

# ISHAN DYES & CHEMICALS LTD.



30<sup>th</sup> September, 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.: FILING OF ANNUAL REPORT 2015-16

Dear Sir,

Pursuant to the Regulation 34 of the of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submitting copy of Annual Report of the Company for the financial year 2015-16 which was adopted and approved at the 23<sup>rd</sup> Annual General Meeting held on **Wednesday, 28<sup>th</sup> September, 2016.**

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

**Piyush N. Patel**  
Chairman & Managing Director  
(DIN: 00450807)



Enclosed:

1. Annual Report for the year 2015-16

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 LIMITED**

**23<sup>RD</sup> ANNUAL REPORT  
2015-16**



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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

SHRI PIYUSH NATVARLAL PATEL	-	Chairman & Managing Director
SHRI SHRINAL PIYUSHBHAI PATEL	-	Whole-Time Director
SMT ANILABEN PIYUSHBHAI PATEL	-	Non-Executive & Non-Independent Director
SHRI MARUT DINESHCHANDRA PATEL	-	Non-Executive & Non-Independent Director
SHRI MAYANK HASMUKHBHAI PATEL	-	Independent Director
SHRI RONAK YATINKUMAR DESAI	-	Independent Director
SHRI ROOPIN AMRIT PATEL	-	Independent Director
SHRI YATIN GORDHANBHAI PATEL	-	Independent Director

### CHIEF FINANCIAL OFFICER

- SHRI CHINTAN PRAKASHBHAI PANCHOLI

### BANKERS

- Kalupur Commercial Co. Op. Bank Ltd.  
Kotak Mahindra Bank Ltd.  
CITI Bank  
Bank of India  
Axis Bank Ltd.

### STATUTORY AUDITORS

- G.S. Mathur & Co.  
Chartered Accountants  
F-3, Vikram Chamber,  
Income Tax, Ahmedabad - 380009

### INTERNAL AUDITORS

- Dave & Shah  
Chartered Accountants  
F-712, Titanium City Centre,  
100FT Shyamal to Prahladnagar Road,  
Satellite, Ahmedabad - 380015

### REGISTERED OFFICE & FACTORY ADDRESS

- 18, G.I.D.C Estate, Phase - 1,  
Vatva, Ahmedabad - 382445,  
Gujarat, INDIA  
Tel.: 079-25832144/25893607  
Fax: 079-25833643  
E-mail: ishandyes@yahoo.com  
Website: www.ishandyes.com

### CIN NO

- L24110GJ1993PLC020737

### REGISTRAR AND SHARE TRANSFER AGENT (RTA)

- MCS Share Transfer Agent Limited  
10, Aram Apartment,  
12, Sampatrao Colony,  
B/h. Laxmi Hall, Alkapuri,  
Vadodara - 390007  
Tel No:-0265-2314757/2350490  
E-mail: mcsltdbaroda@gmail.com

23<sup>RD</sup> ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE TWENTY THIRD ANNUAL GENERAL MEETING OF ISHAN DYES & CHEMICALS LIMITED WILL BE HELD ON WEDNESDAY, 28<sup>TH</sup> SEPTEMBER, 2016 AT 2.30 P.M. AT 18, G.I.D.C ESTATE PHASE - 1, VATVA AHMEDABAD - 382445 TO TRANSACT THE FOLLOWING BUSINESS:

**ORDINARY BUSINESS:**

1. To receive, consider, approve and adopt the Audited Financial Statements of the Company for the financial year ended on 31<sup>st</sup> March, 2016 and the Reports of the Directors' and Auditors' thereon.
2. To declare dividend on Equity Shares of the Company for the financial year ended on March 31, 2016.
3. To appoint a Director in place of Smt. Anilaben Piyushbhai Patel (DIN: 00450893), Director, who retires by rotation and being eligible, offers herself for re-appointment.
4. To ratify the appointment of Statutory Auditors and to fix their remuneration and in this regard to consider and if though fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the Section 139, 141, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made there under, pursuant to the recommendations of the Audit Committee and the Board of Directors and further pursuant to the resolution passed by the members at the Annual General Meeting held on 23rd September, 2014, the appointment of M/s. G. S. Mathur & Co., Chartered Accountants (Registration No: 008744N), as statutory auditors of the Company to hold office till the conclusion of the 26<sup>th</sup> AGM to be held in the year 2019 be and is hereby ratified to hold office from the conclusion of 23<sup>rd</sup> AGM till the conclusion of the 24<sup>th</sup> AGM and that the Board of Directors be and is hereby authorized to fix the remuneration payable as mutually agreed between the Board of Directors of the Company with the Auditors."

**SPECIAL BUSINESS:**

5. To re-appoint Shri Piyush N. Patel (DIN: 00450807) as a Managing Director of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V and the rules framed in this behalf (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the members of the Company, be and is hereby accorded to re-appoint Shri Piyush N. Patel (DIN: 00450807) as a Managing Director of the Company for a period of 5 years w.e.f. 01<sup>st</sup> June, 2016 at a remuneration and other terms and conditions as recommended by Nomination and Remuneration Committee and approved by Board of Directors of the Company as mentioned below:

**Designation:** Managing Director

**Term of Appointment:** 5 years from 01<sup>st</sup> June, 2016 to 31<sup>st</sup> May, 2021.

**Remuneration:** Rs. 30,00,000/- on an annual Cost to Company basis which includes Basic Salary, Perquisites and other allowance/benefits as may be decided by the Board of Directors of the Company, from time to time. The remuneration will be increased for each financial year during the terms of appointment so as to give minimum 10% annualized increase or such other increase as may



be recommended by the Nomination and Remuneration Committee and approved by Board of Directors of the Company from time to time.

**Perquisites and Allowances:**

All perquisites, allowances, benefits and amenities as per the service rules of the Company, as applicable from time to time.

**Commission:**

Shri Piyush N. Patel shall also be paid commission, in addition to salary, perquisites, allowances and others reimbursements, calculated with reference to net profit of the Company in a particular financial year, as may be determined by the Board of Directors of the Company at the end of each financial year subject to overall ceilings stipulated in Section 197 of the Companies Act, 2013 and as recommended by Nomination and Remuneration Committee.

**"RESOLVED FURTHER THAT** the Managing Director shall be entitled to the facilities as are allowable to the employees of Senior Management Cadre of the Company and reimbursement for travelling, entertainment, and other expenses actually incurred by him in connection with the Business of the Company."

**"RESOLVED FURTHER THAT** wherein any financial year during the tenure of Managing Director, the Company has no profits or its profits are inadequate, the Company shall pay in respect of such financial year, the remuneration by way of salary, allowances, perquisites and other benefits, subject to the provisions of Schedule V of the Act and subject to necessary approvals, if any."

**"RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to alter, modify and vary the terms and conditions of said appointment including remuneration to the extent recommended by the Nomination and Remuneration Committee, from time to time as may be considered appropriate and fit, subject to the overall limits specified in the Companies Act, 2013 and as may be agreed to between the Board of Directors of the Company and Shri Piyush N. Patel."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to do all acts, deeds, things and matters as may be necessary and expedient to give effect to this resolution."

6. To re-appoint Shri Shrinall P. Patel (DIN: 02992519) as a Whole-Time Director of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V and the rules framed in this behalf (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the members of the Company, be and is hereby accorded to re-appoint Shri Shrinall P. Patel (DIN: 02992519) as a Whole-Time Director of the Company for a period of 5 years w.e.f. 01<sup>st</sup> February, 2016 at a remuneration and other terms and conditions as recommended by Nomination and Remuneration Committee and approved by Board of Directors of the Company as mentioned below:

**Designation:** Whole-Time Director

**Term of Appointment:** 5 years from 01<sup>st</sup> February, 2016 to 31<sup>st</sup> January, 2021

**Remuneration:** Rs. 24,00,000/- on an annual Cost to Company basis which includes Basic Salary, Perquisites and other allowance/benefits as may be decided by the Board of Directors of the Company, from time to time. The remuneration will be increased for each financial year during the terms of appointment so as to give minimum 10% annualized increase or such other increase as may



be recommended by the Nomination and Remuneration Committee and approved by Board of Directors of the Company from time to time

**Perquisites and Allowances:**

All perquisites, allowances, benefits and amenities as per the service rules of the Company, as applicable from time to time.

**Commission:**

Shri Shrinal P. Patel shall also be paid commission, in addition to salary, perquisites, allowances and others reimbursements, calculated with reference to net profit of the Company in a particular financial year, as may be determined by the Board of Directors of the Company at the end of each financial year subject to overall ceilings stipulated in Section 197 of the Companies Act, 2013 and as recommended by Nomination and Remuneration Committee.

**"RESOLVED FURTHER THAT** the Whole-Time Director shall be entitled to the facilities as are allowable to the employees of Senior Management Cadre of the Company and reimbursement for travelling, entertainment and other expenses actually incurred by him in connection with the Business of the Company."

**"RESOLVED FURTHER THAT** wherein any financial year during the tenure of Whole-Time Director the Company has no profits or its profits are inadequate, the Company shall pay in respect of such financial year, the remuneration by way of salary, allowances, perquisites and other benefits, subject to the provisions of Schedule V of the Act and subject to necessary approvals, if any."

**"RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to alter, modify and vary the terms and conditions of said appointment including remuneration to the extent recommended by the Nomination and Remuneration Committee, from time to time as may be considered appropriate and fit, subject to the overall limits specified in the Companies Act, 2013 and as may be agreed to between the Board of Directors of the Company and Shri Shrinal P. Patel."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to do all acts, deeds, things and matters as may be necessary and expedient to give effect to this resolution."

**By order of the Board of Directors  
For ISHAN DYES & CHEMICALS LIMITED**

**12<sup>th</sup> August, 2016  
Ahmedabad**

**Piyush N. Patel  
Chairman & Managing Director**

*Registered office:*  
18, G.I.D.C Estate,  
Phase – 1, Vatva,  
Ahmedabad – 382445, Gujarat, INDIA  
Tel No: 079-25832144/25893607  
Fax: 079-25833643  
Email id: ishandyes@yahoo.com  
CIN: L24110GJ1993PLC020737

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. The Proxy, in order to be effective, must be received by the Company not less than 48 hours before the commencement of the meeting.





A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

2. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the meeting is annexed hereto.
3. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se, etc as stipulated under Companies Act, 2013 and Regulation 36 (3) the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, are provided in the Corporate Governance Report forming part of the Annual Report.
4. Members/Proxies should bring attendance slips sent herewith duly filled in, for attending the Meeting.
5. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days (except Saturdays, Sundays and Public Holidays) between 03.00 p.m. to 05.00 p.m. upto the date of this Annual General Meeting.
6. A route map along with prominent landmark for easy reach to the venue of annual general meeting is annexed with this notice.
7. The Register of Members and the Share Transfer Books of the Company will remain closed from 22<sup>nd</sup> September 2016 to 28<sup>th</sup> September 2016 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares.
8. Payment of Dividend as recommended by the Board of Directors, if approved and declared at the Meeting, will be made to those members whose names are on the Company's Register of Members as on close of business hours on 21<sup>st</sup> September, 2016 and in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by the Depositories, viz. National Securities Depositories Limited and Central Depository Services (India) Limited as Beneficial Owners as on that date.

Members are requested to notify promptly any change in their registered addresses.

Payment of dividend will be made through National Electronic Clearing Service (NECS) by crediting the dividend amount to the bank account of the shareholders wherever relevant information is made available to the Company. Members holding shares in physical form and who wish to avail of NECS facility to receive dividend from the Company may furnish the information to the Registrars and Share Transfer Agents of the Company. Members holding shares in electronic form may furnish the information to their Depository Participants in order to receive dividend through NECS mechanism

9. Members are requested to note that Dividends not encashed or remaining unclaimed for a period of 7 (seven) Years from the date of transfer to the Company's Unpaid Dividend Accounts shall be transferred to the Investor Education and Protection Fund (IEPF) established under Section 205 C of the Companies Act, 1956.



10. The Members are requested to dematerialize their shareholdings with their Depository Participants as the Company's Shares are traded compulsorily under Demat mode in the Stock Exchanges.
11. Members holding shares in single name and/or in physical mode are advised to make nomination in respect of their shareholding in the Company. Nomination forms can be obtained from the Company's Registered Office.
12. Members, who are holding Shares in identical order of names in more than one Folio, are requested to apply to the Company/Share Transfer Agents along with the relevant Share Certificates for consolidation of such Folios in one Folio.
13. The Register of Contracts or Arrangements in which Directors are interested, maintained under section 301 of the Companies Act, 1956 and Section 189 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.
14. **As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies of Annual Report to the Meeting. No gifts or coupons or any other form of solicitation will be provided at the Annual General Meeting.**
15. The Notice of the 23<sup>rd</sup> Annual General Meeting is available on the website of the Company [www.ishandyes.com](http://www.ishandyes.com) and website of CDSL [www.cdslindia.com](http://www.cdslindia.com).
16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN to the Company.
17. Entrance Pass and Proxy Form is annexed. Members are requested to affix their signature at the space provided in the entrance pass and hand over the same at the entrance to the place of meeting.
18. **Pursuant to Section 101 of the Companies Act, 2013 and rules made thereunder, the companies are allowed to send communication to shareholders electronically. We thus request the members who have not registered their email address so far to kindly register/update your email ids with your respective depository participant. In case of physical shares, register/update your email ids with the Company's registrar and share transfer agent register for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.**
19. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its members the facility of 'remote e-voting' (e-voting from a place other than venue of the AGM) to exercise their right to vote at the 23<sup>rd</sup> Annual General Meeting (AGM). For this purpose, the Company has entered into an agreement with CDSL for facilitating e-voting to enable the Shareholders to cast their votes electronically.

The Company is also providing facility for voting by Physical Ballot at the venue of the 23<sup>rd</sup> Annual General Meeting apart from providing remote e-voting facility for all those members who are present at the general meeting but have not casted their votes by availing the remote e-voting facility.

The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.



**Instructions for Members for voting electronically are as under:-**

- a) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- b) Click on "Shareholders" tab to cast your vote(s)
- c) Now enter your User ID as follows:
  - For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID
  - Members holding shares in physical form should enter Folio Number registered with the Company
- d) Enter the Image Verification as displayed and Click on Login.
- e) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- f) For Shareholders holding shares in physical form and first time users holding shares in electronic form, the steps given below are to be followed:

<b>PAN</b>	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders )  Member who have not updated their PAN with the company / depository participant are requested to use the serial number print in address slip.
<b>Date of Birth or Date of Incorporation or Bank Account</b>	Enter the Date of Birth as registered with the DP/RTO in dd/mm/yyyy format or Enter the Dividend Bank Details as recorded with your DP/RTA.  Please note - In respect of Physical shareholdings and whose DOB and Dividend Bank details are not registered with DP/RTA should enter No. of shares held by you as on the cut of date i.e. 21/09/2016.

*# CDSL users can enter any one of the details viz. dividend bank details or date of birth, in order to login; however, NSDL users mandatorily have to mention their bank account number in order to login. In case bank details are not recorded with the depository, please enter the number of shares held by you as on the cut-off date viz. Wednesday, 21<sup>st</sup> September, 2016 in the Dividend Bank details field*

- g) After entering these details appropriately, click on "SUBMIT" tab.
- h) For Members holding shares in physical form, the login details can be used only for e-voting on the resolutions contained in this Notice. On logging in, Members holding shares in physical form will be directed to the Company selection screen.
- i) Members holding shares in Demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the electronic holders for voting on resolutions of other companies, as well, on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- j) Click on the EVSN for the relevant Company "**ISHAN DYES AND CHEMICALS LIMITED**" on which you choose to vote.
- k) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO, as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- l) Click on the "Resolutions File" Link if you wish to view the entire Notice.
- m) After selecting the Resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- n) Once you "CONFIRM" your vote on the Resolution, you will not be allowed to modify your vote. You can also take a print of the voting done by you.
- o) If an electronic account holder has forgotten the set password, then he has a 'Forgot password' option to reset the password.



- p) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- q) Note for Institutional Shareholders:  
Institutional shareholders (i.e. other than Individuals, HUFs, and NRIs etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.  
A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).  
After receiving the login details, they have to create a compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.  
The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.  
A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.
- r) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

#### **Other Instructions:**

- I. The remote e-voting period commences on Sunday, 25<sup>th</sup> September 2016 (9.00 a.m. IST) and ends on Tuesday, 27<sup>th</sup> September, 2016 (5.00 p.m. IST) both days inclusive. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date/entitlement date of Wednesday, 21st September, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast and confirmed by the Member, he shall not be allowed to change it subsequently.
- II. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off/ entitlement date only shall be entitled to avail the facility of remote e-voting as well as voting at the Annual General Meeting.
- III. The voting rights of Members shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on Wednesday, 21st September, 2016 for determining the eligibility to vote by electronic means or at the Meeting by Physical Ballot.
- IV. Any person who becomes a member of the Company after the date of this Notice of the Meeting and holding shares as on the cut-off date i.e. Wednesday, 21st September, 2016, may obtain the User ID and Password by sending an email request to [ishandyes@yahoo.com](mailto:ishandyes@yahoo.com). Members may also call on 079-25832144/25893607 or send a request/fax on 079-25833643 to Mr. Chintan Pancholi, Chief Financial officer of the Company, by writing to him at Ishan Dyes & Chemicals Limited, 18, G.I.D.C Estate, Phase - 1, Vatva, Ahmedabad - 382445, Gujarat, INDIA.
- V. The Company has appointed Shri Kunal Sharma, Practicing Company Secretary as the Scrutinizer to conduct e-voting and the voting process at the AGM in a fair and transparent manner.
- VI. The Scrutinizer shall, after the conclusion of voting at the Meeting, first count the votes casted by Physical Ballot at the Meeting, thereafter unblock the votes casted through remote e-voting in the manner provided in the Rules and make, not later than 3 days of conclusion of the Meeting, consolidated Scrutinizer's Report of remote e-voting and voting by Physical Ballot at the Meeting, of the total votes casted in favor or against, if any, to the Chairman of the Meeting or a person as may be authorized by him in writing shall declare the result of the voting forthwith and all the resolutions as mentioned in the Notice of the Meeting shall be deemed to be passed on the date of the Meeting.
- VII. The results declared along with the Scrutinizer's Report shall also be placed on the Company's website [www.ishandyes.com](http://www.ishandyes.com) and on the website of CDSL and communicated to BSE Limited where the shares of the Company are listed.
- VIII. The resolutions shall be deemed to be passed on the date of Annual General Meeting of the Company, subject to receipt of sufficient votes.



