

25th

*Annual Report
2013 - 2014*



DYNAMIC INDUSTRIES LIMITED

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



BOARD OF DIRECTORS



DEEPAK N. CHOKSHI
CHAIRMAN & MANAGING DIRECTOR

HARIN D. MAMLATDARNA
VICE CHAIRMAN & MANAGING DIRECTOR

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.

Website : www.dynaind.com

ISIN No. : INE457C01010

FACTORY :

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

E-mail : accounts@dynaind.com

CIN No. : L24110GJ1989PLC011989

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NOTICE

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of Dynamic Industries Limited will be held on 14th August, 2014 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 Financial Statements of the Company for the year ended 31st March, 2014 including audited Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors' and Auditors' thereon.
2. To declare dividend on equity shares of the Company for the financial year 2013-2014.
3. To appoint a Director in place of Shri Pravinchandra D. Master (DIN: 05195587), who is liable to retire by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Jatinbhai B. Surti (DIN: 05195572), who is liable to retire by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, and pursuant to recommendation of the Audit Committee of the Board of Directors, M/s. G. K. Choksi & Co., Chartered Accountants (Firm Regn. No. 101895W) be and are hereby appointed as statutory auditors of the Company for the period of 3 (three) years, subject to ratification by the members at every Annual General Meeting and eligibility of the firm, to hold office from the conclusion of this Annual General Meeting till the conclusion of the twenty eighth Annual General Meeting of the Company, on such remuneration and reimbursement of out of pocket expenses, as shall be decided by the Chairman of the Company in consultation with the said Auditors.”

SPECIAL BUSINESS

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

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of Rs. 35,000/- recommended by the Audit Committee and approved by the Board of Directors of the Company to be paid to M/s. Vishal Yagnik & Associates as the Cost Auditor of the Company for the financial year ending March 31, 2015, be and is hereby ratified and confirmed.”

Regd. Office :

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

Date : 30th May, 2014

By Order of the Board

DEEPAK N. CHOKSHI
Chairman & Managing Director

DYNAMIC INDUSTRIES LIMITED

Notes :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. Further, a Member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.
The instrument appointing a proxy must be deposited at the registered office of the company not less than 48 hours before the commencement of meeting
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business is annexed herewith.
3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
4. Register of Members and Share Transfer Books will remain closed from 13-08-2014 to 14-08-2014 (both days inclusive).
5. If the dividend as recommended by the Board of Directors is approved at the Annual General Meeting, payment of such dividend will be made credited / dispatched within 30 days from 14th August, 2014.
 - i) To all Beneficial Owners in respect of shares held in dematerialised form as per the data as may be made available by the National Securities Depository Limited and the Central Depository Services (India) Limited as of the close of business hours on 14th August, 2014.
 - ii) To all members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on 12th August, 2014.
6. Members holding shares in physical form are requested to inform the Company's Registrars and Transfer Agents (RTA), M/s. Sharepro Services (India) Private Limited, immediately of any change in their address and bank details. Members holding shares in dematerialized form are requested to intimate all changes with respect to their address, bank details, mandate etc. to their respective Depository Participants. These changes will then be automatically reflected in the Company's records. This will help the Company to provide efficient and better service to the Members.
7. Members holding shares in dematerialized form are requested to register their latest Bank Account details (Core Banking Solutions enabled account number, 9 digit MICR and 11 digit IFS code) and Permanent Account Number (PAN) with their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's RTA as the same is mandated by the Securities and Exchange Board of India.
8. Queries on accounts may please be sent to the Company at least 10 days in advance of the Annual General Meeting so that the answers may be made available at the meeting.
9. The Company is concerned about the environment. We request you to update your email address with your Depository Participants to enable us to send you communications via email. Members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to provide their e-mail addresses to the Sharepro Services (India) Private Limited (RTA) sending an e-mail at sharepro@shareproservices.com
10. Copies of the Annual Report 2013-14 are being sent by electronic mode only to all the members whose email addresses are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report for 2013-14 are being sent by the permitted mode.
11. In terms of Sections 205A and 205C of the Companies Act, 1956 any dividend remaining unclaimed for a period of seven years from the due date of payment is required to be transferred to the Investor Education and Protection Fund (IEPF). Accordingly, unclaimed dividends upto 31st March, 2006 have been transferred to the said fund. Members, who have not encashed their dividend warrant(s) so far, for the dividend for the financial year ended 31st March, 2007 are requested to make their claims to the Company or to Sharepro Services (India) Private Limited

(RTA). It may be noted that once the unclaimed dividend is transferred to IEPF as above, no claim shall lie against the IEPF or the Company in respect of any amounts which were unclaimed for a period of seven years from the dates that they first become due for payment and no payment shall be made in respect of any such claims.

12. Instructions regarding the facility available to the shareholders for E-voting in respect of resolutions mentioned in this notice, is set herewith.
13. Members / Proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.

Brief resume of Directors seeking appointment/re-appointment are as under:

Particulars	Pravinchandra D. Master	Shri Jatinbhai B. Surti
Date of Birth	16/08/1950	01/11/1946
Date of Appointment	02/02/2012	02/02/2012
Qualifications	M. Com., LL.B., CAIIB	B. Com.
Experience and expertise in specific functional areas	Shri Pravinchandra D. Master has rich experience in accounts, banking, finance and administration related work. He has also worked for many years in various capacities in State Bank of India as Middle Management Executive Scale – III and retired in May 2007.	Shri Jatinbhai B. Surti has rich experience of 37 years in the field of banking, finance, accounting and administrative areas.
Directorship held in other (excluding foreign) Companies	NIL	NIL
Memberships of Committees	Committee Membership Audit Committee Remuneration Committee Investors Grievance Committee	Committee Membership Audit Committee Remuneration Committee
Number of Shares held in the Company	NIL	500

Annexure to the Notice

Explanatory Statement in respect of the Special Business pursuant to Section 102 of the Companies Act, 2013.

Item No. 6

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2015.

Your Board thus commend the said resolution for your approval as an Ordinary Resolution.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

Regd. Office :

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

Date : 30th May, 2014

By Order of the Board

DEEPAK N. CHOKSHI
Chairman & Managing Director

DYNAMIC INDUSTRIES LIMITED

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in placing before you the Twenty Fifth Annual Report and Audited Accounts for the year ended on 31st March, 2014.

Financial Results		[₹ in Lacs]	
Particulars	Year Ended 31-03-2014	Year Ended 31-03-2013	
Total Income	10,475.48	4,364.78	
Profit before depreciation and tax	646.73	197.60	
Depreciation	68.59	64.78	
Provision for Taxation			
Current Year	200.00	43.50	
Deferred tax	(21.45)	13.05	
Less : Excess provision of earlier year (net)	0.00	(8.82)	
Profit After tax	399.59	85.09	
Balance b/f. from previous year	748.53	663.44	
Balance carried to Balance Sheet	1,148.12	748.53	

Dividend

Your directors are pleased to recommend a dividend @ 10% p.a. (Re. 1/- per share) (Previous Year Rs. Nil) on equity shares for the year ended 31st March, 2014. The total dividend pay out excluding dividend distribution tax shall be Rs. 30,28,500/-.

Performance

The Board is pleased to inform that the working of the Company has scaled new heights, in as much it has recorded highest revenue & profitability since its inception, despite general economic slow down & cut throat competition in business during the year under review.

The total income stood at Rs. 10475.48 lacs (previous year Rs. 4364.78 lacs) and the Tax expenses registered were Rs. 178.55 lacs (previous year 47.73 lacs) resulting into Net Profit for the year after Tax of Rs. 399.26 lacs (previous year Rs. 85.09 lacs).

The Board of Directors have considered it appropriate to change the Bankers to the Company in view of its financial requirements & cost effectiveness and accordingly the Company has received sanction letter dated 2nd May 2014 from HDFC Bank Ltd. The change would be effective from 2014 - 15 and onwards

Future outlook

The challenges that the global economy faced in 2012-13 spilled over to 2013-14 – low growth in developed markets and slowing down of emerging markets. The Indian economy was no different. From a GDP growth of 9.3% in 2010-11, the Indian economy slipped to 5% growth in 2012-13 and further down to 4.4% in 2013-14.

The economy has signaled for an upward swing. Policy stability and consistency appear to take place in view of government at centre with clear mandate. Capital market has also improved substantially and bullish trend is expected to continue for a long run. Demand from export as well as domestic markets is increasing. But volatility of rupee and crude price may hamper growth of, particularly export oriented units like us.

The Company enjoys strong exposure to the Global market. The quality products of the Company have received warm response in the overseas market. The thrust on the competitive strength, newer product development and consolidation of customer relationship has resulted into a bright future for the Company. The company expects better performance in the current year, too.

Directorate

Pursuant to Section 152 of the Companies Act, 2013, Shri Pravinchandra D. Master (DIN: 05195587) and Shri Jatinbhai B. Surti (DIN: 05195572) will retire at the ensuing Annual General Meeting and being eligible, seek re-appointment.

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 2014-2015 to the Bombay Stock Exchange Ltd.

Subsidiary Company

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

The Statement pursuant to Section 212 of the Companies Act, 1956 showing summary of the subsidiary Company is attached herewith

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.

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 - I.

Management Discussion And Analysis

Management Discussion and Analysis Report as required under the Listing Agreement is annexed hereto forming part of this Report.

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 – II to the Directors' Report.

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.

DYNAMIC INDUSTRIES LIMITED

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 31.03.2014 and of the Profit of the Company for the year ended on 31.03.2014;
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

The Company has appointed M/s. Vishal Yagnik & Associates, Cost Accountants, as Cost Auditors to audit the cost accounts of Company for the financial year 2014-2015 under Section 148 of the Companies Act, 2013.

The Cost Audit Report in XBRL mode for the financial year ended March 31, 2013 was filed with the Ministry of Corporate Affairs on 17th October, 2013.

The Company is seeking the approval of the Shareholders for the appointment of M/s. Vishal Yagnik & Associates, Cost Auditor of the Company for the financial year ending March 31, 2015 vide resolution no. 6 of the Notice of Annual General Meeting.

Auditors

M/s. G. K. Choksi & Co., Chartered Accountants, Ahmedabad who hold office until the conclusion of the ensuing Annual General Meeting are recommended for re-appointment to audit the accounts of the Company for the financial year 2014-2015. The Company has obtained a written confirmation under section 139 of the Companies Act, 2013 from M/s. G. K. Choksi & Co. that their appointment, if made, would be in conformity with the limits specified under the said section. You are requested to appoint the Auditors and fix their remuneration.

The notes to the accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

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 : 30th May, 2014

DEEPAK N. CHOKSHI
Chairman & Managing Director

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

	2013-2014	2012-2013
Electricity		
Purchase Unit	11,87,416	9,04,419
Total Amount	86,64,544	63,53,932
Rate (per unit)	7.30	7.03
Light Diesel Oil / Diesel Oil / Furnace Oil		
Quantity (in LTRS)	3,709.57	1,800
Total Amount	2,18,940	86,582
Average rate per unit	59.02	48.10
Fire Wood		
Quantity (in Kgs.)	Nil	Nil
Total Amount	Nil	Nil
Average rate per unit	Nil	Nil
Gas		
Quantity (in scm.)	8,28,023.35	6,21,547
Total Amount	3,69,19,273.95	2,50,16,514
Average rate per unit	44.59	40.25

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

	2013-2014	2012-2013
Foreign Exchange Earning	5218.53	3412.27
Foreign Exchange out go	3221.14	1446.35

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.

