

Ishan Dyes & Chemicals Ltd.

16th *Annual Report*

2008-2009

Registered Office:

1st Floor,
Dinsha Chambers,
Borsad - 388 540
Gujarat.

Works:

Plot No:18 Phase I,
G.I.D.C Vatva,
Ahmedabad -382 445
Gujarat.

:Statutory Auditors Of The Company:

K.G Patel & Co,
Chartered Accountants.
Borsad - 388 540
Gujarat.

ISHAN DYES AND CHEMICALS LIMITED

BOARD OF DIRECTORS	:	Anilaben P. Patel Chairperson
		Piyush N. Patel Managing Director
		Marut D. Patel Ronak Y. Patel Pradeep B. Shah Mahendra A. Shah
STATUTORY AUDITORS	:	K. G. Patel & Co. Chartered Accountants Borsad.
COMPANY LAW CONSULTANT	:	D. G. Bhimani & Associates Company Secretaries, Anand.
BANKERS	:	Citi Bank.
REGISTERED OFFICE	:	1 st Floor, Dinsha Shambars, Borsad – 388540.
WORKS	:	18, GIDC Estate, Phase – I, Vatva, Ahmedabad – 388540.

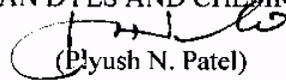
ISHAN DYES AND CHEMICALS LIMITED

NOTICE is hereby given that 16th Annual General Meeting of **ISHAN DYES AND CHEMICALS LIMITED** will be held on Wednesday, 30th September, 2009 at 11.00 a.m. at the Registered Office 1st Floor, Dinsha Chambers, Borsad – 388540 to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 and the Profit & Loss Account for the year ended even date together with the Reports of Auditors and Directors' Report thereon.
2. To appoint a director in place Shri Ronak Y. Desai, Director, who retires by rotation and being eligible, has offered himself for reappointment.
3. To appoint a director in place Shri Pradip B. Shah, Director, who retires by rotation and being eligible, has offered himself for reappointment.
4. To appoint auditors and fix their remuneration.

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


(Piyush N. Patel)
Managing Director

Place : Borsad
Date : 30th June 2009

NOTES :

- (A) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE ON HIS BEHALF AND THE PROXY NEED NOT BE A MEMBER. A PROXY IN ORDER TO BE EFFECTIVE, MUST BE LOGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF THE MEETING.
- (B) Members / proxies should bring Attendance Slips duly filled in for attending the meeting.
- (C) Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the Meeting.
- (D) Register of members and share transfer books of the company will remain closed from 22.09.2009 to 30.09.2009 (both days inclusive).

ISHAN DYES AND CHEMICALS LTD.

DIRECTORS' REPORT

Dear Members

Your Directors have pleasure in presenting their 16th Annual Report together with the Audited Statement of Accounts for the Financial Year ended on 31st March, 2009.

(1) **FINANCIAL AND WORKING RESULTS :**

PARTICULARS	(Rs. In Thousand)	
	2008-2009 [Rs.]	2007-2008 [Rs.]
Profit/(Loss) Before Depreciation :	20339.96	19561.98
Less : Depreciation	15711.80	15118.98
Profit/(Loss) Before Tax :	4628.16	4443.00
Less : Provision for Tax	0	0
Profit/(Loss) After Tax	4628.16	4443.00

(2) **PERFORMANCE**

During the year under review, total income of the company increased from Rs. 34.15 crores to Rs. 39.39 crores and profit increased from Rs. 44.43 lacs to Rs. 46.28 lacs. Your directors expect better performance during the current year.

(3) **DIVIDEND**

In view of the Company's negative net worth and looking to the fund requirement of the company, the Board do not recommend any dividend on equity shares of the company.

(4) **DEPOSITS :**

The Company has not accepted any public deposits except from friends, directors and their relatives and no interest on the said deposit was outstanding on the date of Balance Sheet.

(5) **DIRECTORS**

Shri Ronak Y. Desai and Shri Pradeep B. Shah, Directors, retire by rotation and being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting.

(6) **Corporate Governance Report and Management discussion Analysis Statement**

A Report on Corporate Governance is attached to this Report as also a Management discussion Analysis Statement

(7) **PARTICULARS RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The information required under Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Board of Directors) Rules, 1988 is annexed hereto and forms part of this Report.

(8) DIRECTORS RESPONSIBILITY STATEMENT :

- (i) Your directors have followed the applicable accounting standards along with proper explanation relating to material departure while preparing the annual accounts
- (ii) *Your directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;*
- (iii) Your directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) Your directors have prepared the annual accounts on a going concern basis.

(9) AUDITORS :

K. G. Patel & Co. Chartered Accountants, Borsad, retire at the conclusion of this Annual General Meeting and are eligible for re-appointment.

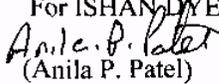
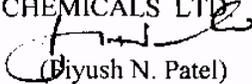
(10) PARTICULARS OF EMPLOYEES :

There was no employee drawing remuneration of Rs.24,00,000 or more per annum or Rs.2,00,000 per month for any part of the year and hence no particulars have been furnished as required under section 217(2A) of the Companies Act, 1956.

(11) ACKNOWLEDGEMENTS :

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

Place: Borsad
Date: 30th June, 2009

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

(Anila P. Patel)
Chairperson

(Diyush N. Patel)
Managing Director

CORPORATE GOVERNANCE REPORT

Company Philosophy

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

Board of Directors

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

Name of Directors	Category of Directorship	No. of Meetings Attended	Attended at Last AGM	Other Company		
				Directorship held	Members in Committee	Chairman in Committee
Anilaben P. Patel Chair Person	Non executive	5	Yes	0	0	0
Piyush N. Patel	Managing Director	5	Yes	0	0	0
Marut D. Patel	Non Executive Director	Nil	No	0	0	0
Pradeep B. Shah	Non executive	3	No	0	0	0
Mahendra A. Shah	Non executive Independent	4	Yes	0	0	0
Ronak Y. Desai	Non executive Independent	5	Yes	0	0	0

five meetings of the Board were held during the year on 15.04.2008, 30.06.2008, 25.07.2008, 22.10.2008 and 28.01.2009

Audit Committee

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

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

The Committee met four times during the year on 30.06.2008, 25.07.2008, 22.10.2008 and 28.01.2009 and the attendance of the Members at the meetings was as follows :

Name of Member	Status	Category	No. of Meetings Attendance
Ronak Y. Desai	Chairman (Independent)	Independent director	4
Mahendra A. Shah	Member (Independent)	Independent Director	4
Pradeep B. Shah	Member (Independent)	Independent Director	3

Share Transfer Committee

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

The Share Transfer Committee comprises of Two Directors namely Smt. Anilaben P. Patel and Shri Piyush P. Patel. There were no request for transfer of shares were received and no meetings of the Share Transfer Committee was held during the year.