- IX. You can also update your mobile number and Email id in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-voting in future. The same may be used in case the Member forgets the password and the same need to be reset.

**Contact Details:**

Company	M/s Ishan Dyes & Chemicals Limited Reg. Office: 18, G.I.D.C Estate, Phase - 1, Vatva, Ahmedabad - 382445, Gujarat, INDIA, Tel No: 079-25832144/25893607, Fax: 079-25833643, Email id: ishandyes@yahoo.com, CIN: L24110GJ1993PLC020737
Registrar and Share Transfer Agent	MCS Share Transfer Agent Limited 10, Aram Apartment, 12, Sampatrao Colony, B/h. Laxmi Hall, Alkapuri, Vadodara - 390007, Tel No:-0265-2314757/2350490 E-mail: mcsltdbaroda@gmail.com
E-voting Agency	Central Depository Services (India) Ltd Email id: helpdesk.evoting@cdslindia.com
Scrutinizer	CS Kunal Sharma, Practicing Company Secretary F-712 Titanium City Centre, 100 ft. Shyamal to Prahalladnagar Road, Satellite, Ahmedabad 380 015 Tel., +91 9173430216, Email id: cskunalsharma@gmail.com

By order of the Board of Directors  
For ISHAN DYES & CHEMICALS LIMITED

12<sup>th</sup> August, 2016  
Ahmedabad

Piyush N. Patel  
Chairman & Managing Director

*Registered office:*  
18, G.I.D.C Estate,  
Phase - 1, Vatva,  
Ahmedabad - 382445, Gujarat, INDIA  
Tel No: 079-25832144/25893607  
Fax: 079-25833643  
Email id: ishandyes@yahoo.com  
CIN: L24110GJ1993PLC020737

**Item no: 05****Appointment of Shri Piyush N. Patel as a Managing Director:**

The tenure of appointment of Shri Piyush N. Patel as a Managing Director of the Company expired on 31<sup>st</sup> May, 2016. He has been re-appointed as a Managing Director of the Company for a further tenure of 5 years w.e.f 01<sup>st</sup> June, 2016 as recommended by the Nomination & Remuneration Committee and approved by Board of Directors at their respective meetings held on 20<sup>th</sup> May, 2016.

A brief resume of and other details of Shri Piyush N. Patel as required under the provisions of Companies Act, 2013 and Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions is provided in the Corporate Governance Report which is forming part of the Annual Report.

The above resolution and explanatory statement may be treated as a written memorandum setting out the terms of re-appointment of Shri Piyush N. Patel under Section 190 of the Act.

Except for the respective Director/ his relatives who may be deemed to be interested in the respective resolution at item no. 05 of the Notice as it concerns his appointment as a Managing Director of the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the respective resolution set out at Item No. 05 of the Notice.

The Board recommends the Special Resolution set out at Item No. 05 of the Notice for approval by the shareholders.

**Item no: 06****Appointment of Shri Shrinal P. Patel as a Whole-Time Director:**

The tenure of appointment of Shri Shrinal P. Patel as a Whole-Time Director of the Company expired on 31<sup>st</sup> January, 2016 and he has been re-appointed as a Whole-Time Director of the Company for a further tenure of 5 years w.e.f 01<sup>st</sup> January, 2016 as recommended by the Nomination & Remuneration Committee and approved by Board of Directors at their respective meetings held on 27<sup>th</sup> January, 2016.

A brief resume of and other details of Shri Shrinal P. Patel as required under the provisions of Companies Act, 2013 and Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions is provided in the Corporate Governance Report which is forming part of the Annual Report.

The above resolution and explanatory statement may be treated as a written memorandum setting out the terms of re-appointment of Shri Shrinal P. Patel under Section 190 of the Act.

Except for the respective Director/ his relatives who may be deemed to be interested in the respective resolution at item no. 06 of the Notice as it concerns his appointment as a Whole-Time Director of the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the respective resolution set out at Item No. 06 of the Notice.

The Board recommends the Special Resolution set out at Item No. 06 of the Notice for approval by the shareholders.

**12<sup>th</sup> August, 2016**  
**Ahmedabad**

**By order of the Board of Directors**  
**For ISHAN DYES & CHEMICALS LIMITED**  
**Piyush N. Patel**  
**Chairman & Managing Director**

*Registered office:*

18, G.I.D.C Estate, Phase - 1, Vatva,  
Ahmedabad - 382445, Gujarat, INDIA  
Tel No: 079-25832144/25893607  
Fax: 079-25833643  
Email id: ishandyes@yahoo.com  
CIN: L24110GJ1993PLC020737



ADDITIONAL INFORMATION FOR THE SHAREHOLDERS AS REQUIRED UNDER SCHEDULE V OF THE COMPANIES ACT, 2013 AND TO THE EXTENT APPLICABLE TO THE COMPANY/APPOINTEES IS GIVEN BELOW:

**1. GENERAL INFORMATION:**

S. No	Particulars	Details										
A	Nature of Industry	The Company is engaged in the Manufacturing of Chemicals.										
B	Date of expected date of commencement of Commercial production	The company was incorporated on 30 <sup>th</sup> November, 1993 and commercial production was started since 1993.										
C	In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in prospectus	Not Applicable										
D	Financial performance based on given indicators	As per Audited financial results for the year ended 31st March ,2016: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Particulars</th> <th>Amount (Rs. In Lacs)</th> </tr> </thead> <tbody> <tr> <td>Sales and other income</td> <td>6263.46</td> </tr> <tr> <td>Profit before tax</td> <td>521.41</td> </tr> <tr> <td>Tax expense</td> <td>132.94</td> </tr> <tr> <td>Profit After Tax</td> <td>388.47</td> </tr> </tbody> </table>	Particulars	Amount (Rs. In Lacs)	Sales and other income	6263.46	Profit before tax	521.41	Tax expense	132.94	Profit After Tax	388.47
Particulars	Amount (Rs. In Lacs)											
Sales and other income	6263.46											
Profit before tax	521.41											
Tax expense	132.94											
Profit After Tax	388.47											
E	Foreign investment or collaborators	NIL										

**2. INFORMATION ABOUT THE APPOINTEES:**

(a) Background details :

Shri Piyush N. Patel aged 61 years is a B.E. (Mechanical Engineer). He is an industrialist and having rich experience in the business of Chemicals, farming, general trading and Banking. He is also actively involved with various social, industrial and trade association activities. He is Chairman of the Company and has rich expertise and know-ledge of business management. He is the key promoter and associated with the Company since incorporation. He heads the entire business operation of the company.

Shri Shrinal P. Patel aged 31 years has been associated with the company since 2010. He is BBA (Business Finance, Psychology and Bioscience) from University of Florida. He is having rich experience in the areas of Marketing, finance and Business operations with knowledge of chemical industry. He is Co-promoter of the Company and associated as a Whole-Time Director of the Company since 2010 and contributed to accelerate the growth of the Company to achieve present scale of operations and performance.

(b) Past remuneration drawn :

*(Amount in Rupees)*

Financial Year	Shri Piyush N. Patel	Shri Shrinal P. Patel
2013-14	25,98,000/-	19,32,000/-
2014-15	25,98,000/-	19,32,000/-
2015-16	25,98,000/-	19,32,000/-



(c) Recognition or Awards:

Shri Piyush N. Patel is associated with various trade and industry associations and having vast experience in the areas of farming, banking, chemical and trading industry. Shri Shrinal P. Patel studied in USA and contributed in successful turnaround of the Company.

(d) Job profile and suitability:

Shri Piyush N. Patel is the Chairman and Managing Director of the Company. He oversees the operations of the Company. He is a promoter of the Company and having rich experience of more than 30 years in the Chemical industry. He has exceptionally contributed in the overall growth and development of the Company. Also under his dynamic leadership the Company has sustained in the difficult business environment and achieved its present scale of operation.

Shri Shrinal P. Patel is the Whole-Time Director of the Company and entrusted with the day to day business of the Company together with marketing, finance and administration. He has successfully carried out expansion plan of the Company and expanded export market for the products of the Company. He is instrumental in the turnaround of the Company.

(e) Remuneration proposed:

The remuneration package is given in detail in the resolution for their re-appointments. However, the same is summarized hereunder:

S. No.	Particulars	Shri Piyush N. Patel	Shri Shrinal P. Patel
1	Total Remuneration included Basic Salary, Perquisites and other allowance/benefits	Rs. 30,00,000/- on an annual Cost to Company	Rs. 24,00,000/- on an annual Cost to Company
2	Perquisites & Allowances	Refer Notice and Explanatory Statement	Refer Notice and Explanatory Statement
3	Commission	Refer Notice and Explanatory Statement	Refer Notice and Explanatory Statement

(f) Comparative remuneration profile with respect to industries, size of the company, profile of the position person:

The remuneration proposed is in commensurate with the size of the Company, the profile of Shri Piyush N. Patel and Shri Shrinal P. Patel together with their experience, expertise and responsibilities shouldered by them. The proposed remuneration is also in comparison with general industry benchmarks for similar positions in similar size of Companies.

(g) Pecuniary relationship directly or indirectly with the Company or relationship with the Managerial Personnel:

Besides the remuneration proposed Shri Piyush N. Patel and Shri Shrinal P. Patel do not have any other pecuniary relationship with the company and its managerial personnel.

However, Shri Piyush N. Patel and Shri Shrinal P. Patel are holding equity shares of the Company and are promoters of the Company and also have given personal guarantees for the borrowings of the Company.

**3. OTHER INFORMATION:**

(a) Reasons for loss / inadequate profits:

Not applicable





- (b) Steps taken by the company to improve performance:

The company has undertaken following key steps as a with a view to improve the performance further:

Overall operation efficiency improvement.  
Increase in the production capacity.  
Broadening the clientele base.  
Expanding export market.

- (c) Expected increase in productivity and profits and measurable terms.

It is difficult to measure the benefits; however the Company will be benefited by way of increase in turnover and EBITDA margins over a period of time.

#### **4. DISCLOSURES:**

- (a) The detail of the remuneration package of Shri Piyush N. Patel and Shri Shrinal P. Patel are given in the notice and explanatory statement hereinabove and the same is contained in the respective draft agreement with them which are open for inspection as mentioned hereinabove.
- (b) Company does not pay any remuneration to other directors.
- (c) All the components of the remuneration are fixed except commission to Shri Piyush N. Patel and Shri Shrinal P. Patel which will be decided by the performance of the company.
- (d) Both the appointments are contractual and provides for notice period.
- (e) No stock option has been given to them.

**By order of the Board of Directors  
For ISHAN DYES & CHEMICALS LIMITED**

**12<sup>th</sup> August, 2016  
Ahmedabad**

**Piyush N. Patel  
Chairman & Managing Director**



**To,  
The Members,  
ISHAN DYES AND CHEMICALS LIMITED**

Your Directors have pleasure in presenting 23<sup>rd</sup> Annual Report together with the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2016.

### **1. FINANCIAL RESULTS:**

The Company's financial performance, for the year ended March 31, 2016 is summarized below:

	<i>Amount in Rupees Lacs</i>	
	<b>Current Year (2015-16)</b>	<b>Previous Year (2014-15)</b>
Sales(Net)	6144.63	4993.64
Other Income	118.83	55.32
<b>Total Revenue</b>	<b>6263.46</b>	<b>5048.97</b>
<b>Earnings before Interest, Depreciation, Exceptional /Extraordinary Items, Tax &amp; Amortizations (EBITDA)</b>	<b>754.46</b>	<b>304.56</b>
Interest(Net)	91.19	48.17
Depreciation	140.83	106.69
<b>Profit before Exceptional / Extraordinary items &amp; tax</b>	<b>522.44</b>	<b>149.70</b>
Exceptional / Extraordinary expenses	(1.04)	(1.90)
<b>Profit before Tax</b>	<b>521.41</b>	<b>147.80</b>
Tax Adjustments (Net)	132.94	(68.75)
<b>Profit after Tax</b>	<b>388.46</b>	<b>216.55</b>

### **2. STATE OF COMPANY'S AFFAIRS AND FINANCIAL PERFORMANCE:**

The Company has achieved total revenue of Rs. 6263.46 Lacs and EBITDA (pre exceptional and extraordinary item) of Rs. 754.46 Lacs as against that of Rs. 5048.97 Lacs and Rs. 304.56 Lacs respectively for the previous year. As compared to previous year, during the year the operations have shown increase in turnover by 23% and EBITDA by 147%. Year under review has witnessed growth in terms of volume and value both which in turn has resulted into sharp increase in Profit before tax of Rs. 521.41 Lacs as against that of Rs. 147.80 Lacs for the previous year thereby recording a growth of 253%. The operations have shown Net Profit after tax of Rs. 388.46 Lacs which was higher by 79% over that of past year. The operations of the Company have been benefited from expansion carried out by the Company which supported increase in tonnage and improve in overall plant efficiencies to reduce cost of productions. Also the benefits of reduction key raw material prices on account of fall in international crude oil prices and commodity prices contributed to improve in margins and in turn profit for the year.

### **3. PROSPECTS & DEVELOPMENTS:**

Your management is pleased to mention that the systematic and focused approach adopted by the management over a period of last couple of years has helped to improve overall efficiencies of the operations to reduce cost and optimize production together with introduction of new ranges of the products. Expansion of plant capacity and efficiency improvements has delivered favorable results in terms of increase in turnover as well as increase in margins and profit. These factors will drive the growth during coming years for the benefits of the Company and the management is confident of delivering consistently improved results during coming years.

The business segment of the Company is full of challenges with multiple variables affecting the operations and business of the Company. Key such variables are ecology and allied regulatory compliances,



commodity and petro-products price volatility, foreign currency fluctuations, inflationary pressure on operational costs, large working capital need, skilled manpower availability etc. The management of the Company is working with a proactive approach to meet challenges and cater opportunities with an aim to enhance stakeholder's value. The coming year looks challenging mainly on demand front, availability of manpower as well as compliance for stringent pollution norms. However, the management has charted out systematic plan to overcome all such challenges. Also the management is of the view that falling commodity and crude oil prices will reduce cost of production, fall in overall prices which in turn will boost the demand for the products of the Company such as to benefit to the Company for delivering better performance. Your Company is working to expand export market and also broaden the customer base. The management of the Company has charted out growth plans for the Company which includes expanding overseas market for the products of the Company; add new ranges and products to create a basket of products for catering customer needs and also to create value addition in present product portfolio with a view to increase revenues and margin for the Company.

Barring unforeseen circumstances the management is confident to position the Company as a preferred quality producer and exporter of Phthalocyanine blue pigments.

#### **4. CHANGE IN NATURE OF BUSINESS, IF ANY:**

During the Financial Year 2015-16, the company has not changed its nature of business.

#### **5. DIVIDEND:**

Your Directors are pleased to recommend maiden Dividend on Equity Shares at Rs. 0.50/- per Equity Share i.e. @ 5% of face value of Rs. 10/- per share for the financial year ended on March 31, 2016.

No Dividend has been declared or paid for the previous financial year ended on 31<sup>st</sup> March, 2015.

#### **6. FINANCE**

During the year, your Company has raised additional cash credit facilities and machinery loans from the Kalupur Commercial Co. Op. Bank Ltd. All outstanding banking facilities, private loans and vehicle loans which will be repaid as per schedule in due course.

#### **7. TRANSFER TO RESERVES:**

During the year under review, no transfer to reserves was carried out.

#### **8. EXPORTS**

The Export is the thrust area for the growth of the Company and during the year ended recorded gross export turnover of 25.40 Crores which is almost 8% growth over previous year exports of Rs. 23.55 Crores.

#### **9. SHARE CAPITAL:**

As on 31<sup>st</sup> March, 2016, the Share Capital structure of the Company stood as follows:

Particulars	No of Shares	Amount
<b><u>Authorized Share Capital</u></b>		
Equity Shares of Rs. 10/- each	1,10,00,000	11,00,00,000
<b>Total</b>	<b>1,10,00,000</b>	<b>11,00,00,000</b>
<b><u>Issued, Subscribed and Paid up Share Capital</u></b>		
Equity Shares of Rs. 10/- each	75,09,800	7,50,98,000
<b>Total</b>	<b>75,09,800</b>	<b>7,50,98,000</b>



During the year under review, the Company has not issued any Shares with or without differential rights or Debentures or any other securities by way of Public offer, Private Placement, Preferential allotment, Rights issue, Bonus Issue, Sweat Equity Shares, and Employee Stock Option Scheme or in any such other manners.

#### **10. SEGMENT WISE PERFORMANCE:**

The Company has only one reportable segment of activity i.e. "Chemicals", in accordance with the definition of "Segment" as per the Accounting Standard 17 issued by the Institute of Chartered Accountants of India. The performance of the Company is discussed separately in this Report.

#### **11. SUBSIDIARIES, JOINT VENTURES & ASSOCIATES:**

During the year under review, your Company doesn't have any Subsidiaries, Joint Ventures and Associates.

#### **12. MANAGEMENT DISCUSSION AND ANALYSIS:**

The Management Discussion and Analysis Report as required under Regulation 34 and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms an integral part of this Report and provides overview of the business and operations of the Company.

#### **13. PUBLIC DEPOSITS:**

There were no public deposits accepted during the financial year or any amount of principal or interest thereof was outstanding in terms of Sections 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014, for the financial year ended.

#### **14. MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF REPORT:**

During the end of the financial year of the Company to which the financial statements relates and upto the date of this report, there were no material changes and commitments occurred which has affected the financial position of the Company.

#### **15. CORPORATE GOVERNANCE:**

Compliances with the Corporate Governance requirements under Regulation 34 and Schedule V stipulated under the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not mandatory to the Company. However, as good governance the Company has voluntarily disclosed the Compliance requirements to the best practical extent. Accordingly the Management Discussion and Analysis and the Corporate Governance Report on compliance are attached along with the Annual Report.

#### **16. LISTING AGREEMENT:**

The Company has already entered into the revised agreement with the Bombay Stock Exchange ("BSE") as required under SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 as effective from 1<sup>st</sup> December 2015.

#### **17. INDUSTRIAL RELATIONS**

The relationship with employees at all level remained cordial and harmonious during the year. We appreciate for committed contribution made by employees of the Company at all the levels to achieve present growth of the Company. .



## **18. POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT OF THE COMPANY:**

In accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, The Board of Directors has formulated the Nomination and Remuneration Policy on the basis of recommendations made by the Nomination and Remuneration Committee. The salient aspects covered in the Nomination and Remuneration Policy has been outlined in the Corporate Governance Report which forms part of this Report.

The information required pursuant to Section 197 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request.

