

ISHAN DYES & CHEMICALS LTD.



29th April, 2016

To,
Department of Corporate Service (DCS-CRD)
Bombay Stock Exchange Ltd.,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400001

REF: ISHAN DYES & CHEMICALS LIMITED BSE SCRIP CODE: 531109

Sub.: UPLOADING OF ANNUAL REPORT 2011-12

Dear Sir,

We hereby submitting copy of Annual Report of the Company for the year 2011-12.

You are requested to kindly take the note of the above and upload the same on the website of the exchange.

Thanking you,

Yours faithfully,

For Ishan Dyes & Chemicals Limited


Shrinal P. Patel
Whole Time Director & Compliance Officer
(DIN: 02992519)



Enclosed:

1. Annual Report for the year 2011-12

Registered Office and Factory Address:

18, G.I.D.C. Estate, Phase-I, Vatva, Ahmadabad - 382 445, Gujarat, INDIA

Phone : +91-79-25832144, 25893607 Fax :+91-79-25833643

E-mail : ishandyes@yahoo.com; ishan@ishandyes.com

Web : www.ishandyes.com

CIN : L24110GJ1993PLC020737



Certificate No. : 7086
ISO 9001, ISO 14001

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:

PARTICULARS	(Rs. In lacs)	
	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		
				Directorship 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.

The Committee met four times during the year on 30.05.2011, 29.07.2011, 10.11.2011 and 09.02.2011 and the attendance of the Members at the meetings was as follows:

Name of Member	Status	Category	No. of Meetings Attendance
Roopin A. Patel	Chairman (Independent)	Independent Director	4
Ronak Y. Desai	Member (Independent)	Independent Director	2
Mayank H. Patel	Member (Independent)	Independent Director	4

SHARE TRANSFER COMMITTEE

The functions and powers of the Share Transfer Committee include approval / allotment / rejection of transfer / transmission of equity share, issue of duplicate certificates, allotment of Shares and securities from time to time.

The Share Transfer Committee comprises of Two Directors namely Smt. Anilaben P. Patel and Shri Piyush P. Patel.

For shareholder grievances, the Board had not constituted any committee but it is under direct supervision of the Managing Director of the Company. The company does not receive any complaint during the year and no complain is pending.

CODE OF CONDUCT:

The Board of Directors has laid down a Code of Conduct (copy available on Company's website) applicable to all Board Members and Senior Executives of the Company. All the Board Members and Senior Management Personnel have confirmed compliance with the Code. A declaration by the Managing Director affirming compliance with the Code of Conduct by Board Members and Senior Management Executives is annexed at the end of the Report.

GENERAL BODY MEETINGS

Details of last three Annual General Meetings of the Company are given below:

Financial Year	Date	Time	Type	Location
2008-09	30/09/2009	11.00 A.M.	Annual General Meeting	At the Registered Office at 1 st Floor, Dinsha Chambers, Borsad – 388540
2009-10	20/09/2010	11.00 A.M.	Annual General Meeting	
2010-11	30/07/2011	11.00 A.M.	Annual General Meeting	

POSTAL BALLOT

No Postal Ballot was used for voting at the aforesaid meetings. At the forth coming Annual General Meeting there is no item on the agenda that needs approval by Postal Ballot.

DISCLOSURES

There are no materially significant transactions with related parties i.e. Promoters, Directors or the Management, their subsidiaries or relatives conflicting with the Company's interest. There were no instances of non-compliance or any matter related to the capital markets during the last three years.

MEANS OF COMMUNICATION

It is Company's belief that all stakeholders should have access to adequate information regarding the Company's position to enable them to accurately assess its future potential.

GENERAL SHAREHOLDERS INFORMATION

Date, Time and venue of 18th Annual General Meeting: Saturday, 29/09/2012 at 11.00 a.m. at
1st Floor,
Dinsha Chambers,
Borsad - 388540.

Financial Calendar : April 1 to March 31

Date of Book Closure : 22.09.2012 to 29.09.2012
(Both days inclusive)

Listing on Stock Exchange : The Bombay Stock Exchange
Vadodara Stock Exchange
Ahmedabad Stock Exchange

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2011.

No. of Equity Shares	No. of Shareholders	% of Shareholders	No. of Share Held	% of Shareholding
1 - 500	1203	65.45	339219	4.52
500 - 1000	212	11.53	177235	2.36
1000 - 2000	92	5.01	145400	1.94
2001 - 3000	50	2.72	128300	1.71
3001 - 4000	18	0.98	65800	0.87
4001 - 5000	138	7.51	677200	9.01
5001 - 10000	61	3.32	497000	6.62
10001 - 50000	42	2.28	817036	10.88
50001 - 100000	9	0.49	731300	9.74
100000 and above	13	0.71	3931310	52.35
TOTAL	1,945	100	75,09,800	100

ADDRESS FOR CORRESPONDENCE

Registrar and Share Transfer Agent : MCS Limited
Neelam Apartmentm
88 Sampatrao Colony, Alkapuri,
Vadodara 390007.