For shareholder grievances, the Board had not constituted any committee but it is under direct supervision of the Managing Director of the company.

General Body Meetings

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

Financial Year	Date	Time	Type	Location
2005-06	30/09/2006	11.00 A.M.	Annual General Meeting	At the Registered Office at 1 st Floor, Dinsha Chambers, Borsad - 388540
2006-07	29/09/2007	11.00 A.M.	Annual General Meeting	
2007-08	30/09/2008	11.00 A.M.	Annual General Meeting	

Postal Ballot

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

Disclosures

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

Means of Communication

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

General Shareholders Information

Date, Time and venue of 16th Annual General Meeting : Wednesday, 30/09/2009 at 11.00 a.m. at 1st Floor, Dinsha Chambers, Borsad - 388540.

Financial Calendar : April 1 to March 31

Date of Book Closure : 22.09.2009 to 30.09.2009
(Both days inclusive)

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

Distribution of Shareholding

Distribution as on 31st March , 2009.

No. of Equity Shares	No. of Shareholders	% of Shareholders	No. of Share Held	% of Shareholding
Upto 2500	610	31.11	856000	1.14
2501 – 5000	629	32.07	2731000	3.64
5001 – 10000	261	13.31	2191000	2.92
10001 – 20000	111	5.66	1755100	2.34
20001 – 30000	47	2.40	1193000	1.59
30001 - 40000	16	0.82	591000	0.78
40001 – 50000	147	7.49	7210000	9.60
50001 – 100000	66	3.37	5496000	7.32
100000 and above	74	3.77	53074900	70.67
TOTAL	1961	100	75098000	100

Address for Correspondence

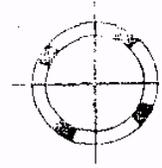
For both Physical and Electronic form : 1st Floor, Dinsha Chambers, Borsad – 388540.

Email : shareishan@yahoo.co.in

For any assistances regarding correspondence dematerialization of shares , Share transfers , Transactions , Change of Address , non- receipt of Dividend or any other query , Relating to shares .

Registered Office:

1st Floor, Dinsha Chambers, Borsad – 388540.



AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the members of ISHAN DYES AND CHEMICALS Ltd.

We have examined the compliance of conditions of Corporate Governance by ISHAN DYES AND CHEMICALS Ltd. for the year ended 31st March, 2009, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges of India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For K G Patel & Co.
Chartered Accountants

Kamlesh
Kamlesh Parikh
Partner

Place : Anand

Date : 30 June, 2009



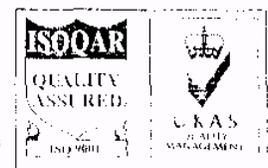
Postal Address: 18, G.I.D.C. Estate, Phase-I, Vatva, Ahmedabad - 382 445.

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

Regd. Office : 1st Floor, Dinsha Chambers, Borsad - 388 540, GUJARAT. Tele./Fax : 191-2696-220476

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

Web : www.ishandyes.com



Certificate No. 70860M5001

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A) Industry structure and Development

In spite of heavy inflation, your Company registered a healthy performance during 2007-2008. Due to cost cutting measures implemented by the company, company will further strengthen the financial position in the coming years.

Your Company's current saleable products include various kinds of chemicals like alfa blue, bita, etc. for chemicals, pharmaceutical industries. These products are manufactured under process which controls the pollutions.

B) Opportunities, Threats, Risk and Concerns

Your company always try to find the opportunities in the industry through its strength, technology edge and management expertise. These opportunities will be linked directly to the growing demand from the customers.

The threats for your company would come from adverse fluctuation in input and capital cost, tax and duties. Availability of skilled manpower and contractor work force may lead to adverse factor to the growth of the company.

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

C) Outlooks for 2009-10

The market uptrend seen in the year is likely to continue in the coming year

D) Internal Control Systems and their adequacy

We have a strong integrated systems which is adequate for our class of business.

E) Discussion on Financial Performance with respect to the Operational Performance

During the year under review, your company achieved better financial performance. This is because of improvement in physical production and the cost reduction measures taken by the company apart from better sales price realization.

F) Material Developments on Human Resources

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

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

1. We have audited the attached Balance Sheet of ISHAN DYES & CHEMICALS LIMITED, as at March 31, 2009 and also the profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis evidence supporting the amounts and disclosure in the financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 & 5 of the said order.
4. Further to our opinion in the Annexure referred to above, we reported that :
 - I. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - II. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - III. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - IV. *As required by Sec 209 of the Companies Act, 1956, the company is required to maintain books on accrual principles of accounting. Contrary to this principle, the Company has not accounted for interest accrued on C.N.S. Bank Ltd. for the year under audit. Since the said Bank has also not provided interest in the loan account, the actual amount of un provided interest is not available. We are not in position to express our opinion since C.N.S. Bank Ltd is under liquidation. Subject to this, in our opinion the Profit & Loss account and Balance Sheet of the Company comply with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956 to the extent applicable except:(1) Accounting Standard 15 for provision of retirement benefits: The amount being uncertain and not determined, we are unable to give any opinion on the same. For more details refer to note No. (I) in notes on accounts in Schedule no. 19.*
 - V. On the basis of written representation received from the Directors, as on 31st March, 2009 and taken on record by the Board of Directors, we reported that none of the Directors is disqualified as on 31st March, 2009 from being appointed as a Director in terms of clause (g) of Sub- section (1) of Section 274 of the Companies Act, 1956;

VI. *The Company during year under audit has written back a sum of Rs. 257.39 lacks from out standing term loan account of Charotar Nagrik Sahakari Bank Ltd. Further provision of Rs. 6.99 lacks made as duty payable on finished goods in earlier accounting year was left out to be reversed. But for such write back of C.N.S.Bank term loan and excise duty provision, the profit of Rs. 46.28 lacks as declared in Profit and Loss account would have shown a loss of Rs. 204.12 lacks. Because of this write back, liability of term loan of Charotar Nagrik Sahakari Bank Ltd. is shown lower by amount of write back provision of excise duty is shown higher. and Balance of Profit and loss account in Balance Sheet is also shown less by equal amount. Subject to this and note no. 4 (iv) above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India*

