

# **ISHAN DYES & CHEMICALS LIMITED**

**24<sup>TH</sup> ANNUAL REPORT  
2016-17**



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## CORPORATE INFORMATION



### BOARD OF DIRECTORS

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

### CHIEF FINANCIAL OFFICER

- Shri Chintan Prakashbhai Pancholi

### BANKERS

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

### STATUTORY AUDITORS

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

### INTERNAL AUDITORS

- K. D. Dave & Co.  
Chartered Accountants  
F-712, Titanium City Centre,  
100FT Shyamal to Prahladnagar Road,  
Satellite, Ahmedabad – 380015

### REGISTERED OFFICE & FACTORY ADDRESS

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

### CIN NO

- L24110GJ1993PLC020737

### REGISTRAR AND SHARE TRANSFER AGENT (RTA)

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



## NOTICE

### 24<sup>th</sup> ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT THE TWENTY FOURTH ANNUAL GENERAL MEETING OF ISHAN DYES & CHEMICALS LIMITED WILL BE HELD ON THURSDAY, 28<sup>TH</sup> SEPTEMBER, 2017 AT 2.30 P.M. AT 18, G.I.D.C ESTATE PHASE - 1, VATVA AHMEDABAD - 382445 TO TRANSACT THE FOLLOWING BUSINESS:**

#### **ORDINARY BUSINESS:**

**1. ADOPTION OF THE ANNUAL AUDITED FINANCIAL STATEMENT AND REPORTS THEREON:**

To receive, consider, approve and adopt the Audited Financial Statements of the Company for the financial year ended on 31<sup>st</sup> March, 2017 together with the Reports of the Directors' and Auditors' thereon.

**2. APPOINTMENT OF A DIRECTOR IN PLACE OF ONE RETIRING BY ROTATION:**

To appoint a Director in place of Shri Marut Dineshchandra Patel (DIN: 01886954), Director, who retires by rotation and being eligible, offers himself for re-appointment

**3. RATIFICATION OF APPOINTMENT OF STATUTORY AUDITORS:**

To ratify the appointment of Statutory Auditors and to fix their remuneration and in this regard to consider and if though fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the Section 139, 141, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made there under, pursuant to the recommendations of the Audit Committee and the Board of Directors and further pursuant to the resolution passed by the members at the Annual General Meeting held on 23rd September, 2014, the appointment of M/s. G. S. Mathur & Co., Chartered Accountants (Registration No: 008744N), as statutory auditors of the Company be and is hereby ratified to hold office from the conclusion of 24<sup>th</sup> AGM till the conclusion of the 25<sup>th</sup> AGM at a remuneration as may be mutually agreed between the Board of Directors of the Company with the Auditors."

#### **SPECIAL BUSINESS:**

**4. INCREASE IN AUTHORIZED SHARE CAPITAL OF THE COMPANY AND AMENDMENT IN CAPITAL CLAUSE OF MEMORANDUM OF ASSOCIATION OF THE COMPANY:**

To increase the Authorised Share Capital of the Company and amendment in the Capital Clause of the Memorandum of Association of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to section 13, 61, 64 and all other applicable provisions, if any, of the Companies Act, 2013 read with rules framed thereunder and in terms of applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modifications or re-enactment thereof for the time being in force) and Articles of Association of the Company, consent of the Shareholders of the Company be and is hereby accorded to increase the authorized share capital of the Company from Rs. 20,00,00,000/- (Rupees Twenty Crores Only) divided into 2,00,00,000/- (Two Crores) Equity Shares of Rs. 10/- (Rupees Ten Only) to Rs. 25,00,00,000/- (Rupees Twenty Five Crores Only) divided into 2,50,00,000/- (Two Crores Fifty Lacs) Equity Shares of Rs. 10/- (Rupees Ten Only) each by creating additional 50,00,000 (Fifty Lacs) Equity Shares of Rs. 10/- (Rupees Ten Only) each.

**RESOLVED FURTHER THAT** existing Capital Clause V of the Memorandum of Association of the Company be and is hereby substituted with the following clause:

**V. The Authorized Share Capital of the Company is Rs. 25,00,00,000/- (Rupees Twenty Five Crores Only) divided into 2,50,00,000 (Two Crores Fifty Lacs) Equity Shares of Rs. 10/- (Rupees Ten Only) each.**

**RESOLVED FURTHER THAT** for the purpose of giving effect to the aforesaid resolution, the Board of Directors of the Company or a Committee thereof ("the Board") be and are hereby authorized to do all such acts, deeds, matters and things as may, in its absolute discretion deem necessary, expedient, usual or proper and to settle any questions, difficulties and doubts that may arise in regard to the increase in Authorised



Share Capital of the Company and consequent amendment in Memorandum of Association of the Company as they may deem think proper and fit”

**5. AUTHORITY TO BORROW MONEY IN EXCESS OF LIMITS SPECIFIED UNDER SECTION 180(1)(C) OF THE COMPANIES ACT, 2013:**

To borrow money in excess of paid up capital & free reserves pursuant to section 180(1)(c) and other applicable provisions of the Companies Act, 2013 and other applicable laws and in this regard to consider and if thought fit, to pass the following resolution, with or without modifications, as a **Special Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modifications or any amendments or any substitution or re-enactment thereof, if any, for the time being in force and all other applicable Acts, laws, rules, regulations and guidelines for the time being in force and the Articles of Association of the Company, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board”), which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution, to borrow any sum or sums of money from time to time at their discretion, for the purpose of business of the Company, which together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) may exceed at any time, the aggregate of its paid up capital of the company and its free reserves(that is to say, reserves, not set apart for any specific purpose) in Indian Rupees or equivalent thereof in any foreign currency(ies) either from the Company’s Bankers or from any other Banks/Financial Institutions or any other lending institutions or bodies corporate or other persons on such terms and conditions as the Board may deem fit, whether the same may be secured or unsecured and if secured, whether by way of mortgage, charge or hypothecation, pledge or otherwise in any way whatsoever, on, over or in any respect of all, or any of the Company’s assets and effects or properties whether movable or immovable, including stock-in-trade, any sum of money not exceeding Rs. 50.00 Crores (Rupees Fifty Crores Only) [including the money already borrowed by the Company, if any] over and above the aggregate of the paid up share capital and free reserves of the Company.”

“**RESOLVED FURTHER THAT** the Board be and is hereby empowered and authorized to arrange, fix or settle the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security, creation of charge on properties or otherwise as it may think fit and to do all such acts, deeds and things to execute all such documents, instruments and writings as may be required and to take all such actions and to give all such directions and to do all such acts, deeds, matters and things as may be necessary to give effect to the aforesaid resolutions and/or expedient in that behalf.”

**6. AUTHORITY TO MAKE INVESTMENTS IN EXCESS OF LIMITS SPECIFIED UNDER SECTION 186 OF THE COMPANIES ACT, 2013:**

To authorize the Board of Directors to invest by way of purchase/acquisition of securities of other Body Corporate(s) pursuant to the Section 186 of the Companies Act, 2013 and other applicable laws and in this regard to consider and if thought fit, to pass the following resolution, with or without modifications, as a **Special Resolution:**

“**RESOLVED THAT** pursuant to the provisions of the Section 186 and all other applicable provisions, if any, of the Companies Act, 2013 including any statutory modifications or any amendments or any substitution or re-enactment thereof, if any, for the time being in force and all other applicable Acts, laws, rules, regulations and guidelines for the time being in force and the Articles of Association of the Company and consent of the members of the Company be accorded to the Board of Directors of the Company (hereinafter referred to as the “Board”), which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution to invest/acquire the securities of any other Body Corporate including its subsidiary(ies) by way of subscription, purchase or otherwise, upto an aggregate limit of Rs. 50.00 Crores (Rupees Fifty Crores Only) notwithstanding that the aggregate of the investments so far made together with the investments to be made will exceed the limits prescribed under Section 186 of the Act”



**“RESOLVED FURTHER THAT** the Board be and is hereby authorised to take from time to time all decisions and steps necessary, expedient or proper, in respect of the above mentioned investment(s) including the timing, the amount and other terms and conditions of such transactions and also to take all other decisions including varying any of them, through transfer or sale, divestment or otherwise, either in part or in full, as it may, in its absolute discretion, deem appropriate, subject to the specified limits for effecting the aforesaid transactions.”

**“RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effect to this resolution.”

**7. AUTHORITY TO ENTER INTO RELATED PARTY TRANSACTIONS UNDER SECTION 188 OF THE COMPANIES ACT, 2013:**

To consider and approve the related party transactions and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 read with rules framed in this behalf and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendment or modification thereof) and as recommended and approved by the Audit Committee and Board of Directors and subject to such other approvals, sanctions, permissions as may be required, the consent of the Shareholders be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board”), which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution to enter during financial year 2017-18 or anytime thereafter into any contract(s)/transaction(s)/arrangement(s)/agreement(s) with the following related parties in one or more tranches or as may be required from time to time upto the maximum amounts as appended below against each nature or class of contract(s)/arrangement(s)/transaction(s):-

Name of the Related Party	Name of the Director or Key Managerial Personnel who is/are related, if any	Nature of Relationship	Nature, material terms, monetary value and particulars of the contract of arrangement	Any other information relevant or important for the members to take a decisions on the proposed resolution
Cluster Enviro Private Limited	Piyush N. Patel and Shrinal P. Patel	Common Directors in both the Companies	Sale, purchase or supply of Chemicals or such intermediate goods or materials, or taking or giving of any services, deposition charges payment for sludge, appointment of agent for purchase or sale of Chemicals or such intermediate goods, materials or materials or taking or giving loans or advances upto aggregate amount of Rs. 30.00 Crores in any financial year or such other amount as may be approved by the Audit Committee and Board of Directors of the Company from time to time.	In the ordinary course of business on an arm’s length basis



**RESOLVED FURTHER THAT** all acts, deeds, things and matters done till date in connection with Related Party Transactions are ratified and approved herewith and further the Board be and is hereby authorized from time to time to negotiate and finalize the terms and conditions of Related Party Transactions with the above parties and to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, if any required, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds, things and matters as may be necessary, proper, expedient or incidental for the purpose of giving effect to this Resolution and also to agree to any amendments thereto from time to time as it may think fit.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers conferred on it by or under this resolution to any Committee or any of the Director(s) of the Company or any other office(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this resolution."

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

**18<sup>th</sup> August, 2017  
Ahmedabad**

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

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

**NOTES:**

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

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

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

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

2. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the meeting is annexed hereto.
3. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se, etc as



required to be disclosed as per Companies Act, 2013, Regulation 36 (3) the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of the Secretarial Standard on General Meetings (SS-2), are provided as annexure to this notice.

4. Members/Proxies should bring attendance slips sent herewith duly filled in, for attending the Meeting.
5. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days (except Saturdays, Sundays and Public Holidays) between 03.00 p.m. to 05.00 p.m. upto the date of this Annual General Meeting.
6. A route map along with prominent landmark for easy reach to the venue of annual general meeting is annexed with this notice.
7. The Register of Members and the Share Transfer Books of the Company will remain closed from 22<sup>nd</sup> September 2017 to 28<sup>th</sup> September 2017 (both days inclusive) for the purpose of 24<sup>th</sup> Annual General Meeting of the Company.
8. Members are requested to notify promptly any change in their registered addresses.
9. Members who have not encashed their dividend for the financial year 2015-16, are requested to contact the Company at 18, G.I.D.C Estate, Phase – 1, Vatva, Ahmedabad – 382445, Gujarat, INDIA.
10. Members are requested to note that Dividends not encashed or remaining unclaimed for a period of 7 (seven) Years from the date of transfer to the Company's Unpaid Dividend Accounts shall be transferred to the Investor Education and Protection Fund (IEPF) established under Section 124 of the Companies Act, 2013 and the relevant Rules thereunder.
11. The Members are requested to dematerialize their shareholdings with their Depository Participants as the Company's Shares are traded compulsorily under Demat mode in the Stock Exchanges.
12. Members holding shares in single name and/or in physical mode are advised to make nomination in respect of their shareholding in the Company. Nomination forms can be obtained from the Company's Registered Office.
13. Members, who are holding Shares in identical order of names in more than one Folio, are requested to apply to the Company/Share Transfer Agents along with the relevant Share Certificates for consolidation of such Folios in one Folio.
14. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.
- 15. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies of Annual Report to the Meeting. No gifts or coupons or any other form of solicitation will be provided at the Annual General Meeting.**
16. The Notice of the 24<sup>th</sup> Annual General Meeting is available on the website of the Company [www.ishandyes.com](http://www.ishandyes.com) and website of CDSL [www.cdslindia.com](http://www.cdslindia.com).
17. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN to the Company.
18. Attendance Slip and Proxy Form is annexed. Members are requested to affix their signature at the space provided in the entrance pass and hand over the same at the entrance to the place of meeting.
- 19. Pursuant to Section 101 of the Companies Act, 2013 and rules made thereunder, the companies are allowed to send communication to shareholders electronically. We thus request the members who have not registered their email address so far to kindly register/update your email ids with your respective depository participant. In case of physical shares, register/update your email ids with**



**the Company's registrar and share transfer agent register for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.**

20. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its members the facility of 'remote e-voting' (e-voting from a place other than venue of the AGM) to exercise their right to vote at the 24<sup>th</sup> Annual General Meeting (AGM). For this purpose, the Company has entered into an agreement with CDSL for facilitating e-voting to enable the Shareholders to cast their votes electronically.

The Company is also providing facility for voting by Ballot paper at the venue of the 24<sup>th</sup> Annual General Meeting apart from providing remote e-voting facility for all those members who are present at the general meeting but have not casted their votes by availing the remote e-voting facility.

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

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

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

<b>PAN</b>	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders )  Member who have not updated their PAN with the company/ depository participant are requested to use the serial number print in address slip.
<b>Date of Birth or Date of Incorporation or Bank Account</b>	Enter the Date of Birth as registered with the DP/RTO in dd/mm/yyyy format or Enter the Dividend Bank Details as recorded with your DP/RTA.  Please note - In respect of Physical shareholdings and whose DOB and Dividend Bank details are not registered with DP/RTA should enter No. of shares held by you as on the cut of date i.e. 21/09/2017.

*# CDSL users can enter any one of the details viz. dividend bank details or date of birth, in order to login; however, NSDL users mandatorily have to mention their bank account number in order to login. In case bank details are not recorded with the depository, please enter the number of shares held by you as on the cut-off date viz. Thursday, 21<sup>st</sup> September, 2017 in the Dividend Bank details field*

- g) After entering these details appropriately, click on "SUBMIT" tab.



- h) For Members holding shares in physical form, the login details can be used only for e-voting on the resolutions contained in this Notice. On logging in, Members holding shares in physical form will be directed to the Company selection screen.
- i) Members holding shares in Demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the electronic holders for voting on resolutions of other companies, as well, on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- j) Click on the EVSN for the relevant Company <ISHAN DYES AND CHEMICALS LIMITED> on which you choose to vote.
- k) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO, as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- l) Click on the "Resolutions File" Link if you wish to view the entire Notice.
- m) After selecting the Resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- n) Once you "CONFIRM" your vote on the Resolution, you will not be allowed to modify your vote. You can also take a print of the voting done by you.
- o) If an electronic account holder has forgotten the set password, then he has a 'Forgot password' option to reset the password.
- p) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- q) Note for Institutional Shareholders:
- Institutional shareholders (i.e. other than Individuals, HUFs, and NRIs etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details, they have to create a compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.
- r) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).



