

# ISHAN DYES AND CHEMICALS LIMITED



**10<sup>th</sup> August, 2020**

**To,  
Department of Corporate Service (DCS-CRD)  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai - 400 001**

**Ref: ISHAN DYES & CHEMICALS LIMITED**

**BSE SCRIP CODE: 531109**

**Sub.: FILING OF ANNUAL REPORT 2019-20 UNDER REGULATION 34(1) THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

Dear Sir,

The 27<sup>th</sup> Annual General Meeting ("AGM") of the Company will be held on Friday, 04<sup>th</sup> September, 2020 at 04.00 PM IST through Video Conferencing / Other Audio Visual Means.

Pursuant to Regulation 34(1) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), we are submitting herewith the Annual Report 2019-20 of the Company along with the Notice of 27<sup>th</sup> AGM for the financial year 2019-20 which is being sent through electronic mode to the Members.

The Annual Report 2019-20 containing the Notice is also uploaded on the Company's website [www.ishandyes.com](http://www.ishandyes.com).

Thanking you,

Yours faithfully,

**For Ishan Dyes & Chemicals Limited**

**Piyushbhai Natvarlal Patel  
Managing Director  
(DIN: 00450807)**



**ISHAN DYES & CHEMICALS LIMITED**

**27<sup>TH</sup> ANNUAL REPORT  
2019-20**



## Contents

Corporate Information.....	2
Notice to the Members.....	3
Directors' Report .....	16
Corporate Governance Report.....	44
Management Discussion and Analysis.....	68
Auditors' Report.....	70
Balance Sheet.....	79
Profit & Loss Account.....	80
Cash Flow Statement.....	82
Notes Forming Part of Balance Sheet and Profit & Loss Account.....	83



## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

SHRI PIYUSHBHAI NATVARLAL PATEL

SHRI SHRINAL PIYUSHBHAI PATEL

SMT ANILABEN PIYUSHBHAI PATEL

SMT MIRALI HEMANTBHAI PATEL

SHRI MAYANK HASMUKHBHAI PATEL

SHRI RONAK YATINKUMAR DESAI

SHRI ROOPIN AMRIT PATEL

SHRI YATIN GORDHANBHAI PATEL

- Chairman & Managing Director (*Promoter*)
- Whole-Time Director (*Promoter*)
- Non-Executive and Non-Independent Director (*Promoter*)
- Executive Director (*Promoter*)
- Independent Director
- Independent Director
- Independent Director
- Independent Director

### **CHIEF FINANCIAL OFFICER**

- CHINTAN PRAKASHBHAI PANCHOLI

### **COMPANY SECRETARY & COMPLIANCE OFFICER**

- ANKITA VIVEKKUMAR SHAH

Kalupur Commercial Co. Op. Bank Limited

Kotak Mahindra Bank Limited

- CITI Bank
- Bank of India
- Axis Bank Limited

### **BANKERS**

### **STATUTORY AUDITORS**

- G.S. Mathur & Co., Chartered Accountants

### **INTERNAL AUDITORS**

- K. D. Dave & Co., Chartered Accountants

18, G.I.D.C Estate, Phase - 1,

Vatva, Ahmedabad - 382445, Gujarat, INDIA

Tel.: 079-25832144/25893607

Fax: 079-25833643

E-mail: [ishandyes@yahoo.com](mailto:ishandyes@yahoo.com)

Website: [www.ishandyes.com](http://www.ishandyes.com)

### **REGISTERED OFFICE & FACTORY ADDRESS**

### **CIN NO**

- L24110GJ1993PLC020737

MCS Share Transfer Agent Limited

1st Floor, Neelam Apartment, 88, Sampatrao

Colony, Above Chappanbhog Sweet, Alkapuri,

- Vadodara - 390 007

Tel No:-0265-2314757/2350490

Fax:0265 - 2341639

E-mail:[mcsltdbaroda@gmail.com](mailto:mcsltdbaroda@gmail.com)

### **REGISTRAR AND SHARE TRANSFER AGENT (RTA)**

27<sup>TH</sup> ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE TWENTY SEVENTH ANNUAL GENERAL MEETING ("AGM") OF THE MEMBERS OF ISHAN DYES & CHEMICALS LIMITED ("THE COMPANY") WILL BE HELD THROUGH VIDEO CONFERENCING ("VC") OR OTHER AUDIO VISUAL MEANS ("OAVM") ON FRIDAY, 04<sup>TH</sup> SEPTEMBER, 2020 AT 04.00 PM IST TO TRANSACT THE FOLLOWING BUSINESS:

**ORDINARY BUSINESS:**

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

To receive, consider, approve and adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2020 together with the Reports of the Board of Directors' and the Auditors' thereon.

**2. DECLARATION OF FINAL DIVIDEND:**

To consider and if thought fit to approve declaration of a Final Dividend @10% i.e. Rs. 1.00/- per Equity Share of face value of Rs. 10/- each of the Company for the Financial Year ended 31<sup>st</sup> March, 2020.

**3. APPOINTMENT OF SMT MIRALI HEMANTBHAI PATEL (DIN: 08021784) AS A DIRECTOR RETIRING BY ROTATION:**

To consider and if thought fit to approve appointment of a Director in place of Smt. Mirali Hemantbhai Patel (DIN: 08021784), Director, who retires by rotation and being eligible, offers herself for re-appointment.

**SPECIAL BUSINESS:**

**4. TO CONSIDER RE-APPOINTMENT OF MR. RONAK YATINKUMAR DESAI (DIN: 02808811) AS AN INDEPENDENT DIRECTOR AND IF AND IF THOUGHT FIT TO PASS THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder read with Schedule IV to the Companies Act, 2013 (including any statutory modifications or re-enactment(s) thereof for the time being in force) and Regulation 17(1A) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on the recommendation of the Nomination and Remuneration Committee, Audit Committee and approval of the Board of Directors of the Company, **Mr. Ronak Yatinkumar Desai (DIN: 02808811)**, who was appointed as an Independent Director for a term of Five(5) consecutive years from 29<sup>th</sup> September 2015 up to 28<sup>th</sup> September 2020 by the Shareholders, being eligible and in respect of whom the Company has received a notice in writing from the Director under Section 160 of the Companies Act, 2013 proposing his candidature for the office of a Director, be and is hereby re-appointed as a Non-Executive Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of Five(5) consecutive years i.e. from 29<sup>th</sup> September 2020 up to 28<sup>th</sup> September 2025."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds, things and matters and to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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

20<sup>th</sup> July, 2020  
Ahmedabad

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

*Registered office:*

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

**NOTES:**

1. In view of the prevailing COVID-19 pandemic, the Government of India, Ministry of Corporate Affairs ("MCA") allowed conducting Annual General Meeting through video conferencing (VC) or other audio-visual means (OAVM) without the physical presence of Members at a common venue. Accordingly, MCA issued Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 ("MCA Circulars"), prescribing the procedures and manner of conducting the Annual General Meeting through VC/OAVM.

Securities and Exchange Board of India ("SEBI") also vide its Circular dated May 12, 2020 ("SEBI Circular"), permitted holding of Annual General Meetings through VC/OAVM. In compliance with the applicable provisions of the Companies Act, 2013, MCA Circulars and applicable provisions of the SEBI Circular, the 27<sup>th</sup> Annual General Meeting (AGM) of the Members will be held through VC/ OAVM. Accordingly, the members can attend and participate in the AGM through VC/OAVM only. The venue of the Meeting shall be deemed to be the registered office of the Company.

2. Pursuant to the provisions of the Companies Act, 2013 ("the Act"), a Member who is entitled to attend and vote at the AGM is also entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a Member of the Company. Since this General Meeting is held through VC/OAVM the physical attendance of members is dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence, the Proxy Form and Attendance Slip are not annexed to this Notice. However, in pursuance of Section 113 of the Act, authorized representative of the Corporate Member(s) may be appointed for the purpose of participation in the 27<sup>th</sup> AGM through VC / OAVM and also for remote e-Voting during the 27<sup>th</sup> AGM.
3. No Route map has been sent along with this Notice of the Meeting as the meeting is held through VC/OAVM.
4. Members attending the Meeting through VC/OAVM will be counted for the purposes of reckoning of Quorum under Section 103 of the Companies Act, 2013.
5. In line with the MCA Circulars and the SEBI Circular, the Notice calling the AGM and the Annual Report 2019-20 has been uploaded on the website of the Company at [www.ishandyes.com](http://www.ishandyes.com). The Notice and the Annual Report 2019-20 can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com)
6. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business, if any to be transacted at the meeting is annexed hereto. The Board of Directors of the Company at its meeting held on 20<sup>th</sup> July, 2020 considered that the Special Business under Item No. 4 being considered unavoidable, be transacted at the 27<sup>th</sup> AGM of the Company.
7. Brief resume of Directors proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se, etc. as required to be disclosed as per the Companies Act, 2013, Regulation 36 (3) the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of the Secretarial Standard on General Meetings (SS-2), are provided as Annexure 1 to this notice.
8. All documents referred to in the accompanying Notice and the Explanatory Statement have been uploaded on the website of the Company at [www.ishandyes.com](http://www.ishandyes.com). All shareholders will be able to inspect all documents referred to in the Notice electronically without any fee from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to [ishandyes@yahoo.com](mailto:ishandyes@yahoo.com).
9. The Register of Members and the Share Transfer Books of the Company will remain closed from 29<sup>th</sup> August, 2020 to 04<sup>th</sup> September, 2020 (both days inclusive) in connection with the AGM and for determining the names of members eligible for Equity Dividend, if declared at the AGM.

10. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM.
11. Considering the difficulties caused due to the Covid-19 pandemic, MCA and SEBI have dispensed with the requirement of printing and sending physical copies of the Annual Report and the Notice of this Meeting. The Annual Reports together with the Notice of this meeting have been sent through registered email id to all those members who have registered their email ids with the Company or the Registrar and Transfer Agent or the Depositories or the Depository Participants as on Friday, July 24, 2020.
12. The dividend on Equity Shares, if declared at the AGM, subject to deduction of tax at source will be payable to those members:
  - (a) whose name appears as a Member in the Register of Members of the Company as on Friday, 28<sup>th</sup> August, 2020; and
  - (b) whose name appears in the list of Beneficial Owners as on Friday, 28<sup>th</sup> August, 2020 furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.
13. The Dividend, if approved, will be paid by crediting in to the bank account as provided by NSDL and CDSL through ECS / NECS / electronic transfer, of those shareholders holding shares in electronic form / demat and having registered relevant bank details. In respect to those shareholders holding shares in physical form or in case of ECS / NECS / electronic payment rejected, dividend will be paid by dividend warrants / demand drafts, at the earliest once the normalcy is restored.
14. In accordance with the provisions of the Income Tax Act, 1961 as amended by and read with the provisions of the Finance Act, 2020, dividend declared and paid by the Company shall be taxable in the hands of the shareholders w.e.f. April 01, 2020 and the Company is required to deduct tax at source (TDS) from dividend paid to the Shareholders at prescribed rates in the Income Tax Act, 1961 (the "IT Act").

In general, to enable compliance with TDS requirements, Members are requested to complete and / or update their Residential Status, PAN and Category as per the IT Act with their Depository Participants in case shares are held in Dematerialized form. In case shares are held in physical form, aforementioned details need to be updated with the Company at [ishandyes@yahoo.com](mailto:ishandyes@yahoo.com) by quoting their name and folio number.

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H provided all prescribed conditions are met, to avail the benefit of non-deduction of tax at source to the Company at [ishandyes@yahoo.com](mailto:ishandyes@yahoo.com) latest by 11:59 p.m. IST, 28<sup>th</sup> August, 2020. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Further, resident shareholders to provide the self-attested copy of PAN. In case Lower or Nil withholding certificate has been obtained under Section 197 of the IT Act by the resident shareholder, the self-attested copy of such certificate shall be required to be submitted to the Company at [ishandyes@yahoo.com](mailto:ishandyes@yahoo.com) as referred above.

Resident shareholders being mutual funds to provide self-declaration that they are specified in Section 10(23D) of the IT Act, along with self-attested copy of PAN and registration certificate.

Non-resident shareholders [other than FII (called as FPI)] can avail beneficial rates under tax treaty between India and their country of residence, subject to the following documents/declaration are provided:

- (a) Self-attested copy of Permanent Account Number (PAN), if allotted by the Indian Income Tax Authorities;
- (b) Self-attested Tax Residency Certificate (TRC) issued by the tax authorities of the country of which shareholder is a resident, evidencing and certifying shareholder's tax residency status during the Financial Year 2020-21;
- (c) Completed and duly signed Self-Declaration in Form 10F;

(d) Self-declaration certifying on the following points:

- i. The Non-resident Shareholder is and will continue to remain a tax resident of the country of its residence and does not hold dual residency in India during the Financial Year 2020-21;

In case of non-resident partnership firm/ trusts, the shareholders/ partners/ beneficiaries are subject to tax in the recipient's i.e. partnership firm/ trust's country of residence;

- ii. The Non-resident Shareholder is eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company;
- iii. The Non-resident shareholder meets the requirements under LOB clause of the respective tax treaty, if applicable;
- iv. The Non-resident shareholder's claim for tax treaty benefits is not hit by the principal purpose test under the treaty read with the Multilateral Instrument, if applicable;
- v. The Non-resident Shareholder has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;
- vi. The Non-resident Company does not have place of effective management ("POEM") in India;
- vii. The Non-resident shareholder is the beneficial owner of the dividend and the said non-resident shareholder is under no legal or contractual obligation to pass on the dividend income to any other person;
- viii. Confirm whether any declaration of beneficial ownership is filed under Companies Act in respect of the shares held by the non-resident shareholders in the Company;
- ix. The Non-resident Shareholder does not have a taxable presence or a permanent establishment in India during the Financial Year 2020-21 and that their shareholding in the Company is not effectively connected to such permanent establishment;

(e) In case of FII (now known as FPI) shareholders, kindly confirm that the investment in the Company has been made under FPI route;

(f) In case of non-resident shareholder being partnership firms/ trusts, list of partners/ beneficiaries/ their respective share of income in partnership firms/ trusts and their residential status (if not stated in the TRC of partnership firms/ trusts).

(g) The aforesaid documents / declarations should be submitted to the Company at [ishandyes@yahoo.com](mailto:ishandyes@yahoo.com).

(h) The aforesaid declarations and documents need to be submitted by the shareholders latest by 11:59 p.m. IST, August 28, 2020.

