DYNEMIC PRODUCTS LTD.

# 22nd ANNUAL REPORT 2011-2012

THE NAME BEHIND
COLORS OF MODERN LIFE

Bhagwandas K. Patel
Chairman & Managing Director

## CHAIRMAN'S STATEMENT

**Dear Members,**

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

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

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

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

**Outlook**

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

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

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

Bhagwandas K. Patel
Chairman & Managing Director

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

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

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

### COMMITTEES OF DIRECTORS

**Audit Committee**

Ashish R. Joshi

Jagdishbhai S. Shah

Bhagwandas K. Patel (w.e.f 27.12.2011)

Hitendra H. Sheth (upto 26.12.2011)

**Remuneration Committee**

Shankarlal B. Mundra

Jagdishbhai S. Shah

Vishnubhai G. Patel (w.e.f. 27.12.2011)

Hitendra H. Sheth (upto 26.12.2011)

**Investors Grievance Committee**

Shankarlal B. Mundra (w.e.f. 27.12.2011)

Bhagwandas K. Patel

Hitendra H. Sheth (upto 26.12.2011)

**Company Secretary**

Varsha Mehta

**Plant Location**

Unit-1 : 6401/15/16 GIDC Estate, Ankleshwar.

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

## Important Communication to Members

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

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## TWENTYSECOND ANNUAL GENERAL MEETING

DATE : September 21, 2012

DAY : Friday

TIME : 3.00 P.M.

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

NOTE :

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

# NOTICE

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

**Ordinary Business :**

1. To receive, consider and adopt the audited Statement of Profit and Loss for the year ended 31st March, 2012, Balance Sheet as at that date together with the Reports of the Directors and Auditors thereon.

2. To declare dividend of Rs. 1.30 per Equity Share i.e. 13% per Equity Share for the year ended 31st March, 2012.

3. To appoint a Director in place of Shri Shankarlal B. Mundra, who retires by rotation and being eligible, offers himself for re-appointment.

4. To appoint a Director in place of Shri Vishnubhai G. Patel, who retires by rotation and being eligible, offers himself for re-appointment.

5. To re - appoint M/s Shah Rajesh & Associates, Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of the 22nd Annual General Meeting upto the conclusion of the next i.e. 23rd Annual General Meeting of the Company and to authorize the Board of Directors of the Company to fix their remuneration.

**Special Business :**

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

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

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

**By Order of the Board**

Ahmedabad
23rd June, 2012

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

**Notes**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF

   AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective, must be received at the Company's Registered Office not later than 48 hours before the commencement of the meeting.

2. The Register of Members and Share Transfer Books will remain closed from 11th September, 2012 to 21st September, 2012 (both days inclusive), for the purpose of payment of Dividend, if declared.

3. Members are requested to note that as a measure of austerity, copies of Annual Report will not be distributed at the Annual General Meeting.

4. The Dividend, as recommended by the Board of Directors, if declared at the 22nd Annual General Meeting, will be paid within the prescribed statutory period to those Members who hold Shares in physical form and whose name appears on the Company's Register of Members as holders of Equity Shares on 10th September, 2012.

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

5. All documents referred to in the notice and annexures thereto along with other mandatory registers / documents are open for inspection at the registered office of the Company on all working days (except Sundays and Holidays) between 2.00 p.m. to 4.00 p.m. prior to the date of Annual General Meeting.

6. Directors retiring by rotation :

Shri Shankarlal B. Mundra, Professional Director, aged 51 years is a bachelor of commerce and LLB. He is practicing as tax consultant since 22 years. He joined the Company on 29.09.2005. He does not hold any directorships in other companies nor is member or chairman of committees in other public Company. He does not hold any shares in the Company.

Shri Vishnubhai G. Patel, Professional Director, aged 58 years is a doctor by profession holding a degree of M.B.B.S (DGO). He is having experience of 25 years as a Gynecologist in Ahmedabad. He joined the Company on 08.09.2005. He does not hold any directorships in other companies nor is member or chairman of committees in other public Company. He does not hold any shares in the Company.