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009.
- b) In the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
- c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For K.G. Patel & Co.
Chartered Accountants

Place :- Borsad
Date : 30th June, 2009



Kamlesh
Kamlesh Parikh
Partner
Membership No. 34529

Annexure to the auditors' report:

Re: Ishan Dyes & Chemicals Limited

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

- I. (a) The company has maintained records showing plant wise particulars giving details and situation of fixed assets.
(b) All the major assets have been physically verified by the management during the year.
(c) No substantial part of fixed asset has been disposed off during the year.
- II. (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
(b) The procedures of Physical verification of Inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) The company is maintaining proper records of inventory. The discrepancy noticed on verification between the physical records and the book records were not material.
- III. (a) The Company has taken unsecured loans from companies, firms or other parties covered in the register maintained under section 301 of the companies Act, 1956.

(b) As expressed by management, no interest is payable on unsecured loans and there are no stipulations for repayments for the loans that have been taken from parties listed in the register maintained u/s 301 of the Companies Act, 1956.

(c) There are no stipulations for payment of interest or repayment of principal. There being no stipulation for repayment of loan taken, the question of amount overdue of loan taken from parties listed in the register maintained u/s 301 of the Companies Act, 1956 does not arise.
- IV. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- V. In our opinion, and according to the information and explanations given to us, there are no contracts or arrangements referred to in Section 301 of the companies Act, 1956 particulars of which need to be entered in the register maintained under Sec.301 of the Act. Consequently, the requirements of clause v.b of paragraph 4 of the order are not applicable to the company.
- VI. In our opinion and according to the information and explanations given to us, the Company has not complied with the provisions of Sections 58A and 58AA of the

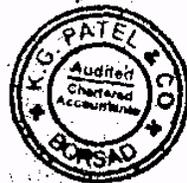
Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. However, company has not accepted any term deposits from public. However, to meet the short term requirement of funds, company has taken unsecured loans from friends and relatives of directors in earlier years. No order has been passed by the Company Law Board.

- VII. In our opinion, the Company has internal audit system commensurate with size and nature of its business.
- VIII. As per the Rules made by the Central Government for the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956, the products of the company are not covered under the rules and hence the company is not required to maintain the books and other items of cost. However, company has maintained records for consumption of raw materials and production of finished goods. We have broadly reviewed such records and have not carried out detailed examination of such records.
- IX. (a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, VAT and other material statutory dues applicable to it. There are no arrears of out standing statutory dues with respect to liabilities incurred during the year under audit for a period six months from the date they become payable.
- (b) According to information and explanation given to us, old outstanding statutory the undisputed dues are nil
- (c) According information and explanation given to us there is case of non deposit of disputed dues of sales tax of Rs. 50.64 lacks pending before Commissioner of Appeals, Gujarat Sales Tax with reference to sales tax assessment for year 2005-06.
- X. The accumulated losses of the company are more than its net worth, and in the immediately preceding financial year also, company has incurred losses. Since the company has not provided the amount of due interest and the actual amount of interest due is not available, we are not able to quantify the amount and give any further comments.
- XI. In our opinion and according to the information and explanations given to us, the Company has defaulted in repayment of dues to C. N. S. Bank Ltd.,

In case of term loan from C.N.S. Bank Ltd., the bank has recalled the entire term loan for repayment and had filled civil suite for recovery of Rs. 541.32 lacks. As explained to us and as per records presented before us, the suit for recovery is dismissed by lower authority and the matters are pending before Tribunal. However, as per the explanation given to us there are disputes between Company and lender with reference to the amount due and we are unable express any opinion on this matter.

- XII. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- XIII. The company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of Clause 4 (vii) of paragraph 4 of the order are not applicable.
- XIV. The company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4 (xiv) of paragraph 4 of the order are not applicable.
- XV. The company has not given any guarantee for loans taken by others from banks or financial institutions.
- XVI. The company has obtained term loans during the year.
- XVII. According to the Cash Flow Statement and other records examined by us and the information and explanations given to us, on an overall basis, funds raised during the year have been used during the year for long-term investment/repayment. Since specific records of application of funds raised are not available, we are unable to quantify the actual short term funds applied for long term investment.
- XVIII. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
- XIX. According to the information and explanations given to us, the Company had not issued any Secured Debentures during the year.
- XX. The Company has not raised any money by public issue during the year.
- XXI. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For K.G. Patel & Co.
Chartered Accountants



Place :- Borsad
Date :- 30th June, 2009

Kamlesh
Kamlesh Parikh
Partner
Membership No.34529

ISHAN DYES & CHEMICALS LTD, VATVA

BALANCE SHEET AS AT 31ST MARCH, 2009.

(AMOUNT IN RUPEES)

PARTICULARS	Sch.	AS AT	
		31-Mar-09	31-Mar-08
SOURCES OF FUNDS			
Share Holders' Funds :			
Share Capital	1	75,098,000	75,098,000
Reserves & Surplus	2	17,511,953	17,511,953
Loan Funds	3	77,167,563	123,440,765
TOTAL:		169,777,516	216,050,718
APPLICATION OF FUNDS			
Fixed Assets :	4		
Gross Block		225,695,045	206,302,468
Less: Depreciation Fund		131,451,003	116,168,445
Net Block		94,244,042	90,134,023
Add: Capital Work- In-Progress		829,400	2,508,485
		95,073,442	92,642,507
Investments : (At Cost)	5	709,369	709,369
Current Assets, Loans & Advances :	6	82,256,870	71,192,273
Less: Current Liabilities & Provisions:	7	139,449,734	84,133,991
Net Current Assets :		-57,192,864	-12,941,718
Miscellaneous Expenditure	8	901,800	726,632
Profit & Loss Account	9	130,285,769	134,913,927
TOTAL:		169,777,516	216,050,718

Notes On Accounts

19

Schedules 1 to 9 and 19 Forming Part of Balance Sheet

For K.G. Patel & Co,
(Chartered Accountants)

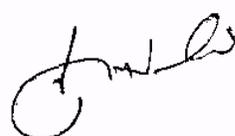
For Ishan Dyes & Chemicals Ltd.