15. The Members are requested to dematerialize their shareholdings with their Depository Participants as the Company's Shares are traded compulsorily under Demat mode in the Stock Exchanges.

16. The Securities and Exchange Board of India (SEBI) has amended Regulation 40 of SEBI LODR. Pursuant to amended Regulation 40 of SEBI LODR, effective 1<sup>st</sup> April, 2019, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository.

The Company in this regard has sent letters to the shareholders holding shares in physical form informing them about the above requirement. All shareholders holding shares in physical form are requested to demat their shares at the earliest.

17. Members holding shares in single name and/or in physical mode are advised to make nomination in respect of their shareholding in the Company. Nomination forms can be obtained from the Company's Registered Office.

18. Members who have not encashed their Final Dividend for the financial year 2015-16 and Interim Dividend for the Financial Year 2017-18, are requested to contact the Company at 18, G.I.D.C Estate, Phase - 1, Vatva, Ahmedabad - 382445, Gujarat, INDIA. Details of the unpaid / unclaimed dividend are uploaded as per the requirements on the Company's website [www.ishandyes.com](http://www.ishandyes.com). The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed at [www.iepf.gov.in](http://www.iepf.gov.in)



19. Members are requested to note that Dividends not encashed or remaining unclaimed for a period of 7 (seven) Years from the date of transfer to the Company's Unpaid Dividend Accounts shall be transferred to the Investor Education and Protection Fund (IEPF) established under Section 124 of the Companies Act, 2013 and the relevant Rules thereunder.
20. Pursuant to the provisions of IEPF Rules, all shares in respect of which dividend has not been paid or claimed for seven consecutive years shall be transferred by the Company to the designated Demat Account of the IEPF Authority within a period of thirty days of such shares becoming due to be transferred to the IEPF Authority.
21. Pursuant to Section 124 of the Companies Act, 2013 the unpaid dividends that are due for transfer to the Investor Education and Protection Fund are as follows:

Type of Dividend	Date of Declaration of Dividend	For the Year ended	Due for Transfer on
Final Dividend	28-Sept-2016	31-Mar-2016	31-Oct-2023
Interim Dividend	23-Feb-2018	31-Mar-2018	29-Mar-2025

22. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN to the Company.
23. Members are requested to:
- Intimate to the Company's Registrar and Share Transfer Agents -MCS Share Transfer Agent Limited, changes, if any, in their registered addresses and e-mail id at an early date, in case shares held in physical form;
  - Intimate respective Depository Participant, changes, if any, in their registered addresses or e-mail id at an early date, in case of shares held in dematerialized form;
  - Quote their folio numbers/client ID/DP ID in all correspondence; and
  - Consolidate their holdings into one folio in the identical order of names.
  - Update their PAN and Bank account details by sending a self-attested copy of the PAN along with original cancelled cheque bearing their name on it or bank passbook/statement attested by their Bank to MCS, the Registrar and Share Transfer Agents of the Company.
  - Members may opt for the direct credit of dividend / ECS wherein members get the credit of dividend directly in their designated bank account. This ensures direct and immediate credit with no chance of loss of bank instrument in transit. To avail this facility, the members are requested to update with their DP, the active bank account details including 9 digit MICR code and IFSC code, in case the holding is in dematerialized form. In case of shares held in physical form, the said details may be communicated to the RTA by quoting registered folio number and attaching photocopy of the cheque leaf of the active bank account along with a self-attested copy of the PAN card. Additionally, members holding shares in physical form can update their bank account details to the RTA.

24. Pursuant to Section 101 and 136 of the Act read with relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those members who have registered

their e-mail address either with the Company or with the Depository. As per provisions of Section 20 of the Act read with Rules thereunder, a document may be served on any member by sending it to him by post or by registered post or by speed post or by courier or by delivering at his office or address, or by such electronic or other mode as may be prescribed including by facsimile telecommunication or to electronic mail address, which the member has provided to his / her Depository Participant / the Company's Registrar & Share Transfer Agent from time to time for sending communications, provided that a member may request for delivery of any document through a particular mode, for which he shall pay such fees as may be determined by the Company in its Annual General Meeting. In cases, where any member has not registered his / her e-mail address with the Company, the service of documents, etc. will be effected by other modes of service as provided in Section 20 of the Act read with the relevant Rules thereunder.

Those members, who desire to receive notice / financial statement / documents through e-mail, are requested to communicate their e-mail ID and changes thereto from time to time to his / her Depository Participant / the Company's Registrar & Share Transfer Agent, M/s. MCS Share Transfer Agent Limited, as the case may be;

Members are requested to support this Green Initiative by registering/updating their e-mail addresses with the Depository Participant (in case of Shares held in dematerialized form) or with MCS (in case of Shares held in physical form)

25. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

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

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

- a) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- b) Click on "Shareholders/Members" tab to cast your vote(s)
- c) Now enter your User ID as follows:
  - For CDSL: 16 digits beneficiary ID.
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID.
  - Members holding shares in physical form should enter Folio Number registered with the Company.
  - Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.
- d) Enter the Image Verification as displayed and Click on Login.
- e) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- f) For Shareholders holding shares in physical form and first time users holding shares in electronic form, the steps given below are to be followed:

<b>PAN</b>	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN Field.</li> </ul>
<b>Date of Birth or Date of Incorporation or Bank Account</b>	<p>Enter the Date of Birth as recorded in your demat account or in the Company's records for the said demat account in DD/MM/YYYY format.</p> <p style="text-align: center;">OR</p> <p># Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member ID/ folio number in the Dividend Bank details field as mentioned in instruction (c).</p>

# CDSL users can enter any one of the details viz. dividend bank details or date of birth, in order to login; however, NSDL users mandatorily have to mention their bank account number in order to login. In case bank details are not recorded with the depository, please enter the number of shares held by you as on the cut-off date viz. Friday, 28<sup>th</sup> August, 2020 in the Dividend Bank details field

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

### General Guidelines for shareholders:

- I. The remote e-voting begins on Tuesday, 01<sup>st</sup> September, 2020 (09.00 AM IST) and will end on Thursday, 03<sup>rd</sup> September, 2020 (5.00 p.m. IST) both days inclusive. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date/ entitlement date of Friday, 28<sup>th</sup> August, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast and confirmed by the Member, he shall not be allowed to change it subsequently.
- II. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting.
- III. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off/ entitlement date only shall be entitled to avail the facility of remote e-voting as well as voting at the Annual General Meeting.
- IV. The voting rights of Members shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on Friday, 28<sup>th</sup> August, 2020 for determining the eligibility to vote by electronic means or at the Meeting.
- V. Any person who becomes a member of the Company after the date of this Notice of the Meeting and holding shares as on the cut-off date i.e. Friday, 28<sup>th</sup> August, 2020 may obtain the User ID and Password by sending an email request to [ishandyes@yahoo.com](mailto:ishandyes@yahoo.com). Members may also call on 079-25832144/2589360 or send a request/fax on 079-25833643 to Ms. Ankita V. Shah, Company Secretary and Compliance Officer of the Company, by writing to her at Ishan Dyes & Chemicals Limited, 18, G.I.D.C Estate, Phase - 1, Vatva, Ahmedabad - 382445, Gujarat, INDIA.
- VI. The Company has appointed Shri Kunal Sharma, Practicing Company Secretary (FCS 10329) as the Scrutinizer to conduct e-voting and the voting process at the AGM in a fair and transparent manner.
- VII. The Scrutinizer shall not later than 48 hours from the conclusion of the Meeting, issue consolidated Scrutinizer's Report of remote e-voting and voting at AGM, of the total votes casted in favor or against, if any, to the Chairman of the Meeting or a person as may be authorized by him in writing shall declare the result of the voting forthwith and all the resolutions as mentioned in the Notice of the Meeting shall be deemed to be passed on the date of the Meeting.
- VIII. The results declared along with the Scrutinizer's Report shall also be placed on the Company's website [www.ishandyes.com](http://www.ishandyes.com) and on the website of CDSL and communicated to BSE Limited where the shares of the Company are listed.
- IX. If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).
- X. The resolutions shall be deemed to be passed on the date of Annual General Meeting of the Company, subject to receipt of sufficient votes.
- XI. You can also update your mobile number and Email id in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-voting in future. The same may be used in case the Member forgets the password and the same need to be reset.

### Instructions for Members for E-Voting During the 27<sup>th</sup>AGM are as under:

- I. The procedure for e-Voting during the 27<sup>th</sup> AGM is same as the instructions mentioned hereinabove for remote e-Voting.
- II. Only those Members / shareholders, who will be present in the AGM through VC / OAVM and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the 27<sup>th</sup> AGM.
- III. If any votes are cast by the members through the e-voting available during the AGM and if the same members have not participated in the meeting through VC / OAVM, then the votes cast by such members shall be considered invalid as the facility of e-voting during the meeting is available only the members participating in the meeting.
- IV. Members who have cast their vote through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- V. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person(s) mentioned above in this Notice.

**Instructions for Members for attending the 27<sup>th</sup> AGM through VC / OAVM are as under:**

- I. Member will be provided with a facility to attend the 27<sup>th</sup> AGM through VC / OAVM through the CDSL e-Voting system. Members may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-Voting credentials. The link for VC / OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
- II. The Members can join the 27<sup>th</sup> AGM in the VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the 27<sup>th</sup> AGM through VC / OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the 27<sup>th</sup> AGM without restriction on account of first come first served basis.
- III. Members are encouraged to join the Meeting through Laptops / iPads for better experience.
- IV. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- V. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- VI. Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request on or before Friday, 28<sup>th</sup> August, 2020 mentioning their name, demat account number/folio number, email id, mobile number at [ishandyes@yahoo.com](mailto:ishandyes@yahoo.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries on or before Friday, 28<sup>th</sup> August, 2020 mentioning their name, demat account number/folio number, email id, mobile number at [ishandyes@yahoo.com](mailto:ishandyes@yahoo.com). These queries will be replied by the Company suitably by email.
- VII. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of questions and number of speakers, depending on the availability of time as appropriate for smooth conduct of the AGM.
- VIII. Convenience of different persons positioned in different time zones has been kept in mind before scheduling the time for this Meeting.

**Contact Details:**

Company	M/s Ishan Dyes & Chemicals Limited Reg. Office: 18, G.I.D.C Estate, Phase - 1, Vatva, Ahmedabad - 382445, Gujarat, INDIA, Tel No: 079-25832144/25893607, Fax: 079-25833643, Email ID: <a href="mailto:ishandyes@yahoo.com">ishandyes@yahoo.com</a> , CIN:L24110GJ1993PLC020737
Registrar and Share Transfer Agent	MCS Share Transfer Agent Limited 1st Floor, Neelam Apartment, 88, Sampatrao Colony, Above Chappanbhog Sweet, Alkapuri, Vadodara - 390 007 Tel:(0265) 2314757, 2350490, Fax:(0265) 2341639 E-mail: <a href="mailto:mcsitdbaroda@gmail.com">mcsitdbaroda@gmail.com</a>
E-voting Agency	Central Depository Services (India) Ltd Email id: <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a>
Scrutinizer	CS Kunal Sharma, Practicing Company Secretary 501-502, Skylar, Near Shalin Bungalows, Corporate Road Prahladnagar, Satellite, Ahmedabad -380 015 Tel., +91 9173430216, Email id: <a href="mailto:cskunalsharma@gmail.com">cskunalsharma@gmail.com</a>

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

**20<sup>th</sup> July, 2020  
Ahmedabad**

*Registered office:*

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

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



## STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

### Item no: 04:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("LODR Regulations") an Independent Director shall hold office for a term upto five consecutive years on the Board of the Company and shall be eligible for re-appointment on passing of a Special Resolution by the Company and disclosure of such appointment in the Board Report.

Mr. Ronak Yatinkumar Desai (DIN: 02808811) was appointed as an Independent Director (Non-Executive) of the Company for a period of five (5) years w.e.f 29<sup>th</sup> September 2015 upto 28<sup>th</sup> September 2020.

The Nomination and Remuneration Committee on the basis of his skills, experience, knowledge and report of his performance evaluation recommended re-appointment of Ronak Yatinkumar Desai (DIN: 02808811) as a Non-Executive Independent Director for a second term of five consecutive years on the Board of the Company w.e.f 29<sup>th</sup> September 2020.

The Board of Directors ("Board") at its meeting held on 20<sup>th</sup> July, 2020 reviewed the declaration made by Mr. Ronak Yatinkumar Desai (DIN: 02808811) that he meets the criteria of independence as provided in Section 149 (6) of the Act and under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and was of opinion that he fulfills the conditions specified in the Act, the rules made there-under and in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is independent of the Management.

The Company has received a notice in writing from the Director under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Independent Director of the Company.

The Board accordingly re-appointed him as a Non - Executive Independent Director not liable to retire by rotation for a further period of five years w.e.f 29<sup>th</sup> September 2020 upto 28<sup>th</sup> September 2025.

Except for the Director being appointed and his relatives, none of the Directors / Key Managerial Personnel of the Company / their relatives is, in any manner, concerned or interested, financially or otherwise, in the respective resolution set out at Item No. 04 of the Notice.

The Board recommends the Special Resolution set out at Item No. 04 of the Notice for approval by the shareholders.

