount to Rs. 1712.39 lacs as of March 31, 2013, as compared with Rs. 1086.09 lacs as of March 31, 2012. These debtors are considered good and realizable. The need for provisions is assessed based on various factors including collectibility of specific dues, risk perceptions of the industry in which the customer operates and general economic factor, which could affect the customer's ability to settle.

### Cash and cash equivalents

The bank balances include both Rupee accounts and foreign currency accounts. Advances are primarily towards amounts paid in advance for value and services to be received in future. Advance income tax represents payments made towards tax liability and also refunds due for the previous year. The Company's liability towards income tax is provided for.

Electricity and other deposits represent electricity deposits, telephone deposits, insurance deposits and advances of a similar nature.

Sundry creditors for other liabilities represent amounts accrued for various other operational expenses.

Advances received from clients denote monies received for the delivery in future.

Provisions for taxation represent estimated income tax liabilities.

### Cautionary Statement

The statements on the Company's objectives, projections, estimates and expectations made hereinabove are based on certain assumptions and likelihood of future events and are "forward-looking Statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied.

**DECLARATION**

All Board Members and Senior Management personnel have affirmed compliance with the code of conduct of Directors and Senior Management as approved by the Board.

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2013

**DEEPAK N. CHOKSI**  
*Director*

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**CEO CERTIFICATION**

To,  
The Board of Directors,  
**DYNAMIC INDUSTRIES LIMITED**  
Ahmedabad.

We hereby certify that :

- (a) We have reviewed the financial statements and the cash flow statement of the Financial Year 2012-13 and that to the best of our 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 hereby disclose to the Auditors and the Audit Committee that there have been no deficiencies in the design or operation of internal controls, prevailing in the company.
- (d) We hereby certify that :
  - (i) There have been no significant changes in internal control during the year.
  - (ii) There have been no significant changes in accounting policies during the year and
  - (iii) No instances of fraud were observed in the Company by the management or an employee having a significant role in the company's internal control system.

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2013

**DEEPAK N. CHOKSI**  
*Chief Executive Officer*

## CORPORATE GOVERNANCE CERTIFICATE

To the Members of the **DYNAMIC INDUSTRIES LIMITED**

We have examined the compliance of the conditions of Corporate Governance by Dynamic Industries Limited (“the Company”) for the year ended 31st March, 2013 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The Compliance of the conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to a review of the procedure 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 an opinion on the financial statements of the company.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for the review, and the information and explanations given to us by the Company.

Based on such a review, and to the best of our information and according to the explanations given to us, in our opinion, the Company has complied with the conditions of Corporate Governance, as stipulated in Clause 49 of the Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

For, **G. K. CHOKSI & CO.**  
[Firm Registration No. 101895W]  
*Chartered Accountants*

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2013

Sd/-  
**ROHIT K. CHOKSI**  
*Partner*  
Membership No. 31103

**ANNEXURE - III COMPLIANCE CERTIFICATE**

CIN No. of the Company : L24110GJ1989PLC011989

Nominal Capital : Rs. 3,50,00,000/-          Paid up capital : Rs. 3,02,85,000/-

To,  
The Members,  
**Dynamic Industries Limited,**  
Ahmedabad.

I have examined the registers, records, books and papers of **Dynamic Industries Limited**, as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2013. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year :

1. The Company has kept and maintained all registers as stated in annexure 'A' to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities prescribed under the Act and the rules made thereunder.
3. The Company being a Listed Company, comments are not required.
4. The Board of Directors duly met 05 times respectively on 01-04-2012, 30-05-2012, 09-08-2012, 09-11-2012 and 14-02-2013 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members during the Financial Year from 13-08-2012 to 14-08-2012 (both days inclusive) and necessary compliance of section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31st March, 2012 was held on 14th August, 2012 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra - ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its Directors or persons or firms or companies referred to under section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of section 297 of the Act.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. There is no new arrangement during the year under review falling within the purview of section 314 of the Act. Hence, the Company has not obtained any approvals from the Board of Directors, members or the Central Government pursuant to section 314 of the Act.
12. The Company has issued duplicate share certificates during the financial year after following the due process prescribed under the Act.
13. I.
  - I. The company has delivered all certificates of Transfer/ transmission of physical shares. There was no allotment of securities during the Financial year.
  - II. The Company has not declared any dividend and accordingly not required to deposit any amount in a separate Bank Account during the Financial year.
  - III. The Company was not required to post warrants to any member of the Company as no dividend was declared during the Financial year.
  - IV. The Company has transferred the amounts in unpaid dividend account which have remained unclaimed or unpaid for a period of seven years, to Investor Education and Protection Fund.

The Company is not required to transfer any amount as application money due for refund, matured deposits, matured debentures and the interest accrued thereon to Investor Education and Protection Fund.

V. The Company has duly complied with the requirements of section 217 of the Act.

14. The Board of Directors of the Company is duly constituted. There was appointment of an additional director during the Financial year. There was no appointment of alternate directors and directors to fill casual vacancies during the Financial year.
15. The Company has not appointed Managing Director / Whole-time Director / Manager during the Financial year.
16. The Company has not appointed any sole-selling agents during the Financial year.
17. The Company has not obtained any approvals of the Central Government, Company Law Board, Regional Director, Registrar and / or such other authorities prescribed under the various provisions of the Act during the Financial year.
18. The directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares, debentures or any securities during the Financial year.
20. The Company has not bought back any shares during the Financial year.
21. There was no redemption of preference shares or debentures during the Financial year.
22. There were no transactions necessitating the Company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares during the financial year.
23. The Company has not invited / accepted any deposits including unsecured loans falling within the purview of Section 58-A of the Act during the Financial year.
24. The amount borrowed by the Company from directors, members, public, financial institutions, banks and others during the financial year ending 31-03-2013 is within the borrowing limits of the Company and that necessary resolutions as per section 293 (1) (d) of the Act have been passed in duly convened general meeting.
25. The Company has not made loans, investments to other bodies corporate. The Company has not given guarantees or provided securities to other bodies corporate. Hence, no entry has been made in the Register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has not constituted any Provident Fund and therefore section 418 is not applicable.

Place : Ahmedabad  
Date : 29/04/2013

Signature : Sd/-  
Name of Company Secretary :  
**Chetan R. Shah**  
C.P. No. : 4253

**ANNEXURE - A****Registers as maintained by the Company**

<b>Sr. No.</b>	<b>Name of Register</b>	<b>Section</b>
1	Register of Members	150
2	Register of Contracts	301
3	Register of Directors / Managing Director etc.	303
4	Register of Directors' Shareholding	307
5	Register of Loans and Investments	372A
6	Register of Charges	143
7	Minutes book of Board Meetings and General Meetings	193
8	Register of Directors' attendance	
9	Register of Shareholders' attendance	
10	Register of Transfers	

**ANNEXURE - B****Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2013.**

1. Form No. 66 for the year ended 31-03-2012 filed on as on 11-09-2012 u/s. 383A of the Act.
2. Form 23AC-XBRL and Form 23ACA-XBRL for the year ended 31-03-2012 filed on 05-02-2013 u/s. 220 of the Act.
3. Form 20B for the year ended 31-03-2012 filed on 11-09-2012 u/s 159 of the Act.
4. Form No. 32 dated 01-04-2012 filed on 30-06-2012 u/s. 303 of the Act.
3. Form No. 32 dated 14-08-2012 filed on 23-08-2012 u/s. 303 of the Act.
4. Form 25 C dated 30-05-2012 was filed on 29-07-2012 u/s. 269(2) of the Act.
5. Form 25 C dated 30-05-2012 was filed on 29-07-2012 u/s. 269(2) of the Act.
6. Form No. 1INV for transfer of unclaimed dividend for the financial year ended 31-03-2005, to Investor Education and Protection Fund filed on 26-11-2012 u/s. 205C of the Act and the Rules made thereunder.



## INDEPENDENT AUDITORS' REPORT

To,  
The Members,  
**Dynamic Industries Limited**  
Ahmedabad.

