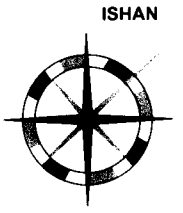


ISHAN DYES & CHEMICALS LIMITED

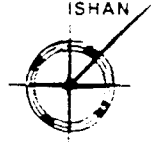


14th ANNUAL REPORT

2006-2007

Postal Address : 18, G.I.D.C. Estate, Phase-I, Vatva, Ahmedabad - 382 445. +91-79-25832144 Fax : 25833643
Regd. Office : 1st Floor, Dinesh Chambers, Borsad - 388 540. GUJARAT. Tele./Fax : +91-2696-220476
E-mail : ishandyes@yahoo.com
Web : www.ishandyes-pigments.com

DIRECTORS' REPORT



To,
The members
Ishan Dyes & Chemicals Ltd.

Your Directors have pleasure in presenting the THIRTEENTH Annual Report and Audited Accounts of the Company for the ended 31st March 2007.

1. FINANCIAL RESULTS :

The financial highlights of the year are as under :

	RS IN LAC	
	YEAR ENDED ON 31.03.2007	YEAR ENDED ON 31.03.2006
Total Income	1243.34	1671.58
Profit (Loss) before interest and depreciation	34.09	185.67
Profit (Loss) for the year	(153.81)	19.91
Provision for Taxation	-----	-----
Profit/Loss carried to Balance Sheet	(153.81)	19.91

2. REVIEW OF OPERATIONS:-

During the year Under report the sales of the company have decreased from Rs. 126,136,462. To Rs. 108763495 Consequently, the company has incurred loss. The company has loss of Rs.15381704/- as against the previous years profit of Rs.1991571. due to loss of the company, your Directors are unable recommend any dividend.

3.FIX DEPOSITS :-

The Company has not accepted any fixed deposit as laid down under section 58 A of the companies Act, 1956, are applicable.

4 PARTICULARS REGARDING EMPLOYEES: -

There is no employee who is an receipt of remuneration exceeding the limit specified under Section 217 (2A) of the companies Act, 1956.

5. POLLUTION AND ENERGY CONSERVATION ETC :-

Pursuant to Section 217 (1) (e) of the companies Act, 1956 the information required in respect of pollution and energy conservation is given in the Annexure.

There were earnings of foreign exchange of Rs. 45.56 lacks. Out goings of foreign exchange during the year was Rs. 14.35 lacks.

6. DIRECTORS :-

To widen the base of management of the company, three new directors were appointed on the Board. Shri Dineshbhai S. Shah joined the Board on 13/10/2006. However, he resigned on 4/11/2006 as Director for his personal reasons. Shri Pradeepbhai Shah and Mahendrabhai Shah have joined as directors from

15th 2007.

Shri Ronak Y. Desia and Praddepbhai Shah retires by rotation but being eligible offers them selves for reappointment. Your Boards recommends their reappointment.

7. DIRECTORS' REPONSIBILITY STATEMENT :

The Board of Directors of the company confirms:

(1) that in the preparation of the annual accounts, the applicable accounting standards have been followed except as reported by auditors of the company in their audit report for non charging of interest on term loans. Except this, there has been no material departure.

In ase of interest on term loan of C.N. S. Bank, our company is in process of applying for one time sttlement and the said bank is under liquidaion. Your directors do not see any further liability of interest payment and hence no interest is provided.

(2) that the selected accounting policies were applied consistaently and the Directors made judgements and estimates that are resonable and prudent so as to give a true and fair view of the state of affairs of the company as at the end of the year under report and of the profit of the company for the year ended on that date;

(3) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act,1956, for safeguarding the assets of the company and for preventing and detaching fraud and other irregularities;

(4) that the annual accounts have been prepared on a going concern basis.

(5) Company has not provided the estimated liabilities of gratuity since the number of employees having service of morethan 5 years are very few and in princpally company has decided to debit Gratuity on actual payment basis since the amount is not material.

8. AUDITORS :

You are requested to appoint auditors from the conclusion of ensuing Annual General Meeting up to the conclution of next Annual General Meeting and fix their remuneration. The present Auditors M/S.K.G.Patel & Co. Chartered Accountants, Borsad, are eligible for reappointment.

9. APPRECIATION:

The Board takes on record its appreciation of services rendered by employees, and co-operation given by customers, Bankers and all concerned.

**Registered Office.
Dinsha Chambers
Borsad. 388540**

**By Order Of the Board
For & On behalf of Board of
Director**

Dated: 27/08/2007

PIYUSH. N. PATEL

CORPORATE GOVERNANCE:

As required under clause 49 of listing with the Stock Exchange, a report on Corporate Governance practiced in the company is given below:

MANDATORY REQUIREMENTS:

1. Company's Philosophy on Code of Governance:-

The company believes in adopting the best corporate governance practices and protecting the rights and interest of shareholders. They have a right to have complete information about the Directors and Management and their interest in the company as well as governance practices followed by them. Towards this end, the company is making extensive disclosures from time to time.

2. Board of Directors:-

Composition:

The board composition is in conformity with the provisions of the Companies Act, 1956 and Listing Agreement. The present strength of the Board is 5 (1 executive and 4 non-executive).