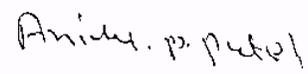

Kamlesh R. Parikh
(Partner)

MEM. NO : 34529

Date: 30 JUN 2009

Place: Borsad


Director


Director

Date: 30 JUN 2009

Place: Borsad.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009.

(AMOUNT IN RUPEES)

PARTICULARS	Sch.	FOR THE YEAR ENDED ON	
		31-Mar-09	31-Mar-08
A. INCOME.			
Sales.	10	342,276,771	330,339,329
Other Income.	11	32,448,881	5,278,164
Increase / (Decrease) in Stocks	12	19,144,378	5,855,634
TOTAL: (A)		393,870,029	341,473,127
B. EXPENDITURE.			
Raw Material Consumption	13	293,761,717	215,217,741
Manufacturing Expenses	14	46,878,585	68,132,452
Staff Cost & Provisions	15	10,025,091	9,852,503
Administration & General Expenses	16	10,106,982	13,667,632
Selling & Marketing Expenses.	17	1,489,669	2,257,196
Financial Expenses.	18	10,818,190	13,321,803
Depreciation.	4	15,711,798	15,118,980
TOTAL: (B)		388,792,032	336,968,307
Profit/(Loss) Before Tax :		5,077,998	4,504,820
<u>Less : Prior Period Adjustments</u>		354,839	-18,162
Net Profit/(Loss) After Prior Period Adjustments		4,723,158	4,523,002
<u>Less : Provision For Tax :</u>			
Income Tax		-	-
Fringe Benefit Tax		95,000	80,000
Deffered Tax		-	-
		95,000	80,000
Net Profit/(Net Loss) After Tax :		4,628,158	4,443,002
Balance Of Previous Year B/F		-134,913,927	-139,356,929
Net Profit/(Net Loss)		-130,285,769	-134,913,927

Notes On Accounts

19

Schedules 1 to 9 and 19 Forming Part of Balance Sheet

For K.G. Patel & Co,
(Chartered Accountants)

Kamlesh R.Parikh
(Partner)

MEM. NO : 34529

Date :

Place : Borsad

For Ishan Dyes & Chemicals Ltd,

Director

Director

Date :

Place :

30 JUN 2009

Borsad.

ISHAN DYES & CHEMICALS LTD, VATVA

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS A/C FOR YEAR
ENDED ON 31st MARCH 2009

(AMOUNT IN RUPEES)
AS AT
31-Mar-09 31-Mar-08

SCHEDULE - 1 : SHARE CAPITAL :

Authorised Share Capital :		
110,00,000 Equity Shares of Rs 10/- each.	110,000,000	110,000,000
Issued, Subscribed & Paid up Share Capital :		
75,09,800 Equity Shares of Rs 10/- each fully paid - up	75,098,000	75,098,000
TOTAL :	75,098,000	75,098,000

SCHEDULE - 2 : RESERVES & SURPLUS :

Share Premium Reserve	5,375,000	5,375,000
Revaluation Reserve	12,136,953	12,136,953
TOTAL :	17,511,953	17,511,953

SCHEDULE - 3 : LOAN FUNDS :

Secured Loans:

C.N.S.B Ltd	14,362,136	40,101,671
The Dharamraj Peoples Bank	1,791,573	10,278,567
Kotak Mahindra Car Loan	666,450	-
The Dharamraj Peoples Bank-New	7,088,642	-
Sanghavi Exports Pvt Ltd	36,622,870	-
	60,531,671	50,330,238

Unsecured Loans:

From Directors	1,123,883	4,841,500
Other Unsecured Loans	15,512,008	68,219,027
	16,635,891	73,060,527

TOTAL : 77,167,563 123,440,765

SCHEDULE - 5 : INVESTMENTS (AT COST) :

Investment in Equity Shares

CNSB	475,500	475,500
The Green Environment	5,000	5,000
The Dharamraj Peoples Bank	198,000	198,000
Sharelinking Deposit	30,869	30,869
TOTAL :	709,369	709,369

SCHEDULE - 4 : FIXED ASSETS :

Previous Year: 2008-09
Assessment Year: 2009-10

PARTICULARS	RATE %	GROSS BLOCK				ACCUMULATED DEPRECIATION						NET BLOCK	
		Op. Bal. As on 1/4/2008	Addition During the Period	Deduction/ Sale during the Period	Amount as on 31-03-2009	Op. Bal. As on 1/4/2008	Depr. on Op. Balance	Depr. on Addition	Total Depr. Provided	Dep on Sale during the Period	Balance As on 31-03-2009	AS ON 31-03-2009	AS ON 31.03.2008
Land		18,666,000	78,820	-	18,744,820	-	-	-	-	-	-	18,744,820	18,666,000
Factory Building	3.34%	15,032,119	146,900	-	15,179,019	6,344,430	502,073	4,033	506,106	-	6,850,536	8,328,483	8,687,689
Office Building	1.63%	4,370,956	430,574	-	4,801,530	-	71,247	5,603	76,850	-	76,850	4,724,680	4,370,956
Electrical Fittings	10.34%	10,461,111	-	-	10,461,111	2,325,996	1,081,679	-	1,081,679	-	3,407,675	7,053,436	8,135,115
Plant & Machinery	4.75%	46,202,278	3,512,734	-	49,715,012	33,500,421	2,194,608	2,235	2,196,843	-	35,697,264	14,017,748	12,701,857
Plant & Machinery	10.34%	103,621,991	13,666,436	-	117,288,427	72,925,126	10,714,514	376,643	11,091,157	-	84,016,283	33,272,144	30,696,865
Laboratory Equipments	10.34%	1,814,861	284,962	-	2,099,823	-	187,657	16,204	203,861	-	203,861	1,895,962	1,814,861
Office Equipments	4.75%	2,284,136	459,731	-	2,743,867	-	108,496	13,916	122,412	-	122,412	2,621,454	2,284,136
Computers	16.21%	513,483	145,900	-	659,383	-	83,236	17,845	101,081	-	101,081	558,302	513,483
Furniture & Fixtures	6.33%	1,096,488	350,681	-	1,447,169	-	69,408	20,561	89,969	-	89,969	1,357,200	1,096,488
Vehicles	9.50%	2,239,045	1,316,668	1,324,648	2,231,065	1,072,472	186,852	20,562	207,414	429,240	850,646	1,380,419	1,166,573
Intangible Assets	20.00%	-	323,820	-	323,820	-	-	34,427	34,427	-	34,427	289,393	-
TOTAL :		206,302,468	20,717,225	1,324,648	225,695,045	116,168,445	15,199,769	512,029	15,711,796	429,240	131,451,003	94,244,042	90,134,023
Previous Year: In Rs.		203,962,886	3,109,422	769,840	206,302,468	101,384,282	15,118,980		15,118,980	334,817	116,168,445	90,134,023	102,578,604
Capital Work-In-Progress												829,400	2,508,485