### Report on the Financial Statements

We have audited the accompanying financial statements of **Dynamic Industries Limited** ("the Company"), which comprise the Balance Sheet as at March 31st, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a 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 March 31st, 2013;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that :
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - e) on the basis of written representations received from the directors as on March 31st, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31st, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**FOR, G. K. CHOKSI & CO.**  
[Firm Registration No. 101895W]  
*Chartered Accountants*

Sd/-  
**ROHIT K. CHOKSI**  
*Partner*

Membership No. 31103

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2013

**ANNEXURE TO THE AUDITOR'S REPORT**

(Referred to in our report of even date to the members of Dynamic Industries Limited)

- 1 (a) *The Company is in the process of compiling fixed assets records to show full particulars, including quantitative details and situation of fixed assets.*
  - (b) *We were informed that all major items of fixed assets were physically verified by the Management at the end of the year and that no discrepancy was noticed on such verification, which on account of proper records being still under compilation, could not be verified.*
  - (c) The Company has not disposed of any substantial part of its fixed assets during the year as would affect its going concern status.
- 2 (a) In our opinion, physical verification of inventory has been conducted by the management at reasonable intervals.
  - (b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
  - (c) On the basis of our examination of records of inventory, in our opinion, the Company is maintaining proper records of inventory. No material discrepancy was noticed on physical verification of the inventory.
- 3 (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained u/s 301 of the Companies Act, 1956. Accordingly the clauses 4(iii)(b), 4(iii)(c) and 4(iii)(d) of the report are not applicable.
  - (b) As per the information and explanations given to us, the Company has not taken any loans from parties covered in the register maintained u/s 301 of the Companies Act, 1956. Hence, this clause is not applicable.
- 4 In our opinion and according to information and explanation given to us; there is adequate internal control system commensurate with the size of the Company and the nature of the business, with regard to purchase of inventory and fixed assets, and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal controls.
- 5 (a) According to information and explanations provided by the management, there are no contracts or arrangements referred to in section 301 of the act which required to be entered in the register maintained under that section.
  - (b) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not entered into transactions, which required to be entered in the register maintained in pursuance of section 301 of the Companies Act, 1956.
- 6 In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of Section 58A, 58AA or other relevant provisions of the act.
- 7 In our opinion, the company has an adequate internal audit system commensurate with the size and the nature of its business;
- 8 We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facia the prescribed cost records have been maintained. We have however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- 9 (a) According to the information given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues and the Company had no arrears of such outstanding statutory dues as at 31<sup>st</sup> March, 2013 for a period more than six months from the date they became payable.

(b) According to the information and explanations given to us, the Company had no disputed outstanding statutory dues as at 31<sup>st</sup> March, 2013 other than those stated below :

Name of the Statute	Nature of Dues	Amount ₹ in lacs	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	78.29	2003-2004	CIT(A), Ahmedabad
Customs Act, 1962	Customs Duty	171.14	2006-2007 & 2007-2008	CESTAT, Ahmedabad
Customs Act, 1962	Customs Duty	5.51	2007-2008	CESTAT, Mumbai
Finance Act, 1994	Service Tax	28.67	2006-2007 & 2007-2008	Gujarat High Court

- 10 The Company does not have any accumulated losses as at 31<sup>st</sup> March, 2013 and its has not incurred any cash loss in the financial year ended on that date or in the immediately preceding financial year.
- 11 According to the records of the company examined by us and on the basis of information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank or debenture holders.
- 12 As per the information and explanations given to us, the Company has not granted any loan or advance on the basis of security by way of pledge of shares, debentures and other securities.
- 13 The provisions of any special statute applicable to Chit Fund, Nidhi or Mutual Benefit Funds / Societies are not applicable to the company.
- 14 According to the information and explanation given to us, the company does not deal or trade in shares, securities, debentures and other investments.
- 15 In our opinion and according to the information and explanation given to us, the company has not given any guarantee for loans taken by others from banks and financial institutions during the year.
- 16 In our opinion, the term loans have been applied for the purpose for which they were raised.
- 17 On the basis of an overall examination of the balance sheet of the company in our opinion and according to the information and explanations given to us, the company has not utilized any funds raised on short term basis for long term investments.
- 18 The company has not made any preferential allotment to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- 19 The Company has not issued any debentures during the period under review.
- 20 The company has not raised any money by public issues during the year under review.
- 21 According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the period under review.

**FOR, G. K. CHOKSI & CO.**  
[Firm Registration No. 101895W]  
*Chartered Accountants*

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2013

Sd/-  
**ROHIT K. CHOKSI**  
*Partner*  
Membership No. 31103

# DYNAMIC INDUSTRIES LIMITED

## Balance Sheet as at 31st March, 2013

[₹ in Lacs]

Particulars	Notes	As at 31st March 2013	As at 31st March 2012
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	302.85	302.85
Reserves and Surplus	3	2776.19	2708.20
		3079.04	3011.05
<b>Non-Current Liabilities</b>			
Long Term Borrowings	4	56.85	20.29
Deferred Tax Liabilities (Net)	5	65.84	52.78
Other Long Term Liabilities	6	13.95	0.00
Long Term Provisions	7	28.55	24.55
		165.19	97.62
<b>Current Liabilities</b>			
Short Term Borrowings	8	1382.58	1069.92
Trade Payables	9	1348.63	623.98
Other Current Liabilities	10	70.92	145.43
Short Term Provisions	11	106.99	77.92
		2909.12	1917.25
<b>Total</b>		<b>6153.35</b>	<b>5025.92</b>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	12	2442.70	2477.04
Intangible Assets	13	0.02	0.02
		2442.72	2477.06
Non Current Investments	14	5.00	0.00
Long Term Loans and Advances	15	19.83	15.75
Other Non Current Assets	16	13.08	0.00
<b>Current Assets</b>			
Inventories	17	1382.13	898.73
Trade Receivables	18	1712.39	1086.09
Cash and Cash Equivalents	19	108.81	122.63
Short Term Loans and Advances	20	446.72	414.12
Other Current Assets	21	22.67	11.54
		3672.72	2533.11
<b>Total</b>		<b>6153.35</b>	<b>5025.92</b>
Significant Accounting Policy	1		

The accompanying notes are an integral part of the financial statements.

As per our attached report of even date.

**FOR, G. K. CHOKSI & CO.**

[Firm Registration No. 101895W]

Chartered Accountants

Sd/-

**ROHIT K. CHOKSI**

Partner

Membership No. 31103

Place : Ahmedabad

Date : 30<sup>th</sup> May, 2013

**FOR AND ON BEHALF OF THE BOARD**

Sd/-

**HARIN MAMLATDARNA**

Chairman

Sd/-

**DEEPAK CHOKSHI**

Vice Chairman

Place : Ahmedabad

Date : 30<sup>th</sup> May, 2013

**Statement of Profit and Loss for the year ended 31st March, 2013** [₹ in Lacs]

Particulars	Notes	2012-2013	2011-2012
<b>INCOME</b>			
Revenue from Operations	22	4327.15	4155.55
Less : Excise Duty		38.88	47.46
		<u>4288.27</u>	<u>4108.09</u>
Other Income	23	76.51	72.60
<b>Total Revenue</b>		4364.78	<u>4180.69</u>
<b>EXPENSES</b>			
Cost of Materials / Products Consumed	24	2921.93	2774.06
Purchase of Stock in Trade	25	454.84	62.87
Changes in Inventories of Finished Goods, Stock-in-process and Stock-in-trade	26	(345:12)	160.41
Employee Benefit Expenses	27	162.95	138.23
Financial Costs	28	143.73	161.19
Depreciation and Amortizations		81.88	64.30
Less : Adjustment for Revaluation Reserve		17.10	0.00
		<u>64.78</u>	<u>64.30</u>
Other Expenses	29	828.85	638.58
<b>Total Expenses</b>		4231.96	<u>3999.64</u>
Profit before tax		132.82	181.05
<b>Tax Expenses</b>			
Current Tax		43.50	37.00
Deferred Tax		13.05	8.88
Excess provision of tax of earlier years (net)		(8.82)	0.00
		<u>47.73</u>	<u>45.88</u>
<b>Profit / (Loss) for the year carried to Balance Sheet</b>		<u>85.09</u>	<u>135.17</u>
Earnings per equity share :	33		
Basic and diluted		2.81	4.46

The accompanying notes are an integral part of the financial statements.  
As per our attached report of even date.