In terms of Section 136 of the Act, the reports and accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the Registered office of the company during business hours on working days of the company up to the date of ensuing Annual General Meeting. If any member is interested in inspecting the same, such member may write to the company in advance.

## **19. BOARD DIVERSITY**

The Company recognizes and embraces the importance of a diverse Board in its process. We believe that a truly diverse Board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender which will help better directions and supervision to the affairs of the Company. The Board has adopted the Board diversity policy which sets out the approach to diversity of the Board of Directors.

## **20. PARTICULARS OF EMPLOYEES:**

No employee of the Company was in receipt of remuneration more than the limits specified under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, during the financial year ended 31<sup>st</sup> March 2016.

## **21. DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

### **Appointments:**

During the year 2015-16, Shri Ronak Y. Desai has been appointed as Independent Director of the Company at the 22<sup>nd</sup> Annual General Meeting held on 29<sup>th</sup> September, 2015 for 5 years period for a term upto conclusion of 27<sup>th</sup> Annual General Meeting.

Further, the term of Shri Piyush N. Patel as a Managing Director and Shri Shrinal P. Patel as a Whole-Time Director was expired on 31<sup>st</sup> May, 2016 and 31<sup>st</sup> January, 2016 respectively. The Board of Directors at their meeting has re-appointed Shri Piyush N. Patel as a Managing Director of the Company for period of 5 years w.e.f 01<sup>st</sup> June, 2016 and also has re-appointed Shri Shrinal P. Patel as a Whole-Time Director for period of 5 years w.e.f 01<sup>st</sup> February, 2016. Both the re-appointment is subject to Shareholders' approval at the upcoming Annual General Meeting. Accordingly, the Board has recommended and proposed re-appointment of Shri Piyush N. Patel as a Managing Director and Shri Shrinal P. Patel as a Whole-Time Director in the ensuing Annual General Meeting.

The brief resume of Shri Piyush N. Patel and Shri Shrinal P. Patel together with other related information has been detailed in the Corporate Governance Report which is forming part of the Annual Report.



### **Re-appointments:**

Pursuant to the provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of your Company, Smt. Anilaben Piyushbhai Patel, Non-Executive and Non-Independent Director of the Company is liable to retire by rotation at the ensuing AGM and being eligible offered herself for reappointment.

Appropriate resolution for her re-appointment is being placed for your approval at the ensuing AGM. The brief resume of Smt. Anilaben Piyushbhai Patel together with other related information has been detailed in the Corporate Governance Report which is forming part of the Annual Report.

Your Directors recommend her re-appointment as Non-Executive and Non Independent Director of your Company.

### **Resignations along with facts of resignation:**

During the financial year 2015-16, no Director has been resigned from the office of Directorship of the Company.

### **Key Managerial Personnel:**

Pursuant to the provisions of Section 203 of the Companies Act, 2013, Shri Piyush N. Patel, Chairman and Managing Director, Shri Shrinall P. Patel, Whole-Time Director and Shri Chintan Prakash Pancholi, Chief Financial Officer are the Key Managerial Personnel of your Company.

### **Annual Evaluation of Board's Performance:**

The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The evaluation process has been explained in the corporate governance report section in this Annual Report.

### **Declaration of Independence:**

Your Company has received declarations from all the Independent Directors under Section 149(7) of the Companies Act, 2013 confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 read with the Schedules and Rules issued thereunder as well as under Regulation 16(b) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **Familiarization Program for Independent Directors**

At the time of the appointment of an Independent Director, the Company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities. Further, the Independent Directors are introduced with the corporate affairs, new developments and business of the Company from time to time.

## **22. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING:**

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Insider Trading policy of the Company lays down guidelines and procedures to be followed, and disclosures to be made while dealing with shares of the Company as well as consequences of violation. The Policy has been formulated to regulate, monitor and ensure reporting of deals by the employees and to maintain the highest ethical standards of dealing in the Company's Shares.



### **23. COMMITTEES OF THE BOARD**

As on 31<sup>st</sup> March, 2016, the Board has following committees:

- a. Audit committee,
- b. Nomination and Remuneration committee,
- c. Stakeholder's relationship committee
- d. Corporate Social Responsibility Committee

A detailed note on the Board and its committees is provided under the corporate governance report section in this Annual Report.

### **24. NUMBER OF MEETINGS OF THE BOARD AND AUDIT COMMITTEE MEETINGS:**

The details of the number of Board and Committee Meetings of your Company along with the composition and attendance of the Directors and Members at such meetings are set out in the Corporate Governance Report which forms part of this Report. The time gap between the two meetings was in accordance with the requirements. All the information required to be furnished to the Board was made available along with detailed Agenda.

### **25. DIRECTORS' RESPONSIBILITY STATEMENT:**

As required under Section 134(3) (c) of the Companies Act, 2013, the Directors hereby confirm that:

- (a) in the preparation of the annual accounts for the financial year ended 31st March, 2016, the applicable accounting standards and Schedule III of the Companies Act, 2013, have been followed and there are no material departures from the same;
- (b) the 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 your Company as at 31st March, 2016 and of the profit and loss statement of the Company for the financial year ended 31st March, 2016;
- (c) proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a 'going concern' basis;
- (e) proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and operating effectively; and
- (f) Proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

### **26. EXTRACT OF ANNUAL RETURN:**

The details forming part of the extract of the Annual Return in Form MGT- 9 in accordance with Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, are set out herewith as "**Annexure [A]**" and form an integral part to this Report.

### **27. RELATED PARTY TRANSACTIONS**

During the financial year 2015-16, all transactions entered into with the Related Parties as defined under Section 2(76) of the Companies Act, 2013 read with Companies (Specification of Definitions Details) Rules, 2014 and Regulation 23 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were in the ordinary course of business and on arm's length basis.

During the financial year 2015-16, there were no transactions with related parties which can be qualified as material transactions under the Companies Act, 2013 and the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Accordingly, the disclosure of related party transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC 2 is not applicable.



## **28. LOANS AND INVESTMENTS:**

Loans, guarantees/securities and investments as covered under Section 186 of the Companies Act, 2013 form part of the notes to the financial statements.

## **29. RISK MANAGEMENT:**

At present the company has not identified any element of risk which may threaten the existence of the company.

All the properties and insurable interest of the Company are adequately insured.

## **30. VIGIL MECHANISM AND WHISTLE BLOWER POLICY:**

The Board of Directors has formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177 (10) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The policy provides for a framework and process whereby concerns can be raised by its employees against any kind of discrimination, harassment, victimization or any other unfair practice being adopted against them.

## **31. CORPORATE SOCIAL RESPONSIBILITY:**

Your Company has constituted the Corporate Social Responsibility (CSR) Committee as per the requirement of the Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time. Shri Piyush N. Patel is the Chairman of the Committee and two other members namely Shri Roopin A. Patel and Shri Mayankkumar H. Patel are the members of said Committee. The Committee has framed the Corporate Social Responsibility Policy for the Company. The philosophy for CSR activity of the Company is mainly focused in the various areas of rural infrastructure development, social upliftment, education, promotion of healthcare and sanitation, ensuring environmental sustainability and promoting rural sports.

During the year under review the Company has not spent any amount on CSR activities due to lack of proper and satisfactory opportunity for such spending in line with policy framed by the Committee. However, the Committee in consultation with the Management of the Company is working out plan for CSR spending in a phased manner over a period of time.

## **32. AUDITORS AND AUDITORS' REPORT:**

### **Statutory Auditors:**

At the 21<sup>st</sup> Annual General Meeting held on 23<sup>rd</sup> September, 2014, M/s. G. S. Mathur & Co Chartered Accountants were appointed as statutory auditors of the Company to hold office till the conclusion of the 26<sup>th</sup> Annual General Meeting to be held in the calendar year 2019. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s. G. S. Mathur & Co, Chartered Accountants, as statutory auditors of the Company, is placed for ratification by the shareholders. In this regard, the Company has received a certificate from the auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

### **Cost Auditor:**

The appointment of Cost Auditor for the Company is not applicable to the Company.

### **Secretarial Audit:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed Mr. Kunal Sharma, Practicing Company Secretary to conduct the Secretarial Audit of your Company. The Secretarial Audit Report is annexed herewith as "**Annexure - [B]**" to this Report.





### **33. EXPLANATION ON AUDITORS REPORT:**

#### *Statutory Auditor*

The notes to the accounts referred to in the Auditors Report are self explanatory and therefore do not call for any separate or further comments or explanations.

#### *Secretarial Auditor*

With reference to observations in the Secretarial Audit Report in respect of Non-Appointment of Whole-Time Company Secretary, we wish to mention that the Company is in the process of recruiting the Whole-Time Company Secretary and on availability of a suitable candidate the requirement will be fulfilled.

### **34. FRAUDS REPORTED BY AUDITORS:**

No frauds are reported by Auditors which falls under the purview of sub section (12) of Section 143 of the Companies Act, 2013.

### **35. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The information required under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 with respect to the information on conservation of energy, technology absorption and foreign exchange earnings and outgo is given in "Annexure - [C]" appended hereto and forms part of this Report.

### **36. INTERNAL FINANCIAL CONTROLS:**

The Company has adequate internal controls and checks in commensurate with its size and activities. The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

### **37. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

Your Company is committed to provide and promote a safe, healthy and congenial atmosphere irrespective of gender, caste, creed or social class of the employees. During the year under review, there was no case filed pursuant to the sexual harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

### **38. SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS:**

There are no significant/material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of your Company and its future operations.

### **39. ACKNOWLEDGEMENT:**

Your Directors wish to place on record their appreciation for the continued support received from stakeholders, employees at all levels, vendors, customers, bankers, consultants and all associates of the Company.

**By order of the Board of Directors  
For ISHAN DYES & CHEMICALS LIMITED**

12<sup>th</sup> August, 2016  
Ahmedabad

**Piyush N. Patel  
Chairman & Managing Director**



**Form No. MGT-9  
EXTRACT OF ANNUAL RETURN  
As on the financial year ended on 31<sup>st</sup> March, 2016**

*[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]*

**I. REGISTRATION AND OTHER DETAILS:**

i)	CIN:-	L24110GJ1993PLC020737
ii)	Registration Date	30/11/1993
iii)	Name of the Company	Ishan Dyes and Chemicals Limited
iv)	Category / Sub-Category of the Company	Company Limited by shares, Indian Non-Government Company
v)	Address of the Registered office and contact details	18, G.I.D.C Estate, Phase - 1, Vatva, Ahmedabad-382445, Gujarat, INDIA, Tel No: 079-25832144/25893607, Fax: 079-25833643 Email id: ishandyes@yahoo.com CIN: L24110GJ1993PLC020737
vi)	Whether listed company Yes / No	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	MCS Share Transfer Agent Limited 10, Aram Apartment, 12, Sampatrao Colony, B/h. Laxmi Hall, Alkapuri, Vadodara - 390007, Tel No:-0265-2314757/2350490, E-mail: mcsltbaroda@gmail.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr.	Name and description of Main Products / Services	NIC Code	% of total Turnover of the Company
1	Phthalocyanine Blue Products	32045751	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sr. No.	Name & address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares Held	Applicable section
NIL					



#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

##### (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	1847770	0	1847770	24.60	1847770	0	1847770	24.60	--
b) Central Govt	-	-	-	-	-	-	-	-	--
c) State Govt(s)	-	-	-	-	-	-	-	-	--
d) Bodies Corp.	-	-	-	-	-	-	-	-	--
e) Banks / FI	-	-	-	-	-	-	-	-	--
f) Any other	-	-	-	-	-	-	-	-	--
<b>Sub-total (A)(1):</b>	<b>1847770</b>	<b>0</b>	<b>1847770</b>	<b>24.60</b>	<b>1847770</b>	<b>0</b>	<b>1847770</b>	<b>24.60</b>	<b>--</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	--
b) Other - Individuals	-	-	-	-	-	-	-	-	--
c) Bodies Corp.	-	-	-	-	-	-	-	-	--
d) Banks/FI	-	-	-	-	-	-	-	-	--
e) Any other	-	-	-	-	-	-	-	-	--
<b>Sub-total (A)(2):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>--</b>
<b>Total Shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	<b>1847770</b>	<b>0</b>	<b>1847770</b>	<b>24.60</b>	<b>1847770</b>	<b>0</b>	<b>1847770</b>	<b>24.60</b>	<b>--</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	--
b) Banks / FI	-	-	-	-	-	-	-	-	--
c) Central Govt.(s)	-	-	-	-	-	-	-	-	--
d) State Govt.(s)	-	-	-	-	-	-	-	-	--
e) Venture Capital Funds	-	-	-	-	-	-	-	-	--
f) Insurance Companies	-	-	-	-	-	-	-	-	--
g) FIs	-	-	-	-	-	-	-	-	--



h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	5879	0	5879	0.08	21121	0	21121	0.28	0.20
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	297802	749010	1046812	13.94	354730	651410	1006140	13.39	(0.55)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2593224	615110	3208334	42.72	2572609	660310	3232919	43.04	0.32
c) Others (specify)									
Non Resident Indians(Non-Repat)	13500	1381510	1395010	18.58	13500	1371510	1385010	18.44	(0.14)
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
HUF	5995	0	5995	0.08	16840	-	16840	0.22	0.20
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Office Bearers	-	-	-	-	-	-	-	-	-
Directors / Relatives	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>2916400</b>	<b>2745630</b>	<b>5662030</b>	<b>75.40</b>	<b>2978800</b>	<b>2683230</b>	<b>5662030</b>	<b>75.40</b>	<b>-</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>2916400</b>	<b>2745630</b>	<b>5662030</b>	<b>75.40</b>	<b>2978800</b>	<b>2683230</b>	<b>5662030</b>	<b>75.40</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>4764170</b>	<b>2745630</b>	<b>7509800</b>	<b>100</b>	<b>4826270</b>	<b>2683530</b>	<b>7509800</b>	<b>100</b>	<b>0.00</b>



**(ii) Shareholding of Promoters**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% Change in Share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / Encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / Encumbered to total shares	
1	Shrinal P. Patel	639000	8.51	--	639000	8.51	--	--
2	Piyushbhai N Patel	690860	9.20	--	690860	9.20	--	--
3	Anilaben P. Patel	242500	3.23	--	242500	3.23	--	--
4	Marutbhai D. Patel	275410	3.67	--	275410	3.67	--	--
	<b>Total</b>	<b>1847770</b>	<b>24.60</b>	<b>--</b>	<b>1847770</b>	<b>24.60</b>	<b>--</b>	<b>--</b>

**(iii) Change in Promoters' Shareholding (please specify, if there is no change):**

*There is no change in Promoters Shareholding.*

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)**

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Increase/ Decrease (Nos.)	Increase/ Decrease (%)	Share holding at the end of the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company
1.	Shardaben J. Patel	1081000	14.39	-	-	1081000	14.39
2.	Harshadbhai B. Patel	220000	2.93	-	-	220000	2.93
3.	Rajeshkumar P Patel	319400	2.83	-	-	319400	4.25
4.	Bipinbhai R Patel	186010	2.48	-	-	186010	2.48
5.	Dipakbhai C Patel	176300	2.35	-	-	176300	2.35
6.	Amita Y Desai	134900	1.80	-	-	134900	1.80
7.	Rajendra Bhogilal Desai	128600	1.71	-	-	128600	1.71
8.	Bhanuben Natvarlal Patel	101200	1.35	-	-	101200	1.35
9.	Deepak J Patel	93100	1.24	-	-	93100	1.24
10.	Smita Girish Murum	100600	1.34	-	-	100600	1.34



**(V) Shareholding of Directors and Key Managerial Personnel**

Sr. No.	Directors/KMP Name	Shareholding at the beginning of the year		Increase/Decrease (Nos.)	Increase/Decrease (%)	Share holding at the end of the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company
1.	Piyushbhai Natvarlal Patel	690860	9.20	-	-	690860	9.20
2.	Anilaben Piyushbhai Patel	242500	3.23	-	-	242500	3.23
3.	Marutbhai Dineshchandra Patel	275410	3.67	-	-	275410	3.67
4.	Ronak Yatinkumar Desai	--	--	-	-	--	--
5.	Mayankkumar Hasmukhbhai Patel	22300	0.30	-	-	22300	0.30
6.	Shrinal Piyushbhai Patel	639000	8.51	-	-	639000	8.51
7.	Roopin Amrit Patel	--	--	-	-	--	--
8.	Yatinbhai Gordhanbhai Patel	73700	0.98	(67800)	(0.91)	5900	0.07
9.	Chintan Prakashbhai Pancholi	--	--	-	-	--	--

**(VI) INDEBTEDNESS:**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	Secured Loans excluding deposits	Unsecured Loans	Secured Loan Working Capital	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>					
i) Principal Amount	-	3,47,50,137	-	-	3,47,50,137
ii) Interest due but not paid	-	-	-	-	-
iii) Interest accrued but not due	-	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-	<b>3,47,50,137</b>
<b>Change in Indebtedness during the financial year</b>					
Addition	57,38,498	-	4,80,52,227	-	5,37,90,725
Reduction		1,35,59,181	-	-	1,35,59,181
<b>Net Change</b>	<b>57,38,498</b>	<b>(13,55,9181)</b>	<b>4,80,52,227</b>	<b>-</b>	<b>4,02,31,544</b>
<b>Indebtedness at the end of the financial year</b>					
i) Principal Amount	57,38,498	2,11,90,956	4,80,52,227	-	7,49,81,681
ii) Interest due but not paid	-	-	-	-	-
iii) Interest accrued but not due	-	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>57,38,498</b>	<b>2,11,90,956</b>	<b>4,80,52,227</b>	<b>-</b>	<b>7,49,81,681</b>



## (VII) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

### A. Remuneration of Managing Director, Whole-Time Director and/or Manager:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount	Name of MD/WTD/ Manager	Total Amount
		<b>PIYUSH PATEL</b> <i>Managing Director</i>		<b>SHRINAL PATEL</b> <i>Whole Time Director</i>	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		24,00,000/-		18,00,000/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		--		--
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		--		--
2.	Stock Option		--		--
3.	Sweat Equity		--		--
4.	Commission				
	- as % of profit		--		--
	- others, specify		--		--
5.	Others, please specify (Bonus)		1,98,000/-		1,32,000/-
	Total (A)		<b>25,98,000/-</b>		<b>19,32,000/-</b>
	Ceiling as per the Act		<i>As per the Companies Act, 2013</i>		

The above excludes reimbursement for expenses.