#### **Other Instructions:**

- I. The remote e-voting period commences on Monday, 25<sup>th</sup> September 2017 (9.00 a.m. IST) and ends on Wednesday, 27<sup>th</sup> September, 2017 (5.00 p.m. IST) both days inclusive. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date/entitlement date of Thursday, 21st September, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast and confirmed by the Member, he shall not be allowed to change it subsequently.
- II. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off only shall be entitled to avail the facility of remote e-voting as well as voting at the Annual General Meeting.
- III. The voting rights of Members shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on Thursday, 21st September, 2017 for determining the eligibility to vote by electronic means or at the Meeting by Ballot Paper.
- IV. Any person who becomes a member of the Company after the date of this Notice of the Meeting and holding shares as on the cut-off date i.e. Thursday, 21st September, 2017, may obtain the User ID and Password by sending an email request to [ishandyes@yahoo.com](mailto:ishandyes@yahoo.com). Members may also call on 079-25832144/25893607 or send a request/fax on 079-25833643 to Mr. Chintan Pancholi, Chief Financial officer of the Company, by writing to him at Ishan Dyes & Chemicals Limited, 18, G.I.D.C Estate, Phase – 1, Vatva, Ahmedabad – 382445, Gujarat, INDIA.
- V. The Company has appointed Shri Kunal Sharma, Practicing Company Secretary as the Scrutinizer to conduct e-voting and the voting process at the AGM in a fair and transparent manner.
- VI. The Scrutinizer shall, after the conclusion of voting at the Meeting, first count the votes casted by Ballot paper at the Meeting, thereafter unblock the votes casted through remote e-voting in the manner provided in the Rules and make, not later than 48 hours of conclusion of the Meeting, consolidated Scrutinizer's Report of remote e-voting and voting by Ballot paper at the Meeting, of the total votes casted in favor or against, if any, to the Chairman of the Meeting or a person as may be authorized by him in writing shall declare the result of the voting forthwith and all the resolutions as mentioned in the Notice of the Meeting shall be deemed to be passed on the date of the Meeting.
- VII. The results declared along with the Scrutinizer's Report shall also be placed on the Company's website [www.ishandyes.com](http://www.ishandyes.com) and on the website of CDSL and communicated to BSE Limited where the shares of the Company are listed.
- VIII. The resolutions shall be deemed to be passed on the date of Annual General Meeting of the Company, subject to receipt of sufficient votes.
- IX. You can also update your mobile number and Email id in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-voting in future. The same may be used in case the Member forgets the password and the same need to be reset.

**Contact Details:**

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

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

18<sup>th</sup> August, 2017  
Ahmedabad

Piyush N. Patel  
Chairman & Managing Director  
DIN: 00450807

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

**Item no: 04:**

Your Directors recommend increase in the authorized share capital of the Company to facilitate issue of further shares which might be required in future with a view to augment resources for the business of the Company commensurate with the nature and size of your Company.

Accordingly, it is proposed to increase the authorised capital of the Company and amend the existing Capital Clause V of Memorandum of Association (MoA) of the Company from the existing Authorized Share Capital of Rs. 20,00,00,000/- (Rupees Twenty Crores Only) divided into 2,00,00,000/- (Two Crores) Equity Shares of Rs. 10/- (Rupees Ten Only) to Rs. 25,00,00,000/- (Rupees Twenty Five Crores Only) divided into 2,50,00,000/- (Two Crores and fifty lacs) Equity Shares of Rs. 10/- (Rupees Ten Only) by creating additional 50,00,000 (Fifty Lacs) Equity Shares of Rs. 10/- (Rupees Ten Only) each.

The Board recommends aforesaid proposal for the approval of the Shareholders of the Company by way of passing of an Ordinary Resolution.

A copy of the Memorandum of Association will be kept open for inspection by members at the registered office of the Company during the office hours on all working days between 11.00 a.m. to 1.00 p.m. from the date hereof upto the date of the ensuing Annual General Meeting.

None of the Directors, key managerial personnel of the Company or their relatives are in any way, financially or otherwise concerned or interested in the said resolutions.

**Item no: 05:**

Section 180(1)(c) of the Companies Act, 2013 requires the consent of the members by passing a special resolution to enable the Board of directors to borrow monies in excess of the aggregate of the paid-up share capital and free reserves of the Company.

Considering the future business potentiality and opportunities the current borrowing powers of the Board of Directors may not be sufficient to facilitate the Board to borrow for such purpose of the Company's business requirements. The approval of the shareholders is being sought by a Special Resolution for an enabling authority infamous of the Board to increase its borrowing power to Rs. 50.00 Crores in excess of the aggregate of the paid up share capital and free reserves of the Company.

The Board accordingly recommends the Special Resolution set out at Item No. 05 of the accompanying Notice for your approval.

None of the Directors, key managerial personnel of the Company or their relatives are in any way, financially or otherwise concerned or interested in the said resolutions.

**Item no: 06:**

In terms of Section 186 of the Companies Act 2013 investment in the securities of any other body corporate requires prior approval of the Members by way of a Special Resolution for acquisition by way of subscription, purchase or otherwise, the securities of any other body corporate other than a wholly owned subsidiary, exceeding sixty percent of its paid-up share capital, free reserves and securities premium account or one hundred percent of its free reserves and securities premium, whichever is higher.

Considering business potentiality and foreseen opportunities for the business of the Company it is proposed to seek approval of the members so as to make investment in Securities of other Companies upto Rs. 50.00 Crores in excess of the available limits of investments under Section 186 of the Companies Act, 2013.

The Board accordingly recommends the Special Resolution set out at Item No. 06 of the accompanying Notice for your approval.

None of the Directors, key managerial personnel of the Company or their relatives are in any way, financially or otherwise concerned or interested in the said resolutions.

**Item no: 07**

The Audit Committee and the Board of Directors of the Company at their meeting held on 26<sup>th</sup> August, 2017 has considered and given its approval in line with the policy on Related Party Transactions of the Company for certain transactions to be entered into with some of the related parties of the Company from time to time as mentioned. The Company is entering these transactions with the related parties in its ordinary course of the business and on an arm length's basis hence are presently exempted under Section 188 of the Companies Act, 2013, however, out of abundant caution the approval of Shareholders by way of Ordinary Resolution is being sought pursuant to Section 188 of the Companies Act, 2013 read with rules framed in this behalf and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Members are informed that pursuant to the second proviso of Section 188 of Companies Act, 2013 read with rules framed thereunder and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the related parties shall abstain from voting on such resolutions whether the entity is a related party to the particular transaction or not.

In view of the above, approval of the Shareholders by way of Ordinary Resolution is being sought in terms of Section 188 of Companies Act, 2013 read with rules framed thereunder and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The relevant necessary documents shall be available for inspection to the Members during the course of voting at the Registered Office of the Company during the office hours.

*Additional Disclosures regarding Related Party Transaction:*

<b>Name of the Related Party</b>	<b>Name of the Director or Key Managerial Personnel who is related, if any</b>	<b>Nature of Relationship</b>	<b>Nature, material terms, monetary value and particulars of the contract of arrangement</b>	<b>Any other information relevant or important for the members to take a decisions on the proposed resolution</b>
Cluster Enviro Private Limited	Piyush N. Patel and Shrinal P. Patel	Common Directors in both the Companies	Sale, purchase or supply of Chemicals or such intermediate goods or materials, or taking or giving of any services, deposition charges payment for sludge, appointment of agent for purchase or sale of Chemicals or such intermediate goods, materials or materials or taking or giving loans or advances upto aggregate amount of Rs. 30.00 Crores in any financial year or such other amount as may be approved by the Audit Committee and Board of Directors of the Company from time to time.	In the ordinary course of business on an arm's length basis

The Board accordingly recommends an Ordinary Resolution set out at Item No. 07 of the accompanying Notice for your approval.



Except the Directors /KMP mentioned above, none of the Directors and/or Key Managerial Personnel of the Company and/or their relatives is in any way, concerned or interested financially or otherwise, in this resolution.

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

**18<sup>th</sup> August, 2017  
Ahmedabad**

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

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



## Annexure - 1

Details of Directors including Directors to be appointed / reappointed at the ensuing Annual General Meeting:

*(This also includes information Pursuant to Regulation 36 (3) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015*

Name with Age and Qualifications	Experience	Details of Directorships in other Companies including Listed Companies	Details of Membership of Committees of Board of other Companies	Brief Resume of Directors	Disclosure on relationship between Directors Inter-se
<p>Piyushbhai N. Patel</p> <p>Date of Birth - 01/04/1955</p> <p>62 years</p> <p>B.E.(Mechanical Engineer)</p>	<p>He is having rich experience in the business of Chemicals, farming, general Trading and Banking. He is also actively involved with various social, industrial and trade association activities.</p>	<p>(i) Cluster Enviro Private Limited</p> <p>(ii) Beverly Hills Construction Private Limited</p>	<p>NIL</p>	<p>He is the key promoter and associated with the Company since incorporation. Presently he is Chairman and Managing Director of the Company.</p> <p>He holds 10,36,290 Shares in the Company</p>	<p>Husband of Anilaben Patel and Father of Shrinal P. Patel</p>
<p>Shrinal P. Patel</p> <p>Date of Birth - 12/05/1985</p> <p>32 years</p> <p>BBA(Business Finance, Psychology and Bioscience) from University of Florida</p>	<p>He is having rich experience in the areas of Marketing, finance and Business operations with knowledge of chemical industry.</p>	<p>(i) Cluster Enviro Private Limited</p>	<p>NIL</p>	<p>He is Co-promoter of the Company and associated as a Whole-Time Director of the Company since 2010 and contributed to accelerate the growth of the Company to achieve present scale of operations and performance.</p> <p>He holds 9,58,500 Shares in the Company</p>	<p>Son of Piyush N. Patel and Anilaben P. Patel</p>



<p>Anilaben P. Patel</p> <p>Date of Birth - 07/11/1957</p> <p>59 years</p> <p>B.A.(Psychology)</p>	<p>She is having experience of general administration and involved into various social activities.</p>	<p>NIL</p>	<p>NIL</p>	<p>She is one of the key promoters of the Company. Presently she is a promoter director liable to retire by rotation.</p> <p>She holds 3,63,750 Shares in the Company</p>	<p>Wife of Piyush N. Patel and Mother of Shrinal P. Patel</p>
<p>Marutbhai D. Patel</p> <p>Date of Birth - 20/04/1956</p> <p>61 years</p> <p>Graduate</p>	<p>He is NRI and has rich experience of running retail business of over 30 years.</p>	<p>Baverly Hills Construction Private Limited</p>	<p>NIL</p>	<p>He is co-promoter of the Company and associated as Non-executive Director of the Company since 08/09/1994. He is non independent director liable to retire by rotation.</p> <p>He holds 3,63,750 Shares in the Company.</p>	<p>NIL</p>
<p>Ronak Y. Desai</p> <p>Date of Birth - 01/09/1984</p> <p>32 years</p> <p>H. Sc</p>	<p>He is having rich experience in the areas of quarry, mining and Infrastructure projects.</p>	<p>NIL</p>	<p>NIL</p>	<p>The Board of Directors had first appointed Mr. Ronak Y. Desai as an Additional Director of the Company with effect from 30/04/2005.</p> <p>He holds NIL Shares in the Company.</p>	<p>NIL</p>



<p>Mayankkumar H. Patel</p> <p>Date of Birth - 22/10/1973</p> <p>43 years</p> <p>Undergraduate</p>	<p>He is farmer and actively involved with agricultural business.</p>	<p>NIL</p>	<p>NIL</p>	<p>The Board of Directors had first appointed Mr. Mayankkumar H. Patel as a Director of the Company with effect from 28/01/2010.</p> <p>At the 21<sup>st</sup> Annual General Meeting of the Company held in the year 2014, shareholders have approved his appointment as an Independent Director for a period of 5 years.</p> <p>He holds 450 Shares in the Company</p>	<p>NIL</p>
<p>Roopin A. Patel</p> <p>Date of Birth - 31/05/1977</p> <p>40 years</p> <p>Chartered Accountant</p>	<p>He is practicing Chartered Accountant and having vast experience in the field of accounts, finance, taxation and banking.</p>	<p>NIL</p>	<p>NIL</p>	<p>The Board of Directors had first appointed Mr. Roopin A. Patel as a Director of the Company with effect from 20/09/2010.</p> <p>At the 21<sup>st</sup> Annual General Meeting of the Company held in the year 2014, shareholders have approved his appointment as an Independent Director for a period of 5 years.</p> <p>He holds NIL Shares in the Company</p>	<p>NIL</p>

<p>Yatinbhai G. Patel</p> <p>Date of Birth - 01/06/1955</p> <p>62 years</p> <p>Graduate</p>	<p>He is a Graduate and having rich experience in the areas of Finance and Management.</p>	<p>NIL</p>	<p>NIL</p>	<p>The Board of Directors had first appointed Mr. Yatin G. Desai as a Director of the Company with effect from 07/09/2011.</p> <p>At the 21<sup>st</sup> Annual General Meeting of the Company held in the year 2014, shareholders have approved his appointment as an Independent Director for a period of 5 years.</p> <p>He holds 900 Shares in the Company</p>	<p>NIL</p>
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## DIRECTORS' REPORT

To,  
The Members,  
ISHAN DYES AND CHEMICALS LIMITED

Your Directors have pleasure in presenting 24<sup>th</sup> Annual Report together with the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2017.

### 1. FINANCIAL RESULTS:

The Company's financial performance, for the year ended March 31, 2017 is summarized below:

	<i>(Amount in Lacs)</i>	
	<b>Current Year (2016-17)</b>	<b>Previous Year (2015-16)</b>
Sales(Net)	6,674.29	6144.63
Other Income	114.24	118.83
<b>Total Revenue</b>	<b>6,788.53</b>	<b>6263.46</b>
<b>Earnings before Interest, Depreciation, Exceptional /Extraordinary Items, Tax &amp; Amortizations (EBITDA)</b>	<b>1219.07</b>	<b>754.46</b>
Interest(Net)	81.90	91.19
Depreciation	154.64	140.83
<b>Profit before Exceptional / Extraordinary items &amp; tax</b>	<b>982.53</b>	<b>522.44</b>
Exceptional / Extraordinary expenses	--	1.04
<b>Profit before Tax</b>	<b>982.53</b>	<b>521.41</b>
Tax Adjustments (Net)	422.43	132.94
<b>Profit after Tax</b>	<b>560.10</b>	<b>388.46</b>

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

The Company has achieved total revenue of Rs. 6788.53 Lacs and EBITDA (pre exceptional and extraordinary item) of Rs. 1219.07 Lacs as against that of Rs. 6263.46 Lacs and Rs. 754.46Lacs respectively for the previous year. As compared to previous year, during the year the operations have shown increase in turnover by 8.38% and EBITDA by 61.58%. Year under review has witnessed growth in terms of volume and value both together with reduced cost of operations particularly due to fallen raw material prices and improved sales realization which in turn has resulted into a robust increase in Profit before tax of Rs. 982.53Lacs as against that of Rs. 521.41Lacs for the previous year thereby recording a growth of 88.43%. The operations have shown Net Profit after tax of Rs. 560.10Lacs which was higher by 44.18% over that of past year.

### 3. PROSPECTS & DEVELOPMENTS:

Your management is pleased to mention that the expanded production capacities besides overall efficiency improvements steps undertaken has supported to increase margins for the products of the Company and has delivered increased profits for year ended. The Company is concentrating in developing new markets, spread the customer base and introduce new ranges for the products , all these factors will drive the growth during coming years for the benefits of the Company and the management is confident of delivering consistently improved results during coming years. Also the management is exploring various possibilities and opportunities to diversify for creating value chain of business.

The business segment of the Company is full of challenges with multiple variables affecting the operations and business of the Company. Key such variables are ecology and allied regulatory compliances, commodity and petro-products price volatility, foreign currency fluctuations, inflationary pressure on operational costs, large working capital need, skilled manpower availability etc. The management of the Company is working with a proactive approach to meet challenges and cater opportunities with an aim to enhance stakeholder's value. The coming year looks challenging mainly on stringent competition, availability of manpower as well as compliance for stringent pollution norms. However, the management has charted out systematic plan to



overcome all such challenges. Your Company is working to expand export market and also broaden the customer base. The management of the Company has charted out growth plans for the Company which includes expanding overseas market for the products of the Company; add new ranges and products to create a basket of products for catering customer needs and also to create value addition in present product portfolio with a view to increase revenues and margin for the Company.

Barring unforeseen circumstances the management is confident to further improve its business performance and also position the Company as a preferred quality producer and exporter of Phthalocyanine blue pigments.

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

During the Financial Year 2016-17, the company has not changed its nature of business.

**5. DIVIDEND:**

In order to conserve and plough back the resources, your Directors have not recommended any dividend for the year on equity shares of the Company.

Dividend of Rs. 0.50/- per Equity Share i.e. @ 5% of face value of Rs. 10/- per share on Equity Shares has been declared and paid for the previous financial year ended on 31<sup>st</sup> March, 2016.

**6. FINANCE**

During the year, your Company has raised additional machinery loan of Rs. 1.40 Crores from the Kalupur Commercial Co. Op. Bank Ltd. All outstanding banking facilities, private loans and vehicle loans which will be repaid as per schedule in due course.

