



STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE FOURTH QUARTER AND THE FINANCIAL YEAR ENDED 31ST MARCH, 2020.

All amount in Rs. Lacs unless otherwise stated

Sr. No.	Particulars	Quarter ended			Year ended	Year Ended
		31-03-2020 (Audited)	31-12-2019 (Unaudited)	31-03-2019 (Audited)	31-03-2020 (Audited)	31-03-2019 (Audited)
1	<b>Revenue from operations</b>					
	(a) Net sales/income from operations (Net of Taxes)	2,013.99	2,020.51	1,299.75	8,014.51	6,680.94
	(b) Other Income	154.16	35.49	77.09	234.57	126.42
	<b>Total Revenue</b>	<b>2,168.15</b>	<b>2,055.99</b>	<b>1,376.84</b>	<b>8,249.08</b>	<b>6,807.36</b>
2	<b>Expenses</b>					
	(a) Cost of materials consumed	1,173.08	1,002.08	513.16	4,575.22	4,109.77
	(b) Purchase of Stock in Trade	-	-	-	-	-
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(132.87)	142.19	461.19	(77.71)	(317.83)
	(d) Employee benefits expense	255.77	152.99	157.35	717.12	586.94
	(e) Finance Cost	4.85	1.98	26.38	59.47	93.23
	(f) Depreciation and amortisation expense	52.34	42.48	32.06	177.78	126.88
	(g) Other expenses	260.03	188.16	116.21	793.60	693.23
	(h) Power Expenses	169.13	168.03	81.03	676.76	547.23
	(i) Fuel Expenses	71.95	71.24	41.66	289.28	294.54
	(j) CSR Expenses	14.00	-	14.00	14.00	14.00
	<b>Total expenses</b>	<b>1,868.29</b>	<b>1,769.15</b>	<b>1,443.03</b>	<b>7,225.50</b>	<b>6,148.00</b>
3	<b>Profit/(Loss) from operations before an Exceptional and Extra ordinary items and Tax (1-2)</b>	<b>299.86</b>	<b>286.85</b>	<b>(66.19)</b>	<b>1,023.58</b>	<b>659.36</b>
4	Exceptional Items*	-	-	-	-	-
5	<b>Profit/(Loss) from ordinary activities before an Extra Ordinary items and Tax (3 - 4)</b>	<b>299.86</b>	<b>286.85</b>	<b>(66.19)</b>	<b>1,023.58</b>	<b>659.36</b>
6	Extra Ordinary Items	-	-	-	-	-
7	<b>Profit/(Loss) from ordinary activities before tax (5 - 6)</b>	<b>299.86</b>	<b>286.85</b>	<b>(66.19)</b>	<b>1,023.58</b>	<b>659.36</b>
8	<b>Tax Expense (net)</b>					
	- Current tax	54.48	64.45	(34.64)	232.52	146.09
	- Deferred tax	(29.78)	-	80.48	(29.78)	80.48
	<b>Total Tax Expenses</b>	<b>24.70</b>	<b>64.45</b>	<b>45.84</b>	<b>202.73</b>	<b>226.57</b>
9	<b>Net Profit(Loss) for the Period from continuing operations</b>	<b>275.17</b>	<b>222.39</b>	<b>(112.03)</b>	<b>820.84</b>	<b>432.79</b>
10	Profit(Loss) From Discontinuing operations before tax	-	-	-	-	-
11	Tax Expense of discontinuing Operations	-	-	-	-	-
12	Net Profit(loss) from discontinuing Operations after Tax	-	-	-	-	-
13	Profit(loss) for period before minority Interest	275.17	222.39	(112.03)	820.84	432.79
14	Share of profits(loss) of associates	-	-	-	-	-
15	Profit(loss) of minority Interest	-	-	-	-	-
16	<b>Net Profit(loss) for the period</b>	<b>275.17</b>	<b>222.39</b>	<b>(112.03)</b>	<b>820.84</b>	<b>432.79</b>
17	Other Comprehensive income net of taxes	0.43	-	0.05	0.43	0.05
18	<b>Total Comprehensive Income for the period</b>	<b>275.60</b>	<b>222.39</b>	<b>(111.97)</b>	<b>821.28</b>	<b>432.84</b>
19	<b>Total Profit or Loss, attributable to</b>					
	Profit or Loss attributable to owners of parent	-	-	-	-	-
	Total Profit or Loss, attributable to non controlling interests	-	-	-	-	-
20	<b>Total Comprehensive Income for the period attributable to</b>	<b>275.60</b>	<b>222.39</b>	<b>(111.97)</b>	<b>821.28</b>	<b>432.84</b>
	Comprehensive Income for the period attributable to owners of parent	-	-	-	-	-
	Total Comprehensive Income for the period attributable to owners of parent non controlling interests	-	-	-	-	-
21	<b>Details of Equity share capital</b>					
	(a) Paid up Equity Share capital	1,596.81	1,596.81	1,126.47	1,596.81	1,126.47
	(b) face value of Equity share capital	10.00	10.00	10.00	10.00	10.00
22	<b>Details of Debt Securities</b>					
	(a) Paid up Debt capital	-	-	-	-	-
	(b) face value of debt securities	-	-	-	-	-
23	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	3,696.87	2,097.67
24	Debentures redemption reserve	-	-	-	-	-
25	<b>Earnings per share (In Rs.)</b>					
	(a) Basic earning(loss) per share from continuing and discontinuing operations	1.73	1.39	(0.99)	5.82	3.84
	(b) Diluted earning(loss) per share from continuing and discontinuing operations	1.73	1.39	(0.99)	5.82	3.84
26	Debt Equity Ratio					
27	Debt service coverage ratio					
28	Interest Service Coverage Ratio					



