



# ISHAN DYES & CHEMICALS LIMITED

## 17<sup>th</sup> Annual Report

2009-2010



### Registered Office :-

1st Floor, Dinsha Chambers,  
Borsad - 388 540, Gujarat, India.

### Works :-

Plot No. 18, Phase I, G.I.D.C. Estate, Vatva,  
Ahmedabad - 382 445, Gujarat, India.



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**ISHAN DYES &  
CHEMICALS LIMITED**

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# 17th Annual Report

2009-2010

**ISHAN DYES AND CHEMICALS LIMITED**  
**ANNUAL REPORT 2009 - 2010**

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**ISHAN DYES AND CHEMICALS LIMITED**  
**ANNUAL REPORT 2009 - 2010**

<b>BOARD OF DIRECTORS</b>	<b>:</b>	<b>Anilaben P. Patel</b> <b>Chairperson</b>  <b>Piyush N. Patel</b> <b>Managing Director</b>  <b>Shrinal P. Patel</b> <b>Whole Time Director</b>  <b>Marut D. Patel</b> <b>Ronak Y. Patel</b> <b>Mahendra A. Shah</b> <b>Mayankkumar H. Patel</b>
<b>STATUTORY AUDITORS</b>	<b>:</b>	<b>K. G. Patel &amp; Co.</b> <b>Chartered Accountants</b> <b>Borsad.</b>
<b>COMPANY LAW CONSULTANT</b>	<b>:</b>	<b>D. G. Bhimani &amp; Associates</b> <b>Company Secretaries,</b> <b>Anand.</b>
<b>BANKERS</b>	<b>:</b>	<b>Citi Bank.</b>
<b>REGISTERED OFFICE</b>	<b>:</b>	<b>1<sup>st</sup> Floor,</b> <b>Dinsha Chambers,</b> <b>Borsad - 388540.</b>
<b>WORKS</b>	<b>:</b>	<b>18, GIDC Estate,</b> <b>Phase - I,</b> <b>Vatva,</b> <b>Ahmedabad - 388540.</b>

## ISHAN DYES AND CHEMICALS LIMITED

**NOTICE** is hereby given that 17th Annual General Meeting of **ISHAN DYES AND CHEMICALS LIMITED** will be held on Monday 20<sup>th</sup> September, 2010 at 11.00 a.m. at the Registered Office 1<sup>st</sup> Floor, Dinsha Chambers, Borsad – 388540 to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 and the Profit & Loss Account for the year ended together with the Reports of Auditors and Directors' Report thereon.
2. To appoint a Director in place Shri Mahendra S. Shah, Director, who retires by rotation and being eligible, has offered himself for reappointment.
3. To appoint a Director in place Shri Marut D. Patel, Director, who retires by rotation and being eligible, has offered himself for reappointment.
4. To appoint auditors and fix their remuneration.

### **SPECIAL BUSINESS**

5. To consider and if thought fit to pass with or without modification, following resolution as an ordinary resolution.

**"RESOLVED THAT** pursuant to sections 198, 269, 309, 310, 314, Schedule XIII and other applicable provisions of the Companies Act, 1956, as amended, the Company hereby accords its approval to the appointment of Shri Piyush N. Patel as the Managing Director of the Company for a period of three years with effect from June 1, 2010 with the terms of remuneration and also with the other terms and conditions, more particularly described in the draft agreement to be entered into between the Company and Shri Piyush N. Patel, with liberty to the Board to alter the same, so long as the alterations are in conformity with the provisions of Schedule XIII to the Companies Act, 1956."

6. To consider and if thought fit to pass with or without modification, following resolution as an ordinary resolution.

**"RESOLVED THAT** pursuant to sections 198, 269, 309, 310, 314, Schedule XIII and other applicable provisions of the Companies Act, 1956, as amended, the Company hereby accords its approval to the appointment of Shri Shrinal P. Patel as the Whole Time Director of the Company for a period of three years with effect from February 1, 2010 with the terms of remuneration and also with the other terms and conditions, more particularly described in the draft agreement to be entered into between the Company and Shri Shrinal P. Patel, with liberty to the Board to alter the same, so long as the alterations are in conformity with the provisions of Schedule XIII to the Companies Act, 1956."