**7. TRANSFER TO RESERVES:**

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

**8. EXPORTS**

The Export is the thrust area for the growth of the Company and during the year ended recorded gross export turnover of 33.50 Crores which is almost 31.89% growth over previous year exports of Rs. 25.40 Crores.

**9. SHARE CAPITAL:**

As on 31<sup>st</sup> March, 2017, the Share Capital structure of the Company stood as follows:

Particulars	No of Shares	Amount
<b>Authorized Share Capital</b>		
Equity Shares of Rs. 10/- each	2,00,00,000	20,00,00,000
<b>Total</b>	<b>2,00,00,000</b>	<b>20,00,00,000</b>
<b>Issued, Subscribed and Paid up Share Capital</b>		
Equity Shares of Rs. 10/- each	1,12,64,700	11,26,47,000
<b>Total</b>	<b>1,12,64,700</b>	<b>11,26,47,000</b>

**Increase in Authorized Share Capital of the Company:**

During the year 2015-16, the Authorized Share Capital of the Company has been increased from Rs. 11,00,00,000/- (Rupees Eleven Crores Only) divided into 1,10,00,000/- (One Crore Ten Lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only) each to Rs. 20,00,00,000/- (Rupees Twenty Crores Only) divided into 2,00,00,000/- (Two Crores) Equity Shares of Rs. 10/- (Rupees Ten Only) each by creating additional 90,00,000 (Ninety Lacs) Equity Shares of Rs. 10/- (Rupees Ten Only) each to accommodate the further issue of shares by the Company. The Board of Directors has approved the above increase and amendment in the Capital Clause of the Company at their meeting held on 29<sup>th</sup> December, 2016 and subsequently approved by the Shareholders of the Company at the Extra Ordinary General Meeting held on 30<sup>th</sup> January, 2017. In



this regard, the Company has complied with all the applicable sections, rules, regulations and guidelines of the Companies Act, 2013 and Securities Exchange Board of India (SEBI).

### **Bonus Issue**

During the year under review, the Company has issued 37,54,900 Bonus Equity Shares of face value of Rs. 10/- each to the existing Ordinary Equity Shareholders of the Company in the proportion of 1 (One) new Bonus Equity Share of Rs. 10/- (Rupees Ten only) each fully paid up for every 2 (Two) existing Ordinary Equity Shares of Rs. 10/- (Rupees Ten only) each fully paid up of the Company. The Board of Directors at their meeting held on 29<sup>th</sup> December, 2016 has approved the Issue of Bonus Equity Shares by way of capitalization of Free Reserves of the Company subject to the Shareholders approval and subsequently the Shareholders at the Extra-Ordinary General Meeting held on 30<sup>th</sup> January, 2017 has approved the Issue of Bonus Equity Shares. The Board has allotted the above Bonus Equity Shares to the entitled Shareholders as on Record date of 15<sup>th</sup> February, 2017 at their meeting held on 17<sup>th</sup> February, 2017 and the Company has complied with the necessary compliances relating to the above Bonus issue in terms of Companies Act, 2013 and rules as well as compliances related to the In-principal, Listing and Trading approval of the new Bonus Equity Shares with The Securities Exchange Board of India (SEBI).

The Company has got the Listing and trading approval of new 37,54,900 Bonus Equity Shares vide letter dated 22<sup>nd</sup> February, 2017 from the BSE Limited (BSE).

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

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

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

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

Your Company doesn't have any Subsidiaries, Joint Ventures and Associates.

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

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

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

The Company has not accepted any public deposits nor any amount of principal or interest thereof was outstanding in terms of Sections 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014, for the financial year ended

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

In terms of Section 134(3) (l) of the Companies Act, 2013, except as disclosed elsewhere in this Report, no material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this Report

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

As required by Schedule V(C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a detailed report on Corporate Governance is given as a part of the Annual Report. The Company is in



full compliance with the requirements and disclosures that have to be made in this regard. The Auditors' Certificate of the compliance with Corporate Governance requirements by the Company is attached to the Report on Corporate Governance.

#### **16. INDUSTRIAL RELATIONS**

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

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

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

#### **18. BOARD DIVERSITY**

The Company recognizes the importance of a diverse Board in its process. We believe that a truly diverse Board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender which will help to provide better directions and supervision to the affairs of the Company. The Board has adopted the Board diversity policy which sets out the approach to diversity of the Board of Directors. The Policy is also available on the website of the Company [www.ishandyes.com](http://www.ishandyes.com)

#### **19. PARTICULARS OF EMPLOYEES:**

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 (12) of the Companies Act, 2013 and Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in "Annexure [A]" that forms part of this Report

No employee of the Company was in receipt of remuneration more than the limits specified under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, during the financial year ended 31<sup>st</sup> March 2017.

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

##### **Appointments:**

During the year 2016-17, No Director was appointed on the Board of the Company.

However, the term of Shri Piyush N. Patel as a Managing Director and Shri Shrinal P. Patel as a Whole-Time Director was expired on 31<sup>st</sup> May, 2016 and 31<sup>st</sup> January, 2016 respectively. The Board of Directors at their meeting had re-appointed Shri Piyush N. Patel as a Managing Director of the Company for period of 5 years w.e.f 01<sup>st</sup> June, 2016 and also has re-appointed Shri Shrinal P. Patel as a Whole-Time Director for period of 5 years w.e.f 01<sup>st</sup> February, 2016 and subsequently their re-appointment has been approved by the Shareholders of the Company at the 23<sup>rd</sup> Annual General Meeting held on 28<sup>th</sup> September, 2016.

##### **Re-appointments:**

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



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

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

**Resignations along with facts of resignation:**

During the financial year 2016-17, no Director has resigned from the office of Directorship of the Company.

**Key Managerial Personnel:**

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

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

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

**Declaration of Independence:**

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

**Familiarization Program for Independent Directors**

At the time of the appointment of an Independent Director, the Company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities. Further, the Independent Directors are introduced with the corporate affairs, new developments and business of the Company from time to time. The Familiarization program is also available on the website of the Company [www.ishandyes.com](http://www.ishandyes.com).

**21. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING:**

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

**22. COMMITTEES OF THE BOARD**

As on 31<sup>st</sup> March, 2017, the Board has following committees:

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

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



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

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

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

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

- (a) in the preparation of the annual accounts for the financial year ended 31st March, 2017, the applicable accounting standards have been followed and there are no material departures from the same;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at 31st March, 2017 and of the profit and loss statement of the Company for the financial year ended 31st March, 2017;
- (c) proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a 'going concern' basis;
- (e) proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and operating effectively; and
- (f) Proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

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

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

### **26. RELATED PARTY TRANSACTIONS**

During the financial year 2016-17, all transactions with the Related Parties as defined under Section 2(76) of the Companies Act, 2013 read with Companies (Specification of Definitions Details) Rules, 2014 and Regulation 23 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were entered in the ordinary course of business and on an arm's length basis.

### **27. LOANS AND INVESTMENTS:**

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

### **28. RISK MANAGEMENT:**

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

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



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

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

## **30. CORPORATE SOCIAL RESPONSIBILITY:**

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

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

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

### **Statutory Auditors:**

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

### **Cost Auditor:**

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

### **Secretarial Audit**

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

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

### *Statutory Auditor*

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

### *Secretarial Auditor*



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

**33. FRAUDS REPORTED BY AUDITORS:**

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

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

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

**35. INTERNAL FINANCIAL CONTROLS:**

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

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

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

**37. SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS:**

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

**38. ACKNOWLEDGEMENT:**

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

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

**18<sup>th</sup> August, 2017  
Ahmedabad**

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



## “Annexure - [A]”

### RATIO OF THE REMUNERATION OF EACH DIRECTOR TO THE MEDIAN EMPLOYEE'S REMUNERATION

- (i) Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial Year, percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any in the financial year ;

*Amount in Rupees*

S. No	Name of the Director/KMP	Designation	Remuneration	Median remuneration of the employees	Ratio of the remuneration of each director to the median remuneration of the employees	% increase in remuneration during FY 2016-17
1.	Piyushbhai Natvarlal Patel	Chairman and Managing Director	26,64,000	1,22,658	21.71 : 1	NIL
2.	Shrinal Piyushbhai Patel	Whole-Time Director	19,98,000	1,22,658	16.28 : 1	NIL
3.	Anilaben Piyushbhai Patel	Non-Executive Director	NIL	N.A.	N.A.	N.A.
4.	Marutbhai Dineshchandra Patel	Non-Executive Director	NIL	N.A.	N.A.	N.A.
5.	Ronak Yatinkumar Desai	Independent Director	NIL	N.A.	N.A.	N.A.
6.	Mayankkumar Hasmukhbhai Patel	Independent Director	NIL	N.A.	N.A.	N.A.
7.	Roopin Amrit Patel	Independent Director	NIL	N.A.	N.A.	N.A.
8.	Yatinbhai Gordhanbhai Patel	Independent Director	NIL	N.A.	N.A.	N.A.
9.	Chintan Prakashbhai Pancholi	Chief Financial Officer	5,06,160	1,22,658	4.13: 1	2.70%

Notes:

- No remuneration, including sitting fees was paid to the Non-Executive Directors and Independent Directors during the financial year 2015-16 and 2016-17, therefore, % increase in remuneration is not applicable and Ratio of the remuneration of each director to the median remuneration of the employees

- (ii) The percentage increase in the median remuneration of the employees in the financial year:

Permanent employees on the rolls of the Company as on March 31, 2017	92
The median remuneration of employees of the Company during the financial year	Rs. 1,22,658
% increase in the median remuneration of employees in the financial year	13.87%



**(iii) The relationship between average increase in remuneration and Company performance:**

The increase in remuneration is determined based on the performance by the employees of the Company.

**(iv) Variation in the market capitalization, price earnings ratio of the Company with the last public offer:**

Particulars	March 31, 2017	March 31, 2016	Variation (%)
Market Capitalization	55.37 Crore	21.97 Crore	152.02%
Price earnings ratio	9.89	5.66	74.73%

**(v) Average percentage increase already made in the salaries of employees other than the key managerial personnel in Financial Year 2016-17 and its comparison with the percentage increase in the managerial remuneration:**

During the year under review there was no increase in managerial remuneration.

**(vi) The key parameters for any variable component of remuneration availed by the Directors:**

No variable components of remuneration are availed by the Directors of the Company during the year under review.

**(vii) The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year:**

The parameters of this point are not applicable to the Company.

**(viii) Affirmation that the remuneration is as per the remuneration policy of the Company:**

The remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees as recommended by the Nominations Committee and approved by the Board from time to time.

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

**18<sup>th</sup> August, 2017  
Ahmedabad**

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



## “Annexure - [B]”

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

As on the financial year ended on **31<sup>st</sup> March, 2017**

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

**I. REGISTRATION AND OTHER DETAILS:**

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

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

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

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

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

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

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

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

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	1847770	0	1847770	24.60	2770005	0	2770005	24.60	--
b) Central Govt	-	-	-	-	-	-	-	-	--
c) State Govt(s)	-	-	-	-	-	-	-	-	--
d) Bodies Corp.	-	-	-	-	-	-	-	-	--
e) Banks / FI	-	-	-	-	-	-	-	-	--
f) Any other	-	-	-	-	-	-	-	-	--
<b>Sub-total (A)(1):</b>	<b>1847770</b>	<b>0</b>	<b>1847770</b>	<b>24.60</b>	<b>2770005</b>	<b>0</b>	<b>2770005</b>	<b>24.60</b>	<b>--</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	--
b) Other - Individuals	-	-	-	-	-	-	-	-	--
c) Bodies Corp.	-	-	-	-	-	-	-	-	--
d) Banks/FI	-	-	-	-	-	-	-	-	--
e) Any other	-	-	-	-	-	-	-	-	--
<b>Sub-total (A)(2):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>--</b>
<b>Total Shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	<b>1847770</b>	<b>0</b>	<b>1847770</b>	<b>24.60</b>	<b>2770005</b>	<b>0</b>	<b>2770005</b>	<b>24.60</b>	<b>--</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	--
b) Banks / FI	-	-	-	-	-	-	-	-	--
c) Central Govt.(s)	-	-	-	-	-	-	-	-	--
d) State Govt.(s)	-	-	-	-	-	-	-	-	--
e) Venture Capital Funds	-	-	-	-	-	-	-	-	--
f) Insurance Companies	-	-	-	-	-	-	-	-	--



g) FIIs	-	-	-	-	-	-	-	-	--
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	--
i) Others (specify)	-	-	-	-	-	-	-	-	--
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	--
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	21121	0	21121	0.28	699519	0	699519	6.21	5.93
ii) Overseas	-	-	-	-	-	-	-	-	--
b) Individuals	-	-	-	-	-	-	-	-	--
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	354730	651410	1006140	13.39	967440	783265	1750705	15.54	2.15
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2572609	660310	3232919	43.04	3504906	333765	3838671	34.07	(8.97)
c) Others (specify)									
Non Resident Indians(Non-Repat)	13500	1371510	1385010	18.44	38364	1922865	1961229	17.41	(1.03)
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	--
Foreign Nationals	-	-	-	-	-	-	-	-	--
Clearing Members	-	-	-	-	-	-	-	-	--
Trusts	-	-	-	-	-	-	-	-	--
HUF	16840	-	16840	0.22	244571	-	244571	2.17	1.95
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Office Bearers	-	-	-	-	-	-	-	-	-
Directors / Relatives	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>2978800</b>	<b>2683230</b>	<b>5662030</b>	<b>75.40</b>	<b>5454800</b>	<b>3039895</b>	<b>8494695</b>	<b>75.40</b>	<b>75.40</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>2978800</b>	<b>2683230</b>	<b>5662030</b>	<b>75.40</b>	<b>5454800</b>	<b>3039895</b>	<b>8494695</b>	<b>75.40</b>	<b>75.40</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>4826270</b>	<b>2683530</b>	<b>7509800</b>	<b>100</b>	<b>8224805</b>	<b>3039895</b>	<b>11264700</b>	<b>100.00</b>	<b>0.00</b>



*\*Increase in no of shares on account of Issue of Bonus Equity Shares during the financial year 2016-17 in the proportion of 1 (One) new Bonus Equity Share of Rs. 10/- (Rupees Ten only) each fully paid up for every 2 (Two) existing Ordinary Equity Shares of Rs. 10/- (Rupees Ten only) each fully paid up of the Company.*

**(ii) Shareholding of Promoters**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% Change in Share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / Encumbered to total Shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / Encumbered to total shares	
1	Shrinal P. Patel	639000	8.51	--	958500	8.51	--	--
2	Piyushbhai N Patel	690860	9.20	--	1036290	9.20	--	--
3	Anilaben P. Patel	242500	3.23	--	363750	3.23	--	--
4	Marutbhai D. Patel	275410	3.67	--	411465	3.67	--	--
	<b>Total</b>	<b>1847770</b>	<b>24.60</b>	--	<b>2770005</b>	<b>24.60</b>	--	--

*\*Increase in no of shares on account of Issue of Bonus Equity Shares during the financial year 2016-17 in the proportion of 1 (One) new Bonus Equity Share of Rs. 10/- (Rupees Ten only) each fully paid up for every 2 (Two) existing Ordinary Equity Shares of Rs. 10/- (Rupees Ten only) each fully paid up of the Company.*

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

**There is no change in Promoters Shareholding.**

*\*Increase in no of shares on account of Issue of Bonus Equity Shares during the financial year 2016-17 in the proportion of 1 (One) new Bonus Equity Share of Rs. 10/- (Rupees Ten only) each fully paid up for every 2 (Two) existing Ordinary Equity Shares of Rs. 10/- (Rupees Ten only) each fully paid up of the Company.*

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

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Increase/ Decrease (Nos.)	Increase / Decrease (%)	Share holding at the end of the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company
1.	Shardaben J. Patel	1081000	14.39	(58400) Market Trade 511300 Bonus Issue	(0.78)	1533900	13.61