Registered Office: 1st Floor, Dinsha Chambers,
Borsad – 388 540.
Email: shareishan@yahoo.co.in

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

Declaration by the Managing Director under Clause 49(1)(D) of the Listing Agreement regarding adherence to the Company's Code of Conduct

In accordance with Clause 49 sub-clause 1 (D) of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all Directors and Senior Management personnel of the Company have affirmed their compliance with the Code of Conduct laid down by the Company, as applicable to them for the Financial Year ended March 31, 2012.

For ISHAN DYES AND CHEMICALS LTD.

Piyush N. Patel
Managing Director

Date: 30.07.2012

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A) INDUSTRY STRUCTURE AND DEVELOPMENT

Your Company registered a healthy performance during 2011-2012. The Management took effective measures to improve on all parameters covering areas of production, quality, marketing, and finance to retain its position as a market leader in manufacture of quality pigment blue.

Your Company's current products include various kinds of pigments like CPC, Alpha Blue and Beta Blue for industrial purpose. These products are manufactured under processes that are sensitive to environmental issues.

B) Opportunities, Threats, Risk and Concerns

The management of your company always tries to develop relation with the clients and try to find out the new opportunities in the industry through continuous research and development with the changed technology. These opportunities help the company to grow in the industry by creating demand through satisfied customers.

The threats for your Company would come from adverse fluctuation in the prices of various raw materials and finished products, tax and duties and global demand/supply situation. Availability of skilled manpower and contract work force may lead to adverse factor to the growth of the Company.

Your Company has identified the major thrust areas to concentrate on, which it believes to be critical for achievement of organizational goals. A well defined structure has been laid down to assess, monitor and mitigate risk associated with these areas.

C) Outlooks for 2012-2013

The company has very good order on hand for execution in the year and the management expect better customer demand during the year.

D) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

We have a strong integrated internal control system which is deemed to be adequate for our class of business.

E) DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO THE OPERATIONAL PERFORMANCE

During the year under review, your Company achieved better financial performance in terms of sales and profit. This is because of increase in sales and reduction in the overall cost of the products.

F) MATERIAL DEVELOPMENTS ON HUMAN RESOURCES

Long term agreements have been concluded with all the concerned levels of employees. We have been having excellent co-operation and support from the entire hierarchy of personnel, resulting in a sharp improvement in productivity during the current 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

**Auditors' report
To the members of
Ishan Dyes & Chemicals Ltd.**

1. We have audited the attached Balance Sheet of ISHAN DYES & CHEMICALS LIMITED, as at March 31st, 2012, and the related Profit and Loss Account and the Cash Flow Statement for the Year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis evidence supporting the amounts and disclosure in the financial statement presentation. An audit also includes assessing the accounting principles used and significant estimate made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 & 5 of the said order.
4. Further to our opinion in the Annexure referred to above, we reported that :
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

A R PANDHI & ASSOCIATES
Chartered Accountants

405, 4th Floor, Kalash – II, Near Jain Temple, B/h Navarangpura Post Office, Navarangpura, Ahmedabad – 380009,
M No. +91 99134 34584 E-mail – bhargav.vaghela@in.com

- c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion the Profit & Loss account and Balance Sheet of the Company dealt with by this report are in compliance with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956 to the extent applicable.
- e) On the basis of written representation received from the Directors, as on 31th March, 2012 and taken on record by the Board of Directors, we reported that none of the Directors is disqualified as on 31th March, 2012 from being appointed as a Director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956;
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India
 - i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31th March, 2012.
 - ii. In the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
 - iii. In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Place : Ahmedabad
Date: 30th May, 2012

For A R Pandhi & Associates
Chartered Accountants

Bhargav Vaghela
Partner
Membership No.124 619
F.R.N.: 118057W

Annexure to the Auditors' Report:

Re: Ishan Dyes & Chemicals Limited

Referred to in paragraph 3 of our Report of even date,

1. In respect of its fixed assets:

- (a) The company has maintained proper records showing plant wise particulars giving details and situation of fixed assets on the basis of available information.
- (b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. As explained to us, no material discrepancies were noticed on such physical verification.
- (c) In our opinion, the Company has not disposed of a substantial part of its fixed assets during the Year and the going concern status of the Company is not affected

2. In respect of its inventories:

- (a) The inventory has been physically verified during the Year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of Physical verification of Inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The company is maintaining proper records of inventories. As explained to us, there was no material discrepancies noticed on verification of inventories as compared to the book records.

3. In respect of the loans, secured, or unsecured, granted or taken by the company to / from companies, firms or other parties covered in the registered maintained under section 301 of the companies act, 1956:

A R PANDHI & ASSOCIATES
Chartered Accountants

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- (a) The Company has taken unsecured loans from parties covered in the register maintained under section 301 of the companies Act, 1956. In respect of the said loans, the maximum amounts outstanding at any time during the year is Rs. NIL lacs and the year ended balance is NIL.
 - (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of the loans taken by the Company, are not prima facie prejudicial to the interest of the company.
 - (c) There are no stipulations for payment of interest or repayment of principal. There being no outstanding of loan taken as on 31st March, 2012, the question of overdue amount of loan taken from parties listed in the register maintained under section 301 of the Companies Act, 1956 does not arise. Since the outstanding amount as on 31st March, 2012 is NIL the requirements of clause (iii) (d) of paragraph 4 of the order are not applicable.
 - (d) The Company has given unsecured loans to parties covered in the register maintained under section 301 of the companies Act, 1956. In respect of the said loans, the maximum amounts outstanding at any time during the year are Rs. 29.40 Lacs and the year-end balance is NIL.
 - (e) The company has not taken any loan during the year from the companies/firms or other parties covered under register maintained under section 301 of the companies Act, 1956.
 - (f) There are no stipulations for repayment of principal. There being no outstanding of loan given as on 31st March, 2012, the question of overdue amount of loan given to parties listed in the register maintained under section 301 of the Companies Act, 1956 does not arise. Since the outstanding amount as on 31st March, 2012 is NIL the requirements of clause (iii) (g) of paragraph 4 of the order are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.