7. To consider and if thought fit, to pass with or without modification, following resolution as an ordinary resolution.

“RESOLVED THAT Shri Shrinal P. Patel, additional Director of the Company, who holds office upto this Annual General Meeting and in respect of whom a notice has been received under Section 257 of the Companies Act, 1956 proposing his candidature as a Director of the Company liable to retire by rotation, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

8. To consider and if thought fit, to pass with or without modification, following resolution as an ordinary resolution.

“RESOLVED THAT Shri Mayankkumar H... Patel, additional Director of the Company, who holds office upto this Annual General Meeting and in respect of whom a notice has been received under Section 257 of the Companies Act, 1956 proposing his candidature as a Director of the Company liable to retire by rotation, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

BY ORDER OF THE BOARD  
For ISHAN DYES AND CHEMICALS LTD.

Place: Borsad  
Date: 29th May, 2010

**Piyush N. Patel**  
Managing Director

**NOTES:**

- (A) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE ON HIS BEHALF AND THE PROXY NEED NOT BE A MEMBER. A PROXY IN ORDER TO BE EFFECTIVE, MUST BE LOGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF THE MEETING.
- (B) Members / proxies should bring Attendance Slips duly filled in for attending the meeting.
- (C) Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the Meeting.
- (D) Register of members and share transfer books of the Company will remain closed from 13.09.2010 to 20.09.2010 (both days inclusive).
- (E) The relative explanatory statements pursuant to Section 173(2) of the Companies Act, 1956 attached herewith and form part of this Notice.

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**EXPLANATORY STATEMENTS PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

**Item No. 5**

Shri Piyush N. Patel has been associated with the Company as the Managing Director of the Company. His present term is expiring on 31.05.2010 requires re-appointment. Considering his reach and wide experience and expertise in the industry, long term association with the Company and the substantial contribution to the growth of business of the Company, The Board of Directors recommends his appointment as Managing Director subject to passing of resolution to this effect.

Shri Piyush Patel, Shri Shrinal Patel and Smt. Anilaben Patel are interested in the said resolution as they are relatives.

The explanatory statement is and should be treated as an abstract under section 302 of the Companies Act, 1956, as amended.

**Item No. 6**

Shri Shrinal P. Patel has been associated with the Company since 2007 who is graduate in chemistry and looking out the day to day financial matters and also marketing aspects of the Company. Since his appointment is in the interest of the Company, he was appointed as Whole Time Director by the Board for a period of three years subject to your approval. As the Managing Director of the Company...

The appointment is made subject to the terms and conditions contained in the draft agreement which is available for inspection at the registered office of the Company on any working day between 9.00 to 12.00 hours. The silent features of his appointment are as under:

**Salary** : Monthly salary of Rs. 1, 00,000/-

**Perquisites** :

Other perquisite may be paid to Shri Shrinal Patel as are payable to other employee of the Company.

Provision of telephone at the residence shall not form part of the perquisite.

The approval of the shareholders to the above appointment and remuneration being required by law, the matter is being placed for your consideration.

The Board of Directors recommends the resolution for your approval.

Shri Piyush Patel, Shri Shrinal Patel and Smt. Anilaben Patel are interested in the said resolution as they are relatives.

The explanatory statement is and should be treated as an abstract under section 302 of the Companies Act, 1956, as amended.



**Item No. 7 and 8**

Shri Shrinal Patel and Shri Mayank Patel were appointed as Additional Director of the Company on 28<sup>th</sup> February, 2010. As per the provisions of Section 260 of the Companies Act, 1956, the Directors hold office only up to the date of the forthcoming Annual General Meeting of the Company and are eligible for appointment as Directors. The Company has received notices under Section 257 of the Companies Act, in respect of the candidates, proposing their appointment as Directors of the Company, along with the requisite deposit.