### B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Anilaben P. Patel	Marut D. Patel	Ronak Y. Desai	Mayankkumar H. Patel	Roopin A. Patel	Yatinbhai G. Patel	
1.	Independent Directors							
	Fee for attending board / committee meetings	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Commission	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	<b>Total (1)</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2.	Other Non-Executive Directors							
	Fee for attending board / committee meetings	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	• Commission	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	• Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	<b>Total (2)</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Total (B)=(1+2)	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Total Managerial Remuneration	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Overall Ceiling as per the Act	<i>As per the Companies Act, 2013</i>						



C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
		NIL	NIL	Chintan Pancholi	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	NIL	3,89,100	3,89,100
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	18,308	18,308
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	NIL	NIL	NIL	NIL
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission				
	- as % of profit	NIL	NIL	NIL	NIL
	- others, specify	NIL	NIL	NIL	NIL
5.	Others, (Bonus)	NIL	NIL	40,700	40,700
	<b>Total</b>	<b>NIL</b>	<b>NIL</b>	<b>4,48,108</b>	<b>4,48,108</b>

(VIII) PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of The Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment			NIL		
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment			NIL		
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment			NIL		
Compounding					





## “Annexure - [B]”

### Form MR-3 SECRETARIAL AUDIT REPORT

For the Financial Year ended on 31<sup>st</sup> March, 2016

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To,  
The Members,  
Ishan Dyes & Chemicals Limited

I have conducted the Secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Ishan Dyes & Chemicals Limited (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit together with necessary management representations, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2016 in general complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have in general examined the books, papers, minute books, forms and returns filed and other records, as applicable to the Company and to the extent required to be verified by me for the purpose of this certification and as maintained by the Company for the Financial Year ended on March 31, 2016 according to the provisions of:

- (a) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (b) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (c) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (d) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment; ***(Overseas Direct Investment and External Commercial Borrowings are not applicable to the Company during Audit Period)***
- (e) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 /The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ; ***(Not applicable to the Company during Audit Period)***
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/SEBI (Share Based Employee Benefits) Regulations, 2014; ***(Not applicable to the Company during Audit Period)***
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 ; ***(Not applicable to the Company during Audit Period)***
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;



- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; ***(Not applicable to the Company during Audit Period)*** and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 ; ***(Not applicable to the Company during Audit Period)***

I have also examined compliance with the applicable clauses/regulations of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreement entered into by the Company with BSE Limited.
- iii. The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 w.e.f 01<sup>st</sup> December, 2015.

During the period under review the Company has in general complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- a. *Non-appointment of Whole-Time Company Secretary in terms of Section 203 of the Companies Act, 2013.*

I further report that:

- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- (ii) Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (iii) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there was no specific event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

Place: Ahmedabad  
Date: 12<sup>th</sup> August, 2016

Sd/-  
Kunal Sharma  
ACS No. A34708  
C P No.: 12987

#### ***Disclaimer***

***The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company and the Secretarial Audit Report is provided on the basis of necessary management representation from the Company.***



**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

*(Section 134 of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014)*

**A. CONSERVATION OF ENERGY**

Several measures are undertaken to conserve and optimize the use of energy which will be continued.

**FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, POWER, FUEL AND WATER CONSUMPTION**

		<b>31/03/2016 Amount in Rupees</b>
<b>1.</b>	<b>Electricity</b>	
a)	Purchased unit in kwh	59,11,260
	Total Amount (Rs.)	5,02,75,239
	Rate/Unit (Rs.)	8.50
b)	Own generation	
	Through Diesel Generator Units in kwh	104
	Unit per liter of diesel oil (kwh)	0.33
	Liter of Diesel	34.48
	Total amount (Rs.)	2,000
	Cost/Units (Rs.)	20
<b>2.</b>	<b>Coal</b>	
	Quantity (Kg)	37,55,240
	Total Amount (Rs.)	1,98,98,223
	Average Rate (Rs./MT)	5.30
<b>3.</b>	<b>Water</b>	
	Quantity (M3)	--
	Total Cost (Rs.)	1,55,063.00
	Average Rate (Rs./M3)	--

**B. TECHNOLOGY ABSORPTION**

- (i) The Company has carried out process improvement, energy conservation, yield improvements, reduction in the effluents, and product quality up-gradation efforts as a part of technology absorption, adaptation and innovation. It has also carried out in-house R&D activities in the said areas.
- (ii) Above efforts have resulted in reduction in production cost due to process improvement and overall increase in operational efficiencies to optimize plant capacities and reduce cost.
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)  
Not Applicable
- (iv) The expenditure incurred on Research and Development  
  
No Specific expenditure has been incurred on R & D.



### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The total exports during the period were Rs. 25.40 Crores (Previous Year Rs. 23.55 Crores). The Company is focusing and putting all its efforts to tap new export markets and widen its clientele base. Also Company supplies under deemed exports.

#### *Total Foreign Exchange used and earned as on 31<sup>st</sup> March, 2016*

		<b>Amount in Rupees</b>
(i)	Used :	
	a) Imports of Raw Materials (CIF)	93,95,024
	b) Travelling expenses	10,57,585
(ii)	Earned :	
	Exports (F.O.B.)	25,40,04,601



*Attention is invited that the Regulation 15(2) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, in relation with the compliances to the Corporate Governance requirements are not mandatory for the Company. However as a part of good governance and disclosures to the investors, the Company has voluntarily provided the disclosures to the best practical extent.*

## **1. COMPANY'S PHILOSOPHY:**

The Company emphasizes the need for full transparency and accountability in all its transactions, in order to enhance and protect the interests of its stakeholders at all levels. The Board considers itself as a Trustee of its Shareholders and acknowledges its responsibilities towards them for creation and safeguarding their wealth.

Your Company believes that good governance contributes to enhance corporate growth, its image and benefits for stakeholders. Accordingly even though the requirements to comply with Corporate Governance is not applicable and mandatory for the Company, the Board adopted to establish and implemented the system for the same to the best practical extent with a view to provide transparent information to the shareholders. We consistently review on a periodical basis all systems, policies and delegations so as to establish adequate and sound systems of risk management and internal controls.

## **2. BOARD OF DIRECTORS:**

The Board of Directors is entrusted with the ultimate responsibility for the supervision, control and management of the Company and has been vested with requisite powers, authorities and duties.

The Management Committee looks after the management of the day-to-day affairs of the Company and is headed by the Managing Director and Whole-Time Director of the Company.

### ***A. Composition & Category, Attendance Records, Inter-se relationship between Directors and Details of Directorships held in other Companies and Committees:***

As on March 31, 2016 the Board comprised of Eight (8) Directors out of which Two (2) are Executive Director, Two (2) are Non-Executive and Non-Independent Directors and other Four (4) are Independent Directors. The composition of the Board is in conformity with the Companies Act, 2013 and the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details for the Board of Directors are as under:



Name of the Director(s)	Category	No of Board Meetings Attended		Attendance at the last AGM held on 29 <sup>th</sup> Sept., 2015	No of outside Directorships including Private Limited Companies	No of outside Committees position held*		Disclosure on relationship between Directors Inter-se
		Held	Attended			Member	Chairman	
<b>Piyushbhai N. Patel (Promoter)</b>	Executive - Managing Director	13	12	No	2	NIL	NIL	Husband of Anilaben Patel and Father of Shrinal P. Patel
<b>Shrinal P. Patel (Promoter)</b>	Executive - Whole Time Director	13	13	Yes	1	NIL	NIL	Son of Piyush N. Patel and Anilaben P. Patel
<b>Anilaben P. Patel (Promoter)</b>	Non-Executive & Non-Independent	13	12	No	NIL	NIL	NIL	Wife of Piyush N. Patel and Mother of Shrinal P. Patel
<b>Marutbhai D. Patel (Promoter)</b>	Non-Executive & Non-Independent	13	4	No	1	NIL	NIL	NIL
<b>Ronak Y. Desai</b>	Independent Director	13	5	Yes	NIL	NIL	NIL	NIL
<b>Mayankkumar H. Patel</b>	Independent Director	13	10	Yes	NIL	NIL	NIL	NIL
<b>Roopin A. Patel</b>	Independent Director	13	13	Yes	NIL	NIL	NIL	NIL
<b>Yatinbhai G. Patel</b>	Independent Director	13	6	Yes	NIL	NIL	NIL	NIL

\*Only Audit Committee and Stakeholders Relationship Committee in other Public Companies have been considered for the Committees position.

*None of Directors of the Company is either member in more than Ten (10) committees and/or Chairman of more than Five (5) committees in other companies in which he is Director.*

All the Directors bring rich and varied experience and also provide valuable contribution by participating in the meetings of the Board and its committees. The detail profile of Directors is provided in Annexure-1 to this report

#### **B. Independent Directors:**

Pursuant to Section 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules issued thereunder and Clause 49 of the Listing Agreement replaced by the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, at the Annual General Meeting held on 23<sup>rd</sup> September, 2014, your Company has appointed Shri Mayankkumar H. Patel, Shri Yatin G. Patel and Shri Roopin A. Patel as Independent



Directors of the Company for the period of five (5) consecutive years upto the conclusion of 26<sup>th</sup> Annual General Meeting to be held in calendar year 2019. Further, on the Annual General Meeting held on 29<sup>th</sup> September, 2015, Shri Ronak Y. Desai has been appointed as an Independent Director for the period of five (5) consecutive years upto the conclusion of 27<sup>th</sup> Annual General Meeting to be held in calendar year 2020.

In terms of Section 149(7) of the Companies Act, 2013, the Independent Directors have submitted declarations that they meet the criteria of Independence as per Section 149(6) of the Companies Act, 2013 and the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, the Independent Directors have confirmed that they do not hold directorship in more than seven listed companies.

Your Company had also issued formal appointment letters to all the Independent Directors in the manner provided under the Companies Act, 2013 and the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **C. Board Meetings:**

During the year 2015-2016, there were in total Thirteen (13) Board Meetings held on 9th April 2015, 9th May 2015, 22nd May 2015, 25th June 2015, 10th August 2015, 5th October 2015, 16th October 2015, 9th November 2015, 24th November 2015, 27th January 2016 and 12th February 2016. The maximum time gap between the two meetings did not exceed (120) one hundred and twenty days. All the information required to be furnished to the Board was made available along with detailed Agenda.

### **D. Board Procedure**

Board meets at least once in every quarter to review quarterly performance, business operations, general affairs of the Company and financial results. The agenda along with notice of each meeting in writing is circulated in advance to the Board Members. The Board is also free to recommend the inclusion of any method for discussion and consideration in consultation with the Chairman. The information as specified in Schedule II of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is regularly made available to the Board. The minutes of the meeting of the Board and its Committees are captured in accordance with the provisions of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014 and Secretarial Standards in respect of the Board Meeting and also circulated in advance to all Directors and Members of the Committee and confirmed at subsequent meeting.

### **E. Familiarization Programme**

Your Company has adopted orientation program for all its Directors including the Independent Directors. The Company through such programme provide introduction of Corporate affairs of the Company to the Directors, Directors roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model, operations of the Company, etc. They are also informed of the important policies of the Company including the Code of Conduct for Board Members and Senior Management Personnel and the Code of Conduct to Regulate, Monitor and Report Trading by Insiders, etc.

### **F. Independent Directors' Meeting**

In accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and Regulation 25 of the Securities Exchange Board of India (Listing Obligations and



Disclosure Requirements) Regulations, 2015, a meeting of the Independent Directors of the Company was held on 12<sup>th</sup> February, 2016, without the attendance of Non-Independent Directors and members of the management. In said meeting, Independent Directors inter alia discussed:

- the performance of non-Independent Directors and the Board as a whole;
- the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non- Executive Directors; and
- The quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.
- the performance of various committees of the Board

### **G. Evaluation of Board Effectiveness**

In terms of provisions of the Companies Act, 2013 read with Rules issued thereunder and the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors, on recommendation of the Nomination and Remuneration Committee, have evaluated the effectiveness of the Board.

Accordingly, the performance evaluation of the Board and each Director was carried out for the financial year ended 31st March, 2016. The evaluation of the Directors was based on various aspects which, inter alia, included the level of participation in the Board Meetings, understanding of their roles and responsibilities, business of the Company, suggestions and experience contributed to the Board.

The results of the Evaluation were shared with the Board, Chairman of respective Committees and individual Directors.

### **3. CODE OF CONDUCT:**

Your Company has adopted a Code of Conduct for all the employees including Board Members and Senior Management Personnel of the Company in accordance with the requirements under the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Code of Conduct has been posted on the website of the Company. All the Board Members and the Senior Management Personnel have affirmed their compliance with the said Code of Conduct for the financial year ended 31st March, 2016.

A declaration regarding compliance of Code by the Board is separately annexed to the Annual Report.

### **4. COMMITTEES OF THE BOARD**

As on 31<sup>st</sup> March, 2016, your Company has total 4 (Four) Committees of the Board, viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility committee. The terms of reference of each Committee were approved by the Board and are in line with the requirements of Companies Act, 2013 and the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **A. Audit Committee:**

##### ***Constitution of the Committee***

As on March 31, 2016 composition of members of Audit Committee and their details are mentioned below:





Shri Roopin A. Patel	Chairman	Independent Director
Shri Mayank H. Patel	Member	Independent Director
Shri Ronak Y. Desai	Member	Independent Director
Shri Yatin G. Patel	Member	Independent Director

The composition and terms of reference of the Audit Committee are in conformity with the Section 177 of the Companies Act, 2013 together with Regulation 18 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. All the minutes of the Audit Committee are placed before the Board for its information. All the members of the Audit Committee are financially literate and have requisite experience in financial management.

### ***Terms of reference***

The terms of reference of the Audit Committee are as under:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending to the Board for appointment, re-appointment and if required, the replacement or removal of the Statutory Auditor and the fixation of the fees;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
  - Changes, if any, in accounting policies and practices and reasons for the same
  - Major accounting entries involving estimates based on the exercise of judgment by management.
  - Significant adjustments made in the financial statements arising out of audit findings
  - Compliance with listing and other legal requirements relating to financial statements
  - Disclosure of any related party transactions
  - Qualifications in the draft audit report
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing with the management performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussions with internal auditors any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussions with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- The Audit Committee shall mandatorily review the following information.
  - a. Management discussion and analysis of financial condition and results of operations;
  - b. Statement of significant related party transactions (as defined by the audit committee), submitted by Management ;
  - c. Management letters/letters of internal control weaknesses issued by the statutory auditors ;



- d. Internal audit reports relating to internal control weakness ; and
  - e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
- To review the functioning of the Whistle Blower mechanism;
  - Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
  - To look into any other matter which may be referred to it by the Board.
  - In addition to the above, the Committee shall have such functions / role / powers as may be specified in the Companies Act, Listing Agreement with Stock Exchanges or any other applicable law.

### **Meetings held and attendance**

During the Financial year 2015-16, four meetings were held on 9<sup>th</sup> May, 2015, 10<sup>th</sup> August, 2015, 9<sup>th</sup> November, 2015 and 12<sup>th</sup> February, 2016. The attendance record of the members is as follows:

Name of the Member	No of Meetings	
	Held/Entitled	Attended
Shri Roopin A. Patel	4	4
Shri Ronak Y. Desai	4	3
Shri Mayank H. Patel	4	3
Shri Yatin G. Patel	1	1

Mr. Roopin A. Patel, Chairman of the Audit Committee, was present at the last Annual General Meeting held on 29<sup>th</sup> September, 2015.

### **B. Nomination and Remuneration Committee**

In compliance with Section 178 of the Companies Act, 2013 read with Companies (Meetings of the Board and its Powers) Rules, 2014 and Regulation 19 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, "Nomination and Remuneration Committee" of the Board of Directors of the Company was formed after merging and re-constituting the erstwhile Remuneration Committee.

#### **Composition of the Committee**

As on 31<sup>st</sup> March, 2016 the Remuneration Committee consists of the following Directors:

Shri Roopin A. Patel	Chairman	Independent Director
Shri Mayank H. Patel	Member	Independent Director
Shri Ronak Y. Desai	Member	Independent Director
Shri Yatin G. Patel	Member	Independent Director

The Composition of this committee is also in compliance with the requirements of Section 178 of the Companies, Act 2013, and the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compensation grades of the senior managerial personnel are governed by the HR policies of the Company. Managerial remuneration is regulated in terms of Section 197,198, Schedule V and other applicable provisions of the Companies Act, 2013.



## ***Terms of reference***

The terms of reference of the Nomination and Remuneration Committee are as under:

- The Committee shall have meetings periodically as it may deem fit.
- The Committee shall invite such of the executives to be present at the meetings of the Committee required by it.
- The Committee shall have the following powers and functions :
  - a. Identify persons who are qualified to become directors and persons who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
  - b. Carry on the evaluation of every Director's performance;
  - c. Formulate criteria for determining qualifications, positive attributes and independence of a Director;
  - d. Recommend to the Board a policy, relating to the remuneration of the directors, Key Managerial Personnel and other employees;
  - e. Formulate criteria for evaluation of Independent Directors and the Board; and
  - f. Devise a policy on Board Diversity;
- To administer and supervise Employee Stock Option Schemes (ESOS) including framing of policies related to ESOS and reviewing grant of ESOS.
- To Review HR Policies and initiatives.

In accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has formulated the Nomination and Remuneration Policy of the Company.

### **Nomination and Remuneration Policy of the Company:**

In accordance with the Nomination and Remuneration Policy, the Nomination and Remuneration Committee has, inter alia, the following responsibilities:

- Formulate the criteria for appointment as a Director:

The Committee shall formulate broad guidelines and parameters required to be fulfilled for becoming a Director of the Company and review the same ongoing basis. The broad parameters are qualifications, skills, expertise, inter personal qualities, positive attributes, experience, social standing, and etc factors.

- Identify persons who are qualified to be Directors:

The Committee shall identify persons who are qualified to become Directors and who satisfy the criteria laid down. The process of identification shall include ascertaining, meeting, screening and reviewing candidates for appointment as Directors, whether Independent, Non-Executive or Executive.

- Nominate candidates for Directorships subject to the approval of Board:

The Committee recommends to the Board the appointment of potential candidates as Non- Executive Director or Independent Director or Executive Director, as the case may be.

- Approve the candidates required for senior management positions:



The Committee shall lay down criteria qualifications, skills, expertise and qualities required for senior management positions like Managing Director & CEO, CFO and Company Secretary and members of the Management Committee of the Company.

- Evaluate the performance of the Board:

The Committee shall determine a process for evaluating the performance of every Director, Committees of the Board and the Board. The Committee may seek the support and guidance of external experts and agencies for this purpose as may be required.

