



ISHAN DYES & CHEMICALS LIMITED

17th Annual Report



Registered Office :-

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

Works :-

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



**ISHAN DYES &
CHEMICALS LIMITED**

**17th
Annual
Report**

2009-2010

ISHAN DYES AND CHEMICALS LIMITED
ANNUAL REPORT 2009 - 2010

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ISHAN DYES AND CHEMICALS LIMITED
ANNUAL REPORT 2009 - 2010

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

ISHAN DYES AND CHEMICALS LIMITED

NOTICE is hereby given that 17th Annual General Meeting of **ISHAN DYES AND CHEMICALS LIMITED** will be held on Monday 20th September, 2010 at 11.00 a.m. at the Registered Office 1st Floor, Dinsha Chambers, Borsad - 388540 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 and the Profit & Loss Account for the year ended together with the Reports of Auditors and Directors' Report thereon.
2. To appoint a Director in place Shri Mahendra S. Shah, Director, who retires by rotation and being eligible, has offered himself for reappointment.
3. To appoint a Director in place Shri Marut D. Patel, Director, who retires by rotation and being eligible, has offered himself for reappointment.
4. To appoint auditors and fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit to pass with or without modification, following resolution as an ordinary resolution.

"RESOLVED THAT pursuant to sections 198, 269, 309, 310, 314, Schedule XIII and other applicable provisions of the Companies Act, 1956, as amended, the Company hereby accords its approval to the appointment of Shri Piyush N. Patel as the Managing Director of the Company for a period of three years with effect from June 1, 2010 with the terms of remuneration and also with the other terms and conditions, more particularly described in the draft agreement to be entered into between the Company and Shri Piyush N. Patel, with liberty to the Board to alter the same, so long as the alterations are in conformity with the provisions of Schedule XIII to the Companies Act, 1956."

6. To consider and if thought fit to pass with or without modification, following resolution as an ordinary resolution.

"RESOLVED THAT pursuant to sections 198, 269, 309, 310, 314, Schedule XIII and other applicable provisions of the Companies Act, 1956, as amended, the Company hereby accords its approval to the appointment of Shri Shrinal P. Patel as the Whole Time Director of the Company for a period of three years with effect from February 1, 2010 with the terms of remuneration and also with the other terms and conditions, more particularly described in the draft agreement to be entered into between the Company and Shri Shrinal P. Patel, with liberty to the Board to alter the same, so long as the alterations are in conformity with the provisions of Schedule XIII to the Companies Act, 1956."

7. To consider and if thought fit, to pass with or without modification, following resolution as an ordinary resolution.

“RESOLVED THAT Shri Shrinal P. Patel, additional Director of the Company, who holds office upto this Annual General Meeting and in respect of whom a notice has been received under Section 257 of the Companies Act, 1956 proposing his candidature as a Director of the Company liable to retire by rotation, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

8. To consider and if thought fit, to pass with or without modification, following resolution as an ordinary resolution.

“RESOLVED THAT Shri Mayankkumar H... Patel, additional Director of the Company, who holds office upto this Annual General Meeting and in respect of whom a notice has been received under Section 257 of the Companies Act, 1956 proposing his candidature as a Director of the Company liable to retire by rotation, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

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

Place: Borsad
Date: 29th May, 2010

Piyush N. Patel
Managing Director

NOTES:

- (A) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE ON HIS BEHALF AND THE PROXY NEED NOT BE A MEMBER. A PROXY IN ORDER TO BE EFFECTIVE, MUST BE LOGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF THE MEETING.
- (B) Members / proxies should bring Attendance Slips duly filled in for attending the meeting.
- (C) Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the Meeting.
- (D) Register of members and share transfer books of the Company will remain closed from 13.09.2010 to 20.09.2010 (both days inclusive).
- (E) The relative explanatory statements pursuant to Section 173(2) of the Companies Act, 1956 attached herewith and form part of this Notice.

EXPLANATORY STATEMENTS PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 5

Shri Piyush N. Patel has been associated with the Company as the Managing Director of the Company. His present term is expiring on 31.05.2010 requires re-appointment. Considering his reach and wide experience and expertise in the industry, long term association with the Company and the substantial contribution to the growth of business of the Company, The Board of Directors recommends his appointment as Managing Director subject to passing of resolution to this effect.

Shri Piyush Patel, Shri Shrinal Patel and Smt. Anilaben Patel are interested in the said resolution as they are relatives.

The explanatory statement is and should be treated as an abstract under section 302 of the Companies Act, 1956, as amended.

Item No. 6

Shri Shrinal P. Patel has been associated with the Company since 2007 who is graduate in chemistry and looking out the day to day financial matters and also marketing aspects of the Company. Since his appointment is in the interest of the Company, he was appointed as Whole Time Director by the Board for a period of three years subject to your approval. As the Managing Director of the Company...

The appointment is made subject to the terms and conditions contained in the draft agreement which is available for inspection at the registered office of the Company on any working day between 9.00 to 12.00 hours. The silent features of his appointment are as under:

Salary : Monthly salary of Rs. 1, 00,000/-

Perquisites :

Other perquisite may be paid to Shri Shrinal Patel as are payable to other employee of the Company.

Provision of telephone at the residence shall not form part of the perquisite.

The approval of the shareholders to the above appointment and remuneration being required by law, the matter is being placed for your consideration.

The Board of Directors recommends the resolution for your approval.

Shri Piyush Patel, Shri Shrinal Patel and Smt. Anilaben Patel are interested in the said resolution as they are relatives.

The explanatory statement is and should be treated as an abstract under section 302 of the Companies Act, 1956, as amended.

Item No. 7 and 8

Shri Shrinal Patel and Shri Mayank Patel were appointed as Additional Director of the Company on 28th February, 2010. As per the provisions of Section 260 of the Companies Act, 1956, the Directors hold office only up to the date of the forthcoming Annual General Meeting of the Company and are eligible for appointment as Directors. The Company has received notices under Section 257 of the Companies Act, in respect of the candidates, proposing their appointment as Directors of the Company, along with the requisite deposit.

Details regarding the persons proposed to be appointed as Directors and their brief resume are as under:

Particulars	Mr. Shrinal Patel	Mr. Mayank Patel
Date of Birth	12.05.1985	22.10.1973
Date of Appointment	28.01.2010	28.01.2010
Qualifications	Graduate in Bio Chemistry	Graduate
Expertise	Finance and Marketing	Management
Directorship held in other public co.	NIL	NIL
No. of Shares held in Co.	3,70,200	NIL

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

Place: Borsad
Date: 29th May, 2010

Piyush N. Patel
Managing Director

**ISHAN DYES AND CHEMICALS LTD.
DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting their **17th Annual Report** together with the Audited Statement of Accounts for the Financial Year ended on 31st March, 2010

(1) FINANCIAL AND WORKING RESULTS:

(Rs. In lacs)

PARTICULARS	2009-2010	2008-2009
Profit/(Loss) Before Depreciation :	472.47	207.90
Less : Depreciation	174.11	157.12
Profit/(Loss) Before Tax :	298.36	50.78
Less : Provision for Tax	0.00	0.95
Prior Period Adjustment	62.24	3.55
Profit/(Loss) After Tax	236.12	46.28

(2) PERFORMANCE

During the year under review, total income of the Company increased from Rs. 39.39 crores to Rs. 41.41crores and profit increased from Rs. 46.28 lacs to Rs. 236.12 lacs. The Company expects continuity in both turnover and profits during the next year.

Your Company had obtained term loan from C.N.S. Bank Ltd. Government of Gujarat has announced a scheme for One Time Settlement for all borrowers of Co-operatives banks under liquidation. Your Company is eligible to settle the outstanding amount of term loan due to C.N.S. Bank Ltd. Your Company has decided to apply for one time settlement under the scheme and shall make application in due course of time. Your Directors are of the opinion that the amount payable on settlement will not be more than the amount outstanding on the date of Balance Sheet as at 31/03/2010.

(3) DIVIDEND

In view of the fund requirement of the Company for working capital, your Directors do not recommend any dividend for the year under review.

(4) DEPOSITS:

The Company has not accepted any public deposits except loans from friends, Directors and their relatives.

(5) DIRECTORS

Shri Shrinal Patel and Shri Mayank Patel were appointed as additional Directors during the year who are eligible for appointment under section 257 of the Companies Act. Shri Pradeep B. Shah, resigned as Director on 28.01.2010. Shri Marut D. Patel and Shri Mahendra S. Shah retire by rotation and being eligible; offer themselves for re-appointment at the ensuing Annual General Meeting. Shri Piyush N. Patel, whose terms

as Managing Director expired and is re-appointed by the Board for further period of three years. Shri Shrinal Patel is appointed as whole time Director subject to your approval. You are requested to approve their appointment.