7. An Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of Special Business in the Notice is annexed hereto.

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

**ITEM No. 6**

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

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

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

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

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

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

**(A) Salary :**

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

(a) Bonus, Medical Allowance, HRA, Children Education Allowance, Entertainment Expenses, Conveyance, LTC etc. as per company's rule.

(b) Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund where the said contributions are upto the limits which are not taxable under the income-tax Act, 1961.

(c) Gratuity as per company's rule. Encashment of leave at the end of the term will not also be included in the monetary value of perquisites.

**Period :**

From 01.01.2013 to 31.12.2017

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

**(B) General :**

(i) Shri Dixit B. Patel satisfy all the conditions set out in Part-I of Schedule XIII to the Act for being eligible for the re-appointment.

(ii) The office of Whole Time Director may be terminated by the Company or the concerned Director by giving the other 1 (one) month prior notice in writing.

(iii) The employment of Whole Time Director may be terminated by the Company without notice or payment in lieu of notice :

- if the Director is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associate company to which he is required to render services; or
- in the event of any serious repeated or continuing breach or non-observance by the Director of any of the stipulations contained in the terms of employment with the Company; or
- in the event the Board expresses its loss of confidence in the Director.

(iv) Upon termination by whatever means of the Whole Time Director's employment :

- The Director shall immediately tender his resignation from the office as Director of the Company and from such other offices held by him in the Company, in any subsidiary and associate company and other entities without claim for compensation for loss of office,
- The Director shall not without the consent of the Company at any time thereafter represent himself as connected with the Company or any of its subsidiary or associate company.

(v) The Whole Time Director will perform his duties as such with regard to all work of the Company and he will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and confirm to and comply with all such directions and regulations as may from time to time be given and made by the Board and his functions will be under the overall authority of the Chairman & Managing Director.

(vi) The Whole Time Director shall adhere to the Company's Code of Business Conduct and Ethics for Directors and Management personnel.

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

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

# DIRECTORS' REPORT

Dear Shareholders,

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

**FINANCIAL RESULTS**

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

**DIVIDEND & RESERVES**

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

**COMPANY'S OPERATIONS**

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

**DIRECTORS**

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

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

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

**DIRECTORS RESPONSIBILITY STATEMENT**

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

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

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

**CORPORATE GOVERNANCE**

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

**PARTICULARS OF EMPLOYEES**

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

**ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE**

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

**FIXED DEPOSITS**

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

**INSURANCE**

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

**SUBSIDIARY COMPANIES & CONSOLIDATED FINANCIAL STATEMENT**

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

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

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

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

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

**AUDITORS AND AUDITORS REPORT**

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

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

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

**ACKNOWLEDGEMENT**

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

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

Ahmedabad
23rd June, 2012

Sd/-
Bhagwandas K. Patel
Chairman & Managing Director

# ANNEXURE A - TO THE DIRECTORS' REPORT

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

**I. CONSERVATION OF ENERGY :**

(a) Energy conservation measures taken :

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

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

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

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

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

**II. TECHNOLOGY ABSORPTION :**

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

**III. FOREIGN EXCHANGE EARNING AND OUTGO :**

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

## FORM - A

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

**1] Power and Fuel Consumption :**

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

# FORM - B

## TECHNOLOGY ABSORPTION

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

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

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

(a) Efforts, in brief, made towards technology absorption, adaptation and innovation :

Dynemic Products Limited, produces LAKE colours and FOOD colours which are used in several Food, Pharma & cosmetic industries. Lakes are basically used in final application in dispersed form, its Particle size has to be as minimum as possible.

Hence, Company installed JET MILL, at Unit 2, which helps in reducing Particle size of Lake colours.

(b) Benefits derived as a result of the above efforts :-

(i) Deriving Small Particle size

(ii) Increase in market potential

(iii) Boost in Exports due to good quality product (iv) Increased customer satisfaction

(c) Import of technology

| | | | |
|---|---|---|---|
| (i) | Technology imported | - | Not applicable |
| (ii) | Year of import | - | Not applicable |
| (iii) | Has technology been fully absorbed? | - | Not applicable |
| (iv) | If not absorbed, areas where this has not taken place. Reasons there of and future plan of action | - | Not applicable |

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

Ahmedabad
23rd June, 2012

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