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

7 Board Meetings were held during the financial year 2013-2014. The composition of Directors and the attendance at the Board Meeting during the year 2013-2014 and last Annual General Meeting are as under :

Name of Director	Category	No. of Other Directorships	Membership of Board Committees		No. of Board Meetings Attended	Attendance at Last AGM
			Chairman	Member		
Deepak N. Chokshi	Chairman, Managing Director	NIL	-	-	7	Yes
Harin D. Mamlatdarna	Vice Chairman, Managing Director	NIL	-	1	7	Yes
Dinesh J. Jain	Executive Director	2	-	1	4	No
Jatinbhai B. Surti	Non Executive Director / Independent	NIL	-	2	5	Yes
Pravinchandra D. Master	Non Executive Director / Independent	NIL	3	3	4	Yes
Raghavdas H. Lakhmani	Non Executive Director / Independent	NIL	-	2	5	Yes

Number of Board Meetings held during the financial year 2013-2014 was 7. The dates on which these Board Meetings were held are 20-04-2013, 30-05-2013, 10-08-2013, 05-09-2013, 26-09-2013, 14-11-2013 and 12-02-2014.

The last Annual General Meeting was held on 14-08-2013.

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.

- To provide an open avenue of communication between the independent auditors, internal auditors and the Board of Directors (BOD).
- 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, 2015, 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 :
30-05-2013, 10-08-2013, 14-11-2013 and 12-02-2014.

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

A meeting of the Remuneration Committee was held on 30-05-2013 for renewal / revision in remuneration of the wholetime Directors during the financial year under review.

DYNAMIC INDUSTRIES LIMITED

Details of remuneration paid / payable to the Directors for Financial Year 2013-2014

[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	16,07,711	Nil	Nil	Ordinary Resolution dt .14-8-2013,
Harin D. Mamlatdarna	16,45,024	Nil	Nil	valid upto 30-9-2015; no Notice
Dinesh J. Jain	10,43,077	Nil	Nil	period and no severance fees

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 Pravinchandra D. Master	Chairman	Non Executive Director / Independent
Shri Harin D. Mamlatdarna	Member	Managing 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, 2014 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
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.	---
2012-13	14-08-2013	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 Pravinchandra D. Master retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

Shri Pravinchandra D. Master is M. Com., LL. B., C.A.I.I.B. and has rich experience in accounts, banking, finance and administration related work. He has worked for many years in various capacities in State Bank of India as Middle Management Executive Scale – III and retired in May 2007.

Directorship in other Companies : Nil

2. Shri Jatinbhai B. Surti retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

Shri Jatinbhai B. Surti has rich experience of 37 years in the field of banking, finance, accounting and administrative areas.

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	4
b) Number of Shares Dematerialised	56,900
c) Percentage of Shares Dematerialised	1.88%
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.
 c) None of the Directors are related inter-se and all the necessary filing of returns have been done with the stock exchange.

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, 2014 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, 2014 to 14th August, 2014
 (both days inclusive) for Annual General Meeting and dividend
- 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, 2013	8.67	8.67
May, 2013	9.90	9.00
June, 2013	8.73	8.73
July, 2013	9.57	9.13
August, 2013	10.00	7.10
September, 2013	8.03	6.31
October, 2013	7.71	6.76
November, 2013	11.34	6.60
December, 2013	13.45	11.89
January, 2014	13.00	9.57
February, 2014	12.24	7.93
March, 2014	20.71	12.85

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 31-03-2014 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
Grand Total		30,28,500	100.00

b) Distribution of Shareholding as on 31-03-2014 is as under :

Slab of Share Holding	No. of Shareholders	% of Shareholders	No. of Shares	Amount (₹)	% of Capital
1 to 500	1,913	85.44	3,03,186	30,31,860	10.01
501 to 1,000	150	6.69	1,29,718	12,97,180	4.28
1,001 to 2,000	53	2.37	84,206	8,42,060	2.78
2,001 to 3,000	34	1.52	83,975	8,39,750	2.77
3,001 to 4,000	19	0.85	67,246	6,72,460	2.22
4,001 to 5,000	15	0.67	70,572	7,05,720	2.33
5,001 to 10,000	21	0.94	1,61,571	16,15,710	5.34
10,001 to 20,000	11	0.49	1,59,549	15,95,490	5.27
20,001 and above	23	1.03	19,68,477	1,96,84,770	65.00
Total	2,252	100.00	30,28,500	3,02,85,000	100.00

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 31-03-2014, 28,81,649 equity shares (95.15% 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 – 380 006.

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

Email :- 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 have 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.

The Industry functions both in the organized and unorganized sector.

Segment disclosure

The Company is involved in the manufacture of chemicals and Pigments and is thus in one and only one business segment.

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 improve 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

As you are aware the effects of weak economy continue to be felt in the current financial year with a decelerating GDP factor accompanied by the spiralling rise in the raw material inputs thus facing a price resistance from the customers. However with the Government at the Centre having a clear mandate, is committed to swing the economy towards the north, with an unambiguous objective of better corporate governance and active private participation, simplification of laws to facilitate business, provide stability in its regulations as also to minimise controls to give a boost to the industry. External factors like uncertainty in crude prices , forex fluctuations and vagaries of monsoon may dent the planned growth but the Government is in the process of placing a back up contingency plan to nullify the impact of these impeding factors.

In line with the Government policy to boost exports the Company continues its efforts with full zeal and enthusiasm to increase the Company's cross border sale and barring unforeseen circumstances, expects the current year's results to be satisfactory.

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.

Human Resource Management

The Employer and Employee relationship continues to remain cordial. There is neither a formalized labour union nor any man-hours have been lost due to disruption in work during the year under review.

FINANCIAL HIGHLIGHTS

Revenues

Total income during the year under review was Rs. 10475.66 lacs (Previous year Rs. 4364.78 lacs).

Operating expenses

The operating and other expenses for the year ended 31-03-2014 were Rs. 862.34 (Previous year Rs 682.80 lacs)

Profit after Tax

The net profit after tax during the year under review period was Rs. 399.59 lacs (Previous year Rs. 85.09 lacs)

Interest on borrowings

The company has incurred interest cost of Rs.129.92 lacs (Previous year Rs. 129.05 lacs)

Capital employed

The Return on Average Capital Employed (ROCE) for the year ended 31-03-2014 was 11.05 % as compared to 4.87% for the same period last year

Return on net worth

The return on Average Net worth (RONW) for the year ended 31-03-2014 was 12.29 % as compared to 2.79 % for the same period last year.

Fixed Assets

There was addition of Rs. 136.07 lacs to the Fixed Assets of the Company. (Previous year Rs. 47.54 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.

The Board has recommended dividend @10% on the equity shares of the Company for the year ended 31.03.2014. Out of the profits for the year ended March 31, 2014, a sum of Rs. Nil has been transferred to General Reserve. (Previous year Rs. Nil)

Sundry Debtors

Sundry debtors amount to Rs. 3263.41 lacs as of March 31, 2014, as compared with Rs. 1712.39 lacs as of March 31, 2013. 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.

DYNAMIC INDUSTRIES LIMITED

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 : 30th May, 2014

DEEPAK N. CHOKSHI
Director

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 2013-14 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 : 30th May, 2014

DEEPAK N. CHOKSHI
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, 2014 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.

Place : Ahmedabad
Date : 30th May, 2014

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

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

DYNAMIC INDUSTRIES LIMITED

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, 2014. 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 duly 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 07 times respectively on 20-04-2013, 30-05-2013, 10-08-2013, 05-09-2013, 26-09-2013, 14-11-2013 and 12-02-2014 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 13-08-2013 to 14-08-2013 (both days inclusive).
6. The Annual General Meeting for the financial year ended on 31st March, 2013 was held on 14th August, 2013 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 Companies Act, 1956 / u/s. 185 of the Companies Act, 2013.
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. 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 to Investor Education and Protection Fund, which remained unclaimed or unpaid for a period of seven years.

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 no appointment of additional directors, alternate directors and directors to fill casual vacancies during the Financial year.
15. The Company has appointed Managing Directors and Whole-time Director during the Financial year and has complied with the provisions of the Act.
16. The Company has not appointed any sole-selling agents during the Financial year.
17. The Company has obtained approvals for appointment of Cost Auditors during the year. The Company has not obtained any other 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 or accepted 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 31-03-2014 is within the borrowing limits of the Company and that necessary resolutions as per section 293 (1) (d) of the Companies Act, 1956 / u/s. 180(1)(c) of the Companies Act, 2013. 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 : 21/04/2014

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

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

Sr. No.	Name of Register	Section
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, 2014.**

1. Form No. 66 for the year ended 31-03-2013 filed on as on 12-09-2013 u/s. 383A of the Act.
2. Form 23AC-XBRL and Form 23ACA-XBRL for the year ended 31-03-2013 filed on 12-11-2013 u/s. 220 of the Act.
3. Form 20B for the year ended 31-03-2013 filed on 12-10-2013 u/s 159 of the Act.
4. Form No. 8 (HYPO) dated 20-09-2013 filed on 19-10-2013 u/s. 135 of the Act.
5. Form No. 8 (MORTGAGE) dated 20-09-2013 filed on 19-10-2013 u/s. 135 of the Act.
6. Form No. 8 (HYPO) dated 05-12-2013 filed on 16-12-2013 u/s. 135 of the Act.
7. Form No. 8 (MORTGAGE) dated 09-12-2013 filed on 16-12-2013 u/s. 135 of the Act.
8. Form No. 25C dated 30-05-2013 filed on 12-11-2013 u/s 269(2) of the Act.
9. Form No. 25C dated 30-05-2013 filed on 12-11-2013 u/s 269(2) of the Act.
10. Form No. 25C dated 30-05-2013 filed on 12-11-2013 u/s 269(2) of the Act.
11. Form No. 23 dated 30-05-2013 filed on 29-06-2013 u/s 192 of the Act.
12. Form No. 1 – XBRL for the year ended 31-03-2013 filed on 17-10-2013 u/s 233B(4) and 600(3)(b) of the Act.
13. Form No. 1INV for transfer of unclaimed dividend for the financial year ended 31-03-2006, to Investor Education and Protection Fund filed vide challan dt. 03-12-2013 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 of the Balance Sheet as at March 31st, 2014, 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 and financial performance of the company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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, 2014;
- (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 notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.
 - (e) on the basis of written representations received from the directors as on March 31st, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March, 31st, 2014, 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 : 30th May, 2014

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 taken loans from one party covered in the register maintained u/s. 301 of the Companies Act, 1956. The maximum amount outstanding during the year was ₹ 60,00,000 (P.Y. ₹ Nil) and the yearend balance is ₹ NIL (P.Y. ₹ NIL).
(c) In our opinion, the rate of interest and other terms and conditions on which the loans have been availed from the parties listed in the register maintained under section 301 of the Companies Act, 1956 are prima facie not prejudicial to the interest of the company.
(d) As per the information and explanations given to us, principal amount and interest thereon has been repaid during the year.
- 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, the particulars of contracts or arrangements referred to in section 301 of the act have been entered in the register required to be maintained under that section.
(b) In our opinion and according to the information and explanations given by the management, transactions exceeding ₹ 5 lacs made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- 6 In our opinion and according to the information and 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 facie 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 31st March, 2014 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 31st March, 2014 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 31st March, 2014 and it 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 utilised 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 : 30th May, 2014