A R PANDHI & ASSOCIATES
Chartered Accountants

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5. In respect of the contracts or arrangements referred to in section 301 of the companies act, 1956:
 - (a) In our opinion, and according to the information and explanations given to us, the transaction made in pursuance of contracts or arrangements that need to be entered in the register maintained under Sec.301 of the Companies Act, 1956 have been so entered.
 - (b) In our opinion, and according to the information and explanations given to us, the transaction made in pursuance of contracts or arrangements, entered in the register maintained under Sec.301 of the Companies Act, 1956 and exceeding the value of Rs.5.00 lacs in respect of each party during the Year have been made at prices which appear reasonable as per information available with the company.
6. In our opinion and according to the information and explanations given to us, the Company has not complied with the provisions of Sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. However, company has not accepted any term deposits from public. Company has taken unsecured loans from friends and relatives of directors. All such loans have been repaid and outstanding amount as on 31st March, 2012 is NIL.
7. In our opinion, the Company has internal audit system commensurate with size and nature of its business.
8. We have broadly reviewed cost records maintained by the Company pursuant to Companies (Cost Accounting) Records, Rules 2011 prescribed by the Central Government u/s 209(1)(d) of the Companies Act,1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have ,however, not made the detained examination of the Cost Records with a view to determine whether they are accurate of complete.
9. In respect of statutory dues:
 - (a) According to records of the company, undisputed statutory dues including Provident Fund, Income-tax, VAT, CST, Service tax, custom duty, excise duty, cess, and other material statutory dues have been generally regularly deposited with the appropriate authorities. According information and

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Chartered Accountants

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explanation given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2012 for a period of more than 6 months from the date of becoming payable.

- (b) According to information and explanation given to us, old outstanding statutory undisputed dues are nil.
- (c) The disputed statutory dues aggregating Rs.1.95 Lacs that have been deposited on account of disputed matters pending before appropriate authorities as under :

Sr No	Name of the Statue	Nature of the dues	Amount (Rs. in Lacs)	Period to which the amount relates	Forum where dispute is pending
1	Income Tax Act	Regular Demand u/s 115 JB	1.95	AY 2006-07	CIT (Appeal), Baroda

10. The company has accumulated losses at Year ending 31st March' 2012. However, the company has made profits during the period covered by our audit and in the immediately preceding the financial year.

11. In case of Term Loans from C.N.S. Bank Limited, the Bank had recalled the entire Term Loan for repayment and had filed Civil Suite for recovery of Rs.541.32 Lacs. As explained to us and records produced before us, the suit for recovery is dismissed by lower Authority and the matters are pending before Tribunal.

In case of term loan of C.N.S. Bank Ltd., It has been informed to us that Government of Gujarat has notified scheme for one time settlement of outstanding loans vide notification number NSB/12/2005/M97/C DT. 19/5/2010. It is affirmed by the Board that the company is eligible under the scheme and has filed necessary application as per the scheme.

12. In our opinion and according to the explanation given to us and based on the information available, the company has not granted any loans and advances on

A R PANDHI & ASSOCIATES
Chartered Accountants

405, 4th Floor, Kalash – II, Near Jain Temple, `B/h Navarangpura Post Office, Navarangpura, Ahmedabad – 380009,
M No. +91 99134 34584 E-mail – bhargav.vaghela@in.com

- the basis of security by way of pledge of shares, debentures and other securities.
13. The company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of Clause 4 (xiii) of paragraph 4 of the order are not applicable.
 14. The company is not dealing or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4 (xiv) of paragraph 4 of the order are not applicable.
 15. The company has not given any guarantee for loans taken by others from banks or financial institutions.
 16. The company has not obtained term loans during the year.
 17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we are of the opinion that there are no funds raised on short term basis that have been used for long term investment.
 18. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the Year.
 19. According to the information and explanations given to us, the Company had not issued any Secured Debentures during the year.
 20. The Company has not raised any money by way of public issues during the year.
 21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

Place: Ahmedabad

Date: 29th May, 2012

For A R Pandhi & Associates
Chartered Accountants

A R PANDHI & ASSOCIATES
Chartered Accountants

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Bhargav Vaghela
Partner
Membership No.124 619
F.R.N.: 118057W