- Evaluate the performance of the Managing Director or Whole-time Director and determine their compensation:

The Committee shall evaluate the performance of the Managing Director or Whole-time Director by setting their Key Performance Objectives at the beginning of each financial year. The Committee shall also approve their compensation package(s) in accordance with applicable laws, in line with the Company's objectives, shareholders' interests, comparable with industry standards and in commensurate with the role and responsibilities.

- Review performance and compensation of senior management:

The Committee shall review the performance of the senior management of the Company. The Committee shall ensure that the remuneration to the Key Managerial Persons and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company, roles and responsibilities, functional areas, industry standards etc factors.

#### ***Details of Remuneration paid to all the Directors***

The details of remuneration paid to the Directors of the Company during the financial year 2015-16 are as under:

Directors	Remuneration paid/payable during 2015-16(in Rs)				Shares held by Non- Executive Directors
	Sitting Fees	Salary & Perks	Commission	Total	
Shri Piyushbhai N. Patel	NIL	25,98,000	NIL	25,98,000	N.A.
Shri Shrinal P. Patel	NIL	19,32,000	NIL	19,32,000	N.A.
Smt. Anilaben P. Patel	NIL	NIL	NIL	NIL	2,42,500
Shri Roopin A. Patel	NIL	NIL	NIL	NIL	NIL
Shri Yatinbhai G. Patel	NIL	NIL	NIL	NIL	5,900
Shri Ronak Y. Desai	NIL	NIL	NIL	NIL	NIL
Shri Mayankkumar H. Patel	NIL	NIL	NIL	NIL	22,300
Shri Marutbhai D. Patel	NIL	NIL	NIL	NIL	2,75,410
<b>Total:</b>	<b>NIL</b>	<b>45,30,000</b>	<b>NIL</b>	<b>45,30,000</b>	

\* The Company has no practice of paying any sitting fees to Independent Directors. Also executive directors are not eligible for sitting fees and remuneration paid to them is in terms of managerial contract approved by the board of directors and shareholders. Shri Piyushbhai N. Patel and Shri Shrinal P. Patel are eligible for commission linked with profit of the Company in terms of the



managerial contract, however, keeping in view to conserve resources both of them have voluntarily forgone same for the financial year 2015-16.

Stock Option Scheme: The Company does not have any stock option scheme for any of its director or employees

**Number of Meetings held and attendance records:**

The meetings of Remuneration Committee were held from time to time to conduct the business in relation with references as mentioned above from time to time as and when required.

During the Financial Year 2015-16, the meeting was held on 29<sup>th</sup> September, 2015 and 27<sup>th</sup> January, 2016. The attendance records of the Members are as follows:

Name of the Member	No of Meetings	
	Held/Entitled	Attended
Shri Roopin A. Patel	2	2
Shri Ronak Y. Desai	2	1
Shri Mayank H. Patel	2	2
Shri Yatinbhai G. Patel	2	1

**C. Stakeholders Relationship Committee:**

The composition of the Stakeholder Relationship Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Composition of the Committee**

The Committee comprise of 3 (Three) Directors. The Chairman of the Committee is a Non-Executive Director.

As on March 31, 2016 composition of members of the Committee and their details are mentioned below:

Shri Roopin A. Patel	Chairman	Independent Director
Smt. Anilaben P. Patel	Member	Non-Executive Director
Shri Piyushbhai N. Patel	Member	Executive Director

**Terms of Reference**

The terms of reference of the Committee are as under:

- To specifically look into the Redressal of Investors' Grievances pertaining to:
  - a. Transfer and Transmission of Shares and Debentures.
  - b. Dividends, Interests and Redemption Proceeds of Debentures.
  - c. Dematerialization of Shares and Debentures.
  - d. Replacement of Lost, Stolen, Mutilated Share and Debenture Certificates.
  - e. Non-receipt of Rights, Bonus, Split Share Certificates.
- To look into other related issues towards strengthening Investors' Relations.
- To consider and approve issuance of Share/Debenture Certificates including Duplicate Share/ Debenture Certificates.
- To look into the reasons for any defaults in the payment to the Depositors, Debenture Holders, Shareholders (in case of nonpayment of Declared Dividends) and Creditors.



- To review the reports submitted by the Registrars and Share Transfer Agents of the Company at half-yearly basis.

**Number of Meetings held and attendance records:**

The meetings of Stakeholders Relationship Committee were held from time to time to conduct the business in relation with references as mentioned above from time to time as and when required.

During the Financial Year 2015-16, the meeting was held on 29<sup>th</sup> September, 2015 and 12<sup>th</sup> February, 2016. The attendance records of the Members are as follows:

Name of the Member	No of Meetings	
	Held	Attended
Shri Roopin A. Patel	2	2
Smt. Anilaben P. Patel	2	1
Shri Piyushbhai N. Patel	2	1

**Investors' Grievances Redressal:**

There were no pending complaints/transfers as on 31<sup>st</sup> March, 2016 and also there were no complaints which were not resolved to the satisfaction of Shareholders. The summary of status of complaints/request received, disposed and pending as on March 31, 2016 is as under:

No. of complaints/request received	No. of complaints/request not solved to the satisfaction of shareholders/investors	No. of pending complaints/request
NIL	NIL	NIL

The minutes of Shareholders Relationship Committee are placed before the Board for its information.

All Share transfer and correspondence thereon are handled by the Company's Registrars and Share Transfer Agents viz. MCS Share Transfer Agent Limited, 10, Aram Apartment, 12, Sampatrao Colony, B/h. Laxmi Hall, Alkapuri, Vadodara - 390007, Tel No:-0265-2314757/2350490, E-mail: mcsLtdbaroda@gmail.com

**Compliance officer:**

Shri Shrinal P. Patel has been appointed as the Compliance Officer, as required by the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. He has been entrusted with the task of overseeing the Share Transfer work done by the Registrars and Share Transfer Agents and attending to grievances of the Shareholders and Investors intimated to the Company directly or through SEBI or Stock Exchanges. All complaints/grievances intimated during the year, have been resolved within the stipulated time frame.

There are no pending legal matters, in which the Company has been made a party, before any other Court(s)/ Consumer Forum(s) etc., on Investors grievances

**D. Corporate Social Responsibility (CSR) Committee:**

The composition of the CSR Committee is in line with provisions of Section 135 of the Companies Act, 2013.

As on March 31, 2015 composition of members of the Committee and their details are mentioned below:



Shri Piyushbhai N. Patel	Chairman	Executive Director
Shri Roopin A. Patel	Member	Independent Director
Shri Mayankkumar H. Patel	Member	Independent Director

**Number of Meetings held and attendance records:**

During the Financial Year 2015-16, the meeting was held on 29<sup>th</sup> September, 2016. The attendance records of the Members are as follows:

Name of the Member	No of Meetings	
	Held	Attended
Shri Piyushbhai N. Patel	1	0
Shri Roopin A. Patel	1	1
Shri Mayank H. Patel	1	1

The CSR Committee is empowered pursuant to its terms of reference, inter alia, to:

1. Recommend the amount of expenditure to be incurred on the CSR activities;
2. Monitor implementation and adherence to the CSR Policy of the Company from time to time;
3. Prepare a transparent monitoring mechanism for ensuring implementation of the projects/programmes/activities proposed to be undertaken by the Company; and
4. Such other activities as the Board of Directors may determine from time to time.

The Board of Directors of the Company approved the CSR Policy of the Company on the recommendations of the CSR Committee.

**E. GENERAL BODY MEETINGS:**

*Details of Annual General Meetings held during last 3 years and details of Special Resolutions passed thereat are given below:*

Annual General Meeting	Date and Time	Venue	Details of Special resolutions passed
22 <sup>nd</sup> Annual General Meeting (2014-15)	29 <sup>th</sup> September, 2015 at 03.00 p.m.	18, G.I.D.C. Estate, Phase - I, Vatva, Ahmedabad - 382 445.	NIL
21 <sup>st</sup> Annual General Meeting (2013-14)	23 <sup>rd</sup> September, 2014 at 03.00 p.m.	18, G.I.D.C. Estate, Phase - I, Vatva, Ahmedabad - 382 445.	NIL
20 <sup>th</sup> Annual General Meeting (2012-13)	27 <sup>th</sup> September, 2013 at 11.30 am	1 <sup>st</sup> Floor, Dinsha Chambers, Borsad- 388540	Re-appointment of Mr. Piyushbhai N. Patel as Managing Director from 1 <sup>st</sup> June, 2013 and re-appointment of Mr. Shrinall P. Patel as Whole Time Director from 1 <sup>st</sup> February, 2013.

**Postal Ballot**

No resolution was passed through Postal Ballot during the Financial Year 2015-16. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing of resolution through Postal Ballot.



## **F. MEANS OF COMMUNICATION:**

Half yearly/Quarterly Results are not been sent to shareholders; instead shareholders are intimated these through press.

The Quarterly, Half-yearly and Annual Results of the Company's financial performance are published in the newspapers. These, before release to the press, are informed to the Bombay Stock Exchange.

## **G. WEBSITE AND NEWS RELEASES:**

A separate dedicated section under 'Investors' on the Company's website gives information on various announcements made by the Company from time to time particularly about the financial results of the Company.

## **H. GENERAL SHAREHOLDERS INFORMATION:**

### ***Annual General Meeting: Date, time and venue:***

23<sup>rd</sup> Annual General Meeting on 28<sup>th</sup> September, 2016 at 18, G.I.D.C., Phase I, Vatva, Ahmedabad 382445

### ***Financial Calendar (Tentative):***

Quarter ended 30 June, 2016	1 <sup>st</sup> week of August, 2016
Quarter ended 30 September, 2016	1 <sup>st</sup> week of November, 2016
Quarter ended 31 December, 2016	1 <sup>st</sup> week of February, 2017
Year ended 31 March, 2017	Mid of May, 2017
Annual General Meeting for the year ending March 31, 2017	August/ September 2017

### ***Date of Book Closure:***

22<sup>nd</sup> September 2016 to 28<sup>th</sup> September 2016 (both days inclusive)

### ***Dividend Payment date:***

Within 30 days from the date of approval and declaration of dividend at the Annual General Meeting.

### ***Corporate Identification Number (CIN):***

The CIN of the Company allotted by Ministry of Corporate Affairs, Government of India is L24110GJ1993PLC020737

### ***Listing on Stock Exchange(s):***

The Equity Shares of the Company are listed on the BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001. Phones: 91-22-22721233/4, 91-22-66545695, Fax: 91-22-22721919. The Company confirms that the annual listing fees to the stock exchange for the financial year 2016-17 have been paid.

### ***Stock Code (Equity Shares):***

Bombay Stock Exchange Limited (BSE) - Security Code No. 531109, Security ID: ISHANCH





### Stock Market Data:

The monthly high and low prices and volumes of shares of the Company at BSE Limited (BSE) for the year ended 31st March, 2016 are as under:

Month/ Year	No. of Shares Traded	Bombay Stock Exchange Limited(BSE)	
		High (Rs)	Low (Rs)
Apr-2014	3,815	16.5	13.25
May-2014	33,921	15.99	10.22
Jun-2014	1,628	13.54	11.73
Jul-2014	9,750	17.99	11.26
Aug-2014	54,173	23	18.73
Sep-2014	4,764	23.9	19
Oct-2014	10,774	26.25	20.25
Nov-2014	30,825	22.35	17
Dec-2014	20,836	23.45	17.55
Jan-2015	20,919	27.75	20
Feb-2015	18,861	24.8	18.15
Mar-2015	33,132	29.25	23.6

### Performance of Share price in comparison to broad based indices – BSE Sensex

Month/ Year	Share Price of the Company (Rs)			BSE Sensex (Rs)		
	High	Low	Closing Price	High	Low	Closing Price
Apr-2014	16.5	13.25	13.25	29094.61	26897.54	27011.31
May-2014	15.99	10.22	14.25	28071.16	26423.99	27828.44
Jun-2014	13.54	11.73	11.73	27968.75	26307.07	27780.83
Jul-2014	17.99	11.26	17.99	28578.33	27416.39	28114.56
Aug-2014	23	18.73	19	28417.59	25298.42	26283.09
Sep-2014	23.9	19	20.2	26471.82	24833.54	26154.83
Oct-2014	26.25	20.25	23.5	27618.14	26168.71	26656.83
Nov-2014	22.35	17	18.1	26824.3	25451.42	26145.67
Dec-2014	23.45	17.55	23.45	26256.42	24867.73	26117.54
Jan-2015	27.75	20	23	26197.27	23839.76	24870.69
Feb-2015	24.8	18.15	22.5	25002.32	22494.61	23002
Mar-2015	29.25	23.6	29.25	25479.62	23133.18	25341.86

### Registrars and Share Transfer Agents:

M/s MCS Share Transfer Agent Limited is the Registrar and Share Transfer Agents of the Company. The Contact details are as follows:

MCS Share Transfer Agent Limited

10, Aram Apartment, 12, Sampatrao Colony, B/h. Laxmi Hall, Alkapuri, Vadodara – 390007, Tel No:- 0265-2314757/2350490, E-mail: mcsldbaroda@gmail.com



### **Share Transfer System:**

The share transfer activities in respect of the shares in physical mode are carried out by the Company's Registrar and Transfer Agent (RTA). The shares lodged for transfer are processed and share certificates duly endorsed are returned within the stipulated time, subject to documents being valid and complete in all respects.

The Board of Directors of the Company have delegated the authority to approve the transfer of shares, transmission of shares or requests for deletion of name of the shareholder, etc., as mentioned in the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the designated officials of the Company. The transactions in respect of issue of duplicate share certificates, split, rematerialisation, consolidation and renewal of share certificates are approved by the Shareholder's Committee of the Board of Directors of the Company.

A summary of all the transfers, transmissions, deletion requests, etc., so approved by the Shareholders Committee are placed before the Board of Directors from time to time for their review.

The Company obtains from a Company Secretary in Practice, half yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement, now Regulation 40(9) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with Stock Exchanges and files a copy of the certificate with the Stock Exchanges.

Company's shares are compulsorily traded in the demat segment on the Stock Exchange, and most of the transfer of shares take place in the electronic form.

### **Shareholding Pattern:**

Shareholding Pattern as on 31<sup>st</sup> March 2016.

Sr. No.	Category	No. of Shares	% of shareholding
<b>A</b>	<b>Promoters Shareholding</b>	18,47,770	24.60%
	<b>Total (A)</b>	<b>18,47,770</b>	<b>24.60%</b>
<b>B</b>	<b>Public Shareholding</b>		
	<i>Non Institutions</i>		
1	Body Corporate	20,791	0.279%
2	Individual Shareholders Holding Nominal Share Capital Upto Rs. 2 lakh	11,45,623	15.26%
3	Individual Shareholders Holding Nominal Share Capital in excess of Rs. 2 lakh	31,10,606	41.42%
4	Non Resident Individuals	13,85,010	18.44%
5	HUF	--	--
	<b>Total(B)</b>	<b>56,62,030</b>	<b>75.40%</b>
	<b>Grand Total (A+ B)</b>	<b>75,09,800</b>	<b>100.00%</b>



### ***Distribution of Share:***

Distribution of shareholding as on 31<sup>st</sup> March, 2016

Category	No. of Shareholders	% to Total No. of Shareholders	No. of Shares	% to Total Shares
1-500	1225	66.5038	324379	4.3194
501-1000	209	11.3464	174916	2.3292
1001-2000	97	5.2660	152061	2.0248
2001-3000	51	2.7687	129731	1.7275
3001-4000	20	1.0858	70882	.9439
4001-5000	137	7.4376	671583	8.9428
5001-10000	50	2.7144	404859	5.3911
10001-50000	35	1.9001	686869	9.1463
50001-100000	2	.1086	164900	2.1958
100000 & above	16	.8686	4729620	62.9793
<b>Total</b>	<b>1842</b>	<b>100.00</b>	<b>75,09,800</b>	<b>100.00</b>

### ***Dematerialization of Shares:***

The shares of the Company are available for dematerialization (holding of shares in electronic form) on both the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

The shares of your Company are to be compulsorily traded in the dematerialized form. As on 31<sup>st</sup> March, 2016 total 48,26,270 Equity Shares comprising of 64.27% of Paid-up Capital of the Company, have been dematerialized by the Investors and bulk of transfers take place in the demat segment.

The Company has not issued any GDR's/ADR's/Warrants or any convertible instruments. Also the Company has not raised any deposits from the public during the financial year 2015-16.

### ***Plant Location:***

The Company's plant is located at 18, G.I.D.C Estate, Phase-1, Vatva, Ahmedabad – 382445, Gujarat, India

### ***Investors Correspondence:***

Registered Office	Secretarial Department	Registrar & Share Transfer Agents
Ishan Dyes and Chemicals Ltd 18, G.I.D.C Estate, Phase – 1, Vatva, Ahmedabad – 382445, Gujarat, INDIA Tel No: 079-25832144/25893607 Fax: 079-25833643 Email id: ishandyes@yahoo.com	The Compliance Officer Ishan Dyes and Chemicals Ltd 18, G.I.D.C Estate, Phase – 1, Vatva, Ahmedabad – 382445, Gujarat, INDIA Tel No: 079- 25832144/25893607 Fax: 079-25833643 Email id: ishandyes@yahoo.com	MCS Share Transfer Agent Limited 10, Aram Apartment, 12, Sampatrao Colony, B/h. Laxmi Hall, Alkapuri, Vadodara – 390007, Tel No:-0265- 2314757/2350490, E-mail: mcsltbaroda@gmail.com



## **I. SUBSIDIARY COMPANIES**

Your Company doesn't have any Subsidiaries.

## **J. RELATED PARTY TRANSACTIONS**

During the financial year 2015-16, the Company has entered into Related Party Transactions ("RPTs") in its ordinary course of business and on arms' length basis; and in accordance with the provisions of the Companies Act, 2013 and the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The transactions with Related Parties are referred to the Audit Committee/Board for its approval at the scheduled quarterly meetings or as may be called upon from time to time along with all relevant and stipulated information of such transaction(s).

The details of the RPTs are set out in the Notes to Financial Statements forming part of this Annual Report.