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

**20<sup>th</sup> July, 2020  
Ahmedabad**

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

*Registered office:*

18, G.I.D.C Estate, Phase - 1, Vatva, Ahmedabad- 382445, Gujarat, INDIA

Tel No: 079-25832144/25893607, Fax: 079-25833643

Email id: [ishandyes@yahoo.com](mailto:ishandyes@yahoo.com), CIN: L24110GJ1993PLC020737

## Annexure - 1

Details of Directors including Directors to be appointed / reappointed at the ensuing Annual General Meeting:  
*(This also includes information Pursuant to Regulation 36 (3) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015*

Name with Age and Qualifications	Experience	Details of Directorships in other Companies including Listed Companies	Details of Membership of Committees of all the Companies	No of Meetings attended during the Year	Brief Resume of Directors	Disclosure on relationship between Directors Inter-se
<p>Piyushbhai N. Patel</p> <p>Date of Birth - 01/04/1955</p> <p>65 years</p> <p>B.E. (Mechanical Engineer)</p>	<p>He is one of the founding Promoters and first Director of the Company. He possesses Diploma in Mechanical Engineering accredited by Gujarat University. He has experience of over 36 years in the industry in which our Company operates. He currently provides strategic direction and leadership to our Company</p>	<p>(i) Cluster Enviro Private Limited</p> <p>(ii) Beverly Hills Construction Private Limited</p>	<p>Ishan Dyes and Chemicals Limited</p> <p>Membership:</p> <p>i. Stakeholders Relationship Committee</p> <p>Chairmanship</p> <p>ii. Corporate Social Responsibility (CSR) Committee</p>	13	<p>He is the key promoter and associated with the Company since its incorporation. Presently he is Chairman and Managing Director of the Company.</p> <p>He holds 39,64,859 Shares in the Company</p>	<p>Husband of Anilaben Patel, Father of Shrinal P. Patel and Father in Law of Mirali H. Patel</p>
<p>Shrinal P. Patel</p> <p>Date of Birth - 12/05/1985</p> <p>35 years</p> <p>BBA (Business Finance, Psychology and Bioscience) from University of Florida</p>	<p>He is one of the Promoters and Whole Time Director of the Company. He possesses a degree of B.B.A. in Business Finance from University of Florida. He has experience of over 12 years in the industry in which our Company operates. He is on the Board of our Company since the year 2010 and currently heads the marketing, finance and business operations in our Company.</p>	<p>(i) Cluster Enviro Private Limited</p>	NIL	13	<p>He is Co-promoter of the Company and associated as a Whole-Time Director of the Company since 2010 and contributed to accelerate the growth of the Company to achieve present scale of operations and performance.</p> <p>He holds 16,65,210 Shares in the Company</p>	<p>Son of Piyush N. Patel, Anilaben P. Patel and Husband of Mirali H. Patel</p>
<p>Anilaben P. Patel</p> <p>Date of Birth - 07/11/1957</p> <p>62 years</p> <p>B.A. (Psychology)</p>	<p>She is having experience of general administration and involved into various social activities.</p>	<p>(ii) Cluster Enviro Private Limited</p>	<p>Ishan Dyes and Chemicals Limited</p> <p>Membership:</p> <p>i. Stakeholders Relationship Committee</p>	13	<p>She is one of the key promoters of the Company. Presently she is a promoter director liable to retire by rotation.</p> <p>She holds 12,92,325 Shares in the Company</p>	<p>Wife of Piyush N. Patel, Mother of Shrinal P. Patel and Mother in Law of Mirali H. Patel</p>



<p>Ronak Y. Desai</p> <p>Date of Birth - 01/09/1984</p> <p>35 years</p> <p>Hotel Management</p>	<p>He possesses a Degree of Hotel Management from University of Boston. He is currently engage in building and construction business and has experience of over 13 years of the industry.</p>	<p>NIL</p>	<p>Ishan Dyes and Chemicals Limited</p> <p>Membership:</p> <p>i. Audit Committee</p> <p>ii. Nomination and Remuneration Committee</p>	<p>9</p>	<p>The Board of Directors had first appointed Mr. Ronak Y. Desai as an Additional Director of the Company with effect from 30/04/2005.</p> <p>At the 22<sup>nd</sup> Annual General Meeting of the Company held in the year 2015, shareholders have approved his appointment as an Independent Director for a period of 5 years.</p> <p>He holds NIL Shares in the Company.</p>	<p>NIL</p>
<p>Mayankumar H. Patel</p> <p>Date of Birth - 22/10/1973</p> <p>26 years</p> <p>Undergraduate</p>	<p>He is farmer and actively involved with agricultural business.</p>	<p>NIL</p>	<p>Ishan Dyes and Chemicals Limited</p> <p>Membership:</p> <p>i. Audit Committee</p> <p>ii. Nomination and Remuneration Committee</p> <p>iii. Corporate Social Responsibility (CSR) Committee</p>	<p>13</p>	<p>The Board of Directors had first appointed Mr. Mayankumar H. Patel as a Director of the Company with effect from 28/01/2010.</p> <p>At the 26<sup>th</sup> Annual General Meeting of the Company held in the year 2019, shareholders have approved his re-appointment as an Independent Director for a period of 5 years.</p> <p>He holds 450 Shares in the Company</p>	<p>NIL</p>



<p>Roopin A. Patel</p> <p>Date of Birth - 31/05/1977</p> <p>43 years</p> <p>Chartered Accountant</p>	<p>He is practicing Chartered Accountant and having vast experience in the field of accounts, finance, taxation and banking.</p>	NIL	<p>Ishan Dyes and Chemicals Limited</p> <p>Chairman:</p> <p>i. Audit Committee</p> <p>ii. Nomination and Remuneration Committee</p> <p>iii. Stakeholders Relationship Committee</p> <p>Member</p> <p>i. Corporate Social Responsibility (CSR) Committee</p>	13	<p>The Board of Directors had first appointed Mr. Roopin A. Patel as a Director of the Company with effect from 20/09/2010.</p> <p>At the 26<sup>th</sup> Annual General Meeting of the Company held in the year 2019, shareholders have approved his re-appointment as an Independent Director for a period of 5 years.</p> <p>He holds NIL Shares in the Company</p>	NIL
<p>Yatinbhai G. Patel</p> <p>Date of Birth - 01/06/1955</p> <p>65 years</p> <p>Graduate</p>	<p>He is a Graduate and having rich experience in the areas of Finance and Management.</p>	NIL	<p>Ishan Dyes and Chemicals Limited</p> <p>Membership:</p> <p>i. Audit Committee</p> <p>ii. Nomination and Remuneration Committee</p>	9	<p>The Board of Directors had first appointed Mr. Yatin G. Desai as a Director of the Company with effect from 07/09/2011.</p> <p>At the 26<sup>th</sup> Annual General Meeting of the Company held in the year 2019, shareholders have approved his re-appointment as an Independent Director for a period of 5 years.</p> <p>He holds 900 Shares in the Company</p>	NIL
<p>Mirali Hemantbhai Patel</p> <p>Date of Birth - 25/10/1989</p> <p>30 years</p> <p>Degree in Computer Engineering</p>	<p>She is having experience of general administration</p>	(iii) Cluster Enviro Private Limited	NIL	13	<p>The Board of Directors had appointed Mrs. Mirali Hemantbhai Patel as an Additional Director of the Company with effect from 25/03/2019 and subsequently her appointment has been regularized by the Shareholders at the 26<sup>th</sup> AGM held on 27<sup>th</sup> September, 2019.</p> <p>She holds 21,66,494 Shares in the Company.</p>	Wife of Shrinai P. Patel and Daughter in Law of Piyushbhai P. Patel and Anilaben P. Patel



## DIRECTORS' REPORT

To,  
The Members,  
ISHAN DYES AND CHEMICALS LIMITED

Your Directors have pleasure in presenting 27<sup>th</sup> Annual Report together with the Audited Standalone Financial Statements for the financial year ended 31<sup>st</sup> March, 2020.

### 1. FINANCIAL RESULTS:

The Company's financial performance, for the year ended March 31, 2020 is summarized below:

(Amount in Rs.)

Particulars	Current Year (2019-20)	Previous Year (2018-19)
Sales (Net)	80,14,51,040	66,80,94,150
Other Income	2,34,57,319	1,26,42,087
<b>Total Revenue</b>	<b>82,49,08,358</b>	<b>68,07,36,236</b>
<b>Earnings before Finance Cost, Depreciation, Exceptional / Extraordinary Items, Tax &amp; Amortizations (EBITDA)</b>	<b>1,26,082,135</b>	<b>8,79,46,992</b>
Finance Cost (Net)	59,46,526	93,22,771
Depreciation	1,77,77,713	1,26,88,264
<b>Profit before Exceptional / Extraordinary items &amp; tax</b>	<b>10,23,57,896</b>	<b>6,59,36,017</b>
Exceptional / Extraordinary expenses	--	--
<b>Profit before Tax</b>	<b>10,23,57,896</b>	<b>6,59,36,017</b>
Tax Adjustments (Net)	2,02,73,420	2,26,57,240
<b>Profit after Tax</b>	<b>8,20,84,476</b>	<b>4,32,78,776</b>

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

The year under review was one of the most encouraging year for the business of the Company. During the year ended the Company has achieved various milestones by recording much improved overall productivity, highest ever turnover, EBITDA and PAT. The Company has achieved total revenue of Rs. 82.49 Crores and EBITDA of Rs. 1.26 Crores as against that of Rs. 68.07 Crores and Rs. 8.79 Crores respectively for the previous year. The performance has shown growth of 21% in the turnover and 55% growth in PAT.

### 3. PROSPECTS & DEVELOPMENTS:

As known to all of us presently the World is passing through unprecedented situation arisen due to COVID 2019 which has also started its spread in India since March 2020 and resulted into a prolonged period of lockdowns in our country also. Lockdowns in our country and also across the World's many Countries have impacted global trade and commerce thereby resulting into a loss of production and in general economic slowdown. COVID 2019 has resulted into various social and economic imbalances and impacts. The Management anticipates that the current financial year will be a year of uncertainties and volatilities together with general slowdown. Your Company is also not an exception from the impact of the present situation. However, the products of the Company are having multiple applications in various industries like paints, plastics, rubber, textiles, inks and various kind of coatings thereby the business operations of the Company are likely to remain much protected and insulated from the overall envisaged slow down and thereby having lower economic impact.

As a proactive measures the Management of the Company has implemented various cost savings measures and also improving operational efficiencies and capacity enhancement with a view to reduce overall cost of



operations and also to protect and improve the margins. The Company has already developed sound export market and also established good customers' base which in turn will help to drive the growth during coming years for the benefits of the Company. Barring unforeseen circumstances, the Management is confident of maintaining its performance during the coming year. The Management is also working on various expansion plans and opportunities to diversify for creating value chain of business.

The Company operates in a competitive business environment and besides prevailing COVID 2019 situation impacting the global businesses and economies, the key challenge areas are ecology and allied regulatory compliances, commodity and petro-products price volatility, foreign currency fluctuations, inflationary pressure on operational costs, large working capital need, skilled manpower availability etc. The Management of the Company is working with a proactive approach to meet challenges and cater opportunities with an aim to enhance stakeholder's value. The Management of the Company is actively working on growth plans which includes further expanding export business; add new ranges and products to create a basket of products for catering customer needs and also to create value addition in present product portfolio with a view to increase revenues and margin for the Company.

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

During the Financial Year 2019-20, the Company has not changed its nature of business. The Company is engaged in the Business of Manufacturing, Trading, Export, Import and other deals in Chemicals used in Dyes and Pigments.

#### **5. DIVIDEND:**

In view of the Company's performance during the financial year under consideration, your Directors are pleased to propose and recommend a Final Dividend of 10% i.e. Rs. 1.00/- per Equity Share of face value of Rs. 10/- on 1,59,68,147 Equity Shares of the Company.

The proposal is subject to the approval of members in the ensuing 27<sup>th</sup> Annual General Meeting. If approved, the total outgo account of the Final Dividend on existing Equity Share Capital would be INR 1.59 Crores.

Further the details of Unclaimed and Unpaid Dividend Amount of the Company have been disclosed in the Notes to the Notice of 27<sup>th</sup> Annual General Meeting of the Company.

#### **6. FINANCE**

During the year, your Company has paid/repaid all its existing credit facilities from the Kalupur Commercial Co. Op. Bank Limited out of the proceeds of the Rights Issue, as stated in the Rights Issue Letter of Offer.

During the Year, the Company has taken new finance facilities from the Kalupur Commercial Co. Op. Bank Limited to meet its working capital requirements. All the installments of banking facilities, private loans and vehicle loans which were due during the financial year were repaid as per schedule in due course.

#### **7. TRANSFER TO RESERVES:**

During the year under review, the Company has not transferred any amount to the general reserve.

#### **8. EXPORTS**

The Export is the thrust area for the growth of the Company and during the year ended recorded gross export turnover of Rs. 34.81 Crores.

## 9. SHARE CAPITAL:

As on 31<sup>st</sup> March, 2020, the Share Capital structure of the Company stood as follows:

Particulars	No of Shares	Amount
<b>Authorized Share Capital</b>		
Equity Shares of Rs. 10/- each	2,50,00,000	25,00,00,000
<b>Total</b>	<b>2,50,00,000</b>	<b>25,00,00,000</b>
<b>Issued, Subscribed and Paid up Share Capital</b>		
Equity Shares of Rs. 10/- each	1,59,68,147	15,96,81,470
<b>Total</b>	<b>1,59,68,147</b>	<b>15,96,81,470</b>

### **Rights Issue:**

During the Year, the Board of Directors at their meeting held on 23<sup>rd</sup> August, 2019 allotted 4,703,447 Equity Shares of face value of Rs. 10/- each at an issue price of Rs. 27/- per Equity Share (including premium of Rs. 17/- per Equity Share) aggregating to Rs. 1269.94 Lakh to the eligible existing members of the Company who had applied on a rights basis holding Shares on 10<sup>th</sup> May, 2019.

The Right Issue Offer period was opened on 12<sup>th</sup> July, 2019 and closed on 09<sup>th</sup> August, 2019. The Rights Issue was subscribed 0.9078 times. The Right Issue Shares were traded on BSE Limited w.e.f 29<sup>th</sup> August 2019.

The Company has fully utilized the money raised from the Rights Issue for the purposes/objects as mentioned in the Offer Document/Letter of Offer i.e. Repayment of Identified Outstanding Loans and the surplus amount has been utilized for the General Corporate purpose in accordance with the applicable regulations and guidelines.

### **Depository System:**

As the members are aware, the Company's Equity shares are compulsorily tradable in electronic form. As on 31<sup>st</sup> March 2020, 88.64% of the Company's total paid-up equity capital representing 1,41,53,862 Equity shares are in dematerialized form.

The SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 mandate that the transfer, except transmission and transposition, of securities shall be carried out in dematerialized form only with effect from 1<sup>st</sup> April 2019. In view of the numerous advantages offered by the Depository system as well as to avoid frauds, members holding shares in physical mode are advised to avail of the facility of dematerialization from either of the depositories. The Company has, directly as well as through its RTA, sent intimation to shareholders who are holding shares in physical form, advising them to get the shares dematerialized.

During the year, Company has not issued any equity shares with differential rights or any sweat equity shares.

## 10. SEGMENT WISE PERFORMANCE:

The Company has only one reportable segment of activity i.e. "Chemicals", in accordance with the definition of "Segment" as per the IND AS. The performance of the Company is discussed separately in this Report.

