



DYNAMIC INDUSTRIES LIMITED

Registered Office : Plot no. : 5501/2, Phase III, GIDC, Vatva, Ahmedabad 382 445.



BOARD OF DIRECTORS



HARIN D. MAMLATDARNA
CHAIRMAN

DEEPAK N. CHOKSI
MANAGING DIRECTOR

DEEPAK V. SHAH
VICE-CHAIRMAN

DEEPAK R. SHETH
DIRECTOR

BANKIM M. PATEL
DIRECTOR

PARESH C. PATEL
DIRECTOR



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
PINNACLE SHARES REGISTRY P. LTD.
Near Ashoka Mills, Naroda Road,
Ahmedabad 380 025.



REGISTERED OFFICE
Plot No. 5501 / 2, Phase III,
Nr. Trikampura cross roads, GIDC,
Vatva, Ahmedabad 382 445

FACTORY
Plot No. 125, Phase I,
Nr. Trikampura cross roads, GIDC,
Vatva, Ahmedabad 382 445

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NOTICE

NOTICE is hereby given that the Sixteenth Annual General Meeting of Dynamic Industries Limited will be held on 30th September, 2005 at 11.30 a.m. at 5501/2, Phase III, Near Trikampura Cross Roads, G.I.D.C., Vatva, Ahmedabad -382 445 to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended on 31st March, 2005 and Balance Sheet as at that date togetherwith the Reports of Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Shri Deepak V. Shah who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

5. Renewal of remuneration and change of designation of Shri Deepak V. Shah

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

"RESOLVED THAT in terms of section 269, Schedule XIII and other applicable provisions of the Companies Act, 1956 Shri Deepak V. Shah be and is hereby appointed as Chairman of the Company for a period of two years w.e.f. 01-10-2005."

"RESOLVED FURTHER THAT pursuant to section 198, 269, 309 and 310 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such sanctions as may be necessary, the Company hereby approves the remuneration of Shri Deepak V. Shah for a period from 25-02-2005 to 30-09-2007 togetherwith perquisites and other terms and conditions (including remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the aforesaid period) as set out in the relevant explanatory statement appended hereto and forming part of this Notice with liberty to the Board of Directors to alter, vary or modify the terms and conditions of perquisites in such manner as may be agreed to between the Board of Directors and Shri Deepak V. Shah."

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

6. Renewal of remuneration and change of designation of Shri Deepak N. Choksi

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

"RESOLVED THAT in terms of section 269, Schedule XIII and other applicable provisions of the Companies Act, 1956 reappointment of Shri Deepak N. Choksi as Managing Director of the Company for a period from 25-02-2005 to 30-09-2005 be and is hereby approved and confirmed."

"RESOLVED THAT in terms of section 269, Schedule XIII and other applicable provisions of the Companies Act, 1956 Shri Deepak N. Choksi be and is hereby appointed as Vice Chairman of the Company for a period of two years w.e.f. 01-10-2005."

"RESOLVED FURTHER THAT pursuant to section 198, 269, 309 and 310 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such sanctions as may be necessary, the Company hereby approves the remuneration of Shri Deepak N. Choksi for a period from 25-02-2005 to 30-09-2007, togetherwith perquisites and other terms and conditions (including remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the aforesaid period) as set out in the relevant explanatory statement appended hereto and forming part of this Notice with liberty to the Board of Directors to alter, vary or modify the terms and conditions of perquisites in such manner as may be agreed to between the Board of Directors and Shri Deepak N. Choksi."

DYNAMIC INDUSTRIES LIMITED

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

7. Renewal of remuneration and change of designation of Shri Harin Mamlatdarna

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

"RESOLVED THAT in terms of section 269, Schedule XIII and other applicable provisions of the Companies Act, 1956 Shri Harin Mamlatdarna be and is hereby appointed as Managing Director of the Company for a period of two years w.e.f. 01-10-2005."