**FOR, G. K. CHOKSI & CO.**  
[Firm Registration No. 101895W]  
Chartered Accountants

Sd/-  
**ROHIT K. CHOKSI**  
Partner  
Membership No. 31103

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2013

**FOR AND ON BEHALF OF THE BOARD**

Sd/-  
**HARIN MAMLATDARNA**  
Chairman

Sd/-  
**DEEPAK CHOKSHI**  
Vice Chairman

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2013

# DYNAMIC INDUSTRIES LIMITED

## Cash Flow Statement for the year ended 31st March, 2013

[₹ in Lacs]

Particulars	2012-2013	2011-2012
<b>A. Cash flow from operating activities :</b>		
Profit / (Loss) for the year before taxation	132.82	181.06
Adjustments for :		
Depreciation (Net of Excess Depreciation written back)	64.78	64.30
Loss on sale of assets / discarded assets	0.00	0.39
Provision no longer required	0.00	( 7.49)
Profit on sale on Fixed Assets	0.00	( 31.34)
Interest Income	( 20.70)	( 7.98)
Interest Expenses	129.05	141.40
<b>Operating profit before working capital changes</b>	<b>305.95</b>	<b>340.34</b>
Adjustments for :		
Trade and other receivables	( 688.32)	608.56
Inventories	( 483.40)	200.94
Trade payables	701.53	( 608.17)
<b>Cash generated from operations</b>	<b>( 164.24)</b>	<b>541.67</b>
Taxes paid (net of refunds)	( 43.90)	( 53.24)
<b>Net cash from operating activities (a)</b>	<b>( 208.14)</b>	<b>488.43</b>
<b>B. Cash flow from investing activities :</b>		
Purchase of fixed assets	( 47.54)	( 183.19)
Purchase of Investment	( 5.00)	0.00
Sales of fixed assets	0.00	56.00
Interest received	21.50	3.79
<b>Net cash used in investing activities (b)</b>	<b>( 31.04)</b>	<b>( 123.40)</b>
<b>C. Cash flow from financing activities :</b>		
Procurement / (Repayment) of long / short term borrowings	349.23	( 207.86)
Payment of dividend	( 1.49)	( 2.29)
Interest paid	( 125.87)	( 135.18)
<b>Net cash flow from financial activities (c)</b>	<b>221.87</b>	<b>( 345.33)</b>
<b>Net Increase/(Decrease) in cash and cash equivalents (a) + (b) + (c)</b>	<b>( 17.31)</b>	<b>19.70</b>
Opening cash and cash equivalents	122.63	102.93
Closing cash and cash equivalents	105.32	122.63

### Explanatory Notes to Cash Flow Statement

- The Cash Flow Statement is prepared in accordance with the format prescribed by Securities and Exchange Board of India & Accounting Standard 3 as prescribed by The Institute of Chartered Accountants of India.
- In Part A of the Cash Flow Statements, figures in brackets indicates deductions made from the net profit for deriving the cash flow from operating activities. In part B & part C, figures in brackets indicates cash outflows.
- Figures of the previous year have been regrouped wherever necessary, to confirm to current years presentation.

**FOR, G. K. CHOKSI & CO.**

[Firm Registration No. 101895W]  
Chartered Accountants

Sd/-

**ROHIT K. CHOKSI**

Partner

Membership No. 31103

Place : Ahmedabad

Date : 30<sup>th</sup> May, 2013

**FOR AND ON BEHALF OF THE BOARD**

Sd/-

**HARIN MAMLATDARNA**

Chairman

Sd/-

**DEEPAK CHOKSHI**

Vice Chairman

Place : Ahmedabad

Date : 30<sup>th</sup> May, 2013



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**DYNAMIC INDUSTRIES LTD. SIGNIFICANT ACCOUNTING POLICIES**

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**1.1 Basis of preparation of financial statements**

These financial statements have been prepared on the accrual basis of accounting, under the historical cost convention, in accordance with the Companies Act, 1956, the applicable accounting standards notified by The Companies Accounting Standard Rules, 2006 and the Guidance note issued by the Institute of Chartered Accountants of India.

**1.2 Use of estimates**

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reported period. Differences between the actual result and estimates are recognised in the period in which the results are known / determined.

**1.3 Fixed Assets**

Fixed Assets are stated at their original cost including incidental expenses related to acquisition and installation, less accumulated depreciation. Cost comprises of the purchase price and any other attributable cost of bringing the assets to its working condition for its intended use.

At the balance sheet date, an assessment is done to determine whether there is any indication of impairment in the carrying amount of Company's fixed assets. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

After recognition of impairment loss, the depreciation charge for the assets is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on straight line basis over its remaining useful life.

**1.4 Borrowing Costs**

Borrowing Costs that are directly attributable to acquisition of qualifying assets are capitalized for the period until the asset is ready for intended use. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use.

Other borrowing costs are recognised as an expense in the period in which they are incurred.

**1.5 Depreciation**

- (i) Depreciation on Fixed Assets is provided on Straight Line Method at rates and in the manner specified in Schedule XIV of the Companies Act, 1956.
- (ii) Depreciation on additions/deletion is provided on pro rata basis.
- (iii) Intangible Assets are amortised over a period of five years.
- (iv) Lease hold land is amortised over the period of lease.

**1.6 Investments**

Investments have been stated at the cost price. Provision for diminution in the value of Long Term Investment is made only if; such decline is not temporary in nature in the opinion of the management.

**1.7 Inventories**

- (i) Raw Materials, Stock-in-process, Finished Goods are valued at lower of cost or net realizable value. Cost of stock-in-process and finished goods include materials, labour, manufacturing overhead and other cost incurred in bringing the inventories to their present location. Excise duty on goods manufactured by the company and remaining in inventory is included as a part of valuation of finished goods.
- (ii) Stock of stores, spares, consumable and packing materials are valued at cost.

**1.8 Revenue Recognition**

- (i) Revenue in respect of sale of products and services are recognised upon despatch of products and the services rendered to the customers. Sales are stated at contractual realisable values, net of excise duty, value added tax and trade discount. Export Sales are shown on C.I.F. Basis, whenever contract is of C.I.F.
- (ii) Export Incentives are accounted for on accrual basis.



## **DYNAMIC INDUSTRIES LIMITED**

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### **1.9 Foreign Currency Transactions**

- (i) Foreign currency transactions and forward exchange contracts used to hedge foreign currency transactions are initially recognised at the spot rate on the date of the transaction / contract.
- (ii) Monetary assets and liabilities relating to foreign currency transactions and forward exchange contracts remaining unsettled at the end of the year are translated at year end rates.

The difference in translation and realised gains and losses on foreign exchange transactions, are recognised in the Profit and Loss Account. Further in respect of transaction covered by forward exchange contract, the difference between the contract rate and the spot rate on the date of the transaction is charged to the Profit and Loss Account over the period of the contract.

### **1.10 Retirements Benefits**

Gratuity and Leave Encashment liability is accounted for on accrual basis computed as per actuarial valuation made at the end of each financial year in accordance with AS-15 (Revised).

### **1.11 Excise / Custom Duty and Service Tax**

Excise duty has been accounted on the basis of both payments made in respect of goods cleared from factory premises and also provision made for manufactured goods lying unsold at year end in factory premises.

### **1.12 Research and Development Expenditure**

Revenue Expenditure in respect of Research and Development is charged to the Profit and Loss Account and Capital Expenditure is added to the cost of Fixed Assets in the year in which it is incurred.