## STATEMENT OF ASSETS AND LIABILITIES AS AT 31ST MARCH, 2020

(Amount in ₹ Lakhs)

Particulars	As At	As At
	31.03.2020	31.03.2019
	Audited	Audited
<b>Assets</b>		
<b>1 Non-current assets</b>		
Property, plant and equipment	2,849.55	2,611.64
Capital work-in-progress	-	-
Investment property		
Goodwill		
Other intangible assets	47.67	-
Intangible assets under development	63.61	-
Biological assets other than bearer plants		
Investments accounted for using equity method		
<b>Non-current financial assets</b>		
Non-current investments	2.05	2.05
Trade receivables, non current	-	-
Loans, non current	-	-
Other non-current financial assets	-	-
<b>Total Non-current financial assets</b>	<b>2.05</b>	<b>2.05</b>
Defferd tax assets (net)	-	-
Other Non-Current Assets	240.34	109.20
<b>Total Non-Current Assets</b>	<b>3,203.23</b>	<b>2,722.89</b>
<b>2 Current assets</b>		
Inventories	896.44	938.90
<b>Current financial assets</b>		
Current Investments	-	-
Trade receivables, current	1,885.51	1,233.44
Cash and cash equivalents	115.65	23.71
Bank balance other than cash and cash equivalents	-	-
Loans, current	22.50	4.85
Other current financial assets	-	-
<b>Total current financial assets</b>	<b>2,023.66</b>	<b>1,262.00</b>
Current tax assets (net)	-	-
Other current assets	529.40	557.78
<b>Total Current assets</b>	<b>3,449.50</b>	<b>2,758.68</b>
<b>3 Non-current assets classified as hold for sale</b>	-	-
<b>4 Regulatory deferral account debit balances and related defferd tax assets</b>	-	-
<b>Total Assets</b>	<b>6,652.73</b>	<b>5,481.57</b>
<b>Equity and Liabilities</b>		
<b>1 Equity</b>		
<b>Equity attributable to owners</b>		
Equity share capital	1,596.81	1,126.47
Other equity	3,818.24	2,219.04
<b>Total Equity attributable to owners</b>	<b>5,415.06</b>	<b>3,345.51</b>
Non controlling interest	-	-
<b>Total Equity</b>	<b>5,415.06</b>	<b>3,345.51</b>
<b>2 Liabilities</b>		
<b>Non current liabilities</b>		
Borrowings, Non-Current	62.15	317.51
Trade Payables, Non-Current	-	-
Other Non-Current Financials Liabilities	-	-
<b>Total Non-current financial liabilities</b>	<b>62.15</b>	<b>317.51</b>
Provisions, non current	76.39	63.85
Defferd tax liabilities (net)	93.07	122.85
Deffered governments grants, Non Current	-	-
Other non current liabilities	-	-
<b>Total non-current liabilities</b>	<b>231.61</b>	<b>504.21</b>
<b>Current liabilities</b>		
<b>Current financial liabilities</b>		
Borrowings, current	144.84	780.95
Trade payables, current	-	-
Total outstanding dues of Micro and Small enterprises	-	4.04
Total outstanding dues of other than Micro and Small enterprises	630.79	654.96
Other current financial liabilities	33.90	112.17
<b>Total current financial liabilities</b>	<b>809.53</b>	<b>1,552.11</b>
Other current liabilities	76.51	5.91
Provisions, current	120.02	73.84
Current tax liabilities (net)	-	-
Deffered governments grants, Current	-	-
<b>Total current liabilities</b>	<b>1,006.06</b>	<b>1,631.86</b>
<b>3 Liabilities directly associated with assets in disposal group classified as held for sale</b>	-	-
<b>4 Regulatory deferral account credit balances and related defferd tax liabilities</b>	-	-
<b>Total liabilities</b>	<b>1,237.67</b>	<b>2,136.07</b>
<b>Total equity and liabilities</b>	<b>6,652.73</b>	<b>5,481.57</b>