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

DYNAMIC INDUSTRIES LIMITED

Balance Sheet as at 31st March, 2014

[₹ in Lacs]

Particulars	Notes	As at 31st March 2014	As at 31st March 2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	302.85	302.85
Reserves and Surplus	3	3,123.25	2,776.19
		3,426.10	3,079.04
Non-Current Liabilities			
Long Term Borrowings	4	84.42	55.89
Deferred Tax Liabilities (Net)	5	44.38	65.84
Other Long Term Liabilities	6	16.34	13.95
Long Term Provisions	7	30.68	28.55
		175.82	164.23
Current Liabilities			
Short Term Borrowings	8	1,392.00	1,382.58
Trade Payables	9	3,332.74	1,348.63
Other Current Liabilities	10	97.70	71.88
Short Term Provisions	11	245.12	106.99
		5,067.56	2,910.08
Total		8,669.48	6,153.35
ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	12	2,486.13	2,442.70
Intangible Assets	13	3.18	0.02
Intangibles Under Development	14	3.33	0.00
		2,492.64	2,442.72
Non Current Investments	15	5.00	5.00
Long Term Loans and Advances	16	23.07	19.83
Other Non Current Assets	17	13.08	29.70
Current Assets			
Inventories	18	2,359.53	1,382.13
Trade Receivables	19	3,236.06	1,712.39
Cash and Cash Equivalents	20	138.47	108.81
Short Term Loans and Advances	21	373.97	446.72
Other Current Assets	22	27.66	6.05
		6,135.69	3,656.10
Total		8,669.48	6,153.35
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

FOR AND ON BEHALF OF THE BOARD

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

Sd/-
DEEPAK CHOKSHI
Chairman & Managing Director

Sd/-
HARIN MAMLATDARNA
Vice Chairman & Managing Director

Sd/-
DINESH JAIN
Executive Director

Place : Ahmedabad
Date : 30th May, 2014

Place : Ahmedabad
Date : 30th May, 2014

Statement of Profit and Loss for the year ended 31st March, 2014 [₹ in Lacs]

Particulars	Notes	2013-2014	2012-2013
INCOME			
Revenue from Operations	23	10,850.52	4,335.73
Less : Excise Duty		392.36	47.46
		<u>10,458.16</u>	<u>4,288.27</u>
Other Income	24	17.32	76.51
Total Revenue		10475.48	<u>4,364.78</u>
EXPENSES			
Cost of Materials / Products Consumed	25	6,700.25	2,921.93
Purchase of Stock in Trade	26	1,719.53	454.84
Changes in Inventories of Finished Goods, Stock-in-process and Stock-in-trade	27	(212.38)	(345.12)
Employee Benefit Expenses	28	206.66	162.95
Financial Costs	29	157.31	143.73
Depreciation and Amortizations		85.69	81.88
Less : Adjustment for Revaluation Reserve		17.10	17.10
		<u>68.59</u>	<u>64.78</u>
Other Expenses	30	1,257.38	828.85
Total Expenses		9,897.34	<u>4,231.96</u>
Profit before tax		578.14	132.82
Tax Expenses			
Current Tax		200.00	43.50
Deferred Tax		(21.45)	13.05
Excess provision of tax of earlier years (net)		0.00	(8.82)
		<u>178.55</u>	<u>47.73</u>
Profit / (Loss) for the year carried to Balance Sheet		<u>399.59</u>	<u>85.09</u>
Earnings per equity share :	31		
Basic and diluted		13.20	2.81

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

FOR AND ON BEHALF OF THE BOARD

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

Sd/-
DEEPAK CHOKSHI
Chairman & Managing Director

Sd/-
HARIN MAMLATDARNA
Vice Chairman & Managing Director

Sd/-
DINESH JAIN
Executive Director

Place : Ahmedabad
Date : 30th May, 2014

Place : Ahmedabad
Date : 30th May, 2014

DYNAMIC INDUSTRIES LIMITED

Cash Flow Statement for the year ended 31st March, 2014

[₹ in Lacs]

Particulars	2013-2014	2012-2013
A. Cash flow from operating activities :		
Profit / (Loss) for the year before taxation	578.13	132.82
Adjustments for :		
Depreciation (Net of Excess Depreciation written back)	68.59	64.78
Loss on sale of assets / discarded assets	4.24	0.00
Interest Income	(16.15)	(20.70)
Interest Expenses	129.92	129.05
Operating profit before working capital changes	764.73	305.95
Adjustments for :		
Trade and other receivables	(1,460.51)	(688.32)
Inventories	(977.39)	(483.40)
Trade payables	2021.50	701.53
Cash generated from operations	348.33	(164.24)
Taxes paid (net of refunds)	(116.05)	(43.90)
Net cash from operating activities (a)	232.28	(208.14)
B. Cash flow from investing activities :		
Purchase of fixed assets	(142.87)	(47.54)
Purchase of Investment	0.00	(5.00)
Sales of fixed assets	3.00	0.00
Interest received	14.74	21.50
Net cash used in investing activities (b)	(125.13)	(31.04)
C. Cash flow from financing activities :		
Procurement / (Repayment) of long / short term borrowings	55.27	349.23
Payment of dividend	(0.27)	(1.49)
Interest paid	(129.00)	(125.87)
Net cash flow from financial activities (c)	(74.00)	221.87
Net Increase/(Decrease) in cash and cash equivalents (a) + (b) + (c)	33.15	(17.31)
Opening cash and cash equivalents	105.32	122.63
Closing cash and cash equivalents	138.47	105.32
Components of cash and cash equivalent		
Balances with scheduled banks	23.36	1.00
Fixed Deposits	28.54	17.95
Cash in Hand	1.58	1.76
Other Bank Balances	84.99	84.61
	138.47	105.32

Explanatory Notes to Cash Flow Statement

- The Cash Flow Statement is prepared under indirect method 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

FOR AND ON BEHALF OF THE BOARD

Sd/-
ROHIT K. CHOKSI
Partner

Sd/-
DEEPAK CHOKSHI
Chairman & Managing Director

Sd/-
HARIN MAMLATDARNA
Vice Chairman & Managing Director

Sd/-
DINESH JAIN
Executive Director

Place : Ahmedabad
Date : 30th May, 2014

Place : Ahmedabad
Date : 30th May, 2014

SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation of financial statements

- (i) The financial statements of the company have been prepared and presented in accordance with the generally accepted accounting principle under the historical cost convention on an accrual basis. The Company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under The Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the companies act, 1956 read with general circular 15/2013 dated 13th September, 2013, issued by Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
- (ii) The accounting policies adopted in the preparation of the financial statements are consistent with those of previous year.

(b) 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.

(c) 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.

(d) 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.

(e) 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.

(f) 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.

(g) 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.

(h) Revenue Recognition

- (i) Revenue in respect of sale of products and services are recognised upon despatch of products and the services

DYNAMIC INDUSTRIES LIMITED

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.

(i) 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.

(j) Retirement 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).

(k) 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.

(l) 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.

(m) 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.

(n) 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.

(o) Provisions and Contingencies

A provision is recognised when the Company has a present obligation as a result of past event and it 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.

(p) Provisions and Prepayment of Expenses

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

Notes forming part of accounts

2 Share Capital

[₹ in Lacs]

Particulars	As at	
	31st March, 2014	31st March, 2013
(a) Authorised		
35,00,000 (P. Y. 35,00,000) Equity Shares of ₹ 10/- each	350.00	350.00
(b) Issued, Subscribed and Paid up		
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	
	2013-2014	2012-2013
At the beginning of the year	30,28,500	30,28,500
Add		
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
Less		
Shares bought back / Redemption etc.	0	0
As the end of the year	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, 2014	31st March, 2013	31st March, 2014	31st March, 2013
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	As at
	31st March, 2014	31st March, 2013
Revaluation Reserve		
Balance as per previous financial statements	1,675.94	1,693.04
Add / Less : Addition / (Deduction) during the year	(17.10)	(17.10)
Balance as at year end	1,658.84	1,675.94
Reserve Fund for Eco-Development		
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
Share Premium Account		
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
General Reserve		
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
Profit & Loss Account		
Balance as per previous financial statements	748.53	663.44
Add : Profit for the year	399.59	85.09
Balance available for appropriation	1,148.12	748.53
Less : Appropriations for :		
- Proposed Dividend	30.28	0.00
- Provision for Dividend Distribution Tax	5.15	0.00
Net Surplus / (Deficit)	1,112.69	748.53
	3,123.25	2,776.19

4 Long Term Borrowings

[₹ in Lacs]

Particulars	Non-current portion		Current maturities	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
Secured Loans				
Term Loans from Banks (refer note 1 below)				
Central Bank of India (Term Loan 1)	0.00	51.45	40.86	41.25
Central Bank of India (Term Loan 2)	67.16	0.00	18.80	0.00
Term Loans from Others (refer note 2 below)				
Sundram Finance Limited	0.00	0.00	0.00	5.11
Tata Capital Limited	0.00	4.44	4.44	9.08
Toyota Financial Services India Ltd.	17.26	0.00	9.17	0.00
	84.42	55.89	73.27	55.44

Details of Security

- The above term loans from Central Bank of India are secured against Equitable Mortgage on land & Building, Hypothecation of Plant & Machineries purchased and personal guarantees of Directors. It is further secured by Equitable Mortgage on Leasehold bearing Plot / Shed 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. Mtrs. in Phase III, in Vatva Industrial Estate and building constructed thereon.
- The above loans are secured against hypothecation of vehicles

Terms of Repayment of Loans

Central Bank of India (TL1) It is repayable in 16 numbers of quarterly installments of ₹ 10.31 lacs commencing from 1st July, 2011. The last installment falls due in March 2015.

Central Bank of India (TL2) It is repayable in 20 numbers of quarterly installments of ₹ 4.70 lacs each, commencing from June 2014. The last installment falls due in March 2019.

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

Toyota Financial Services India Limited It is repayable in 36 numbers of equal monthly installments of ₹ 0.94 lacs each (including interest) commencing from January, 2014. The last installment falls due in November, 2016.