"RESOLVED FURTHER THAT pursuant to section 198, 269, 309 and 310 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such sanctions as may be necessary, the Company hereby approves the remuneration of Shri Harin Mamlatdarna for a period from 25-02-2005 to 30-09-2007, together with perquisites and other terms and conditions (including remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the aforesaid period) as set out in the relevant explanatory statement appended hereto and forming part of this Notice with liberty to the Board of Directors to alter, vary or modify the terms and conditions of perquisites in such manner as may be agreed to between the Board of Directors and Shri Harin Mamlatdarna."

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

Regd. Office :
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Near Trikampura Cross Roads,
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Ahmedabad -382 445
Date : 23-06-2005

By Order of the Board

DEEPAK N. CHOKSI
Managing Director

Notes :

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company.
2. An Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 is annexed herewith.
3. Register of Members and Share Transfer Books will remain closed from 23-09-2005 to 30-09-2005 (both days inclusive).
4. The dividend will be payable to those shareholders whose names appear on the Register of Members as on 30th September, 2005. The dividend in respect of shares held in the electronic form will be payable to the beneficial owners of the shares as on 22nd September, 2005 as per the details furnished by the Depositories for this purpose.

Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956

Item No. 5

Shri Deepak V. Shah was reappointed as Vice Chairman of the Company for a period from 25-02-2005 to 30-09-2005. He is having a rich experience of more than 16 years in the field of chemicals and has also visited a number of European and Asian countries as well as USA to acquaint himself of the latest technology. He has also good experience of working with marketing aspects of the business.

The Board of Directors of the Company appointed Shri Deepak V. Shah as Chairman of the Company for a period of two years w.e.f. 01-10-2005 subject to approval of the Shareholders in terms of sections 269 read with Schedule XIII and other applicable provisions of the Companies Act, 1956. The terms of remuneration including salary, allowances and perquisites payable to him w.e.f. 25th February, 2005 to 30th September, 2007 as approved by the Board subject to approval of the Shareholders are as follows :

REMUNERATION :

Basic Salary : Rs. 60,000/- per month with such revision as the Board may approve from time to time.

Perquisites :

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

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

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

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

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

Item No. 6

Shri Deepak N. Choksi was reappointed as Managing Director of the Company for a period from 25-02-2005 to 30-09-2005. He is having a rich experience of more than 27 years in the field of chemicals and has also visited a number of European and Asian countries as well as USA to acquaint himself of the latest technology and also to working with commercial, financial, banking and administrative aspects of the business.

The Board of Directors of the Company appointed Shri Deepak N. Choksi as Vice Chairman for a period of two years w.e.f. 01-10-2005 subject to approval of the Shareholders in terms of sections 269 read with Schedule XIII and other applicable provisions of the Companies Act, 1956. The terms of remuneration including salary, allowances and perquisites payable to him w.e.f. 25th February, 2005 to 30th September, 2007 as approved by the Board subject to approval of the Shareholders are as follows :

DYNAMIC INDUSTRIES LIMITED

REMUNERATION :

Basic Salary : Rs. 60,000/- per month with such revision as the Board may approve from time to time.

Perquisites :

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

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

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

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

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

Item No. 7

Shri Harin Mamlatdama was reappointed as Chairman of the Company for a period from 25-02-2005 to 30-09-2005. He is having a rich experience of more than 27 years in the field of chemicals and has also visited a number of European and Asian countries as well as USA to acquaint himself of the latest technology and also to working with commercial, production and administrative aspects of the business.

The Board of Directors of the Company appointed Shri Harin Mamlatdama as Managing Director for a period of two years w.e.f. 01-10-2005 subject to approval of the Shareholders in terms of sections 269 read with Schedule XIII and other applicable provisions of the Companies Act, 1956. The terms of remuneration including salary, allowances and perquisites payable to him w.e.f. 25th February, 2005 to 30th September, 2007 as approved by the Board subject to approval of the Shareholders are as follows :

REMUNERATION :

Basic Salary : Rs. 60,000/- per month with such revision as the Board may approve from time to time.

Perquisites :

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

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

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

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

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

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Date : 23-06-2005

By Order of the Board

DEEPAK N.CHOKSI
Managing Director



DYNAMIC INDUSTRIES LIMITED**DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in placing before you the Sixteenth Annual Report and Audited Accounts for the year ended on 31st March, 2005.