Sr No	Name of the Director	Category of Director	No of Directorship in other Public Co's.	Chairman/Dire other Public Ltd
1	Shri Piyushbhai N. Patel	Executive		
2	Shri Marutbhai D. Patel	Non-executive-independent		
3	Shri Ronakbhai Y. Desai	Non-executive-independent		
4	Shri Shaileshbhai J. Patel (Up to 28.2.2007)	Non-executive-independent		
5	Smt. Anilaben P. Patel	Non-executive		
6	Shri Dineshbhai S. Shah Appointed on 13/10/2006 and resigned on 4/11/2006	Non Executive		
7	Pradeepbhai B. Shah Appointed on 15/2/2007	Non-executive		
8	Mahendrabhai A Shah Appointed on 15/2/2007 and resigned on 4/11/2006	Non Executive		

Number and dates of Board Meeting held

The Board met ten times during the year on 30/4/2006, 6/6/2006, 28/6/2006, 28/7/2006, 25/9/2006, 13/10/2006, 31/10/2006, 4/11/2006, 27/01/2007, 15/02/2007. Notices of meetings with agenda and necessary details were sent to the Directors in time.

Attendance details of Directors at the Board Meetings and the last AGM

Sr No	Name of the Director	No. of Boards Meetings attended	Attendance at the last AGM	Chairman/Mem other Public Ltd
1	Shri Piyushbhai N. Patel	9	Yes	No

2	Shri Ronakbhai Y. Desai	6	Yes	No
3	Shri Shaileshbhai J. Patel	1	Yes	No
4	Shri Marutbhai D. Patel	Nil	Nil	No
5	Smt. Anilaben P. Patel	1	Yes	No
6	Dineshbhai S. Shah	1	N.A.	No
4	Pradeepbhai B. Shah	Nil	N.A.	No
5	Mahendrabhai A. Shah	Nil	N.A.	No

Directors to be appointed/ re-appointed

Shri Ronak Y. Desai and Smt. Anilaben P. Patel, the directors of the company retire by rotation at the ensuing Annual

General Meeting. Being eligible, they offer themselves for reappointment.

The details of particulars of Directors are as under

Name of the Director	Shri Ronak Y. Desai
Date of appointment	30/4/2005
Expertise in specific functional areas	Accounts and Finance
Qualifications	B.Com
List of Companies in which Directorship is held as on 31 st March 2007	Nil
Chairman/Member of the Committee of other Companies as on 31 st March 2007	Nil

Name of the Director	Smt. Anilaben Piyush Patel
Date of appointment	05/03/1999
Expertise in specific functional areas	
Qualifications	B.Com
List of Companies in which Directorship is held as on 31 st March 2007	Nil
Chairman/Member of the Committee of other Companies as on 31 st March 2007	Nil

3. **Audit Committee:-**

The company has constituted the AUDIT COMMITTEE consisting of the following three Non-Executive Directors:

- I. Shri Ronakbhai Y. Desai
- II. Shri Shaileshbhai J. Patel (up to)
- III. Marutbhai D. Patel (up to 15/02/2007)
- IV. Dineshbhai S. Shah (from 13/10/2006 to 4/11/2006)
- V. Pradeepbhai B. Shah (from 16/02/2007)
- VI. Mahendrabhai A. Shah (from 16/02/2007)

Shri Ronakbhai Y. Desai is the Chairman of the AUDIT COMMITTEE. The Committee meets on 09/6/2006, 24/6/2006,

27/7/2006, 28/10/2006, & 2/01/2006 for perusing the financial position of the company. Necessary information was supplied

to the Audit Committee. The details of attendance by member of Audit Committee are as follows:

Sr	Name of the Director	No. of meetings held	No. of meeting attended
1	Shri Ronakbhai Y. Desai	5	5
2	Shri Shaileshbhai J. Patel		
3	Shri Marutbhai D. Patel	Nil	Nil
4	Shri Dineshbhai S. Shah	1	1
5	Shri Praddepbhai B. Shah	N.A.	N.A.
6	Shri Mahendrabhai A. Shah	N.A.	N.A.

4. Remuneration Committee:-

The company does not have Remuneration Committee. So far no remuneration or sitting fees are paid to Directors. The Company has not granted any loan or paid any commission to its Directors during the year.

5. CEO/CFO Certification:-

The Managing Director has certified to the Board that he has reviewed financial statements and cash flow statement for the year and that to the best of his knowledge and belief.

- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
- These statements together present a true & fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

There are to the best of his knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

6. Disclosures:-

During the year the company has not entered into any transaction of material nature with any of the related parties viz., Promoters, Directors or Management, their subsidiaries or relatives etc. which were in conflict with the interest of the Company

7. Details of non-compliance, penalties etc.

There were no such instances of non-compliance nor were any penalties or strictures imposed on the company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital market during the last three years.

8. Share Transfer Committee/ Investor Grievance Committee:-

The company has a Share Transfer Committee for quick and timely transfer of share issues of duplicate share certificates etc. Transfer of shares approved by the committee is placed before the Board. The committee also functions as Investor Grievance Committee and looks into the issues relating to investor grievance including non- receipt of dividend annual report etc.

9. Registrar and Share Transfer Agent:- Yet to be appointed

10. Means of Communication:-

The quarterly/half-yearly/annual financial results are published in English and Gujarati languages in leading newspapers and also sent to the Stock Exchange

11. Record Date:-

For updating the records and shareholding information of the members of the company, the Share Transfer Books and registers of members shall remain closed from 27/9/2007 to 29/9/2007 [both days inclusive] and 29/9/2007 will be considered as the date of record

12. Annual General Meeting:-

The next Annual General Meeting of the Company will be held on 29th September, 2007 at 11.00 a.m. at the Registered Office of the Company at Borsad

Particulars of last three Annual General Meetings:

Date of meeting	Place	Time
30 th September 2004	Dinsha Chambers, Above SBI, Borsad – 388 540	11.00 a.m.
30 th September 2005	Dinsha Chambers, Above SBI, Borsad – 388 540	11.00 a.m.
30 th September, 2006	Dinsha Chambers, Above SBI, Borsad – 388 540	11.00 a.m.

