

NOTICE is hereby given that 20th Annual General Meeting of ISHAN DYES AND CHEMICALS LIMITED will be held on Friday, 27th September 2013 at 11.30 a.m. at the Registered Office of the Company situated at 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, 2013 and the Profit & Loss Account for the year ended on that day together with the Reports of Auditors and Directors' Report thereon.
2. To appoint a Director in place Shri. Ronak Desai, Director, who retires by rotation and being eligible, has offered himself for reappointment.
3. To appoint a Director in place Shri. Roopin Patel, Director, who retires by rotation and being eligible, has offered himself for reappointment.
4. To appoint auditor and fix their remuneration.

**SPECIAL BUSINESS:**

5. To consider and if thought fit to pass with or without modifications, following resolution as an Special 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, 2013 with the terms of remuneration and also with the other terms and conditions, 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 modifications, following resolution as an Special 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, 2013 with the terms of remuneration and also with the other terms and conditions, 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.”

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

Place: Ahmedabad  
Date: 13th August 2013

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 20th September, 2013 to 27th September 2013, 2013 (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.
- (F) Members holding shares in physical form are requested to intimate to the Company's Registrar and Share Transfer Agents, MCS Ltd. Neelam Apartment, 88, Sampatrao Colony, B/h Standard Chartered Bank, Alkapuri, Baroda - 390 007. the following:
  - a) Change in their address, if any, along with the pincode
  - b) Request for consolidation of shareholdings in one account if share certificates are held in multiple accounts or joint accounts in identical order of names.
- (G) Members holding shares in dematerialized mode are requested to intimate changes if any in their addresses along with pin code to their Depository Participants.
- (H) The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to members. To support this commendable initiative of MCA, company intend to implement the said initiative in full-fledged manner from subsequent general meetings and therefore seek members' support by requesting them to register their email address in respect of electronic holdings with their Depository through their concerned Depository Participants as early as possible. Members who hold shares in physical mode are requested to register their email address with Company's Registrar and Transfer Agents MCS Ltd., A/c: Ishan Dyes & Chemicals Ltd. email id: [mcsltbaroda@gmail.com](mailto:mcsltbaroda@gmail.com) with providing details of shares.

- (I) As required under Clause 49 of the Listing Agreement particulars of Directors seeking re-appointment/appointment are as follows:

**Appointment/Re-appointment of Directors:**

As required under listing agreement, the particulars of directors who are proposed to be appointed/re- appointed given below:

**A. Details of Mr. Ronak Desai**

Name of the Director	Mr. Ronak Desai
Date of Birth and Age	1-9-1984 - 30 years
Qualification	
Expertise in specific functional areas	Hotel Management
Other Directorships and memberships of the Committees	Nil
No of shares held	Nil

**B. Details of Mr. Roopin Patel**

Name of the Director	Mr. Roopin Patel
Date of Birth and Age	31-5-1977 – 37 years
Qualification	
Expertise in specific functional areas	Finance, banking, taxation and accounts
Other Directorships and memberships of the Committees	Nil
No of shares held	Nil

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

## Item No. 5 – Re-appointment of Shri Piyush N. Patel as Managing Director

The agreement between the Company and Shri Piyush N. Patel appointing him as the Managing Director of the Company expired on 31st May 2013. Accordingly, on the Recommendation of the remuneration committee and subject to approval of the Members, the Board of Directors of the Company have reappointed Shri Piyush N. Patel as the Managing Director of the company with effective from 1st June 2013 for a further period of 3 (Three) years.

Shri Piyush N. Patel, aged 59 is a Mechanical Engineer. He is having rich experience in the areas of chemicals, trading, and banking. He is also actively involved with many industrial and trade association activities. He is the key promoter of the company and associated with the company since its incorporation. He oversees production, general administration and overall business of the Company. Considering the exceptional contribution made by him in the company's achievements along with present level of business operation together with future growth plans of the company it is in the interest of the company to reappoint him as the Managing Director for a future period of 3 (Three) years with effect from 1st June 2013.