## **K. DISCLOSURES:**

- The Board has received disclosures from Directors and/or key managerial personnel relating to material, financial and commercial transactions where they and/or their relatives have personal interest. There are no materially significant related party transactions which have potential conflict with the interest of the Company at large. Transactions with related parties, if any, are disclosed in "Notes on Accounts" annexed to Financial Statements of the year. All related parties transactions are entered after approval from the board in accordance with the requirements of the Companies Act, 2013 and interested directors did not participated in the discussions or proceedings of the agenda of such transaction and the remaining board of directors has approved the transaction unanimously.
- The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or other statutory authorities relating to the above.
- Through the Whistle Blower Policy, the Company takes cognizance of complaints made and suggestions given by the employees and others. Even anonymous complaints are looked into and whenever necessary, suitable corrective steps are taken. No employee of the Company has been denied access to the Audit Committee of the Board of Directors of the Company. The Company has periodic review and reporting to the Board of Directors of risk assessment by senior executives with a view to minimize risk.
- The Compliance Officer is responsible for compliances in respect of Company Law, SEBI, Stock Exchange rules and regulations and other related laws and legal issues in general.
- As a matter of transparency and good governance, key operational and financial data is furnished to the Directors in every meeting of the Board. Management Discussions and Analysis report forming part of the Annual Report is enclosed.
- The Company complies with all the mandatory requirements and non-mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with regard to Corporate Governance.
- The Company does not have any material subsidiaries.



- Disclosure of commodity price risks and commodity hedging activities is not applicable to the Company.
- Compliances with corporate governance requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements), 2015 are not mandatory to the Company. However as a part of good governance and disclosures to the investors, the Company is voluntarily complying with the regulations to the best practical extent.

#### **L. RECONCILIATION OF SHARE CAPITAL**

On a quarterly basis, a qualified practicing Chartered Accountant / Company Secretary carried out a Share Capital audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

#### **M. GREEN INITIATIVE:**

As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' taken by the Ministry of Corporate Affairs, Government of India (MCA), by its recent Circulars, enabling electronic delivery of documents including the Annual Report, Quarterly, Half Yearly results etc. to shareholders at their e-mail address previously registered with the Depository Participants (DPs)/Company/Registrars & Share Transfer Agents. Shareholders who have not registered their e-mail addresses so far are requested to register their e-mail addresses. Those holding shares in demat form can register their e-mail address with their concerned DPs. Shareholders who hold shares in physical form are requested to register their e-mail addresses with R&T agent, by sending a letter, duly signed by the first/sole holder quoting details of Folio No.

#### **N. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING**

Your Company's Code of Conduct for Prevention of Insider Trading covers all the Directors, senior management personnel, persons forming part of promoter(s)/promoter group(s) and such other designated employees of the Company, who are expected to have access to unpublished price sensitive information relating to the Company. The Directors, their relatives, senior management personnel, persons forming part of promoter(s)/promoter group(s), designated employees etc. are restricted in purchasing, selling and dealing in the shares of the Company while in possession of unpublished price sensitive information about the Company as well as during certain periods known as "Trading Window Closure Period".

The Board of Directors at its meeting held on 22<sup>nd</sup> May 2015 approved and adopted the Code of Conduct to Regulate, Monitor and Report Trading by Insiders' in line with SEBI (Prohibition of Insider Trading) Regulation, 2015.

#### **O. CEO/CFO CERTIFICATION:**

The Company is duly placing a certificate to the Board from the Chairman & Managing Director in accordance with the provisions of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The aforesaid certificate duly signed by the Chairman & Managing Director has been placed before the Board in their meetings.



**P. COMPLIANCE CERTIFICATE:**

Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not mandatory to the Company hence Auditors Certification in that context is not applicable.

**By order of the Board of Directors  
For ISHAN DYES & CHEMICALS LIMITED**

**12<sup>th</sup> August, 2016  
Ahmedabad**

**Piyush N. Patel  
Chairman & Managing Director**



## DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

I hereby confirm that:

As provided under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, The Company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended 31st March, 2016.

**12<sup>th</sup> August, 2016**  
**Ahmedabad**

**Piyush N. Patel**  
**Chairman & Managing Director**



**CEO/CFO CERTIFICATE UNDER REGULATION 17(8) AND PART B OF SCHEDULE II OF THE  
SECURITIES EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE  
REQUIREMENTS) REGULATIONS, 2015**

**To  
The Board of Directors  
Ishan Dyes & Chemicals Limited**

We, the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Ishan Dyes & Chemicals Limited ("the Company"), to the best of our knowledge and belief certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the Financial Year ended 31st March, 2016 and based on our knowledge and belief, we state that :
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2015-16, which are fraudulent, illegal or violative of the Company's code of conduct;
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies, if any.
- (d) We further certify that -
- (i) there have been no significant changes in internal control over financial reporting during the year 2015-16;
  - (ii) there have been no significant changes in accounting policies during the year 2015-16; and
  - (iii) There have been no materially significant fraud of which we have become aware and the involvement therein, of management or an employee having a significant role in the Company's internal control system over financial reporting.

**Piyush N. Patel  
Chairman & Managing Director**

**Chintan Pancholi  
Chief Financial Officer**

**Place: Ahmedabad  
Date: 12<sup>th</sup> August, 2016**





## Annexure - 1

Details of Directors including Directors to be appointed / reappointed at the ensuing Annual General Meeting: *(This also includes information Pursuant to Regulation 36 (3) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015*

Name with Age and Qualifications	Experience	Details of Directorships in other Company	Brief Resume of Directors
<b>Piyushbhai N. Patel</b>  61 years  B.E.(Mechanical Engineer)	He is having rich experience in the business of Chemicals, farming, general Trading and Banking. He is also actively involved with various social, industrial and trade association activities.	(i) Cluster Enviro Private Limited  (ii) Beverly Hills Construction Private Limited	He is the key promoter and associated with the Company since incorporation. Presently he is Chairman and Managing Director of the Company.  He holds 6,90,860 Shares in the Company
<b>Shrinal P. Patel</b>  31years  BBA(Business Finance, Psychology and Bioscience) from University of Florida	He is having rich experience in the areas of Marketing, finance and Business operations with knowledge of chemical industry.	(i) Cluster Enviro Private Limited	He is Co-promoter of the Company and associated as a Whole-Time Director of the Company since 2010 and contributed to accelerate the growth of the Company to achieve present scale of operations and performance.  He holds 6,39,000 Shares in the Company
<b>Anilaben P. Patel</b>  58 years  B.A.(Psychology)	She is having experience of general administration and involved into various social activities.	NIL	She is one of the key promoters of the Company. Presently she is a promoter director liable to retire by rotation.  She holds 2,42,500 Shares in the Company
<b>Marutbhai D. Patel</b>  60 years  Graduate	He is NRI and has rich experience of running retail business of over 30 years.	(i) Beverly Hills Construction Private Limited	He is co-promoter of the Company and associated as Non-executive Director of the Company since 08/09/1994. He is non independent director liable to retire by rotation.  His terms expires at the ensuing annual general meeting and being eligible has offered himself for reappointment.  He holds 2,72,510 Shares in the Company.



<b>Ronak Y. Desai</b> 31 years H.Sc	He is having rich experience in the areas of quarry, mining and Infrastructure projects.	NIL	<p>The Board of Directors had first appointed Mr. Ronak Y. Desai as an Additional Director of the Company with effect from 30/04/2005.</p> <p>Mr. Ronak Y. Desai is proposed to be reappointed as an Independent Director of the Company.</p> <p>He holds NIL Shares in the Company.</p>
<b>Mayankkumar H. Patel</b> 42 years Undergraduate	He is farmer and actively involved with agricultural business.	NIL	<p>The Board of Directors had first appointed Mr. Mayankkumar H. Patel as an Additional Director of the Company with effect from 28/01/2010.</p> <p>At the 21<sup>st</sup> Annual General Meeting of the Company held in the year 2014, shareholders have approved his appointment as an Independent Director for a period of 5 years.</p> <p>He holds 22,300 Shares in the Company</p>
<b>Roopin A. Patel</b> 39 years Chartered Accountant	He is practicing Chartered Accountant and having vast experience in the field of accounts, finance, taxation and banking.	NIL	<p>The Board of Directors had first appointed Mr. Roopin A. Patel as an Additional Director of the Company with effect from 20/09/2010.</p> <p>At the 21<sup>st</sup> Annual General Meeting of the Company held in the year 2014, shareholders have approved his appointment as an Independent Director for a period of 5 years.</p> <p>He holds NIL Shares in the Company</p>
<b>Yatinbhai G. Patel</b> 61 years Graduate	He is a Graduate and having rich experience in the areas of Finance and Management.	NIL	<p>The Board of Directors had first appointed Mr. Yatin G. Desai as an Additional Director of the Company with effect from 07/09/2011.</p> <p>At the 21<sup>st</sup> Annual General Meeting of the Company held in the year 2014, shareholders have approved his appointment as an Independent Director for a period of 5 years.</p> <p>He holds 73,700 Shares in the Company</p>



### A. INDUSTRY STRUCTURE AND DEVELOPMENT

The Company has achieved total revenue of Rs. 6263.46 Lacs and EBITDA (pre exceptional and extraordinary item) of Rs. 754.46 Lacs as against that of Rs. 5048.97 Lacs and Rs. 304.56 Lacs respectively for the previous year. As compared to previous year, during the year the operations have shown increase in turnover by 23% and EBITDA by 147%. Year under review has witnessed growth in terms of volume and value both which in turn has resulted into sharp increase in Profit before tax of Rs. 521.41 Lacs as against that of Rs. 147.80 Lacs for the previous year thereby recording a growth of 253%. The operations have shown Net Profit after tax of Rs. 388.46 Lacs which was higher by 79% over that of past year. The operations of the Company have been benefited from expansion carried out by the Company which supported increase in tonnage and improve in overall plant efficiencies to reduce cost of productions. Also the benefits of reduction key raw material prices on account of fall in international crude oil prices and commodity prices contributed to improve in margins and in turn profit for the year.

Your Company's current products include various kinds of Phthalocyanine Blue range of products like CPC Blue, Pigment Alpha Blues and Pigment Beta Blue. All these products are having wide applications for various industrial purposes.

### B. OPPORTUNITIES, THREATS, RISK AND CONCERNS

Your Company has gained its position in the domestic as well as international markets due to its quality products and continuous improvements which in turn has helped us to develop and maintain long term relationship with the clients and further supported us to spot for the new opportunities. This systematic approach has delivered favorable results for the Company to grow at the steady rate by creating sustainable demand from satisfied customer base and repetitive orders from them and in turn increased profitability.

Going forward, your Company considers challenges and threats mainly on account of fluctuation in the prices of various raw materials which are linked to world petro products and commodity prices, foreign exchange fluctuations, environmental regulations, and general global demand situation. Availability of skilled manpower and contract work force would be another set of challenges to be managed carefully for the growth of the Company.

Your Company has identified the major thrust areas of sensitive business factors 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 on a continuous basis.

### C. OUTLOOKS FOR 2016-17

The management is confident of delivering improved performance for the coming financial year. For the quarter ended 30th June 2016, the Company has recorded turnover of Rs 13.82 Cr and EBITDA of Rs. 2.05 Cr. The operations of the Company is expected to benefit further on account of weak international crude oil and commodity prices which will lower the key raw material cost for the Company. The management is of the view that demand for the products of the Company is showing healthy signs for the current year and overall cost of production will come down which in turn will support increase in turnover and also profit for the Company. The Company is having good order book position which will support volume growth in coming quarters of the year. The management of the Company has charted out growth plan and anticipates volume growth and increased export business during current financial year. Barring unforeseen circumstances, the management is confident of delivering better results during current financial year.



#### **D. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

We have a strong integrated internal control system which is deemed to be adequate considering the nature and scale of our class of business.

#### **E. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO THE OPERATIONAL PERFORMANCE**

During the year under review, your Company has achieved satisfactory financial results and details are provided in directors' report. The Company was also successful to increase export business during the year ended by achieving export turnover of Rs. Rs. 25.40 Crores.

#### **F. MATERIAL DEVELOPMENTS ON HUMAN RESOURCES**

Human Resource programs and initiatives in the Company are aligned to meet the future business plans and needs. Your Company believes in investing in people to develop and expand their capability. The Company has been able to create a favorable work environment that motivates performance, customer focus and innovation. The Company's strategies are based, inter alia, on processes of continuous learning and improvements.

**By order of the Board of Directors  
For ISHAN DYES & CHEMICALS LIMITED**

**12<sup>th</sup> August, 2016  
Ahmedabad**

**Piyush N. Patel  
Chairman & Managing Director**



## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF ISHAN DYES & CHEMICALS LIMITED

#### 1. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of **ISHAN DYES & CHEMICALS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Profit and Loss Statement and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

#### 2. MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### 3. AUDITORS' RESPONSIBILITY

- a. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
- b. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.
- c. We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.
- d. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the standalone financial statements.



- e. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### 4. OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

#### 5. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Profit and Loss Statement, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).
  - e. On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note No. 31.
    - (ii) The Company did not have any long-term contracts including derivative contracts which may lead to foreseeable losses;
    - (iii) The Company does not have any dues that are required to be transferred to the Investor Education and Protection Fund.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

Date: 20/05/2016  
Place: Ahmedabad

For G.S. Mathur & Co.  
Chartered Accountants

CA. Bhargav Vaghela  
Partner  
M. No: 124619



(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

**REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (i) OF SUBSECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")**

We have audited the internal financial controls over financial reporting of ISHAN DYES & CHEMICALS LIMITED ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance



with generally accepted accounting principles, and that receipts and payments of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements

#### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **OPINION**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Date:** 20/05/2016  
**Place:** Ahmedabad

**For G.S. Mathur & Co.**  
**Chartered Accountants**

**CA. Bhargav Vaghela**  
**Partner**  
**M. No: 124619**





(Referred to in paragraph 2, under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

**Annexure to the Independent Auditors' Report of even date to the members of Ishan Dyes & Chemicals Ltd. on the financial statements for the year ended 31<sup>st</sup> March 2016.**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

I. In respect of fixed assets:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As Explained to us, all the fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies between book records and the physical inventories have been noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.

II. In respect of inventories :

- (a) The inventories have been physically verified at reasonable intervals by the management.
- (b) The procedures of physical verification of inventories 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 has maintained proper records of inventories. As per the information and explanation given to us, no material discrepancies were noticed on physical verification

III. The company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships (LLPs) or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clauses 3(iii) (a), 3(iii) (b) and 3(iii) (c) of the Order are not applicable.

IV. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities.

V. According to the information and explanations given to us, the Company has not accepted any deposit from the public within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Therefore, the provisions of Clause (v) of paragraph 3 of the Order are not applicable to the Company.

VI. On the basis of records produced we are of the opinion that prima facie cost records and accounts prescribed by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 in respect of products of 'the company' covered under the rules under said section have been made and maintained. However we are neither required to carry out nor have carried out any detailed examination of such accounts and records.



VII. In respect of statutory dues:

- (a) According to the information and explanations give to us, the Company in general is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2016 for a period of more than six months from the date of becoming payable
- (b) The dues outstanding in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, duty of Customs, Duty of Excise, Value Added Tax and Cess which have not been deposited as on March 31, 2016 on account of disputes are given below:

Name of the Statue	Nature of dues	Amount (Rs. in Lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act	Penalty u/s 271 (1) (b)	Not determined	AY 2011-12	DCIT, Circle-3, Baroda
Income Tax Act		4.92		

- VIII. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and Government and dues to debenture holders.
- IX. In our opinion and according to the information and explanations given to us, monies raised by way of debt instruments and the term loans during the year have been applied by the Company for the purposes for which they were raised.
- X. In our opinion and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- XI. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- XII. The Company is not a Nidhi Company and hence reporting under clause (xii) of Paragraph 3 of the Order is not applicable.
- XIII. In our opinion and according to the information and explanations given to us the Company's transactions with its related party are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- XIV. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of Paragraph 3 of the Order is not applicable to the Company.
- XV. In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence reporting under clause (xv) of Paragraph 3 of the Order is not applicable to the Company.
- XVI. In our opinion and according to information and explanations provided to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Date: 20/05/2016  
Place: Ahmedabad

For G.S. Mathur & Co.  
Chartered Accountants

CA. Bhargav Vaghela  
Partner  
M. No: 124619



## Balance Sheet as at 31st March, 2016

(Amount in Rs.)

		Refer Note No.	As at 31st March 2016	As at 31st March 2015
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders's funds</b>			
	(a) Share Capital	3	75,098,000	75,098,000
	(b) Reserves and surplus	4	136,530,796	102,203,760
<b>2</b>	<b>Non-current liabilities</b>			
	(a) Long-Term Borrowings	5	26,929,454	34,750,137
	(b) Long-term provisions		-	-
<b>4</b>	<b>Current liabilities</b>			
	(a) Trade payables	6	41,065,093	106,125,908
	(b) Short term borrowing		48,052,227	-
	(b) Other current liabilities	7	11,908,534	12,831,412
	(c) Short-term provisions	8	24,300,608	7,818,343
	<b>Total - Equity &amp; Liabilities</b>		<b>363,884,710</b>	<b>338,827,560</b>
<b>II.</b>	<b>ASSETS</b>			
	<b>Non-current Assets</b>			
<b>1</b>	<b>(a) Fixed assets</b>			
	(i) Tangible Assets	9	127,164,104	122,955,586
	(ii) Intangible Assets		-	-
	(iii) Capital work-in-progress		-	-
	(b) Non-current investments	10	205,000	5,000
	(c) Deferred tax assets (net)	11	6,958,415	8,961,454
	(d) Long-term loans and advances	12	29,444,320	31,653,977
<b>2</b>	<b>Current Assets</b>			
	(a) Inventories	13	43,816,475	67,815,710
	(b) Trade receivables	14	76,720,319	83,616,179
	(c) Cash and cash equivalents	15	3,830,163	1,554,511
	(d) Short-term loans and advances	16	75,725,251	22,265,144
	(e) Other Current Assets		20,662	-
	<b>Total Assets</b>		<b>363,884,710</b>	<b>338,827,560</b>

Notes 1 to 41 form an integral part of these financial statements

As per our report of even date attached

For and on behalf of the Board

**For, G S Mathur & Co.**  
Chartered Accountants

**Piyush N. Patel** *Chairman & Managing Director*

**Shrinal P. Patel** *Whole Time Director*

**Bhargav Vagehla**  
Partner

**Roopin Patel** *Director*

M. No. : 124 619

**Chintan Pancholi** *Chief Financial Officer*

FRN: 008744N

Place : Ahmedabad

Place : Ahmedabad

Date : 20th May, 2016

Date : 20th May, 2016



(Amount in Rs.)