Particulars		Note No.	Figures as at 31-March-2012	Figures as at 31-March-2011
I.	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	2	75,098,000	75,098,000
	(b) Reserves and surplus	3	9,548,907	-38,114,474
	(c) Money received against share warrants		-	-
2	Share application money pending allotment		-	-
3	Non-current liabilities			
	(a) Long-term borrowings	4	41,249,206	53,231,534
	(b) Deferred tax liabilities (Net)		-	-
	(c) Other Long term liabilities		-	-
	(d) Long-term provisions	5	14,300,000	-
4	Current liabilities			
	(a) Short-term borrowings	6	27,799,600	38,217,944
	(b) Trade payables	7	80,010,937	118,402,977
	(c) Other current liabilities	8	1,520,907	2,890,631
	(d) Short-term provisions	9	2,836,527	1,566,750
	TOTAL		252,364,084	251,293,361
II.	ASSETS			
	Non-current assets			
1	(a) Fixed assets			
	(i) Tangible assets	10	87,313,048	79,830,444
	(ii) Intangible assets	10	95,101	861,265
	(iii) Capital work-in-progress	10	711,897	-
	(iv) Intangible assets under development		-	-
	(b) Non-current investments	11	511,369	511,369
	(c) Deferred tax assets (net)	12	3,351,697	-
	(d) Long-term loans and advances	13	12,153,969	5,403,969
	(e) Other non-current assets		-	-
2	Current assets			
	(a) Current investments		-	-
	(b) Inventories	14	62,072,145	45,143,085
	(c) Trade receivables	15	79,785,372	113,512,926
	(d) Cash and cash equivalents	16	2,208,298	5,066,793
	(e) Short-term loans and advances	17	4,161,187	963,509
	(f) Other current assets		-	-
	TOTAL		252,364,084	251,293,361

Significant Accounting Policies

1

Notes forming part of Financial Statement

2 to 26

In terms of our report attached

For and on behalf of Board of Directors

A R Pandhi & Associates

Chartered Accountants

Partner

MEM. NO : 124 619

FRN: 118057W

Place : Ahmedabad

Date : 29th May,12

Piyush N. Patel
Managing DirectorShrinal P. Patel
Director

Place : Borsad

Date : 29th May,12

(In `)

Particulars		Refer Note No.	Figures for the year ended 31st-March-2012	Figures for the year ended 31st-March-2011
A	Revenue from operations	18	673,960,502	612,437,809
B	Other income	19	4,177,226	3,744,727
C	Total Revenue (A + B)		678,137,728	616,182,535
D	Expenses:			
i	Cost of materials consumed	20	468,220,890	393,288,909
ii	Purchases of Stock-in-Trade		-	-
iii	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	21	-16,817,248	9,654,326
iv	Employee benefits expense	22	33,675,620	28,018,606
v	Finance costs	23	13,445,643	20,645,717
vi	Depreciation and amortization expense		20,754,141	18,863,907
vii	Other expenses	24	98,979,410	90,948,718
	Total expenses		618,258,455	561,420,183
E	Profit before exceptional and extraordinary items and tax (III-IV)		59,879,273	54,762,352
F	Exceptional items	25	958,570	15,000
G	Profit before extraordinary items and tax (E - F)		58,920,703	54,747,352
H	Extraordinary Items	26	756,978	4,522,919
I	Profit before tax (G- H)		58,163,725	50,224,433
J	Tax expense:			
	(1) Current tax		14,300,000	-
	(2) Deferred tax		-3,351,697	-
K	Profit (Loss) for the period from continuing operations (VII-VIII)		47,215,422	50,224,433
L	Earnings per equity share:			
	(1) Basic		6.29	6.69
	(2) Diluted		6.29	6.69

Significant Accounting Policies

1

Notes forming part of Financial Statement

2 to 26

In terms of our report attached

For and on behalf of Board of Directors

A R Pandhi & Associates
Chartered Accountants

Partner

MEM. NO : 124 619

FRN: 118057W

Place : Ahmedabad

Date : 29th May,12

Piyush N. Patel

Managing Director

Shrinal P. Patel

Director

Place : Borsad

Date : 29th May,12

Note 2 Share capital

2.1	Share Capital	As at 31 March 2012		As at 31 March 2011	
		Number	`	Number	`
	<u>Authorised</u> Equity Shares of ` 10 each	11,000,000	110,000,000	11,000,000	110,000,000
	<u>Issued</u> Equity Shares of ` 10 each	7,509,800	75,098,000	7,509,800	75,098,000
	<u>Subscribed & Paid up</u> Equity Shares of ` 10 each fully paid	7,509,800	75,098,000	7,509,800	75,098,000
	Total	7,509,800.00	75,098,000.00	7,509,800.00	75,098,000.00

2.2	Particulars	Equity Shares	
		Number	`
	Shares outstanding at the beginning of the year	7,509,800	75,098,000
	Shares Issued during the year	0	0
	Shares bought back during the year	0	0
	Shares outstanding at the end of the year	7,509,800	75,098,000

Shareholders' holding more than 5%

2.3	Name of Shareholder	As at 31 March 2012		As at 31 March 2011	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
	Shardaben J Patel	1081000	14.39%	1081000	14.39%
	Shrinal Patel	646660	8.61%	271660	3.62%
	Piyush Patel	625400	8.33%	625400	8.33%