After considering the qualification, experience, expertise, achievements and contribution made by Shri Piyush N. Patel in the growth and development of the company together with expanding the business operations of the Company at its present level and also on recommendation of remuneration committee, the board of directors have reappointed him as the Managing Director of the company for a further period of 3 years with effective from 1st June 2013.

Subject to approval from the members, it is proposed to reappoint Shri Piyush N. Patel as the Managing Director of the company effective from 1st June, 2013 for three years and to pay the following remuneration within the overall limits specified in the Schedule XIII of the Companies Act, 1956, to him which is commensurate with the scale of the company's business and his responsibility to head the company.

### Remuneration

#### A. Salary:

Gross consolidated salary of Rs. 2,00,000/- per month. The gross consolidated salary shall include basic, medical allowance, leave travel allowance, bonus, HRA and such other allowances as may be approved from time to time by the board of directors in accordance with the rules of the company. The same shall be divided in different heads and paid monthly, quarterly or annually in accordance with the rules of the Company and as the Board may deem fit and decide mutually with him. An increment upto 25% per annum shall be given during the tenure of agreement as the board may deem fit and approves from time to time.

**B. Commission:**

Such percentage of the net profits of the company or such amount as may be decided by the Board of Directors (which includes any Committee thereof) for each financial year or part thereof within the overall ceiling of 5 % of the net profit of the company.

**C. Perquisites:**

1. company's contribution to provident and superannuation funds.
2. gratuity at the rate of one month's salary for each completed year of service.
3. leave with the full pay as per the rules of the company and encashment of unavailed leave being allowed at the end of the tenure.
4. free furnished accommodation or house rent allowance upto 20% of the salary and company's furniture on rental basis as may be approved by the board of directors.
5. reimbursement of gas, electricity, water charges, furnishings, maintenance / repairs of residential accommodation and furniture.
6. reimbursement of the entertainment expenses incurred in the courses of business of the company.
7. reimbursement of medical expenses including hospitalization, nursing home and surgical charges for self and family whether incurred in India or abroad including hospitalization, nursing home and surgical charges and in case of medical treatment abroad the air fare, boarding, loading for patient and attendant.
8. reimbursement of actual traveling expenses for proceeding on leave to any place and return there from in respect of self and family in accordance with the rules specified by the company from time to time.
9. reimbursement of membership fee for clubs in India or abroad including any admission / life membership fee.
10. personal accident insurance policy in accordance with the rules specified by the company from time to time.
11. cost of insurance cover against risk of any financial liability or loss because of any error of judgment as may be approved by the board of directors from time to time.
12. free use of company's car for company's work as well as for personal purposes along with driver.
13. telephone, telefax and other communication facility at the residence.
14. subject to statutory ceilings the managing director may be given any other allowances, perquisites, benefits and facilities as the board of directors from time to time may decide.

However, the total perquisites value is subject to a maximum ceiling of 50% of annual consolidated salary.

The following shall not be included in the computation of perquisites for the purpose of the ceiling:

- a. contribution to provident and superannuation funds referred to in paragraph C(1) above.
- b. gratuity payable as per paragraph C(2) above to the extent of half month's salary for each completed year of service.
- c. encashment of leave at the end of tenure as per paragraph C(3) above.
- d. provision of company's car for official duties.

- e. free telephone and other communication facility at the residence.

Perquisites/ allowances shall be valued as per income tax rules, wherever applicable, and in the absence of any such rules, shall be valued at actual costs.

In the absence or inadequacy of profits in any financial year, the aforesaid remuneration by way of salary, perquisites and other allowances not exceeding the limits specified in schedule XIII shall be payable to Shri Piyush N. Patel, as a minimum remuneration.

The terms and conditions of said reappointed and / or remuneration and/or agreement, 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 Shri Piyush N. Patel in accordance with the provision of the companies act, 1956, or any amendments made therein or with the approval of Central Government, if required.

The agreement may be terminated by either party by giving the other party six months notice or by any shorter notice as may be mutually agreed to between the parties.

The directors recommend passing of the resolution contained in item no. 5 of the accompanying notice.