2.	Harshadbhai B. Patel	<b>220000</b>	<b>2.93</b>	(219900) Market Trade 50 Bonus Issue	(2.92)	<b>150</b>	<b>0.01</b>
3.	Rajeshkumar P Patel	<b>319400</b>	<b>4.25</b>	(319400) Market Trade	(4.25)	--	--
4.	Bipinbhai R Patel	<b>186010</b>	<b>2.48</b>	93005 Bonus Issue	-	<b>279015</b>	<b>2.48</b>
5.	Dipakbhai C Patel	<b>176300</b>	<b>2.35</b>	88150 Bonus Issue	-	<b>264450</b>	<b>2.35</b>
6.	Amita Y Desai	<b>134900</b>	<b>1.80</b>	67450 Bonus Issue	-	<b>202350</b>	<b>1.80</b>
7.	Rajendra Bhogilal Desai	<b>128600</b>	<b>1.71</b>	(35543) Market Trade 49297 Bonus Issue	(0.45)	<b>142354</b>	<b>1.26</b>
8.	Bhanuben Natvarlal Patel	<b>101200</b>	<b>1.35</b>	(75000) Market Trade 13100 Bonus Issue	(1.01)	<b>39300</b>	<b>0.34</b>
9.	Deepak J Patel	<b>93100</b>	<b>1.24</b>	46550 Bonus Issue	--	<b>139650</b>	<b>1.24</b>
10.	Smita Girish Murmu	<b>100600</b>	<b>1.34</b>	50300 Bonus Issue	(0.01)	<b>150900</b>	<b>1.34</b>
11.	Adroit Tradelink Private Limited	--	--	337500 Market Trade	2.99	<b>337500</b>	<b>2.99</b>
12.	Alpeshbhai B Patel	<b>177900</b>	<b>2.36</b>	88950 Bonus Issue	--	<b>266850</b>	<b>2.36</b>
13.	Ajit J Patel	<b>71800</b>	<b>0.96</b>	35900 Bonus Issue	--	<b>107700</b>	<b>0.96</b>

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

Sr. No.	Directors/KMP Name	Shareholding at the beginning of the year		Increase/ Decrease (Nos.)	Increase / Decrease (%)	Share holding at the end of the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company
1.	Piyushbhai Natvarlal Patel	690860	9.20	-	-	1036290	9.20
2.	Anilaben Piyushbhai Patel	242500	3.23	-	-	363750	3.23
3.	Marutbhai Dineshchandra Patel	275410	3.67	-	-	411465	3.67
4.	Ronak Yatinkumar Desai	--	--	-	-	--	--
5.	Mayankumar Hasmukhbhai Patel	22300	0.30	(21850)	(0.29)	450	0.01
6.	Shrinal Piyushbhai Patel	639000	8.51	-	-	958500	8.51
7.	Roopin Amrit Patel	--	--	-	-	--	--
8.	Yatinbhai Gordhanbhai Patel	5900	0.07	(5000)	(0.06)	900	0.01
9.	Chintan Prakashbhai Pancholi	--	--	-	-	--	--

*\*Increase in no of shares on account of Issue of Bonus Equity Shares during the financial year 2016-17 in the proportion of 1 (One) new Bonus Equity Share of Rs. 10/- (Rupees Ten only) each fully paid up for every 2 (Two) existing Ordinary Equity Shares of Rs. 10/- (Rupees Ten only) each fully paid up of the Company.*

**(VI) INDEBTEDNESS:**

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

	Secured Loans excluding deposits	Unsecured Loans	Secured Loan Working Capital	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>					
i) Principal Amount	57,38,498	2,11,90,956	4,80,52,227	-	7,49,81,681
ii) Interest due but not paid	-	-	-	-	-
iii) Interest accrued but not due	-	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>57,38,498</b>	<b>2,11,90,956</b>	<b>4,80,52,227</b>	<b>-</b>	<b>7,49,81,681</b>
<b>Change in Indebtedness during the financial year</b>					
• Addition	2,21,40,231	-	-	-	2,21,40,231
• Reduction	(47,83,533)	(1,09,28,044)	(1,96,14,163)	-	(3,53,25,740)
<b>Net Change</b>	<b>1,73,56,698</b>	<b>(1,09,28,044)</b>	<b>(1,96,14,163)</b>	<b>-</b>	<b>(1,31,85,509)</b>
<b>Indebtedness at the end of the financial year</b>					
i) Principal Amount	2,30,95,196	1,02,62,912	2,84,38,065	-	6,17,96,173
ii) Interest due but not paid	-	-	-	-	-
iii) Interest accrued but not due	-	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>2,30,95,196</b>	<b>1,02,62,912</b>	<b>2,84,38,065</b>	<b>-</b>	<b>6,17,96,173</b>



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

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount	Name of MD/WTD/ Manager	Total Amount
		<b>PIYUSH PATEL</b> <i>Managing Director</i>		<b>SHRINAL PATEL</b> <i>Whole Time Director</i>	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	24,00,000/-		18,00,000/-	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--		--	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--		--	
2.	Stock Option	--		--	
3.	Sweat Equity	--		--	
4.	Commission				
	- as % of profit	--		--	
	- others, specify	--		--	
5.	Others, please specify (Bonus)	2,64,000/-		1,98,000/-	
	<b>Total (A)</b>	<b>26,64,000/-</b>		<b>19,98,000/-</b>	
	Ceiling as per the Act	<i>As per the Companies Act, 2013</i>			

*The above excludes reimbursement for expenses.*

**B. Remuneration to other directors:**

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

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
		NIL	NIL	Chintan Pancholi	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	NIL	4,56,000	4,56,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	NIL	NIL	NIL	NIL
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission				
	- as % of profit	NIL	NIL	NIL	NIL
	- others, specify	NIL	NIL	NIL	NIL
5.	Others, (Bonus)	NIL	NIL	50,160	50,160
	<b>Total</b>	<b>NIL</b>	<b>NIL</b>	<b>5,06,160</b>	<b>5,06,160</b>

(VIII) PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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



## “Annexure - [C]”

### Form MR-3 SECRETARIAL AUDIT REPORT

For the Financial Year ended on 31<sup>st</sup> March, 2017

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

**To,  
The Members  
Ishan Dyes & Chemicals Limited**

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

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit together with necessary management representations, We hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2017 in general complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have in general examined the books, papers, minute books, forms and returns filed and other records, as applicable to the Company and to the extent required to be verified by us for the purpose of this certification and as maintained by the Company for the Financial Year ended on March 31, 2017 according to the provisions of:

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



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

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

(2) We have also examined compliance with the applicable clauses/ regulations of the following:

- i. Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India under provisions of The Companies Act, 2013 w.e.f.1st July, 2015 and
- ii. The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Based on the above said information provided by the company, we report that during the financial year under report, the company has general complied with the provisions, as applicable of the above mentioned Acts including the applicable provisions of the Companies Act,2013 and Rules, Regulations, Guidelines, Standards, etc mentioned above except to the extent mentioned below:-

a. *Non-Appointment of Whole-Time Company Secretary under the Companies Act, 2013 and SEBI Laws.*

We further report that compliance of applicable Labour laws and financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

#### **MANAGEMENT RESPONSIBILITY:**

- i. Maintenance of secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit;
- ii. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;
- iii. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company, related party transactions figures and AS-18 disclosures of the Company provided to us or verified compliances of laws other than those mentioned above;
- iv. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis;
- v. We have obtained Management's representation about the compliance of laws, rules and regulations and happening of events, wherever required;
- vi. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

We further report that

- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act
- (ii) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Based on the



representation made by the company and its officer, Majority decision is carried through and that there were no dissenting member's views on any of the matter during the year that were required to be captured and recorded as part of the minutes.

(iii) Based on general review of compliance mechanisms established by the Company and on basis of management representations, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. As informed, the company has responded appropriately to notices received if any from various statutory/regulatory authorities including initiating actions for corrective measures, wherever found necessary.

The Company has no specific events which could have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above during the audit period except as follows :-

- (i) As per the information and documents provided by the management of the Company, the Company has declared and paid the final Dividend of Rs. 0.50/- per Equity Share for the financial year ended on 31<sup>st</sup> March, 2017.
- (j) Further, as informed by the management of the company, the Company has Issued and Allotted 37,54,900 of Bonus Equity Shares of Rs. 10/- each to the existing Equity Shareholders in the proportion of 1 (One) new Bonus Equity Share of Rs. 10/- (Rupees Ten only) each fully paid up for every 2 (Two) existing Ordinary Equity Shares of Rs. 10/- (Rupees Ten only) each fully paid up of the Company.

**For Kunal Sharma & Associates  
Company Secretaries**

**Place: Ahmedabad  
Date: 18<sup>th</sup> August, 2017**

**Sd/-  
Kunal Sharma  
ACS No. A34708  
CP No.: 12987**



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

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

**A. CONSERVATION OF ENERGY**

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

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

	<b>31/03/2017</b>
	<b>Amount in Rupees</b>
<b>1. Electricity</b>	
a) Purchased unit in kwh	67,47,350
Total Amount (Rs.)	5,04,46,255
Rate/Unit (Rs.)	7.48
b) Own generation	
Through Diesel Generator Units in kwh	856
Unit per liter of diesel oil (kwh)	0.17
Liter of Diesel	142
Total amount (Rs.)	7,700
Cost/Units (Rs.)	9.00
<b>2. Coal</b>	
Quantity (Kg)	45,23,560
Total Amount (Rs.)	2,48,86,556
Average Rate (Rs./MT)	5.50
<b>3. Water</b>	
Quantity (M3)	--
Total Cost (Rs.)	3,38,965.00
Average Rate (Rs./M3)	--

**B. TECHNOLOGY ABSORPTION**

(i) The Company has carried out process improvement, energy conservation, yield improvements, reduction in the effluents, and product quality up-gradation efforts as a part of technology absorption, adaptation and innovation. It has also carried out in-house R&D activities in the said areas.

(ii) Above efforts have resulted in reduction in production cost due to process improvement and overall increase in operational efficiencies to optimize plant capacities and reduce cost.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year).

Not Applicable

(iv) The expenditure incurred on Research and Development.

No Specific expenditure has been incurred on R & D.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

The total exports during the period were Rs. 33.50 Crores (Previous Year Rs. 25.40 Crores). The Company is focusing and putting all its efforts to tap new export markets and widen its clientele base. Also Company supplies under deemed exports.

**Total Foreign Exchange used and earned as on 31<sup>st</sup> March, 2017**

	<b>Amount in Rupees</b>
(i) Used :	
a) Imports of Raw Materials (CIF)	9,38,25,596
b) Travelling expenses	10,32,346
(ii) Earned :	
Exports (F.O.B.)	33,49,62,442



## REPORT ON CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR 2016-17:

Pursuant to Schedule V(C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance as on 18<sup>th</sup> August, 2017 (the date of this Report) is given below:

### 1. COMPANY'S PHILOSOPHY:

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

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

### 2. BOARD OF DIRECTORS:

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

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

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

As on March 31, 2017 the Board comprised of Eight (8) Directors out of which Two (2) are Executive Director, Two (2) are Non-Executive and Non-Independent Directors including Women Director and other Four (4) are Independent Directors. The composition of the Board is in conformity with the Companies Act, 2013 and the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details for the Board of Directors are as under:



Name of the Director(s)	Category	No of Board Meetings Attended		Attendance at the last AGM held on 28 <sup>th</sup> September, 2016	No of outside Directorships including Private Limited Companies	No of outside Committees position held*	
		Held	Attended			Member	Chairman
<b>Piyushbhai N. Patel (Promoter)</b>	Executive - Managing Director	9	9	Yes	2	NIL	NIL
<b>Shrinal P. Patel (Promoter)</b>	Executive – Whole Time Director	9	9	Yes	1	NIL	NIL
<b>Anilaben P. Patel (Promoter)</b>	Non-Executive & Non-Independent	9	9	Yes	NIL	NIL	NIL
<b>Marutbhai D. Patel (Promoter)</b>	Non-Executive & Non-Independent	9	2	No	1	NIL	NIL
<b>Ronak Y. Desai</b>	Independent Director	9	4	Yes	NIL	NIL	NIL
<b>Mayankkumar H. Patel</b>	Independent Director	9	9	Yes	NIL	NIL	NIL
<b>Roopin A. Patel</b>	Independent Director	9	9	Yes	NIL	NIL	NIL
<b>Yatinbhai G. Patel</b>	Independent Director	9	4	Yes	NIL	NIL	NIL

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

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

Every Director currently on the Board of the Company has personally attended at least one Board / Committee of Directors' Meeting in the financial year 2016-17.

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

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

Pursuant to Section 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules issued thereunder and the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, at the Annual General Meeting held on 23<sup>rd</sup> September, 2014, your Company has appointed Shri Mayankkumar H. Patel, Shri Yatin G. Patel and Shri Roopin A. Patel as Independent Directors of the Company for the period of five (5) consecutive years upto the conclusion of 26<sup>th</sup> Annual General Meeting to be held in calendar year 2019. Further, on the Annual General Meeting held on 29<sup>th</sup> September, 2015, Shri Ronak Y. Desai has been appointed as an Independent Director for the period of five (5) consecutive years upto the conclusion of 27<sup>th</sup> Annual General Meeting to be held in calendar year 2020.

In terms of Section 149(7) of the Companies Act, 2013, the Independent Directors have submitted



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

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

Your Company had also issued formal appointment letters to all the Independent Directors in the manner provided under the Companies Act, 2013 and the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms and conditions along with draft Appointment letters is also placed on the website of the Company [www.Ishandyes.com](http://www.Ishandyes.com).

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

During the year 2016-17, there were in total Nine (9) Board Meetings held on 11<sup>th</sup> April, 2016, 02<sup>nd</sup> May, 2016, 20<sup>th</sup> May, 2016, 12<sup>th</sup> August, 2016, 23<sup>rd</sup> September, 2016, 14<sup>th</sup> November, 2016, 29<sup>th</sup> December, 2016, 07<sup>th</sup> February, 2017 and 17<sup>th</sup> February, 2017. The maximum time gap between the two meetings did not exceed (120) one hundred and twenty days. All the information required to be furnished to the Board was made available along with detailed Agenda.

### **D. Board Procedure**

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

### **E. Familiarization Programme**

Your Company has adopted orientation program for all its Directors including the Independent Directors. The Company through such programme provide introduction of Corporate affairs of the Company to the Directors, together with their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model, operations of the Company, etc. They are also informed of the important policies of the Company including the Code of Conduct for Board Members and Senior Management Personnel and the Code of Conduct to Regulate, Monitor and Report Trading by Insiders, etc. The Familiarization Programme is also available on the website of the Company [www.Ishandyes.com](http://www.Ishandyes.com).

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

In accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and Regulation 25 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a meeting of the Independent Directors of the Company was held on 17<sup>th</sup> February, 2017, without the attendance of Non-Independent Directors and members of the management. In said meeting, Independent Directors inter alia discussed:

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

### G Evaluation of Board Effectiveness

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

Accordingly, the performance evaluation of the Board and each Director was carried out for the financial year ended 31st March, 2017. The evaluation of the Directors was based on various aspects which, inter alia, included the level of participation in the Board Meetings, understanding of their roles and responsibilities, business of the Company, suggestions and experience contributed to the Board.

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

### 3. CODE OF CONDUCT:

Your Company has adopted a Code of Conduct for all the employees including Board Members and Senior Management Personnel of the Company in accordance with the requirements under the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Code of Conduct has been posted on the website of the Company [www.Ishandyes.com](http://www.Ishandyes.com). All the Board Members and the Senior Management Personnel have affirmed their compliance with the said Code of Conduct for the financial year ended 31st March, 2017.

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

### 4. COMMITTEES OF THE BOARD

As on 31<sup>st</sup> March, 2017, your Company has total 4 (Four) Committees of the Board, viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility committee. The terms of reference of each Committee were approved by the Board and are in line with the requirements of Companies Act, 2013 and the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### A. Audit Committee:

##### *Constitution of the Committee*

As on March 31, 2017 composition of members of Audit Committee and their details are mentioned below:

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

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

##### *Terms of reference*

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

- Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending to the Board for appointment, re-appointment and if required, the replacement or removal of the Statutory Auditor and the fixation of the fees;



- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - Matters required being included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
  - Changes, if any, in accounting policies and practices and reasons for the same
  - Major accounting entries involving estimates based on the exercise of judgment by management
  - Significant adjustments made in the financial statements arising out of audit findings
  - Compliance with listing and other legal requirements relating to financial statements
  - Disclosure of any related party transactions
  - Qualifications in the draft audit report
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing with the management performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussions with internal auditors any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussions with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- The Audit Committee shall mandatorily review the following information.
  - a. Management discussion and analysis of financial condition and results of operations;
  - b. Statement of significant related party transactions (as defined by the audit committee), submitted by Management ;
  - c. Management letters/letters of internal control weaknesses issued by the statutory auditors ;
  - d. Internal audit reports relating to internal control weakness ; and
  - e. The appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the Audit Committee.
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;



- To look into any other matter which may be referred to it by the Board.
- In addition to the above, the Committee shall have such functions / role / powers as may be specified in the Companies Act, Listing Agreement with Stock Exchanges or any other applicable law.

