



ISHAN DYES & CHEMICALS LIMITED

14th ANNUAL REPORT

2006-2007

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DIRECTORS' REPORT



To,
The members
Ishan Dyes & Chemicals Ltd.

Your Directors have pleasure in presenting the THIRTEENTH Annual Report and Audited Accounts of the Company for the ended 31st March 2007.

1. FINANCIAL RESULTS :

The financial highlights of the year are as under :

	RS IN LAC	
	YEAR ENDED ON 31.03.2007	YEAR ENDED ON 31.03.2006
Total Income	1243.34	1671.58
Profit (Loss) before interest and depreciation	34.09	185.67
Profit (Loss) for the year	(153.81)	19.91
Provision for Taxation	-----	-----
Profit/Loss carried to Balance Sheet	(153.81)	19.91

2. REVIEW OF OPERATIONS:-

During the year Under report the sales of the company have decreased from Rs. 126,136,462. To Rs. 108763495 Consequently, the company has incurred loss. The company has loss of Rs.15381704/- as against the previous years profit of Rs.1991571. due to loss of the company, your Directors are unable recommend any dividend.

3.FIX DEPOSITS :-

The Company has not accepted any fixed deposit as laid down under section 58 A of the companies Act, 1956, are applicable.

4 PARTICULARS REGARDING EMPLOYEES: -

There is no employee who is an receipt of remuneration exceeding the limit specified under Section 217 (2A) of the companies Act, 1956.

5. POLLUTION AND ENERGY CONSERVATION ETC :-

Pursuant to Section 217 (1) (e) of the companies Act, 1956 the information required in respect of pollution and energy conservation is given in the Annexure.

There were earnings of foreign exchange of Rs. 45.56 lacks. Out goings of foreign exchange during the year was Rs. 14.35 lacks.

6. DIRECTORS :-

To widen the base of management of the company, three new directors were appointed on the Board. Shri Dineshbhai S. Shah joined the Board on 13/10/2006. However, he resigned on 4/11/2006 as Director for his personal reasons. Shri Pradeepbhai Shah and Mahendrabhai Shah have joined as directors from

15th 2007.

Shri Ronak Y. Desia and Praddepbhai Shah retires by rotation but being eligible offers them selves for reappointment. Your Boards recommends their reappointment.

7. DIRECTORS' REPONSBILITY STATEMENT :

The Board of Directors of the company confirms:

(1) that in the preparation of the annual accounts, the applicable accounting standards have been followed except as reported by auditors of the company in their audit report for non charging of interest on term loans. Except this, there has been no material departure.

In ase of interest on term loan of C.N. S. Bank, our company is in process of applying for one time sttlement and the said bank is under liquidaion. Your directors do not see any further liability of interest payment and hence no interest is provided.

(2) that the selected accounting policies were applied consistaently and the Directors made judgements and estimates that are resonable and prudent so as to give a true and fair view of the state of affairs of the company as at the end of the year under report and of the profit of the company for the year ended on that date;

(3) that proper and sufficient care has been taken 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 detaching fraud and other irregularities;

(4) that the annual accounts have been prepared on a going concern basis.

(5) Company has not provided the estimated liabilities of gratuity since the number of employees having service of morethan 5 years are very few and in principaly company has decided to debit Gratuity on actual payment basis since the amount is not material.

8. AUDITORS :

You are requested to appoint auditors from the conclusion of ensuing Annual General Meeting up to the conclution of next Annual General Meeting and fix their remuneration. The present Auditors M/S.K.G.Patel & Co. Chartered Accountants, Borsad, are eligible for reappointment.

9. APPRECIATION:

The Board takes on record its appreciation of services rendered by employees, and co-operation given by customers, Bankers and all concerned.

**Registered Office.
Dinsha Chambers
Borsad. 388540**

**By Order Of the Board
For & On behalf of Board of
Director**

Dated: 27/08/2007

PIYUSH. N. PATEL

CORPORATE GOVERNANCE:

As required under clause 49 of listing with the Stock Exchange, a report on Corporate Governance practiced in the company is given below:

MANDATORY REQUIREMENTS:**1. Company's Philosophy on Code of Governance:-**

The company believes in adopting the best corporate governance practices and protecting the rights and interest of shareholders. They have a right to have complete information about the Directors and Management and their interest in the company as well as governance practices followed by them. Towards this end, the company is making extensive disclosures from time to time.