Except Shri Piyush Patel, Shri Shrinal Patel and Smt. Anilaben Patel, no other Director is concerned or interested in the resolution.

A copy of the draft agreement to be entered into between the Company and Shri Piyush N. Patel will be open for inspection by the members at the registered office of the company between 3.00 p.m to 5.00 p.m on any working day of the Company except Saturday, Sunday and holiday's up to and including the date of Annual General Meeting.

This shall be deemed to be an abstract of the terms and conditions of appointment of Shri Piyush N. Patel under section 302 of the Companies Act, 1956 and the memorandum of interest in that behalf.

The board recommends the Special Resolution at Item no.5 of the notice for your approval.

A statement as required under Schedule XIII of the Companies Act, 1956 is annexed hereto.

#### Item No. 6 – Re-appointment of Shri Shrinal P. Patel as Whole Time Director

The agreement between the Company and Shri Shrinal P. Patel appointing him as the Whole Time Director of the Company expired on February 28, 2013. Accordingly, on the Recommendation of the remuneration committee and subject to approval of the Members, the Board of Directors of the Company have reappointed Shri Shrinal P. Patel as the Whole Time Director of the company with effective from 1st March 2013 for a further period of 3 (Three) years.

Shri Shrinal P. Patel, aged 29 is BBA in Business Finance, Psychology and Bio-Science from the University of Florida. He is associated as Whole Time Director of the Company since 2010 and contributed to accelerate the growth of the Company. He oversees marketing, product



development and finance of the Company. He has contributed exceptionally well to grow the Company at its present scale of operations and also to make it zero banking debt company. Considering contribution made by him in the company's achievements along with present level of business operation and future growth plans of the company it is in the interest of the company to reappoint him as Whole Time Director for a future period of 3 ( Three ) years with effect from 1st March 2013.

After considering the qualification, achievements and contribution made by Shri Shrinal N. Patel in the growth and development of the company together with expanding the business operations of the Company at its present level and also on recommendation of remuneration committee, the board of directors have reappointed him as Whole Time Director of the company for a further period of 3 years with effective from 1st March 2013.

Subject to approval from the members, it is proposed to reappoint Shri Shrinal P. Patel as Whole Time Director of the company effective from 1st March 2013 for three years and to pay the following remuneration within the overall limits specified in the Schedule XIII of the Companies Act, 1956, to him which is commensurate with the scale of the company's business and his responsibility to head the company.

#### Remuneration

##### A. Salary:

Gross consolidated salary of Rs. 1,50,000/- per month. The gross consolidated salary shall include basic, medical allowance, leave travel allowance, bonus, HRA and such other allowances as may be approved from time to time by the board of directors in accordance with the rules of the company. The same shall be divided in different heads and paid monthly, quarterly or annually in accordance with the rules of the Company and as the Board may deem fit and decide mutually with him. An increment upto 25% per annum shall be given during the tenure of agreement as the board may deem fit and approves from time to time.

##### B. Commission:

Such percentage of the net profits of the company or such amount as may be decided by the Board of Directors (which includes any Committee thereof) for each financial year or part thereof within the overall ceiling of 5 % of the net profit of the company.

##### C. Perquisites:

1. company's contribution to provident and superannuation funds.
2. gratuity at the rate of one month's salary for each completed year of service.
3. leave with the full pay as per the rules of the company and encashment of unavailed leave being allowed at the end of the tenure.
4. free furnished accommodation or house rent allowance upto 20% of the salary and company's furniture on rental basis as may be approved by the board of directors.
5. reimbursement of gas, electricity, water charges, furnishings, maintenance / repairs of residential accommodation and furniture.
6. reimbursement of the entertainment expenses incurred in the courses of business of the company.