Note 3 Reserves and surplus

Reserves & Surplus	As at 31 March 2012	As at 31 March 2011
	`	`
a. Securities Premium Account		
Opening Balance	5,375,000	5,375,000
Closing Balance	5,375,000	5,375,000
b. Revaluation Reserve		
Opening Balance	12,136,953	12,136,953
Closing Balance	12,136,953	12,136,953
c. Gratuity Reserve		
Opening Balance	823,268	-
(+) Current Year Transfer	447,959	823,268
(-) Written Back in Current Year		
Closing Balance	1,271,227	823,268
d. Surplus		
Opening balance	(56,449,695)	(106,674,128)
(+) Net Profit/(Net Loss) For the current year	47,215,422	50,224,433
Closing Balance	(9,234,273)	(56,449,695)
Total	9,548,907	(38,114,474)

Note 4 Long-term borrowings

<u>Long Term Borrowings</u>		As at 31 March 2012	As at 31 March 2011
		-	-
4.1	<u>Secured</u>		
	(a) Term loans		
	from Kotak Mahindra Prime Ltd (Secured By Hire Purchase of Vehicles where the vendors have a lien on and right of repossession of specific assets)	11,718,500	3,261,282
	from Charotar Nagrik Sahakari Bank (Secured By Second charge over movable plant & machinery of the company)	14,362,136	14,362,136
	Terms of Repayment :		
	from Kotak Mahindra Prime Ltd		
	Loan against Audi Car is repayable in 36 Equal Monthly installments (Last installment due date in July-12)		
	Loan against Mercedes Car is repayable in 36 Equal Monthly installments (Last installment due date in Mar-14)		
	Loan against Range Rover Car is repayable in 36 Equal Monthly installments (Last installment due date in Apr-15)		
	Loan against BMW Car is repayable in 36 Equal Monthly installments (Last installment due date in Jul-13)		
	Loan against Toyota Innova Car is repayable in 24 Equal Monthly installments (Last installment due date in June-12)		
	from Charotar Nagrik Sahakari Bank		
	The Company has filed application in OTS (One Time Settlement Scheme) with CNSB (Charotar Nagrik Sahkari Bank). Detailed explanation is provided in Point No.11 of Annexure to Auditors' Report.		
4.2	<u>Unsecured</u>		
	from other parties	15,168,570	35,608,116
		41,249,206.00	53,231,534.00
Total		41,249,206	53,231,534

Note 5 Long-term provisions

<u>Long Term Provisions</u>		As at 31 March 2012	As at 31 March 2011
		-	-
	(a) Provision for Income Yax	14,300,000	-
Total		14,300,000	-

Note 6 Short-term borrowings

<u>Short Term Borrowings</u>		As at 31 March 2012	As at 31 March 2011
		-	-
Repayment due within 1 year			
<u>Secured</u>			
	(a) Term loans		
	from Kotak Mahindra Prime Ltd (Secured By Hire Purchase against Vehicles)	7,360,054	5,223,375
	from other parties (Secured By Equitable mortgage of land & building situated at Plot no.18, Phase 1, G.I.D.C Industrial Estate, Vatva, Ahmedabad)		12,555,023
		7,360,054	17,778,398
<u>Unsecured</u>			
	from other parties	20,439,546	20,439,546
	(The company has not determined the repayment liability with the party and hence the amount payable within one year is considered as the same as previous year based on the managements perception of ability to repay for the current year. However the repayment would vary with any change in liquidity situation)		
		20,439,546	20,439,546
Total		27,799,600	38,217,944

Notes forming part of Financial Statement

Note 7 Trade payables

Trade Payables	As at 31 March 2012	As at 31 March 2011
	-	-
Micro, Small & Medium Enterprises	-	-
Others	80,010,937	118,402,977
Total	80,010,937	118,402,977

Note 8 Other current liabilities

Other Current Liabilities	As at 31 March 2012	As at 31 March 2011
	-	-
Statutory Liabilities	1,520,907	2,890,631
Total	1,520,907	2,890,631

Note 9 Short-term provisions

Short Term Provisions	As at 31 March 2012	As at 31 March 2011
	-	-
(a) Provision for employee benefits		
Salary & Reimbursements	654,656	531,910
Exgratia	258,618	207,553
Leave Encashment	174,421	174,246
Bonus	1,247,266	-
Provident Fund Payable	-	47,344
ESIC Payable	-	17,072
Audit Fees	-	211,000
(b) Others		
Interest	61,817	83,530
Duty & Taxes payable on Finished Goods	364,094	177,221
Other Exps	75,655	116,875
Total	2,836,527	1,566,750