(6) CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION ANALYSIS STATEMENT:

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

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

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

(8) DIRECTORS RESPONSIBILITY STATEMENT:

(i) Your Directors have followed the applicable accounting standards along with proper explanation relating to material departure while preparing the annual accounts;

(ii) Your Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

(iii) Your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) Your Directors have prepared the annual accounts on a going concern basis.

(9) AUDITORS:

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

(10) PARTICULARS OF EMPLOYEES:

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

(11) ACKNOWLEDGEMENTS:

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

Place: Borsad
Date: 29th May, 2010

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

Piyush N. Patel
Managing Director

Shrinal P. Patel
Director

ANNEXURE TO THE DIRECTORS REPORT FOR THE YEAR ENDED 31.03.2010

[A] CONSERVATION OF ENERGY :

Measure for energy conservation is taken up as a part of ongoing programme

Total Energy consumption per unit of Production;

1] POWER & FUEL CONSUMPTION

	2009-10	2008-09
ELECTRICITY		
(a) Purchased Units	5,220,180	2,880,815
Total Amount	28,017,627	15,262,336
Rate / Unit (Rs)	5.37	5.30
(b) Own Generation		
(i) Through Stream Turbine/ Generator	NIL	NIL
Unit per Ltr of Diesel Oil	NIL	NIL
Cost/Unit (Rs.)	NIL	NIL
(ii) Through Steam Turbine/Generator	NIL	NIL
Unit per Ltr of Furnace Oil Gas	NIL	NIL
Cost/Unit (Rs.)	NIL	NIL
2) COAL		
Qty. In. Kgs	4,833,855	1,820,350
Total Amount	16,725,018	5,221,012
Rate/ Tone (Rs.)	3.46	2.87
3] L.D.O./ Furnace Oil		
Qty. In. Ltr.	-	NIL
Total Amount	-	NIL
Rate/ Ltr (Rs.)	-	NIL
[II] Consumption per kgs of production	0.82	0.65
Electricity (In Unit)	5,220,180	2,880,815
Furnace Oil/ L.D.O. (IN LTR)	-	NIL
Coal (In Kgs)	-	-
[B] Technical absorption ,Adoption and Innovation :		
1 Effort in brief made towards technology by standards for technology absorption, adoption, innovation and motivation	NIL	NIL
2 Benefit derived as a result	NIL	NIL
3 In case of imported technology (imported during last 5 years reckoned from the beginning of the financial year). Following information may be furnished	NIL	NIL
a. Technology Imported		
b. Year of import		
c. Has technology been fully absorbed		
d. if fully not absorbed areas where the same has been absorbed therefore		
[C] FOREIGN EXCHANGE		
1 Foreign Exchange Used for Import of Raw Materials	\$14,170	NIL
2 Foreign Exchange Earned in INR in lacs	147	108

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A) INDUSTRY STRUCTURE AND DEVELOPMENT

Your Company registered a healthy performance during 2009-2010 in face of global slowdown and challenging economic conditions. The Management took effective measures to improve on all parameters covering areas of production, quality, marketing, and finance to retain its position as a market leader in manufacture of quality pigment blue.

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

B) OPPORTUNITIES, THREATS, RISK AND CONCERNS

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

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

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

C) OUTLOOKS FOR 2010-11

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

D) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

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

F) MATERIAL DEVELOPMENTS ON HUMAN RESOURCES

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

Place: Borsad
Date: 29th May, 2010

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

Piyush N. Patel
Managing Director

Shrinal P. Patel
Director

CORPORATE GOVERNANCE REPORT

COMPANY PHILOSOPHY

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

BOARD OF DIRECTORS

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

Name of Directors	Category of Directorship	No. of Meetings Attended	Attended at Last AGM	Other Companies		
				Directorship held	Members in Committee	Chairman in Committee
Anilaben P. Patel Chair Person	Non executive	4	Yes	0	0	0
Piyush N. Patel	Managing Director	4	Yes	0	0	0
Marut D. Patel	Non Executive Director	Nil	No	0	0	0
Pradeep B. Shah (up to 28/01/2010)	Non executive Independent	2	No	0	0	0
Mahendra A. Shah	Non executive Independent	4	Yes	0	0	0
Ronak Y. Desai	Non executive Independent	4	Yes	0	0	0
Shrinal Patel (From 28/01/2010)	Whole time Director	1	N.A.	0	0	0
Mayank H. Patel (From 28/01/2010)	Non executive Independent	0	N.A.	0	0	0

Four meetings of the Board were held during the year 30.06.2009, 30.07.2009, 30.10.2009 and 28.01.2010.

AUDIT COMMITTEE

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

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

The Committee met four times during the year on 30.06.2009, 30.07.2009, 30.10.2009 and 28.01.2010 and the attendance of the Members at the meetings was as follows:

Name of Member	Status	Category	No. of Meetings Attendance
Ronak Y. Desai	Chairman (Independent)	Independent Director	4
Mahendra A. Shah	Member (Independent)	Independent Director	4
Pradeep B. Shah	Member (Independent)	Independent Director	2

SHARE TRANSFER COMMITTEE

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

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

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

GENERAL BODY MEETINGS

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

Financial Year	Date	Time	Type	Location
2006-07	29/09/2007	11.00 A.M.	Annual General Meeting	At the Registered Office at 1 st Floor, Dinsha Chambers, Borsad - 388540
2007-08	30/09/2008	11.00 A.M.	Annual General Meeting	
2008-09	30/09/2009	11.00 A.M.	Annual General Meeting	

POSTAL BALLOT

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

DISCLOSURES

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

MEANS OF COMMUNICATION

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

GENERAL SHAREHOLDERS INFORMATION

Date, Time and venue of 16th Annual General Meeting:	Monday, 20/09/2010 at 11.00 a.m. at 1st Floor, Dinsha Chambers, Borsad - 388540.
Financial Calendar	: April 1 to March 31
Date of Book Closure	: 13.09.2010 to 20.09.2010 (Both days inclusive)
Listing on Stock Exchange	: The Bombay Stock Exchange Vadodara Stock Exchange Ahmedabad Stock Exchange

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2010.

No. of Equity Shares	No. of Shareholders	% of Shareholders	No. of Share Held	% of Shareholding
Upto 2500	610	31.11	8,56,000	1.14
2501 - 5000	629	32.07	27,31,000	3.64
5001 - 10000	261	13.31	21,91,000	2.92
10001 - 20000	111	5.66	17,55,100	2.34
20001 - 30000	47	2.40	11,93,000	1.59
30001 - 40000	16	0.82	5,91,000	0.78
40001 - 50000	147	7.49	72,10,000	9.60
50001 - 100000	66	3.37	54,96,000	7.32
100000 and above	74	3.77	530,74,900	70.67
TOTAL	1961	100	750,98,000	100

ADDRESS FOR CORRESPONDENCE

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

Email: shareishan@yahoo.co.in

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

Registered Office: 1st Floor, Dinsha Chambers, Borsad – 388540.

Place: Borsad

Date: 29th May, 2010

On Behalf of the Board of Directors

For ISHAN DYES AND CHEMICALS LTD.

Piyush N. Patel
Managing Director

Shrinal P. Patel
Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the members of ISHAN DYES AND CHEMICALS Ltd.

We have examined the compliance of conditions of Corporate Governance by ISHAN DYES AND CHEMICALS Ltd. for the year ended 31st March, 2010 , as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges of India .