ISHAN DYES & CHEMICALS LTD , VATVA

**SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS A/C FOR YEAR ENDED ON
31st MARCH 2009**

(AMOUNT IN RUPEES)
AS AT
31-Mar-09 31-Mar-08

SCHEDULE - 6 : CURRENT ASSETS, LOANS & ADVANCES

A. CURRENT ASSETS :

Inventories :

Raw Materials (At Cost)	4,080,396	4,068,087
Packing Material (At Cost)	715,547	521,124
Fuel Stock (At Cost)	91,704	61,641
ETP Material Stock (At Cost)	4,182	49,436
Consumables (At Cost)	1,205,740	694,000
Work in Process (At R.M. Cost & absorption of labour & overheads)	36,931,447	19,284,038
Finished Goods (At lower of cost or market value)	7,714,732	6,217,763
	<u>50,743,748</u>	<u>31,196,089</u>

Sundry Debtors : (As per Annexure - 8)

(Unsecured but considered good)

- Outstanding for a period exceeding six months	2,747,922	469,748
- Others	15,655,193	26,938,670
	<u>18,403,115</u>	<u>27,408,418</u>

Cash & Bank Balance .:

- Cash on Hand.	275,155	187,145
Balance with Scheduled Banks :		
In Current Account (As per Annexure - 1)	154,371	908,063
In Deposit Account (As per Annexure - 2)	350,000	1,009,621
	<u>779,527</u>	<u>2,104,829</u>

TOTAL (A) RS.	<u>69,926,389</u>	<u>60,709,335</u>
----------------------	-------------------	-------------------

B. LOANS & ADVANCES:

(Unsecured, considered good)

(Advance recoverable in cash or in kind, for value to be reced.)

- Deposits : (As per Annexure - 3)	2,633,105	2,547,406
- Advance to Staff : (As per Annexure - 4)	302,604	293,453
- Advance to Others : (As per Annexure - 5)	7,251,270	5,104,304
- Advance to Suppliers (As per Annexure-6)	767,396	1,500,000
- Advance Tax & T.D.S. (As per Annexure - 7)	1,353,269	1,000,009
- Accrued interest	-	850
- Prepaid Expenses	22,837	36,916

TOTAL(B) RS.	<u>12,330,481</u>	<u>10,482,938</u>
---------------------	-------------------	-------------------

TOTAL (A + B) RS.	<u>82,256,870</u>	<u>71,192,273</u>
--------------------------	-------------------	-------------------

ISHAN DYES & CHEMICALS LTD , VATVA

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS A/C FOR YEAR ENDED ON 31st MARCH 2009

(AMOUNT IN RUPEES)
FOR THE YEAR ENDED ON
31-Mar-09 31-Mar-08

SCHEDULE - 10 : SALES

Direct Export	10,773,100	21,201,190
Export Form H	61,989,300	47,506,062
Sales Local	259,607,246	223,673,845
OGS Sales	9,907,125	37,958,232
TOTAL:	342,276,771	330,339,329

SCHEDULE - 11 : OTHER INCOME:

Discount Received	312,093	23,000
Interest	265,244	65,380
Commission Recived	2,735,000	-
Sale of Scrap	1,074	26,970
Kasar-Vatav	28,942	1,972
Exchange Rate Difference	1,305,650	211,095
Diveidend	24,365	9,013
Sundry Balance w/Off	403,036	4,420,247
DEPB Licence Income	1,002,310	500,609
Excess Provisions Written Back:		
C.N.S.B	25,739,535	-
C.S.T	631,632	-
Fringe Benefit Tax	-	19,879
TOTAL:	32,448,881	5,278,164

SCHEDULE - 12 : INCREASE/(DECREASE) IN STOCKS:

INCREASE/(DECREASE) IN STOCKS :

Closing Stock :		
Work in Process	36,931,447	19,284,038
Finished Goods	7,714,732	6,217,763
Total :	44,646,179	25,501,801
Less : Opening Stock		
Work in Process	19,284,038	15,267,202
Finished Goods	6,217,763	4,378,965
Total :	25,501,801	19,646,167
Increase/(Decrease) in Stock :	19,144,378	5,855,634

ISHAN DYES & CHEMICALS LTD , VATVA

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS A/C FOR YEAR ENDED ON
31st MARCH 2009

(AMOUNT IN RUPEES)
FOR THE YEAR ENDED ON
31-Mar-09 31-Mar-08

SCHEDULE - 13 : RAW MATERIALS COSUMPTION:

Raw Materials:

Opening Stock of Raw Materials :	4,068,087	6,488,008
Add : Raw Material Purchase : Import	-	-
Raw Material Purchase : Indigenous	279,759,454	187,165,805
TOTAL:	283,827,541	193,653,813
Less : Closing Stock	4,080,396	4,068,087
	279,747,145	189,585,726

Packing Matrerials:

Opening Stock of Packing Materials :	821,124	662,860
Add : Packing Material Purchase : Import	-	-
Packing Material Purchase : Indigenous	1,528,164	2,406,091
TOTAL:	2,349,288	3,068,951
Less : Closing Stock	715,547	821,124
	1,633,741	2,247,827

Fuel Stock:

Opening Stock of Fuel Stock :	61,641	101,342
Add : Fuel Stock Purchased	5,693,711	19,198,128
TOTAL:	5,755,352	19,299,470
Less : Closing Stock	91,704	61,641
	5,663,648	19,237,829

ETP Material Stock:

Opening Stock of ETP Material Stock :	49,436	120,200
Add : ETP Materials Purchased	3,144,138	2,300,013
TOTAL:	3,193,574	2,420,213
Less : Closing Stock	4,182	49,436
	3,189,392	2,370,777

Stoters & Spares :

Opening Stock of Consumables :	694,000	350,000
Add : Consumables Purchase : Import	-	-
Consumables Purchase : Indigenous	4,039,532	2,119,582
TOTAL:	4,733,532	2,469,582
Less : Closing Stock	1,205,740	694,000
	3,527,792	1,775,582

