

Ishan Dyes & Chemicals Ltd.

19th Annual Report 2011-2012

Registered office:
1st Floor,
Dinsha Chambers,
Borsad – 388 540
Gujarat

Works:
Plot No. 18 Phase – I,
G.I.D.C. Vatva,
Ahmedabad – 382445
Gujarat

ISHAN DYES AND CHEMICALS LIMITED
ANNUAL REPORT 2011 – 2012

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ISHAN DYES AND CHEMICALS LIMITED
ANNUAL REPORT 2011 – 2012

BOARD OF DIRECTORS	:	Anilaben P. Patel Chairperson Piyush N. Patel Managing Director Shrinal P. Patel Whole Time Director Marut D. Patel Ronak Y. Patel Mayankkumar H. Patel Roopin A. Patel Yatin G. Patel
STATUTORY AUDITORS	:	A R Pandhi & Associates Chartered Accountants Ahmedabad
COMPANY LAW CONSULTANT	:	D. G. Bhimani & Associates Company Secretaries, Anand.
BANKERS	:	Citi Bank.
REGISTERED OFFICE	:	1 st Floor, Dinsha Chambers, Borsad – 388540.
WORKS	:	18, GIDC Estate, Phase – I, Vatva, Ahmedabad – 388540.

ISHAN DYES AND CHEMICALS LIMITED

NOTICE is hereby given that 19th Annual General Meeting of ISHAN DYES AND CHEMICALS LIMITED will be held on Saturday 29th September, 2012 at 11.00 a.m. at the Registered Office 1st Floor, Dinsha Chambers, Borsad – 388540 to transact the following ordinary and special business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 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 Mayank H. Patel, Director, who retires by rotation and being eligible, has offered himself for reappointment.
3. To appoint a Director in place Smt. Anilaben P. Patel, Director, who retires by rotation and being eligible, has offered herself 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 Shri Yatinbhai G. Patel, 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: 30.07.2012

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 22nd September, 2012 to 29th September, 2012 (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 Yatinbhai G. Patel was appointed as Additional director of the company on 7th September, 2011. 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 Shri Yatinbhai G. Patel proposed to be appointed as Director and their brief resume is as under :

Date of Birth	01.06.1955
Date of Appointment	07.09.2011
Qualifications	Graduate
Expertise	Finance and Management
Directorship held in other public co.	NIL
No. of Shares held in Co.	137700

None of the Director is interested in the resolution relating to his appointment.

Your Directors recommend you to appoint Shri Yatinbhai G. Patel as Director of the Company.

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

Place: Borsad
Date: 30.07.2012

Piyush N. Patel
Managing Director

ISHAN DYES AND CHEMICALS LTD.
DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their 19th Annual Report together with the Audited Statement of Accounts for the Financial Year ended on 31st March, 2012

(1) FINANCIAL AND WORKING RESULTS:

(Rs. In lacs)		
PARTICULARS	2011-2012	2010-2011
Profit/(Loss) Before Depreciation :	806.33	736.26
Less : Depreciation	207.54	188.63
Less : Exceptional & Extra Ordinary Itmes	17.15	45.37
Profit/(Loss) Before Tax :	581.63	502.24
Less : Provision for Tax	109.48	0
Prior Period Adjustment	0	0
Profit/(Loss) After Tax	472.15	502.24

(2) PERFORMANCE

During the year under review, Turnover the Company is increased by 10 % from 61.62 Cr. to Rs.67.81 Cr. Further Profit Before Tax is increased by 16% from Rs.5.02 Cr to Rs.5.81 Cr. The Company has seen volatility in Raw Material Prices and also witnessed cost pressure. Due to rigorous efforts of the Company it was able to pass on the Cost Pressure to its customers.

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 applied for one time settlement under the scheme and the same is under process with the Bank.

(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 Mayank H. Patel and Smt. Anilaben P. Patel, retire at the ensuing annual General meeting and being eligible, offer themselves for reappointment. Shri Yatinbhai G. Patel

was appointed as an Additional Directors of the company by the Board on 07/09/2011. The Company has received a notice under section 257 of the Companies Act, 1956 for his appointment. Your Director recommend to appoint them as directors.

(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:

A. R. Pandhi & Associates, Chartered Accountants, Ahmedabad were appointed as auditor at the last annual general meeting of the Company. During the Year, the said firm was dissolved and the Board of Directors have at their meeting held on 22/06/2012 appointed G S Mathur & Co., Chartered Accountants as auditors to hold office upto the conclusion of the ensuing Annual General Meeting. Your directors recommend you to appoint G S Mathur & Co. , Chartered Accountant as the auditors of the Company until the conclusion of the next annual general meeting.

(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.

(11) **CODE OF CONDUCT:** As required by clause 49 of the listing agreement, the Board of Directors have evolved a Code of Conduct for each member of the Board and members of the Senior Management Team. The Code is available on the website of the Company

(12) **ACKNOWLEDGEMENTS:**

Your Directors thank the Company's customers, vendors, investors, business associates and bankers for their continued support. Your Directors also take this opportunity to record their appreciation for the contributions made by all the employees of the Company to the operations of the Company during the year.

Place: Borsad
Date: 30.07.2012

On Behalf of the Board of Directors
For ISHAN DYES AND CHEMICALS LTD.

Piyush N. Patel
Managing Director

Shrinal P. Patel
Wholetime Director

CORPORATE GOVERNANCE REPORT

COMPANY PHILOSOPHY

The Company has established good practice in Corporate Governance which is implemented by professional Board of Directors. The philosophy of your Company in relation to Corporate Governance is to ensure transparency in all its operations, make disclosure and enhance shareholder value without compromising in any way in compliance with laws and regulations. Your Company believes that good governance brings about sustained corporate growth and long term benefits for stakeholders.

BOARD OF DIRECTORS

The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting, as also the number of Directorship and Committee Membership held by them in other Companies are given below:

Name of Directors	Category of Directorship	No. of Meetings Attended	Attended at Last AGM	Other Companies		
				Directors hip held	Members in Committee	Chairman in Committee
Anilaben P. Patel Chair Person	Non executive	5	Yes	0	0	0
Piyush N. Patel	Managing Director	5	Yes	0	0	0
Shrinal Patel	Whole time Director	5	Yes	0	0	0
Roopin A. Patel	Non executive Independent	5	Yes	0	0	0
Marut D. Patel	Non Executive Director	Nil	No	0	0	0
Ronak Y. Desai	Non executive Independent	4	Yes	0	0	0
Mayank H. Patel	Non executive Independent	4	No	0	0	0
Yatin G. Patel (From 07.09.2011)	Non executive Independent	1	N.A.	0	0	0

Five meetings of the Board were held during the year on 30.05.2011, 29.07.2011, 07.09.2011, 10.11.2011 and 09.02.2012.

AUDIT COMMITTEE

The Company has constituted the Audit Committee consisting of three non executive Directors.

The rule and terms of reference of Board Audit Committee cover areas mentioned under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, besides other terms as may be referred by the Board of Directors.