## **11. IMPACT OF NOVEL COVID-19 PANDEMIC:**

The production facility of the Company remained closed for about one month due to nationwide lock down announced in the last week of March 2020. The production and sales of the Company were impacted during the said period. The operations of the Company was impacted due to closure of manufacturing activities, disruption of supply chain, scarcity of labour, closure vendor offices across the country as well as closure of overseas customer offices.

Due to lockdown, the Company's plant suspended its operations for about a month and the Company's registered office also remained shut during said period. However, during the said period the Company has adopted work from home policy as per government guidelines and all office employees of the company are working from home during the lockdown period.

As per guidelines issued from time to time the Company has resumed the manufacturing operations and as well as its office toward end of April 2020.

The Company is taking utmost care of all workers/employee for protection of their health and safety. The Company is taking all safety measures and precaution at work place as per the guidelines issued by the Government.

The steps taken by the Company are as follow:

- Sanitize all work places and frequently sanitize all instruments at workplace.
- All workers/employee must wear face mask/cover and adequate stocks of face cover and hand sanitizers are made available
- Social distancing during the work and avoid mass gathering.
- Thermal scanning of all workers/employees.
- Staggering of work/business hours followed in offices and factory premises.

The management of the Company will closely monitor situation and take necessary steps as may be required from time to time.

Due to Lockdown and gradual relaxation thereafter has disturbed business operations in various aspect and the revenue from operations and profitability has been also impacted. At this point of time, it is difficult to estimate the impact of COVID 19 on our future operations.

Since the products of the Company are having multiple usage in various industries like paint, plastics, rubber, textiles, inks and various coatings; the business operations for the Company in general are likely to remain protected and insulated from the situation arisen due to COVID 19 and also lock down announced in our country as well as many parts of the world.

Barring unforeseen circumstances, in general the management of the Company expects to maintain its performance during the current financial year also since the products of the Company are being used for multiple industrial applications.

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

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

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

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

### **14. PUBLIC DEPOSITS:**

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

Pursuant to the Ministry of Corporate Affairs (MCA) notification dated 22<sup>nd</sup> January 2019 amending the Companies (Acceptance of Deposits) Rules, 2014, the Company is required to file with the Registrar of Companies (ROC) requisite returns in Form DPT-3 for outstanding receipt of money/loan by the Company, which is not considered as deposits.

The Company has already been complied with this requirement within the prescribed timelines.

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

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

### **16. CORPORATE GOVERNANCE:**

A report on Corporate Governance along with a certificate from the Auditors of the Company regarding the compliance with the conditions of Corporate Governance as stipulated under Para E of Schedule V of the SEBI LODR forms part of this Annual Report.

A Certificate from the Statutory Auditors confirming compliance of the conditions of Corporate Governance as stipulated under the Listing Regulations is appended to the Corporate Governance Report. A Certificate of the CEO/MD and CFO of the Company in terms of Regulation 17(8) of the Listing Regulations is also annexed.

### **17. INDUSTRIAL RELATIONS**

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

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

In accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, The Board of Directors has formulated the Nomination and Remuneration Policy on the basis of recommendations made by the Nomination and Remuneration Committee. The salient aspects covered in the Nomination and



Remuneration Policy has been outlined in the Corporate Governance Report which forms part of this Report. The Policy is also available on the website of the Company [www.ishandyes.com](http://www.ishandyes.com).

## **19. BOARD DIVERSITY**

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

## **20. PARTICULARS OF EMPLOYEES:**

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

No employee of the Company was in receipt of remuneration more than the limits specified under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, during the financial year ended 31<sup>st</sup> March 2020.

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

### **Appointments:**

During the year 2019-20, No Director was appointed on the Board of the Company.

Further, Mrs. Mirali Hemantbhai Patel (DIN - 08021784) who was appointed by the Board of Directors as an Additional Director of the Company at their meeting held on 25<sup>th</sup> March, 2019 was regularized as an Executive Director of the Company at the 26<sup>th</sup> Annual General Meeting of the Company held on 27<sup>th</sup> September, 2019.

### **Re-appointments:**

Pursuant to the provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of your Company, Mrs. Mirali Hemantbhai Patel (DIN - 08021784), Executive Director of the Company is liable to retire by rotation at the ensuing AGM and being eligible offered herself for reappointment.

Appropriate resolution for her re-appointment is being placed for your approval at the ensuing AGM. The brief resume of Mrs. Mirali Hemantbhai Patel with other related information has been detailed in the Notice of AGM which is forming part of the Annual Report.

Your Directors recommend her re-appointment as an Executive Director of your Company.

Further, Mr. Ronak Yatinkumar Desai (DIN: 02808811) was appointed as Independent Director of the Company with effect from 29<sup>th</sup> September 2015 upto 28<sup>th</sup> September 2020. Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board at its Meeting held on 20<sup>th</sup> July, 2020 has approved his re-appointment for a further term of five years from 29<sup>th</sup> September 2020 up to 28<sup>th</sup> September 2025, subject to the approval of shareholders through Special Resolution.

Based on their skills, experience, knowledge and report of their performance evaluation, the Board was of the opinion that their association would provide benefits to the Company and it would be desirable to avail their services as Independent Directors.

The Notice convening the 27<sup>th</sup> AGM includes the proposal for re-appointment of Independent Director.

#### **Resignations along with facts of resignation:**

During the financial year 2019-20, No Director has been resigned from the Directorship of the Company.

#### **Key Managerial Personnel:**

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

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

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

#### **Declaration of Independence:**

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

#### **Familiarization Program for Independent Directors**

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

#### **22. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING:**

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

The Company has adopted the amended Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in terms of the SEBI (Prohibition of Insider Trading) Regulation, 2015 (as amended). The same has been filed with the BSE Limited and also uploaded on the website of the Company.



## **23. COMMITTEES OF THE BOARD**

As on 31<sup>st</sup> March, 2020, the Board has following committees:

- a. Audit Committee.
- b. Nomination and Remuneration Committee.
- c. Stakeholder's relationship Committee.
- d. Corporate Social Responsibility Committee.
- e. Rights Issue Committee.

The details with respect to the composition, powers, roles, terms of reference, number of meetings held, attendance at the meetings etc. of Statutory Committees are given in detail in the Corporate Governance Report.

### **Audit Committee:**

As on 31<sup>st</sup> March, 2020, the Audit Committee comprised of Four Independent Directors, namely Shri Roopin A. Patel, Shri Mayank H. Patel, Shri Ronak Y. Desai and Shri Yatin G. Patel.

All members of the Audit Committee possess good knowledge of accounting and financial management. The Chairman and Managing Director of the Company, Chief Financial Officer, the Internal Auditors and Statutory Auditors are regularly invited to attend the Audit Committee Meetings.

The Company Secretary is the Secretary to the Committee. The Internal Auditor reports to the Chairman of the Audit Committee. The significant audit observations and corrective actions as may be required and taken by the management are presented to the Audit Committee. The Board has accepted all recommendations made by the Audit Committee from time to time

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

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

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

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

- (a) in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2020, the applicable accounting standards have been followed and there are no material departures from the same;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at 31<sup>st</sup> March, 2020 and of the profit and loss statement of the Company for the financial year ended 31<sup>st</sup> March, 2020;
- (c) proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a 'going concern' basis;
- (e) proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and operating effectively; and



- (f) Proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

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

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

The copy of Form MGT 9 is also uploaded on the website of the Company [www.ishandyes.com](http://www.ishandyes.com)

#### **27. RELATED PARTY TRANSACTIONS**

During the financial year 2019-20, all transactions with the Related Parties as defined under Section 2(76) of the Companies Act, 2013 read with Companies (Specification of Definitions Details) Rules, 2014 and Regulation 23 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were entered in the ordinary course of business and on an arm's length basis.

The Company has a process in place to periodically review and monitor Related Party Transactions. The Audit Committee has approved all related party transactions for the FY 2019-20 and estimated transactions for FY 2020-21.

There were no materially significant related party transactions that may have conflict with the interest of the Company.

#### **28. LOANS AND INVESTMENTS:**

The Company has disclosed the full particulars of the loans given, investments made or guarantees given or security provided as required under section 186 of the Companies Act, 2013, Regulation 34(3) and Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 in Notes forming part of the financial statements.

#### **29. RISK MANAGEMENT:**

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

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

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

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

#### **31. CORPORATE SOCIAL RESPONSIBILITY:**

Your Company has constituted the Corporate Social Responsibility (CSR) Committee as per the requirement of the Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time. Shri Piyush N. Patel is the Chairman of

the Committee and two other members namely Shri Roopin A. Patel and Shri Mayankkumar H. Patel are the members of said Committee. The Committee has framed the Corporate Social Responsibility Policy for the Company. The philosophy for CSR activity of the Company is mainly focused in the various areas of rural infrastructure development, social upliftment, education, promotion of healthcare and sanitation, ensuring environmental sustainability and promoting rural sports.

The Annual Report on the CSR activities is at "**Annexure [C]**" to this Report.

The Company has already spent Rs.14.89 Lakhs towards CSR activities by contributing to PM and CM Care Funds. However due to COVID 2019 pandemic and nationwide lockdown announced in the last week of March 2020, part of amount of Rs. 0.89 Lakhs remained un spend for CSR activities. However, the management is committed and obliged to spend the same during the current financial year at the earliest on the availability of right CSR activities to their satisfaction.

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

### **Statutory Auditors:**

Based on the recommendations of the Audit Committee and the Board, The Shareholders of the Company at the 26<sup>th</sup> Annual General Meeting held on 27<sup>th</sup> September, 2019 appointed M/s G. S. Mathur & Co. Chartered Accountants as the Statutory Auditors of the Company to hold office for period of 3 (Three) Years commencing from the conclusion of this 26<sup>th</sup> Annual General Meeting till the conclusion of 29<sup>th</sup> Annual General Meeting to be held in the year 2022.

Further in terms of Clause 40 of Companies (Amendment) Act, 2017 which was notified vide Notification dated S.O. 1833 (E) dated 7<sup>th</sup> May 2018 and effective from the date, the Proviso of Section 139(1) relating to ratification of Appointment of Auditors at every Annual General Meeting of the Company has been omitted and the requirement of Ratification of Auditors Appointment is no longer required as per the Companies Act, 2013.

Therefore, the resolution for ratification of Appointment of Statutory Auditors M/s G. S. Mathur & Co. Chartered Accountants, has not been provided for the approval of the Shareholders and not formed as a part of Notice of the 27<sup>th</sup> AGM of the Company.

### **Cost Auditor:**

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

### **Secretarial Audit:**

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

Based on the recommendation of the Audit Committee, the Board of Directors of the Company has appointed M/s Kunal Sharma & Associated, Practicing Company Secretaries as the Secretarial Auditor of the Company for the financial year ending 31<sup>st</sup> March, 2021. The Company has received their written consent that the appointment is in accordance with the applicable provisions of the Companies Act, 2013 and rules framed thereunder.

**33. EXPLANATION ON AUDITORS REPORT:***Statutory Auditor*

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

*Secretarial Auditor*

The Secretarial Audit report does not contain any remarks and qualifications and are self-explanatory therefore do not call for any separate or further comments or explanations.

**34. FRAUDS REPORTED BY AUDITORS:**

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

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

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

**36. INTERNAL FINANCIAL CONTROLS:**

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

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

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

**38. COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS:**

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India onboard Meetings and General Meetings.

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

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

**40. ACKNOWLEDGEMENT:**

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

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

20<sup>th</sup> July, 2020  
Ahmedabad

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

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

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

Amount in Rupees

S. No	Name of the Director/KMP	Designation	Remuneration	Median remuneration of the employees	Ratio of the remuneration of each director to the median remuneration of the employees	% increase in remuneration during FY 2019-20*
1.	Piyushbhai Natvarlal Patel	Chairman and Managing Director	58,02,462	1,60,000	36.26:1	NIL
2.	Shrinal Piyushbhai Patel	Whole-Time Director	51,01,846	1,60,000	31.88:1	NIL
3.	Anilaben Piyushbhai Patel	Non-Executive Director	NIL	N.A.	N.A.	N.A.
4.	Ronak Yatinkumar Desai	Independent Director	NIL	N.A.	N.A.	N.A.
5.	Mayankkumar Hasmukhbhai Patel	Independent Director	NIL	N.A.	N.A.	N.A.
6.	Roopin Amrit Patel	Independent Director	NIL	N.A.	N.A.	N.A.
7.	Yatinbhai Gordhanbhai Patel	Independent Director	NIL	N.A.	N.A.	N.A.
8.	Mrs. Mirali Hemantbhai Patel	Executive Director	5,60,492	1,60,000	3.50:1	N.A.
9.	Chintan Prakashbhai Pancholi	Chief Financial Officer	7,66,446	1,40,000	4.79:1	NIL
10	Ankita Vivekkumar Shah	Company Secretary	2,66,234	1,60,000	1.66:1	N.A.

\*No Increase in Remuneration of all the Directors and KMPs. Only Managing Director and Whole-Time Director has paid Commission of INR 30.00 Lakhs each on the basis of Net Profits of the Company and within the limits under Section 197 of the Companies Act, 2013.

Notes:

- No remuneration, including sitting fees was paid to the Non-Executive Directors and Independent Directors during the financial year 2018-19 and 2019-20, therefore, % increase in remuneration is not applicable and Ratio of the remuneration of each director to the median remuneration of the employees

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

Permanent employees on the rolls of the Company as on March 31, 2020	88
The median remuneration of employees of the Company during the financial year	Rs. 1,60,000
% increase in the median remuneration of employees in the financial year	16.00%

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

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

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

Particulars	March 31, 2020	March 31, 2019	Variation (%)
Market Capitalization	31.85 Crores	38.01 Crores	(16.20%)
Price earnings ratio	11.53	8.78	31.32%

**(v) Average percentage increase already made in the salaries of employees other than the key managerial personnel in Financial Year 2019-20 and its comparison with the percentage increase in the managerial remuneration:**

During the year under review there was no increase in managerial remuneration except payment of Commissions to the Managing Director and Whole-Time Director.