#### **Meetings held and attendance**

During the Financial year 2016-17, Four (4) meetings were held on 20<sup>th</sup> May, 2016, 12<sup>th</sup> August, 2016, 14<sup>th</sup> November, 2016 and 07<sup>th</sup> February, 2017. The attendance record of the members is as follows:

Name of the Member	No of Meetings	
	Held/Entitled	Attended
Shri Roopin A. Patel	4	4
Shri Ronak Y. Desai	4	2
Shri Mayank H. Patel	4	4
Shri Yatin G. Patel	4	2

Mr. Roopin A. Patel, Chairman of the Audit Committee, was present at the last Annual General Meeting held on 28<sup>th</sup> September, 2016.

The Internal Auditor and the representatives of the Statutory Auditors also attend the Audit Committee meetings, besides the executives invited by the Audit Committee to be present thereat.

The Internal Auditors report directly to the Audit Committee.

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

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

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

As on 31<sup>st</sup> March, 2017 the Remuneration Committee consists of the following Directors:

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

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

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

#### **Terms of reference**

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

- The Committee shall have meetings periodically as it may deem fit
- The Committee shall invite such of the executives to be present at the meetings of the Committee required by it
- The Committee shall have the following powers and functions :
  - a. Identify persons who are qualified to become directors and persons who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;



- b. Carry on the evaluation of every Director's performance;
  - c. Formulate criteria for determining qualifications, positive attributes and independence of a Director;
  - d. Recommend to the Board a policy, relating to the remuneration of the directors, Key Managerial Personnel and other employees;
  - e. Formulate criteria for evaluation of Independent Directors and the Board; and
  - f. Devise a policy on Board Diversity;
- To administer and supervise Employee Stock Option Schemes (ESOS) including framing of policies related to ESOS and reviewing grant of ESOS.
  - To Review HR Policies and initiatives.

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

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

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

- Formulate the criteria for appointment as a Director:  
The Committee shall formulate broad guidelines and parameters required to be fulfilled for becoming a Director of the Company and review the same ongoing basis. The broad parameters are qualifications, skills, expertise, inter personal qualities, positive attributes, experience, social standing, and etc factors.
- Identify persons who are qualified to be Directors:  
The Committee shall identify persons who are qualified to become Directors and who satisfy the criteria laid down. The process of identification shall include ascertaining, meeting, screening and reviewing candidates for appointment as Directors, whether Independent, Non-Executive or Executive.
- Nominate candidates for Directorships subject to the approval of Board:  
The Committee recommends to the Board the appointment of potential candidates as Non- Executive Director or Independent Director or Executive Director, as the case may be.
- Approve the candidates required for senior management positions:  
The Committee shall lay down criteria qualifications, skills, expertise and qualities required for senior management positions like Managing Director & CEO, CFO and Company Secretary and members of the Management Committee of the Company.
- Evaluate the performance of the Board:  
The Committee shall determine a process for evaluating the performance of every Director, Committees of the Board and the Board. The Committee may seek the support and guidance of external experts and agencies for this purpose as may be required.
- Evaluate the performance of the Managing Director or Whole-time Director and determine their compensation:  
The Committee shall evaluate the performance of the Managing Director or Whole-time Director by setting their Key Performance Objectives at the beginning of each financial year. The Committee shall also approve their compensation package(s) in accordance with applicable laws, in line with the Company's objectives, shareholders' interests, comparable with industry standards and in commensurate with the role and responsibilities.

- Review performance and compensation of senior management

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

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

The details of remuneration paid to the Directors of the Company during the financial year 2016-17 are as under:

Directors	Remuneration paid/payable during 2016-17 (in Rs)				Shares held by Non-Executive Directors
	Sitting Fees	Salary & Perks	Commission	Total	
Shri Piyushbhai N. Patel	NIL	26,64,000	NIL	26,64,000	N.A.
Shri Shrinal P. Patel	NIL	19,98,000	NIL	19,98,000	N.A.
Smt. Anilaben P. Patel	NIL	NIL	NIL	NIL	3,63,750
Shri Roopin A. Patel	NIL	NIL	NIL	NIL	NIL
Shri Yatinbhai G. Patel	NIL	NIL	NIL	NIL	900
Shri Ronak Y. Desai	NIL	NIL	NIL	NIL	NIL
Shri Mayankkumar H. Patel	NIL	NIL	NIL	NIL	450
Shri Marutbhai D. Patel	NIL	NIL	NIL	NIL	4,11,465
<b>Total:</b>	<b>NIL</b>	<b>46,62,000</b>	<b>NIL</b>	<b>46,62,000</b>	

\* The Company has no practice of paying any sitting fees to Independent Directors. Also executive directors are not eligible for sitting fees and remuneration paid to them is in terms of managerial contract approved by the board of directors and shareholders. Shri Piyushbhai N. Patel and Shri Shrinal P. Patel are eligible for commission linked with profit of the Company in terms of the managerial contract, however, keeping in view to conserve resources both of them have voluntarily forgone same for the financial year 2016-17.

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

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

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

During the Financial Year 2016-17, the meetings were held on 20<sup>th</sup> May, 2016 and 28<sup>th</sup> September, 2016. The attendance records of the Members are as follows:

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

#### **C. Stakeholders Relationship Committee:**

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



### **Composition of the Committee**

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

As on March 31, 2017 composition of members of the Committee and their details are mentioned below:

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

### **Terms of Reference**

The terms of reference of the Committee are as under:

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

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

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

During the Financial Year 2016-17, the meetings were held on 20<sup>th</sup> May, 2016, 12<sup>th</sup> August, 2016, 14<sup>th</sup> November, 2016 and 07<sup>th</sup> February, 2017. The attendance records of the Members are as follows:

Name of the Member	No of Meetings	
	Held	Attended
Shri Roopin A. Patel	4	4
Smt. Anilaben P. Patel	4	4
Shri Piyushbhai N. Patel	4	4

### **Investors' Grievances Redressal:**

There were no pending complaints/transfers as on 31<sup>st</sup> March, 2017 and also there were no complaints which were not resolved to the satisfaction of Shareholders. The summary of status of complaints/request received, disposed and pending as on March 31, 2017 is as under:

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

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

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

### **Compliance officer:**

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

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

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

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

As on March 31, 2017, Composition of members of the Committee and their details are mentioned below:

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

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

During the Financial Year 2016-17, the meeting was held on 28<sup>th</sup> September, 2016. The attendance records of the Members are as follows:

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

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

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

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

### **E. GENERAL BODY MEETINGS:**

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

Annual General Meeting	Date and Time	Venue	Details of Special resolutions passed
23 <sup>rd</sup> Annual General Meeting (2015-16)	28 <sup>th</sup> September, 2016 at 02.30 p.m.	18, G.I.D.C. Estate, Phase – I, Vatva, Ahmedabad – 382 445.	Re-appointment of Shri Piyush N. Patel as Managing Director and Shri Shrinal Patel as Whole-Time Director for period of 5 years
22 <sup>nd</sup> Annual General Meeting (2014-15)	29 <sup>th</sup> September, 2015 at 03.00 p.m.	18, G.I.D.C. Estate, Phase – I, Vatva, Ahmedabad – 382 445.	NIL
21 <sup>st</sup> Annual General Meeting (2013-14)	23 <sup>rd</sup> September, 2014 at 03.00 p.m.	18, G.I.D.C. Estate, Phase – I, Vatva, Ahmedabad – 382 445.	NIL



### **Postal Ballot**

No resolution was passed through Postal Ballot during the Financial Year 2016-17. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing of resolution through Postal Ballot.

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

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

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

Newspapers in which results are normally published are Business Standard/Financial Express/Economic Times (English) and Lokmitra (Gujarati).

As the financial results of the Company are published in the Newspapers and also displayed on the Company's website, a separate half yearly declaration of financial performance is not sent to each household of shareholders.

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

A separate dedicated section under 'Investors' on the Company's website [www.ishandyes.com](http://www.ishandyes.com) gives information on various announcements made by the Company from time to time particularly about the financial results of the Company.

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

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

24<sup>th</sup> Annual General Meeting on 28<sup>th</sup> September, 2017 at 18, G.I.D.C., Phase I, Vatva, Ahmedabad – 382445.

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

Quarter ended 30 June, 2017	1 <sup>st</sup> week of August, 2017
Quarter ended 30 September, 2017	1 <sup>st</sup> week of November, 2017
Quarter ended 31 December, 2017	1 <sup>st</sup> week of February, 2018
Year ended 31 March, 2018	Mid of May, 2018
Annual General Meeting for the year ending March 31, 2018	August/ September 2018

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

22<sup>nd</sup> September 2017 to 28<sup>th</sup> September 2017 (both days inclusive).

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

No Dividend was declared for the financial year 2016-17.

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

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

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

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

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

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

### Stock Market Data:

The monthly high and low prices and volumes of shares of the Company at BSE Limited (BSE) for the year ended 31st March, 2017 are as under:

Month/ Year	No. of Shares Traded	Bombay Stock Exchange Limited(BSE)	
		High (Rs)	Low (Rs)
Apr-2016	46057	40.4	30.7
May-2016	51466	40.4	39.95
Jun-2016	45007	40.4	33
Jul-2016	563860	54.45	39.5
Aug-2016	729626	60.6	55
Sep-2016	805273	94.9	59.05
Oct-2016	195331	97.5	78
Nov-2016	719605	89.6	62
Dec-2016	1364981	100.4	75
Jan-2017	734615	99.9	82
Feb-2017	624159	96.9	48.05
Mar-2017	899522	55.9	41.75

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

Month/ Year	Share Price of the Company (Rs)			BSE Sensex (Rs)		
	High	Low	Closing Price	High	Low	Closing Price
Apr-2016	40.4	30.7	40.4	26100.54	24523.2	25606.62
May-2016	40.4	39.95	40	26837.2	25057.93	26667.96
Jun-2016	40.4	33	39.2	27105.41	25911.33	26999.72
Jul-2016	54.45	39.5	54.45	28240.2	27034.14	28051.86
Aug-2016	60.6	55	60	28532.25	27627.97	28452.17
Sep-2016	94.9	59.05	84.95	29077.28	27716.78	27865.96
Oct-2016	97.5	78	85.85	28477.65	27488.3	27930.21
Nov-2016	89.6	62	79.15	28029.8	25717.93	26652.81
Dec-2016	100.4	75	86.95	26803.76	25753.74	26626.46
Jan-2017	99.9	82	85.25	27980.39	26447.06	27655.96
Feb-2017	96.9	48.05	49.2	29065.31	27590.1	28743.32
Mar-2017	55.9	41.75	49.15	29824.62	28716.21	29620.5

### Registrars and Share Transfer Agents:

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

M/s. MCS Share Transfer Agent Limited

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

### Share Transfer System:

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



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

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

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

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

#### **Shareholding Pattern:**

Shareholding Pattern as on 31<sup>st</sup> March 2017.

<b>Sr. No.</b>	<b>Category</b>	<b>No. of Shares</b>	<b>% of shareholding</b>
<b>A</b>	<b>Promoters Shareholding</b>	27,70,005	24.60%
	<b>Total (A)</b>	<b>27,70,005</b>	<b>24.60%</b>
<b>B</b>	<b>Public Shareholding</b>		
	<i>Non Institutions</i>		
1	Body Corporate	6,99,519	6.21%
2	Individual Shareholders Holding Nominal Share Capital Upto Rs. 2 lakh	20,27,920	18.00%
3	Individual Shareholders Holding Nominal Share Capital in excess of Rs. 2 lakh	35,61,456	31.61%
4	Non Resident Individuals	19,61,229	17.41%
5	HUF	2,44,571	2.17%
	<b>Total(B)</b>	<b>84,94,695</b>	<b>75.40%</b>
	<b>Grand Total (A+ B)</b>	<b>1,12,64,700</b>	<b>100.00%</b>



### **Distribution of Share:**

Distribution of shareholding as on 31<sup>st</sup> March, 2017:

Category	No. of Shareholders	% to Total No. of Shareholders	No. of Shares	% to Total Shares
1-500	1517	55.65	304450	2.70
501-1000	502	18.42	371164	3.30
1001-2000	261	9.57	367560	3.26
2001-3000	94	3.45	244189	2.17
3001-4000	48	1.76	176724	1.57
4001-5000	22	0.80	101049	0.90
5001-10000	174	6.39	1282313	11.38
10001-50000	86	3.16	1698568	15.08
50001-100000	6	0.22	454199	4.03
100000 & above	16	0.58	6264484	55.61
<b>Total</b>	<b>2726</b>	<b>100.00</b>	<b>11264700</b>	<b>100.00</b>

### **Dematerialization of Shares:**

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

The shares of your Company are to be compulsorily traded in the dematerialized form. As on 31<sup>st</sup> March, 2017 total 82,24,805 Equity Shares comprising of 73.01% of Paid-up Capital of the Company, have been dematerialized by the Investors and bulk of transfers take place in the demat segment.

The Company has not issued any GDR's/ADR's/Warrants or any convertible instruments. Also the Company has not raised any deposits from the public during the financial year 2016-17.

### **Plant Location:**

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

### **Investors Correspondence:**

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

### **I. SUBSIDIARY COMPANIES**

Your Company doesn't have any Subsidiaries.

### **J. RELATED PARTY TRANSACTIONS**

During the financial year 2016-17, the Company has entered into Related Party Transactions ("RPTs) in its ordinary course of the business and on arms' length basis; and in accordance with the provisions of the Companies Act, 2013 and the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.



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

The details of the RPTs are set out in the Notes to Financial Statements forming part of this Annual Report. The Company has a Related Party Transaction Policy in place, which has been posted on the website of the Company at [www.Ishandyes.com](http://www.Ishandyes.com).

#### **K. DISCLOSURES:**

- The Board has received disclosures from Directors and/or key managerial personnel relating to material, financial and commercial transactions where they and/or their relatives have personal interest. There are no materially significant related party transactions which have potential conflict with the interest of the Company at large. Transactions with related parties, if any, are disclosed in “Notes on Accounts” annexed to Financial Statements of the year. All related parties transactions are entered after approval from the board in accordance with the requirements of the Companies Act, 2013 and interested directors did not participated in the discussions or proceedings of the agenda of such transaction and the remaining board of directors has approved the transaction unanimously.
- The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or other statutory authorities relating to the above.
- Through the Whistle Blower Policy, the Company takes cognizance of complaints made and suggestions given by the employees and others. Even anonymous complaints are looked into and whenever necessary, suitable corrective steps are taken. No employee of the Company has been denied access to the Audit Committee of the Board of Directors of the Company. The Company has periodic review and reporting to the Board of Directors of risk assessment by senior executives with a view to minimize risk.
- The Compliance Officer is responsible for compliances in respect of Company Law, SEBI, Stock Exchange rules and regulations and other related laws and legal issues in general.
- As a matter of transparency and good governance, key operational and financial data is furnished to the Directors in every meeting of the Board Management Discussions and Analysis report forming part of the Annual Report is enclosed.
- The Company complies with all the mandatory requirements and non-mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with regard to Corporate Governance.
- The Company does not have any material subsidiaries.
- Disclosure of commodity price risks and commodity hedging activities is not applicable to the Company.
- The disclosures of the compliance with Corporate Governance requirements specified in Regulation 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Regulations), have been made in this Corporate Governance report. Details required under clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the said Regulations are displayed on the website of the Company at [www.Ishandyes.com](http://www.Ishandyes.com)

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

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



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

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

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

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

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

#### **O. Unclaimed Dividend:**

Shareholders are requested to encash their dividend warrants immediately on receipt as dividends remaining unclaimed for seven years are to be transferred to the Investor Education and Protection Fund.

Pursuant to Section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, shares, in respect of which dividend is not claimed for seven consecutive years, are required to be transferred by the Company in the name of Investor Education and Protection Fund. Any claimant of such transferred shares would be entitled to claim the transfer of shares from Investor Education and Protection Fund in accordance with the procedure as laid down in the aforesaid Rules.