Cash Flow Statement for the year ended March 31, 2020

(Amount in ₹ Lakhs)

Particulars	As At	As At
	31.03.2020	31.03.2019
	Audited	Audited
<b>Cash flow from operating activities</b>		
Net profit before tax	1,023.58	659.36
<b>Adjustments for:</b>		
Depreciation	177.78	126.88
Finance Cost	59.47	93.23
Interest Income	(56.32)	(1.52)
Loss/(profit) on sale of fixed assets (net)	(6.00)	-
<b>Operating profit before working capital changes</b>	<b>1,198.50</b>	<b>877.95</b>
<b>Adjustment for change in working capital</b>		
(Increase)/decrease in Inventories	42.47	(333.22)
(Increase)/decrease in Trade Receivables	(652.07)	393.49
(Increase)/decrease in other assets	(119.99)	(185.35)
Increase/(Decrease) in Trade payables	(28.21)	(106.52)
Increase/(Decrease) in Other Liabilities	(7.66)	4.02
Increase/(Decrease) in Provisions	46.18	(16.12)
<b>Cash generated from operations</b>	<b>479.22</b>	<b>634.26</b>
Direct taxes paid (net)	(219.97)	(135.82)
<b>Net cash generated from operating activities</b>	<b>259.25</b>	<b>498.44</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets (including capital work in progress)	(408.36)	(681.61)
Investment in Non - Current Investment	-	-
Intangible Assets	(118.61)	-
Proceeds from sale of fixed assets	6.00	-
Interest received	56.32	1.52
<b>Net cash used in investing activities</b>	<b>(464.65)</b>	<b>(680.09)</b>
<b>Cash flow from financing activities</b>		
Issue / (Buyback) of Equity Shares	1,248.27	-
Proceeds / (Repayment) of long term borrowings	(255.36)	32.34
Proceeds from short term borrowings	(636.11)	238.32
Interest paid	(59.47)	(93.23)
<b>Net cash used in financing activities</b>	<b>297.34</b>	<b>177.43</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>91.94</b>	<b>(4.22)</b>
<b>Cash and cash equivalents at the beginning of year</b>	<b>23.71</b>	<b>27.93</b>
<b>Cash and cash equivalents at the end of year</b>	<b>115.65</b>	<b>23.71</b>
<b>Components of cash and cash equivalents</b>		
Cash in hand	0.17	0.97
Balance with scheduled banks	-	-
- current accounts	2.98	3.35
- deposit account	112.50	19.40
	<b>115.65</b>	<b>23.71</b>

NOTES:

- The above Financial Results have been reviewed by the Audit Committee & approved by the Board of Directors of the Company at their respective meetings held on 9th June, 2020.
- The above Financial Results have been prepared in accordance with the Companies ( Indian Accounting Standards) Rules 2015 (Ind AS), prescribed under section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.
- The Statutory Auditors of the Company have carried out "Statutory Audit" of the Financial Results for the Fourth Quarter and the Financial Year ended 31st March, 2020. The Audit Report is annexed herewith. The Statutory Auditors have expressed an unmodified opinion.
- The figures of the previous periods quarter have been regrouped/rearranged/recasted wherever considered necessary.
- The Company has one reportable business segment viz. Chemicals.
- Subject to the compliance with the applicable provisions/regulations, the Board of Directors has decided to schedule their meeting for considering and recommending Final Dividend for the Financial Year ended 31st March, 2020. A Separate disclosure for the said meeting and agenda will be made in due course.
- During the year, at the Board Meeting held on 23rd August, 2019, the Company has issued and allotted 47,03,447 Equity Shares of face value of Rs. 10/- each at Issue Price of Rs. 27/- (including face value) by way of Rights Issue. For such additional Equity Shares, The Company has received the Listing Approval from BSE Limited vide Letter dated 26th August, 2019 and Trading Approval vide Letter dated 28th August, 2019 (Trading allowed w.e.f 29th August, 2019)
- There is no deviation or variation in the use of proceeds from the Objects as stated in the Rights Issue Letter of Offer/Offer Document given by the Company. The Company has fully utilized the money raised from the Rights Issue for the purposes/objects as mentioned in the Offer Document/Letter of Offer i.e. Repayment of Identified Outstanding Loans and the surplus amount has been utilized for the General Corporate purpose in accordance with the applicable regulations and guidelines.
- The said results of the Company are available on the website of the Company at [www.ishandyes.com](http://www.ishandyes.com) and can also be accessed on the website of BSE Ltd. at [www.bseindia.com](http://www.bseindia.com).

Place: Ahmedabad  
Date: 09th June, 2020



For and on behalf of the Board of  
Ishan Dyes & Chemicals Limited

Shrinal P. Patel  
Whole Time Director  
DIN : 02992519



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**Independent Auditors' Report**

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

**REPORT ON THE AUDIT OF FINANCIAL STATEMENTS**

**Opinion**

We have audited the accompanying standalone IND AS financial statements of **ISHAN DYES & CHEMICALS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Profit and Loss Statement (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'standalone IND AS financial statements').

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis of for opinion**

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe



that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

#### **a) VAT Refund:**

The Company has outstanding VAT refund receivable aggregating to Rs. 60.24 Lacs in relation to the past financial years. This has been considered as Key Audit matter given the involvement of the management judgement and estimates since the same was recognised as receivable in the year in which the right to receive was established and any variation in actual receipt of the same may have an impact on the revenue. As part of audit procedure, we have obtained all the data regarding filing of the claims and made an assessment regarding the eventual realisability of the present claims.

#### **b) Advance given for capex:**

The Company has extended advance of Rs. 226.78 Lacs towards purchase of land for which necessary agreement to sell was entered by seller with the Company. This has been considered as Key Audit matter given the involvement of the management judgement as well as pre conditions for satisfactory title clearance for the said land and also obtaining of necessary no dues and no objections for sale of land by the seller. As part of our audit procedure, we have obtained all the Documents regarding said transaction but the completion of the transaction depends upon fulfillment of pre condition by the seller and any non fulfillment of pre condition seller may adversely impact the proposed transaction for purchase of said land.



**Information Other than the Standalone Financial Statements and Auditor's Report Thereon:**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**1. Management's Responsibility For The Standalone Ind As 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for 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 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are responsible for overseeing the Company's financial reporting process.