Financial Results	(Rs. in lacs)	
	Year ended 31-03-2005	Year ended 31-03-2004
Particulars		
Total Income	5485.64	3580.18
Profit before depreciation and tax	181.97	163.49
Depreciation	54.45	49.49
Provision for Taxation		
Current year	48.10	30.10
Deferred tax	1.96	8.14
Provision for tax for earlier years written back	(19.25)	(19.09)
Profit After tax	96.70	94.86
Prior period adjustment	3.23	—
Profit balance b/f.	288.18	242.48
Appropriation :		
General Reserve	5.00	15.00
Reserve for Eco-Development Fund	—	—
Proposed Dividend	30.28	30.28
Tax on dividend	3.96	3.88
Balance carried to Balance Sheet	342.41	288.18

Dividend

Your Directors are pleased to recommend Dividend @ 10% (Re.1/- per share) on equity shares for the year ended 31st March, 2005.

Performance

In spite of acute competition, the performance of your Company for the year under review has remained quite encouraging. The income from operations was Rs.5485.64 lacs (previous year Rs. 3580.19 lacs). The net profit after tax was Rs. 93.47 lacs (previous year Rs. 94.86 lacs).

Future outlook

The Company has continued to focus on the export market. The quality products of the Company have established a name and brand image in domestic as well as abroad market. The thrust on the competitive strength and consolidation of customer relationship has resulted into a bright future for the Company. Looking to overall good response to the products of the Company, your Directors are optimistic of achieving higher turnover and profits during current financial year.

Directorate

Shri Deepak V. Shah, Director of the Company who retires by rotation, and being eligible, offers himself for appointment.

Disclosure on Stock Exchanges

The equity shares of the Company are listed on the Ahmedabad and Mumbai Stock Exchanges. The Company has paid necessary Listing fees for the year 2005-2006 to both the Stock Exchanges.

Fixed Deposits

The Company has not accepted any deposits from the public.

Insurance

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

Energy, Technology and Foreign Exchange

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

Corporate Governance

The issue of Good Corporate Governance has assumed increased significance in the recent past. The Company has complied with the recommendations and code on Corporate Governance. A separate Report on Corporate Governance together with the Certificate from Auditors is provided in a separate Annexure.

Particulars of Employees

The information pursuant to the provisions of section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is nil.

Personnel

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

Directors' Responsibility Statement

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

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed along with 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 31.03.2005 and of the Profit of the Company for the year ended on 31.03.2005;
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.

Auditors

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

Acknowledgement

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

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

For and on behalf of the Board

HARIN D MAMLATDARNA
CHAIRMAN

Place : Ahmedabad
Date : 23 - 06 - 2005

DYNAMIC INDUSTRIES LIMITED**ANNEXURE 1 TO THE DIRECTOR'S REPORT****A. TECHNOLOGY ABSORPTION :-**

The Company does not deploy any foreign technology. The management of the Company is well conversant with 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.

	2004 - 2005	2003 - 2004
Electricity		
Purchase unit	11 35 557	9 18 669
Total amount	51 30 125	40 70 989
Rate (per unit)	4.52	4.43
Light Diesel Oil/Diesel Oil / Furnace oil		
Quantity (in LTRS)	3 91 800	2 27 036
Total amount	74 04 263	40 01 099
Average rate per unit	18.90	17.62

C. RESEARCH AND DEVELOPMENT (R & D) :-**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.

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 are included in laboratory expenses.

D. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :-**a. Efforts Made**

The company employs indigenous technology. However, for the economical production and of high quality, product is developed with help of technical personnel and instillation of latest machineries and equipments

b. Benefits derived as a result of above efforts

Product improved through high efficiency and energy saving has improved an overall working

Foreign Exchange earning and out go (Rs. In lacs)

	2004 - 2005	2003 - 2004
Foreign exchange earning	3415.32	1584.03
Foreign exchange out go	1654.75	1077.78