Total Raw Materials Consumed for the Year

293,761,717 215,217,741

ISHAN DYES & CHEMICALS LTD , VATVA

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS A/C FOR YEAR
ENDED ON 31st MARCH 2009

(AMOUNT IN RUPEES)
FOR THE YEAR ENDED ON
31-Mar-09 31-Mar-08

SCHEDULE - 14 : MANUFACTURING EXPENSES:

Excise Duty	568,171	37,577,535
Job work Labour	2,616,151	2,541,088
Labour Charges	8,682,271	7,786,483
ETP Running Exps	2,677,322	1,725,235
Lab Materials	19,237	112,824
Labour Welfare Exp.	-	29,380
Packing & forwarding charges	13,336	8,294
M/C Maintenance Exp	43,306	79,309
Power & Fuel Exp.	29,728,097	18,124,704
Water Charges	151,200	147,600
Freight Inward	2,351,909	-
Loading & Unloading Charges	27,585	-
TOTAL:	46,878,585	68,132,452

SCHEDULE - 15 :STAFF COST & PROVISIONS :

Director's Salary	600,000	600,000
Salary Exps	5,595,562	5,156,851
Contractor Salary	-	603,956
Attendance Bonus	56,253	233,360
Attendance Salary	-	110,627
Bonus Exp.	411,213	180,539
E.S.I.C. Contribution Exp.	135,202	154,497
Consolidated Salary	-	125,300
Staff Welfare Exp.	29,791	364,185
Leave Encashment Exp.	123,596	165,000
Providend Fund Exp.	200,358	466,573
Retainer Charge	168,701	328,537
Retrechment Compansation	518,140	265,521
Gratuity Expenses	299,552	-
Pension Contribution	221,417	-
Ex-Gratia A/c	1,665,306	1,097,557
TOTAL :	10,025,091	9,852,503

ISHAN DYES & CHEMICALS LTD , VATVA

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS A/C FOR YEAR
ENDED ON 31st MARCH 2009

(AMOUNT IN RUPEES)
FOR THE YEAR ENDED ON
31-Mar-09 31-Mar-08

SCHEDULE - 15 : ADMINISTRATION & GEN. EXPENSES :

Advertisement Exp	45,193	59,010
Audit & Tax matters Fees	192,097	73,449
Commission Expenses	78,687	-
Conveyance Exp	61,655	42,681
Penalty Charges	13,900	50,497
Other Misc Expenses	72,177	130,512
Gift\Donation Expenses	25,000	12,700
Solid Waste Exps	126,795	-
Legal Exp.	1,110,940	391,267
Membership Fees	14,098	45,676
Office Expenses	468,453	105,148
Postage & Courier Exp.	83,242	140,810
Preliminary Expenses Written Off	590,995	663,908
Printing & Stationery	57,261	126,424
Professional Fee Exp.	592,286	1,467,749
Repairs & Maintenance Exp :		
Plant & Machinery	4,031,591	8,072,142
Car	437,541	310,221
Others	289,961	208,674
Securities Charges	262,851	332,595
Loss on Sale of Car	395,408	324,023
Telephone Exp.	347,289	241,022
Travelling Expenses	809,562	269,124
TOTAL:	10,106,982	13,067,632

ISHAN DYES & CHEMICALS LTD , VATVA

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS A/C FOR YEAR
ENDED ON 31st MARCH 2009

(AMOUNT IN RUPEES)
FOR THE YEAR ENDED ON
31-Mar-09 31-Mar-08

SCHEDULE - 16 : SELLING & DISTRIBUTION EXPENSES :

Clearing & Forwarding Charges	221,994	-
Sales Commission	-	195,040
Freight Outward	793,032	1,772,727
Agency Charges	12,506	-
Export Exps	94,769	-
Vat Tax	367,368	211,979
Packing Material Exp.(Pertaining to Export of goods)	-	77,450
TOTAL	1,489,669	2,257,196

SCHEDULE - 17 : FINANCIAL CHARGES :

Interest to Bank	1,253,139	2,007,198
Interest to Others	9,244,592	11,046,768
Bank Charges	165,096	156,720
Late Patment Charges	155,364	111,118
TOTAL	10,818,190	13,321,803

ISHAN DYES & CHEMICALS LTD , VATVA

**SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS A/C FOR YEAR ENDED ON
31st MARCH 2009**

(AMOUNT IN RUPEES)

AS AT

31-Mar-09 31-Mar-08

Annexure - 1 Details Of Bank Balances :

In Current Account with :

Bank of India -1031 Baroda	9,427	9,427
Bank of India- Vatva	11,559	7,251
Dena Bank A/C. No 65	4,931	4,931
ICICI Bank Ltd. (A' bad)	6,358	373,626
ICICI Bank Ltd.(Maninagar Br.)	7,805	7,805
Axis Bank	114,291	-
The Dharmaj People Co-Op. Bank	-	505,023
TOTAL :	154,371	908,063

Annexure -2 Details Of Bank Balances :

In Deposit Account with :

Bank Guarantee A/C (F.D)	-	909,621
Bank Of India - Vatva FD	-	100,000
Bank Guarantee A/C (G.P.C.B)	350,000	-
TOTAL :	350,000	1,009,621

Annexure - 3 Details Of Deposits :

Adani Energy Ltd. Deposit	-	529,588
Energy Enterprise	2,000	2,000
Fascl Ltd.	500	500
Labour Security Deposit	13,642	13,642
Novel Spent Acid Management	1,800,000	1,220,000
The Ahmedabad Elec. Company[Deposit]	808,063	777,276
Telephone Deposit	5,900	4,400
Avee Agency	3,000	-
TOTAL :	2,633,105	2,547,406

ISHAN DYES & CHEMICALS LTD , VATVA

**SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS A/C FOR YEAR ENDED ON
31st MARCH 2009**

(AMOUNT IN RUPEES)

AS AT

31-Mar-09 31-Mar-08

Annexure - 4 Details Of Advances To Staff :

Loans to Staff	256,100	267,453
Advance to Staff	46,504	26,000
TOTAL :	302,604	293,453

Annexure - 5 Advances To Others :

Central Excise Receivable	3,455,853	380,130
Gujarat Sales Tax Receivable	2,128,646	2,449,143
Service Tax Input Credit Available	256,952	156,696
Advance for Capital Goods	1,409,819	1,488,974
DEPB Receivable	-	629,361
TOTAL :	7,251,270	5,104,304