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

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

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

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

Place: Borsad
Date: 29th May, 2010

For K.G. Patel & Co.
Chartered Accountants

Kamlesh Parikh
Partner
MembershipNo.34529
F.R.N.: 107717W

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

1. We have audited the attached Balance Sheet of **ISHAN DYES & CHEMICALS LIMITED**, as at **March 31, 2010**, and the related profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis evidence supporting the amounts and disclosure in the financial statement presentation. An audit also includes assessing the accounting principles used and significant estimate made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 & 5 of the said order.
4. Further to our opinion in the Annexure referred to above, we reported that :
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) *In our opinion the Profit & Loss account and Balance Sheet of the Company dealt with by this report are in compliance with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956 to the extent applicable except:(I) Accounting Standard 15 for provision of retirement benefits: The amount being uncertain and not determined, we are unable to give any opinion on the same. For more details refer to note no. (I) in notes on accounts in Schedule no.20.*
 - e) On the basis of written representation received from the Directors, as on 31st March, 2010 and taken on record by the Board of Directors, we reported that none of the Directors is disqualified as on 31st March, 2010 from being appointed as a Director in terms of clause (g) of Sub- section (1) of Section 274 of the Companies Act, 1956;

- f) *Subject to note no. 4 (d) above* , in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India
- i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010.
 - ii. In the case of the Profit and Loss Account, of the **Profit** for the year ended on that date; and
 - iii. In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Place: Borsad
Date: 29th May, 2010

For K.G. Patel & Co.
Chartered Accountants

Kamlesh Parikh
Partner
Membership No.34529
F.R.N.: 107717W

Annexure to the Auditors' Report:

Re: Ishan Dyes & Chemicals Limited

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

1. In respect of its fixed assets:

- (a) The company has maintained proper records showing plant wise particulars giving details and situation of fixed assets on the basis of available information.
- (b) All the major assets have been physically verified by the management during the year in a periodical manner, which is reasonable in our opinion.
- (c) No substantial part of fixed asset has been disposed off during the year and going concern of the company is not affected.

2. In respect of its inventories:

- (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of Physical verification of Inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The company is maintaining proper records of inventory. The discrepancy noticed on verification between the physical records and the book records were not material.

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

- (a) The Company has taken unsecured loans from parties covered in the register maintained under section 301 of the companies Act, 1956. In respect of the said loans, the maximum amounts outstanding at any time during the year is Rs.69.65 lacs and the year end balance is Rs.62.29 lacs
- (b) As expressed by management, no interest is payable on such loans and there are no stipulations for repayments for the loans that have been taken from parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (c) There are no stipulations for payment of interest or repayment of principal. There being no stipulation for repayment of loan taken, the question of amount overdue of loan taken from parties listed in the register maintained under section 301 of the Companies Act, 1956 does not arise.

- (d) In respect of the said loans, the same are repayable on demand and therefore the question of overdue amounts does not arise. In respect of interest, there is no stipulation for interest payment. .
- (e) The company has not given any loan during the year to the companies, firms or other parties covered in the registered maintained under section 301 of the companies act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. In respect of the contracts or arrangements referred to in section 301 of the companies act, 1956:
- (a) In our opinion, and according to the information and explanations given to us, the transaction made in pursuance of contracts or arrangements that need to be entered in the register maintained under Sec.301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion, and according to the information and explanations given to us, the transaction made in pursuance of contracts or arrangements, entered in the register maintained under Sec.301 of the Companies Act, 1956 and exceeding the value of Rs.5.00 lacs in respect of each party during the year have been made at prices which appear reasonable as per information available with the company.
6. In our opinion and according to the information and explanations given to us, the Company has not complied with the provisions of Sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. However, company has not accepted any term deposits from public. To meet the short term requirement of funds, company has taken unsecured loans from friends and relatives of directors. No order has been passed by the Company Law Board.
7. In our opinion, the Company has internal audit system commensurate with size and nature of its business.
8. As per the Rules made by the Central Government for the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 in respect of certain manufacturing activities of the company, the products of the company are not covered under the rules and hence the company is not required to maintain the books and other items of cost. However, company has maintained records for consumption of raw materials and production of finished goods. We have broadly reviewed such records and have not carried out detailed examination of such records.
9. In respect of statutory dues:
- (a) According to records of the company, undisputed statutory dues including Provident Fund, Income-tax, VAT, CST, Service tax, custom duty, excise duty, cess, and other material statutory dues have been generally regularly deposited with the appropriate authorities. According information and explanation given to us, no undisputed amounts

payable in respect of the aforesaid dues were outstanding as at March 31, 2010 for a period of more than 6 months from the date of becoming payable except ESIC. Amounts due and outstanding for a period of exceeding 6 months as at March 31, 2010 to be credited to ESIC is of Rs.36, 145.

(b) According to information and explanation given to us, old outstanding statutory undisputed dues are nil.

10. The company has accumulated losses at the end of the financial year. However, the company has made profits during the financial year covered by our audit and in the immediately preceding the financial year.

11. In case of term loan from C.N.S. Bank Ltd., the bank had recalled the entire term loan for repayment and had filled civil suite for recovery of Rs. 541.32 lacks. As explained to us and as per records presented before us, the suit for recovery is dismissed by lower authority and the matters are pending before Tribunal.

In case of term loan of C.N.S. Bank Ltd., It has been informed to us that Government of Gujarat has notified scheme for one time settlement of outstanding loans vide notification number NSB/12/2005/M97/C DT. 19/5/2010. It is affirmed by the Board that the company is eligible under the scheme and shall file necessary application in due course of time. It is further affirmed by the management, that the amount payable to the said bank as per the notified scheme shall not be more than the amount outstanding and appearing on the books of the company on the balance sheet date. We have gone through the copy of notification provided us by the company and are of the opinion that company is eligible for the scheme.

12. In our opinion and according to the explanation given to us and based on the information available, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. The company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of Clause 4 (xiii) of paragraph 4 of the order are not applicable.

14. The company is not dealing or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4 (xiv) of paragraph 4 of the order are not applicable.

15. The company has not given any guarantee for loans taken by others from banks or financial institutions.

16. The company has not obtained term loans during the year.

17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we are of the opinion that there are no funds raised on short term basis that have been used for long term investment.

18. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.

19. According to the information and explanations given to us, the Company had not issued any Secured Debentures during the year.
20. The Company has not raised any money by way of public issues during the year.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

Place: Borsad
Date: 29th May, 2010

For K.G. Patel & Co.
Chartered Accountants

Kamlesh Parikh
Partner
Membership No.34529
F.R.N.: 107717W

ISHAN DYES & CHEMICALS LTD , VATVA

BALANCE SHEET AS AT 31ST MARCH,2010

(AMOUNT IN RUPEES)

PARTICULARS	Sch.	AS AT	
		31-Mar-10	31-Mar-09
<u>SOURCES OF FUNDS</u>			
Share Holders' Funds :			
Share Capital	1	75,098,000	75,098,000
Reserves & Surplus	2	17,511,953	17,511,953
Loan Funds	3	67,986,070	77,167,563
TOTAL :		160,596,023	169,777,516
<u>APPLICATION OF FUNDS</u>			
Fixed Assets :	4		
Gross Block		237,150,546	225,695,045
Less: Depreciation Fund		148,862,445	131,451,004
Net Block		88,288,101	94,244,041
Add: Capital Work- In-Progress		104,678	829,400
		88,392,779	95,073,441
Investments : (At Cost)	5	511,369	709,369
Current Assets, Loans & Advances :	6	90,071,753	82,256,870
Less: Current Liabilities & Provisions:	7	125,855,606	139,449,734
Net Current Assets :		-35,783,853	-57,192,864
Miscellaneous Expenditure	8	801,600	901,800
Profit & Loss Account	9	106,674,128	130,285,770
TOTAL :		160,596,023	169,777,516

Notes On Accounts

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Schedules 1 to 9 & 20 Forming Part of Balance Sheet

For K.G. Patel & Co,
Chartered Accountants

For Ishan Dyes & Chemicals Ltd,

Kamlesh R.Parikh
Partner
MEM. NO : 34529
FRN: 107717W
Place : Borsad
Date :29th May,2010

Piyush N. Patel Shrinial P. Patel
Managing Director Director

Place :Borsad
Date :29th May, 2010

ISHAN DYES & CHEMICALS LTD , VATVA

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010.

(AMOUNT IN RUPEES)

PARTICULARS	Sch.	FOR THE YEAR ENDED ON	
		31-Mar-10	31-Mar-09
<u>A. INCOME.</u>			
Sales	10	408,254,754	342,276,771
Other Income	11	6,442,287	32,448,881
Increase / (Decrease) in Stocks	12	-587,190	19,144,378
TOTAL : (A)		414,109,851	393,870,029
<u>B. EXPENDITURE.</u>			
Raw Material Consumption	13	280,839,491	293,761,717
Manufacturing Expenses	14	53,216,367	46,878,585
Men power Cost	15	11,761,709	10,025,091
Administration & General Expenses	16	9,699,625	10,106,983
Selling & Marketing Expenses	17	1,172,825	1,489,669
Financial Expenses	18	10,173,035	10,818,190
Depreciation	4	17,411,442	15,711,798
TOTAL : (B)		384,274,494	388,792,033
Profit Before Tax, Extraordinary Items & Prior Period Adjustments		29,835,357	5,077,997
<u>Less</u> : Extra ordinary Items & Prior Period Adjustments	19	6,223,715	354,839
Net Profit After Extra ordinary Items & Prior Period Adjustments		23,611,642	4,723,157
<u>Less</u> : Provision For Tax :			
Income Tax		-	-
Fringe Benefit Tax		-	95,000
		-	95,000
Net Profit After Tax :		23,611,642	4,628,157
Balance Of Previous Year B/F		-130,285,770	-134,913,927
Net Profit/(Net Loss)		-106,674,128	-130,285,770

Notes On Accounts

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Schedules 10 to 20 Forming Part of Profit & Loss Account

For K.G. Patel & Co,
Chartered Accountants

For Ishan Dyes & Chemicals Ltd,

Kamlesh R.Parikh
Partner

Piyush N. Patel Shrinil P. Patel
Managing Director Director

MEM. NO : 34529

FRN: 107717W

Place : Borsad

Date :29th May,2010

Place : Borsad

Date :29th May, 2010

ISHAN DYES & CHEMICALS LTD , VATVA

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010.