13. Name & designation of Compliance officer is as under:-

Shri Maheshbhai H. Mistry- Compliance Officer

14. Shareholding Pattern:-

Category wise distribution of equity shareholding as on 31st March 2007 is as under

Category	No. of share	% age
Promoters' Group	949870	12.648
Other Body Corporate	36600	0.487
FII's	-----	-----
Banks	-----	-----
Mutual Funds	-----	-----
NRI's	1831520	24.388
General Public	4691810	62.476
Total	7509800	100.00

Distribution Schedule:-

Shareholding of Nominal Value of			Shareholders		Share Amount	
Rs.		Rs.	Number	% of Total Nos	In Rs.	% of total amount
Upto	5000		1239	63.182	3587000	4.777
5001	To 10000		261	13.31	2191000	2.918
10001	To 20000		111	5.660	1755100	2.337
20001	To 30000		47	2.397	1193000	1.589
30001	To 40000		16	0.816	591000	0.787
40001	To 50000		147	7.496	7210000	9.601
50001	To 100000		66	3.366	5496000	7.318

100001	&	above	74	3.774	53074900	72.674
TOTAL:-			1961	100.00	75098000	100.00

15. Dividend payment date:-

No dividend is to be paid as the Board has not recommended any payment of dividend.

16. Market Price Data:-

The highest and lowest price during the last financial year is as under as per share transfer forms received by the company.

Highest Price: 0.11

Lowest Price: 0.11

17. Listing:-

The equity shares of the company are listed at Mumbai, Baroda & Ahmedabad Stock Exchanges.

18. Registered Office:-

The registered office of the company is situated at Dinsha Chambers, Above SBI, Borsad - 388 540

Phone No. : 02696 220476

E-mail : ishanad1@sancharnet.in

19. Location of Plant

The plant of the company is located at

Ishan Dyes & Chemicals Ltd.

18, Phase I, GIDC, Vatva

Ahmedabad - 382 445

Phone No: 079 - 25832144, 079 - 25393607

	For & behalf of Board of Directors
	For Ishan Dyes and Chemicals Ltd.
Place: Borsad	
Date: 27.08.2007	Chairman & Managing Director

I, Piyushbhai N. Patel, Managing Director of Ishan Dyes & Chemicals Ltd, hereby declare that all the members of the Board of Directors and the Senior Management personnel have affirmed compliance with code of conduct for the year ended 31st March 2007

	For Ishan Dyes and Chemicals Ltd
Place: Borsad	
Date: 27.08.2007	Chairman & Managing Director

FB

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE:-

To the Shareholders,

We have examined the compliance of conditions of Corporate Governance by Ishan Dyes & Chemicals Ltd. for the year ended on 31st March 2007 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in 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 according to the explanation given to us, we certify the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that no investor grievance is pending for a period exceeding one month against the Company as per records maintained by the Company.

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

	For K. G. Patel & Co.
	Chartered Accountants
Place: Borsad	
Date: 27/8/2007	Kamlesh Parikh
	[Partner]

ANNEXURE TO THE DIRECTORS REPORT FOR THE YEAR ENDED 31.03.2007

[A] CONSERVATION OF ENERGY :

Measure for energy conservation is taken up as a part of on going programme.

Total Energy consumption per unit of Production;

	2006 - 2007	2005 - 2006
1] POWER & FUEL CONSUMPTION		
<u>ELECTRICITY</u>		
(a) Purchased Units	2545893	3545580
Total Amount	11484407	16060225
Rate / Unit (Rs)	4.51	4.53
(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	432425	3129783
Total Amount	1028375	5725676
Rate/ Tone (Rs.)	2.38	1.83
3] L.D.O./ Furnace Oil		
Qty. In. Ltr.	NIL	7685
Total Amount	NIL	269382
Rate/ Ltr (Rs.)	NIL	35.05
4] GAS FUEL		
Fuel gas (In Unit)	647854	105977.00
Total Amount	12386390	1513693.00
Cost/Unit (Rs.)	19	14.28
[II] Consumption per kgs of production		
Electricity (In Unit)	2.70	2.83
Furnace Oil/ L.D.O. (IN LTR)	0.00	0.01
Coal (In Kgs)	1.09	2.5
Fuel gas (In Unit)	0.69	0.08
[B] Technical absorption ,Adoption and Innovation :		
1 Effort in brief made towards technology by standerds for technology absorption, addoption, 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 absorted areas where the same has been absorbed therefore		
[C] FOREIGN EXCHANGE		
1 Foreign Exchange Used for Import of Raw Material	14.35	5.16
2 Foreign Exchange Earned	45.56	NIL

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, 2007 and also the profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis evidence supporting the amounts and disclosure in the financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure. a statement on the matters specified in paragraphs 4 & 5 of the said order.
4. Further to our opinion in the Annexure referred to above, we reported that :
 - I. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - II. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - III. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - IV. As required by Sec 209 of the Companies Act, 1956, the company is required to maintain books on accrual principles of accounting. Contrary to this principle, the company has not accounted for interest accrued on C.N. S. Bank for the year under audit. Since the Bank has also not provided interest in the loan accounts, the actual amount of unprovided interest is not available. We are not in position to express our opinion since C.N.S. Bank Ltd. Is under liquidation Subject to this, in our opinion the Profit & Loss account and Balance Sheet of the Company comply with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956 to the extent applicable except:(I) Accounting Standard 15 for provision of retirement benefits: The amount being uncertain and not determined, AND Accounting Standard 22 for provision of differed Tax Benefit we are unable to give any opinion on the same. For more details refer to note No. (I) and (II-20) in notes on accounts in Schedule no. 19.
 - V. On the basis of written representation received from the Directors, as on 31st March, 2007 and taken on record by the Board of Directors, we reported that none of the Directors is disqualified as on 31st March, 2007 from being appointed as a Director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956;
 - VI. Subject to note no. 4 (iv) above, In our opinion and to the best of our information and according to the explanations given to us, the said

accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2007.
- b) In the case of the Profit and Loss Account, of the Loss for the year ended on that date; and
- c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For K.G. Patel & Co.
Chartered Accountants

Place :- Borsad
Date : 27/08/2007

Kamlesh Parikh
Partner
Membership No.34529

Annexure to the auditors' report:

Re: Ishan Dyes & Chemicals Limited

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

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

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

(c) There are no stipulations for payment of interest or repayment of principal. There being no stipulation for repayment of loan taken, the question of amount overdue of loan taken from parties listed in the register maintained u/s 301 of the Companies Act, 1956 does not arise.
- IV. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- V. (a) According to the information and explanations given to us, we are of the opinion that transactions needed to be entered into the register maintained under Section 301 of the Act., are entered.