Annexure - 7 Details Of Advance Tax & T.d.s. :

TDS Recoverable	1,349,140	980,880
FBT Advance (A.Y. 2007-08)	4,129	4,129
FBT Advance Payment (A.Y. 2008-09)	-	15,000
TOTAL :	1,353,269	1,000,009

ISHAN DYES & CHEMICALS LTD, VATVA

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS A/C FOR YEAR ENDED
ON 31st MARCH 2009

Annexure : 8 Sundry Debtors:

Particulars	Amount (Rs)
Alpha Chemicals	31
Ambuja Cement (Unit. Gaj Ambuja Cement)	7,656
Avani Dye Chem Industries	967,275
Chem Colour Corporation	825,000
Dyestuff & Intermediates	295,495
Gaj Ambuja Cement	61,615
Guj. Ambuja Cement	12,902
Heubach Colour Pvt. Ltd	5,664,448
Macro Impex	1,534
Madhu Dyes & Pigments IND.	94,930
Mandar Chemicals	13,506
M/S.EUROPTHAL	61,452
M/s. Vibgyor Chemtex International	17,773
Mukesh Industries	1,553
Narayan Industries	120
Oswal Chemicals	556,895
Prasad International Limited	1,191,879
Prasad International Pvt. Ltd.	2,480,454
S.B.S. Colors & Chemiques Pvt. Ltd.- UNIT-2	3,015,227
Siddhi Corporation	2,674,912
Suprime Minerals Pvt. Ltd.	29,499
Universal Chemicals	54,576
Grand Total	18,028,733

Annexure : 6 Advance To Suppliers:

Particulars	Amount (Rs)
Ankita Chemical Corporation	7,808
Global Saga Logistics Pvt Ltd	2,710
G.M.D.C. Ltd.	6,288
JMJ Multi - Modal Inc	29,339
Kantilal Chimanlal	409
MCS Limited	139
Patel Fibere Glass & Chemical	18,567
Perfect Acid Wares	936
Pilot Enterprise	14,892
Roby Fabrication Works	21,655
Shivalik International	2,057
The Green Env. Ser. Co.Op. Soc. Ltd. (Solid Waste)	17,083
Universal Speciality Chemical Pvt. Ltd	590
Tech Engineers	125,000
Thermax Limited	500,000
Vallabhdas Dayal & Sons	19,923
Grand Total	767,396

ISHAN DYES & CHEMICALS LTD., VATVA

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS A/C FOR YEAR ENDED
ON 31st MARCH 2009

(AMOUNT IN RUPEES)
AS AT
31-Mar-09 31-Mar-08

SCHEDULE - 7 : CURRENT LIABILITIES & PROVISIONS

CURRENT LIABILITIES & PROVISIONS :

A. CURRENT LIABILITIES :

Sundry Creditors :

- Sundry Creditors for Materials (Annexure - 11)	114,220,163	71,043,849
- Sundry Creditors for Capital Goods(Annexure - 12)	2,417,361	61,315
- Sundry Creditors for Expenses(Annexure - 13)	13,977,998	9,393,823
	<u>130,615,523</u>	<u>80,498,987</u>

Other Liabilities :

- Statutory Expenses Payable : (Annexure - 9)	1,425,712	1,385,401
- Share Application Refund (NRI)	-	106,877
- Customer Advance (Annexure - 14)	5,437,964	96,887
	<u>6,863,675</u>	<u>1,589,165</u>

TOTAL(A) : 137,479,198 82,088,152

B. PROVISIONS :

- Provision for Tax	-	-
- Provision for Fringe Benefit Tax	95,000	80,000
- Other Provisions (Annexure - 10)	1,875,536	1,965,839
	<u>1,970,536</u>	<u>2,045,839</u>

TOTAL(A+B) : 139,449,734 84,133,991

Annexure - 9 Details Of Other Provisions:

Leave Encashment Payable	276,225	165,000
Provision for Central Excise on Finished Goods	559,333	699,448
Provision for Expenses	330,603	128,406
Provision of VAT on Finished Goods	367,368	206,424
Unpaid Salary & Wages	342,007	766,562
	<u>1,875,536</u>	<u>1,965,839</u>

Annexure - 10 Details Of Statutory Liabilities:

TDS Payable	674,458	356,242
Sales Tax Payable	206,424	631,632
Service Tax Payable	299,782	-
ESIC Contribution payable	96,367	109,187
ESIC Payable	113,695	48,968
P.F. Payable	28,856	60,431
Purchase Tax Payable	-	125,724
Penalty for excise Payable	-	50,397
Professional Tax Payable	6,130	2,820
	<u>1,425,712</u>	<u>1,385,401</u>

ISHAN DYES & CHEMICALS LTD , VATVA

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS A/C FOR YEAR
ENDED ON 31st MARCH 2009

(AMOUNT IN RUPEES)

AS AT

31-Mar-09 31-Mar-08

SCHEDULE - 8 : MISCELLANEOUS EXPENDITURE

(To the extent not written off)

Preliminary Expenditure: Opening Balance:	726,632	1,390,540
Add: Addition During the Year	1,002,000	-
	<u>1,728,632</u>	<u>1,390,540</u>
Less: Written off During the Period	826,832	663,908
Closing Balance:	<u>901,800</u>	<u>726,632</u>

SCHEDULE - 9 : PROFIT & LOSS ACCOUNT

PROFIT & LOSS ACCOUNT:

Opening Balance:	134,913,927	139,356,929
Add/ Less : (Profit) / Loss for the year C/F		
From P & L A/C	-4,628,158	-4,443,002
TOTAL:	<u>130,285,769</u>	<u>134,913,927</u>

NOTES FORMING PART OF ACCOUNTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2009

I SIGNIFICANT ACCOUNTING POLICIES

A) General:

- i) The Accounts have been prepared on historical cost basis
- ii) Income and expenditure are accounted on accrual basis except interest on secured loans of C.N.S.Bank Ltd., amount of which is not available

B) Fixed Assets and Depreciation:

- i) Fixed assets are stated at cost of acquisition or construction less depreciation. The cost of Fixed Assets includes pre-operative expenses incurred upto the date of commencement of commercial production (netting off by income arising during said period, if any)
- ii) Depreciation on fixed assets is provided at the rate on Triple Shift basis using straight line method in a manner specified in Schedule XIV of the Companies Act, 1956 for the plant and machinery except plant of Beta Blue on which depreciation is provided on single shift basis.