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, 2014	As at 31st March, 2013
Deferred Tax Liabilities		
Difference of book depreciation and tax depreciation	61.42	79.54
Deferred Tax Assets		
Disallowance u/s. 43(b) allowable on payment	17.04	13.70
Net Deferred Tax Liability / (Asset)	44.38	65.84

6. Other Long Term Liabilities

[₹ in Lacs]

Particulars	As at 31st March, 2014	As at 31st March, 2013
Other Payables		
Payable for fixed assets	3.26	0.87
Others	13.08	13.08
	16.34	13.95

DYNAMIC INDUSTRIES LIMITED

7. Long Term Provisions

[₹ in Lacs]

Particulars	As at 31st March, 2014	As at 31st March, 2013
For Employee Benefits		
Gratuity	31.15	26.18
Priviledged / Earned Leave	10.71	8.71
	<u>41.86</u>	<u>34.89</u>
Less :		
Amount disclosed under the head "Short Term Provisions"		
Gratuity	9.56	5.56
Priviledged / Earned Leave	1.62	0.78
	<u>11.18</u>	<u>6.34</u>
	<u>30.68</u>	<u>28.55</u>

8. Short Term Borrowings

[₹ in Lacs]

Particulars	As at 31st March, 2014	As at 31st March, 2013
Secured Loans		
Working Capital Loan		
Rupee Loans		
Central Bank of India (Cash Credit A/c.)	141.26	84.75
Central Bank of India (Export Packing Credit)	39.62	285.27
Central Bank of India (Export Bills Purchase)	1,153.94	926.98
Central Bank of India (Export Bills Purchase under Letter of Credit)	57.18	0.00
Central Bank of India (Overdraft against Book Debts)	0.00	85.58
	<u>1,392.00</u>	<u>1,382.58</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, 2014	As at 31st March, 2013
For Goods and Services		
Related Party (Refer note 33)	32.72	3.56
Others	3,300.02	1,345.07
	<u>3,332.74</u>	<u>1,348.63</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, 2014	As at 31st March, 2013
Current Maturities of Long Term Debt	73.27	55.44
Interest Accrued and Due	1.45	0.96
Interest Accrued but not Due	0.10	0.10
Book Overdraft - Central Bank of India	0.00	3.49
Advances from Customers	0.00	4.40
Unclaimed Dividend	0.53	0.80
Other Payables		
Statutory Dues	20.98	5.32
Others	1.37	1.37
	<u>22.35</u>	<u>6.69</u>
	<u>97.70</u>	<u>71.88</u>

11. Short Term Provisions

[₹ in Lacs]

Particulars	As at 31st March, 2014	As at 31st March, 2013
Provision for Employee Benefits		
Gratuity	9.56	5.56
Priviledged / Earned Leave	1.62	0.78
	<u>11.18</u>	<u>6.34</u>
Others		
For Taxation (Net of Advance Tax & TDS)	81.10	0.00
For Dividend	35.43	0.00
For Excise on Closing Stock	117.41	100.65
	<u>233.94</u>	<u>100.65</u>
	<u>245.12</u>	<u>106.99</u>

[₹ in Lacs]

12. Tangible Assets

Sr. No.	Name of Assets	Gross Block (At Cost)			Depreciation / Amortisation			Net Block			
		As at 01/04/2013	Additions / Adjustments	Deductions / Adjustments	As at 31/03/2014	Upto 31/03/2013	For the Year	Deductions / Adjustments	Upto 31/03/2014	As at 31/03/2014	As at 31/03/2013
1	Leasehold Land	1742.60	0.00	0.00	1742.60	26.45	17.60	0.00	44.05	1698.55	1716.15
2	Building	384.44	13.77	0.00	398.21	123.44	12.91	0.00	136.35	261.86	261.00
3	Machinery	794.92	72.42	0.05	867.29	434.91	38.90	0.00	473.81	393.48	360.01
4	Computer	25.86	3.35	0.00	29.21	22.31	0.81	0.00	23.12	6.09	3.55
5	Office Equipments	11.14	3.79	0.00	14.93	6.29	0.64	0.00	6.93	8.00	4.85
6	Furniture and Fixture	56.79	0.46	0.00	57.25	31.32	2.40	0.00	33.72	23.53	25.47
7	Vehicles	125.05	42.28	13.51	153.82	53.38	12.11	6.29	59.20	94.62	71.67
	Total :	3140.80	136.07	13.56	3263.31	698.10	85.37	6.29	777.18	2486.13	2442.70
	Previous Year :	3093.26	47.54	0.00	3140.80	616.22	81.88	0.00	698.10	2442.70	

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.

13. Intangible Assets

[₹ in Lacs]

Sr. No.	Name of Assets	Gross Block (At Cost)			Depreciation / Amortisation			Net Block			
		As at 01/04/2013	Additions / Adjustments	Deductions / Adjustments	As at 31/03/2014	Upto 31/03/2013	For the Year	Deductions / Adjustments	Upto 31/03/2014	As at 31/03/2014	As at 31/03/2013
1	Computer Software	0.45	3.50	0.45	3.50	0.43	0.32	0.43	0.32	3.18	0.02
	Total :	0.45	3.50	0.45	3.50	0.43	0.32	0.43	0.32	3.18	0.02
	Previous Year :	0.45	0.00	0.00	0.45	0.43	0.00	0.00	0.43	0.02	

14. Intangible Under Development

[₹ in Lacs]

Sr. No.	Name of Assets	Gross Block (At Cost)			
		As at 01/04/2013	Additions / Adjustments	Deductions / Adjustments	As at 31/03/2014
1	Software	0.00	3.33	0.00	3.33
	Total :	0.00	3.33	0.00	3.33
	Previous Year :	0.00	0.00	0.00	0.00

15. Non Current Investments

[₹ in Lacs]

Particulars	As at 31st March, 2014	As at 31st March, 2013
Investment in Equity Instruments		
Subsidiary Company		
Neo Farbe Private Limited (50,000 Equity Shares (P. Y. 50,000) of Rs. 10/- each, fully paid up)	5.00	5.00
	<u>5.00</u>	<u>5.00</u>

16. Long Term Loans and Advances

(Unsecured, considered good unless otherwise stated)

[₹ in Lacs]

Particulars	As at 31st March, 2014	As at 31st March, 2013
Capital Advances	10.25	2.01
Security Deposit	12.82	14.98
Advance Tax & TDS (net of provision)	0.00	2.84
	<u>23.07</u>	<u>19.83</u>
The amount dues by :		
Directors	NIL	NIL
Offices 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

17. Other Non Current Assets

[₹ in Lacs]

Particulars	As at 31st March, 2014	As at 31st March, 2013
Term Deposit with Bank (adjustable against Capital Asset) (having maturity period exceeding 12 months)	13.08	13.08
Fixed Deposits with Bank (having maturity period exceeding 12 months)	0.00	16.62
	<u>13.08</u>	<u>29.70</u>

18. Inventories

(As taken, valued and certified by the Management)

[₹ in Lacs]

Particulars	As at 31st March, 2014	As at 31st March, 2013
Raw Materials (Includes goods in transit amounting to Rs. 103.13 lacs (P.Y. 33.60))	1,129.85	373.93
Stock in Process	138.27	80.85
Finished Goods	1,049.32	894.57
Stock In Trade	18.01	20.38
Stores, Spares and Consumables	12.68	0.41
Others	11.40	11.99
	<u>2,359.53</u>	<u>1,382.13</u>

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

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19. Trade Receivable

[₹ in Lacs]

Particulars	As at 31st March, 2014	As at 31st March, 2013
Debt outstanding for the period exceeding six months		
Unsecured considered good	27.35	27.23
Considered Doubtful	13.69	13.69
	41.04	40.92
Less : Provisions for Doubtful Debts	13.69	13.69
	27.35	27.23
Others		
Unsecured considered good	3,208.71	1,685.16
	3,236.06	1,712.39
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

20. Cash and Cash Equivalents

[₹ in Lacs]

Particulars	As at 31st March, 2014	As at 31st March, 2013
Balances with Scheduled Banks		
Current Accounts	23.36	4.49
Fixed Deposits with maturity of less than 3 months	28.54	17.95
Cash in Hand	1.58	1.76
Other Bank Balances		
Fixed Deposits with maturity for more than 3 months but less than 12 months	84.99	84.61
	138.47	108.81

The amount of fixed deposits with banks includes deposits placed as Margin Money amounting ₹ 97.46 lacs (P. Y. ₹ 75.25 lacs) for letter of credits and ₹ 5.79 lacs (P. Y. ₹ 13.72 lacs) for bank guarantees.

21. Short Term Loans and Advances

[₹ in Lacs]

Particulars	As at 31st March, 2014	As at 31st March, 2013
Advances to Employees	3.86	1.00
Contractors & Suppliers	8.91	3.86
Others		
Balances with Revenue Authorities	29.89	14.09
Prepaid Expenses	12.00	12.01
Other Recoverables	319.31	415.76
	<u>361.20</u>	<u>441.86</u>
	<u>373.97</u>	<u>446.72</u>
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

22. Other Current Assets

[₹ in Lacs]

Particulars	As at 31st March, 2014	As at 31st March, 2013
Interest accrued	7.45	6.05
Insurance Claim Receivable	20.21	0.00
	<u>27.66</u>	<u>6.05</u>

23. Revenue from Operations

[₹ in Lacs]

Particulars	2013-2014	2012-2013
Sale of Products (Net of discounts / rebates)	10,412.82	4,256.73
Other Operating Revenue	45.34	31.54
	<u>10,458.16</u>	<u>4,288.27</u>

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

[₹ in Lacs]

Particulars	2013-2014	2012-2013
Manufactured		
Dyes, Pigments and Chemicals		
Export	5,016.54	3,383.40
Local	3,484.04	365.33
	<u>8,500.58</u>	<u>3,748.73</u>
Traded Goods		
Dyes, Pigments and Chemicals		
Export	234.48	72.63
Local	1,677.76	435.37
	<u>1,912.24</u>	<u>508.00</u>
	<u>10,412.82</u>	<u>4,256.73</u>

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Breakup of Other Operating Revenue

[₹ in Lacs]

Particulars	2013-2014	2012-2013
Export Benefits (Net)	45.34	31.54
	45.34	31.54

24. Other Income

[₹ in Lacs]

Particulars	2013-2014	2012-2013
Interest Income		
from Banks	16.15	8.92
from Others	0.00	11.78
Other Insurance Claim	0.54	0.00
Keyman Insurance Claim	0.00	47.58
Miscellaneous Income	0.63	0.45
Gain on Foreign Exchange Fluctuation (Net)	0.00	7.78
	17.32	76.51

25. Cost of Materials / Products Consumed

[₹ in Lacs]

Particulars	2013-2014	2012-2013
Raw Materials	6,474.87	2,746.94
Packing Materials	150.98	114.87
Freight, Octroi & Inward Clearing	74.40	60.12
	6,700.25	2,921.93

Breakup of Raw Material Consumed

[₹ in Lacs]

Particulars	2013-2014	2012-2013
Beta Nephthol	518.40	276.85
6 Nitro	1,633.39	715.75
H. Acid	1,020.14	206.93
Others	3,302.94	1,547.41
	6,474.87	2,746.94

26. Purchase of Stock in Trade

[₹ in Lacs]

Particulars	2013-2014	2012-2013
Traded Goods		
Local	1,525.30	398.63
Import	194.23	56.21
	1,719.53	454.84

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

Particulars	2013-2014	2012-2013
Closing Stocks		
Finished Goods	1,049.32	894.57
Stock in Trade	18.01	20.38
Stock in Process	138.27	80.85
	<u>1,205.60</u>	<u>995.80</u>
Opening Stock		
Finished Goods	894.57	572.43
Stock in Traded	20.38	11.69
Less : Transferred for own consumption	<u>2.58</u>	<u>0.06</u>
	17.80	<u>11.63</u>
Stock in Process	80.85	66.62
	<u>993.22</u>	<u>650.68</u>
Decrease / (Increase) in Inventories	<u>(212.38)</u>	<u>(345.12)</u>

28. Employees Benefits Expenses [₹ in Lacs]

Particulars	2013-2014	2012-2013
Salary, Allowance, Wages and Bonus	189.59	145.17
Contribution to Provident Fund & Other Funds	12.14	14.61
Staff Welfare and Training	4.93	3.17
	<u>206.66</u>	<u>162.95</u>

29. Finance Cost [₹ in Lacs]

Particulars	2013-2014	2012-2013
Interest to		
Banks	126.28	126.27
Others (Includes 1.31 lacs to related party (P.Y. NIL))	3.64	2.78
	<u>129.92</u>	<u>129.05</u>
Other Borrowing Cost		
LC Charges	18.00	5.24
Loan Processing Charges	9.39	9.44
	<u>27.39</u>	<u>14.68</u>
	<u>157.31</u>	<u>143.73</u>