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

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

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

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

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

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

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

20<sup>th</sup> July, 2020  
Ahmedabad

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

**Form No. MGT-9  
EXTRACT OF ANNUAL RETURN**

As on the financial year ended on **31<sup>st</sup> March, 2020**

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

**I. REGISTRATION AND OTHER DETAILS:**

i)	CIN:-	L24110GJ1993PLC020737
ii)	Registration Date	30/11/1993
iii)	Name of the Company	Ishan Dyes and Chemicals Limited
iv)	Category / Sub-Category of the Company	Company Limited by Shares, Indian Non-Government Company
v)	Address of the Registered office and contact details	18, G.I.D.C Estate, Phase - 1, Vatva, Ahmedabad-382445, Gujarat, INDIA, Tel No: 079-25832144/25893607, Fax: 079-25833643, Email id: <a href="mailto:ishandyes@yahoo.com">ishandyes@yahoo.com</a> CIN: L24110GJ1993PLC020737
vi)	Whether listed company Yes / No	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	MCS Share Transfer Agent Limited 1st Floor, Neelam Apartment, 88, Sampatrao Colony, Above Chappanbhog Sweet, Alkapuri, Vadodara - 390 007 Tel:(0265) 2314757, 2350490, Fax:(0265) 2341639 E-mail: <a href="mailto:mcsLtdbaroda@gmail.com">mcsLtdbaroda@gmail.com</a>

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

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

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

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

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

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

*(i) Category wise Share Holding*

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	4746500	0	4746500	42.14	9339988	0	9339988	58.49	16.35

b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(1):</b>	<b>4746500</b>	<b>0</b>	<b>4746500</b>	<b>42.14</b>	<b>9339988</b>	<b>0</b>	<b>9339988</b>	<b>58.49</b>	<b>16.35</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(2):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	<b>4746500</b>	<b>0</b>	<b>4746500</b>	<b>42.14</b>	<b>9339988</b>	<b>0</b>	<b>9339988</b>	<b>58.49</b>	<b>16.35</b>
<b>B. Public Shareholding</b>									
<b>I. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.(s)	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	176348	0	176348	1.57	85373	0	85373	0.55	(1.02)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual	1853501	606125	2459626	21.83	1975195	576025	2551220	15.97	(5.86)



shareholders holding nominal share capital upto Rs. 2 Lacs									
ii) Individual shareholders holding nominal share capital in excess of Rs 2 Lacs	1519231	53710	1572941	13.96	2243793	53650	2297443	14.39	0.43
c) Others (specify)									
Non-Resident Indians	1903465	189114	2092579	18.58	297997	1184610	1482607	9.28	(9.3)
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
HUF	216706	-	216706	1.92	211516	-	211516	1.32	(0.6)
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Office Bearers	-	-	-	-	-	-	-	-	-
Directors / Relatives	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>3954960</b>	<b>2563240</b>	<b>6518200</b>	<b>57.86</b>	<b>4813874</b>	<b>1814285</b>	<b>6628159</b>	<b>41.51</b>	<b>(16.35)</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>3954960</b>	<b>2563240</b>	<b>6518200</b>	<b>57.86</b>	<b>4813874</b>	<b>1814285</b>	<b>6628159</b>	<b>41.51</b>	<b>(16.35)</b>
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>8701460</b>	<b>2563240</b>	<b>11264700</b>	<b>100.00</b>	<b>14153862</b>	<b>1814285</b>	<b>15968147</b>	<b>100</b>	<b>-</b>

**(ii) Shareholding of Promoters**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the Year			% Change in Shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / Encumbered to total Shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / Encumbered to total shares	
1	Shrinal P. Patel	983500	8.73	--	1665210	10.43	--	1.7
2	Piyushbhai N Patel	1665650	14.79	--	3964859	24.83	--	10.04
3	Anilaben P. Patel	363750	3.23	--	1292325	8.09	--	4.86
4	Marutbhai D. Patel	249700	2.22	--	251100	1.57	--	-0.65
5	Mirali H. Patel	1483900	13.17	--	2166494	13.57	--	0.40
	<b>Total</b>	<b>4746500</b>	<b>42.14</b>	<b>--</b>	<b>9339988</b>	<b>58.49</b>	<b>--</b>	<b>16.35</b>

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

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Shareholding at the end of the year		% Change in Shareholding during the year
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company	
1	Shrinal P. Patel	983500	8.73	1665210	10.43	1.7
2	Piyushbhai N Patel	1665650	14.79	3964859	24.83	10.04
3	Anilaben P. Patel	363750	3.23	1292325	8.09	4.86
4	Marutbhai D. Patel	249700	2.22	251100	1.57	-0.65
5	Mirali H. Patel	1483900	13.17	1665210	13.57	0.4

Notes: Shares acquired by way of Rights Issue and Inter-se Transfer between the Promoters by way of Gift Deed.

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

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Increase/ Decrease (Nos.)	Increase/ Decrease (%)	Shareholding at the end of the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company
1.	Ramila Bipin Patel	697955	6.19	18111	--	716066	4.48
2.	Dipakbhai Chimanbhai Patel	264450	2.34	--	--	264450	1.66
3.	Amita Y Desai	202350	1.79	--	--	202350	1.27
4.	Deepak J Patel	139650	1.23	--	--	139650	0.87
5.	Smita Murmu	125900	1.11	(23)	--	125877	0.79
6.	Rajeev Jawahar	115327	1.02	--	--	187850	1.18
7.	Ajit J Patel	107700	0.9561	(80150)	--	107700	0.67
8.	Sanjeev Umedmal Dugar	92554	0.82	--	--	92554	0.58
9.	Ritu Sanjeev Dugar	89550	0.79	--	--	89550	0.56
10.	Tara Chand Jain	71611	0.63	(5107)	--	66504	0.42

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

Sr. No.	Directors/KMP Name	Shareholding at the beginning of the year		Increase/ Decrease (Nos.)	Increase/ Decrease (%)	Shareholding at the end of the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company
1.	Piyushbhai Natvarlal Patel	1665650	14.79	2299209	10.04	3964859	24.83
2.	Anilaben Piyushbhai Patel	363750	3.23	928575	4.86	1292325	8.09
3.	Ronak Yatinkumar Desai	--	--	-	-	--	-

4.	Mayankumar Hasmukhbhai Patel	450	0.01	-	-	450	0.01
5.	Shrinal Piyushbhai Patel	983500	8.73	681710	1.7	1665210	10.43
6.	Roopin Amrit Patel	--	--	-	-	--	-
8.	Yatinbhai Gordhanbhai Patel	900	0.01	-	-	900	0.01
9.	Mirali H. Patel	1483900	13.17	181310	0.4	1665210	13.57
10.	Chintan Prakashbhai Pancholi	--	--	-	-	--	--
11.	Ankita V Shah	--	--	-	-	--	--

## (VI) INDEBTEDNESS:

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

	Secured Loans excluding deposits	Unsecured Loans	Secured Loan Working Capital	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>					
i) Principal Amount	4,29,67,452	20,20,366	7,60,74,239	-	12,10,62,057
ii) Interest due but not paid	-	-	-	-	-
iii) Interest accrued but not due	-	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>4,29,67,452</b>	<b>20,20,366</b>	<b>7,60,74,239</b>	<b>-</b>	<b>12,10,62,057</b>
<b>Change in Indebtedness during the financial year</b>					
• Addition	96,05,448	24,32,924	-	-	1,20,38,372
• Reduction	4,29,67,452	-	6,60,43,488	-	10,90,10,940
<b>Net Change</b>	<b>(3,33,62,004)</b>	<b>24,32,924</b>	<b>(6,60,43,488)</b>	<b>-</b>	<b>(9,69,72,568)</b>
<b>Indebtedness at the end of the financial year</b>					
i) Principal Amount	96,05,448	44,53,290	1,00,30,751	-	2,40,89,489
ii) Interest due but not paid	-	-	-	-	-
iii) Interest accrued but not due	-	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>96,05,448</b>	<b>44,53,290</b>	<b>1,00,30,751</b>	<b>-</b>	<b>2,40,89,489</b>

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

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount	Name of MD/WTD/ Manager	Total Amount
		<b>PIYUSH P. PATEL</b> <i>Managing Director</i>		<b>SHRINAL P. PATEL</b> <i>Whole Time Director</i>	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		24,00,000/-		18,00,000/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		1,38,462		1,03,846
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		--		--
2.	Stock Option		--		--



3.	Sweat Equity	--	--
4.	Commission		
	- as % of profit	30,00,000	30,00,000
	- others, specify	--	--
5.	Others, please specify (Bonus)	2,64,000/-	1,98,000/-
	Total (A)	58,02,462/-	51,01,846/-
	Ceiling as per the Act	As per the Companies Act, 2013	

The above excludes reimbursement for expenses.

**B. Remuneration to other directors:**

Sr. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Anilaben P. Patel	Mirali Patel	Ronak Y. Desai	Mayankkumar H. Patel	Roopin A. Patel	Yatinbhai G. Patel	
1.	Independent Directors							
	• Fee for attending board / committee meetings	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	• Commission	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	• Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	<b>Total (1)</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2.	Other Non-Executive Directors							
	• Fee for attending board / committee meetings	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	• Commission	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	• Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	<b>Total (2)</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL
3.	Other Executive Directors							
	• Fee for attending board / committee meetings	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	• Commission	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	• Others, (Salary)	NIL	5,60,492	NIL	NIL	NIL	NIL	5,60,492
	<b>Total (B)=(1+2+3)</b>	NIL	5,60,492	NIL	NIL	NIL	NIL	5,60,492
	Total Managerial Remuneration	NIL	5,60,492	NIL	NIL	NIL	NIL	5,60,492
	Overall Ceiling as per the Act	As per the Companies Act, 2013						

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
		NIL	Ankita V. Shah	Chintan Pancholi	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	2,28,000	6,60,000	8,88,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	13,154	33,846	47,000
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	NIL	NIL	NIL	NIL
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission				
	- as % of profit	NIL	NIL	NIL	NIL
	- others, specify	NIL	NIL	NIL	NIL
5.	Others, (Bonus)	NIL	25,080	72,600	97,680
	<b>Total</b>	NIL	2,66,234	7,66,446	10,32,680

**(VIII) PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

Type	Section of The Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty			NIL		
Punishment			NIL		
Compounding	Section 441 of the Companies Act, 2013	Compounding of Offence made under Section 108 of the Companies Act, 2013	Penalty Imposed - Rs. 5,000/- and paid.	Regional Director, North Western Regional Ahmedabad	N.A.
Compounding	Section 441 of the Companies Act, 2013	Compounding of Offence made under Section 203 of the Companies Act, 2013	Penalty Imposed - Rs. 2,28,800/- and paid.	NCLT, Ahmedabad bench	N.A.
<b>B. DIRECTORS</b>					
Penalty			NIL		
Punishment			NIL		
Compounding	Section 441 of the Companies Act, 2013	Compounding of Offence made under Section 108 of the Companies Act, 2013	Penalty Imposed - Rs. 5,000/- each on Managing Director and Whole-Time Director	Regional Director, North Western Regional Ahmedabad	N.A.
Compounding	Section 441 of the Companies Act, 2013	Compounding of Offence made under Section 203 of the Companies Act, 2013	Penalty Imposed - Rs. 4,28,400 /- each on Managing Director and Whole-Time Director and paid.	NCLT, Ahmedabad bench	N.A.
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			NIL		
Punishment			NIL		
Compounding	Section 441 of the Companies Act, 2013	Compounding of Offence made under Section 108 of the Companies Act, 2013	Penalty Imposed - Rs. 5,000/- on Chief Financial Officer	Regional Director, North Western Regional Ahmedabad	N.A.



**ANNUAL REPORT ON  
CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

**A. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:**

Ishhan Dyes and Chemicals Limited focus areas for our CSR efforts include education, environment, skill development and preventive healthcare. This is in alignment with Management's purpose of challenging conventional thinking and innovatively using all resources to drive positive change in the lives of our stakeholders and communities, thus, enabling them to Rise. Inclusive development at all our project locations ensures that we grow with the communities surrounding us, thereby enabling truly sustainable living.

The Company has adopted a CSR policy which is available on <https://www.ishandyes.com/images/Companies%20Polices%20and%20Codes/CSR%20Policy%20Ishhan%20Dyes.pdf>

**B. The Composition of the CSR Committee as at March 31, 2020:**

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

**C. Average net profit of the Company for last three financial years:**

The Average net profit of the Company for last three financial years is Rs.7.44 Crores.

**D. Prescribed CSR Expenditure (two per cent of the average net profit):**

The prescribed CSR Expenditure to be incurred by the Company in FY 2019-20 (i.e. 2% of average net profit of Rs. 7.44 Crores) is Rs.14.89 Lakhs/-

**E. Details of CSR spent during the financial year 2019-20:**

1. Total amount to be spent for the financial year 2019-20:Rs. 14.89 Lakhs
2. Amount unspent, if any: Rs. 0.89 Lakhs/-
3. Manner in which the amount spent during the financial year 2019-20 is detailed below:

CSR Programs	Sector in which project is covered	Programs (1) Local area or other (2) State & district where projects /programs were undertaken	Amount outlay (budget) project/ programs wise	Amount spend on projects/ programs (1) Direct expense(2) Overheads:	Cumulative expenditure upto the reporting period	Amount spent: direct or through implementing agency
Contribution to PM Cares	Various sectors covered	Center Level	Rs. 7.00 Lakhs	Rs. 7.00 Lakhs	--	Directly
	under Schedule VII of the Companies Act, 2013					
Contribution to Chief Ministers Relief Fund Gujarat	Various sectors covered under Schedule VII of the Companies Act, 2013	Gujarat	Rs. 7.00 Lakhs	Rs. 7.00 Lakhs	--	Directly

**F. In case company failed to spend the 2% of average net profit of last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report:**

However due to COVID 2019 pandemic and nationwide lockdown announced in the last week of March 2020, part of amount of Rs. 0.89 Lakhs remained un spend for CSR activities. However, the management is committed and obliged to spend the same during the current financial year at the earliest on the availability of right CSR activities to their satisfaction.

**G. The Company has implemented and monitored CSR policy in accordance with the CSR objectives and policy of the Company.**

**Piyushbhai N. Patel**  
**Managing Director and Chairman of the Committee.**  
**DIN: 00450807**

**Roopin A. Patel**  
**Independent Director and Member of Committee.**  
**DIN: 03302732**

**“ANNEXURE [D]”**

**Form MR-3**

**SECRETARIAL AUDIT REPORT**

**For the Financial Year ended on 31<sup>st</sup> March, 2020**

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

**To,**  
**The Members**  
**ISHAN DYES AND CHEMICALS LIMITED**  
**CIN: L24110GJ1993PLC020737**  
**18, G.I.D.C ESTATE PHASE - 1, VATVA AHMEDABAD - 382445**

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

Considering the situation due to pandemic “COVID 2019” and lockdown being declared nationwide, the process of Audit has been modified. Some of the documents /records /returns / registers/minutes were not verified physically, however, the documents were made available in electronic mode and were verified based on the representations received from the Company for its accuracy and authenticity.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company as given in Annexure 01 and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit by using appropriate Information technology tools like virtual data sharing by way of data room and remote desktop access tools, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter the physical Inspection or Verification of documents and records were taken to the extent possible:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

- (a) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (b) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (c) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (d) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
- (e) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.