## **2. Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with





them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **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 Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
  - e. On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended :



**G. S. MATHUR & CO**  
**Chartered Accountants**

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h. 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, as amended 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 Ind AS financial position in its financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts which may lead to foreseeable losses, although company enters into short term forward contracts to hedge against foreign currency movements. It has been appropriately disclosed in its financial.
  - iii. There 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: 9<sup>th</sup> June, 2020  
Place: Ahmedabad

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



*Bhargava*

CA. Bhargava Vaghela  
Partner

M. No: 124619

FRN: 008744N

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**Head Office** : A-160, Defence Colony, New Delhi – 110 024

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## **Annexure "A"**

The Independent Auditors' Report on the Standalone Financial Statements of  
**ISHAN DYES & CHEMICALS LIMITED**

(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, 2020 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

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to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and whether 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 judgement, 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

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**Chartered Accountants**

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, 2020, 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: 9<sup>th</sup> June, 2020  
Place: Ahmedabad

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



*Bhargav*

CA. Bhargav Vaghela  
Partner  
M. No: 124619  
FRN: 008744N

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## **Annexure "B"**

Independent Auditors' Report on the Standalone Financial Statements of  
ISHAN DYES & CHEMICALS LIMITED

(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 2020.**

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 Company's 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.
- c. According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.



**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. According to the information and explanations given to us, the Company has *granted interest free* unsecured loan to the director of the company, covered in the register maintained under section 189 of the Companies Act, 2013. The total loan amount outstanding at the end of the year is Rs. 15.00 Lacs. According to the information and explanations the terms and conditions of the grant of the loan are not prima facie prejudicial to the interests of the company. *However as no specific terms and conditions with regard to the repayment have been specified, we are not able to comment on the compliance with schedule of repayment and overdue amount.*
- 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. Therefore, the provisions of Clause (v) of paragraph 3 of the Order is 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, Goods and Service 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, 2020 for a period of more than six months from the date of becoming payable
- b. The details of 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, 2020 on account of disputes in case of Ishan Dyes & Chemicals Limited are given below:

<b>Name of the Statue</b>	<b>Nature of dues</b>	<b>Amount (in Rs.)</b>	<b>Period to which the amount relates</b>	<b>Forum where dispute is pending</b>
Income Tax Act	Notice for short deduction / payment of TDs and interest thereon	57,882/-	FY 2018-19, 2017-18, AY 2016-17, 2015-16 and Prior Years	TDS Authority

- 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.**





- 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. The Company has raised Rs. 1269.93 Lacs by way of Right Issue and they have been applied for the purpose for which they were raised. Company has used the money to repay the credit facilities with The Kalapur Commercial Co-operative Bank Limited and meeting right issue expenses.
- XI. 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.
- XII. 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.
- XIII. The Company is not a Nidhi Company and hence reporting under clause (xii) of Paragraph 3 of the Order is not applicable.
- XIV. 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.
- XV. 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.



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**Chartered Accountants**

- XVI. 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.
- XVII. 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: 9<sup>th</sup> June, 2020  
Place: Ahmedabad

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



*Bhargav*

CA. Bhargav Vaghela  
Partner  
M. No: 124619  
FRN: 008744N

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# ISHAN DYES & CHEMICALS LTD.



June 09, 2020

To  
Department of Corporate Services  
Bombay Stock Exchange  
Phiroze Jeejeebhoy Tower,  
Dalal Street, Mumbai – 400 001

Ref: ISHAN DYES & CHEMICALS LIMITED SECURITY CODE NO.: 531109

Sub.: DECLARATION FOR UN-MODIFIED OPINION WITH AUDIT REPORT ON ANNUAL AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED ON 31<sup>ST</sup> MARCH, 2020

Dear Sir,

This is in reference to the Regulation 33 (3)(d) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 as amended by the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2016 vide Notification No. SEBI/LAD-NRO/GN/2016-17/001 dated 25/05/2016.

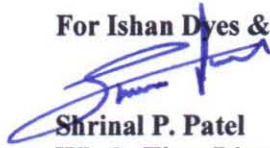
We, hereby confirm and declare that the Statutory Auditors of the Company, M/s G. S. Mathur & Co, Chartered Accountants (FRN: 008744N) has issued an Audit Report with **Un-modified opinion** in respect of Audited Standalone Financial Results for the fourth Quarter and the financial year ended 31<sup>st</sup> March, 2020.

Kindly take the above on records.

Thanking you,

Yours faithfully,

For Ishan Dyes & Chemicals Limited

  
Shrinal P. Patel  
Whole-Time Director  
DIN - 02992519



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