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30. Other Expenses

[₹ in Lacs]

Particulars	2013-2014	2012-2013
Manufacturing Expenses		
Power, Fuel and Water Charges	478.08	338.84
Stores and Other Consumables	6.61	3.30
Laboratory Expenses	11.50	8.91
Job Work Charges	39.96	2.29
Pollution Plant Treatment	62.71	40.94
Excise Duty on finished goods	16.76	36.39
	<u>615.62</u>	<u>430.67</u>
Repairs and Maintenance		
Building	12.41	4.28
Plant and Machinery and Office Equipment	33.07	19.34
Others	6.35	4.68
	<u>51.83</u>	<u>28.30</u>
	<u>667.45</u>	<u>458.97</u>
Establishment Expenses		
Rent	0.00	1.17
Rates and Taxes	5.75	3.16
Insurance	50.46	31.49
Fees and Legal Expenses	45.98	20.09
Auditors' Remuneration (refer note below)	6.00	5.00
Travelling Expenses	11.25	11.33
Bank Charges	20.09	12.19
Telephone Expenses	6.23	5.00
Postage Expenses	5.38	5.66
Stationery and Printing	3.79	3.50
Vehicle Expenses	8.29	6.67
Security Services Charges	7.17	7.26
Donation	1.20	1.65
Loss on Assets sold/discarded	4.24	0.00
Loss on Foreign Exchange Fluctuation (Net)	14.61	0.00
Sundry Balance Written Off (Net)	27.01	0.07
Other Expenses	12.90	10.00
	<u>230.35</u>	<u>124.24</u>
Selling and Distribution Expenses		
Commission and Discount	262.68	144.71
Sales Promotion	4.71	1.70
Freight Outward	92.19	99.23
	<u>359.58</u>	<u>245.64</u>
	<u>1,257.38</u>	<u>828.85</u>
Auditor's Remuneration is made of		
Statutory Audit Fees	4.75	3.75
Tax Audit Fees	1.00	1.00
Fees for other service	0.25	0.25
	<u>6.00</u>	<u>5.00</u>

31. Earning per Share

Particulars	2013-2014	2012-2013
Net Profit after tax and prior period adjustments (₹ in lacs)	399.59	85.09
Number of equity shares (in lacs)	30.28	30.28
Nominal value of the share (₹)	10.00	10.00
Earnings per Share (₹)	13.20	2.81

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

32 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 ₹ 7.16 lacs (P. Y. ₹ 4.40 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, 2014.

[₹ in Lacs]

Particulars	Leave Encashment		Gratuity	
	2013-2014	2012-2013	2013-2014	2012-2013
Changes in the present value of obligation				
Present value of obligation (Opening)	8.71	7.96	34.31	28.92
Interest Cost	0.68	0.53	2.69	2.23
Past service cost	NIL	NIL	NIL	NIL
Current service cost	2.83	2.13	4.94	3.28
Curtailment Cost / (Gain)	--	--	--	--
Settlement Cost / (Gain)	--	--	--	--
Benefits paid	(0.54)	--	(1.40)	(5.40)
Actuarial (Gain) / Loss	(0.97)	1.61	(2.03)	5.28
Present value of obligation (Closing)	10.71	8.71	38.51	34.31
Changes in the fair value of plan assets				
Present value of plan assets (Opening)	--	--	8.13	5.05
Expected return on plan assets	--	--	0.67	0.57
Actuarial Gain / (Loss)	--	--	(0.04)	0.01
Recoverable from trust	--	--	--	--
Employers Contributions (Net)	--	--	--	7.90
Employees Contributions	--	--	--	--
Benefits paid	--	--	(1.40)	(5.40)
Fair Value of Plan Assets (Closing)	--	--	7.36	8.13
Percentage of each category of plan assets to total fair value of plan assets at the year end				
Bank Deposits	--	--	--	--
(Special Deposit Scheme, 1975)	--	--	--	--
Debt Instruments	--	--	--	--
Administered by	--	--	100%	100%
Life Insurance Corporation of India				
Amount recognised in the balance sheet				
Present value of obligation as at the year end	10.71	8.71	38.51	34.31
Fair value of plan assets as at the year end	--	--	7.36	8.13
(Asset) / Liability recognised in the balance sheet	10.71	8.71	31.15	26.18

... Continued ...

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

[₹ in Lacs]

Particulars	Leave Encashment		Gratuity	
	2013-2014	2012-2013	2013-2014	2012-2013
Expenses recognised in the Profit & Loss Account				
Current service cost	2.83	2.13	4.94	3.28
Past service cost	NIL	NIL	NIL	NIL
Interest cost	0.68	0.53	2.69	2.23
Expected return on plan assets	--	--	(0.67)	(0.57)
Curtailement Cost / (Credit)	--	--	NIL	NIL
Settlement Cost / (Credit)	--	--	NIL	NIL
Net Actuarial (Gain) / Loss	(0.97)	1.61	(1.99)	5.27
Employee's Contribution	--	--	NIL	NIL
Total expenses recognised in the profit and loss account	2.54	4.27	4.97	10.21

Principal actuarial assumption (Rate of Discounting)

Rate of Discounting	9.1%	8%	9.1%	8%
Expected return on plan assets	--	--	9%	9%
Rate of increase in salaries	7%	7%	7%	7%
Attrition Rate (Employees opting for early retirement)	--	--	--	--

33 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.

34 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.	Particulars	Relationship	2013-2014	2012-2013
(i)	Managerial Remuneration			
	- Harin M. Mamlatdarna	Key Management Personnel	16.45	16.11
	- Deepak N. Choksi	Key Management Personnel	16.08	16.08
	- Dinesh Jain	Key Management Personnel	10.43	10.43
(ii)	Expenditure on other service (Salary)			
	- Ronak D. Choksi	Relative of KMP	3.69	3.69
	- Bimal D. Choksi	Relative of KMP	3.33	3.33
	- Mansi Talati	Relative of KMP	3.37	3.19
	- Asita Modi	Relative of KMP	3.51	3.72
(iii)	Unsecured Loans accepted during the year			
	- Harin M. Mamlatdarna	Key Management Personnel	100.00	--
(iv)	Unsecured Loans repaid during the year			
	- Harin M. Mamlatdarna	Key Management Personnel	100.00	--
(v)	Interest Paid on unsecured loans			
	- Harin M. Mamlatdarna	Key Management Personnel	1.31	--
(v)	Sales			
	- Ornet Intermediate Ltd.	Enterprise over which director of the company exercises significant influence/control.	225.68	62.65
(vi)	Purchase			
	- Ornet Intermediate Ltd.	Enterprise over which director of the company exercises significant influence/control.	114.74	--

(c) Outstanding Balances as at March, 31, 2014

[₹ in Lacs]

Sr. No.	Particulars	Relationship	2013-2014	2012-2013
(i)	Due to company (As Creditors)			
	- Ornet Intermediate Ltd.	Enterprise over which director of the company exercises significant influence/control	32.72	3.56
(ii)	Due to company (As Debtors)			
	- Ornet Intermediate Ltd.	Enterprise over which director of the company exercises significant influence/control	55.15	55.15

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35. 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 31st March, 2014 is as follows :

(a) Contingent Liabilities

Particulars	As at 31 st March 2014	As at 31 st March 2013
(a) Claims not acknowledge by the company in respect of :		
- Income Tax (See Note - (i) below)	78.29	78.29
- Custom Duty (See Note - (ii) below)	171.14	171.14
- Custom Duty (See Note - (ii) below)	5.51	5.51
(b) Custom Duty (Import under Advance Licenses Export Obligation Pending)	296.34	144.97
(c) Service Tax (See Note (iii) below)	40.89	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 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. Further, the department has also raised demand of ₹ 5.51 lacs being custom duty on imported goods for financial year 2007-08.

The company has filed an appeals 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.

(iii) The company had been served demand notice raising demand of ₹ 28.66 lacs being service tax for financial year 2006-07 & 2007-08 which has been disputed and the matter is pending for final disposal by Honorable High Court of Gujarat. Further, the company has also been served with show cause notices raising demand of service tax amounting to ₹ 3.2 lacs & ₹ 9.02 lacs aggregating to ₹ 12.22 lacs against which the company has already filed its reply with appropriate authority. The concerned authority is yet to react on such reply.

(b) Provisions

[₹ in Lacs]

Particulars	Provision for Leave Encashment	Provision for Bonus Payable	Provision for Excise Duty on Closing Stock of Finished Goods
Opening Balance	8.71	7.23	100.65
Additions	16.58	16.15	117.41
Utilization / Reversals	3.75	12.72	100.65
Closing Balance	21.54	10.66	117.41

36. Capital Commitment

[₹ in Lacs]

Particulars	As at 31 st March 2014	As at 31 st March 2013
Estimated Value of Capital Commitment	1.90	0.60

37. 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.

38. Balance of trade payable, trade receivables and loans and advances are subject to conformations and reconciliations by the parties concerned.

39. 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 ₹ 42.73 (P. Y. ₹ 42.39) during the period under review.

The Directors' Remuneration is made up of :

[₹ in Lacs]

Particulars	2013-2014	2012-2013
Salary	34.20	34.20
Perquisites	7.22	6.88
Provident Fund	1.31	1.31
Total :	42.73	42.39

40. 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	2013-2014		2012-2013	
	Value	Percentage (%)	Value	Percentage (%)
Imported	3,732.96	57.65	1,375.54	50.08
Indigenous	2,741.91	42.35	1,371.40	49.92
Total :	6,474.87	100.00	2,746.94	100.00

(B) Value of Imports on CIF Basis :

[₹ in Lacs]

Particulars	2013-2014	2012-2013
Raw Materials	3,074.60	1,351.91
Traded Goods	38.77	5.59

(C) Earning in Foreign Currency

[₹ in Lacs]

Particulars	2013-2014	2012-2013
F.O.B. Value of Export	5,218.53	3,412.27

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

[₹ in Lacs]

Particulars	2013-2014	2012-2013
Travelling	5.31	4.59
Commission	102.46	84.26

DYNAMIC INDUSTRIES LIMITED

41. 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.

42. 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

Sd/-
DEEPAK CHOKSHI
Chairman & Managing Director

Sd/-
HARIN MAMLATDARNA
Vice Chairman & Managing Director

Sd/-
DINESH JAIN
Executive Director

Place : Ahmedabad
Date : 30th May, 2014

Place : Ahmedabad
Date : 30th May, 2014

**Statement Pursuant to Section 212 of the Companies Act, 1956
relating to Subsidiary Companies**

[₹ in Lacs]

S. No.	Particulars	Details
1	Name of the Subsidiary	NEO FARBE PRIVATE LIMITED
2	Financial year of the subsidiary ended on	31st March, 2014
3	Shares of the subsidiary held by the Company on above date	
	a) Number and Face Value	50,000 Equity Shares of ₹ 10/- each, fully paid up
	b) Extent of holding	100.00%
4	Net aggregate amount of profits (losses) of the subsidiary for the above financial year of the subsidiary, so far as they concern members of the Company	
	a) dealt with in the accounts of the Company for the year ended 31st March, 2014	₹ NIL
	b) not dealt with in the accounts of the Company for the year ended 31st March, 2014	₹ (0.33)
5	Net aggregate amount of profits (losses) of the subsidiary for previous financial years of the subsidiary, since it became a subsidiary so far as they concern members of the Company	
	a) dealt with in the accounts of the Company for the year ended 31st March, 2014	₹ NIL
	b) not dealt with in the accounts of the Company for the year ended 31st March, 2014	₹ NIL

FOR AND ON BEHALF OF THE BOARD

Sd/- **DEEPAK CHOKSHI** Sd/- **HARIN MAMLATDARNA** Sd/- **DINESH JAIN**
Chairman & Managing Director *Vice Chairman & Managing Director* *Executive Director*

Place : Ahmedabad
Date : 30th May, 2014

INDEPENDENT AUDITORS' REPORT

To,
The Members,
Dynamic Industries Limited
Ahmedabad.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Dynamic Industries Limited ("the Company") and its subsidiary (collectively referred to as "the Group"), which comprise of the Consolidated Balance Sheet as at March 31st, 2014, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the group in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 consolidated 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 and based on the consideration of the Auditor's Reports on the financial statements of subsidiary, the consolidated 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 Consolidated Balance Sheet, of the state of affairs of the Group as at March 31st, 2014;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date;
and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matters

The financial statements of the subsidiary company which reflects total assets of ₹ 4.79 lacs as at 31st March, 2014, net loss of ₹ 0.33 lacs & net cash inflow amounting to ₹ 4.61 lacs for the year then ended have been audited by us.