### **1.13 Stores and Spares**

Stores, spares and consumables, except L.D.O. and Diesel are charged to profit and loss account as and when they are procured and stock of such items as at the end of the year is accounted at cost.

### **1.14 Taxation**

- (i) Current year tax is provided based on taxable income computed in accordance with the provisions of the Income-tax Act, 1961.
- (ii) Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred tax assets are recognized on unabsorbed depreciation and carry forward of losses based on virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

### **1.15 Provisions and Contingencies**

A provision is recognised when the Company has a present obligation as a result of past event and its is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjustment to reflect the current best estimates. Contingent assets and liabilities are not recognised.

### **1.16 Provisions and Prepayment of Expenses**

Provisions and Prepayment of expenses up to Rs. 5,000/- in each case are charged to revenue.

## Notes forming part of accounts

## 2 Share Capital

[₹ in Lacs]

Particulars	As at	As at
	31st March, 2013	31st March, 2012
<b>(a) Authorised</b>		
35,00,000 (P. Y. 35,00,000) Equity Shares of ₹ 10/- each	350.00	350.00
<b>(b) Issued, Subscribed and Paid up</b>		
30,28,500 (P. Y. 30,28,500) Equity Shares of ₹ 10/- each full paid	302.85	302.85

**Note :**

During the period of five financial years immediately preceding the Balance Sheet date, the company has not;

- (i) allotted any fully paidup equity shares by way of bonus shares;
- (ii) allotted any equity shares pursuant to any contract without payment being received in cash;
- (iii) brought back any equity shares

**(c) Reconciliation of number of shares**

Particulars	Number of Equity Shares	
	2012-2013	2011-2012
<b>At the beginning of the year</b>	30,28,500	30,28,500
<b>Add</b>		
Shares issued for Cash or Right Issue or Bonus	0	0
Exercise of Share Option under ESOS / ESOP	0	0
Shares issued in Business Combination	0	0
	30,28,500	30,28,500
<b>Less</b>		
Shares bought back / Redemption etc.	0	0
<b>As the end of the year</b>	30,28,500	30,28,500

**(d) Rights, preferences and restrictions attached to shares**

The Company has only class of equity shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, if any, in proportion to their shareholding.

**(e) Details of Shareholding****Shareholder holding more than 5%**

Particulars	Number of Equity Shares		Percentage (%)	
	As at		As at	
	31st March, 2013	31st March, 2012	31st March, 2013	31st March, 2012
Harin D. Mamlatdarna	2,85,380	2,85,380	9.42	9.42
Deepak N. Chokshi	2,71,487	2,71,487	8.96	8.96
Mayaben H. Mamlatdarna	2,11,247	2,11,247	6.98	6.98

## DYNAMIC INDUSTRIES LIMITED

### 3 Reserves and Surplus

[₹ in Lacs]

Particulars	As at	
	31st March, 2013	31st March, 2012
<b>Revaluation Reserve</b>		
Balance as per previous financial statements	1,693.04	0.00
Add / Less : Addition / (Deduction) during the year	(17.10)	1,693.04
Balance as at year end	1,675.94	1,693.04
<b>Reserve Fund for Eco-Development</b>		
Balance as per previous financial statements	6.50	6.50
Add / Less : Addition / (Deduction) during the year	0.00	0.00
Balance as at year end	6.50	6.50
<b>Share Premium Account</b>		
Balance as per previous financial statements	178.60	178.60
Add / Less : Addition / (Deduction) during the year	0.00	0.00
Balance as at year end	178.60	178.60
<b>General Reserve</b>		
Balance as per previous financial statements	166.62	166.62
Add / Less : Addition / (Deduction) during the year	0.00	0.00
Balance as at year end	166.62	166.62
<b>Profit &amp; Loss Account</b>		
Balance as per previous financial statements	663.44	528.27
Add : Profit for the year	85.09	135.17
Balance available for appropriation	748.53	663.44
Less : Appropriations	0.00	0.00
Net Surplus / (Deficit)	748.53	663.44
	2,776.19	2,708.20

### 4 Long Term Borrowings

[₹ in Lacs]

Particulars	Non-current portion		Current maturities	
	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2013	As at 31st March, 2012
<b>Secured Loans</b>				
Central Bank of India - Term Loan (Refer note 1 below)	52.41	1.66	41.25	123.75
Sundram Finance Ltd.	0.00	5.11	5.11	6.44
Tata Capital Ltd. (Refer note 2 below)	4.44	13.52	9.08	8.30
	56.85	20.29	55.44	138.49

**Secured Loan**

1 The above loans are secured against Equitable Mortgage on land & Building and Hypothecation of Plant & Machineries purchased and personal guarantees of Directors. It is further secured by Equitable Mortgage on Leasehold bearing Plot / Shde No. 125, admeasuring 1330 Sq. mts. in Phase I, Vatva Industrial Estate and others, situate, lying at Mouje: VINZOL, in Taluka Dascroi, and building constructed thereon AND Equitable Mortgage on Non Agricultural Constructed Leasehold Property bearing Plot / Shed No. 5501/2, admeasuring 7383 Sq. mts. in Phase III, Vatva Industrial Estate and building constructed thereon.

2. The above loans are secured against hypothecation of vehicles

**Terms of Repayment of Loans**

Central Bank of India It is repayable in 16 numbers of quarterly installments of ₹ 10.31 lacs commencing from 1st July, 2011. The last installment falls due on 1st April, 2015 and rate of interest is 14.25%

Sundaram Finance Ltd. It is repayable in 36 numbers of monthly installments of ₹ 0.62 lacs commencing from 7th January, 2011. The last installment falls due on 22nd December, 2013.

Tata Capital Ltd. It is repayable in 48 numbers of monthly installments of ₹ 0.83 lacs commencing from 29th September 2010. The last installment falls due on 9th August, 2014.

**5. Deferred tax liabilities (Net)**

The Company estimates deferred tax/(charge) using the applicable rate of taxation based on the impact of timing difference between financial statements and estimated taxable income for the current year.

[₹ in Lacs]

Particulars	As at 31st March, 2013	As at 31st March, 2012
<b>Deferred Tax Liabilities</b>		
Difference of book depreciation and tax depreciation	79.54	67.12
<b>Deferred Tax Assets</b>		
Disallowance u/s. 43(b) allowable on payment	13.70	14.34
	<u>13.70</u>	<u>14.34</u>
<b>Net Deferred Tax Liability / (Asset)</b>	<u>65.84</u>	<u>52.78</u>

**6. Other Long Term Liabilities**

[₹ in Lacs]

Particulars	As at 31st March, 2013	As at 31st March, 2012
<b>Other Payables</b>		
Payable for fixed assets	0.87	0.00
Others	13.08	0.00
	<u>13.95</u>	<u>0.00</u>

## DYNAMIC INDUSTRIES LIMITED

### 7. Long Term Provisions

[₹ in Lacs]

Particulars	As at 31st March, 2013	As at 31st March, 2012
For Employee Benefits		
Gratuity	26.18	23.87
Priviledged / Earned Leave	8.71	7.96
	<u>34.89</u>	<u>31.836</u>
Less :		
Amount disclosed under the head "Short Term Provisions"		
Gratuity	5.56	6.75
Priviledged / Earned Leave	0.78	0.53
	<u>6.34</u>	<u>7.28</u>
	<u><u>28.55</u></u>	<u><u>24.55</u></u>

### 8. Short Term Borrowings

[₹ in Lacs]

Particulars	As at 31st March, 2013	As at 31st March, 2012
<b>Secured Loans</b>		
<b>Working Capital Loan</b>		
Foreign Currency		
Central Bank of India (Pre-shipment Credit in Foreign Currency Loan A/c.)	0.00	148.26
Central Bank of India (European Bank for Reconstruction and Development)	0.00	234.54
Rupee Loans		
Central Bank of India (Advance Against Export Incentive)	0.00	16.27
Central Bank of India (Cash Credit A/c.)	84.75	117.30
Central Bank of India (Export Packing Credit)	285.27	249.52
Central Bank of India (Export Bills Purchase)	926.98	243.13
Central Bank of India (Overdraft against Book Debts)	85.58	60.90
	<u>1,382.58</u>	<u>1,069.92</u>

#### Secured Loans

The above loans are secured by hypothecation of foreign documentary bills, inventories, book debt, Excise and VAT receivables and additionally further secured by way of equitable mortgage on existing as well as future block of assets of the Company and personal guarantees of Directors.