(b) There are no transactions of purchase of goods or services with parties listed in the register maintained under section 301 of the Companies Act.

- VI. In our opinion and according to the information and explanations given to us, the Company has not complied with the provisions of Sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. Company has not issued any advertisement inviting deposits from public. Company has also not accepted any term deposits from public. However, to meet the short term requirement of funds, company has taken unsecured loans from friends and relatives of directors and there are no agreed term of repayments. No order has been passed by the Company Law Board.
- VII. The Company has internal audit system. A qualified firm of Chartered Accountants has been appointed to carry out internal audit. We have considered internal auditors report in preparing our audit report.
- VIII. As per the Rules made by the Central Government for the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956, the products of the company are not covered under the rules and hence the company is not required to maintain the books and other items of cost. However, company has maintained records for consumption of raw material and production of finished goods. We have not however made a detailed examination of these records
- IX. (a) The company is generally not regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax and other material statutory dues applicable to it.

Such amount outstanding on the date of Balance Sheet is (Rs. in lacks)

Purchase Tax payable	Rs. 1.25
C.S.T.	Rs. 6.31
Provident Fund	Rs 5.56
ESIC	Rs. 1.78
Fringe Benefit Tax	Rs. 1.14
TDS	Rs. 1.06

- X. In our opinion, the accumulated losses of the company are more than fifty percent of its net worth. The company has made loss during the financial year covered by our audit and in the immediately preceding the financial year, company has incurred losses. Since the company has not provided the amount of due interest and the actual amount of interest due is not available, we are not able to quantify the amount and give any further comments.

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

For K.G. Patel & Co.
Chartered Accountants

Kamlesh Parikh
Partner
Membership No.34529

Place :- Borsad
Date :- 27.8.2007

ISHAN DYES & CHEMICALS LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2007

[Amount in Rupees]

PARTICULARS	SCHEDULE	2006-07		2005-06
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	1		75,098,000	75,098,000
Reserves & Surplus	2		17,511,953	17,511,953
Loan Funds				
Secured Loans	3	55,107,219		67,737,015
Unsecured Loans	4	61,548,258	116,655,477	70,424,455
				138,161,470
TOTAL			209,265,430	230,771,423
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	5	203,962,886		200,606,935
Less :- Depreciation Fund		101,384,282		86,760,499
Net Block			102,578,604	113,846,436
Capital Work-in-progress				
Preoperative Expenditure	6			
(Pending capitalisation)				
Investments	7	1,015,013	1,015,013	15,627,013
Current Assets, Loans & Advances				
Inventories	8	27,368,577		7,703,167
Sundry Debtors	9	269,343		17,501,472
Cash and Bank Balances	10	1,779,651		1,368,863
Loans and Advances	11	7,737,713		7,421,964
Less: Current Liabilities Provision.	12	72,220,940		58,763,704
Net Current Assets			(35,075,656)	(24,768,238)
Miscellaneous Expenditure	13		1,390,540	2,090,971
Profit & Loss Account			139,356,929	123,975,241
TOTAL			209,265,430	230,771,423
Notes on Accounts	19			

As per our audit report of even date

SD/- *Kamlesh Parikh*
Kamlesh Parikh

Partner
K. G. Patel & Co
Chartered Accountants
Place :- Borsad
Date :- 27.08.2007

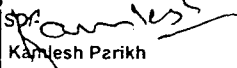
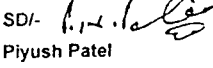



For & on behalf of Board of Directors

SD/- *Piyush Patel*
Piyush Patel
Managing Director

ISHAN DYES & CHEMICALS LIMITED
PROFIT & LOSS ACCOUNT 2006 - 2007

[Amount in Rupees]

PARTICULARS	SCHEDULE	2006-07	2005-06
<u>INCOME</u>			
Sales	14	108,763,495	126,136,462
Other Income	15	6,840,769	
Unpaid interest written back		8,580,421	
Profit on sale of Office Building		149,489	41,021,698
Increase/(Decrease)in Stock	16	13,386,086	-6,792,041
		TOTAL	160,366,119
<u>EXPENDITURE</u>			
Raw Materials Consumed	17	71,785,014	80,439,387
Manufacturing, Administrative, Selling & Other Expenses	18	49,446,033	50,792,575
Excise Duty		12,232,070	9,190,171
Provision for ce. Excise duty			878,242
Depreciation		14,658,272	12,140,438
Interest & Financial Charges		4,132,581	4,455,724
Prior Period Items		782,194	478,011
Fringe Benefit Tax		65,750	
Income Tax		0	0
		TOTAL	158,374,548
Profit (Loss) For the Year		-15,381,704	1,991,571
Provision For Tax		0	0
Balance Carried Over		-15,381,704	1,991,571
To Balance sheet		0	
As per our audit report of even date		For & on behalf of Board of Directors	
SD/- 		SD/- 	
Kamlesh Parikh Partner		Piyush Patel Managing Director	
K. G. Patel & Co Chartered Accountants			
Place :- Borsad			
Date :- 27.08.2007			