PARTICULARS	Amount (Rs.)
Cash and Cash Equivalents at the Beginning of the Period	-1,362,047
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Cash Receipt from the Customers	441,991,489
Cash paid to Suppliers	-400,039,285
<i>Cash Generated from Operations</i>	41,952,204
Cash paid for General Operating and Administrative Expenses	-14,962,503
Cash Paid for Wages and Salaries	-1,343,385
<i>Net Cash From Operating Activities</i>	25,646,315
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Repayment of Advances and Loans made to third Parties	1,354,823
Discharge of Guarantee by Bank	350,000
Dividend Received	33,072
Interest Received on Fixed Deposits	29,938
Purchase of Fixed Assets	-170,025
Cash paid as Loan, Advances and Deposit to Third Parties	-8,379,541
<i>Net Cash Used in Investing Activities</i>	-6,781,733
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>	
Proceeds from Borrowings	43,748,454
Repayment of Loans	-60,172,214
Interest Paid	-494,968
<i>Net Cash Used in Financing Activities</i>	-16,918,728
Net Increase \ (Decrease) in Cash and Bank	1,945,854
Cash and Cash Equivalents at the End of the Period	583,807

For K.G. Patel & Co,
Chartered Accountants

For Ishan Dyes & Chemicals Ltd,

Kamlesh R.Parikh
Partner
MEM. NO : 34529
FRN: 107717W
Place : Borsad
Date :29th May,2010

Piyush N. Patel Shrinal P. Patel
Managing Director Director

Place : Borsad
Date :29th May,2010

ISHAN DYES & CHEMICALS LTD , VATVA

**SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS A/C FOR YEAR
ENDED ON 31st MARCH 2010**

(AMOUNT IN RUPEES)

AS AT

	31-Mar-10	31-Mar-09
SCHEDULE - 1 : SHARE CAPITAL :		
Authorized Share Capital : 110,00,000 Equity Shares of Rs 10/- each.	110,000,000	110,000,000
Issued, Subscribed & Paid up Share Capital : 75,09,800 Equity Shares of Rs 10/- each fully paid - up	75,098,000	75,098,000
TOTAL :	75,098,000	75,098,000
SCHEDULE - 2 : RESERVES & SURPLUS :		
Share Premium Reserve	5,375,000	5,375,000
Revaluation Reserve	12,136,953	12,136,953
TOTAL :	17,511,953	17,511,953
SCHEDULE - 3 : LOAN FUNDS :		
<u>Secured Loans:</u>		
C.N.S.Bank Ltd.	14,362,136	14,362,136
The Dharmaj Peoples Bank	-	1,791,573
The Dharmaj Peoples Bank-New	-	7,088,642
Sanghavi Exports Pvt Ltd	39,787,321	36,622,870
	54,149,457	59,865,221
<p>Loan form C.N.S.Bank Ltd is secured by second charge over movable plant & machinery of the company.</p> <p>Loan from Sanghvi Exports Pvt Ltd is secured by equitable mortgage of land & building situated at Plot no.18, Phase 1, G.I.D.C Industrial Estate,Vatva, Ahmedabad.</p>		
<u>Unsecured Loans:</u>		
From Directors	6,228,736	1,123,883
From Others	7,607,877	16,178,458
	13,836,613	17,302,341
TOTAL :	67,986,070	77,167,563
SCHEDULE - 5 : INVESTMENTS (AT COST) :		
Investment in Equity Shares :		
C.N.S.Bank Ltd.	475,500	475,500
The Green Environment	5,000	5,000
The Dharmaj Peoples Bank	-	198,000
Share Linking Deposit	30,869	30,869
TOTAL :	511,369	709,369

SCHEDULE - 4 : FIXED ASSETS :

PARTICULARS	RATE %	GROSS BLOCK				ACCUMULATED DEPRECIATION					NET BLOCK		
		Op. Bal. As on 1-Apr-09	Addition During the Period	Deduction/ Sale during the Period	Amount as on 31-Mar-10	Op. Bal. As on 1-Apr-09	Depre. on Op. Balance	Depre. on Addition	Total Depre. Provided	Dep on Sale during the Period	Balance As on 31-Mar-10	AS ON 31-Mar-10	AS ON 31-Mar-09
Land		18,744,820	-	-	18,744,820	-	-	-	-	-	-	18,744,820	18,744,820
Factory Building	3.34%	15,179,019	200,000	-	15,379,019	6,850,536	506,979	3,111	510,090	-	7,360,626	8,018,393	8,328,483
Office Building	1.63%	4,801,530	204,700	-	5,006,230	76,850	78,265	896	79,161	-	156,011	4,850,219	4,724,680
Electrical Fittings	10.34%	10,684,111	-	-	10,684,111	3,407,675	1,104,737	-	1,104,737	-	4,512,412	6,171,699	7,276,436
Plant & Machinery	4.75%	49,715,013	1,059,115	-	50,774,128	35,697,264	2,361,463	22,255	2,383,719	-	38,080,983	12,693,145	14,017,749
Plant & Machinery	10.34%	117,065,425	6,525,811	-	123,591,236	84,016,283	12,104,565	186,731	12,291,296	-	96,307,579	27,283,657	33,049,142
Laboratory Equipments	10.34%	2,099,823	-	-	2,099,823	203,861	217,122	-	217,122	-	420,983	1,678,840	1,895,962
Office Equipments	4.75%	2,743,867	234,825	-	2,978,692	122,412	130,334	6,697	137,030	-	259,442	2,719,250	2,621,455
Computers	16.21%	659,382	107,850	-	767,232	101,081	106,886	13,110	119,996	-	221,077	546,155	558,301
Furniture & Fixtures	6.33%	1,447,169	-	-	1,447,169	89,969	91,606	-	91,606	-	181,575	1,265,594	1,357,200
Vehicles	9.50%	2,231,065	3,123,200	-	5,354,265	850,646	211,951	199,970	411,922	-	1,262,568	4,091,697	1,380,419
Intangible Assets	20.00%	323,820	-	-	323,820	34,427	64,764	-	64,764	-	99,191	224,629	289,393
TOTAL :		225,695,045	11,455,501	-	237,150,546	131,451,004	16,978,672	432,770	17,411,442	-	148,862,445	88,288,100	94,244,042
Previous Year: In Rs.		206,302,468	20,717,225	1,324,648	225,695,045	101,384,282	15,118,980		15,118,980	334,817	116,168,445	109,526,600	104,918,186
Capital Work-In-Progress		-	104,678	-	104,678	-	-	-	-	-	-	104,678	829,400

ISHAN DYES & CHEMICALS LTD , VATVA

**SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS A/C FOR YEAR ENDED ON
31st MARCH 2010**

	(AMOUNT IN RUPEES)	
	AS AT	
	31-Mar-10	31-Mar-09
SCHEDULE - 6 : CURRENT ASSETS, LOANS & ADVANCES		
A. CURRENT ASSETS :		
Inventories :		
Raw Materials	3,255,610	4,080,396
Packing Material	1,359,376	715,547
Fuel Stock	155,358	91,705
ETP Material Stock	80,612	4,182
Consumables	1,375,635	1,205,740
Work in Process	42,212,164	36,931,447
Finished Goods	1,846,825	7,714,732
	50,285,580	50,743,749
Sundry Debtors : (Annexure - 8) (Unsecured, considered good)		
- Outstanding for a period exceeding six months	1,957,970	2,747,922
- Others	23,368,047	15,655,193
	25,326,017	18,403,115
Cash & Bank Balance		
- Cash on Hand.	21,108	275,155
Balance with Scheduled Banks		
In Current Account (Annexure - 1)	562,699	154,371
In Deposit Account (Annexure - 2)	-	350,000
	583,807	779,527
TOTAL (A) RS.	76,195,404	69,926,390
B. LOANS & ADVANCES:		
(Unsecured, considered good)		
(Advance recoverable in cash or in kind, for value to be reced.)		
- Deposits : (Annexure - 3	3,571,042	2,633,105
- Advance to Staff : (Annexure - 4)	138,642	302,604
- Advance to Others (Annexure - 5)	5,631,558	7,251,270
- Advance to Suppliers (Annexure - 6)	3,026,625	767,396
- Advance Tax & T.D.S. (Annexure - 7)	1,440,119	1,353,269
- Prepaid Expenses	68,363	22,837
TOTAL(B) RS.	13,876,349	12,330,481
TOTAL (A + B) RS.	90,071,753	82,256,870