**9. Trade Payables**

[₹ in Lacs]

Particulars	As at 31st March, 2013	As at 31st March, 2012
For Goods and Services		
Related Party (Refer note 33)	3.56	3.56
Others	1,345.07	620.42
	<u>1,348.63</u>	<u>623.98</u>

The company is yet to initiate the process of obtaining the confirmation from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). In the absence of relevant information relating to the suppliers registered under the Micro, Small and Medium Enterprises (Development) Act, 2006, the balance due to Micro, Small and Medium Enterprises at year end and interest paid or payable under MSMED Act, 2006 during the year could not be complied and disclosed.

**10. Other Current Liabilities**

[₹ in Lacs]

Particulars	As at 31st March, 2013	As at 31st March, 2012
Current Maturities of Long Term Debt	55.44	138.49
Interest Accrued and Due	0.10	0.00
Book Overdraft - Central Bank of India	3.49	0.00
Advances from Customers	4.40	0.56
Unclaimed Dividend	0.80	2.29
Other Payables		
Statutory Dues	5.32	2.89
Others	1.37	1.20
	<u>6.69</u>	<u>4.09</u>
	<u>70.92</u>	<u>145.43</u>

**11. Short Term Provisions**

[₹ in Lacs]

Particulars	As at 31st March, 2013	As at 31st March, 2012
Provision for Employee Benefits		
Gratuity	5.56	6.75
Priviledged / Earned Leave	0.78	0.53
	<u>6.34</u>	<u>7.28</u>
Others		
For Taxation (net)	0.00	6.38
For Excise on Closing Stock	100.65	64.26
	<u>100.65</u>	<u>70.64</u>
	<u>106.99</u>	<u>77.92</u>

[₹ in Lacs]

12. Tangible Assets

Sr. No.	Name of Assets	Gross Block (At Cost)			Depreciation / Amortisation			Net Block			
		As at 01/04/2012	Additions / Adjustments	Deductions / Adjustments	As at 31/03/2013	Upto 31/03/2012	For the Year	Deductions / Adjustments	Upto 31/03/2013	As at 31/03/2013	As at 31/03/2012
1	Leasehold Land	1742.60	0.00	0.00	1742.60	8.85	17.60	0.00	26.45	1716.15	1733.75
2	Building	376.33	8.11	0.00	384.44	110.68	12.76	0.00	123.44	261.00	265.65
3	Machinery	757.28	39.01	0.00	796.29	397.14	37.92	0.00	435.06	361.23	360.14
4	Computer	24.49	1.37	0.00	25.86	21.57	0.74	0.00	22.31	3.55	2.92
5	Office Equipments	11.14	0.00	0.00	11.14	5.69	0.60	0.00	6.29	4.85	5.45
6	Furniture and Fixture	56.37	0.42	0.00	56.79	28.94	2.38	0.00	31.32	25.47	27.43
7	Vehicles	125.05	0.00	0.00	125.05	43.35	10.03	0.00	53.38	71.67	81.70
	<b>Total :</b>	3093.26	47.54	0.00	3140.80	616.22	81.88	0.00	698.10	2442.70	2477.04
	Previous Year :	1196.30	1929.40	32.44	3093.26	559.31	64.30	7.39	616.22	2477.04	

Note :

- 1) Pursuant to Board Resolution passed by Board of Director in its meeting held on 31st March, 2012 with regard to Revaluation of Lease Hold Land, the company has, based on Valuation Report dated 31st March, 2012 by approved valuer, revalued the Lease Hold Land and accordingly stated at revalued amount with corresponding credit to revaluation Reserve Account.
- 2) Depreciation for the year on vehicles is net of excess depreciation written back amounting to ₹ 1.53 lacs (P. Y. ₹ NIL)

13. Intangible Assets

[₹ in Lacs]

Sr. No.	Name of Assets	Gross Block (At Cost)			Depreciation / Amortisation			Net Block			
		As at 01/04/2012	Additions / Adjustments	Deductions / Adjustments	As at 31/03/2013	Upto 31/03/2012	For the Year	Deductions / Adjustments	Upto 31/03/2013	As at 31/03/2013	As at 31/03/2012
1	Computer Software	0.45	0.00	0.00	0.45	0.43	0.00	0.00	0.43	0.02	0.02
	<b>Total :</b>	0.45	0.00	0.00	0.45	0.43	0.00	0.00	0.43	0.02	0.02
	Previous Year :	0.45	0.00	0.00	0.45	0.43	0.00	0.00	0.43	0.02	



**14. Non Current Investments**

[₹ in Lacs]

Particulars	As at 31st March, 2013	As at 31st March, 2012
Investment in Equity Instruments Subsidiary Company Neo Farbe Private Limited (50,000 Equity Shares (P. Y. NIL) of Rs. 10/- each, fully paid up)	5.00	0.00
	5.00	0.00

**15. Long Term Loans and Advances**

(Unsecured, considered good unless otherwise stated)

[₹ in Lacs]

Particulars	As at 31st March, 2013	As at 31st March, 2012
Capital Advances	2.01	2.01
Security Deposit	14.98	13.74
Advance Tax & TDS (net of provision)	2.84	0.00
	19.83	15.75

**16. Other Non Current Assets**

[₹ in Lacs]

Particulars	As at 31st March, 2013	As at 31st March, 2012
Term Deposit with Bank (having maturity period exceeding 12 months)	13.08	0.00
	13.08	0.00

**17. Inventories**

(As taken, valued and certified by the Management)

[₹ in Lacs]

Particulars	As at 31st March, 2013	As at 31st March, 2012
Raw Materials (Includes goods in transit amounting to Rs. 33.60 lacs (P.Y. NIL)	373.93	239.67
Stock in Process	80.85	66.62
Finished Goods	894.57	572.43
Stock In Trade	20.38	11.69
Stores, Spares and Consumables	0.41	0.19
Others	11.99	8.13
	1,382.13	898.73

Inventory items have been valued considering the significant accounting policy 1.6 disclosed in note 1 to this financial statement

## DYNAMIC INDUSTRIES LIMITED

### 18. Trade Receivable

[₹ in Lacs]

Particulars	As at 31st March, 2013	As at 31st March, 2012
Debt outstanding for the period exceeding six months		
Unsecured considered good	27.23	92.39
Considered Doubtful	13.69	13.69
	40.92	106.08
Less : Provisions for Doubtful Debts	13.69	13.69
	27.23	92.39
Others		
Unsecured considered good	1,685.16	993.70
	1,712.39	1,086.09
The amount dues by :		
Directors	NIL	NIL
Officers either severally or jointly with other persons	NIL	NIL
Firms or Private companies in which any director is partner or director or a member.	55.15	55.15

### 19. Cash and Cash Equivalents

[₹ in Lacs]

Particulars	As at 31st March, 2013	As at 31st March, 2012
Balances with Scheduled Banks		
Current Accounts	4.49	29.39
Fixed Deposits with maturity of less than 3 months	17.95	47.92
Cash in Hand	1.76	1.81
Other Bank Balances		
Fixed Deposits with maturity for more than 3 months but less than 12 months	84.61	43.51
	108.81	122.63

The amount of fixed deposits with banks includes deposits placed as Margin Money amounting ₹ 75.25 lacs (P. Y. ₹ 65.17 lacs) for letter of credits and ₹ 13.72 lacs (P. Y. ₹ 8.38 lacs) for bank guarantees.