2. Board of Directors:-

Composition:

The board composition is in conformity with the provisions of the Companies Act, 1956 and Listing Agreement. The present strength of the Board is 5 (1 executive and 4 non-executive).

Sr No	Name of the Director	Category of Director	No of Directorship in other Public Co's.	Chairman/Dire other Public Ltd
1	Shri Piyushbhai N. Patel	Executive		
2	Shri Marutbhai D. Patel	Non-executive-independent		
3	Shri Ronakbhai Y. Desai	Non-executive-independent		
4	Shri Shaileshbhai J. Patel (Up to 28.2.2007)	Non-executive-independent		
5	Smt. Anilaben P. Patel	Non-executive		
6	Shri Dineshbhai S. Shah Appointed on 13/10/2006 and resigned on 4/11/2006	Non Executive		
7	Pradeepbhai B. Shah Appointed on 15/2/2007	Non-executive		
8	Mahendrabhai A Shah Appointed on 15/2/2007 and resigned on 4/11/2006	Non Executive		

Number and dates of Board Meeting held

The Board met ten times during the year on 30/4/2006, 6/6/2006, 28/6/2006, 28/7/2006, 25/9/2006, 13/10/2006, 31/10/2006, 4/11/2006, 27/01/2007, 15/02/2007. Notices of meetings with agenda and necessary details were sent to the Directors in time.

Attendance details of Directors at the Board Meetings and the last AGM

Sr No	Name of the Director	No. of Boards Meetings attended	Attendance at the last AGM	Chairman/Mem other Public Ltd
1	Shri Piyushbhai N. Patel	9	Yes	No

2	Shri Ronakbhai Y. Desai	6	Yes	No
3	Shri Shaileshbhai J. Patel	1	Yes	No
4	Shri Marutbhai D. Patel	Nil	Nil	No
5	Smt. Anilaben P. Patel	1	Yes	No
6	Dineshbhai S. Shah	1	N.A.	No
4	Pradeepbhai B. Shah	Nil	N.A.	No
5	Mahendrabhai A. Shah	Nil	N.A.	No

Directors to be appointed/ re-appointed

Shri Ronak Y. Desai and Smt. Anilaben P. Patel, the directors of the company retire by rotation at the ensuing Annual

General Meeting. Being eligible, they offer themselves for reappointment.

The details of particulars of Directors are as under

Name of the Director	Shri Ronak Y. Desai
Date of appointment	30/4/2005
Expertise in specific functional areas	Accounts and Finance
Qualifications	B.Com
List of Companies in which Directorship is held as on 31 st March 2007	Nil
Chairman/Member of the Committee of other Companies as on 31 st March 2007	Nil

Name of the Director	Smt. Anilaben Piyush Patel
Date of appointment	05/03/1999
Expertise in specific functional areas	
Qualifications	B.Com
List of Companies in which Directorship is held as on 31 st March 2007	Nil
Chairman/Member of the Committee of other Companies as on 31 st March 2007	Nil

3. Audit Committee:-

The company has constituted the AUDIT COMMITTEE consisting of the following three Non-Executive Directors:

- I. Shri Ronakbhai Y. Desai
- II. Shri Shaileshbhai J. Patel (up to)
- III. Marutbhai D. Patel (up to 15/02/2007)
- IV. Dineshbhai S. Shah (from 13/10/2006 to 4/11/2006)
- V. Pradeepbhai B. Shah (from 16/02/2007)
- VI. Mahendrabhai A. Shah (from 16/02/2007)

Shri Ronakbhai Y. Desai is the Chairman of the AUDIT COMMITTEE. The Committee meets on 09/6/2006, 24/6/2006,

27/7/2006, 28/10/2006, & 2/01/2006 for perusing the financial position of the company. Necessary information was supplied

to the Audit Committee. The details of attendance by member of Audit Committee are as follows:

Sr	Name of the Director	No. of meetings held	No. of meeting attended
1	Shri Ronakbhai Y. Desai	5	5
2	Shri Shaileshbhai J. Patel		
3	Shri Marutbhai D. Patel	Nil	Nil
4	Shri Dineshbhai S. Shah	1	1
5	Shri Praddepbhai B. Shah	N.A.	N.A.
6	Shri Mahendrabhai A. Shah	N.A.	N.A.

4. Remuneration Committee:-

The company does not have Remuneration Committee. So far no remuneration or sitting fees are paid to Directors. The Company has not granted any loan or paid any commission to its Directors during the year.