FOR, G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants
Sd/-
ROHIT K. CHOKSI
Partner
Membership No. 31103

Place : Ahmedabad
Date : 30th May, 2014

Consolidated Balance Sheet as at 31st March, 2014

[₹ in Lacs]

Particulars	Notes	As at 31st March 2014	
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	302.85	
Reserves and Surplus	3	3,122.92	
			3,425.77
Non-Current Liabilities			
Long Term Borrowings	4	84.42	
Deferred Tax Liabilities (Net)	5	44.38	
Other Long Term Liabilities	6	16.34	
Long Term Provisions	7	30.68	
			175.82
Current Liabilities			
Short Term Borrowings	8	1,392.00	
Trade Payables	9	3,332.85	
Other Current Liabilities	10	97.70	
Short Term Provisions	11	245.12	
			5,067.67
Total			8,669.26
ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	12	2,486.13	
Intangible Assets	13	3.18	
Intangibles Under Development	14	3.33	
			2,492.64
Long Term Loans and Advances	15		23.09
Other Non Current Assets	16		13.08
Current Assets			
Inventories	17	2,359.53	
Trade Receivables	18	3,236.06	
Cash and Cash Equivalents	19	143.07	
Short Term Loans and Advances	20	373.97	
Other Current Assets	21	27.82	
			6,140.45
Total			8,669.26
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

FOR AND ON BEHALF OF THE BOARD

Sd/-

ROHIT K. CHOKSI

Partner

Membership No. 31103

Sd/-

DEEPAK CHOKSHI

Chairman & Managing Director

Sd/-

HARIN MAMLATDARNA

Vice Chairman & Managing Director

Sd/-

DINESH JAIN

Executive Director

Place : Ahmedabad
Date : 30th May, 2014

Place : Ahmedabad
Date : 30th May, 2014

DYNAMIC INDUSTRIES LIMITED**Consolidated Statement of Profit and Loss for the year ended 31st March, 2014**

[₹ in Lacs]

Particulars	Notes	2013-2014	
INCOME			
Revenue from Operations	22	10,850.52	
Less : Excise Duty		392.36	
		<u>10,458.16</u>	
Other Income	23	17.50	
Total Revenue			10,475.66
EXPENSES			
Cost of Materials / Products Consumed	24	6,700.25	
Purchase of Stock in Trade	25	1,719.53	
Changes in Inventories of Finished Goods, Stock-in-process and Stock-in-trade	26	(212.38)	
Employee Benefit Expenses	27	206.66	
Financial Costs	28	157.31	
Depreciation and Amortizations		85.69	
Less : Adjustment for Revaluation Reserve		17.10	
		<u>68.59</u>	
Other Expenses	29	1,257.89	
Total Expenses			9,897.85
Profit before tax			577.81
Tax Expenses			
Current Tax		200.00	
Deferred Tax		(21.45)	
		<u>178.55</u>	
Profit / (Loss) for the year carried to Balance Sheet			399.26
Earnings per equity share :	30		
Basic and diluted			13.19

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

FOR AND ON BEHALF OF THE BOARD

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

Sd/-
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Chairman & Managing Director

Sd/-
HARIN MAMLATDARNA
Vice Chairman & Managing Director

Sd/-
DINESH JAIN
Executive Director

Place : Ahmedabad
Date : 30th May, 2014

Place : Ahmedabad
Date : 30th May, 2014

Consolidated Cash Flow Statement for the year ended 31st March, 2014

[₹ in Lacs]

Particulars	2013-2014
A. Cash flow from operating activities :	
Profit / (Loss) for the year before taxation	577.81
Adjustments for :	
Depreciation (Net of Excess Depreciation written back)	68.59
Loss on sale of assets / discarded assets	4.24
Interest Income	(16.33)
Interest Expenses	129.92
Operating profit before working capital changes	764.23
Adjustments for :	
Trade and other receivables	(1,460.67)
Inventories	(977.40)
Trade payables	2021.61
Cash generated from operations	347.77
Taxes paid (net of refunds)	(116.07)
Net cash from operating activities (a)	231.70
B. Cash flow from investing activities :	
Purchase of fixed assets	(142.87)
Sales of fixed assets	3.00
Interest received	14.92
Net cash used in investing activities (b)	(124.95)
C. Cash flow from financing activities :	
Procurement / (Repayment) of long / short term borrowings	55.27
Payment of dividend	(0.27)
Interest paid	(129.00)
Net cash flow from financial activities (c)	(74.00)
Net Increase/(Decrease) in cash and cash equivalents (a) + (b) + (c)	32.75
Opening cash and cash equivalents	110.32
Closing cash and cash equivalents	143.07
Components of cash and cash equivalent	
Balances with scheduled banks	23.66
Fixed Deposits	28.54
Cash in Hand	1.58
Other Bank Balances	89.29
	143.07

Explanatory Notes to Cash Flow Statement

- 1 The Cash Flow Statement is prepared under indirect method 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.
- 2 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.

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

FOR AND ON BEHALF OF THE BOARD

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

Sd/-
DEEPAK CHOKSHI
Chairman & Managing Director

Sd/-
HARIN MAMLATDARNA
Vice Chairman & Managing Director

Sd/-
DINESH JAIN
Executive Director

Place : Ahmedabad
Date : 30th May, 2014

Place : Ahmedabad
Date : 30th May, 2014

SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation of consolidated financial statements

The Consolidated financial statements relate to Dynamic Industries Limited and its Subsidiary Company. The Consolidated Financial Statements have been prepared on the following basis:

- (i) The financial statements of the company and its subsidiary company have been combined on a Line-by-Line basis by adding together the value of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profit or loss as per Accounting Standard – 21 “Consolidated Financial Statements” notified by Companies (Accounting Standard) Rules, 2006.
- (ii) The financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible in the same manner as the company's separate financial statements.
- (iii) The financial statements of the company have been prepared and presented in accordance with the generally accepted accounting principle under the historical cost convention on an accrual basis. The Company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under The Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the companies act, 1956 read with general circular 15/2013 dated 13th September, 2013, issued by Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

(b) 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.

(c) 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.

(d) 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.

(e) 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.

(f) 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.

(g) 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.

(h) 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.

(i) 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.

(j) Retirement 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).

(k) 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.

(l) 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.

(m) 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.

(n) 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.

(o) Provisions and Contingencies

A provision is recognised when the Company has a present obligation as a result of past event and it 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.

(p) Provisions and Prepayment of Expenses

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

DYNAMIC INDUSTRIES LIMITED

Notes forming part of accounts

2 Share Capital

[₹ in Lacs]

Particulars	As at 31st March, 2014
(a) Authorised	
35,00,000 (P. Y. 35,00,000) Equity Shares of ₹ 10/- each	350.00
(b) Issued, Subscribed and Paid up	
30,28,500 (P. Y. 30,28,500) Equity Shares of ₹ 10/- each full paid	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 2013-2014
At the beginning of the year	30,28,500
Add	
Shares issued for Cash or Right Issue or Bonus	0
Exercise of Share Option under ESOS / ESOP	0
Shares issued in Business Combination	0
	30,28,500
Less	
Shares bought back / Redemption etc.	0
As the end of the year	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, 2014		31st March, 2014	
Harin D. Mamlatdarna	2,85,380	9.42		
Deepak N. Chokshi	2,71,487	8.96		
Mayaben H. Mamlatdarna	2,11,247	6.98		

3 Reserves and Surplus

[₹ in Lacs]

Particulars	As at 31st March, 2014
Revaluation Reserve	
Balance as per previous financial statements	1,675.94
Add / Less : Addition / (Deduction) during the year	(17.10)
Balance as at year end	<u>1,658.84</u>
Reserve Fund for Eco-Development	
Balance as per previous financial statements	6.50
Add / Less : Addition / (Deduction) during the year	0.00
Balance as at year end	<u>6.50</u>
Share Premium Account	
Balance as per previous financial statements	178.60
Add / Less : Addition / (Deduction) during the year	0.00
Balance as at year end	<u>178.60</u>
General Reserve	
Balance as per previous financial statements	166.62
Add / Less : Addition / (Deduction) during the year	0.00
Balance as at year end	<u>166.62</u>
Profit & Loss Account	
Balance as per previous financial statements	748.53
Add : Profit for the year	399.26
Balance available for appropriation	1,147.79
Less : Appropriations for :	
- Proposed Dividend	30.28
- Provision for Dividend Distribution Tax	5.15
Net Surplus / (Deficit)	<u><u>1,112.36</u></u>
	<u><u>3,122.92</u></u>

4 Long Term Borrowings

[₹ in Lacs]

Particulars	Non-current portion	Current maturities
	As at 31st March, 2014	As at 31st March, 2014
Secured Loans		
Term Loans from Banks (refer note 1 below)		
Central Bank of India (Term Loan 1)	0.00	40.86
Central Bank of India (Term Loan 2)	67.16	18.80
Term Loans from Others (refer note 2 below)		
Sundram Finance Limited	0.00	0.00
Tata Capital Limited	0.00	4.44
Toyota Financial Services India Limited	17.26	9.17
	<u>84.42</u>	<u>73.27</u>

DYNAMIC INDUSTRIES LIMITED

Details of Security

- The above term loans from Central Bank of India are secured against Equitable Mortgage on land & Building, Hypothecation of Plant & Machineries purchased and personal guarantees of Directors. It is further secured by Equitable Mortgage on Leasehold bearing Plot / Shed 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. Mtrs. in Phase III, in Vatva Industrial Estate and building constructed thereon.
- The above loans are secured against hypothecation of vehicles

Terms of Repayment of Loans

Central Bank of India (TL1) It is repayable in 16 numbers of quarterly installments of ₹ 10.31 lacs commencing from June, 2011. The last installment falls due in March 2015.

Central Bank of India (TL2) It is repayable in 20 numbers of quarterly installments of ₹ 4.70 lacs each, commencing from June 2014. The last installment falls due in March 2019.

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

Toyota Financial Services India Limited It is repayable in 36 numbers of equal monthly installments of ₹ 0.94 lacs each (including interest) commencing from January, 2014. The last installment falls due in November, 2016.