**20. Short Term Loans and Advances**

[₹ in Lacs]

Particulars	As at 31st March, 2013	As at 31st March, 2012
Advances to Employees	1.00	1.18
Contractors & Suppliers	3.86	16.34
Others		
Balances with Revenue Authorities	14.09	13.31
Prepaid Expenses	12.01	17.03
Other Recoverables	415.76	366.26
	441.86	396.60
	446.72	414.12
The amount dues by :		
Directors	NIL	NIL
Officers either severally or jointly with other persons	NIL	NIL
Firms or Private companies in which any director is partner or director or a member.	NIL	NIL

**21. Other Current Assets**

[₹ in Lacs]

Particulars	As at 31st March, 2013	As at 31st March, 2012
Interest accrued :		
On Fixed Deposits	5.47	6.52
On Security Deposits	0.58	0.32
Deposits	16.62	4.70
	22.67	11.54

**22. Revenue from Operations**

[₹ in Lacs]

Particulars	2012-2013	2011-2012
Sale of Products (Net of discounts / rebates)	4,256.73	4,021.88
Other Operating Revenue	31.54	86.21
	4,288.27	4,108.09

**Breakup of Sale of Product  
(Net of Excise)**

[₹ in Lacs]

Particulars	2012-2013	2011-2012
<b>Manufactured</b>		
Dyes, Pigments and Chemicals		
Export	3,383.40	3,349.43
Local	365.33	564.13
	3,748.73	3,913.56
Traded Goods		
Dyes, Pigments and Chemicals		
Export	72.63	82.85
Legal	435.37	25.47
	508.00	108.32
	4,256.73	4,021.88

## DYNAMIC INDUSTRIES LIMITED

### Breakup of Other Operating Revenue

[₹ in Lacs]

Particulars	2012-2013	2011-2012
Export Benefits (Net)	31.54	86.21
	31.54	86.21

### 23. Other Income

[₹ in Lacs]

Particulars	2012-2013	2011-2012
Interest Income		
from Banks	8.92	7.38
from Others	11.78	0.61
Profit on Sale of Fixed Assets	0.00	31.34
Provision no longer required	0.00	7.49
Keyman Insurance Claim	47.58	0.00
Miscellaneous Income	0.45	0.55
Sundry Balance Written Bank (net)	0.00	25.23
Exchange Rate difference	7.78	0.00
	76.51	72.60

### 24. Cost of Materials / Products Consumed

[₹ in Lacs]

Particulars	2012-2013	2011-2012
Raw Materials	2,746.94	2,579.42
Packing Materials	114.87	141.59
Freight, Octroi & Inward Clearing	60.12	53.05
	2,921.93	2,774.06

### Breakup of Raw Material Consumed

[₹ in Lacs]

Particulars	2012-2013	2011-2012
Beta Nephthol	276.85	322.31
6 Nitro	715.75	950.08
H. Acid	206.93	228.16
Others	1,547.41	1,078.87
	2,746.94	2,579.42

### 25. Purchase of Stock in Trade

[₹ in Lacs]

Particulars	2012-2013	2011-2012
Traded Goods	454.84	62.87
	454.84	62.87

**26. Changes in Inventories of Finished Goods, Stock-in-process and Stock-in-trade** [₹ in Lacs]

Particulars	2012-2013	2011-2012
Closing Stocks		
Finished Goods	894.57	572.43
Stock in Trade	20.38	11.69
Stock in Process	80.85	66.62
	<u>995.80</u>	<u>650.74</u>
Opening Stock		
Finished Goods	572.43	784.57
Stock in Traded	11.69	19.88
Less : Transferred for own consumption	<u>0.06</u>	<u>0.09</u>
	11.63	<u>19.79</u>
Stock in Progress	66.62	6.79
	<u>650.68</u>	<u>811.15</u>
Decrease / (Increase) in Inventories	<u>(345.12)</u>	<u>160.41</u>

**27. Employees Benefits Expenses** [₹ in Lacs]

Particulars	2012-2013	2011-2012
Salary, Allowance, Wages and Bonus	146.32	127.94
Contribution to Provident Fund & Other Funds	13.46	7.21
Staff Welfare and Training	3.17	3.08
	<u>162.95</u>	<u>138.23</u>

**28. Finance Cost** [₹ in Lacs]

Particulars	2012-2013	2011-2012
<b>Interest to</b>		
Banks	126.27	133.75
Others	2.78	5.82
	<u>129.05</u>	<u>139.57</u>
<b>Other Borrowing Cost</b>		
LC Charges	5.24	8.72
Loan Processing Charges	9.44	12.90
	<u>14.68</u>	<u>21.62</u>
	<u>143.73</u>	<u>161.19</u>

## DYNAMIC INDUSTRIES LIMITED

### 29. Other Expenses

[₹ in Lacs]

Particulars	2012-2013	2011-2012
<b>Manufacturing Expenses</b>		
Power, Fuel and Water Charges	338.84	293.41
Stores and Other Consumables	3.30	7.92
Laboratory Expenses	8.91	8.03
Job Work Charges	2.29	10.40
Pollution Plant Treatment	40.94	25.82
Excise Duty on finished goods	36.39	(10.93)
	<u>430.67</u>	<u>334.65</u>
Repairs and Maintenance		
Building	4.28	3.52
Plant and Machinery and Office Equipment	19.34	16.98
Others	4.68	4.16
	<u>28.30</u>	<u>24.66</u>
	<u>458.97</u>	<u>359.31</u>
<b>Establishment Expenses</b>		
Rent, Rates and Taxes	4.33	5.45
Insurance	31.49	29.93
Fees and Legal Expenses	20.09	22.65
Exchange Fluctuation (Net)	0.00	6.61
Loss on Hedging of Foreign Currency	0.00	2.57
Auditors' Remuneration (refer note below)	5.00	3.00
Travelling Expenses	11.33	6.38
Loss on assets sold / discarded	0.00	0.39
Bank Charges	12.19	18.91
Other Expenses	41.51	43.66
	<u>125.94</u>	<u>139.55</u>
<b>Selling and Distribution Expenses</b>		
Commission and Discount	144.71	40.50
Freight Outward	99.23	99.22
	<u>243.94</u>	<u>139.72</u>
	<u>828.85</u>	<u>638.58</u>
<b>Auditor's Remuneration is made of</b>		
Statutory Audit Fees	3.75	2.25
Tax Audit Fees	1.00	0.50
Fees for other service	0.25	0.25
	<u>5.00</u>	<u>3.00</u>

**30 Employee Benefits**

## (a) Defined contribution to Provident Fund and Employee state insurance

The company makes contribution towards employees' provident fund and employees' state insurance plan scheme. Under the rules of these schemes, the Company is required to contribute a specified percentage of payroll costs. The Company during the year recognized ₹ 4.40 lacs (P. Y. ₹ 4.71 lacs) as expense towards contributions to these plans.

## (b) Defined Contribution Plans

The following table sets out the status of the gratuity scheme plans as at 31st March, 2013.

[₹ in Lacs]

Particulars	Leave Encashment		Gratuity	
	2012-2013	2011-2012	2012-2013	2011-2012
<b>Changes in the present value of obligation</b>				
Present value of obligation (Opening)	7.96	--	28.92	27.90
Interest Cost	0.53	--	2.23	2.23
Past service cost	NIL	5.73	NIL	NIL
Current service cost	2.13	2.36	3.28	4.37
Curtailment Cost / (Gain)	--	--	--	--
Settlement Cost / (Gain)	--	--	--	--
Benefits paid	--	--	(5.40)	(3.09)
Actuarial (Gain) / Loss	1.61	(0.13)	5.28	(2.49)
Present value of obligation (Closing)	8.71	7.96	34.31	28.92
<b>Changes in the fair value of plan assets</b>				
Present value of plan assets (Opening)	--	--	5.05	4.63
Expected return on plan assets	--	--	0.57	0.41
Actuarial Gain / (Loss)	--	--	0.01	0.05
Recoverable from trust	--	--	--	--
Employers Contributions (Net)	--	--	7.90	3.05
Employees Contributions	--	--	--	--
Benefits paid	--	--	(5.40)	(3.09)
Fair Value of Plan Assets (Closing)	--	--	8.13	5.05
<b>Percentage of each category of plan assets to total fair value of plan assets at the year end</b>				
Bank Deposits (Special Deposit Scheme, 1975)	--	--	--	--
Debt Instruments	--	--	--	--
Administered by Life Insurance Corporation of India	--	--	100%	100%
<b>Amount recognised in the balance sheet</b>				
Present value of obligation as at the year end	8.71	7.96	34.31	28.91
Fair value of plan assets as at the year end	--	--	8.13	5.05
(Asset) / Liability recognised in the balance sheet	8.71	7.96	26.18	23.87

... Continued ...