- (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not Applicable as there was no reportable event during the financial year under review**
- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 ; **Not Applicable as there was no reportable event during the financial year under review;**
- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review;**
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable as the Company has not delisted/ proposed to delist its equity shares from any Stock Exchange during the financial year under review, and**
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable as there was no reportable event during the financial year under review.**

We have relied on the representations made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other Acts, Laws and Regulations applicable to the Company which are stated above very specifically.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

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

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

#### **MANAGEMENT RESPONSIBILITY:**

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

We further report that:

- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors including Independent Directors and Woman Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- (ii) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Based on the representation made by the company and its officer, Majority decision is carried through and that there were no dissenting member's views on any of the matter during the year that were required to be captured and recorded as part of the minutes.
- (iii) Based on general review of compliance mechanisms established by the Company and on basis of management representations, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. As informed, the company has responded appropriately to notices received if any from various statutory/regulatory authorities including initiating actions for corrective measures, wherever found necessary.
- (iv) All decisions of Board and Committee meetings were carried unanimously.

We further report that during the audit period:

- (i) The Company has issues and allotted 4,703,447 Equity Shares of face value of Rs. 10/- each at an issue price of Rs. 27/- per Equity Share (including premium of Rs. 17/- per Equity Share) aggregating to Rs. 1269.94 Lakh to all the existing members of the Company on a rights basis holding Shares on 10<sup>th</sup> May, 2019.

**For Kunal Sharma & Associates  
Company Secretaries**

**Place: Ahmedabad  
Date: 20<sup>th</sup> July, 2020**

**Kunal Sharma  
FCS No: 10329  
C P No.: 12987  
UDIN: F010329B000476951**



**Documents verified during the course of Audit includes:**

- i. Memorandum & Articles of Association of the Company;
- ii. Annual Report for the Financial Year ended March 31, 2019.
- iii. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee held during the financial year under review, along with the Attendance Registers;
- iv. Proof of circulation & Delivery of notice for Board meetings and Committee Meetings.
- v. Proof of circulation of draft as well as certified signed Board & Committee meetings minutes as per Secretarial Standards
- vi. Minutes of General Body Meeting held during the financial year under review;
- vii. Statutory Registers viz.
  - Register of Directors & KMP & Directors Shareholding
  - Register of loans, guarantees and security and acquisition made by the Company
  - Register of Charges
  
  - Register of Related Party Transaction- Transactions are in the Ordinary Course of Business at Arm's Length Basis.
  - Register of Members;
- viii. Agenda papers submitted to all the Directors/ Members for the Board and Committee Meetings;
- ix. Declarations received from the Directors of the Company pursuant to the provisions of Section 184(1), Section 164(2), Section 149(3) and Section 149(7) of the Companies Act, 2013;
- x. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 1956, if any and Companies Act, 2013, as amended from time to time along with the attachments thereof, during the financial year under review.
- xi. Policies formed by the Company

**"Annexure - [E]"**

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

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

**A. CONSERVATION OF ENERGY**

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

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

	<b>31/03/2020 Amount in Rupees</b>
<b>1. Electricity</b>	
a) Purchased unit in kwh	7935600.00Kwh
Total Amount (Rs.)	6,76,75,978.00
Rate/Unit (Rs.)	8.53
b) Own generation	
Through Diesel Generator Units in kwh	432
Unit per liter of diesel oil (kwh)	0.18
Liter of Diesel	77.76
Total amount (Rs.)	6000
<b>2. Coal</b>	
Quantity (Kg)	5535580 KG
Total Amount (Rs.)	3,04,91,965.00
Average Rate (Rs./MT)	5.51
<b>3. Water</b>	
Quantity (M3)	-
Total Cost (Rs.)	1,86,899/-
Average Rate (Rs./M3)	-

**B. TECHNOLOGY ABSORPTION**

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

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

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

Not Applicable

(iv) The expenditure incurred on Research and Development.

No Specific expenditure has been incurred on R & D.



### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The total exports during the period were Rs. 34.81 Crores (Previous Year Rs. 28.79 Crores). The Company is focusing and putting all its efforts to tap new export markets and widen its clientele base. Also Company supplies under deemed exports.

#### *Total Foreign Exchange used and earned as on 31<sup>st</sup> March, 2020*

		Amount in Rupees
(i)	Used :	
	a) Imports of Raw Materials (CIF)	7,37,48,306
	b) Travelling expenses	3,20,427
	c) Registration Charges	3,55,140
(ii)	Earned :	
	Exports (F.O.B.)	34,81,09,126

## REPORT ON CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR 2019-20;

Pursuant to Schedule V(C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance as on 20<sup>th</sup> July, 2020 (the date of this Report) is given below:

### 1. COMPANY'S PHILOSOPHY:

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

Your Company believes that good governance contributes to enhance corporate growth, its image and benefits for stakeholders. We consistently review on a periodical basis all systems, policies and delegations so as to establish adequate and sound systems of risk management and internal controls.

### 2. BOARD OF DIRECTORS:

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

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

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

As on March 31, 2020 the Board comprised of Eight (8) Directors out of which Three (3) are Executive Directors, One (1) is a Non-Executive and Non-Independent Director including Women Director and other Four (4) are Independent Directors. The composition of the Board is in conformity with the Companies Act, 2013 and the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details for the Board of Directors are as under:

Name of the Director(s)	Category	No of Board Meetings Entitled and Attended		Attendance at the last AGM held on 26 <sup>th</sup> September, 2019	No of outside Directorships including Private Limited Companies	No of outside Committees position held*	
		Held/Entitled	Attended			Member	Chairman
Piyushbhai N. Patel (Promoter)	Executive -Managing Director	13	13	Yes	2	NIL	NIL
Shrinal P. Patel (Promoter)	Executive - Whole Time Director	13	13	Yes	1	NIL	NIL
Anilaben P. Patel (Promoter)	Non-Executive & Non-Independent	13	13	Yes	1	NIL	NIL
Mirali H. Patel (Promoter)	Executive Director	13	13	Yes	1	NIL	NIL
Ronak Y. Desai	Independent Director	13	9	Yes	NIL	NIL	NIL
Mayankkumar H. Patel	Independent	13	13	Yes	NIL	NIL	NIL

	Director						
<b>Roopin A. Patel</b>	Independent Director	13	13	Yes	NIL	NIL	NIL
<b>Yatinbhai G. Patel</b>	Independent Director	13	9	Yes	NIL	NIL	NIL

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

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

Every Director currently on the Board of the Company has personally attended at least one Board / Committee of Directors' Meeting in the financial year 2019-20.

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

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

Pursuant to Section 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules issued thereunder and the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, at the Annual General Meeting held on 27<sup>th</sup> September, 2019 your Company has re-appointed Shri Mayankkumar H. Patel, Shri Yatin G. Patel and Shri Roopin A. Patel as Independent Directors of the Company to hold office for a second term of Five(5) consecutive years i.e. from 23<sup>rd</sup> September 2019 up to 22<sup>nd</sup> September 2024.

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

The term of above Independent Director will be expiring on 28<sup>th</sup> September 2020 and the Board of Directors has re-appointed him at their meeting held on 20<sup>th</sup> July, 2020 subject to Shareholders approval at the ensuing Annual General Meeting by way of Special Resolution.

The Board has recommended the re-appointment of Shri Ronak Yatinkumar Desai as an Independent Director for further term of 5 Years w.e.f 29<sup>th</sup> September 2020 which forms part of the Notice of 27<sup>th</sup> Annual General Meeting of the Company.

In terms of Section 149(7) of the Companies Act, 2013, the Independent Director have submitted declarations that they meet the criteria of Independence as per Section 149(6) of the Companies Act, 2013 and the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Your Company had also issued formal appointment letters to all the Independent Directors in the manner provided under the Companies Act, 2013 and the Securities Exchange Board of India (Listing Obligations



and Disclosure Requirements) Regulations, 2015. The terms and conditions along with draft Appointment letters is also placed on the website of the Company [www.lshandyes.com](http://www.lshandyes.com).

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

During the year 2019-20, there were in total Thirteen (13) Board Meetings held on 23<sup>rd</sup> April 2019, 25<sup>th</sup> May 2019, 4<sup>th</sup> June 2019, 29<sup>th</sup> June 2019, 23<sup>rd</sup> July 2019, 12<sup>th</sup> August 2019, 23<sup>rd</sup> August 2019, 27<sup>th</sup> September 2019, 14<sup>th</sup> November 2019, 18<sup>th</sup> November 2019, 24<sup>th</sup> December 2019, 21<sup>st</sup> January 2020 and 14<sup>th</sup> February 2020. The maximum time gap between the two meetings did not exceed (120) one hundred and twenty days. All the information required to be furnished to the Board was made available along with detailed Agenda.

### **D. Board Procedure**

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

### **E. Directors Seeking Appointment / Reappointment:**

Pursuant to the provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of your Company, Smt. Mirali Hemantbhai Patel, Executive Director of the Company is liable to retire by rotation at the ensuing AGM and being eligible offered herself for reappointment.

Mr. Ronak Yatinkumar Desai (DIN: 02808811) who was appointed as Independent Director of the Company with effect from 29<sup>th</sup> September 2015 to 28<sup>th</sup> September 2020. Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board at its Meeting held on 20<sup>th</sup> July, 2020 has approved there-appointment of Mr. Ronak Yatinkumar Desai (DIN: 02808811) for a further term of five years from 29<sup>th</sup> September 2020 upto 28<sup>th</sup> September 2025, subject to the approval of shareholders through special resolution.

Based on his skills, experience, knowledge and report of his performance evaluation, the Board was of the opinion that his association would be of immense benefit to the Company and it would be desirable to avail his services as an Independent Director.

He is not disqualified from being appointed/ re-appointed as Director by virtue of the provisions of Section 164 of the Act.

Brief resumes and other details of Directors seeking appointment / reappointment forming part of the Notice of 27<sup>th</sup> Annual General Meeting.

### **F. Familiarization Programme**

Your Company has adopted orientation program for all its Directors including the Independent Directors. The Company through such programme provide introduction of Corporate affairs of the Company to the





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

### **G. Independent Directors' Meeting**

In accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and Regulation 25 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a meeting of the Independent Directors of the Company was held on 14<sup>th</sup> February, 2020, without the attendance of Non-Independent Directors and members of the management. In said meeting, Independent Directors inter alia discussed:

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

### **H. Evaluation of Board Effectiveness**

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

Accordingly, the performance evaluation of the Board and each Director was carried out for the financial year ended 31st March, 2020. The evaluation of the Directors was based on various aspects which, inter alia, included the level of participation in the Board Meetings, understanding of their roles and responsibilities, business of the Company, suggestions and experience contributed to the Board.

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

## **3. CODE OF CONDUCT:**

Your Company has adopted a Code of Conduct for all the employees including Board Members and Senior Management Personnel of the Company in accordance with the requirements under the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Code of Conduct has been posted on the website of the Company [www.Ishandyes.com](http://www.Ishandyes.com). All the Board Members and the Senior Management Personnel have affirmed their compliance with the said Code of Conduct for the financial year ended 31st March, 2020.

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

## **4. COMMITTEES OF THE BOARD**

As on 31<sup>st</sup> March, 2020, your Company has total 5 (Five) Committees of the Board, viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility committee and Rights Issue Committee. The terms of reference of each Committee were

approved by the Board and are in line with the requirements of Companies Act, 2013 and the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## A. Audit Committee:

### *Constitution of the Committee*

As on March 31, 2020 composition of members of Audit Committee and their details are mentioned below:

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

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

### *Terms of reference*

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

- Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending to the Board for appointment, re-appointment and if required, the replacement or removal of the Statutory Auditor and the fixation of the fees;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - (a) Matters required being included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
  - (b) Changes, if any, in accounting policies and practices and reasons for the same
  - (c) Major accounting entries involving estimates based on the exercise of judgment by management.
  - (d) Significant adjustments made in the financial statements arising out of audit findings
  - (e) Compliance with listing and other legal requirements relating to financial statements
  - (f) Disclosure of any related party transactions
  - (g) Qualifications in the draft audit report
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Reviewing with the management performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Scrutiny of Inter-Corporate Loans and Investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.



- Discussions with internal auditors any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussions with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- The Audit Committee shall mandatorily review the following information.
  - a. Management discussion and analysis of financial condition and results of operations;
  - b. Statement of significant related party transactions (as defined by the audit committee), submitted by Management ;
  - c. Management letters/letters of internal control weaknesses issued by the statutory auditors ;
  - d. Internal audit reports relating to internal control weakness ; and
  - e. The appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the Audit Committee.
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- To look into any other matter which may be referred to it by the Board.
- In addition to the above, the Committee shall have such functions / role / powers as may be specified in the Companies Act, Listing Agreement with Stock Exchanges or any other applicable law.

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

During the Financial year 2019-20, Four (4) meetings were held on 25<sup>th</sup> May 2019, 12<sup>th</sup> August, 2019, 14<sup>th</sup> November, 2019 and 14<sup>th</sup> February, 2020. The attendance record of the members is as follows:

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

Mr. Roopin A. Patel, Chairman of the Audit Committee, was present at the last Annual General Meeting held on 27<sup>th</sup> September, 2019. The Company Secretary of the Company is the Secretary of the Committee.

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

The Internal Auditors report directly to the Audit Committee.

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

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

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



As on 31<sup>st</sup> March, 2020 the Remuneration Committee consists of the following Directors:

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

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

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

### **Terms of reference**

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

- The Committee shall have meetings periodically as it may deem fit.
- The Committee shall invite such of the executives to be present at the meetings of the Committee required by it.
- The Committee shall have the following powers and functions :
  - a. Identify persons who are qualified to become directors and persons who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
  - b. Carry on the evaluation of every Director's performance;
  - c. Formulate criteria for determining qualifications, positive attributes and independence of a Director;
  - d. Recommend to the Board a policy, relating to the remuneration of the directors, Key Managerial Personnel and other employees;
  - e. Formulate criteria for evaluation of Independent Directors and the Board; and
  - f. Devise a policy on Board Diversity;
  - g. Recommend to the Board, all remuneration, in whatever form, payable to senior management.
- To administer and supervise Employee Stock Option Schemes (ESOS) including framing of policies related to ESOS and reviewing grant of ESOS.
- To Review HR Policies and initiatives.