SCHEDULES FORMING PART OF THE BALANCE SHEET 2006 - 2007				
PARTICULARS			[Amount in Rupees]	
			2006 - 2007	2005- 2006
SCHEDULE 1 : SHARE CAPITAL				
Authorised				
110,00,000 Equity Share of Rs.10/ each			110,000,000	110,000,000
Issued,Subscribed and Paid up				
75,09,800 (P.Y 75,09,800) Equity Shares			75,098,000	75,098,000
Rs. 10/- each fully paid in cash				
	Total		75,098,000	75,098,000
SCHEDULE 2 : Reserve & 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 : SECURED LOANS				
Term Loans :-				
From Bank of India No.827			0	12,781,420
From Charotar Nagrik Shakari Bank Ltd.- 31			40,101,671	40,101,671
From: Dharmaj People Co-Op. Bank Ltd.			15,005,548	628,163
Interest Accrued But Not Due on Bank Loan			0	0
Differed Payment Liabilities :-				
HDFC Bank Ltd			0	33,330
Working Capital Loans				
The Dharmaj Peoples Co. Op. Bill Discount			0	14,192,412
Account	Total		55,107,219	67,736,962
NOTE :				
1. Term loan from C.N.S. Bank Ltd. Is secured by second charge over movable plant and machinery of the company.				
2. Term loan from Dharmaj Peoples Co-op Bank is secured by third charge over current assets of the company.				
SCHEDULE 4 : UNSECURED LOANS				
From Directors			6,935,440	17,700,558
Other Unsecured Loans			54,612,818	52,724,399
	Total		61,548,258	70,424,957
SCHEDULE: 6 INCIDENTAL EXPENDITURE				
INCIDENTAL EXPENDITURE			-	0
			0	0
SCHEDULE 7 : INVESTMENTS (At Cost)				
UNQUOTED				
47550 Shares of Rs.10/- each of				
Charotar Nagrik Sahkari Bank Limited			475,500	475,500

The Green Environment (Share)			-	
Sharelinking Deposits			5,000	5,000
The Charnaj Peoples Bank			48,513	48,513
L.R. Enterprise Pvt. Ltd.			98,000	98,000
	Total		388,000	15,000,000
SCHEDULE 8 : INVENTORIES			1,015,013	15,527,013
(As taken, valued and certified by the Management)				
Raw Materials				
Finished Goods			6,488,008	505,722
Work in Process			4,378,965	6,260,081
Stores, Spares, Dies, & Others			15,267,202	0
Packing Material			350,000	448,437
Fuel Stock			662,860	488,927
ETP Material			101,342	0
	Total		120,200	0
SCHEDULE 9 : SUNDRY DEBTORS			27,368,577	7,703,167
(Unsecured, considered good)				
Debts due for a period exceeding				
six months				
Other Debts			103,316	63,506
	Total		166,027	17,437,956
SCHEDULE 10: CASH & BANK BALANCES			269,343	17,501,472
Cash on Hand				
Balances with Scheduled Banks :			81,440	379,385
on Current Accounts				
on Fixed Deposits			786,482	79,857
Balances with other banks :			909,621	909,621
on current account				
	Total		2,108	0
			1,779,651	1,368,863

ISHAN DYES & CHEMICALS LTD.										
FIXED ASSETS 31.3.2007										
Particular	Gorss Block				Deprication				Net Block	
	1.4.2006	Addition	Sale	31.3.2007	1.4.2006	Addition	Written Back	31.3.2007	31.3.2007	31.3.2006
Land	18666000	0	0	18666000	0	0	0	0	18666000	18666000
Office Building	3464670	54022	357000	3518692	542731	69951	34489	578193	2940499	2921939
Factory Building	16024066	53089	0	16077155	4649033	500962	0	5149995	10927160	11375033
Plant & Machinery	143834906	3163036	0	146997962	72704465	12314315	0	85018780	61979182	71130441
Labouratory Equipments	1814862	0	0	1814862	603102	187657	0	790759	1024103	1211760
Electical Installations	10204379	256732	0	10461111	5478007	1065873	0	6543885	3917226	4726372
Office Equipment	2497069	71052	0	2568121	1157315	164535	0	1321850	1246271	1339754
Furniture & Fixtures	1092098	0	0	1092098	691543	69130	0	760673	331425	400555
Vehicals	3008885	0	0	3008885	878256	285844	0	1164100	1844785	2130629
Total [A]	200606935	3597951	357000	204204886	86704452	14658272	34489	101328235	102876651	113902483
Capital Work In Process :										
Plant & Machinery (p.y.)	19993821	0	19993821	0	0	0	0	0	0	19993821
Total [B]	19993821	0	19993821	0	0	0	0	0	0	19993821
Total [A+B]	220600756	3597951	20350821	204204886	86704452	14658272	34489	101328235	102876651	115679785
Previous Year	188387676	1912170	0	190299846	62898895	11721166	0	74620061	115679785	136537379

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SCHEDULE 11 : LOANS AND ADVANCES

(Unsecured, considered good)

Advances recoverable in cash or in kind	206,233	501,080
for value to be received or pending adjustments		
Advance for Capital Goods	2,455,819	2,455,819
Tax Deducted at Sources	1,365,013	1,745,628
Balances with Central Excise	331,794	1,595,823
Deposits	2,033,176	1,123,614
Balance With Sales Tax (Vat)	1,243,119	0
Balance With Guj. Sales Tax	25,892	
Prepaid Expenses	26,667	0
F.B.T. TAX a.y.2007-2008	50,000	0
Total	7,737,713	7,421,964