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

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

#### **Q. COMPLIANCE CERTIFICATE:**

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

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

**18<sup>th</sup> August, 2017  
Ahmedabad**

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



## DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

I hereby confirm that:

As provided under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, The Company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel for the financial year ended 31st March, 2017.

**18<sup>th</sup> August, 2017**  
**Ahmedabad**

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

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

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

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

- (a) We have reviewed the financial statements and the cash flow statement for the Financial Year ended 31st March, 2017 and based on our knowledge and belief, we state that :
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2016-17, which are fraudulent, illegal or violative of the Company's code of conduct;
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies, if any.
- (d) We further certify that -
- (i) there have been no significant changes in internal control over financial reporting during the year 2016-17;
- (ii) there have been no significant changes in accounting policies during the year 2016-17; and
- (iii) There have been no materially significant fraud of which we have become aware and the involvement therein, of management or an employee having a significant role in the Company's internal control system over financial reporting.

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

**Chintan Pancholi**  
**Chief Financial Officer**

**Place: Ahmedabad**  
**18<sup>th</sup> August, 2017**

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE



**To**  
**The Members of Ishan Dyes & Chemicals Limited**

We have examined the compliance of conditions of Corporate Governance by Ishan Dyes & Chemicals Limited, Ahmedabad ('the Company') for the year ended 31st March, 2017 as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15 (2) of the Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of 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 according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

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.

**Date:** 18<sup>th</sup> August, 2017  
**Place:** Ahmedabad

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

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



# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## A. INDUSTRY STRUCTURE AND DEVELOPMENT

The Company has achieved total revenue of Rs. 6,788.53Lacs and EBITDA (pre exceptional and extraordinary item) of Rs. 1219.07 Lacs as against that of Rs. 6,263.46Lacs and Rs. 754.47Lacs respectively for the previous year. As compared to previous year, during the year the operations have shown increase in turnover by 8.38% and EBITDA by 61.58%. Year under review has witnessed growth in terms of volume and value both which in turn has resulted into sharp increase in Profit before tax of Rs. 982.53Lacs as against that of Rs. 521.41Lacs for the previous year thereby recording a growth of 88.44%. The operations have shown Net Profit after tax of Rs.560.10Lacs which was higher by 44.18 % over that of past year. The operations of the Company during the year ended were satisfactory and growth in profitability has been achieved on account of expanded capacities, improved sales realizations and fall in key raw material prices. The overall performance of the Company was satisfactory during the year ended.

Your Company's current product includes Phthalocyanine Blue range of products like CPC Blue, Pigment Alpha Blues and Pigment Beta Blue. All these products are having wide applications for various industrial purposes with huge export demands. The management of the Company estimates increasing demand for the products of the Company in India and overseas market. The Company is working out plans to spread its customer base as well as to introduce new grades of the products for increasing turnover and profitability. Also the Company is successfully in expanding export base and new clientele.

## B. OPPORTUNITIES, THREATS, RISK AND CONCERNS

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

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

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

## C. OUTLOOKS FOR 2017-18

Barring unforeseen circumstances the management is confident of delivering improved performance during current financial year. The export is a thrust area for the growth of the Company and demand from foreign clients are showing consistent and increasing. The Company is having good order book position which will support volume growth in coming quarters of the year. The management of the Company has charted out growth plan and anticipates volume growth and increased export business during current financial year. The completed expansion capacities will benefit economies of scale and reduce cost on account of efficiency improvements. .

## D. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

During the year under review, your Company has achieved satisfactory financial results and details are provided in directors' report. The Company was also successful to increase export business during the year ended by achieving export turnover of Rs.33.49 Crores.



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

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

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

**18<sup>th</sup> August, 2017  
Ahmedabad**

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



# INDEPENDENT AUDITORS' REPORT

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

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

We have audited the accompanying standalone financial statements of **ISHAN DYES & CHEMICALS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Profit and Loss Statement and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

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

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

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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## **3. AUDITORS' RESPONSIBILITY**

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

## **4. OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit and its cash flows for the year ended on that date.

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



1. As required by Section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Profit and Loss Statement, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
  - d. in our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013.
  - e. On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note No. 32.
    - ii. The Company did not have any long-term contracts including derivative contracts which may lead to foreseeable losses.
    - 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:** 2<sup>nd</sup> May, 2017  
**Place:** Ahmedabad

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

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



## **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, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and payments of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial



reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **OPINION**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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.

**Date:** 2<sup>nd</sup> May, 2017

**Place:** Ahmedabad

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

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



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

**Annexure to the Independent Auditors' Report of even date to the members of Ishan Dyes & Chemicals Ltd. on the financial statements for the year ended 31<sup>st</sup> March 2017.**

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

(i) In respect of fixed assets:

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

(ii) In respect of inventories:

- a. The inventories have been physically verified at reasonable intervals by the management
- b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. The Company has maintained proper records of inventories. As per the information and explanation given to us, no material discrepancies were noticed on physical verification.

(iii) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(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, 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, 2017 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, 2017 on account of disputes in case of Ishan Dyes & Chemicals Limited are given below:



Name of the Statute	Nature of dues	Amount (in Rs. )	Period to which the amount relates	Forum where dispute is pending
Income Tax Act	Notice for short deduction/ payment of TDs and interest thereon	31,060	AY 2017-18, AY 2016-17 and prior years.	
Commercial Tax	CST Penalty	21,949	FY 2011-12	DEO for Appeal JC Office
Commercial Tax	VAT Penalty	1,21,050	FY 2011-12	DEO for Appeal FC Office

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

**Date:** 2<sup>nd</sup> May, 2017  
**Place:** Ahmedabad

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

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



## Balance Sheets as at 31st March, 2017

(Amount in Rs.)

Particulars	Refer Note	As At 31.03.2017 Audited	As At 31.03.2016 Audited
<b>EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	3	11,26,47,000	7,50,98,000
(b) Reserves and surplus	4	15,49,92,291	13,65,30,796
<b>Total Shareholders' funds</b>		<b>26,76,39,291</b>	<b>21,16,28,796</b>
<b>2 Non-current liabilities</b>			
- Long-term borrowings	5	1,12,17,877	2,69,29,454
- Long-term provisions	6	2,06,94,443	1,62,00,000
<b>Total Non-current liabilities</b>		<b>3,19,12,320</b>	<b>4,31,29,454</b>
<b>3 Current liabilities</b>			
- Short-term borrowings	7	5,05,78,296	4,80,52,227
- Trade payables			
(A) Total outstanding dues of micro enterprises and small enterprises		-	-
(B) Total outstanding dues of creditors other than micro enterprise and small enterprises	8	4,68,86,522	4,10,65,093
- Other current liabilities	9	4,36,67,660	1,19,08,534
- Short-term provisions	10	51,39,580	81,00,608
<b>Total Current liabilities</b>		<b>14,62,72,058</b>	<b>10,91,26,462</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>44,58,23,669</b>	<b>36,38,84,712</b>
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
<b>(i) Fixed assets</b>			
- Tangible assets	11	12,47,67,294	12,71,64,104
- Tangible Assets Capital work-in-progress	11	44,03,994	-
<b>Total Fixed Assets</b>		<b>12,91,71,288</b>	<b>12,71,64,104</b>
(ii) Non-current investments	12	2,05,000	2,05,000
(iii) Deferred tax assets (net)	13	47,62,931	69,58,415
(v) Long-term loans and advances	14	73,23,806	2,94,44,320
(vi) Other non-current assets		-	-
<b>Total Non-current assets</b>		<b>14,14,63,025</b>	<b>16,37,71,839</b>
<b>2 Current assets</b>			
- Inventories	15	11,89,14,128	4,38,16,475
- Trade receivables	16	11,13,78,193	7,67,20,319
- Cash and cash equivalents	17	54,23,059	38,30,164
- Short-term loans and advances	18	6,86,45,262	7,57,25,251
- Other current assets		-	20,662
<b>Total Current assets</b>		<b>30,43,60,642</b>	<b>20,01,12,872</b>
<b>TOTAL - ASSETS</b>		<b>44,58,23,669</b>	<b>36,38,84,712</b>

Notes 1 to 44 form an integral part of these financial statements  
As per our report of even date attached

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

Director

Chartered Accountants

**Bhargav Vagehla**

Partner

M. No. : 124 619

FRN: 008744N

Place : Ahmedabad

Date : 02nd May, 2017

For and on behalf of the Board

**Piyush N. Patel** Chairman & Managing

**Shrinal P. Patel** Whole Time Director

**Roopin Patel** Director

**Chintan Pancholi** Chief Financial Officer

Place : Ahmedabad

Date : 02nd May, 2017

# Statement of Profit & Loss for the year ended 31st March, 2017



(Amount in Rs.)

Particulars	Note No.	For the Period ended 31 <sup>st</sup> March, 2017	For the Period ended 31 <sup>st</sup> March, 2016
<b>1 Revenue from operations</b>			
(a) Net sales/income from operations (Net of excise duty)	19	66,74,29,118	61,44,62,714
(b) Other Income	20	1,14,23,510	1,18,83,189
<b>Total Revenue</b>		<b>67,88,52,628</b>	<b>62,63,45,904</b>
<b>2 Expenses</b>			
(a) Cost of materials consumed	21	39,20,37,178	33,55,52,413
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	(4,16,06,013)	2,46,87,561
(d) Employee benefits expense	23	5,40,91,983	4,96,35,501
(e) Finance Cost	24	81,89,656	91,18,504
(f) Depreciation and amortisation expense	11	1,54,64,173	1,40,83,159
(g) Other expenses	25	7,63,85,663	7,08,50,159
(h) Power Expenses		5,04,46,255	5,02,75,239
(i) Fuel Expenses		2,55,90,244	1,98,98,223
<b>Total expenses</b>		<b>58,05,99,139</b>	<b>57,41,00,759</b>
<b>3 Profit/(Loss) from operations before an Exceptional and Extra ordinary items and Tax (1-2)</b>		<b>9,82,53,489</b>	<b>5,22,45,145</b>
<b>4 Exceptional Items</b>			
<b>5 Profit/(Loss) from ordinary activities before an Extra Ordinary items and Tax (3 - 4)</b>		<b>9,82,53,489</b>	<b>5,22,45,145</b>
<b>6 Extra Ordinary Items</b>	26	-	1,04,088
<b>7 Profit/(Loss) from ordinary activities before tax (5 - 6)</b>		<b>9,82,53,489</b>	<b>5,21,41,057</b>
<b>8 Tax Expense (net)</b>			
- Current tax		3,15,00,000	1,62,00,000
- Short Provision of Tax In respect of Earlier years		(50,26,233)	32,393
- Excess balance of MAT credit written off		1,35,73,743	(49,40,718)
- Deffered tax		21,95,484	20,03,039
<b>Total Tax Expenses</b>		<b>4,22,42,994</b>	<b>1,32,94,714</b>
<b>9 Net Profit(Loss) for the Year</b>		<b>5,60,10,495</b>	<b>3,88,46,343</b>
<b>10 Earnings per share (in Rs.)</b>			
(Nominal Value per share Rs.10/-, Previous Year Rs.10/-)			
(a) Basic		4.97	5.17
(b) Diluted		7.04	5.17

Notes 1 to 44 form an integral part of these financial statements  
As per our report of even date attached

**For, G S Mathur & Co.**  
Director  
Chartered Accountants  
**Bhargav Vagehla**  
Partner  
M. No. : 124 619  
FRN: 008744N  
Place : Ahmedabad  
Date : 02nd May, 2017

For and on behalf of the Board  
**Piyush N. Patel** Chairman & Managing  
**Shrinal P. Patel** Whole Time Director  
**Roopin Patel** Director  
**Chintan Pancholi** Chief Financial Officer  
Place : Ahmedabad  
Date : 02nd May, 2017



## Cash flow statement for the year ended 31 March, 2017

(Amount in Rs.)

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
<b>Cash flow from operating activities</b>		
Net profit before tax	9,82,53,489	5,21,41,057
<u>Adjustments for :</u>		
Cash flow from extraordinary item	-	1,04,088
Depreciation	1,54,64,173	1,40,83,159
Finance Cost	81,89,656	91,18,504
Interest Income	(5,98,335)	(5,54,590)
Loss/(profit) on sale of fixed assets (net)		
<b>Operating profit before working capital changes</b>	<b>12,13,08,984</b>	<b>7,48,92,217</b>
<b>Adjustment for change in working capital</b>		
(Increase)/decrease in Inventories	(7,50,97,653)	2,39,99,235
(Increase)/decrease in Trade Receivables	(3,46,57,874)	68,95,860
(Increase)/decrease in Short Term Loans & Advances	56,41,696	(5,34,60,107)
(Increase)/decrease in other current assets	20,662	(20,662)
(Increase)/decrease in Long Term Loans & Advances	(22,58,785)	70,74,947
Increase/(Decrease) in Trade payables	58,21,429	(6,50,60,815)
Increase/(Decrease) in Other Current Liabilities	3,17,59,126	(9,22,878)
Increase/(Decrease) in short term provisions	(29,61,028)	(12,37,042)
Cash flow from extraordinary item	-	(1,04,088)
<b>Cash generated from operations</b>	<b>4,95,76,556</b>	<b>(79,43,334)</b>
Direct taxes paid (net)	(97,35,475)	(29,56,967)
<b>Net cash generated from operating activities</b>	<b>3,98,41,081</b>	<b>(1,09,00,301)</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets (including capital work in progress)	(1,74,71,357)	(1,82,91,676)
Investment in Non - Current Investment	-	(2,00,000)
Proceeds from sale of fixed assets	-	-
Interest received	5,98,335	5,54,590
<b>Net cash used in investing activities</b>	<b>(1,68,73,022)</b>	<b>(1,79,37,086)</b>
<b>Cash flow from financing activities</b>		
Proceeds from long term borrowings		
Repayment of long term borrowings	(1,57,11,577)	(78,20,683)
Proceeds from short term borrowings	25,26,069	4,80,52,227
Interest paid	(81,89,656)	(91,18,504)
<b>Net cash used in financing activities</b>	<b>(2,13,75,164)</b>	<b>3,11,13,041</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>15,92,895</b>	<b>22,75,654</b>
<b>Cash and cash equivalents at the beginning of year</b>	<b>38,30,164</b>	<b>15,54,509</b>
<b>Cash and cash equivalents at the end of year</b>	<b>54,23,059</b>	<b>38,30,163</b>
<b>Components of cash and cash equivalents</b>		
Cash in hand	31,991	21,893
Balance with scheduled banks		
- current accounts	1,72,397	1,92,209
- deposit account	52,18,671	36,16,062
	<b>54,23,059</b>	<b>38,30,162</b>

Notes 1 to 44 form an integral part of these financial statements  
As per our report of even date attached

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

Director

Chartered Accountants

**Bhargav Vagehla**

Partner

M. No. : 124 619

FRN: 008744N

Place : Ahmedabad

Date : 02nd May, 2017

For and on behalf of the Board

**Piyush N. Patel** Chairman & Managing

**Shrinal P. Patel** Whole Time Director

**Roopin Patel** Director

**Chintan Pancholi** Chief Financial Officer

Place : Ahmedabad

Date : 02nd May, 2017



## Notes forming part of the accounts for the year ended 31st March, 2017

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

#### 1 BACKGROUND:

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

#### 2 SIGNIFICANT ACCOUNTING POLICIES:

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

These financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013. The financial statements are prepared on accrual basis under the historical cost convention, except for certain Fixed Assets which are carried at revalued amounts. **Current / Non-current classification** The Revised Schedule VI to the Act requires assets and liabilities to be classified as either Current or Non-current. An asset is classified as current when it satisfies any of the following criteria: (a) it is expected to be realized in, or is intended for sale or consumption in, the entity's normal operating cycle; (b) it is held primarily for the purpose of being traded; (c) it is expected to be realized within twelve months after the balance sheet date; or (d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date. All other assets are classified as non-current. A liability is classified as current when it satisfies any of the following criteria: (a) it is expected to be settled in the entity's normal operating cycle; (b) it is held primarily for the purpose of being traded; (c) it is due to be settled within twelve months after the balance sheet date; or (d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date. All other liabilities are classified as non-current. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out above which are in accordance with the revised Schedule VI to the Act.