Particulars		Refer Note No.	For the year ended 31st March 2016	For the year ended 31st March 2015
I.	Revenue from operations	17	614,462,714	499,364,374
II.	Other Income	18	11,883,189	5,532,774
III.	<b>Total Revenue</b>		<b>626,345,904</b>	<b>504,897,148</b>
IV.	<b>Expenses:</b>			
	Cost of materials consumed	19	335,552,413	306,000,693
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	20	24,687,561	6,566,511
	Employee benefits expense	21	49,635,501	43,184,511
	Finance Costs	22	9,118,504	4,817,170
	Depreciation and amortization expense		14,083,159	10,669,362
	Other Expenses	23	141,023,622	118,688,980
	<b>Total Expenses</b>		<b>574,100,759</b>	<b>489,927,227</b>
V.	<b>Profit before extraordinary items and tax</b>		<b>52,245,145</b>	<b>14,969,921</b>
VI.	Extraordinary Items	24	104,088	190,824
VII.	<b>Profit / (Loss) before tax</b>		<b>52,141,057</b>	<b>14,779,097</b>
VIII.	Tax expense:			
	(1) Current tax		16,200,000	3,000,000
	(2) Short Provision of Tax in respect of earlier year		32,393	701,030
	(3) Deferred Tax		2,003,039	(250,647)
	(4) MAT Credit of earlier years entitlement		(4,940,718)	(10,326,014)
IX.	<b>Profit for the year</b>		<b>38,846,343</b>	<b>21,654,728</b>
X.	<b>Earnings per equity shares</b> (Nominal Value per Share Rs. 10/-, Previous Year Rs.10/-)			
	(a) Basic		5.17	2.88
	(b) Diluted		5.17	2.88

Notes 1 to 41 form an integral part of these financial statements  
As per our report of even date attached

**For, G S Mathur & Co.**  
Chartered Accountants

**Bhargav Vagehla**  
Partner  
M. No. : 124 619  
FRN: 008744N  
Place : Ahmedabad  
Date : 20th May, 2016

For and on behalf of the Board

**Piyush N. Patel** *Chairman & Managing Director*

**Shrinal P. Patel** *Whole Time Director*

**Roopin Patel** *Director*

**Chintan Pancholi** *Chief Financial Officer*

Place : Ahmedabad  
Date : 20th May, 2016



## Cash flow statement for the year ended 31 March 2016

(Amount in Rs.)

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
<b>Cash flow from operating activities</b>		
Net profit before tax	52,141,057	14,779,097
<b>Adjustments for :</b>		
Cash flow from extraordinary item	104,088	190,824
Depreciation	14,083,159	10,669,362
Finance Cost	9,118,504	4,817,170
Interest Income	(554,590)	(377,092)
Loss/(profit) on sale of fixed assets (net)		18,386
<b>Operating profit before working capital changes</b>	<b>74,892,217</b>	<b>30,097,747</b>
<b>Adjustment for change in working capital</b>		
Increase/(decrease) in Inventories	-	4,698,417
Increase/(decrease) in Trade Receivables	-	(58,946,564)
Increase/(decrease) in Short Term Loans & Advances	-	5,746,276
Increase/(decrease) in other current assets	-	
Increase/(decrease) in Long Term Loans & Advances	-	
Increase/(Decrease) in Trade payables	-	62,229,032
Increase/(Decrease) in Other Current Liabilities	-	-
Decrease in short term provisions	-	
Cash flow from extraordinary item	(104,088)	(190,824)
<b>Cash generated from operations</b>	<b>74,788,129</b>	<b>43,634,084</b>
Direct taxes paid (net)	(2,956,967)	(3,701,030)
<b>Net cash generated from operating activities</b>	<b>71,831,162</b>	<b>39,933,054</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets (including capital work in progress)	(18,291,676)	(44,931,793)
Investment in Non - Current Investment	-	-
Proceeds from sale of fixed assets		600,000
Interest received	554,590	377,092
<b>Net cash used in investing activities</b>	<b>(17,737,086)</b>	<b>(43,954,701)</b>
<b>Cash flow from financing activities</b>		
Proceeds from long term borrowings		5,374,895
Repayment of long term borrowings	-	-
Proceeds from short term borrowings	-	
Interest paid	(9,118,504)	(4,817,170)
<b>Net cash used in financing activities</b>	<b>(9,118,504)</b>	<b>557,725</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>44,975,572</b>	<b>(3,463,922)</b>
<b>Cash and cash equivalents at the beginning of year</b>	<b>1,554,509</b>	<b>5,018,431</b>
<b>Cash and cash equivalents at the end of year</b>	<b>46,530,081</b>	<b>1,554,509</b>
<b>Components of cash and cash equivalents</b>		
Cash in hand	21,893	267,648
Balance with scheduled banks		
- current accounts	192,209	524,791
- deposit account	3,616,062	762,071
	<b>3,830,163</b>	<b>1,554,509</b>

**Notes :**

1. Figures given in brackets indicate cash outflow
2. The cash flow statement has been prepared under Indirect Method as per the Accounting Standard 3 Cash Flow Statement issued by the Institute of Chartered Accountants of India.
3. The figures of the previous year have been regrouped/reclassified, where necessary, to confirm with the classification of the current year.



This is the Cash flow statement referred to in our report of even dat For and on behalf of the Board

**For, G S Mathur & Co.**  
Chartered Accountants

**Bhargav Vagehla**  
Partner  
M. No. : 124 619  
FRN: 008744N  
Place : Ahmedabad  
Date : 20th May, 2016

**Piyush N. Patel** *Chairman & Managing Director*

**Shrinal P. Patel** *Whole Time Director*

**Roopin Patel** *Director*

**Chintan Pancholi** *Chief Financial Officer*

Place : Ahmedabad  
Date : 20th May, 2016



## SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

### 1 BACKGROUND:

Ishan Dyes and Chemicals Ltd. was incorporated on 26th July 1993 under the Companies Act, 1956. The company is engaged into the business of manufacturing Copper Phthalocyanine Crude Blue (CPC Blue) and Pigment Blues. The products of the company are also exported and well established in the domestic market.

### 2 SIGNIFICANT ACCOUNTING POLICIES:

#### i. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

These financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

The financial statements are prepared on accrual basis under the historical cost convention, except for certain Fixed Assets which are carried at revalued amounts.

#### **Current / Non-current classification**

The Revised Schedule VI to the Act requires assets and liabilities to be classified as either Current or Non-current.

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realized in, or is intended for sale or consumption in, the entity's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realized within twelve months after the balance sheet date; or
- (d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in the entity's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within twelve months after the balance sheet date; or
- (d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

All other liabilities are classified as non-current.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out above which are in accordance with the revised Schedule VI to the Act.

#### ii. USE OF ESTIMATES

The preparation of financial statements in conformity with Indian GAAP requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual



results and estimates are recognised in the period in which the results are known/materialised. The management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

### iii. TANGIBLE ASSETS

Fixed Assets are stated at cost of acquisition / construction or book value and includes amounts added on revaluation less accumulated depreciation and impairment loss, if any. The cost of Tangible Assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use.

Subsequent expenditures related to an item of Tangible Asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Projects under which assets are not ready for their intended use are disclosed under Capital Work-in-Progress.

### iv. INTANGIBLE ASSETS

Intangible Assets are generally stated at cost of acquisition net of recoverable taxes less accumulated amortisation/ depletion.

### v. INVESTMENTS

Current Investments are carried at lower of cost and fair value. Long term investments are carried at cost. However, when there is a decline, other than temporary, the carrying amount is reduced to recognise the decline.

### vi. DEPRECIATION

Effective 1st April 2014, the Company depreciates its Fixed Assets over the useful life in the manner prescribed in Schedule II to the Companies Act, 2013, as against the earlier practice of depreciating at the rates prescribed in Schedule XIV to the Companies Act, 1956.

- (i) In case of pre-owned assets, the useful life is estimated on a case to case basis.
- (ii) Depreciation on additions to the assets or on sale/discardment of assets, is calculated pro rata from the month of such addition or upto the month of such sale/discardment,
- (iii) Based upon the future projections, the Company has estimated the economic useful life of the assets and accordingly the assets have been depreciated.

### vii. INVENTORIES

The inventory is valued as follows:

- |                             |  |
|-----------------------------|--|
| (i) Raw Materials           | At Cost First in First out.                    |
| (ii) Stores and Spare parts | At Cost First in First out.                    |
| (iii) Finished Goods        | Valued at lower of cost or Net Relisable Value |
| (iv) Work in Process        | At cost by using absorption cost method.       |





As per normal practices the cost of finished goods includes all direct cost and normal fixed overheads. However, it does not include selling and distribution cost. Value of stock of finished goods at the date of Balance Sheet includes duties and taxes if any applicable.

#### **viii. RETIREMENT BENEFITS**

##### **Short term employee benefits**

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

##### **Post employment benefits**

###### **1) Defined Benefit Plan**

###### **GRATUITY**

The Trustees of Ishan Dyes and Chemicals Limited Employees' Gratuity Fund has a fund arrangement (cash accumulation policy) with Life Insurance Corporation of India (LIC) to administer its gratuity benefit scheme. The contributions towards the said funds which are as determined by LIC are charged to revenue each year. Company ascertains the Liability towards Gratuity at the year-end and provision for the differential amount between the liability determined on Actuarial Valuation and Fund balance is provided in the books of account.

###### **2) Defined Contribution Plans**

###### **PROVIDENT FUND**

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund. The Company's contribution is recognised as an expense in the Profit and Loss Statement during the period in which the employee renders the related service.

#### **ix. CENVAT CREDIT**

CENVAT Credit is accounted on accrual basis on purchase of materials.

#### **x. FOREIGN CURRENCY TRANSACTIONS**

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Monetary items are translated at the year-end rates. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of monetary items at the end of the year is recognised as income or expense, as the case may be.

Any premium or discount arising at the inception of the forward exchange contract is recognized as income or expense over the life of the contract.

#### **xi. REVENUE RECOGNITION**

Revenue is recognised only when risks and rewards incidental to ownership are transferred to the customer, it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of goods, excise duty and adjusted for discounts (net).



Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

**xii. PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS :**

Provision is recognised in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are neither recognised nor disclosed in the financial statements.

**xiii. BORROWING COSTS**

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue.

**xiv. TAXES ON INCOME**

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred income tax reflect the current period timing differences between taxable income and accounting income and reversal of timing differences of earlier years/period. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same.

Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date.

**xv. DOUBTFUL DEBTS/ADVANCES**

Provision is made in the accounts in respect of debts/advances which in the opinion of the management are considered doubtful of recovery.

**xvi. IMPAIRMENT LOSS**

Impairment loss is provided to the extent the carrying amount of assets exceeds their recoverable amounts. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.



### 3 Share Capital

#### 3.a The Number and amount of shares Authorised, issued, subscribed & fully paid up and subscribed but not fully paid up:-

Share Capital	As at 31st March 2016		As at 31st March 2015	
	Number	Rs.	Number	Rs.
<b>Authorised</b> Equity Shares of Rs. 10/- each	11,000,000	110,000,000	11,000,000	110,000,000
<b>Issued, Subscribed &amp; Fully Paid</b> 75,09,800 Equity Shares of Rs. 10/- each	7,509,800	75,098,000	7,509,800	75,098,000
<b>Total</b>	<b>7,509,800</b>	<b>75,098,000</b>	<b>7,509,800</b>	<b>75,098,000</b>

#### 3.b The Number and amount of shares Authorised, issued, subscribed & fully paid up:-

Share Capital	As at 31st March 2016		As at 31st March 2015	
	Number	Rs.	Number	Rs.
Equity Shares Outstanding at the beginning of the year	7,509,800	75,098,000	7,509,800	75,098,000
Equity Shares issued during the year	-	-	-	-
Equity Shares bought back during the year	-	-	-	-
Equity Shares outstanding at the end of the year	7,509,800	75,098,000	7,509,800	75,098,000

#### 3.c Shareholders holding more than 5% of shares in the company :-

Name of Shareholder	As at 31st March 2016		As at 31st March 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Shardaben J. Patel	1,081,000	14.39%	1,081,000	14.39%
Piyush N. Patel	690,860	9.20%	690,860	9.20%
Shrinal P. Patel	639,000	8.51%	639,000	8.51%

#### 3.d Shares issued for other than cash, Bonus issue and Shares bought back

- 1 No shares had been allotted as fully paid up pursuant to contract(s) without payment being received in cash during the period of five years immediately preceding the balance sheet date.
- 2 No shares had been allotted as fully paid up by way of bonus shares during the period of five years immediately preceding the balance-sheet date.
- 3 No shares had been bought back during the period of five years immediately preceding the balance sheet date.

### 4 Reserves and Surplus

Particulars	As at 31st March 2016	As at 31st March 2015
<b>a. Securities Premium Account</b>		
Balance as per last account	5,375,000	5,375,000
	<b>5,375,000</b>	<b>5,375,000</b>
<b>b. Revaluation Reserve</b>		
Balance as per last account	12,136,953	12,136,953
	<b>12,136,953</b>	<b>12,136,953</b>
<b>c. Surplus in Statement of Profit &amp; Loss</b>		
Balance as per last account	84,691,807	63,037,079
Add: Profit for the year	38,846,343	21,654,728
Less: Appropriations		
Dividend	3,754,900	-
Dividend Distribution Tax	764,407	-
<b>Balance as per end of the year</b>	<b>119,018,843</b>	<b>84,691,807</b>
<b>Total</b>	<b>136,530,796</b>	<b>102,203,760</b>



## 5 Long Term Borrowings

Particulars	As at 31st March 2016	As at 31st March 2015
<b>Vehicle Loans</b>		
from Kotak Mahindra Prime Ltd. (Secured by Hire Purchase of vehicle where the vendors have a lien on and right of repossession of specific vehicle)	2,639,837	-
<b>Other Secured Loan</b>		
from Kalupur Commercial Co-operative Bank Ltd. (Secured against Machinery)	3,098,661	-
<b>Unsecured Loans</b>		
Inter corporate Deposits \$		
From related party	2,968,723	6,002,503
From unrelated party	18,222,233	28,747,634
<b>Total</b>	<b>26,929,454</b>	<b>34,750,137</b>

\$ Unsecured loans are repayable on demand and carrying interest rate 9% p.a.

## 6 Trade Payables

Particulars	As at 31st March 2016	As at 31st March 2015
Micro, Small & Medium Enterprises	-	-
Others	41,065,093	106,125,908
<b>Total</b>	<b>41,065,093</b>	<b>106,125,908</b>

## 7 Other Current Liabilities

Particulars	As at 31st March 2016	As at 31st March 2015
Statutory Liabilities	1,289,621	1,180,121
Repayment due within 1 year		
Secured		
Vehicle Loans #	1,618,913	11,651,291
Machinery Loan \$	9,000,000	-
<b>Total</b>	<b>11,908,534</b>	<b>12,831,412</b>

# Loans are carrying interest rate in the range of 11 - 15% from Kotak Mahindra Prime Limited secured by car.

\$ Term Loan against Machinery from Kalupur Commercial - Co-operative bank Ltd. carrying interest rate in the range of 11 - 15%

## 8 Short Term Provisions

Particulars	As at 31st March 2016	As at 31st March 2015
<b>a. Provision for employee benefits</b>		
Salary & Reimbursements	821,663	1,524,446
Gratuity Payable	-	466,099
Leave Encashment	919,473	856,410
Bonus	1,784,238	1,770,455
Income Tax Provision	16,200,000	3,000,000
Proposed Final Dividend & Dividend Distribution Tax thereon	4,519,307	-
<b>b. Others</b>		
Duty & Taxes Payable on Finished Goods	-	-
Other Expenses	55,927	200,933
<b>Total</b>	<b>24,300,608</b>	<b>7,818,343</b>



Sch : 9 Fixed Assets

(Amount in Rs.)

Sr. No.	Fixed Assets	Gross Block				Accumulated Depreciation				Net Block	
		Balance as at 1st April 2015	Additions during the year	Disposals during the year	Balance as at 31st March 2016	Balance as at 1st April 2015	Depreciation provided for the year	Reversals	Balance as at 31st March 2016	Balance as at 31st March 2016	Balance as at 31st March 2015
1	Land	18,744,820	-	-	18,744,820	-	-	-	-	18,744,820	18,744,820
2	Factory Building	53,025,388	379,842	-	53,405,230	9,980,889	1,277,613	-	11,258,502	42,146,728	43,044,499
3	Office Building	5,006,230	-	-	5,006,230	708,610	226,191	-	934,801	4,071,430	4,297,620
4	Electrical Fittings	12,659,394	-	-	12,659,394	9,166,390	280,486	-	9,446,876	3,212,518	3,493,004
5	Plant & Machinery	67,163,097	12,414,869	-	79,577,966	48,591,454	2,045,506	-	50,636,960	28,941,006	18,571,643
6	Plant & Equipment	18,933,563	91,969	-	19,025,532	2,853,282	1,389,071	-	4,242,353	14,783,179	16,080,281
7	Office Equipments	3,369,673	6,294	-	3,375,967	1,104,096	252,311	-	1,356,407	2,019,560	2,265,577
8	Computer	1,144,747	157,539	-	1,302,286	991,158	136,954	-	1,128,112	174,174	153,589
9	Furniture & Fixtures	1,630,919	-	-	1,630,919	792,007	209,728	-	1,001,735	629,184	838,912
10	Vehicles	31,649,764	5,241,163	-	36,890,927	16,184,123	8,265,300	-	24,449,423	12,441,504	15,465,641
	<b>Grand Total</b>	<b>213,327,595</b>	<b>18,291,676</b>	<b>-</b>	<b>231,619,271</b>	<b>90,372,009</b>	<b>14,083,159</b>	<b>-</b>	<b>104,455,168</b>	<b>127,164,104</b>	<b>122,955,586</b>
	Previous Year	169,492,152	63,586,912	1,096,350	231,982,714	80,180,611	10,669,362	477,964	90,372,009	122,955,587	89,311,542



#### 10 Non-current Investments

Particulars	As at 31st March 2016	As at 31st March 2015
Investments in Others	205,000	5,000
<b>Total</b>	<b>205,000</b>	<b>5,000</b>

#### 11 Deferred tax assets (net)

Particulars	As at 31st March 2016	As at 31st March 2015
<b>Opening Balance</b>	8,961,454	8,710,807
<b>Deferred Tax Liability</b>		
Provisions	(829,200)	(962,829)
<b>Deferred Tax Assets</b>		
Depreciation on Fixed Assets	(2,832,239)	(712,182)
<b>Total</b>	<b>6,958,415</b>	<b>8,961,454</b>