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

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

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

- Formulate the criteria for appointment as a Director:



The Committee shall formulate broad guidelines and parameters required to be fulfilled for becoming a Director of the Company and review the same ongoing basis. The broad parameters are qualifications, skills, expertise, inter personal qualities, positive attributes, experience, social standing, and etc. factors.

- Identify persons who are qualified to be Directors:

The Committee shall identify persons who are qualified to become Directors and who satisfy the criteria laid down. The process of identification shall include ascertaining, meeting, screening and reviewing candidates for appointment as Directors, whether Independent, Non-Executive or Executive.

- Nominate candidates for Directorships subject to the approval of Board:

The Committee recommends to the Board the appointment of potential candidates as Non- Executive Director or Independent Director or Executive Director, as the case may be.

- Approve the candidates required for senior management positions:

The Committee shall lay down criteria qualifications, skills, expertise and qualities required for senior management positions like Managing Director & CEO, CFO and Company Secretary and members of the Management Committee of the Company.

- Evaluate the performance of the Board:

The Committee shall determine a process for evaluating the performance of every Director, Committees of the Board and the Board. The Committee may seek the support and guidance of external experts and agencies for this purpose as may be required.

- Evaluate the performance of the Managing Director or Whole-time Director and determine their compensation:

The Committee shall evaluate the performance of the Managing Director or Whole-time Director by setting their Key Performance Objectives at the beginning of each financial year. The Committee shall also approve their compensation package(s) in accordance with applicable laws, in line with the Company's objectives, shareholders' interests, comparable with industry standards and in commensurate with the role and responsibilities.

- Review performance and compensation of senior management:

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

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

The details of remuneration paid to the Directors of the Company during the financial year 2019-20 are as under:

Directors	Remuneration paid/payable during 2019-20 (in Rs)				Shares held by Non-Executive Directors
	Sitting Fees	Salary & Perks	Commission	Total	

Shri Piyushbhai N. Patel	NIL	28,02,462	30,00,000	58,02,462	N.A.
Shri Shrinal P. Patel	NIL	21,01,846	30,00,000	51,01,846	N.A.
Smt. Anilaben P. Patel	NIL	NIL	NIL	NIL	12,92,325
Shri Roopin A. Patel	NIL	NIL	NIL	NIL	NIL
Shri Yatinbhai G. Patel	NIL	NIL	NIL	NIL	900
Shri Ronak Y. Desai	NIL	NIL	NIL	NIL	NIL
Shri Mayankumar H. Patel	NIL	NIL	NIL	NIL	450
Shri Mirali Hemantbhai Patel	NIL	5,60,492	NIL	5,60,492	N.A.
<b>Total:</b>	<b>NIL</b>	<b>54,64,800</b>	<b>60,00,000</b>	<b>11464800</b>	

\* The Company has no practice of paying any sitting fees to Independent Directors. Shri Piyushbhai N. Patel and Shri Shrinal P. Patel are eligible for commission linked with profit of the Company in terms of the managerial contract.

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

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

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

During the Financial Year 2019-20, the meetings were held on 25<sup>th</sup> May, 12<sup>th</sup> August, 2019, 27<sup>th</sup> September 2019, 14<sup>th</sup> November, 2019 and 14<sup>th</sup> February, 2020. The attendance records of the Members are as follows:

Name of the Member	No of Meetings	
	Held/Entitled	Attended
Shri Roopin A. Patel	5	5
Shri Ronak Y. Desai	5	4
Shri Mayank H. Patel	5	5
Shri Yatinbhai G. Patel	5	3

Mr. Roopin A. Patel, Chairman of the Nomination and Remuneration Committee, was present at the last Annual General Meeting held on 27<sup>th</sup> September, 2019.

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

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

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

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

As on March 31, 2020 composition of members of the Committee and their details are mentioned below:

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



### Terms of Reference

The terms of reference of the Committee are as under:

- To specifically look into the Redressal of Investors' Grievances pertaining to:
  - Transfer and Transmission of Shares and Debentures.
  - Non-Receipt of Annual Reports.
  - Dividends, Interests and Redemption Proceeds of Debentures.
  - Dematerialization of Shares and Debentures.
  - Replacement of Lost, Stolen, Mutilated Share and Debenture Certificates.
  - Non-receipt of Rights, Bonus, Split Share Certificates.
- To look into other related issues towards strengthening Investors' Relations.
- To consider and approve issuance of Share/Debenture Certificates including Duplicate Share/ Debenture Certificates.
- To look into the reasons for any defaults in the payment to the Depositors, Debenture Holders, Shareholders (in case of nonpayment of Declared Dividends) and Creditors.
- To review the reports submitted by the Registrars and Share Transfer Agents of the Company at half-yearly basis.
- To Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- To Review of measures taken for effective exercise of voting rights by shareholders.
- To Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

### Number of Meetings held and attendance records:

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

During the Financial Year 2019-20, the meetings were held on 25<sup>th</sup> May 2019, 12<sup>th</sup> August, 2019, 14<sup>th</sup> November, 2019 and 14<sup>th</sup> February, 2020. The attendance records of the Members are as follows:

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

### Investors' Grievances Redressal:

There were no pending complaints/transfers as on 31<sup>st</sup> March, 2020 and also there were no complaints which were not resolved to the satisfaction of Shareholders. The summary of status of complaints/request received, disposed and pending as on March 31, 2020 is as under:

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



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

All Share transfer and correspondence thereon are handled by the Company's Registrars and Share Transfer Agents viz. MCS Share Transfer Agent Limited, 1st Floor, Neelam Apartment, 88, Sampatrao Colony, Above Chappanbhog Sweet, Alkapuri, Vadodara - 390 007, Tel:(0265) 2314757, 2350490, Fax:(0265) 2341639E-mail: mcsltbaroda@gmail.com.

**Compliance officer:**

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

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

Mr. Roopin A. Patel, Chairman of the Stakeholders Relationship Committee, was present at the last Annual General Meeting held on 27<sup>th</sup> September, 2019.

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

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

As on March 31, 2020, Composition of members of the Committee and their details are mentioned below:

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

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

During the Financial Year 2019-20, the meeting was held on 25<sup>th</sup> May 2019, 27<sup>th</sup> September 2019 and 14<sup>th</sup> February, 2020. The attendance records of the Members are as follows:

Name of the Member	No of Meetings	
	Held	Attended
Shri Piyushbhai N. Patel	3	3
Shri Roopin A. Patel	3	3
Shri Mayank H. Patel	3	3

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

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

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



## E. Rights Issue Committee

The Board of Directors of the Company at their meeting held on 20<sup>th</sup> March, 2018 has constituted "Rights Issue Committee" to decide various matters concerning the Rights Issue.

As on March 31, 2020, Composition of members of the Committee and their details are mentioned below:

Shri Piyushbhai N. Patel	Chairman	Executive Director
Shri Shrinal P. Patel	Member	Executive Director
Shri Roopin A. Patel	Member	Independent Director

Ms. Ankita V. Shah, Company Secretary of the Company is the Secretary of the Committee.

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

During the Financial Year 2019-20, there were no meeting held of the Rights Issue Committee.

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

- To decide all matters relating to the Rights Issue;
- To decide the issue and offer structure i.e. final Rights Issue size, offer price with premium thereon, if any, rights entitlement ratio, as permitted under the applicable laws, regulations, policies and guidelines, and decide other matters incidental to the Issue;
- To appoint and enter into arrangements with Lead Manger to the Issue, Bankers to the Issue, Registrar to the Issue, Consultants, Legal Advisors to the Issue, Printers, Ad agencies and such other agencies as may be desired and to negotiate and finalize the terms of their appointment, including but not limited to changing and/or substituting any one or more of the above agencies, finalizing the issue expenses including payments to intermediaries, regulators and any other entities as may be required by way of commission, brokerage, fees, charges, reimbursement of expenses etc., execution of the Lead Managers mandate letter, negotiation, finalization and execution of the memorandum of understanding with the Lead Managers etc.;
- To finalize the draft Letter of Offer, Letter of Offer, Composite Application Form, Abridged Letter of Offer, Public announcements, Advertisements and other documents in consultation with the Lead Manager and /or Legal Advisors to the Issue and to make any alteration, addition or vary any of the above, as directed by / in consultation with SEBI or Stock Exchanges and to file the same with SEBI, stock exchange and other concerned authorities and issue the same to the equity shareholders of the Company;
- To apply to the stock exchange for obtaining in-principle approval for listing and, for permission to trade the equity on it with power to settle any query difficulty or doubt that may arise in regard to the rights issue;
- To obtain the requisite approvals, consents and sanctions from SEBI, stock exchange(s), RBI, Registrar of Companies, Government of India, Foreign Investment Promotion Board ("FIPB") if applicable, lenders of the Company etc.;
- To issue public advertisements and notices as per regulatory requirements;
- To decide the opening, closing, extension of Rights Issue Dates, if required i.e. Rights Issue Time Schedule and split applications receipt dates for the Rights Issue and to extend, vary or alter the same as it may deem fit at its absolute discretion or as may be suggested or stipulated by SEBI, Stock Exchange or other authorities from time to time;
- To fix record date(s) for the purpose of the Rights Issue for ascertaining the names of members who will be entitled to the aforesaid offer of Equity Shares in consultation with the stock exchange with which the Company's shares are listed;

10. To open Bank Account(s) to receive applications along with application monies in respect of the issue of shares and to make refunds;
11. To decide the treatment to be given to the fractional entitlement, if any, including rounding upward or downwards or ignoring such fractional entitlements or issue of fractional coupons and the terms and conditions for consolidation of fractional entitlements into a whole share and application to the Company for the same as well as to decide the disposal of the shares representing the fractional coupons which are not so consolidated and presented to the Company for allotment of whole shares or treating fractional entitlement in the manner as may be approved by SEBI and the stock exchange;
12. To finalize basis of Allotment of Equity Shares in consultation with Lead Managers, Registrar and the Designated Stock Exchanges;
13. To issue the Letters of Allotment and Share Certificates to the proposed Allottees either in dematerialized form or in physical form as may be required by the Allottees;
14. To allot Equity Shares in one or more tranches and to do all such acts, deeds, matters and things necessary in connection with the Rights Issue;
15. To credit the Equity Shares when allotted, through NSDL / CDSL / Other Depository to the concerned beneficiary account;
16. To file Listing Application with the Stock Exchanges where the shares are listed ;
17. To file necessary returns, make declarations/ announcements, furnish information etc. to the concerned authorities in connection with the Rights Issue;
18. To sign and execute any other document, agreement, undertaking in connection with the rights issue and to take all such other steps as may be necessary in connection with this Rights Issue.
19. To do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper, desirable and to settle any question, difficulty or doubt that may arise in regard to the offer, issue and allotment and utilization of the proceeds of the Issue;
20. To perform any acts, deeds, things and matters as may be required in connection with such issue and allotment of equity shares;
21. To settle any question, difficulty or doubt that may arise in connection with the Rights Issue including the issue and allotment of the equity shares as aforesaid and to do all such acts, deeds and things as the Committee may in its absolute discretion consider necessary, proper, desirable or appropriate for settling such question, difficulty or doubt and making the said Rights Issue and allotment of equity shares and;
22. Any other matter as may be delegated by the Board from time to time."

#### F. GENERAL BODY MEETINGS:

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

Annual General Meeting	Date and Time	Venue	Details of Special resolutions passed
26 <sup>th</sup> Annual General Meeting (2018-19)	27 <sup>th</sup> September, 2019	18, G.I.D.C. Estate, Phase - 1, Vatva, Ahmedabad - 382 445.	<ul style="list-style-type: none"> <li>• RE-APPOINTMENT OF MR. MAYANKKUMAR HASMUKHBHAI PATEL (DIN: 02838526) AS AN INDEPENDENT DIRECTOR.</li> <li>• RE-APPOINTMENT OF MR. ROOPIN AMRIT PATEL (DIN: 03302732) AS AN INDEPENDENT DIRECTOR.</li> <li>• RE-APPOINTMENT OF MR. YATINBHAI GORDHANBHAI PATEL (DIN: 03616381) AS AN INDEPENDENT DIRECTOR.</li> <li>• APPROVAL FOR INCREASING THE LIMITS APPLICABLE FOR</li> </ul>

			<p>MAKING INVESTMENTS / EXTENDING LOANS AND GIVING GUARANTEES OR PROVIDING SECURITIES IN CONNECTION WITH LOANS TO PERSONS / BODIES CORPORATE</p> <ul style="list-style-type: none"> <li>• APPROVAL FOR TRANSACTIONS OF LOANS, INVESTMENTS, GUARANTEE OR SECURITY UNDER SECTION 185 OF COMPANIES ACT, 2013</li> </ul>
25 <sup>th</sup> Annual General Meeting (2017-18)	14 <sup>th</sup> September, 2018	18, G.I.D.C. Estate, Phase - I, Vatva, Ahmedabad - 382 445.	N.A
24 <sup>th</sup> Annual General Meeting (2016-17)	28 <sup>th</sup> September, 2017	18, G.I.D.C. Estate, Phase - I, Vatva, Ahmedabad - 382 445.	<ul style="list-style-type: none"> <li>• AUTHORITY TO BORROW MONEY IN EXCESS OF LIMITS SPECIFIED UNDER SECTION 180(1)(C) OF THE COMPANIES ACT, 2013</li> <li>• AUTHORITY TO MAKE INVESTMENTS IN EXCESS OF LIMITS SPECIFIED UNDER SECTION 186 OF THE COMPANIES ACT, 2013:</li> </ul>

### **Postal Ballot**

No resolution was passed through Postal Ballot during the Financial Year 2019-20. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing of resolution through Postal Ballot.

### **G. MEANS OF COMMUNICATION:**

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

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

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

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

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

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

## I. GENERAL SHAREHOLDERS INFORMATION:

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

27<sup>th</sup> Annual General Meeting on Friday, 04<sup>th</sup> September, 2020 at 04.00 PM IST through Video Conferencing or other Audio Visual Means.