Details regarding the persons proposed to be appointed as Directors and their brief resume are as under:

Particulars	Mr. Shrinal Patel	Mr. Mayank Patel
Date of Birth	12.05.1985	22.10.1973
Date of Appointment	28.01.2010	28.01.2010
Qualifications	Graduate in Bio Chemistry	Graduate
Expertise	Finance and Marketing	Management
Directorship held in other public co.	NIL	NIL
No. of Shares held in Co.	3,70,200	NIL

BY ORDER OF THE BOARD  
For ISHAN DYES AND CHEMICALS LTD.

Place: Borsad  
Date: 29th May, 2010

**Piyush N. Patel**  
Managing Director



**ISHAN DYES AND CHEMICALS LTD.  
DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting their **17th Annual Report** together with the Audited Statement of Accounts for the Financial Year ended on 31st March, 2010

**(1) FINANCIAL AND WORKING RESULTS:**

(Rs. In lacs)

<b>PARTICULARS</b>	<b>2009-2010</b>	<b>2008-2009</b>
Profit/(Loss) Before Depreciation :	472.47	207.90
Less : Depreciation	174.11	157.12
Profit/(Loss) Before Tax :	298.36	50.78
Less : Provision for Tax	0.00	0.95
Prior Period Adjustment	62.24	3.55
<b>Profit/(Loss) After Tax</b>	<b>236.12</b>	<b>46.28</b>

**(2) PERFORMANCE**

During the year under review, total income of the Company increased from Rs. 39.39 crores to Rs. 41.41crores and profit increased from Rs. 46.28 lacs to Rs. 236.12 lacs. The Company expects continuity in both turnover and profits during the next year.

Your Company had obtained term loan from C.N.S. Bank Ltd. Government of Gujarat has announced a scheme for One Time Settlement for all borrowers of Co-operatives banks under liquidation. Your Company is eligible to settle the outstanding amount of term loan due to C.N.S. Bank Ltd. Your Company has decided to apply for one time settlement under the scheme and shall make application in due course of time. Your Directors are of the opinion that the amount payable on settlement will not be more than the amount outstanding on the date of Balance Sheet as at 31/03/2010.

**(3) DIVIDEND**

In view of the fund requirement of the Company for working capital, your Directors do not recommend any dividend for the year under review.

**(4) DEPOSITS:**

The Company has not accepted any public deposits except loans from friends, Directors and their relatives.

**(5) DIRECTORS**

Shri Shrinal Patel and Shri Mayank Patel were appointed as additional Directors during the year who are eligible for appointment under section 257 of the Companies Act. Shri Pradeep B. Shah, resigned as Director on 28.01.2010. Shri Marut D. Patel and Shri Mahendra S. Shah retire by rotation and being eligible; offer themselves for re-appointment at the ensuing Annual General Meeting. Shri Piyush N. Patel, whose terms

as Managing Director expired and is re-appointed by the Board for further period of three years. Shri Shrinal Patel is appointed as whole time Director subject to your approval. You are requested to approve their appointment.

**(6) CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION ANALYSIS STATEMENT:**

A Report on Corporate Governance is attached to this Report as also a Management Discussion Analysis Statement

**(7) PARTICULARS RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The information required under Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Board of Directors) Rules, 1988 is annexed hereto and forms part of this Report.

**(8) DIRECTORS RESPONSIBILITY STATEMENT:**

- (i) Your Directors have followed the applicable accounting standards along with proper explanation relating to material departure while preparing the annual accounts;
- (ii) Your Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are 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 of the Company for that period;
- (iii) Your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) Your Directors have prepared the annual accounts on a going concern basis.

**(9) AUDITORS:**

K. G. Patel & Co. Chartered Accountants, Borsad, retire at the conclusion of this Annual General Meeting and are eligible for re-appointment.

**(10) PARTICULARS OF EMPLOYEES:**

There was no employee drawing remuneration of Rs.24,00,000 or more per annum or Rs.2,00,000 per month for any part of the year and hence no particulars have been furnished as required under section 217(2A) of the Companies Act, 1956.