#### 12 Long Term Loans & Advances

Particulars	As at 31st March 2016	As at 31st March 2015
<b>a. Capital Advances</b>		
Unsecured and considered good	1,593,229	8,944,818
<b>b. Security Deposits</b>		
Unsecured and considered good	3,471,791	3,195,149
<b>c. MAT Credit Entitlement as per last account</b>		
<b>Add : MAT Credit of earlier year</b>	24,379,300	10,326,014
Less: MAT Credit utilised	-	-
<b>Total</b>	<b>29,444,320</b>	<b>31,653,977</b>

#### 13 Inventories

Particulars	As at 31st March 2016	As at 31st March 2015
a. Raw Materials and components	4,923,618	4,218,493
b. Work-in-progress	32,841,063	62,460,012
c. Finished goods	5,150,759	219,371
d. Stores and Spares	540,141	310,000
f. Fuel	67,051	355,505
g. ETP Material	293,843	252,329
<b>Total</b>	<b>43,816,475</b>	<b>67,815,710</b>

#### 14 Trade Receivables

Particulars	As at 31st March 2016	As at 31st March 2015
Trade Receivables outstanding for a period less than six Unsecured and considered good	72,201,824	79,033,145
Trade Receivables outstanding for a period exceeding six Unsecured and considered good	4,518,495	4,583,034
<b>Total</b>	<b>76,720,319</b>	<b>83,616,179</b>



#### 15 Cash and cash equivalent

Particulars	As at 31st March 2016	As at 31st March 2015
a. Bank balance		
In Deposit Account	3,616,062	524,791
In Current Account	192,209	762,071
b. Cash on Hand	21,893	267,648
<b>Total</b>	<b>3,830,163</b>	<b>1,554,511</b>

#### 16 Short-Term loans and advances

Particulars	As at 31st March 2016	As at 31st March 2015
Balances with Government Authorities	43,667,516	19,586,542
Deposits	-	16,642
Others	32,057,736	2,661,960
<b>Total</b>	<b>75,725,251</b>	<b>22,265,144</b>

#### 17 Revenue from Operations

Particulars	As at 31st March 2016	As at 31st March 2015
Sale of Products	661,269,352	554,251,421
Less:		
Excise Duty	46,806,638	54,887,047
<b>Total</b>	<b>614,462,714</b>	<b>499,364,373</b>

#### 18 Other Income

Particulars	As at 31st March 2016	As at 31st March 2015
Interest Income	554,590	377,092
Export Incentive	8,172,842	3,834,496
Foreign Exchange Fluctuation	2,712,570	780,874
Job Work Income	-	360,000
Discounts	402,906	147,834
Others	40,281	32,478
<b>Total</b>	<b>11,883,189</b>	<b>5,532,774</b>

#### 19 Cost of materials consumed

Particulars	As at 31st March 2016	As at 31st March 2015
Opening Stock	4,218,493	2,661,562
Add: Purchases	336,257,538	307,557,624
Less: Closing Stock	4,923,618	4,218,493
<b>Consumption</b>	<b>335,552,413</b>	<b>306,000,693</b>
Imported	9,395,024	8,149,305
Indigenous	326,157,389	297,851,388
<b>Total</b>	<b>335,552,413</b>	<b>306,000,693</b>

**20 Changes in inventories of finished goods and work-in-progress**

Particulars	As at 31st March 2016	As at 31st March 2015
<b>Closing Balance</b>		
Work-in-Progress	32,841,063	62,460,012
Finished Goods	5,150,759	219,371
Stock-in-trade	-	-
<b>Total</b>	<b>37,991,822</b>	<b>62,679,383</b>
<b>Less: Opening Balances</b>		
Work-in-Progress	62,460,012	64,196,857
Finished Goods	219,371	5,049,037
Stock-in-trade	-	-
<b>Total</b>	<b>62,679,383</b>	<b>69,245,894</b>
<b>Net increase in inventories</b>	<b>(24,687,561)</b>	<b>(6,566,511)</b>

**21 Employee benefits expenses (refer to note no.29 for detailed disclosure of AS-15)**

Particulars	As at 31st March 2016	As at 31st March 2015
Salaries & Wages	44,371,367	38,728,503
Contribution to PF & Other Funds	2,296,771	2,609,754
Staff Welfare Exps	2,967,363	1,846,254
<b>Total</b>	<b>49,635,501</b>	<b>43,184,511</b>

**22 Finance cost**

Particulars	As at 31st March 2016	As at 31st March 2015
Interest Expense	7,479,124	4,492,066
Other Borrowing Cost	1,639,380	325,104
<b>Total</b>	<b>9,118,504</b>	<b>4,817,170</b>

**23 Other expense**

Particulars	As at 31st March 2016	As at 31st March 2015
<b>Manufacturing Exps</b>		
Consumption of Stores & Spares parts	26,697,983	19,067,824
Power and Fuel	70,173,462	60,370,295
Repair & Machinery	2,592,045	4,122,659
Pollution Control & Effluent, Treatment Exp	14,792,346	7,401,083
Job Work Charges	1,438,505	4,214,800
<b>Administrative Exps</b>		
Professional Fees	1,529,906	1,129,047
Insurance	1,377,154	1,422,541
Rent, Rates and taxes, excluding, taxes on income	180,761	192,231
Auditor Remuneration	90,000	90,000
Office & Factory Expense	884,246	1,058,650
Vehicle Running Exps	1,817,924	1,739,381
Travelling & Conyence Exps	5,510,425	3,363,843
Donation	105,000	-
VAT, Excise & Service Tax Exp	298,510	275,683
Communication Exps	747,476	600,496
Legal Exps	56,375	114,025
Security Exps	1,187,775	710,709
Printing & Stationery	179,811	242,534
Miscellaneous Exps	2,503,720	3,657,523
<b>Selling and Distribution Expenses</b>		
Freight Outward	6,779,233	7,738,925
Selling & Distirbution Exps	2,080,965	1,176,733
<b>Total</b>	<b>141,023,622</b>	<b>118,688,982</b>





## 24 Extraordinary Items

Particulars	As at 31st March 2016	As at 31st March 2015
Prior Period Adjustments	8,270	-
Sundry Balance Written Off	95,818	-
Demand on VAT Assessment	-	190,824
<b>Total</b>	<b>104,088</b>	<b>190,824</b>

## 25 Details of Payment of Auditors

Particulars	As at 31st March 2016	As at 31st March 2015
a. as auditor	90,000	90,000
<b>Total</b>	<b>90,000</b>	<b>90,000</b>

## 26 Expenditure in foreign currency during the financial year on account of followings

Particulars	As at 31st March 2016	As at 31st March 2015
Import of Raw Material	9,395,024	8,149,305
Other matters		
Testing Charges	-	157,486
Travelling Expenses	1,057,585	1,044,020
<b>Total</b>	<b>10,452,609</b>	<b>9,350,811</b>

## 27 Details of Consumption during the year

Particulars	As at 31st March 2016		As at 31st March 2015	
	Amount	%	Amount	%
Raw Materials	335,552,413	92.01%	306,000,693	91.61%
Fuel	20,186,677	5.54%	21,782,497	6.52%
Stores & Spares	8,943,941	2.45%	6,238,715	1.87%
<b>Total</b>	<b>364,683,031</b>	<b>100.00%</b>	<b>334,021,905</b>	<b>100.00%</b>

## 28 Unhedged foreign currency exposure :

Particulars	As at 31st March 2016		As at 31st March 2015	
	Foreign Currency	In INR	Foreign Currency	In INR
USD	193,960	13,058,312	264,100	16,318,150
Euro	481,000	36,054,400	233,000	15,668,600

## 29 Employee Benefits

As required by Accounting Standard-15 'Employee Benefits' the disclosures are as under :

### Defined Contribution Plans

The Company offers its employees defined contribution plans in the form of Provident Fund (PF) and Employees' Pension Scheme (EPS) with the government, and certain state plans such as Employees' State Insurance (ESI). PF and EPS cover substantially all regular employees and the ESI covers certain workers. Contributions are made to the Government's funds. While both the employees and the Company pay predetermined contributions into the Provident Fund and the ESI Scheme, contributions into the Pension fund is made only by the Company. The contributions are normally based on a certain proportion of the employee's salary. During the year, the Company has recognised the following amounts in the Account towards company's contribution:



Particulars	As at 31st March 2016	As at 31st March 2015
Employee's Pension contribution	545,866	484,676
Employee's Provident Fund contribution	272,843	245,375
<b>Total</b>	<b>818,709</b>	<b>730,051</b>

#### Defined Benefit Plans

Gratuity: The Company makes annual contributions to Employees' Group Gratuity-cum Life Assurance (Cash Accumulation) Scheme of LIC, a funded defined benefit plan for qualifying employees. The scheme provides for payment to vested employees as under:

- On normal retirement / early retirement / withdrawal / resignation:
- As per the provisions of Payments of Gratuity Act, 1972 with vesting period of 5 years of service.
- On the death in service:
- As per the provisions of Payment of Gratuity Act, 1972 without any vesting period.

Death Benefit: The Company provides for death benefit, a defined benefit plan (death benefit plan) to certain categories of employees. The death benefit plan provides a lump sum payment to vested employees on death, being compensation received from the insurance company and restricted to limits set forth in the said plan. The death benefit plan is non funded.

Disclosures for defined benefit plans i.e. Gratuity (Funded Plan), based on actuarial reports as on March 31, 2016 are as under:

Particulars	As at 31st March 2016	As at 31st March 2015
<b>i) Changes in present value of obligations</b>		
Present value of as at beginning of year	2,751,793	2,285,695
Current service cost	367,821	420,930
Interest cost	182,857	176,874
Actuarial loss / (gain)	355,592	8,707
Benefit (paid)	(167,943)	(140,413)
Present value of obligations as at end of year	3,490,120	2,751,793
<b>ii) Amount recognised in the Balance Sheet</b>		
Present value of the obligations as at year end	3,490,120	2,751,793
Fair value of the plan assets as at year end		
Net (asset) / liability recognised as on March 31	3,490,120	2,751,793
<b>iii) Expenses recognised in the Statement of Profit and Loss</b>		
Current service cost	367,821	420,930
Interest on defined benefit obligation	182,857	176,874
Expected return on plan assets		-
Net actuarial loss/(gain) recognized in the current year	355,592	8,707
Total expense	906,270	606,511

The estimate of future increase in compensation levels, considered in the actuarial valuation, have been taken on account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The above information has been certified by the actuary and relied upon by the auditors.

#### Leave Encashment:

Particulars	As at 31st March 2016	As at 31st March 2015
Provision for Leave Encashment outstanding during the year	919,473	856,410
<b>Total</b>	<b>919,473</b>	<b>856,410</b>

#### 30 Earning Per Share (EPS)

Particulars	As at 31st March 2016	As at 31st March 2015
Profit/(Loss) attributable to equity shareholders	38,846,343	21,654,728
Weighted avg. number of shares outstanding during the year	7,509,800	7,509,800
Basic / Diluted Earnings per share	5.17	2.88
Nominal value per share	10.00	10.00



### 31 Contingent Liabilities

Particulars	As at 31st March 2016	As at 31st March 2015
Notice for short deduction/payment of TDS and interest thereon	492,583	492,583

The Company has received a penalty notice u/s 271(1)(b) of the Income Tax Act, 1961 for AY 2011-12 for which the Company has preferred an appeal.

### 32 Earning in foreign currency during the financial year on account of followings

Particulars	As at 31st March 2016	As at 31st March 2015
Export of goods calculated on F.O.B basis	254,004,601	235,535,035
<b>Total</b>	<b>254,004,601</b>	<b>235,535,035</b>

### 33 Details of purchase of key Raw Material /Goods

(Amount in '000)

Particulars	As at 31st March 2016		As at 31st March 2015	
	Amount	%	Amount	%
Phthalic Anhydride	124,419	37.08%	120,692	39.44%
Cuprous Chloride	83,623	24.92%	87,186	28.49%
Urea	41,601	12.40%	41,547	13.58%
Sulphuric Acid	23,953	7.14%	16,927	5.53%
Ammonium Molybdate	4,544	1.35%	5,302	1.73%
Others	57,412	17.11%	34,345	11.22%
<b>Total</b>	<b>335,551</b>	<b>100.00%</b>	<b>305,999</b>	<b>100.00%</b>

### 34 Related Party Disclosures

(a)	Name of the related party	Nature of Relationship
1	Mr. Piyush N Patel	Director
2	Mr. Shrinal P. Patel	Director

#### (b) Transactions with the related parties during the year

Nature of transactions	Key management personnel and its relative	Total
<b>Loan &amp; Advances received</b>		
Mr. Piyush N. Patel	26,300,000 (21,600,000)	26,300,000 (21,600,000)
Mr. Shrinal P. Patel	6,480,000 (2,845,000)	6,480,000 (2,845,000)
<b>Loan &amp; Advances Paid</b>		
Mr. Piyush N. Patel	28,902,650 (16,250,000)	28,902,650 (16,250,000)
Mr. Shrinal P. Patel	6,911,130 (2,192,497)	6,911,130 (2,192,497)
<b>Remuneration to key management personnel</b>		
<b>Managerial remuneration</b>		
Mr. Piyush N. Patel	2,400,000 (2,400,000)	2,400,000 (2,400,000)
Mr. Shrinal P. Patel	1,800,000 (1,800,000)	1,800,000 (1,800,000)
<b>Bonus</b>		
Mr. Piyush N. Patel	198,000 (198,000)	198,000 (198,000)
Mr. Shrinal P. Patel	132,000 (132,000)	132,000 (132,000)
<b>Outstanding as at year end</b>	-	-

Figures in brackets pertain to the figures of previous year.



**35 DIRECTORS REMMUNERATION:**

Salary of Rs. 42,00,000/- & Bonus – Rs. 3,30,000/-

36 Balance due to / from third parties are subject to confirmation, reconciliation, and / or adjustments, if any.

37 In the opinion of the board, Loans and Advances and Current Assets are approximately of the value stated, if realized in the ordinary course of buisness.

38 The company has only one segment of activity i.e. Chemicals

**39 Disclosure Under Micro, Small & Medium Enterprises Development Act, 2006**

The company has not received the required information from suppliers regarding their status under Micro, Small & Medium Enterprises Development Act, 2006. Hence, disclosures, if any, relating to the amounts unpaid as at the year end together with the interest paid/payable as required under the said Act have not been made.

40 Net Exchange Gain included in the profit and loss account is Rs. 27,12,570/- (PY 7,80,874/-).

**41 Previous Year Comparatives**

Previous year's figures have been regrouped or reclassified wherever necessary to correspond with the current year's classification or disclosure.

42 Figures have been rounded off to the nearest rupee.



## ATTENDANCE SLIP

### ISHAN DYES & CHEMICALS LIMITED

**Regd. Office:** 18, G.I.D.C Estate, Phase - 1, Vatva, Ahmedabad - 382445, Gujarat, INDIA

**Phone:** 079-25832144/25893607 | **Fax:** 079-25833643

**Website:** www.ishandyes.com | **E-mail:** ishandyes@yahoo.com

**CIN:** L24110GJ1993PLC020737

**Share Transfer Agent:** MCS Share Transfer Agent Limited

10, Aram Apartment, 12, Sampatrao Colony, B/h. Laxmi Hall, Alkapuri, Vadodara - 390007, Tel No:-0265-2314757/2350490, E-mail: mcsltbaroda@gmail.com

### ATTENDANCE SLIP

I/We hereby record my/our presence at the 23<sup>rd</sup> Annual General Meeting of the Company held at 18, G.I.D.C Estate, Phase - 1, Vatva, Ahmedabad - 382445 at 2.30p.m. on Wednesday, 28<sup>th</sup> September, 2016

Name and Address of the Shareholder(s):

Name and Address of the Shareholder(s):		
If shareholder(s), please sign here	If proxy, please mention name and sign here	
	Name of Proxy	Signature

#### Notes:

- (1) Shareholder / Proxy holder, as the case may be, is requested to produce the attendance slip duly signed at the entrance of the Meeting venue.
- (2) Members are requested to advise the change of their address, if any, to MCS Share Transfer Agent Limited, at the above address.



## ISHAN DYES & CHEMICALS LIMITED

**Regd. Office:** 18, G.I.D.C Estate, Phase - 1, Vatva, Ahmedabad - 382445, Gujarat, INDIA

**Phone:** 079-25832144/25893607 | **Fax:** 079-25833643

**Website:** www.ishandyes.com | **E-mail:** ishandyes@yahoo.com

**CIN:** L24110GJ1993PLC020737

**Share Transfer Agent:** MCS Share Transfer Agent Limited

10, Aram Apartment, 12, Sampatrao Colony, B/h. Laxmi Hall, Alkapuri, Vadodara - 390007, Tel No:-0265-2314757/2350490, E-mail: mcsltdbaroda@gmail.com

### Proxy form

*[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

Name of the member (s): Registered address: E-mail Id: Folio No/ Client Id:
--

I/We, being the member (s) of \_\_\_\_\_ shares of the above named company, hereby appoint

1. Name: \_\_\_\_\_ Address: \_\_\_\_\_  
 E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_, or failing him

2. Name: \_\_\_\_\_ Address: \_\_\_\_\_  
 E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_, or failing him

3. Name: \_\_\_\_\_ Address: \_\_\_\_\_  
 E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_, or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23<sup>rd</sup> Annual General Meeting of the company, to be held on Wednesday, 28<sup>th</sup> September, 2016 at 18, G.I.D.C Estate Phase - 1, Vatva Ahmedabad - 382445 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions	For	Against
<i>Ordinary Business:</i>		
1		
Adoption of the Audited Financial Statements of the Company for the financial year ended on 31 <sup>st</sup> March, 2016 and the Reports of the Directors' and Auditors' thereon.		
2		
Approval for Dividend for the financial year ended on 31 <sup>st</sup> March, 2016		
3		
Reappointment of Smt. Anilaben P. Patel who retires by rotation		
Ratification of appointment of Auditors and fixing their remuneration		
<i>Special Business:</i>		
4		
Re-Appointment of Shri Piyush N. Patel as Managing Director		
5		
Re-Appointment of Shri Shrinall P. Patel as Whole-Time Director		

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2016

Signature of shareholder \_\_\_\_\_

Signature of Proxy holder(s) \_\_\_\_\_



**Notes:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A proxy need not be a member of the Company.
3. In case the appointer is a body corporate, the proxy form should be signed under its seal or be signed by an officer or an attorney duly authorized by it and an authenticated copy of such authorization should be attached to the proxy form.
4. A person can act as proxy on behalf of such number of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Further, a Member holding more than ten percent, of the total share capital of the Company carrying voting rights, may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
6. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.







**ISHAN DYES & CHEMICALS LIMITED**

*At 18, G.I.D.C Estate Phase - 1, Vatva Ahmedabad - 382445*