ISHAN DYES & CHEMICALS LTD , VATVA

**SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS A/C FOR YEAR ENDED ON
31st MARCH 2010**

		(AMOUNT IN RUPEES)	
		AS AT	
		31-Mar-10	31-Mar-09
SCHEDULE - 7 : CURRENT LIABILITIES & PROVISIONS			
CURRENT LIABILITIES & PROVISIONS :			
<u>A. CURRENT LIABILITIES :</u>			
Sundry Creditors :			
- Sundry Creditors for Materials (Annexure - 11)		109,081,700	114,220,163
- Sundry Creditors for Capital Goods(Annexure - 12)		93,572	2,417,361
- Sundry Creditors for Expenses (Annexure - 13)		12,468,876	13,977,998
		121,644,148	130,615,523
Other Liabilities :			
- Statutory Expenses Payable (Annexure - 9)		1,273,182	1,425,712
- Customer Advance		-	5,437,964
		1,273,182	6,863,676
	TOTAL(A) :	122,917,330	137,479,198
<u>B. PROVISIONS :</u>			
- Provision for Fringe Benefit Tax		-	95,000
- Other Provisions (Annexure - 10)		2,938,276	1,875,536
	TOTAL(B):	2,938,276	1,970,536
	TOTAL(A+B):	125,855,606	139,449,734
SCHEDULE - 8 : MISCELLANEOUS EXPENDITURE			
(To the extent not written off)			
Preliminary Expenditure : Opening Balance :		901,800	726,632
<u>Add:</u> Addition During the Year		-	1,002,000
		901,800	1,728,632
<u>Less:</u> Written off During the Period		100,200	826,832
	Closing Balance :	801,600	901,800
SCHEDULE - 9 : PROFIT & LOSS ACCOUNT			
PROFIT & LOSS ACCOUNT :			
Opening Balance :		130,285,770	134,913,927
<u>Add / Less :</u> (Profit) / Loss for the year C/F From P & L A/C		-23,611,642	-4,628,157
	TOTAL :	106,674,128	130,285,770

ISHAN DYES & CHEMICALS LTD , VATVA

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS A/C FOR YEAR ENDED ON 31st MARCH 2010

	(AMOUNT IN RUPEES) FOR THE YEAR ENDED ON	
	31-Mar-10	31-Mar-09
SCHEDULE - 10 : SALES		
Direct Export	14,673,350	10,773,100
Export Form H	123,586,500	61,989,300
Sales Local	261,753,604	259,607,246
OGS Sales	8,241,300	9,907,125
TOTAL:	408,254,754	342,276,771
SCHEDULE - 11 : OTHER INCOME:		
Discount Received	585,514	312,093
Interest	139,114	265,244
Commission Received	-	2,735,000
Sale of Scrap	-	1,074
Kasar-Vatav	-	28,942
Exchange Rate Difference	-	1,305,650
Dividend	33,072	24,365
Sundry Balance w/Off	-	403,036
DEPB License Income	680,966	1,002,310
Job work income	4,435,014	-
Misc. income & Round off	585	-
<u>Excess Provisions Written Back:</u>		
C.N.S.B	-	25,739,535
C.S.T	-	631,632
Others	568,022	-
TOTAL:	6,442,287	32,448,881
SCHEDULE - 12 : INCREASE/(DECREASE) IN STOCKS:		
INCREASE/(DECREASE) IN STOCKS :		
Closing Stock :		
Work in Process	42,212,164	36,931,447
Finished Goods	1,846,825	7,714,732
Total :	44,058,989	44,646,179
Less : Opening Stock		
Work in Process	36,931,447	19,284,038
Finished Goods	7,714,732	6,217,763
Total :	44,646,179	25,501,801
Increase/(Decrease) in Stock :	-587,190	19,144,378

ISHAN DYES & CHEMICALS LTD , VATVA

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS A/C FOR YEAR ENDED ON
31st MARCH 2010

	(AMOUNT IN RUPEES) FOR THE YEAR ENDED ON	
	31-Mar-10	31-Mar-09
SCHEDULE - 13 : RAW MATERIALS CONSUMPTION:		
<u>Raw Materials:</u>		
Opening Stock of Raw Materials :	4,080,396	4,068,087
<u>Add</u> : Raw Material Purchase : Import	421,114	-
Raw Material Purchase : Indigenous	244,265,396	279,759,454
TOTAL:	248,766,906	283,827,541
<u>Less</u> : Closing Stock	3,255,610	4,080,396
	245,511,296	279,747,145
<u>Packing Materials:</u>		
Opening Stock of Packing Materials :	715,547	821,124
<u>Add</u> : Packing Material Purchase : Import	-	-
Packing Material Purchase : Indigenous	3,221,768	1,528,164
TOTAL:	3,937,315	2,349,288
<u>Less</u> : Closing Stock	1,359,376	715,547
	2,577,939	1,633,741
<u>Fuel Stock:</u>		
Opening Stock of Fuel Stock :	91,705	61,641
<u>Add</u> : Fuel Stock Purchased	16,862,530	5,693,711
TOTAL:	16,954,235	5,755,352
<u>Less</u> : Closing Stock	155,358	91,705
	16,798,877	5,663,648
<u>ETP Material Stock:</u>		
Opening Stock of ETP Material Stock :	4,182	49,436
<u>Add</u> : ETP Materials Purchased	5,621,403	3,144,138
TOTAL:	5,625,585	3,193,574
<u>Less</u> : Closing Stock	80,612	4,182
	5,544,973	3,189,392
<u>Stoters & Spares :</u>		
Opening Stock of Consumables :	1,205,740	694,000
<u>Add</u> : Consumables Purchase : Import	182,871	-
Consumables Purchase : Indigenous	10,393,431	4,039,532
TOTAL:	11,782,042	4,733,532
<u>Less</u> : Closing Stock	1,375,635	1,205,740
	10,406,407	3,527,792
Total Raw Materials Consumed for the Year	280,839,491	293,761,717

ISHAN DYES & CHEMICALS LTD , VATVA

**SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS A/C FOR YEAR ENDED
ON 31st MARCH 2010**

	(AMOUNT IN RUPEES) FOR THE YEAR ENDED ON	
	31-Mar-10	31-Mar-09
SCHEDULE - 14 : MANUFACTURING EXPENSES:		
Excise Duty	265,049	568,171
Job work Labour	5,147,988	2,616,151
Labour Charges	11,601,197	8,682,271
ETP Running Exps	1,943,990	2,677,322
Lab Materials	175,583	19,237
Discount	227,423	-
Packing & forwarding charges	95,750	13,336
M/C Maintenance Exp	-	43,306
Power & Fuel Exp.	28,049,414	29,728,097
Spent Acid Treatment Charges	120,214	-
Testing Charges	43,035	-
Water Charges	467,512	151,200
Freight Inward	5,029,551	2,351,909
Loading & Unloading Charges	49,662	27,585
TOTAL:	53,216,367	46,878,585
SCHEDULE - 15 : MEN POWER COST:		
Director's Salary	1,300,000	600,000
Salary Exps	6,478,709	5,595,562
Attendance Bonus	386,705	56,253
Bonus Exp.	462,199	411,213
E.S.I.C. Contribution Exp.	157,614	135,202
Staff Welfare Exp.	61,779	29,791
Leave Encashment Exp.	123,892	123,596
Provident Fund Exp.	230,737	200,358
Retainer Charge	97,035	168,701
Retrenchment Compensation	47,535	518,140
Gratuity Expenses	10,500	299,552
Pension Contribution	277,861	221,417
Ex-Gratia A/c	2,127,143	1,665,306
TOTAL :	11,761,709	10,025,091