	Fixed Assets	Rate of Depreciation	Gross Block					Accumulated Depreciation					Net Block	
			Balance as at 1 April 2011	Additions/ (Disposals)	Acquired through business combinations	Revaluations/ (Impairments)	Balance as at 31 March 2012	Balance as at 1 April 2011	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31 March 2012	Balance as at 1 April 2011	Balance as at 31 March 2012
a	Tangible Assets													
	Land		18,744,820				18,744,820					-	18,744,820	18,744,820
	Factory Building	3.34%	15,379,019	62,669			15,441,688	7,874,285	514,571			8,388,856	7,504,734	7,052,832
	Office Building	1.63%	5,006,230				5,006,230	237,613	81,602			319,215	4,768,617	4,687,015
	Electrical Fittings	10.34%	10,684,111	112,166			10,796,277	5,617,149	1,110,234			6,727,383	5,066,962	4,068,894
	Plant and Machinery	4.75%	50,774,128				50,774,128	40,492,754	2,411,771			42,904,525	10,281,374	7,869,603
	Plant and Equipment	10.34%	125,888,621	7,372,200			133,260,821	109,278,142	13,191,528			122,469,670	16,610,479	10,791,151
	Laboratory Equipments	10.34%	2,163,323				2,163,323	641,667	223,688			865,355	1,521,656	1,297,968
	Office Equipments	4.75%	3,025,092	53,100			3,078,192	401,417	144,250			545,667	2,623,675	2,532,525
	Computers	16.21%	965,642	84,610			1,050,252	348,614	163,145			511,759	617,028	538,493
	Furniture and Fixtures	6.33%	1,476,919	154,000			1,630,919	275,018	100,787			375,805	1,201,901	1,255,114
	Vehicles	9.50%	13,184,738	19,375,947			32,560,685	2,295,540	2,046,401			(255,889)	4,086,052	28,474,633
	Total		247,292,643	27,214,692	-	-	274,507,335	167,462,199	19,987,977	-	(255,889)	187,194,287	79,830,444	87,313,048
b	Intangible Assets													
	ISO Exp & Webhosting Exp		323,820				323,820	163,955	64,764			228,719	159,865	95,101
	Misc Exps		701,400				701,400	701,400	701,400			701,400	701,400	-
	Total		1,025,220	-	-	-	1,025,220	163,955	766,164	-	-	930,119	861,265	95,101
c	Capital Work In Progress			711,897			711,897					-	-	711,897
	Total		-	711,897	-	-	711,897	-	-	-	-	-	-	711,897
d	Intangible assets under Development		-	-	-	-	-	-	-	-	-	-	-	-
	Total		-	-	-	-	-	-	-	-	-	-	-	-
	Grand Total		248,317,863	27,926,589	-	-	276,244,452	167,626,154	20,754,141	-	(255,889)	188,124,406	80,691,709	88,120,045
	Previous Year		237,952,145	10,465,918	-	-	248,418,063	148,862,447	18,863,907	-	-	167,726,354	88,288,099	80,691,709

Note 11 Non-current investments

Particulars	As at 31 March 2012	As at 31 March 2011
(a) Investment in Share of Co Op Bank	475,500	475,500
(b) Investment in Share Linking Deposit	30,869	30,869
(c) Investments in Others	5,000	5,000
Total	511,369	511,369

Note 12 Deferred Tax Calculation

Particulars	As at 31 March 2012	As at 31 March 2011
<u>Deferred Tax Liability</u>		
Provisions	-873,716	0
<u>Deferred Tax Asset</u>		
Depreciation on Fixed Assets	4,225,413	0
Total	3,351,697	-

Note 13 Long-term loans and advances

Long Term Loans and Advances	As at 31 March 2012	As at 31 March 2011
a. Capital Advances		
Unsecured, considered good	1,409,819	1,409,819
b. Security Deposits		
Unsecured, considered good	2,194,150	2,194,150
d. Other loans and advances		
Unsecured, considered good		
Deposit for CETP	8,550,000	1,800,000
Total	12,153,969	5,403,969

Note 14 Inventories

Inventories	As at 31 March 2012	As at 31 March 2011
a. Raw Materials and components	9,409,013	9,351,323
b. Work-in-progress	48,832,596	33,106,851
c. Finished goods	2,389,315	1,297,812
d. Consumables	641,221	727,880
e. Stores and spares	800,000	659,219
Total	62,072,145	45,143,085

Note 15 Trade receivables

Trade Receivables	As at 31 March 2012	As at 31 March 2011
Trade receivables outstanding for a period less than six months from the date they are due for payment	79,457,961	113,050,047
Unsecured, considered good	79,457,961	113,050,047
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	327,411	462,879
	327,411	462,879
Total	79,785,372	113,512,926

Notes forming part of Financial Statement

Note 16 Cash and cash equivalents

Cash and cash equivalents	As at 31 March 2012	As at 31 March 2011
	-	-
a. Balances with banks*		
Guarantee (for GPCB)	56,674	51,994
In Current Account	2,137,040	4,957,747
b. Cash on hand	14,584	57,052
Total	2,208,298	5,066,793

Note 17 Short-term loans and advances

Short-term loans and advances	As at 31 March 2012	As at 31 March 2011
	-	-
Loans & Adv to related Parties	0	0
Balance with Government Authorities	3,378,945	561,118
Deposits	18,642	15,642
Others	763,600	386,749
Total	4,161,187	963,509

Note 18 Revenue from operations

Particulars	For the year ended	For the year ended
	31 March 2012	31 March 2011
Sale of products	725,519,769	658,551,252
Less:		
Excise duty	51,559,267	46,113,443
Total	673,960,502	612,437,809