SCHEDULE 12 : CURRENT LIABILITIES

Creditors for Goods & Expenses	66,590,663	52,831,146
Other Liabilities [Provision]	3,905,120	1,408,936
Statutory Liabilities	1,735,157	4,523,622
Total	72,230,940	58,763,704

SCHEDULE 13: MISCELLANEOUS EXPENDITURE

(To the extent not written off and/or adjusted)

Preliminary Expenses	-	36,523
Public Issue Expenses	-	0
Gas Boiler (Differed Revenue Expenditure)	802,349	1,011,659
CETP Contribution (Diff. Revenue)	588,191	1,042,789
Total	1,390,540	2,090,971

SCHEDULE 14: SALES

Sales	92,702,921	115,747,419
Excise Duty	12,514,586	10,389,043
Value Added Tax	3,545,986	0
Total	108,763,495	126,136,462

SCHEDULE 15 : OTHER INCOME

Interest from Banks [FD] (Gross)	0	0
Interest from others (Gross)	72,365	38,775
Job Income	3,717,845	16,267,968
Other income	3,050,559	24,714,955
UnPaid Interest Written Back	8580421	0
Profit On Sale Of H.O. Office	149489	
Total	15,570,679	41,021,698

SCHEDULE 16 : INCREASE/(DECREASE) IN STOCKS**Finished Goods & WIP**

Closing Stock	19,546,167	6,260,081
Opening Stock	6,260,081	13,052,122
Total	13,386,086	-6,792,041

SCHEDULE 17 : RAW MATERIALS CONSUMED

Opening Stock	505,722	887,939
Add : Purchase	77,767,300	80,057,170
	78,273,022	80,945,109
Less : Closing Stock	6,488,008	505,722
Total	71,785,014	80,439,387

SCHEDULE 18 : MANUFACTURING, ADMINISTRATIVE, SELLING & OTHER EXPENSES

Stores, Spares Consumed	1,745,979	1,973,596
Other Manufacturing Exp.	3,116,523	5,255,511
Power & Fuel	23,374,962	23,507,419

Expenses on Personnel :

Salaries, Wages and Allowances	9161840	6958029
Staff welfare	202415	9,364,256
		188911
		7,146,940
Insurance Charges	0	0
		372,336
Printing & Stationery	0	62109
		66,844
Postage, Telephones Exp.	0	288,818
		380,961
Travelling and Conveyance	0	163,638
		150,617

Repairs & Maintenance :

To Plant & Machinery	3817566	5542407
To Others	277041	4,095,007
		637120
		6,179,527
Vehicle Repairs & Maintenance		159,957
		425,052
Auditor's Remuneration		80,720
		91,745
Security Charges		296,521
		277,319
Legal & Professional Charges		354,360
		356,603
Rent & Taxes		96,096
		210,525
Bank Charges		0
		298,480
Selling & Distribution Expenses		4,213,309
		2,318,562
Exchange Rate Difference		19,978
		11,292
Miscellaneous Expenses		1,280,202
		1,218,555
Miscellaneous Expenses written Off		700,431
		550,691
Staff Medical		33,210
		0
Total	49,446,083	50,792,575

PRODUCTION SCHEDULE

ISHAN DYES & CHEMICALS LTD.

Financial Year 2006-2007

SR. NO.	PARTICULARS	Opening		Production		Issued		Closing		Sales
		Qty.In.kg.	Value Rs.	Qty.In Kg.	Job Work	Captive	Sales Qty.	Qty.In.Kg.	Value. Rs.	value Rs.
				Qty.In.Kgs	In Kgs	In Kgs	In Kgs			
A	C.P.C. BLUE - 95	213	34687	476621	0	466584	10250	0	0	1567800
		3355	468304	588854	0	571096	20900	213	34687	2931500
B	TETRA CHLORO C.P.C	3025	1583406	0	0	0	0	3025	1585584	0
		3525	1845126	0	0	0	500	3025	1583406	275000
C	MONO CHLORO C.P.C.	6955	2103415	0	0	1405	5010	540	157248	1202600
		14230	4138084	3545	0	0	10820	6955	2103415	2710700
D	CUPROUS CHLORIDE	100	27917	71495.4	0	68554.2	0	3041.2	726190	0
		3560	538329	110440	0	113900	0	100	27917	0
E	ALPHA BLUE	1390	396128	171550	0	0	167583	5357	1559958	40966604
		10298	2515513	167012	0	0	175920	1390	396128	39371000
F	BETA BLUE	9445	2087421	223140	0	0	231860	725	181563	46436366
		3430	758057	381945	0	0	375930	9445	2087421	70457140
G	ISHAN BLUE	190	27109	0	0	190	0	0	0	0
		190	27109	0	0	0	0	190	27109	0
H	DILUTE AMMONIA	0	0	1366195	0	0	1366195	0	0	245133
		0	0	1330000	0	0	1330000	0	0	245052
I	SPENT SULPHURIC ACID	0	0	2587000	0	0	2587000	0	0	35500
		0	0	6830000	0	0	6830000	0	0	68300
J	GYPSUM BY PRODUCT	0	0	2182830	0	0	2182830	0	0	103918
		0	0	0	0	0	0	0	0	0
K	COPPER SLUDGE BY PRO.	0	0	33000	0	0	33000	0	0	2145000
		0	0	0	0	0	0	0	0	0
	CURRENT YEAR	21318	6260083	4896001	0	536733	4767898	12688	4210543	92702921
	PREVIOUS YEAR	38588	10290522	1251796	0	684996	8744070	21318	6260083	116058692

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SCHEDULE : 19
NOTES FORMING PART OF ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST
MARCH 2007.

I. SIGNIFICANT ACCOUNTING POLICIES:

(A) General:

1. The Accounts have been prepared on historical costs basis.
2. Income and expenditure are accounted on accrual basis except accrued interest on secured loans of C.N.S. Bank Ltd., amount of which is not available and provision for gratuity.