##### ii. USE OF ESTIMATES

The preparation of financial statements in conformity with Indian GAAP requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised. The management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

##### iii. TANGIBLE ASSETS

Fixed Assets are stated at cost of acquisition / construction or book value and includes amounts added on revaluation less accumulated depreciation and impairment loss, if any. The cost of Tangible Assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use. Subsequent expenditures related to an item of Tangible Asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Projects under which assets are not ready for their intended use are disclosed under Capital Work-in-Progress.

##### iv. INTANGIBLE ASSETS

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

##### v. INVESTMENTS

Current Investments are carried at lower of cost and fair value. Long term investments are carried at



cost. However, when there is a decline, other than temporary, the carrying amount is reduced to recognise the decline.

#### **vi. DEPRECIATION**

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

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

#### **vii. INVENTORIES**

The inventory is valued as follows:

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

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

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

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

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

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

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

###### **GRATUITY**

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

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

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

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

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

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

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

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

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

Revenue is recognised only when risks and rewards incidental to ownership are transferred to the customer, it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of goods, excise duty and adjusted for discounts (net). Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

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

Provision is recognised in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements.

#### **xiii. BORROWING COSTS**

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

#### **xiv. TAXES ON INCOME**

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

#### **xv. DOUBTFUL DEBTS/ADVANCES**

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

#### **xvi. IMPAIRMENT LOSS**

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



### 3 Share Capital

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

Share Capital	As at 31st March 2017		As at 31st March 2016	
	Number	Rs.	Number	Rs.
<b>Authorised</b>				
Equity Shares of Rs. 10/- each	2,00,00,000	20,00,00,000	1,10,00,000	11,00,00,000
<b>Issued, Subscribed &amp; Fully Paid</b>				
1,12,64,700 Equity Shares of Rs. 10/- each	1,12,64,700	11,26,47,000	75,09,800	7,50,98,000
<b>Total</b>	<b>1,12,64,700</b>	<b>1,26,47,000</b>	<b>75,09,800</b>	<b>7,50,98,000</b>

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

Share Capital	As at 31st March 2017		As at 31st March 2016	
	Number	Rs.	Number	Rs.
Equity Shares Outstanding at the beginning of the year	75,09,800	7,50,98,000	75,09,800	7,50,98,000
Equity Shares issued during the year	37,54,900	3,75,49,000	-	-
Equity Shares bought back during the year	-	-	-	-
Equity Shares outstanding at the end of the year	1,12,64,700	11,26,47,000	75,09,800	7,50,98,000

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

Name of Shareholder	As at 31st March 2017		As at 31st March 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Shardaben J. Patel	15,33,900	13.62%	10,81,000	14.39%
Piyush N. Patel	10,36,290	9.20%	6,90,860	9.20%
Shrinal P. Patel	9,58,500	8.51%	6,39,000	8.51%

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

- No shares had been allotted as fully paid up pursuant to contract(s) without payment being received in cash during the period of five years immediately preceding the balance sheet date.
- During the year under review, Company has issued and allotted 37,54,900 Bonus Equity Shares of face value of Rs. 10/- each to the existing Ordinary Equity Shareholders of the Company in the proportion of 1 (One) new Bonus Equity Share of Rs. 10/- (Rupees Ten only) each fully paid up for every 2 (Two) existing Ordinary Equity Shares of Rs. 10/- (Rupees Ten only) each fully paid up of the Company by capitalisation of free reserves in accordance with the Companies Act, 2013 and other regulations as applicable.
- No shares had been bought back during the period of five years immediately preceding the balance sheet date.

#### 4 Reserves and Surplus

Particulars	As at 31st March 2017	As at 31st March 2016
<b>a. Securities Premium Account</b>		
Balance as per last account	53,75,000	53,75,000
	<b>53,75,000</b>	<b>53,75,000</b>
<b>b. Revaluation Reserve</b>		
Balance as per last account	1,21,36,953	1,21,36,953
	<b>1,21,36,953</b>	<b>1,21,36,953</b>
<b>c. Surplus in Statement of Profit &amp; Loss</b>		
Balance as per last account	11,90,18,843	8,46,91,807
Less: Utilised for issue of Bonus Shares / Capitalised	3,75,49,000	-
Add: Profit for the year	5,60,10,495	3,88,46,343
Less: Appropriations		
Dividend	-	37,54,900
Dividend Distribution Tax	-	7,64,407
<b>Balance as per end of the year</b>	<b>13,74,80,338</b>	<b>11,90,18,843</b>
<b>Total</b>	<b>15,49,92,291</b>	<b>13,65,30,796</b>

#### 5 Long Term Borrowings

Particulars	At at		At at	
	31st March 2017		31st March 2016	
	Non Current	Current	Non Current	Current
<b>Secured</b>				
Term Loan				
from Bank				
1) Vehicle Loan (Refer Note 1 below)	9,54,965	17,02,126	26,39,837	16,18,913
2) Machinery Loan (Refer Note 2 below)	-	72,78,634	30,98,661	90,00,000
<b>Unsecured</b>				
Deposits (Refer Note 3 below)				
from Related Parties	38,02,000	-	29,68,723	-
from Unrelated Parties	64,60,912	-	1,82,22,233	-
Amount disclosed under the head of Other Current Liabilities (Refer note no. 9 )		(89,80,760)		(1,06,18,913)
<b>Total</b>	<b>1,12,17,877</b>	<b>-</b>	<b>2,69,29,454</b>	<b>-</b>

#### Notes:

- 1) Vehicle Loan is Secured by Hire Purchase of vehicle where the vendors have a lien on and right of repossession of specific vehicle.  
The loan is repayable in remaining 18 monthly installments by September' 18 and carries interest rate of 9.38% p.a.
- 2) Machinery Loan is primarily Secured against first & exclusive charge on all movable machinery of the company including all stores, spare parts, both present and future being and lying at company's premises or go-down or rented place by the company. Further, secured against equitable mortgage by deposit of title deeds with the bank



as security in respect of loan faculties/limits viz cash credit, ILC/FLC open cum bank guarantee and machinery loan. The term loan is repayable in 24 monthly installments and carries interest rate of 11.25% p.a.

3) Repayable on demand.

#### 6 Long Term Provision

Particulars	As at 31st March 2017	As at 31st March 2016
Provision - others		
Provision for Income Tax	2,06,94,443	1,62,00,000
<b>Total</b>	<b>2,06,94,443</b>	<b>1,62,00,000</b>

#### 7 Short Term Borrowings

Particulars	As at 31st March 2017	As at 31st March 2016
Working Capital facilities (Refer Notes below) from The Kalupur Commercial Co.Op. Bank		
Export facilities	1,99,06,543	
Cash Credit facilities	2,84,38,065	4,80,52,227
Loans repayable on demand from others		
American Express Credit Card	22,33,688	
<b>Total</b>	<b>5,05,78,296</b>	<b>4,80,52,227</b>

#### Notes:

- 1) Cash Credit Facility is primarily Secured against first and exclusive charge on stock & book debt of the company till repayment of credit facility extended by bank to company and carries interest rate of 11.25% p.a. Export Facility is primarily Secured against first and exclusive charge on FDR and repayable within One Year. Further these loans are secured against equitable mortgage by deposit of title deeds with the bank as security in respect of loan faculties/limits viz cash credit, ILC/FLC open cum bank guarantee and machinery loan.
- 2) The working capital facilities are repayable on demand by the Bank.

#### 8 Trade Payables

Particulars	As at 31st March 2017	As at 31st March 2016
Micro, Small & Medium Enterprises	-	-
Others	4,68,86,522	4,10,65,093
<b>Total</b>	<b>4,68,86,522</b>	<b>4,10,65,093</b>



## 9 Other Current Liabilities

Particulars	As at 31st March 2017	As at 31st March 2016
Statutory Liabilities	6,57,300	12,89,621
Capital Creditors	41,90,794	-
Advances from customers	38,806	-
Others (Refer Note)	2,98,00,000	-
Repayment Due within 1 year		
<u>Secured</u>		
Vehicle Loans	17,02,126	16,18,913
Machinery Loan	72,78,634	90,00,000
<b>Total</b>	<b>4,36,67,660</b>	<b>1,19,08,534</b>

### Note:

Other includes payable to Cluster Enviro Pvt. Ltd. , a private limited Company in which Directors of the Company are interested.

## 10 Short Term Provisions

Particulars	As at 31st March 2017	As at 31st March 2016
<b>a. Provision for employee benefits</b>		
Salary & Reimbursements	17,30,200	8,21,663
Gratuity Payable	87,046	-
Leave Encashment	10,85,742	9,19,473
Bonus	20,75,707	17,84,238
E.S.I.C. Payable	54,506	-
Providend Fund Contibuation Payable	84,731	-
Proposed Final Dividend & Dividend Distribution Tax thereon	-	45,19,307
<b>b. Others</b>		
Duty & Taxes Payable on Finished Goods	-	-
Other Expenses	21,648	55,927
<b>Total</b>	<b>51,39,580</b>	<b>81,00,608</b>



(Amount in Rs.)

11 Fixed Assets

Sr. No.	Fixed Assets	Gross Block			Accumulated Depreciation			Net Block		
		Balance as at 1st April 2016	Additions during the year	Disposals during the year	Balance as at 31st March 2017	Balance as at 1st April 2016	Depreciation provided for the year	Reversals	Balance as at 31st March 2017	Balance as at 31st March 2016
1	Land	1,87,44,820	-	-	1,87,44,820	-	-	-	1,87,44,820	1,87,44,820
2	Factory Building	5,34,05,230	31,600	-	5,34,36,830	1,12,58,502	12,86,974	-	4,08,91,354	4,21,46,728
3	Office Building	50,06,230	8,03,346	-	58,09,576	9,34,801	2,39,580	-	46,35,196	40,71,430
4	Electrical Fittings	1,26,59,394	-	-	1,26,59,394	94,46,876	2,80,486	-	29,32,033	32,12,518
5	Plant & Machinery	7,95,77,966	1,06,87,880	-	9,02,65,846	5,06,36,960	25,89,591	-	3,70,39,296	2,89,41,006
6	Plant & Equipment	1,90,25,532	-	-	1,90,25,532	42,42,353	15,96,102	-	1,31,87,077	1,47,83,179
7	Office Equipments	33,75,967	7,45,730	-	41,21,697	13,56,407	2,86,736	-	24,78,554	20,19,560
8	Computer	13,02,286	-	-	13,02,286	11,28,112	1,62,082	-	12,90,194	1,74,174
9	Furniture & Fixtures	16,30,919	51,000	-	16,81,919	10,01,735	2,12,278	-	4,67,906	6,29,184
10	Vehicles	3,68,90,927	7,47,807	-	3,76,38,734	2,44,49,423	88,10,345	-	43,78,966	1,24,41,504
	<b>Grand Total</b>	<b>23,16,19,271</b>	<b>1,30,67,363</b>	-	<b>24,46,86,634</b>	<b>10,44,55,168</b>	<b>1,54,64,173</b>	-	<b>11,99,19,341</b>	<b>12,47,67,294</b>
	<b>Previous Year</b>	<b>21,33,27,595</b>	<b>1,82,91,676</b>	-	<b>23,16,19,271</b>	<b>9,03,72,009</b>	<b>1,40,83,159</b>	-	<b>10,44,55,168</b>	<b>12,29,55,586</b>

Details of Capital Work in

Process:

Particulars	Balances at the beginning of the Year	Addition / (Capitalised) during the year	Balances at the End of the Year
Capital Work in Progress	0	44,03,994	44,03,994

## 12 Non-current Investments

Particulars	As at 31st March 2017	As at 31st March 2016
Investments in Others	2,05,000	2,05,000
<b>Total</b>	<b>2,05,000</b>	<b>2,05,000</b>

## 13 Deferred tax assets (net)

Particulars	As at 31st March 2016	As at 31st March 2015
<b>Opening Balance</b>	69,58,415	89,61,454
<b>Deferred Tax Liability</b>		
Provisions	10,74,050	(8,29,200)
<b>Deferred Tax Assets</b>		
Depreciation on Fixed Assets	(32,69,534)	(28,32,239)
<b>Total</b>	<b>47,62,931</b>	<b>69,58,415</b>

## 14 Long Term Loans & Advances

Particulars	As at 31st March 2017	As at 31st March 2016
<b>a. Capital Advances</b>		
Unsecured and considered good	14,85,569	15,93,229
<b>b. Security Deposits</b>		
Unsecured and considered good	34,71,791	34,71,791
<b>c. MAT Credit Entitlements</b>		
<b>MAT Credit entitlements of the earlier years</b>	2,43,79,300	2,43,79,300
Less: MAT Credit utilised	2,43,79,300	-
<b>MAT Credit Entitlements balance</b>	-	2,43,79,300
<b>d. TDS receivable</b>		
Unsecured and considered good	5,79,940	-
<b>e. VAT credit entitlements</b>	17,86,506	-
<b>Total</b>	<b>73,23,806</b>	<b>2,94,44,320</b>

## 15 Inventories

Particulars	As at 31st March 2016	As at 31st March 2015
a. Raw Materials and components	3,81,20,072	49,23,618
b. Work-in-progress	7,30,22,611	3,28,41,063
c. Finished goods	65,75,224	51,50,759
d. Stores and Spares	5,40,141	5,40,141
f. Fuel	2,53,877	67,051
g. ETP Material	4,02,203	2,93,843
<b>Total</b>	<b>11,89,14,128</b>	<b>4,38,16,475</b>



#### 16 Trade Receivables

Particulars	As at 31st March 2017	As at 31st March 2016
Trade Receivables outstanding for a period less than six months from the date they are due for payment Unsecured and considered good	10,68,40,723	7,22,01,824
Trade Receivables outstanding for a period exceeding six months from the date they are due for payment Unsecured and considered good	45,37,470	45,18,495
<b>Total</b>	<b>11,13,78,193</b>	<b>7,67,20,319</b>

#### 17 Cash and cash equivalent

Particulars	As at 31st March 2017	As at 31st March 2016
a. Bank balance In Deposit Account	52,18,671	36,16,062
In Current Account	1,72,397	1,92,209
b. Cash on Hand	31,991	21,893
<b>Total</b>	<b>54,23,059</b>	<b>38,30,164</b>

#### 18 Short-Term loans and advances

Particulars	As at 31st March 2017	As at 31st March 2016
Balances with Government Authorities		
Excise	1,46,63,996	90,18,676
Service Tax	5,34,679	16,42,577
Vat	1,93,03,382	1,87,50,470
TDS and Advance Tax	90,75,000	1,05,13,293
Others	2,50,68,206	3,58,00,236
<b>Total</b>	<b>6,86,45,262</b>	<b>7,57,25,251</b>

#### 19 Revenue from Operations

Particulars	As at 31st March 2017	As at 31st March 2016
Sale of Products	71,68,32,830	66,12,69,352
<u>Less:</u>		
Excise Duty	4,94,03,712	4,68,06,638
<b>Total</b>	<b>66,74,29,118</b>	<b>61,44,62,714</b>

#### 20 Other Income

Particulars	As at 31st March 2017	As at 31st March 2016
Interest Income	5,98,335	5,54,590
Export Incentive	97,06,234	81,72,842
Foreign Exchange Fluctuation (Gain)	-	27,12,570
Discounts	11,00,942	4,02,906
Others	18,000	40,281
<b>Total</b>	<b>1,14,23,510</b>	<b>1,18,83,189</b>

## 21 Cost of materials consumed

Particulars	As at 31st March 2017	As at 31st March 2016
Opening Stock	49,23,618	42,18,493
Add: Purchases	42,52,33,632	33,62,57,538
Less: Closing Stock	3,81,20,072	49,23,618
<b>Consumption</b>	<b>39,20,37,178</b>	<b>33,55,52,413</b>
Imported	9,38,25,596	93,95,024
Indigenous	29,82,11,582	32,61,57,389
<b>Total</b>	<b>39,20,37,178</b>	<b>33,55,52,413</b>

## 22 Changes in inventories of finished goods and work-in-progress

Particulars	As at 31st March 2017	As at 31st March 2016
<b>Closing Balance</b>		
Work-in-Progress	7,30,22,611	3,28,41,063
Finished Goods	65,75,224	51,50,759
Stock-in-trade	-	-
<b>Total</b>	<b>7,95,97,835</b>	<b>3,79,91,822</b>
<b>Less: Opening Balances</b>		
Work-in-Progress	3,28,41,063	6,24,60,012
Finished Goods	51,50,759	2,19,371
Stock-in-trade	-	-
<b>Total</b>	<b>3,79,91,822</b>	<b>6,26,79,383</b>
<b>Net increase in inventories</b>	<b>4,16,06,013</b>	<b>(2,46,87,561)</b>