## DYNAMIC INDUSTRIES LIMITED

(b) Defined Contribution Plans ...Continued...

[₹ in Lacs]

Particulars	Leave Encashment		Gratuity	
	2012-2013	2011-2012	2012-2013	2011-2012
<b>Expenses recognised in the Profit &amp; Loss Account</b>				
Current service cost	2.13	2.36	3.28	4.37
Past service cost	NIL	5.73	NIL	NIL
Interest cost	0.53	--	2.23	2.23
Expected return on plan assets	--	--	(0.57)	(0.41)
Curtailement Cost / (Credit)	--	--	NIL	NIL
Settlement Cost / (Credit)	--	--	NIL	NIL
Net Actuarial (Gain) / Loss	1.61	(0.13)	5.27	(2.54)
Employee's Contribution	--	--	NIL	NIL
Total expenses recognised in the profit and loss account	4.27	7.96	10.21	3.65

### Principal actuarial assumption (Rate of Discounting)

Rate of Discounting	8%	8.5%	8%	8.5%
Expected return on plan assets	--	--	9%	9%
Rate of increase in salaries	7%	7%	7%	7%
Attrition Rate (Employees opting for early retirement)	--	--	--	--

### 31 Segment Reporting

The Company operates within a solitary business segment i.e., manufacturing of chemicals and pigments, the disclosure requirements of Accounting Standard - 17 "Segment Reporting", issued by the Institute of Chartered Accountants of India is not applicable.

### 32 Related Party Disclosures

As per Accounting Standard 18, issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below :

(a) List of related parties with whom transactions have taken place during the year and relationship :

Sr. No.	Name of related party	Relationship
1 2 3	Harin D. Mamlatdarna Deepak N. Chokshi Dinesh Jain	Key Management Personnel
4 5 6 7	Ronak D. Chokshi Bimal D. Chokshi Mansi Talati Asita Modi	Relatives of Key Management Personnel
8	Ornet Intermediates Ltd.	Enterprise over which director of the company exercises significant influence / control.

## (b) Transactions with related parties

[₹ in Lacs]

Sr. No.	Nature of transaction	2012-2013	2011-2012
(i)	Managerial Remuneration - Key Management Personnel	42.23	32.61
(ii)	Expenditure on other service - Relatives of Key Management Personnel (Salary)	10.47	10.41
(iii)	Loans repaid - Key Management Personnel	--	15.68
(iv)	Interest Paid - Key Management Personnel	--	1.69
(v)	Sales - Enterprise over which key management personnel exercise significant influence	62.65	--

## (c) Outstanding Balances as at March, 31, 2013

[₹ in Lacs]

Sr. No.	Particulars	2012-2013	2011-2012
	Due to company (As Debtors) - Enterprise over which key management personnel exercise significant influence	55.15	55.15
	Due by company (As Creditors) - Enterprise over which key management personnel exercise significant influence	3.56	3.56
	- Key Management Personnel	--	2.25
	- Relative to Key Management Personnel	--	0.73

## 33. Particulars of Earning per Share

Particulars	2012-2013	2011-2012
Net Profit after tax and prior period adjustments (₹ in lacs)	85.09	135.17
Number of equity shares (Nos.)	3028500	3028500
Nominal value of the share (₹)	10	10
Earnings per Share (₹)	2.81	4.46

There is no change in the number of equity shares during the period.

## DYNAMIC INDUSTRIES LIMITED

34. Pursuant to Accounting Standard - 29. "Provisions, Contingent, Liabilities and Contingent Assets", the disclosure relating to contingent liabilities and provisions made in the accounts for the year ended 31<sup>st</sup> March, 2013 is as follows :

### (a) Contingent Liabilities

Particulars	As at 31 <sup>st</sup> March 2013	As at 31 <sup>st</sup> March 2012
(a) Claims not acknowledge by the company in respect of :		
- Income Tax (See Note - (i) below)	78.29	12.30
- Custom Duty (See Note - (ii) below)	171.14	171.14
(b) Custom Duty (Import under Advance Licenses Export Obligation Pending)	141.22	144.97
(c) Customs Duty	5.51	--
(d) Service Tax	28.67	--

(i) In respect of demand of ₹ 78.29 lacs pertaining to the A. Y. 2003-04, the company had received order of Hon'ble ITAT Ahmedabad. In the order Hon'ble ITAT Ahmedabad had set aside the matter and restored it back to the Assessing officer for the fresh assessment. Aggrieved upon the fresh amendment order, the company has preferred an appeal before appropriate authority. Pending final outcome the company has not provided for and considered the same as contingent in nature.

(ii) In the Financial year 2008-2009 the Department of Excise and Customs had inspected certain records related to materials imported under license removed for jobwork to various parties whose name did not appear in the license as job-worker or as supporting manufacturer. The department had objected such removal and also observed that aforesaid materials have not been returned back under job work challan from the above parties but under sales invoices. The department also seized certain records related to job work for the Financial Year 2006-07 and 2007-08. The company had deposited a sum of ₹ 5.08 lacs under protest. However based on legal opinion obtained from the excise consultant, the company has transferred the aforesaid deposit to PLA under intimation to department concerned. After that the company has received an order on 28th March, 2012 confirming the demand of custom duty amounting to ₹ 85.57 lacs and penalty of ₹ 85.57 lacs under section 114A of the Custom Act aggregating to ₹ 171.14 lacs and interest at applicable rates on the amount of duty evaded. The Company is in process of filling an appeal against the order with the appropriate authority. The company has filed an appeal and appropriate authority has granted stay against aforesaid demand. Pending final outcome, the company does not expect any liability and accordingly no provision in respect thereof has been made but disclosed the same as contingent liability.

### (c) Provisions

[₹ in Lacs]

Particulars	Provision for Leave Encashment	Provision for Bonus Payable	Provision for Excise Duty on Finished Goods
Opening Balance	7.96	6.29	64.25
Additions	4.27	7.23	100.65
Utilization / Reversals	3.52	6.29	64.25
Closing Balance	8.71	7.23	100.65

## 35. Capital Commitment

[₹ in Lacs]

Particulars	As at 31 <sup>st</sup> March 2013	As at 31 <sup>st</sup> March 2012
Estimated Value of Capital Commitment	0.60	NIL

36. In the opinion of the Directors, Current Assets, Loans and Advances have a value on realisation in the ordinary course of business equal to the amount at which they are stated in the Balance Sheet.

37. Balance of sundry debtors, creditors, loans and advances are subject to confirmation.

38. The company has been advised that the computation of net profits for the purpose of Directors' Remuneration under section 349 of the Companies Act, 1956, need not be enumerated since no commission has been paid to the Directors. Fixed monthly remuneration has been paid to the Directors as per Schedule XIII to the Companies Act, 1956. The Directors were paid total remuneration of ₹ 42.39 (P. Y. ₹ 32.61) during the period under review.