(B) Fixed Assets and Depreciation:

1. Fixed Assts are stated at cost of acquisition or construction less 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. Depreciation :
Depreciation 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 Plant on which depreciation is provided on single shift basis.

(C) Inventory: Valuation and Treatment of Costs:

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 net realizable value.
- 4) Work in Process : At cost by using absorption cost method.

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.

(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 sales tax.
- 2) Other Income: Interest on deposit is accounted for on accrual basis. Dividend on Shares is accounted on receipt basis.

(E) Preliminary Expenses and Share issue Expenses:

Preliminary expenses in respect of completed project(s) have been written off in equal installments over a period of ten accounting years/periods commencing from April 1, 1995.

Contingent Liabilities are disclosed by way of notes on accounts.

(F) Contingent Liabilities :

Contingent Liabilities are disclosed by way of notes on accounts.

(G) Capital Contribution made towards Common Effluent Treatment Plant to Green Vatva Co-Op. Society is treated as differed 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 differed 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. No provision is made for Gratuity. Liability in respect of leave encashment on retirement is also not provided. No amount of such un-provided retirement benefits is available and hence we are unable to state its effect on profit of the Company.

(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 are charged to Profit and Loss Account.

(II) OTHER NOTES:

1. Estimated amount of contracts remaining to be executed on Capital account net of advances: Rs. 16.00 lack (P Y. Rs. 15.00 Lac)
2. . Contingent liabilities not provided for in respect of :
 - a. Amount of Unexpired Guarantees issued by Bank of India for imports of raw material against advance license without payment of duty is approximately of Rs. 9.09 lacks, which does not include interest.
 - b. Interest liability for delay in payment of T.D.S is neither calculated nor provided, since the appropriate authority has not determined the interest payment liability. Interest payable for delay in payment of local municipal taxes is also not provided on the same reasons. Interest liability on delay in payment of Gujarat Sales Tax and Central Sales Tax is not provided on the same reasons.
 - c. Company has received sales tax assessment for financial year 2001-2002. The sales tax authorities have raised demand of Rs. 34.68 lacks. However, the company has preferred appeal against the said order. As per expert opinion received by the company, no amount is payable and hence no provision is made for the same in accounts for in earlier year.
 - d. Company has received sales tax assessment for financial year 2002-2003. The sales tax authorities have raised demand of Rs. 21.44 lacks for GST and Rs. 182.30 lacks for CST. However, the company has preferred appeal against the said order. As per expert opinion received by the company, no amount is payable and hence no provision is made for the same in accounts for year under audit.
 - e. The Company had obtained advance license for import of raw material against firm export orders in accounting year 1999-2000. The Company had applied for extension of validity period of license and had exported the goods. However, licensing authorities had refused to extend the validity of license and have imposed penalty of Rs. 222.86 lacks under Foreign Trade (Development Regulation) Act. The Company has denied its liability for such payment and has preferred appeal before appropriate authority against the order. As per expert opinion received by the Company, it is not liable for such payments and hence no provision is made in the books of the company for the amount of penalty.
3. Previous years figure have been regrouped and/or rearranged wherever consider necessary to confirm to the year's grouping.
4. The necessary approval for factory from local authority is yet to be received.
5. Payment to Auditors:

Audit fee	:	Rs. 0.40
Tax Audit	:	Rs. 0.10
Out of Pocket Expenses	:	Rs. 0.06
6. Director's Remuneration Salaries, allowances and contribution to PF and other funds NIL.....
7. Balance due to/from third parties are subject to conformation, reconciliation, and/or adjustments, if any.

8. 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.

9. Exchange Loss (net) included in the profit and loss account is Rs. 19978.00 [P.Y. Rs. 11292.30]

10. Value of imports on CIF basics. 2006-2007 2005-2006
Raw Material (Rs. In lacks) Rs. 14.35 lacks Rs. 5.16 lacks

11. Earning incurred in foreign Exchange :
Export (Rs. In lacks) Rs. 45.56 lacks (P.Y. Rs. NIL)

12. Names of Small scale industries to whom the Company owe a sum exceeding 1.00 lacks outstanding for more than 30 days.

Pooja Industries, Inwac Metal & Chemicals Pvt. Ltd., Balaji Minerals, Min Chem Ind. Narayan Polypack, ShivShakti Industries.

13. Interest accrued on loan from Charotar Nagrik Sahakari Bank Ltd., Borsad Branch for Rs. Year 2006-2007 is not provided by the company. The bank is under liquidation. Actual Interest due for the period 1/04/2006 to 31/03/2007 is not available since the said bank is under liquidation and has stopped its operations.

14. Licensed and installed capacity :

PRODUCT	LICENSED CAPACITY		INSTALLED CAPACITY	
	2006-2007	2005-2006	2006-2007	2005-2006
C.F.C. BLUE	N.A.	N.A.	3000MT	3000MT
BETA BLUE	N.A.	N.A.	1200MT	720MT
ALPHA BLUE	N.A.	N.A.	1200MT	1200MT
CUPROUS CHLORIDE	N.A.	N.A.	600MT	600MT

Note : As certified by the management.