ISHAN DYES & CHEMICALS LTD , VATVA

**SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS A/C FOR YEAR ENDED ON
31st MARCH 2010**

	(AMOUNT IN RUPEES)	
	FOR THE YEAR ENDED ON	
	31-Mar-10	31-Mar-09
SCHEDULE - 16 : ADMINISTRATION & GEN. EXPENSES :		
Advertisement Exp	13,229	45,193
Audit & Tax matters Fees	281,065	192,097
Business promotion Expenses	12,875	-
Commission Expenses	39,220	78,687
Conveyance Exp	68,653	61,655
Exchange Rate Difference	23,067	-
Penalty Charges	300	13,900
Misc Expenses	502,094	72,178
Gift\Donation Expenses	182,445	25,000
Solid Waste Exps	-	126,795
Legal Exp.	102,460	1,110,940
Membership Fees	21,500	14,098
Municipal Taxes	147,054	-
Service Tax	172,025	-
Office Expenses	523,824	468,453
Postage & Courier Exp.	38,687	83,242
Preliminary Expenses Written Off	-	590,995
Printing & Stationery	77,711	57,261
Professional Fee Exp.	924,357	592,286
Repairs & Maintenance Exp :	-	-
Plant & Machinery	4,331,604	4,031,591
Car	598,893	437,541
Others	139,889	289,961
Security Charges	328,939	262,851
Loss on Sale of Car	-	395,408
Telephone Exp.	421,090	347,289
Traveling Expenses	603,924	809,562
Weighbridge Charges	144,719	-
TOTAL:	9,699,625	10,106,983

ISHAN DYES & CHEMICALS LTD , VATVA

**SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS A/C FOR YEAR ENDED ON
31st MARCH 2010**

	(AMOUNT IN RUPEES)	
	FOR THE YEAR ENDED ON	
	31-Mar-10	31-Mar-09
SCHEDULE - 17 : SELLING & DISTRIBUTION EXPENSES :		
Clearing & Forwarding Charges	116,863	221,994
Freight Outward	848,036	793,032
Agency Charges	24,603	12,506
Export Exps	22,938	94,769
Vat Tax	160,385	367,368
TOTAL	1,172,825	1,489,669
SCHEDULE - 18 : FINANCIAL CHARGES :		
Interest to Bank	882,732	1,253,139
Interest to Others	9,122,743	9,244,592
Bank Charges	119,850	165,096
Late Payment Charges	47,709	155,364
TOTAL	10,173,035	10,818,190
SCHEDULE - 19 : PRIOR PERIOD & EXTRA ORDINARY ITEMS		
Extra Ordinary Items	4,951,908	-
Excise Duty Written Back	-559,333	-
Prior Period Adjustments	525,660	354,839
Sundry Balance Written Off	1,305,480	-
TOTAL	6,223,715	354,839

ISHAN DYES & CHEMICALS LTD , VATVA

**SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS A/C FOR YEAR
ENDED ON 31st MARCH 2010**

		(AMOUNT IN RUPEES)	
		FOR THE YEAR ENDED ON	
		31-Mar-10	31-Mar-09
<u>Annexure - 1 Details Of Bank Balances :</u>			
In Current Account with :			
Bank of India -1031 Baroda		-	9,427
Bank of India- Vatva		18,815	11,559
Dena Bank A/C. No 65		-	4,931
ICICI Bank Ltd. (A' bad)		232,466	6,358
ICICI Bank Ltd.(Maninagar Br.)		128	7,805
Axis Bank		14,197	114,291
Citi Bank		297,093	-
TOTAL :		562,699	154,371
<u>Annexure - 2 Details Of Bank Balances :</u>			
In Deposit Account with :			
Bank Guarantee A/C (G.P.C.B)		-	350,000
TOTAL :		-	350,000
<u>Annexure - 3 Details Of Deposits :</u>			
Energy Enterprise		2,000	2,000
Fascl Ltd.		-	500
Labour Security Deposit		13,642	13,642
Novel Spent Acid Management		1,800,000	1,800,000
The Ahmedabad Elec. Company[Deposit]		1,746,500	808,063
Telephone Deposit		5,900	5,900
Avee Agency		3,000	3,000
TOTAL :		3,571,042	2,633,105
<u>Annexure - 4 Details Of Advances To Staff :</u>			
Loans to Staff		105,700	256,100
Advance to Staff		32,942	46,504
TOTAL :		138,642	302,604

ISHAN DYES & CHEMICALS LTD , VATVA

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS A/C FOR YEAR
ENDED ON 31st MARCH 2010

		(AMOUNT IN RUPEES)	
		FOR THE YEAR ENDED ON	
		31-Mar-10	31-Mar-09
<u>Annexure - 5 Advances To Others :</u>			
Central Excise Receivable		1,804,366	3,455,853
Gujarat Sales Tax / VAT Receivable		1,587,895	2,128,646
Service Tax Input Credit Available		146,813	256,952
Advance for Capital Goods & Others		1,411,519	1,409,819
DEPB Receivable		680,966	-
TOTAL :		5,631,558	7,251,270
<u>Annexure - 7 Details Of Advance Tax & T.d.s. :</u>			
TDS Recoverable		1,440,119	1,349,140
FBT Advance (A.Y. 2007-08)		-	4,129
TOTAL :		1,440,119	1,353,269
<u>Annexure - 9 Details Of Statutory Liabilities:</u>			
TDS Payable		1,039,122	674,458
Sales Tax Payable		-	206,424
Service Tax Payable		76,396	299,782
ESIC Contribution payable		11,955	96,367
ESIC Payable		72,212	113,695
P.F. Payable		70,587	28,856
Professional Tax Payable		2,910	6,130
TOTAL:		1,273,182	1,425,712
<u>Annexure - 10 Details Of Other Provisions:</u>			
Leave Encashment Payable		45,000	276,225
Provision for Central Excise on Finished Goods		265,049	559,333
Provision for Expenses		1,864,037	330,603
Provision of VAT on Finished Goods		159,297	367,368
Unpaid Salary & Wages		604,893	342,007
TOTAL:		2,938,276	1,875,536

ISHAN DYES & CHEMICALS LTD , VATVA

**SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS A/C FOR YEAR ENDED ON
31st MARCH 2010**

Annexure : 6 Advance To Suppliers:

Particulars	Amount (Rs)
Deepak Nitrite Ltd.	18,707
J.D. Enterprise	2,445,000
Kutch Chemical Industries Ltd	4,364
Pilot Enterprise	14,892
Shivalik International	2,057
Tripura Eng. Industries	203,750
BHA(Shanghai)New Environmental Technology Co. Ltd.	180,360
Bridle Gears	127,050
Pawar & Company	1,248
The Green Env. Ser. Co.Op. Soc. Ltd. (Solid Waste)	29,197
Grand Total	3,026,625

Annexure : 8 Sundry Debtors:

Particulars	Amount (Rs)
Acid Chem Corporation	2,379
Albion Colours Ltd.	90,280
Alpha Chemicals	57,838
Ambuja Cements Ltd. (Unit : Ambujanagar)	15,584
Ambuja Cement (Unit. Gaj Ambuja Cement)	100,695
Avani Dye Chem Industries	211,941
Avani Dyechem Pvt. Ltd.	211,941
Gaj Ambuja Cement	7,743
Guj. Ambuja Cement	36,044
Jaysynth Dyestuff India Limited	9,480,000
Meghmani Organics Ltd	6,875,186
Polyblend Colour Concentrate	154,696
Prasad International Limited	3,581,485
Prasad International Pvt. Ltd.	272,165
Riddhi Dyechem Impex	1,615,000
S.B.S. Colors & Chemiques Pvt. Ltd.- UNIT-2	6,120
Universal Chemicals	397,348
Vibfast Pigments	11,550
Vibfast Pigments Pvt. Ltd.	930,000
Yash Chemex Inc.	1,268,023
Grand Total	25,326,017