The Directors' Remuneration is made up of :

[₹ in Lacs]

Particulars	2012-2013	2011-2012
Salary	34.20	27.00
Perquisites	6.88	4.46
Provident Fund	1.31	1.15
<b>Total :</b>	<b>42.39</b>	<b>32.61</b>

39. Additional information pursuant to provision of para 5(8) of Part-II of Schedule-VI of the Companies Act, 1956

## (A) Composition of Raw Materials Consumption

[₹ in Lacs]

Raw Material Consumption	2012-2013		2011-2012	
	Value	Percentage (%)	Value	Percentage (%)
Imported	1375.54	50.08	1256.32	48.71
Indigenous	1371.40	49.92	1323.10	51.29
<b>Total :</b>	<b>2746.94</b>	<b>100.00</b>	<b>2579.42</b>	<b>100.00</b>

## (B) Value of Imports on CIF Basis :

[₹ in Lacs]

Particulars	2012-2013	2011-2012
Raw Materials	1351.91	1324.46
Traded Goods	5.59	--

## (C) Earning in Foreign Currency

[₹ in Lacs]

Particulars	2012-2013	2011-2012
F.O.B. Value of Export	3412.27	3411.23

## (D) Expenditure in Foreign Currency (on payment basis) :

[₹ in Lacs]

Particulars	2012-2013	2011-2012
Travelling	4.59	3.84
Commission	84.26	56.35

## **DYNAMIC INDUSTRIES LIMITED**

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### **40. Statement of Management**

- (a) The current assets, loans and advances are good and recoverable and are approximately of the values, if realized in the ordinary courses of business unless and to the extent stated other wise in the Accounts. Provision for all known liabilities is adequate and not in excess of amount reasonably necessary. There are no contingent liabilities except those stated in the notes.
- (b) Balance Sheet, Profit & Loss Account and Cash Flow Statement read together with the schedules to the accounts and notes thereon, are drawn up so as to disclose the information required under the Companies Act, 1956 as well as give a true and fair view of the statement of affairs of the Company as at the end of the year and results of the Company for the year under review.

41. Previous year figures have been regrouped, reclassified and reworked wherever necessary for comparative purpose.

**FOR, G. K. CHOKSI & CO.**  
[Firm Registration No. 101895W]  
*Chartered Accountants*

Sd/-  
**ROHIT K. CHOKSI**  
*Partner*  
Membership No. 31103

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2013

**FOR AND ON BEHALF OF THE BOARD**

Sd/-  
**HARIN MAMLATDARNA**  
*Chairman*

Sd/-  
**DEEPAK CHOKSHI**  
*Vice Chairman*

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2013

# DYNAMIC INDUSTRIES LIMITED

Registered Office : Plot No. 5501/2, Phase III, G.I.D.C., Vatva, Ahmedabad - 382 445.

## ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall  
24th Annual General Meeting, 14th August, 2013)

I hereby record my presence at the TWENTY FOURTH ANNUAL GENERAL MEETING of the Company at Plot No. 5501/2, Phase III, G.I.D.C., Vatva, Ahmedabad at 11.30 a.m.

Full Name of the Member \_\_\_\_\_

(IN BLOCK LETTERS)

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

DP ID\* : \_\_\_\_\_ Client ID\* : \_\_\_\_\_

Full Name of the Proxy : \_\_\_\_\_

(IN BLOCK LETTERS)

Member's/Proxy's Signature : \_\_\_\_\_

\* Applicable to investors holding shares in electronic form.

Note : As a measure of economy, Members are requested to bring a copy of the Annual Report at the meeting hall.

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# DYNAMIC INDUSTRIES LIMITED

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## PROXY FORM

DP ID* :
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No. of Shares Held :
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Client ID* :
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Regd. Folio No. :
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I/We \_\_\_\_\_ of \_\_\_\_\_

\_\_\_\_\_ being member/members of

DYNAMIC INDUSTRIES LIMITED, hereby appoint \_\_\_\_\_ of

\_\_\_\_\_ or failing him \_\_\_\_\_ of \_\_\_\_\_ as my/our

Proxy to vote for me/us and on my/our behalf at the TWENTY FOURTH ANNUAL GENERAL MEETING of the Company to be held on **Wednesday, the 14th August, 2013** and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013

\* Applicable to investors holding shares in electronic form.

Note : This form duly completed and signed must be deposited at the Registered Office of the Company not less than 48 hours before the meeting.

Affix a 30 paise Revenue Stamp
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**BOOK-POST**

To, \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*If undelivered, Please return to :*  
**DYNAMIC INDUSTRIES LIMITED**  
Registered Office : Plot No. 5501/2, Phase III, G.I.D.C., Vatva, Ahmedabad - 382 445.





# DYNAMIC INDUSTRIES LIMITED

(A Govt. Recognised Export House)

Manufacturers & Exporters of Dyes, Pigments & Dye Intermediates

Regd. Office : Plot No. 5501/2, Phase III,  
Nr. Trikampura Cross Road, G.I.D.C.,  
Vatva, Ahmedabad - 382 445. Gujarat (INDIA)  
Tel. : 91-79-2589 7221-22-23  
Fax : 91-79-2583 4292, 2589 7232  
E-mail : admin@dynamind.com

Factory : Plot No. 125, Phase I,  
G.I.D.C. Estate, Vatva,  
Ahmedabad - 382 445. Gujarat (INDIA)  
Tel. : 91-79-2583 3835, 2589 1835  
Fax : 91-79-2589 1735  
Our Website : www.dynamind.com



## FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the company	DYNAMIC INDUSTRIES LIMITED
2.	Annual financial statements for the year ended	31st March, 2013.
3.	Type of Audit observation	Matter of Emphasis
4.	Frequency of observation	appeared first time
5.	To be signed by- <input type="checkbox"/> CEO/Managing Director <input type="checkbox"/> CFO <input type="checkbox"/> Auditor of the company <input type="checkbox"/> Audit Committee Chairman	Managing Director

For, DYNAMIC INDUSTRIES LTD.

  
Director  
(DEEPAK CHOKSHI)





# DYNAMIC INDUSTRIES LIMITED

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Fax : 91-79-2589 1735  
Our Website : www.dynaind.com



026

Number : 91-846-1794

## FORM B

### Format of covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the company	DYNAMIC INDUSTRIES LIMITED
2.	Annual financial statements for the year ended	31st March, 2013.
3.	Type of Audit qualification	Matter of Emphasis
4.	Frequency of qualification	appeared first time
	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	<p>(i) In respect of demand of Rs. 78.29 lacs pertaining to the A. Y. 2003-04, the company had received order of Hon'ble ITAT Ahmedabad. In the order Hon'ble ITAT Ahmedabad had set aside the matter and restored it back to the Assessing officer for the fresh assessment. Aggrieved upon the fresh amendment order, the company has preferred an appeal before appropriate authority. Pending final outcome the company has not provided for and considered the same as contingent in nature.</p> <p>(ii) In the Financial year 2008-2009 the Department of Excise and Customs had inspected certain records related to materials imported under license removed for jobwork to various parties whose name did not appear in the license as job-worker or as supporting manufacturer. The department had objected such removal and also observed that aforesaid materials have not been returned back under job work challan from the above parties but under sales invoices. The department also seized certain records related to job work for the Financial Year 2006-07 and 2007-08. The company had deposited a sum of 5.08 lacs under protest. However based on legal opinion obtained from the excise consultant, the company has transferred the aforesaid deposit to PLA under intimation to department concerned. After that the company has received an order on 28th March, 2012 confirming the demand of custom duty amounting to Rs. 85.57 lacs and penalty of Rs. 85.57 lacs under section</p>





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		114A of the Custom Act aggregating to 171.14 lacs and interest at applicable rates on the amount of duty evaded. The Company is in process of filling an appeal against the order with the appropriate authority. The company has filed an appeal and appropriate authority has granted stay against aforesaid demand. Pending final outcome, the company does not expect any liability and accordingly no provision in respect thereof has been made but disclosed the same as contingent liability.
	Additional comments from the board/audit committee chair:	Clear impact can be decided on the Final Order from the appropriate authority.
5.	To be signed by- <input type="checkbox"/> CEO/ Managing Director <input type="checkbox"/> CFO <input type="checkbox"/> Auditor of the company <input type="checkbox"/> Audit Committee Chairman	Managing Director

For, DYNAMIC INDUSTRIES LTD.

*(Signature)*  
Director  
(DEEPAK CHOKSHI)