7. reimbursement of medical expenses including hospitalization , nursing home and surgical charges for self and family whether incurred in India or abroad including hospitalization , nursing home and surgical charges and in case of medical treatment abroad the air fare, boarding, loading for patient and attendant.
8. reimbursement of actual traveling expenses for proceeding on leave to any place and return there from in respect of self and family in accordance with the rules specified by the company from time to time.
9. reimbursement of membership fee for clubs in India or abroad including any admission / life membership fee.
10. personal accident insurance policy in accordance with the rules specified by the company from time to time.
11. cost of insurance cover against risk of any financial liability or loss because of any error of judgment as may be approved by the board of directors from time to time.
12. free use of company 's car for company 's work as well as for personal purposes along with driver .
13. telephone, telefax and other communication facility at the residence.
14. subject to statutory ceilings the managing director may be given any other allowances , perquisites , benefits and facilities as the board of directors from time to time may decide.

However, the total perquisites value is subject to a maximum ceiling of 50% of annual consolidated salary.

The following shall not be included in the computation of perquisites for the purpose of the ceiling:

- f. contribution to provident and superannuation funds referred to in paragraph C(1) above.
- g. gratuity payable as per paragraph C(2) above to the extent of half month 's salary for each completed year of service.
- h. encashment of leave at the end of tenure as per paragraph C(3) above.
- i. provision of company 's car for official duties.
- j. free telephone and other communication facility at the residence.

Perquisites/ allowances shall be valued as per income tax rules, wherever applicable, and in the absence of any such rules, shall be valued at actual costs.

In the absence or inadequacy of profits in any financial year, the aforesaid remuneration by way of salary, perquisites and other allowances not exceeding the limits specified in schedule XIII shall be payable to Shri Shrinal P. Patel, as a minimum remuneration.

The terms and conditions of said reappointed and / or remuneration and/or agreement, 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 Shri Shrinal P. Patel in accordance with the provision of the companies act, 1956, or any amendments made therein or with the approval of Central Government, if required.

The agreement may be terminated by either party by giving the other party six months notice or by any shorter notice as may be mutually agreed to between the parties.



The directors recommend passing of the resolution contained in item no. 6 of the accompanying notice.

Except Shri Piyush Patel, Shri Shrinal Patel and Smt. Anilaben Patel, no other Director is concerned or interested in the resolution.

A copy of the draft agreement to be entered into between the Company and Shri Shrinal P. Patel will be open for inspection by the members at the registered office of the company between 3.00 p.m to 5.00 p.m on any working day of the Company except Saturday, Sunday and holiday's up to and including the date of Annual General Meeting.

This shall be deemed to be an abstract of the terms and conditions of appointment of Shri Shrinal P. Patel under section 302 of the Companies Act, 1956 and the memorandum of interest in that behalf.

The board recommends the Special Resolution at Item no.6 of the notice for your approval.

A statement as required under Schedule XIII of the Companies Act, 1956 is annexed hereto.

Additional information for the shareholders, as required under schedule XIII to the Companies Act, 1956 and to the extent applicable to the company / appointees are given below for item no. 5 & 6:

#### 1. GENERAL INFORMATION:

- i) Nature of Industry: Pigments
- ii) Date of expected date of commencement of commercial production:  
Already in operations since last twenty years
- iii) Financial performance based on given indicators: as per published audited financial results for the year ended 31<sup>st</sup> March ,2013

Particulars	Rs. In lacs.
Sales and other income	7243.14
Profit before tax (before extraordinary item)	338.41
Provision for tax	89.81
Profit After Tax	82.87

- iv) Export performance and net foreign exchange earned for the financial year ended 31<sup>st</sup> March ,2013: FOB value of exports Rs. 549.38 lacs.
- v) Foreign investment or collaborators: Not applicable

#### 2. INFORMATION ABOUT THE APPOINTEES :

- i) Background details :

Item no. 5 : Shri Piyush N. Patel, aged 59 is a Mechanical Engineer. He is having rich experience in the areas of chemicals, trading, and banking. He is also actively involved with many industrial and trade association activities. He is the key promoter of the company and associated with the company since its incorporation. He oversees production, general administration and overall business of the Company.

Item no. 6: Shri Shrinal P. Patel, aged 29 is BBA in Business Finance, Psychology and Bio-Science from the University of Florida. He is associated as Whole Time Director of the Company since 2010 and contributed to accelerate the growth of the Company. He oversees marketing, product development and finance of the Company.