ISHAN DYES & CHEMICALS LTD , VATVA

**SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS A/C FOR YEAR
ENDED ON 31st MARCH 2010**

Annexure : 11 Sundry Creditors - Raw Materials

Particulars	Amount (Rs)
Alfa Laboratories	336
Asian Chemicals	1,787,130
Bharat Petroleums	40,467
BMG Chemicals Pvt Ltd	1,110,879
Darteno Industries	156,642
Deepak Nitrite Ltd.	-
Dipal Marketing	3,380
Hindprakash International Pvt. Ltd.	13,884,895
Indian Lime Corporation	155,890
Industrial Solvents & Chemicals Pvt. Ltd.	295,147
Inwac Metals and Chemicals Pvt. Ltd.	1,696,273
J.D. Enterprise	-
J. D. Manufacture	72,861
Kris Flexipacks Private Ltd.	731,292
Kumar Industries	7,796
Kutch Chemical Industries Ltd	-
Meghachem Industries	3,600,689
Mit Lubes	92,915
Pilot Enterprise	-
P & P Packaging	98,371
Rameshwar Steels	414,054
R.B. Enterprise	3,367,355
R.K.Trading Co.	191,668
Sagar Trading Co.	179,916
Sahajanand Chem Industries	9,899,447
Shiba Chem	324,503
Shivalik International	-
Shree Sulphurics Pvt.Ltd.	4,793,261
S. Kumar Corporation	980,500
Sona Enterprise	253,210
Star Enterprise	310,794
Suraj Chemtech Pvt. Ltd. - PURCHASE	59,340,900
Thermotech Systems Ltd	17,882
Tirupati Corporation	1,048,309
Universal Speciality Chemical Pvt. Ltd	32,177
Vinayak Corporation	2,790,017
Virava Chemicals	265,735
Yash Chemex Pvt. Ltd.	107,449
Yash Dye Chem	767,984
Yogesh Brothers	261,576
Grand Total	109,081,700

ISHAN DYES & CHEMICALS LTD , VATVA

**SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS A/C FOR YEAR
ENDED ON 31st MARCH 2010**

Annexure : 12 Sundry Creditors - Capital Goods:

Particulars	Amount (Rs)
Adva - Tech Engineers	45,128
Badri Scale	1,260
Chemfilt	35,602
Swiss Glass Coat Equipment	11,582
Grand Total	93,572

Annexure : 13 Sundry Creditors - Expenses:

Particulars	Amount (Rs)
Aarti Fabricators	36,541
Affix Cold Tread Co.	9,200
Akshar Hydraulices	12,810
Anila Enterprise	1,100,111
Anubhav Shipping Agencies Pvt. Ltd.	161,097
A-One Agencies	30,184
A-One Elec. Service Center	171,320
Bakul Parmar	18,439
Bhagwant Electric Company	13,619
Bhagwati Engineering Works	9,933
Care-Wel Engineers	187,540
Cetron Transmission Co.	101,793
Checkmate Security Services	31,529
Chemexcil	46,326
Chemiplast Corporation	72,567
Chem Teck Engineers	20,985
Chinubhai Kalidass & Bros.	32,052
Classic Injket Cartidge Refilling	950
Compact Spares & Engineers	222,304
Devabhai K. Bharwad	11,206
Devam Laminate Industries	31,998
D.G. Bhimani & Associates	50,551
Dinesh G. Parmar	88,919
Dinesh N.Patel	6,728
Divya Vision	5,030
Foto Flux Pvt. Ltd.	24,700
Giriraj Steel Traders.	14,797
Guj. Pollution Control Board.	4,200
Jay Ambe Industries	2,552
J-Flon Product	37,191
Juneja Earth Movers	52,727
K.G. Patel & Co.	431,064

ISHAN DYES & CHEMICALS LTD , VATVA

**SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS A/C FOR YEAR
ENDED ON 31st MARCH 2010**

Khodiyar Roadways	29,720
Manzil Ice Corporation	81,024
MCS Limited	12,226
Mr. Dhwanit R Raval	9,200
Mr. Kamleshbhai Parikh.	192,429
Neema Corporation	14,685
New Jay Ambe Forklift Services	9,969
Nirmala Agency	92,674
Nisha Automobiles	10,965
Nitu Fabricators & Erectore	51,213
Novel Spent Acid Managment (Membership of Spent)	4,591
O.C.Engineering Works	4,600
Organised Trans Solutions	5,132
Patel & Mehta	82,865
P.D Zala	32,804
Perfect Asbestos & Teflon Co	28,750
Perfect Engineers	261,649
Piyushkumar.N. Patel (Job Work)	260,247
Pradeep & Co.	111,177
Rahul Roadlines	11,000
Ranjay Rajput	23,279
Reliance Communication	981
Ritu Travels	4,526
Sadguru Fabrication	47,889
Sahayog Traders	1,883
Samir Enterprise	1,755
Sanjay Rajput	48,225
Santram Gear Entrprise	16,200
Sardar Vallabhbhai Patel Institute of Technology	22,167
Sharda Chemicals	490
Shivkumar Yadav	281,760
Shree Chamunda Trading Co.	12,175
Shree Gajanand Roadways	1,007,990
Shree Ghanshyam Fuels	118,387
Shree Hari Carriers	131,978
Shree Khodiyar Road Ways	6,000
Shree Krishna Enterprise	12,903
Shree Maruti Agency	1,660
Shree Narnarayan Enterprise	127,047
Shriji Transport	10,710
Shri Yamuna Weigh Bridge	29,234
Supreme Associates	2,482
Supreme Chemical Industries	54,730
Sural & Manan Eneterprise	3,500
Suresh Jadav	15,014
Su - Vac Engineering	37,447
Swastik Industries	96,600
Tagaram Dhanaji Marwadi	27,937
The Green Env. Ser. Co. Op. Soc. Ltd.	146,601
Torrent Power Limited	2,731,462

ISHAN DYES & CHEMICALS LTD , VATVA

**SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS A/C FOR YEAR
ENDED ON 31st MARCH 2010**

Umiya Rewinding Works	115,736
Vanraj Soap Factory	9,240
Varahi Hydro Engineers	27,361
Varigaram Galbaji Chauhan	168,433
Vatva Ind. Estate Infrastructure Dev. Ltd.	12,660
Vinubhai K. Bharwad	63,762
Vodafone (VEGL) LTD	2,018
Adishwar Electricals	86,859
Avee Agencies	2,884
Divya Enterprise	10,710
Filter Fab	150,886
Gokulesh Associates	4,571
Jay Corporation	457,814
Jet Fibre Pumps & Equipments Pvt.Ltd.	282,588
Kirti Tools	163,512
Price Pumps Pvt. Ltd.	14,295
Shah Patel & Company	759,762
Shivam Traders (Packing Material)	3,547
Shivam Traders (WET LIME)	480,650
Shreeji Traders	10,724
Snehal Packaging	98,856
Suveg Electronics	25,306
Triveni Engineering Industries	145,807
Grand Total	12,468,876

SCHEDULE : 20

NOTES FORMING PART OF ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2010.

1. SIGNIFICANT ACCOUNTING POLICIES:

(A) General:

1. Accounts have been prepared on historical costs basis.
2. Income and expenditure are accounted on accrual basis except provision for gratuity.

(B) Fixed Assets and Depreciation:

1. Fixed Assets:

Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation. The cost of Fixed Assets includes pre-operative expenses incurred up to the date of commencement of commercial production (netting off by income arising during said period.)

2. Deprecation :

Deprecation on fixed Assets is provided at the rate on Triple shift basis using straight line method in the manner specified in Schedule-XIV of the Companies Act, 1956 for the plant & machinery except plant of Beta Blue on which depreciation is provided on single shift basis.

(C) Inventory: Valuation and Treatment of Costs:

1. The inventory is valued as follows:

1) Raw Materials	:	At cost (FIFO method), net of Cenvat credit.
2) Stores & Spares	:	At cost (FIFO method)
3) Finished Goods	:	Valued at lower of cost or NRV
4) Work in Process	:	At cost by using absorption cost method.

2. As per normal practice the cost of finished goods includes all direct cost and normal fixed cost. However it does not include selling and distribution cost. Value of stocks of finished goods at the date of Balance Sheet includes duties and taxes payable to comply accounting standard of Income Tax Act. Provision of such duty is also made as duty and taxes payable in the accounts as on the date of Balance Sheet.

(D) Revenue Recognition:

1. Sales: Sales are recognised at the time of dispatch of goods. All sales are shown inclusive of excise duty but net of returns, discount, shortage and amounts recovered towards VAT.
2. Other Income: Interest on deposit is accounted for on accrual basis. Dividend on shares is accounted on receipt basis.

(E) Provisions:

A provision is recognized when the company has a legal and constructive obligation as a result of past event, for which it is probable that cash outflow will be required and reliable estimate can be made of the amount of obligation.

(F) Contingent Liabilities:

Contingent Liabilities are disclosed by way of notes on accounts.

(G) Capital Contribution:

Capital Contribution made towards Common Effluent Treatment Plant to Green Vatva Co-op. Society is treated as deferred revenue expenses and considering its utility, the expenses are to be written off over a period of 10 years from year 1999-2000. Capital Contribution made towards Gas line Connection to Adani Energy Ltd is treated as deferred revenue expenses and considering its utility, the expenses are to be written off over a period of 60 months beginning from February, 2006.