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, 2014
Deferred Tax Liabilities	
Difference of book depreciation and tax depreciation	61.42
Deferred Tax Assets	
Disallowance u/s. 43(b) allowable on payment	17.04
Net Deferred Tax Liability / (Asset)	<u>44.38</u>

6. Other Long Term Liabilities

[₹ in Lacs]

Particulars	As at 31st March, 2014
Other Payables	
Payable for Capital Assets	3.26
Others	13.08
	<u>16.34</u>

7. Long Term Provisions

[₹ in Lacs]

Particulars	As at 31st March, 2014
For Employee Benefits	
Gratuity	31.15
Priviledged / Earned Leave	10.71
	41.86
Less :	
Amount disclosed under the head "Short Term Provisions"	
Gratuity	9.56
Priviledged / Earned Leave	1.62
	11.18
	30.68

8. Short Term Borrowings

[₹ in Lacs]

Particulars	As at 31st March, 2014
Secured Loans	
Working Capital Loan	
Rupee Loans	
Central Bank of India (Cash Credit A/c.)	141.26
Central Bank of India (Export Packing Credit)	39.62
Central Bank of India (Export Bills Purchase)	1,153.94
Central Bank of India (Export Bills Purchase under Letter of Credit)	57.18
	1,392.00

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.

DYNAMIC INDUSTRIES LIMITED

9. Trade Payables

[₹ in Lacs]

Particulars	As at 31st March, 2014
For Goods and Services	
Related Party (Refer note 33)	32.72
Others	3,300.13
	<u>3,332.85</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, 2014
Current Maturities of Long Term Debt	73.27
Interest Accrued and Due	1.45
Interest Accrued but not Due	0.10
Unclaimed Dividend	0.53
Other Payables	
Statutory Dues	20.98
Others	1.37
	<u>22.35</u>
	<u>97.70</u>

11. Short Term Provisions

[₹ in Lacs]

Particulars	As at 31st March, 2014
Provision for Employee Benefits	
Gratuity	9.56
Priviledged / Earned Leave	1.62
	<u>11.18</u>
Others	
For Taxation (Net of Advance Tax & TDS)	81.10
For Dividend	35.43
For Excise on Closing Stock	117.41
	<u>233.94</u>
	<u>245.12</u>

Sr. No.	Name of Assets	Gross Block (At Cost)			Depreciation / Amortisation			Net Block		
		As at 01/04/2013	Additions / Adjustments	Deductions / Adjustments	As at 31/03/2014	Upto 31/03/2013	For the Year	Deductions / Adjustments	Upto 31/03/2014	As at 31/03/2014
1	Leasehold Land	1742.60	0.00	0.00	1742.60	26.45	17.60	0.00	44.05	1698.55
2	Building	384.44	13.77	0.00	398.21	123.44	12.91	0.00	136.35	261.86
3	Machinery	794.92	72.42	0.05	867.29	434.91	38.90	0.00	473.81	393.48
4	Computer	25.86	3.35	0.00	29.21	22.31	0.81	0.00	23.12	6.09
5	Office Equipments	11.14	3.79	0.00	14.93	6.29	0.64	0.00	6.93	8.00
6	Furniture and Fixture	56.79	0.46	0.00	57.25	31.32	2.40	0.00	33.72	23.53
7	Vehicles	125.05	42.28	13.51	153.82	53.38	12.11	6.29	59.20	94.62
	Total :	3140.80	136.07	13.56	3263.31	698.10	85.37	6.29	777.18	2486.13

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.

Sr. No.	Name of Assets	Gross Block (At Cost)			Depreciation / Amortisation			Net Block		
		As at 01/04/2013	Additions / Adjustments	Deductions / Adjustments	As at 31/03/2014	Upto 31/03/2013	For the Year	Deductions / Adjustments	Upto 31/03/2014	As at 31/03/2014
1	Computer Software	0.45	3.50	0.45	3.50	0.43	0.32	0.43	0.32	3.18
	Total :	0.45	3.50	0.45	3.50	0.43	0.32	0.43	0.32	3.18

14. Intangible Under Development

Sr. No.	Name of Assets	Gross Block (At Cost)		
		As at 01/04/2013	Additions / Adjustments	Deductions / Adjustments
1	Software	0.00	3.33	0.00
	Total :	0.00	3.33	0.00

DYNAMIC INDUSTRIES LIMITED

15. Long Term Loans and Advances

(Unsecured, considered good unless otherwise stated)

[₹ in Lacs]

Particulars	As at 31st March, 2014
Capital Advances	10.25
Security Deposit	12.82
Advance Tax & TDS (net of provision)	0.02
	<u>23.09</u>
The amount dues by :	
Directors	NIL
Offices either severally or jointly with other persons	NIL
Firms or Private Companies in which any director is partner or director or a member	NIL

16. Other Non Current Assets

[₹ in Lacs]

Particulars	As at 31st March, 2014
Term Deposit with Bank (adjustable against Capital Asset) (having maturity period exceeding 12 months)	13.08
	<u>13.08</u>

17. Inventories

(As taken, valued and certified by the Management)

[₹ in Lacs]

Particulars	As at 31st March, 2014
Raw Materials (Includes goods in transit amounting to Rs. 103.13 lacs (P.Y. Rs. 33.60))	1,129.85
Stock in Process	138.27
Finished Goods	1,049.32
Stock In Trade	18.01
Stores, Spares and Consumables	12.68
Others	11.40
	<u>2,359.53</u>

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

18. Trade Receivable

[₹ in Lacs]

Particulars	As at 31st March, 2014
Debt outstanding for the period exceeding six months	
Unsecured considered good	27.35
Considered Doubtful	13.69
	41.04
Less : Provisions for Doubtful Debts	13.69
	27.35
Others	
Unsecured considered good	3,208.71
	3,236.06
The amount dues by :	
Directors	NIL
Officers either severally or jointly with other persons	NIL
Firms or Private companies in which any director is partner or director or a member.	NIL

19. Cash and Cash Equivalents

[₹ in Lacs]

Particulars	As at 31st March, 2014
Balances with Scheduled Banks in	
Current Accounts	23.66
Fixed Deposits (with maturity of less than 3 months)	28.54
Cash in Hand	1.58
Other Bank Balances	
Fixed Deposits (with maturity for more than 3 months but less than 12 months)	89.29
	143.07

The amount of fixed deposits with banks includes deposits placed as Margin Money amounting ₹ 97.46 lacs for letter of credits and ₹ 5.79 lacs for bank guarantees.

DYNAMIC INDUSTRIES LIMITED

20. Short Term Loans and Advances

[₹ in Lacs]

Particulars	As at 31st March, 2014
Advances to :	
Employees	3.86
Contractors & Suppliers	8.91
Others Advances	
Balances with Revenue Authorities	29.89
Prepaid Expenses	12.00
Other Recoverables	319.31
	<u>361.20</u>
	<u>373.97</u>
The amount dues by :	
Directors	NIL
Officers either severally or jointly with other persons	NIL
Firms or Private companies in which any director is partner or director or a member.	NIL

21. Other Current Assets

[₹ in Lacs]

Particulars	As at 31st March, 2014
Interest accrued	7.61
Insurance Claim Receivable	20.21
	<u>27.82</u>

22. Revenue from Operations

[₹ in Lacs]

Particulars	2013-2014
Sale of Products (Net of discounts / rebates)	10,412.82
Other Operating Revenue	45.34
	<u>10,458.16</u>

Breakup of Sale of Product (Net of Excise)

[₹ in Lacs]

Particulars	2013-2014
Manufactured	
Dyes, Pigments and Chemicals	
Export	5,016.54
Local	3,484.04
	<u>8,500.58</u>
Traded Goods	
Dyes, Pigments and Chemicals	
Export	234.48
Legal	1,677.76
	<u>1,912.24</u>
	<u>10,412.82</u>

Breakup of Other Operating Revenue

[₹ in Lacs]

Particulars**2013-2014**

Export Benefits (Net)

45.34

45.34

23. Other Income

[₹ in Lacs]

Particulars**2013-2014**Interest Income
from Banks

16.33

Other Insurance Claim

0.54

Miscellaneous Income

0.63

17.50

24. Cost of Materials / Products Consumed

[₹ in Lacs]

Particulars**2013-2014**

Raw Materials

6,474.87

Packing Materials

150.98

Freight, Octroi & Inward Clearing

74.40

6,700.25

Breakup of Raw Material Consumed

[₹ in Lacs]

Particulars**2013-2014**

Beta Nephthol

518.40

6 Nitro

1,633.39

H. Acid

1,020.14

Others

3,302.94

6,474.87

25. Purchase of Stock in Trade

[₹ in Lacs]

Particulars**2013-2014**

Traded Goods

Local

1,525.30

Import

194.23

1,719.53

DYNAMIC INDUSTRIES LIMITED

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

Particulars	2013-2014
Closing Stocks	
Finished Goods	1,049.32
Stock in Trade	18.01
Stock in Process	138.27
	<u>1,205.60</u>
Opening Stock	
Finished Goods	894.57
Stock in Traded	20.38
Less : Transferred for own consumption	<u>2.58</u>
	17.80
Stock in Process	80.85
	<u>993.22</u>
Decrease / (Increase) in Inventories	<u><u>(212.38)</u></u>

27. Employees Benefits Expenses [₹ in Lacs]

Particulars	2013-2014
Salary, Allowance, Wages and Bonus	189.59
Contribution to Provident Fund & Other Funds	12.14
Staff Welfare and Training	4.93
	<u>206.66</u>

28. Finance Cost [₹ in Lacs]

Particulars	2013-2014
Interest to	
Banks	126.28
Others (Includes 1.31 lacs to related party)	3.64
	<u>129.92</u>
Other Borrowing Cost	
LC Charges	18.00
Loan Processing Charges	9.39
	<u>27.39</u>
	<u><u>157.31</u></u>

29. Other Expenses

[₹ in Lacs]

Particulars	2013-2014
Manufacturing Expenses	
Power, Fuel and Water Charges	478.08
Stores and Other Consumables	6.61
Laboratory Expenses	11.50
Job Work Charges	39.96
Pollution Plant Treatment	62.71
Excise Duty on finished goods	16.76
	<u>615.62</u>
Repairs and Maintenance	
Building	12.41
Plant and Machinery and Office Equipment	33.07
Others	6.35
	<u>51.83</u>
	<u>667.45</u>
Establishment Expenses	
Rates and Taxes	5.75
Insurance	50.46
Fees and Legal Expenses	46.01
Auditors' Remuneration (refer note below)	6.11
Travelling Expenses	11.25
Bank Charges	20.09
Telephone Expenses	6.23
Postage Expenses	5.38
Stationery and Printing	3.79
Vehicle Expenses	8.29
Security Services Charges	7.17
Donation	1.20
Loss on Assets sold/discarded	4.24
Loss on Foreign Exchange Fluctuation (Net)	14.61
Sundry Balance Written Off (Net)	27.01
Other Expenses	13.27
	<u>230.86</u>
Selling and Distribution Expenses	
Commission and Discount	262.68
Sales Promotion	4.71
Freight Outward	92.19
	<u>359.58</u>
	<u>1,257.89</u>
Auditor's Remuneration is made of	
Holding Company	
- Statutory Audit Fees	4.75
- Tax Audit Fees	1.00
- Fees for other service	0.25
Subsidiary Company	
- Statutory Audit Fees	0.11
	<u>6.11</u>

DYNAMIC INDUSTRIES LIMITED

30. Earning per Share

Particulars	2013-2014
Net Profit after tax (₹ in lacs)	399.26
Number of equity shares (in lacs)	30.28
Nominal value of the share (₹)	10.00
Earnings per Share (₹)	13.19

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

31 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 ₹ 7.16 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, 2014.