C) Inventory: Valuation and Treatment of Costs:

i) The inventory is valued as follows:

(1) Raw Material	:	At cost (FIFO method), net of Cenvat credit
(2) Stores & Spares	:	At cost (FIFO method)
(3) Finished Goods	:	Valued at lower of cost or net realisable value
(4) Work in Progress	:	At cost using absorption cost method

- ii) As per normal practice the cost of finished goods includes all direct cost and normal fixed cost. However it does not include selling and distribution costs. Value of stock of finished goods at the date of Balance Sheet date includes duties and taxes payable to comply Accounting Standards in Income Tax Act. Provision for such duty and taxes payable in the accounts as on the date of Balance Sheet.

D) Revenue Recognition:

- i) **Sales:** Sales are recognised at the time of despatch of goods. All sales are shown net of excise duty and returns, discount, shortage and amounts recovered towards VAT.
- ii) **Other Income:** Interest on deposits are accounted on accrual basis and dividends on receipt basis.

E) Provisions:

Provisions are recognised when the company has a legal and constructive obligation as a result of past event, for which it is probable that cash outflow will be required and a reliable estimate of past

event, for which it is probable that cash outflow will be required to and a reliable estimate can be made of the amount of obligation.

F) Contingent Liabilities:

Contingent liabilities are disclosed by way of notes on accounts.

G) Capital Contribution:

Capital contribution made towards Common Effluent Treatment Plant to Green Vatva Co-op. Society is treated as deferred revenue expenditure and considering its utility, the expenses are to be written off over a period of 10 years from the year 1999-2000.

H) Investments

Investments are stated at cost of acquisition

I) Retirement Benefits

Contribution to Provident fund is charged to Profit and Loss account. Gratuity is charged to Profit and Loss account as and when paid. No provision is made for accrued liability for retirement benefits

J) Foreign Exchange Transactions

i) The export sales transactions are recorded at the rate prevailing on the date of sale. Imports are recorded at the rate prevailing on the date of actual payment. The loss or gain on exchange fluctuations are charged to Profit & Loss Account

2 OTHER NOTES

- A) Estimated amount of contracts remaining to be executed on Capital Account net of advances: Rs. 22 lacs (Previous Year Rs. 42 lacs)
- B) Previous years figures are regrouped and/or rearranged wherever considered necessary to conform to this years grouping.

3 PAYMENT TO AUDITORS

A) Audit Fees	60,000
B) Tax Audit Fees	25,000
C) For Other Professional Services	NIL
D) Out of Pocket Expenses	4,500

4 DIRECTORS REMUNERATION : Salary of Rs. 12,00,000 per annum

- 5 Balance due to/from third parties are subject to confirmation, reconciliation and/or adjustments.

6 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 business.

7 Undisputed Statutory Liability outstanding for more than 6 months : NIL.

8 Exchange gain/loss (net) included in the profit and loss account is 13,05,650

9 Value of Import on CIF basis

2008-09	2007-08
Rs. 23.21	Rs. 24.51 lacs

10 The company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprise Development Act, 2006 and hence disclosure requirement in this regard as per Schedule VI of the Companies Act, 1956 is not provided.

11 Interest accrued on loan from C.N.S. Bank Ltd., Borsad Branch for year 2008-09 is not provided by the company. The bank is under liquidation. Actual interest due for the period 1-4-2008 till 31-3-2009 is not available since the said bank is under liquidation and has stopped its operations.

12 Licensed and Installed Capacity

Product	Licensed Capacity in Metric Tonnes		Installed Capacity in Metric Tonnes	
	2008-09	2007-08	2008-09	2007-08
CPC Blue	NA	NA	3000	3000
Beta Blue	NA	NA	1200	720
Alpha Blue	NA	NA	1200	1200
Cuprous Chloride	NA	NA	600	600

Note: As certified by the Management.

13 Major Raw Material Consumed

Particulars	2008-09		2007-08	
	Qty (kgs)	Value in lacs	Qty (kgs)	Value
1 Phthalic Anhydride	1166075	763.01	1446700	860.77
2 T.G. Urea	1583900	100.37	1979075	119.77
3 Solvent	139220	37.79	192250	5.71
4 Copper Scrap	NIL	NIL	15375	53.44
5 Chlorine	NIL	NIL	12700	0.43
6 Ammonium Molybdate	2025	32.69	2786	53.71
7 Sulphuric Acid	4669500	168.94	4056500	163.08
8 Cuprous Chloride	218853	486.27	236714	554.44

14 Particulars of Raw Material & Stores & Spares Consumed (Rs. in lacs)

Particulars	2008-09		2007-08	
	Rs. in lacs	%	Rs. in lacs	%
Raw Materials				
Imported	23.21	0.83	43.70	2.30
Indigenous	2774.26	99.17	1852.15	97.70
Stores & Spare Parts				
Imported	NIL	NIL	NIL	
Indigenous	35.27	100.00	17.75	100.00

15 Quantity information regarding opening and closing stock of finished goods and sales is provided by way of annexure to this notes

16 Earnings in Foreign Exchange

A) FOB Value of Direct Export 107.73 lacs (Previous Year Rs. 212.01 lacs)

17 Related Party Disclosures as required by AS - 18

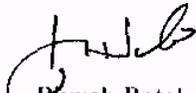
18 Key Management Personnel: Piyushbhai N Patel, Managing Director
Shrinal Piyush Patel, Chief Executive Officer

19 The company has only one segment activity i.e. production of Phthalyocyanine Blue

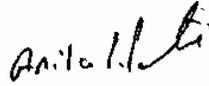
20 The company does not envisage any benefits in immediate near future for taxes on income as detailed out in AS 22 and hence no provision is made for deferred tax benefits.

For Ishan Dyes & Chemicals Ltd.

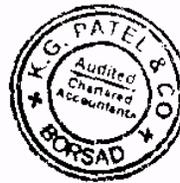
For K.G. Patel & Co
Chartered Accountants

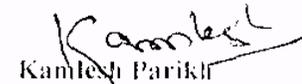


Piyush Patel
Managing Director



Anila Patel
Director




Kamlesh Parikh
Partner
M. No. 34529

Date: June 30, 2009

Place: Borsad