Note 19 Other income

Particulars	For the year ended	For the year ended
	31 March 2012	31 March 2011
Interest Income	135,975	133,288
Insurance Claim Received	-	-
Export Incentive	1,941,992	1,642,876
Foreign Exchnage Fluctuation	1,800,384	854,843
Discounts	237,644	159,374
Job Work Charges	-	530,000
Others	61,231	424,346
Total	4,177,226	3,744,727

Note 20 Cost of materials consumed

Cost of Material Consumed	For the year ended		For the year ended	
	31 March 2012		31 March 2011	
Material				
Opening Stock	9,351,323		4,614,986	
Add : Purchase	468,278,580		398,025,246	
Less : Closing Stock	9,409,013		9,351,323	
Consumption	468,220,890		393,288,909	
Imported	-	0%	-	0%
Indigenous	468,220,890	100%	393,288,909	100%
Total	468,220,890		393,288,909	

Note 21 Changes in inventories of finished goods work-in-progress and Stock-in-Trade

Changes In Inventories Of Work-In-Process, Finished Goods, Stock-In-Trade	For the year ended	For the year ended
	31 March 2012	31 March 2011
Closing Balance		
Work-in-process	48,832,596	33,106,851
Finished goods	2,389,315	1,297,812
Stock-in-trade		
Total	51,221,911	34,404,663
Less : Opening Balance		
Work-in-process	33,106,851	42,212,164
Finished goods	1,297,812	1,846,825
Stock-in-trade		
Total	34,404,663	44,058,989
Net (increase)/decrease in inventories	16,817,248	-9,654,326

Particulars	For the year ended	For the year ended
	31 March 2012	31 March 2011
Salaries & Wages	30,210,316	27,005,746
Contribution to PF & Other Funds	1,611,938	943,416
Staff Welfare Exp	1,853,366	69,444
Total	33,675,620	28,018,606

Defined Benefits Plan as per actuarial valuation are as follows :

Particulars	Gratuity	
	2011-12	2010-11
Expenses recognised in Statement of Profit & Loss for the year ended 31st March, 2012		
Current service cost	213,335	133,082
Interest cost	67,920	53,557
Expected return on plan assets	0	0
Net actuarial losses/(gains)	-357	-12,542
Past Service Cost	167,061	0
Total Expenses	447,959	174,097

Particulars	Gratuity	
	2011-12	2010-11
Reconciliation of opening and closing balances of changes in present value of the Defined Benefit obligation:		
Obligation at the beginning of the year	823,268	649,172
Service cost	213,335	133,082
Interest cost	67,920	53,557
Actuarial loss/(gain)	-357	-12,542
Past Service Cost	167,061	0
Loss/(Gain) on curtailment		
Liability extinguished on settlement		
Benefits paid	0	0
Obligation at the end of the year	1,271,227	823,269

Particulars	Gratuity	
	2011-12	2010-11
Reconciliation of opening and closing balances of changes in fair value of plan assets		
Fair value of plan assets at the beginning of the year	0	0
Expected return on plan assets	0	0
Actuarial loss/(gain)	0	0
Assets distributed on settlements	0	0
Contributions by employer	0	0
Benefits paid	0	0
Fair value of plan assets at the end of the year	0	0
Experience adjustment	0	0

Present value of Defined Benefit Obligation as at the end of the year	1,271,227	823,269
Experience adjustment on plan liabilities	29,133	-12,542
Experience adjustment on plan assets	0	0
Past Service Cost	167,061	0
Actuarial loss/(gain) due to change in assumptions	-29,490	0
Actuarial loss/(gain) due to participant experience	29,133	-12,542

Net liability reconised in the Balance Sheet as at 31st March, 2012

Particulars	Gratuity	
	2011-12	2010-11
Defined Benefit Obligation as at the end of the year	1,271,227	823,269
Fair Value of plan assets as at 31st March, 2012	0	0
Present Value of unfunded obligation recognised as liability as at 31st March, 2012	1,271,227	823,269

Particulars	Gratuity	
	2011-12	2010-11
Actual Return on Plan Assets		
Actuarial assumptions		
Discount Rate	8.50%	8.25%
Expected rate of return on plan assets	0	0
Expected rate of salary increase	5.00%	5.00%
Mortality	LIC (1994-96) published table of mortality rates	
Withdrawal rates	5% at younger ages and reducing to 1% at older ages	
Retirement Age	58 years	
Actuarial Valuation Method	Projected Unit Credit Method	

Defined Contribution Plans

Rs 4,47,959 (P.Y. Rs 1,74,096) recognised as an expense and included in Contribution to Provident and Other Funds

Note 23 Finance costs

Particulars	For the year ended	For the year ended
	31 March 2012	31 March 2011
	-	-
Interest expense	13,279,381	20,254,949
Other borrowing costs	166,261	390,769
Total	13,445,643	20,645,717