## 23 Employee benefits expenses (refer to note no.30 for detailed disclosure of AS-15)

Particulars	As at 31st March 2017	As at 31st March 2016
Salaries & Wages	4,92,12,488	4,43,71,367
Contribution to PF & Other Funds	26,72,662	22,96,771
Staff Welfare Exps	22,06,833	29,67,363
<b>Total</b>	<b>5,40,91,983</b>	<b>4,96,35,501</b>

## 24 Finance cost

Particulars	As at 31st March 2017	As at 31st March 2016
Interest Expense	69,95,106	74,79,124
Other Borrowing Cost	11,94,550	16,39,380
<b>Total</b>	<b>81,89,656</b>	<b>91,18,504</b>



## 25 Other expense

Particulars	As at 31st March 2017	As at 31st March 2016
<b>Manufacturing Exps</b>		
Consumption of Stores & Spares parts	1,17,71,092	2,66,97,983
Repair & Machinery	25,82,312	25,92,045
Pollution Control & Effluent,Treatment Exp	2,72,69,739	1,47,92,346
Job Work Charges	-	14,38,505
<b>Adminstrative Exps</b>		
Professional Fees	11,52,610	15,29,906
Insurance	14,18,518	13,77,154
Rent,Rates and taxes,excluding , taxes on income	4,28,669	1,80,761
Auditor Remuneration	90,000	90,000
Office & Factory Expense	10,77,301	8,84,246
Vehicle Running Exps	41,87,146	18,17,924
Travelling & Conyence Exps	32,96,656	55,10,425
Donation	50,000	1,05,000
VAT, Excise & Service Tax Exp	13,96,370	2,98,510
Communication Exps	3,46,424	7,47,476
Legal Exps	12,02,454	56,375
Security Exps	16,80,000	11,87,775
Printing & Stationery	3,46,122	1,79,811
Foreign Exchange Fluctuation (Loss)	3,63,387	-
Miscellaneous Exps	25,98,456	25,03,720
<b>Selling and Distribution Expenses</b>		
Freight Outward	1,12,95,584	67,79,233
Selling & Distirbution Exps	38,32,823	20,80,965
<b>Total</b>	<b>7,63,85,663</b>	<b>7,08,50,159</b>

## 26 Extraordinary Items

Particulars	As at 31st March 2017	As at 31st March 2016
Prior Period Adjustments	-	8,270
Sundry Balance Written Off	-	95,818
<b>Total</b>	<b>-</b>	<b>1,04,088</b>

## 27 Details of Payment of Auditors

Particulars	As at 31st March 2017	As at 31st March 2016
a. as auditor	90,000	90,000
<b>Total</b>	<b>90,000</b>	<b>90,000</b>

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

Particulars	As at 31st March 2017	As at 31st March 2016
Import of Raw Material	9,38,25,596	93,95,024
<b>Other matters</b>		
- Testing Charges	-	-
Travelling Expenses	10,32,346	10,57,585
<b>Total</b>	<b>9,48,57,942</b>	<b>1,04,52,609</b>

#### Details of Consumption during the year

Particulars	As at 31st March 2017		As at 31st March 2016	
	Amount	%	Amount	%
Raw Materials	39,20,37,178	91.52%	33,55,52,413	92.01%
Fuel	2,55,90,244	5.97%	2,01,86,677	5.54%
Stores & Spares	1,07,30,763	2.51%	89,43,941	2.45%
<b>Total</b>	<b>42,83,58,185</b>	<b>100.00%</b>	<b>36,46,83,031</b>	<b>100.00%</b>

#### 29 Unhedged foreign currency exposure :

Particulars	As at 31st March 2017		As at 31st March 2016	
	Foreign Currency	In INR	Foreign Currency	In INR
USD	4,43,698	2,87,95,957	1,93,960	1,30,58,312
Euro	10,12,000	7,00,78,571	4,81,000	3,60,54,400

#### 30 Employee Benefits

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

##### Defined Contribution Plans

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

Particulars	As at 31st March 2017	As at 31st March 2016
Employee's Pension contribution	6,46,206	5,45,866
Employee's Provident Fund contribution	3,08,954	2,72,843
<b>Total</b>	<b>9,55,160</b>	<b>8,18,709</b>

##### Defined Benefit Plans

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

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

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



Disclosures for defined benefit plans i.e. Gratuity (Funded Plan), based on actuarial reports as on March 31, 2017 are as under:

Particulars		As at 31st March 2017	As at 31st March 2016
<b>i)</b>	<b>Changes in present value of obligations</b>		
	Present value of as at beginning of year	34,90,120	27,51,793
	Current service cost	4,51,550	3,67,821
	Interest cost	2,34,852	1,82,857
	Actuarial loss / (gain)	70,636	3,55,592
	Benefit (paid)	(1,26,634)	(1,67,943)
	Present value of obligations as at end of year	41,20,524	34,90,120
<b>ii)</b>	<b>Amount recognised in the Balance Sheet (*)</b>		
	Present value of the obligations as at year end	41,20,524	34,90,120
	Fair value of the plan assets as at year end	40,33,479	-
	Net (asset) / liability recognised as on March 31	87,045	34,90,120
<b>iii)</b>	<b>Expenses recognised in the Statement of Profit and Loss</b>		
	Current service cost	4,51,550	3,67,821
	Interest on defined benefit obligation	2,34,852	1,82,857
	Expected return on plan assets		
	Net actuarial loss/(gain) recognized in the current year	(2,32,280)	3,55,592
	Total expense	4,54,122	9,06,270

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

(\*) Employee benefits are accounted and shown as per Actuarial Valuation Report as on 31st March 2017 after adjusting for expenses/ income of earlier period, which was not recognised earlier year.

#### Leave Encashment:

Particulars	As at 31st March 2017	As at 31st March 2016
Provision for Leave Encashment outstanding during the year	10,85,742	9,19,473
<b>Total</b>	<b>10,85,742</b>	<b>9,19,473</b>

#### 31 Earning Per Share (EPS)

Particulars	As at 31st March 2017	As at 31st March 2016
Profit/(Loss) attributable to equity shareholders	5,60,10,495	3,88,46,343
Weighted avg. number of shares outstanding during the year	79,52,158	75,09,800
Basic Earnings per share	4.97	5.17
Diluted Earnings per share	7.04	5.17
Nominal value per share	10	10

#### 32 Contingent Liabilities

##### Claim against company not acknowledged as debt

Particulars	As at 31st March 2017	As at 31st March 2016
1. Notice for short deduction/payment of TDS and interest thereon (refer Note 1 below)	31,060	4,92,583
2. CST Penalty for FY 2011-12 (refer Note 2 below)	21,949	-
3. VAT Penalty for FY 2011-12 (refer Note 3 below)	1,21,050	-

**Note 1-** The Company has received a Intimation u/s 154 of the Income Tax Act, 1961 for AY 2017-18, AY 2016-17 and Prior Years.

**Note 2-** The Company has filed an appeal against CST Penalty order for FY 2011-12

**Note 3-** The Company has filed an appeal against VAT Penalty order for FY 2011-12



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

Particulars	As at 31st March 2017	As at 31st March 2016
Export of goods calculated on F.O.B basis	33,49,62,442	25,40,04,601
<b>Total</b>	<b>33,49,62,442</b>	<b>25,40,04,601</b>

### 34 Details of Consumption of key Raw Material /Goods

(Amount in '000)

Particulars	As at 31st March 2017		As at 31st March 2016	
	Amount	%	Amount	%
Phthalic Anhydride	1,39,171	35.50%	1,24,419	37.08%
Cuprous Chloride	1,19,547	30.49%	83,623	24.92%
Urea	37,287	9.51%	41,601	12.40%
Sulphuric Acid	28,543	7.28%	23,953	7.14%
Ammonium Molybdate	5,184	1.32%	4,544	1.35%
Others	62,304	15.89%	57,412	17.11%
<b>Total</b>	<b>3,92,037</b>	<b>100.00%</b>	<b>3,35,551</b>	<b>100.00%</b>

### 35 Related Party Disclosures

(a)	Name of the related party	Nature of Relationship
1	Mr. Piyush N. Patel	Director
2	Mr. Shrinal P. Patel	Director
3	Cluster Enviro Private Limited	Enterprise over which key managerial personnel are able to exercise significant influence

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

Nature of transactions	Key management personnel and its relative	Total
<b>Loan &amp; Advances received</b>		
Mr. Piyush N. Patel	60,00,000	60,00,000
	(2,63,00,000)	(2,63,00,000)
Mr. Shrinal P. Patel	4,39,095	4,39,095
	(64,80,000)	(64,80,000)
Cluster Enviro Pvt Ltd	3,03,13,000	3,03,13,000
	-	-
<b>Loan &amp; Advances Paid</b>		
Mr. Piyush N. Patel	52,95,350	52,95,350
	(2,89,02,650)	(2,89,02,650)
Mr. Shrinal P. Patel	3,10,468	3,10,468
	(69,11,130)	(69,11,130)
Cluster Enviro Pvt Ltd	5,13,000	5,13,000
	-	-
<b>Outstanding Balances</b>		
Mr. Piyush N. Patel	34,52,000	34,52,000
	(27,47,350)	(27,47,350)
Mr. Shrinal P. Patel	3,50,000	3,50,000
	(2,21,373)	(2,21,373)
Cluster Enviro Pvt Ltd	2,98,00,000	2,98,00,000
	-	-
<b>Remuneration to key management personnel</b>		
<b>Managerial remuneration</b>		
Mr. Piyush N. Patel	24,00,000	24,00,000
	(24,00,000)	(24,00,000)
Mr. Shrinal P. Patel	18,00,000	18,00,000
	(18,00,000)	(18,00,000)



<b>Bonus</b>		
Mr. Piyush N. Patel	2,64,000	2,64,000
	(1,98,000)	(1,98,000)
Mr. Shrinal P. Patel	1,98,000	1,98,000
	(1,32,000)	(1,32,000)

Figures in brackets pertain to the figures of previous year.

**36 DIRECTORS REMMUNERATION:**

Salary of Rs. 42,00,000/- & Bonus – Rs. 4,62,000/-

**37 Cash Disclosure**

As per the amendment made by the Central Government in the Schedule III of the Companies Act, 2013, the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as provided in the Table below:-

	<b>SBNs</b>	<b>Other Denomination Notes</b>	<b>Total</b>
Closing cash in hand as on 08.11.2016	1,48,18,000	13,12,860	1,61,30,860
(+) Permitted receipts	-	8,000	8,000
(-) Permitted payments	-	10,06,660	10,06,660
(-) Amount deposited in Banks	1,48,18,000	-	1,48,18,000
Closing cash in hand as on 30.12.2016	-	3,14,200	3,14,200

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

**39** 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.

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

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

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

**42** Net Exchange Loss included in the profit and loss account is Rs. 3,63,387/- (Gain in PY Rs. 27,12,570/-).

**43 Previous Year Comparatives**

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

**44** Figures have been rounded off to the nearest rupee.

## ATTENDANCE SLIP



### ISHAN DYES & CHEMICALS LIMITED

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

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

**Website:** [www.ishandyes.com](http://www.ishandyes.com) | **E-mail:** [ishandyes@yahoo.com](mailto:ishandyes@yahoo.com)

**CIN:** L24110GJ1993PLC020737

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

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

### ATTENDANCE SLIP

I/We hereby record my/our presence at the 24<sup>th</sup> Annual General Meeting of the Company held at 18, G.I.D.C Estate, Phase – 1, Vatva, Ahmedabad – 382445 at 2.30p.m. on Thursday, 28<sup>th</sup> September, 2017

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

**Notes:**

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



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## Proxy form



### ISHAN DYES & CHEMICALS LIMITED

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

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

**Website:** [www.ishandyes.com](http://www.ishandyes.com) | **E-mail:** [ishandyes@yahoo.com](mailto:ishandyes@yahoo.com)

**CIN:** L24110GJ1993PLC020737

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

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

#### Proxy form

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

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24<sup>th</sup> Annual General Meeting of the company, to be held on Thursday, 28<sup>th</sup> September, 2017 at 18, G.I.D.C Estate Phase - 1, Vatva Ahmedabad - 382445 and at any adjournment thereof in respect of such resolutions as are indicated below:

	For	Against
<b>Resolutions</b>		
<i>Ordinary Business:</i>		
1	Adoption of the Audited Financial Statements of the Company for the financial year ended on 31 <sup>st</sup> March, 2017 and the Reports of the Directors' and Auditors' thereon.	
2	Reappointment of Shri Marut D. Patel who retires by rotation	
3	Ratification of appointment of Auditors and fixing their remuneration	
<i>Special Business:</i>		
4	Increase in Authorized Share Capital of the Company and Amendment in Capital Clause of Memorandum of Association of the Company	
5	Authority to Borrow Money in Excess of Limits specified under Section 180(1)(C) of the Companies Act, 2013	
6	Authority to make Investments in excess of Limits specified under Section 186 of the Companies Act, 2013	
7	Authority to Enter into Related Party Transactions under Section 188 of the Companies Act, 2013	

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

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

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

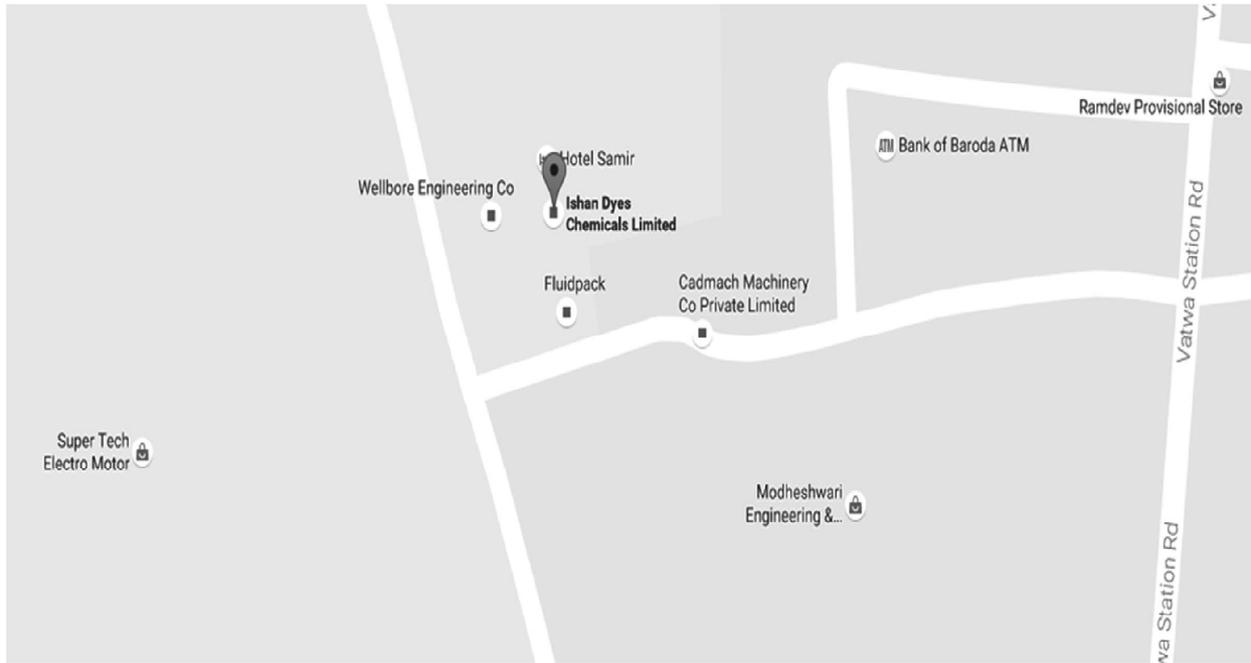


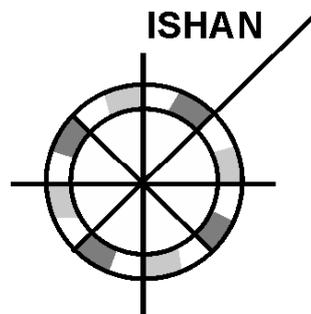
**Notes:**

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



## ROUTE MAP TO THE VENUE OF THE AGM





# **ISHAN DYES & CHEMICALS LIMITED**

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