(H) Investments:

Investments are stated at cost of acquisition.

(I) Retirement Benefits:

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

(J) Foreign exchange transactions.

The export sales transactions are recorded at the rate prevailing on the date of sale. Imports are recorded at the rate prevailing on the date of actual payments made. The loss/Gain on exchange fluctuation is charged to Profit and Loss Account.

2. OTHER NOTES

- (A) Estimated amount of contracts remaining to be executed on Capital account net of advances: Rs.9.00 lacs (P.Y. Rs.42.00 Lacs)
- (B) Previous years figure have been regrouped and/or rearranged wherever consider necessary to confirm to the year's grouping.

3. PAYMENTS TO AUDITORS

Audit fee	:	Rs. 60,000
Tax Audit	:	Rs. 25,000
For other professional fees	:	Rs. 50,000
Out of Pocket Expenses	:	Rs. 2,410

4. DIRECTORS REMUNERATION: Salary of Rs.13, 00,000 annually
5. Balances due to/from third parties are subject to confirmation, reconciliation, and/or adjustments, if any.
6. In the opinion of the Board, Loans and Advances and Current Assets are approximately of the value sated, if realized in the ordinary course of business.
7. Undisputed Statutory liability outstanding for more than six month is Rs.36145 for ESIC.
8. Exchange Loss/Gain (net) included in the profit and loss account is 0.23 lacs.
9. Value of imports on CIF basics

2009-2010	2008-2009
Rs. 6.80 lacs	Rs. 23.21 lacs
10. The company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprise Development Act, 2006 and hence disclosure requirement in this regard as per Schedule VI of companies Act, 1956 could not be provided.
11. Government of Gujarat has announced scheme for One Time Settlement for Co-op Banks under liquidation. As per the scheme, for one time payment, no interest is payable from date of NPA In case of borrowings from C.N.S. Bank Ltd, the company is eligible for benefits under the said scheme. Based on the scheme, the Board is of the opinion that there is no liability of interest payment for year under audit.
12. Licensed and installed capacity :

PRODUCT	Licensed Capacity in Metric Tons		Installed Capacity in Metric Tons	
	2009-2010	2008-2009	2009-2010	2008-2009
C.P.C. BLUE	N.A.	N.A.	3000	3000
BETA BLUE	N.A.	N.A.	720	1200
ALPHA BLUE	N.A.	N.A.	1200	1200
CUPROUS CHLORIDE	N.A.	N.A.	N.A.	600

Note: As certified by the management.

13. Major Raw Materials Consumed:

PARTICULARS	2009-2010		2008-2009	
	QTY. (KGS)	VALUE (In lacs)	QTY. (KGS)	VALUE (In lacs)
A. PHTHALIC ANHYDRIDE	1913640	1243.87	1166075	763.01
B. CARBAMIDE	2472750	180.51	1583900	100.37
C. SOLVENT	62775	13.77	139220	37.79
D. AMMONIUM MOLYBDATE	5243	57.67	2025	32.69
E. SULPHURIC ACID	8235911	225.46	4669500	168.94
F. CUPROUS CHLORIDE	349466	831.72	218853	486.27

Note: As certified by the management and accepted by auditors.

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

Particulars	2009-10		2008-09	
	Rs. In lacs	%	Rs. In lacs	%
Raw Materials				
Imported	4.21	0.17	23.21	0.83
Indigenous	2450.90	99.83	2774.26	99.17
Stores & Spare Parts				
Imported	1.83	1.76	Nil	Nil
Indigenous	102.23	98.24	35.27	100.00

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

16. Earning in Foreign Exchange

FOB Value of Direct Export: Rs.146.73 lacs (P.Y.Rs. 107.73 lacs)

17. Related party Disclosures as required by AS-18.

Piyushbhai N. Patel, Anilaben P. Patel, Shrinal Piyush Patel.

Nature of transactions Amount (In thousands)

Payment for salary 1800.00

Payment for Interest 769.56

Payment for Job charge 1692.08

Payment for Freight 951.00

18. Key Management Personnel:

Piyushbhai N. Patel, Managing Director

Shrinal Piyush Patel, Director

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

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

For and on behalf of
Ishan Dyes & Chemicals Ltd.

For K.G.Patel & Co.
Chartered Accountants

Piyush N. Patel
Managing Director

Shrinal P. Patel
Director

Kamlesh Parikh
Partner
Membership No.34529
F.R.N.: 107717W

Place: Borsad
Date: 29th May, 2010

Place: Borsad
Date: 29th May, 2010

Details of Production, Sales and Stock for the year 2009 - 2010

SR	PARTICULARS	Opening		Production	Issued		Closing		Sales
		Qty. in k.g.	Value Rs.	Qty. in k.g.	Captive Qty. in k.g.	Sales Qty. in k.g.	Qty. in k.g.	Value Rs.	Value Rs.
A	CPC BLUE	8,950	1,545,105	1,950,356	1,605,006	352,500	1,800	341,367	55,904,025
	*	25	5,057	1,232,010	394,360	828,725	8,950	1,545,105	156,662,625
B	TETRA CHLORO	2,875	1,323,335	-	190	-	2,685	1,259,401	-
	*	3,025	1,604,269	-	150	-	2,875	1,323,335	-
C	ALPHA BLUE	15,125	4,675,643	955,729	-	970,604	250	72,990	269,097,372
	*	-	-	506,713	9,310	482,278	15,125	4,675,643	132,319,970
D	BETA BLUE	715	170,648	358,020	-	358,020	715	173,067	82,003,750
	*	16,838	4,608,437	148,827	2,680	162,270	715	170,648	37,318,950
E	GYPSUM	-	-	3,650,705	-	3,650,705	-	-	182,535
	*	-	-	1,534,395	-	1,534,395	-	-	76,720
F	TRADING SALES - CPC	-	-	-	-	-	-	-	603,330
	*	-	-	-	-	-	-	-	15,673,656
G	DILUTE AMMONIA[BY PRODUCT]	-	-	4,585,320	-	4,585,320	-	-	458,532
	*	-	-	2,200,000	-	2,200,000	-	-	220,000
H	SPENT SULPHURIC ACID[BY PRODUCT]	-	-	521,000	-	521,000	-	-	5,210
	*	-	-	485,000	-	485,000	-	-	4,850
	CURRENT YEAR	27,665	7,714,731	12,021,130	1,605,196	10,438,149	5,450	1,846,825	408,254,754
	PREVIOUS YEAR	19,888	6,217,763	6,106,945	406,500	5,692,668	27,665	7,714,731	342,276,771

NOTES:-

- 1 * - INDICATES PREVIOUS YEAR'S FIGURES
- 2 VALUE OF FINISHED GOODS ARE INCLUSIVE OF TAXES AND DUTIES

Balance Sheet Abstract and Company's General Business Profile

I Registration Details:

Registration No.	L	2	4	1	1	0	G	J	1	9	9	3	P	L	C	0	2	0	7	3	7	
Balance Sheet Date	3	1	0	3	2	0	1	0	State Code												0	4

II Capital Raised During the year (Rs. In lacs)

Public Issue	N	I	L
Bonus Issue	N	I	L
Conversion of Bonds	N	I	L

III Position of Mobilization and Deployment of Funds (Amt in lacs)

Total Liabilities	1	7	9	0	Total Assets	1	7	9	0
Sources of Funds					Reserves & Surplus	-	9	0	0
Paid Up Capital	0	7	5	1	Unsecured Loans		1	3	8
Equity Share Suspense		N	I	L	Current Liabilities	1	2	5	9
Secured Loans		5	4	2					
Deferred Tax Liabilities		N	I	L					
Application of funds					Investments				5
Net Fixed Assets		8	8	4					
Current Assets		9	0	1					

IV Performance of the Company (Amt in lacs)

Turnover	4	4	8	3	Total Expenditure	3	8	4	7
Net Turnover	4	0	8	3	Profit After Tax		2	3	6
Profit Before Tax		2	3	6	Dividend Per share		N	I	L
Earning Per share in Rs	3	.	1	4					

V Generic Names of Principal Products of the Company

Item Code No. (ITC Code)

3	2	0	4	.	1	7	5	1
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Product Description

C	O	P	P	E	R		P	H	T	H	A	L	O	C	Y	N	I	N	E		B	L	U	E
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For & on Behalf of the Board

Piyush Patel

Managing Director

Place: Borsad

Date: May 29, 2010

Shrinal Patel

Director