5. CEO/CFO Certification:-

The Managing Director has certified to the Board that he has reviewed financial statements and cash flow statement for the year and that to the best of his knowledge and belief.

- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
- These statements together present a true & fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

There are to the best of his 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.

6. Disclosures:-

During the year the company has not entered into any transaction of material nature with any of the related parties viz., Promoters, Directors or Management, their subsidiaries or relatives etc. which were in conflict with the interest of the Company

7. Details of non-compliance, penalties etc.

There were no such instances of non-compliance nor were any penalties or strictures imposed on the company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital market during the last three years.

8. Share Transfer Committee/ Investor Grievance Committee:-

The company has a Share Transfer Committee for quick and timely transfer of share issues of duplicate share certificates etc. Transfer of shares approved by the committee is placed before the Board. The committee also functions as Investor Grievance Committee and looks into the issues relating to investor grievance including non- receipt of dividend annual report etc.

9. Registrar and Share Transfer Agent:- Yet to be appointed

10. Means of Communication:-

The quarterly/half-yearly/annual financial results are published in English and Gujarati languages in leading newspapers and also sent to the Stock Exchange

11. Record Date:-

For updating the records and shareholding information of the members of the company, the Share Transfer Books and registers of members shall remain closed from 27/9/2007 to 29/9/2007 [both days inclusive] and 29/9/2007 will be considered as the date of record

12. Annual General Meeting:-

The next Annual General Meeting of the Company will be held on 29th September, 2007 at 11.00 a.m. at the Registered Office of the Company at Borsad

Particulars of last three Annual General Meetings:

Date of meeting	Place	Time
30 th September 2004	Dinsha Chambers, Above SBI, Borsad – 388 540	11.00 a.m.
30 th September 2005	Dinsha Chambers, Above SBI, Borsad – 388 540	11.00 a.m.
30 th September, 2006	Dinsha Chambers, Above SBI, Borsad – 388 540	11.00 a.m.

13. Name & designation of Compliance officer is as under:-

Shri Maheshbhai H. Mistry- Compliance Officer

14. Shareholding Pattern:-

Category wise distribution of equity shareholding as on 31st March 2007 is as under

Category	No. of share	% age
Promoters' Group	949870	12.648
Other Body Corporate	36600	0.487
FII's	-----	-----
Banks	-----	-----
Mutual Funds	-----	-----
NRI's	1831520	24.388
General Public	4691810	62.476
Total	7509800	100.00

Distribution Schedule:-

Shareholding of Nominal Value of			Shareholders		Share Amount	
Rs.		Rs.	Number	% of Total Nos	In Rs.	% of total amount
Upto		5000	1239	63.182	3587000	4.777
5001	To	10000	261	13.31	2191000	2.918
10001	To	20000	111	5.660	1755100	2.337
20001	To	30000	47	2.397	1193000	1.589
30001	To	40000	16	0.816	591000	0.787
40001	To	50000	147	7.496	7210000	9.601
50001	To	100000	66	3.366	5496000	7.318

100001	&	above	74	3.774	53074900	72.674
TOTAL:-			1961	100.00	75098000	100.00

15. Dividend payment date:-

No dividend is to be paid as the Board has not recommended any payment of dividend.

16. Market Price Data:-

The highest and lowest price during the last financial year is as under as per share transfer forms received by the company.

Highest Price: 0.11

Lowest Price: 0.11

17. Listing:-

The equity shares of the company are listed at Mumbai, Baroda & Ahmedabad Stock Exchanges.

18. Registered Office:-

The registered office of the company is situated at Dinsha Chambers, Above SBI, Borsad - 388 540

Phone No. : 02696 220476

E-mail : ishanad1@sancharnet.in

19. Location of Plant

The plant of the company is located at

Ishan Dyes & Chemicals Ltd.

18, Phase I, GIDC, Vatva

Ahmedabad - 382 445

Phone No: 079 - 25832144, 079 - 25393607

	For & behalf of Board of Directors
	For Ishan Dyes and Chemicals Ltd.
Place: Borsad	
Date: 27.08.2007	Chairman & Managing Director

I, Piyushbhai N. Patel, Managing Director of Ishan Dyes & Chemicals Ltd, hereby declare that all the members of the Board of Directors and the Senior Management personnel have affirmed compliance with code of conduct for the year ended 31st March 2007

	For Ishan Dyes and Chemicals Ltd
Place: Borsad	
Date: 27.08.2007	Chairman & Managing Director

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