Note 24 Other expenses

Particulars	For the year ended	For the year ended
	31 March 2012	31 March 2011
	-	-
Manufacturing Exp		
Consumption of stores and spare parts	18,926,213	18,576,594
Power and fuel	53,165,327	44,821,590
Repairs & Maintenance - Others	600,643	883,708
Repairs to machinery	3,221,086	7,437,167
Pollution Control & Effluent Treatment Exp	3,963,638	4,042,974
Job Work Charges	2,862,324	5,963,311
Administrative Expenses		
Professional Fees	2,239,280	947,439
Insurance	450,927	282,636
Rent, Rates and taxes, excluding, taxes on income	533,615	365,763
Auditor's Remuneration	90,000	85,000
Office & Factory Exp	1,198,951	1,511,224
Vehicle Running Exp	713,309	581,313
Travelling & Conveyance Exp	1,989,942	806,254
Promotional Exp	35,988	170,050
Sales Tax Exp	111,192	-
Donation	111,000	52,500
Excise & Service Tax Exp	547,117	-
Communication Exp	474,200	460,944
Legal Exp	254,366	182,920
Security Charges	597,492	437,788
Printing & Stationery	147,408	126,416
Miscellaneous expenses	269,575	269,350
Selling and Distribution Expenses		
Freight Outward	6,079,914	2,419,625
Selling & Distribution Exp	395,903	524,153
Total	98,979,410	90,948,718

Note 25 Exceptional items

Particulars	For the year ended	For the year ended
	31 March 2012	31 March 2011
	-	-
Insurance Exp	351,780	
Listing Exp	606,790	15,000
Total	958,570	15,000

Note 26 Extraordinary Items

Particulars	For the year ended	For the year ended
	31 March 2012	31 March 2011
	-	-
Assessment Tax	-848,258	285,755
Prior Period Adjustments	378,652	1,287,580
Sales Tax Assessment		2,861,129
Sundry Balance Written Off		88,456
Sales Tax Reversal	971,803	-
Loss of sales of Vehicles	254,781	-
Total	756,978	4,522,919

Note 27 Contingent Liabilities

Particulars	For the year ended	For the year ended
	31 March 2012	31 March 2011
	-	-
Income tax liabilities for matter pending in appeal	195,000	195,000
Total	195,000	195,000

Note 28 Earning Per Share

		2011-12	2010-11
28.1	Basic		
	No of Equity Shares at the end of the year	7,509,800	7,509,800
	Weighted No. of Equity Shares at the end of the year	7,509,800	7,509,800
	Profit for calculation of EPS (in Rs.)	47,215,422	50,224,433
	Basic Earning Per Equity Share (in Rs.)	6.29	6.69
	Nominal Value of Equity Share (in Rs.)	10	10
28.2	Diluted		
	Weighted Average No. of Equity Shares at the end of the year	7,509,800	7,509,800
	Add : Weighted Avg No of potential Equity Shares at the end of the year	0	0
	Weighted Average No. of Equity Shares at the end of the year for diluted EPS	7,509,800	7,509,800
	Profit for calculation of EPS	47,215,422	50,224,433
	Diluted Earning Per Equity Share	6.29	6.69

Name of the Company : ISHAN DYES & CHEMICALS LTD
Cash Flow Statement for the year ended 31st March, 2012

(In `)

Particulars	Note No.	Year ended	Year ended
		31st March, 2012	31st March, 2011
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax as per Profit and Loss Statement		58,163,725	50,224,433
Adjustments for :			
(Gain)/Loss on sale/write-off of Fixed Assets		-	-
Unrealised foreign exchange (gain)/loss			
Provision for Income Tax		14,300,000	-
Cash flow from exceptional and extraordinary items		1,715,548	4,537,919
Depreciation and Amortization Expenses		20,754,141	18,863,907
Finance Costs		13,445,643	20,645,717
Interest Income		(135,975)	(133,288)
Adjustments for Working Capital changes :			
Inventories		(16,929,060)	5,142,495
Trade Receivables		33,727,554	(88,186,909)
Loans and Advances		(9,947,678)	7,508,871
Trade Payables		(38,392,039)	56,099,729
Other Current Liabilities		(1,369,724)	1,617,449
Short-term Provisions		1,717,736	(548,258)
Other Non Current Assets			
Cash flow from exceptional and extraordinary items		(1,715,548)	(4,537,919)
Cash generated from operations			
Income Taxes Paid		(14,300,000)	
Net cash flow from operating activities		61,034,322	71,234,145
CASH FLOW FROM INVESTING ACTIVITIES			
Purchases of Fixed Assets (Net)		(28,182,478)	(10,361,239)
Sale of Fixed Assets		-	
Interest Income		135,975	133,288
Net cash flow from investing activities		(28,046,503)	(10,227,951)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Long-term Borrowings			
Repayment of Borrowings		(22,400,672)	(35,877,492)
Finance Costs		(13,445,643)	(20,645,717)
Net cash flow from financing activities		(35,846,315)	(56,523,209)
Net increase/decrease in Cash and Cash Equivalents		(2,858,495)	4,482,985
Opening balance of Cash and Cash Equivalents		5,066,793	583,807
Closing balance of Cash and Cash Equivalents		2,208,298	5,066,792

In terms of our report attached
A R Pandhi & Associates
Chartered Accountants

For and on behalf of Board of Directors

Partner
MEM. NO : 124 619
FRN: 118057W
Place : Ahmedabad
Date : 29th May,12

Piyush N. Patel
Managing Director

Shrinal P. Patel
Director

Place : Borsad
Date : 29th May,12