15. Raw Materials Consumed :

PARTICULARS	2006-2007		2005-2006	
	QTY. (KGS)	VALUE	QTY. (KGS)	VALUE
A. PHTHALIC NHYDRIDE	536433	33580706	676500	35423020
B. T.G.UREA	633899	3689292	619900	5140361
C. M.C.M.S.P.A.	0	0	0	0
D. SOLVENT	76570	1828492	108855	4186405
E. COPPER SCRAP	62069.670	15036938	85247	17365643
F. CHLORINE	34600	110720	49300	549581
G. COPPER CARBONATE	0	0	0	0
H. AMMONIUM MOLYBDATE	1350.950	2402246	1420	3789851
I. SULPHRIC ACID	2327473	5004067	3182855	7348283
J. CUPROUS CLORIDE	23421	4853300	11000	1240210
K. OTHERS		4279250	0	5396033

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

16. Particulars of Raw Material & Stores & Spares Consumed:

2006-07		2005-2006	
VALUE	%	VALUE	%

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RAW MATERIAL

Imported	1435129	1.20%	516630	0.64%
Indigenous	70349885	98.80%	79922757	99.36%

STORES & SPARE PARTS

Imported	-----	-----	-----	-----
Indigenous	1745979	100%	1973596	100%

18. Related party Disclosure as required by AS-18

Key Management Personnel:


Piyusbhai N. Patel, Managing Director

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

20. The company does not envisage any benefit in immediate near future for taxes on income as details out in Accounting Standards AS-22 and hence no provision is made for deferred tax benefits. Signature to Schedule 1 to 19.

For & On behalf of the Board of Director

For K.G.Patel & Co.
Chartered Accountants

Sd/- 
Kamlesh Parikh
Partner

Place :-Borsad
Dated:- 27/08/2007



Sd/-
Piyush N. Patel
Managing Director

Place: Borsad
Dated:- 27/08/2007

Sd/-
Director


1. H. 1. 20

**SCHEDULE 20:**

**ACCOUNTING POLICIES & NOTES TO BALANCE SHEET AND
PROFIT AND LOSS ACCOUNT.**

CONTINUED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I	REGISTRATION DETAILS	STATE CODE	01
	REGISTRATION NO.	04 20737	
	BALANCESHEET DATE	31/03/2007	
	PUBLIC ISSUE	NIL	RIGHT ISSUE NIL
	BONUS ISSUE	NIL	PRIVATE PLACEMENT NIL
II	POSITION OF MOBILISATION AND DELPOYMENT OF FUNDS (AMOUNT IN RS. THOUSANDS)		
	TOTAL LIABILITES	209265	TOTAL ASSETS 209265
	SOURCES OF FONDS		
		PAID-UP CAPITAL	RESERVES & SURPLUS
		75098	17511
		SECURED LOANS	UNSECURED LOANS
		55107	61548
	APPLICATION FUNDS		
		NET FIXED ASSETS	INVESTMENTS
		102578	1015
		NET CURRENT ASSETS	MISC. EXPENDITURE
		-35075	1390
	ACCUMULATED LOSSES		
		139365	
IV	PERFORMANCE OF COMPANY (AMOUNT IN RUPEES)		
		TURN OVER	TOTAL EXPENDITURE
		124334	153101
		PROFIT/ [LOSS] FOR THE YEAR	
		(15381)	
		EARNING PER SHARE IN RS.	DIVIDEND RATE %
		NIL	NIL

V GENERIC NAME OF PRICIPAL PRODUCTS/SERVICES OF COMPANY

ITEMS CODE NO.

ITC CODE: 23004.19

Product Description COPPER PHTHALOCYANINE BLUE

For & On behalf of the Board of Director

Sd/-

**Piyush N. Patel
Managing Director**

Sd/-

**Ronak Y. Desai
Director**

Place: Borsad

Dated:- 27/8/2007

ISHAN DYES & CHEMICALS LIMITED

Cash Flow Statement for the year ended 31st March, 2007

31/03/2007 31/03/2006

Cash Flow from Operating Activities

Net Profit before tax and extraordinary items	-145.33	246.96
<u>Adjustment for:</u>		
Depreciation	146.58	121.40
Interest & Financial Charges	41.32	44.56
Profit on sale of office building	-1.49	(49.78)
Miscellaneous Expenses w/o	7.01	5.51
Exchange rate difference	0.19	0.11
Unpaid Interest written back	-85.80	-
Operating Profit before working capital changes	(37.52)	146.50
<u>Working Capital Changes</u>		
Increase in Inventories	-196.66	71.39
Decrease in Sundry Debtors	172.32	(14.79)
Increase in Loans & Advances	-3.15	(10.72)
Increase in Current Liabilities & Provisions	134.67	7.57
Cash generated from operations	69.66	199.94
Income Tax paid - Fringe Benefit Tax	-0.66	-
Cash from operations after tax	69.00	199.94
Extraordinary Items (Prior Period expenditure)	7.82	(4.78)
Net cash flow from operating activities	61.18	204.72
<u>Cash Flow from Investing activities</u>		
Purchase of fixed assets	-33.58	-
Proceeds from sale of fixed assets	3.57	-
Sale of investments	146.12	(0.23)
<u>Cash Flow from Financing Activities</u>		
Repayment of secured loans	-126.30	(320.10)
Repayment of unsecured loans	-88.76	162.59
Repayment of interest	-41.32	(44.56)
Net cash flow from financing activities	(256.38)	(202.07)
Net increase cash & cash equivalents	-73.67	#REF!
Add: Opening cash & cash equivalents	13.69	14.78
Closing cash & cash equivalents	17.79	13.68

Notes:

1. The above cash flow statement has been prepared under the indirect method as set in the AS-3 on cash flow statements issued by ICAI
2. Cash and Cash equivalent of Rs. 13,68,863 comprises of Balances with Schedules Banks for Rs. 9,89,478 and cash on hand of Rs. 3,79,385/-
3. Figures of previous year have been regrouped where ever required to confirm to current years' Figures

For & On behalf of the Board of Director

SD/-
Kamlesh Parikh
partner
K.G.PATEL & CO.
CHARTERED ACCOUNTANT
Place:- Borsad
Date :- 27.08.2007

Piyush N. Patel Ronak Y. Desai
Managing Director Director
Place: Borsad
Dated:- 27.8.2007