[₹ in Lacs]

Particulars	Leave Encashment	Gratuity
	2013-2014	2013-2014
Changes in the present value of obligation		
Present value of obligation (Opening)	8.71	34.31
Interest Cost	0.68	2.69
Past service cost	NIL	NIL
Current service cost	2.83	4.94
Curtailment Cost / (Gain)	--	--
Settlement Cost / (Gain)	--	--
Benefits paid	(0.54)	(1.40)
Actuarial (Gain) / Loss	(0.97)	(2.03)
Present value of obligation (Closing)	10.71	38.51
Changes in the fair value of plan assets		
Present value of plan assets (Opening)	--	8.13
Expected return on plan assets	--	0.67
Actuarial Gain / (Loss)	--	(0.04)
Recoverable from trust	--	--
Employers Contributions (Net)	--	--
Employees Contributions	--	--
Benefits paid	--	(1.40)
Fair Value of Plan Assets (Closing)	--	7.36
Percentage of each category of plan assets to total fair value of plan assets at the year end		
Bank Deposits	--	--
(Special Deposit Scheme, 1975)	--	--
Debt Instruments	--	--
Administered by	--	100%
Life Insurance Corporation of India		
Amount recognised in the balance sheet		
Present value of obligation as at the year end	10.71	38.51
Fair value of plan assets as at the year end	--	7.36
(Asset) / Liability recognised in the balance sheet	10.71	31.15

... Continued ...

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

[₹ in Lacs]

Particulars	Leave Encashment	Gratuity
	2013-2014	2013-2014
Expenses recognised in the Profit & Loss Account		
Current service cost	2.83	4.94
Past service cost	NIL	NIL
Interest cost	0.68	2.69
Expected return on plan assets	--	(0.67)
Curtailement Cost / (Credit)	--	NIL
Settlement Cost / (Credit)	--	NIL
Net Actuarial (Gain) / Loss	(0.97)	(1.99)
Employee's Contribution	--	NIL
Total expenses recognised in the profit and loss account	2.54	4.97
Principal actuarial assumption		
(Rate of Discounting)		
Rate of Discounting	9.1%	9.1%
Expected return on plan assets	--	9%
Rate of increase in salaries	7%	7%
Attrition Rate	--	--
(Employees opting for early retirement)		

32 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.

33 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.

DYNAMIC INDUSTRIES LIMITED

(b) Transactions with related parties

[₹ in Lacs]

Sr. No.	Particulars	Relationship	2013-2014
(i)	Managerial Remuneration		
	- Harin M. Mamlatdarna	Key Management Personnel	16.45
	- Deepak N. Choksi	Key Management Personnel	16.08
	- Dinesh Jain	Key Management Personnel	10.43
(ii)	Expenditure on other service (Salary)		
	- Ronak D. Choksi	Relative of KMP	3.69
	- Bimal D. Choksi	Relative of KMP	3.33
	- Mansi Talati	Relative of KMP	3.37
	- Asita Modi	Relative of KMP	3.51
(iii)	Unsecured Loans accepted during the year		
	- Harin M. Mamlatdarna	Key Management Personnel	100.00
(iv)	Unsecured Loans repaid during the year		
	- Harin M. Mamlatdarna	Key Management Personnel	100.00
(v)	Interest Paid on unsecured loans		
	- Harin M. Mamlatdarna	Key Management Personnel	1.31
(v)	Sales		
	- Ornet Intermediate Ltd.	Enterprise over which director of the company exercises significant influence/control.	225.68
(vi)	Purchase		
	- Ornet Intermediate Ltd.	Enterprise over which director of the company exercises significant influence/control.	114.74

(c) Outstanding Balances as at March, 31, 2014

[₹ in Lacs]

Sr. No.	Particulars	Relationship	2013-2014
(i)	Due to company (As Creditors)		
	- Ornet Intermediate Ltd.	Enterprise over which director of the company exercises significant influence/control	32.72
(ii)	Due to company (As Debtors)		
	- Ornet Intermediate Ltd.	Enterprise over which director of the company exercises significant influence/control	55.15

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 31st March, 2014 is as follows :

(a) Contingent Liabilities

Particulars	As at 31 st March 2014
(a) Claims not acknowledge by the company in respect of :	
- Income Tax (See Note - (i) below)	78.29
- Custom Duty (See Note - (ii) below)	171.14
- Custom Duty (See Note - (ii) below)	5.51
(b) Custom Duty (Import under Advance Licenses Export Obligation Pending)	296.34
(c) Service Tax (See Note (iii) below)	40.89

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 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. Further, the department has also raised demand of ₹ 5.51 lacs being custom duty on imported goods for financial year 2007-08.

The company has filed an appeals 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.

(iii) The company had been served demand notice raising demand of ₹ 28.66 lacs being service tax for financial year 2006-07 & 2007-08 which has been disputed and the matter is pending for final disposal by Honorable High Court of Gujarat. Further, the company has also been served with show cause notices raising demand of service tax amounting to ₹ 3.2 lacs & ₹ 9.02 lacs aggregating to ₹ 12.22 lacs against which the company has already filed its reply with appropriate authority. The concerned authority is yet to react on such reply.

(c) Provisions

[₹ in Lacs]

Particulars	Provision for Leave Encashment	Provision for Bonus Payable	Provision for Excise Duty on Closing Stock of Finished Goods
Opening Balance	8.71	7.23	100.65
Additions	16.58	16.15	117.41
Utilization / Reversals	3.75	12.72	100.65
Closing Balance	21.54	10.66	117.41

DYNAMIC INDUSTRIES LIMITED

35. Capital Commitment

[₹ in Lacs]

Particulars	As at 31 st March 2014
Estimated Value of Capital Commitment	1.90

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 trade payable, trade receivables and loans and advances are subject to conformations and reconciliations by the parties concerned.

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 ₹ 42.73 during the period under review.

The Directors' Remuneration is made up of :

[₹ in Lacs]

Particulars	2013-2014
Salary	34.20
Perquisites	7.22
Provident Fund	1.31
Total :	42.73

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	2013-2014	
	Value	Percentage (%)
Imported	3,732.96	57.65
Indigenous	2,741.91	42.35
Total :	6,474.87	100.00

(B) Value of Imports on CIF Basis :

[₹ in Lacs]

Particulars	2013-2014
Raw Materials	3,074.60
Traded Goods	38.77

(C) Earning in Foreign Currency

[₹ in Lacs]

Particulars	2013-2014
F.O.B. Value of Export	5,218.53

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

[₹ in Lacs]

Particulars	2013-2014
Travelling	5.31
Commission	102.46

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. The subsidiary company had been incorporated on 11th March, 2013 and the standalone financial statements of the subsidiary company have been prepared for the period from 11th March, 2013 to 31st March, 2014, which has been considered for the purpose of this consolidated financial statement and therefore the corresponding previous year's figures since not available are not given.

There were no transactions in the books of the subsidiary for the period from 11th March, 2013 to 31st March, 2013 except introduction of share capital by the holding company. Had the Balance Sheet of the subsidiary been prepared and consolidated with the financial statements of the holding company the Cash & Cash Equivalents in the Consolidated Financial Statements would have been higher by the amount equivalent to Share Capital since Investments in the books of Holding company and the corresponding Share Capital in the Subsidiary Company would have been eliminated on Consolidation of Accounts in accordance with Accounting Standard -21.

FOR, G. K. CHOKSI & CO.

[Firm Registration No. 101895W]
Chartered Accountants

Sd/-
ROHIT K. CHOKSI
Partner

Membership No. 31103

FOR AND ON BEHALF OF THE BOARD

Sd/-
DEEPAK CHOKSHI
Chairman & Managing Director

Sd/-
HARIN MAMLATDARNA
Vice Chairman & Managing Director

Sd/-
DINESH JAIN
Executive Director

Place : Ahmedabad
Date : 30th May, 2014

Place : Ahmedabad
Date : 30th May, 2014

Proxy Form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules, 2014]



DYNAMIC INDUSTRIES LIMITED

CIN : L24110GJ1989PLC011989

Regd off: Plot No. 5501, PHASE-III NR. TRIKAMPURA CROSS ROAD, G I D C VATVA, AHMEDABAD - 382445
Phone: 079-2589 7221 – 22 -23, Fax: 079-25834292, 2589 7232 E-mail : accounts@dynamind.com Website : www.dynamind.com

25th Annual General Meeting

Thursday, 14th day of August, 2014

Name of the member(s):

Registered address:

E-mail Id:

Folio No./ Client Id: DP ID:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

I/We, being the member(s) holding shares of the above named company, hereby appoint :

1. Name:..... Address:.....
E-mail Id:..... Signature.....or failing him;
2. Name:..... Address:.....
E-mail Id:..... Signature.....or failing him;
3. Name:..... Address:.....
E-mail Id:..... Signature.....

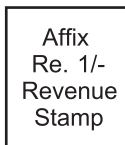
as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual General Meeting of the Company, to be held on Thursday, the 14th day of August, 2014 at 11.30 a.m. at the Regd office of the Company at Plot No. 5501, PHASE-III NR. TRIKAMPURA CROSS ROAD, G I D C VATVA, AHMEDABAD - 382445 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Optional*	
		For	Against
Ordinary Business			
1.	Adoption of Financial Statements for the year ended 31 st March, 2014.		
2.	Declaration of Dividend for the year ended 31 st March, 2014.		
3.	Re-appointment of Shri Pravinchandr D. Master, who retires by rotation and being eligible, seeks reappointment.		
4.	Re-appointment of Shri Jatinbhai B. Surti, who retires by rotation and being eligible, seeks reappointment.		
5.	To appoint Auditors and to fix their remuneration.		
Special Business			
6.	Approval of the Remuneration of the Cost Auditor.		

Signed this..... day of 2014.

Signature of Proxy holder(s)

Signature of shareholder



Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A person can act as proxy on behalf of Members upto and not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. Further, a Member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.

* It is optional to put a ' ' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.



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
25th Annual General Meeting, 14th August, 2014)

I hereby record my presence at the TWENTY FIFTH 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.



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.

Notes on Voting through electronic means

1. In terms of Sections 107 and 108 of the Companies Act, 2013 read with the Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide the facility to its Members holding shares in physical or dematerialized form to exercise their right to vote at the Twenty fifth Annual General Meeting (AGM) by electronic means on any or all of the businesses specified in the accompanying Notice and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL). Details of the process and manner of e-voting along with the User ID and Password is being sent to all the Members.
2. In the event of poll, please note that the Members who have exercised their right to vote by electronic means shall not vote by way of poll at the Meeting. The voting rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company, subject to the provisions of the Companies Act, 2013.
3. The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.• In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none">• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (xi) Click on the EVSN for DYNAMIC INDUSTRIES LIMITED.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
 - (B) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
4. If you are already registered with CDSL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
 5. The e-voting period commences on 9th August, 2014 (9:00 am) and ends on 9th August, 2014 (6:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 11th July, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
 6. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date).
 7. CS Chetan R. Shah, Company Secretary in Practice (Membership No. FCS 2703) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 8. The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 9. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE.



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@dynaind.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.dynaind.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 LTD.
2.	Annual financial statements for the year ended	31 st March, 2014
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.


(DEEPAK CHOKSHI)
DIRECTOR