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

Quarter ended 30 June, 2020	1 <sup>st</sup> week of August, 2020
Quarter ended 30 September, 2020	1 <sup>st</sup> week of November, 2020
Quarter ended 31 December, 2020	1 <sup>st</sup> week of February, 2021
Year ended 31 March, 2021	Mid of May, 2021
Annual General Meeting for the year ending March 31, 2020	August/ September 2021

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

29<sup>th</sup> August, 2020 to 04<sup>th</sup> September, 2020 (both days inclusive).

### **Dividend Payment date:**

The Board of Directors has recommend a Final Dividend of 10% i.e. Rs. 1.00/- per Equity Share of face value of Rs. 10/- on 1,59,68,147 Equity Shares of the Company.

If approved by the Shareholders, it will be paid within 30 days from the date of approval i.e. within 30 days from the date of 27<sup>th</sup> Annual General Meeting.

### **Financial Year:**

The financial year covers the period from 1<sup>st</sup> April to 31<sup>st</sup> March.

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

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

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

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

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

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

### **Stock Market Data:**

The monthly high and low prices and volumes of shares of the Company at BSE Limited (BSE) for the year ended 31<sup>st</sup> March, 2020 are as under:



Month/ Year	No. of Shares Traded	Bombay Stock Exchange Limited(BSE)	
		High (Rs)	Low (Rs)
Apr-2019	48477	35.8	32.9
May-2019	84206	37.1	27.05
Jun-2019	44509	29.3	23.3
Jul-2019	140777	30	22.1
Aug-2019	21328	27.9	22.2
Sep-2019	28214	30	20
Oct-2019	28682	27	21.6
Nov-2019	49520	26.9	22.55
Dec-2019	61173	25.9	22.5
Jan-2020	106233	27	22.1
Feb-2020	170577	37.2	22.65
Mar-2020	59826	26.65	16

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

Month/ Year	Share Price of the Company (Rs)			BSE Sensex (Rs)		
	High	Low	Closing Price	High	Low	Closing Price
Apr-2019	35.8	32.9	34.25	39487.45	38460.25	39031.55
May-2019	37.1	27.05	27.8	40124.96	36956.1	39714.2
Jun-2019	29.3	23.3	25.45	40312.07	38870.96	39394.64
Jul-2019	30	22.1	24.3	40032.41	37128.26	37481.12
Aug-2019	27.9	22.2	24.55	37807.55	36102.35	37332.79
Sep-2019	30	20	25.2	39441.12	35987.8	38667.33
Oct-2019	27	21.6	25.95	40392.22	37415.83	40129.05
Nov-2019	26.9	22.55	24.15	41163.79	40014.23	40793.81
Dec-2019	25.9	22.5	25.15	41809.96	40135.37	41253.74
Jan-2020	27	22.1	24.8	42273.87	40476.55	40723.49
Feb-2020	37.2	22.65	23.4	41709.3	38219.97	38297.29
Mar-2020	26.65	16	19.95	39083.17	25638.9	29468.49

### *Registrars and Share Transfer Agents:*

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

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

### *Share Transfer System:*

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

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

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

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

### Shareholding Pattern:

Shareholding Pattern as on 31<sup>st</sup> March 2020.

Sr. No.	Category	No. of Shares	% of shareholding
<b>A</b>	<b>Promoters Shareholding</b>	<b>9339988</b>	<b>58.49</b>
	<b>Total (A)</b>	<b>9339988</b>	<b>58.49</b>
<b>B</b>	<b>Public Shareholding</b>		
	<i>Non-Institutions</i>		
1	Body Corporate	85373	0.55
2	Individual Shareholders Holding Nominal Share Capital Up-to Rs. 2 lakh	2551220	15.97
3	Individual Shareholders Holding Nominal Share Capital in excess of Rs. 2 lakh	2297443	14.39
4	Non-Resident Individuals	1482607	9.28
5	HUF	211516	1.32
	<b>Total(B)</b>	<b>6628159</b>	<b>41.51</b>
	<b>Grand Total (A+ B)</b>	<b>15968147</b>	<b>100.00%</b>

### Distribution of Share:

Distribution of shareholding as on 31<sup>st</sup> March, 2020:

Category	No. of Shareholders	% to Total No. of Shareholders	No. of Shares	% to Total Shares
1-500	2300	64.66	417467	2.61
501-1000	546	15.36	426119	2.67
1001-2000	266	7.48	389681	2.44
2001-3000	105	2.95	267556	1.67
3001-4000	46	1.29	164433	1.03
4001-5000	40	1.12	184725	1.16
5001-10000	156	4.38	1149502	7.20
10001-50000	76	2.14	1490505	9.34
50001-100000	5	0.14	405608	2.54
100001-200000	7	0.20	918477	5.75
200001-300000	10	0.28	10154074	63.59
<b>Total</b>	<b>3557</b>	<b>100.00</b>	<b>15968147</b>	<b>100.00</b>



### **Dematerialization of Shares:**

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

The shares of your Company are to be compulsorily traded in the dematerialized form. As on 31<sup>st</sup> March, 2020 total 1,41,53,862 Equity Shares comprising of 88.64% of Paid-up Capital of the Company, have been dematerialized by the Investors and bulk of transfers take place in the demat segment.

The Company has not issued any GDR's/ADR's/Warrants or any convertible instruments. Also the Company has not raised any deposits from the public during the financial year 2019-20.

### **Plant Location:**

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

### **Investors Correspondence:**

Registered Office	Secretarial Department	Registrar & Share Transfer Agents
Ishan Dyes and Chemicals Ltd 18, G.I.D.C Estate, Phase - 1, Vatva, Ahmedabad - 382445, Gujarat, INDIA Tel No: 079-25832144/25893607 Fax: 079-25833643 Email id: ishandyes@yahoo.com	The Compliance Officer Ishan Dyes and Chemicals Ltd 18, G.I.D.C Estate, Phase - 1, Vatva, Ahmedabad - 382445, Gujarat, INDIA Tel No: 079-25832144/25893607 Fax: 079-25833643 Email id: ishandyes@yahoo.com	MCS Share Transfer Agent Limited 1st Floor, Neelam Apartment, 88, Sampatrao Colony, Above Chappanbhog Sweet, Alkapuri, Vadodara - 390 007 Tel:(0265) 2314757, 2350490 Fax:(0265) 23416390, E-mail: mcsitdbaroda@gmail.com

### **J. SUBSIDIARY COMPANIES**

Your Company doesn't have any Subsidiaries.

### **K. PROCEEDS FROM PUBLIC ISSUES, RIGHT ISSUES, AND PREFERENTIAL ISSUES ETC.**

During the Year, the Board of Directors has allotted 4,703,447 Equity Shares of face value of Rs. 10/- each at an issue price of Rs. 27/- per Equity Share (including premium of Rs. 17/- per Equity Share) aggregating to Rs. 1269.94 Lakh to all the existing members of the Company on a rights basis.

The Company has fully utilized the money raised from the Rights Issue for the purposes/objects as mentioned in the Offer Document/Letter of Offer i.e. Repayment of Identified Outstanding Loans and the surplus amount has been utilized for the General Corporate purpose in accordance with the applicable regulations and guidelines.

### **L. RELATED PARTY TRANSACTIONS**

During the financial year 2019-20, the Company has entered into Related Party Transactions ("RPTs) in its ordinary course of the business and on arms' length basis; and in accordance with the provisions of the Companies Act, 2013 and the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

#### **M. DISCLOSURES:**

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

#### **N. RECONCILIATION OF SHARE CAPITAL**

On a quarterly basis, a qualified practicing Chartered Accountant / Company Secretary carried out a Share Capital audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit



confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

#### O. GREEN INITIATIVE:

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

#### P. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

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

The Board of Directors at its meeting held on 30<sup>th</sup> March, 2019 approved and adopted the amended Code of Conduct to Regulate, Monitor and Report Trading by Insiders' in line with SEBI (Prohibition of Insider Trading) Regulation, 2015 as amended from time to time.

#### Q. UNCLAIMED DIVIDEND:

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

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

Pursuant to Section 124 of the Companies Act, 2013 the unpaid dividends that are due for transfer to the Investor Education and Protection Fund are as follows:

Type of Dividend	Date of Declaration of Dividend	For the Year ended	Due for Transfer on
Final Dividend	28-Sept-2016	31-Mar-2016	31-Oct-2023
Interim Dividend	23-Feb-2018	31-Mar-2018	29-Mar-2025

#### R. CEO/CFO CERTIFICATION:

The Company is duly placing a certificate to the Board from the Chairman & Managing Director in accordance with the provisions of Securities Exchange Board of India (Listing Obligations and Disclosure



Requirements) Regulations, 2015. The aforesaid certificate duly signed by the Chairman & Managing Director has been placed before the Board in their meetings.

#### **S. DISCLOSURE OF ACCOUNTING TREATMENT**

The standalone and consolidated financial statements for financial year 2019-20 have been prepared in accordance with the applicable Indian Accounting Standards (INDAS) and the provisions of the Companies Act, 2013 and the Rules framed thereunder.

#### **T. CERTIFICATE FROM A COMPANY SECRETARY IN PRACTICE:**

A Certificate from M/s. Kunal Sharma & Associates, Practicing Company Secretaries (Membership No.: FCS 10329) confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or from continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such statutory authority is attached herewith and marked as **Annexure A** to this Report

#### **U. COMPLIANCE CERTIFICATE:**

The Auditors Certification for Compliance of Corporate Grievances Requirements under the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed herewith.

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

**20<sup>th</sup> July, 2020  
Ahmedabad**

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

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**Annexure A****CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

*(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Ishan Dyes & Chemicals Limited** having CIN - **L24110GJ1993PLC020737** and having registered office at **18, G.I.D.C Estate, Phase - 1, Vatva, Ahmedabad - 382445, Gujarat, INDIA** hereinafter referred to as "the Company", produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Director Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31<sup>st</sup> March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No	Name of the Director	DIN	Date of Appointment
1	Piyushbhai Natvarlal Patel	00450807	30-11-1993
2	Shrinal P Patel	02992519	28-01-2010
3	Anilaben Piyushbhai Patel	00450893	05-03-1999
4	Mirali Hemantbhai Patel	08021784	25-03-2019
5	Roopin Amrit Patel	03302732	20-09-2010
6	Mayankkumar Hasmukhbhai Patel	02838526	28-01-2010
7	Yatinbhai Gordhanbhai Patel	03616381	07-09-2011
8	Ronak Yatinkumar Desai	02808811	30-04-2005

Ensuring the eligibility for the appointment & continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Kunal Sharma & Associates  
Company Secretaries**

**Place: Ahmedabad  
Date: 20<sup>th</sup> July, 2020  
UDIN: F010329B000476971**

**Kunal Sharma  
M. No. F10329  
C P No.: 12987**



## DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

I hereby confirm that:

In accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm and declare that, all the Directors and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for Directors & Senior Managerial Personnel of the Company laid down for them for the financial year ended 31<sup>st</sup> March, 2020.

**20<sup>th</sup> July, 2020**  
**Ahmedabad**

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

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

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

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

- (a) We have reviewed the financial statements and the cash flow statement for the Financial Year ended 31<sup>st</sup> March, 2020 and based on our knowledge and belief, we state that :
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2019-20, which are fraudulent, illegal or violative of the Company's code of conduct;
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies, if any.
- (d) We further certify that -
- (i) there have been no significant changes in internal control over financial reporting during the year 2019-20;
  - (ii) there have been no significant changes in accounting policies during the year 2019-20; and
  - (iii) There have been no materially significant fraud of which we have become aware and the involvement therein, of management or an employee having a significant role in the Company's internal control system over financial reporting.

**Piyush N. Patel**  
**Chairman & Managing Director**  
**Place: Ahmedabad**

**Chintan Pancholi**  
**Chief Financial Officer**  
**20<sup>th</sup> July, 2020**



## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

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

We have examined the compliance of conditions of Corporate Governance by **Ishan Dyes & Chemicals Limited, Ahmedabad** ('the Company') for the financial year ended 31<sup>st</sup> March, 2020 as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2020.

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

**Date:** 20<sup>th</sup> July, 2020  
**Place:** Ahmedabad  
**UDIN:** 20124619AAAACY6196

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

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

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **A. INDUSTRY STRUCTURE AND DEVELOPMENT**

The year under review was one of the most encouraging year for the business of the Company. During the year ended the Company has achieved various milestones by recording much improved overall productivity, highest ever turnover, EBITDA and PAT. The Company has achieved total revenue of Rs. 82,49,08,358 and EBITDA of Rs. 1,26,082,135 as against that of Rs. 68,07,36,236 and Rs. 8,79,46,992 respectively for the previous year. The performance has shown growth of 21% in the turnover and 55% growth in PAT.

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

### **B. OPPORTUNITIES, THREATS, RISK AND CONCERNS**

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

The situation arisen due to COVID 2019 has impacted global economies and trade in multiple ways and will also have a far reaching impact. The global sentiments and economics will have an impact on the operations of the Company since the Company is concentrating on export markets. Besides that going forward, your Company also considers challenges and threats mainly on account of fluctuation in the prices of various raw materials which are linked to world petro products and commodity prices, foreign exchange fluctuations, environmental regulations, and general global demand situation. Availability of skilled manpower and contract work force would be another set of challenges to be managed carefully for the growth of the Company.

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

### **C. OUTLOOKS FOR 2020-21**

The management of the Company is putting all efforts to maintain and increase the demand for the products of the Company. Also various cost control measures at all level of operations have been designed and implemented. During past couple of years, the Company had incurred significant amount of capital expenditure on modernization of plant and factory building which will result in overall efficiency improvement, cost savings, increased tonnage of production. All these factors will drive the growth during coming years for the benefits of the Company. Barring unforeseen circumstances, the management is confident of delivering improved results during the coming years. The management is also exploring various expansion plans and opportunities to diversify for creating value chain of business.

#### **D. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

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

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

During the year under review, your Company has achieved satisfactory financial results and details are provided in directors' report. The Company was also successful in export business during the year ended by achieving export turnover of Rs.29.34 Crores.

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

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

#### **G. CAUTIONARY STATEMENT**

The Management Discussion & Analysis describing the Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include the impact of Covid-19 Pandemic, global and domestic demand and supply, input costs, availability, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations

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

**20<sup>th</sup> July, 2020  
Ahmedabad**

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



TO THE MEMBERS OF ISHAN DYES & CHEMICALS LIMITED

## REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

### Opinion

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

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

### Basis of for opinion

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

### Key Audit Matters

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

#### a) VAT Refund:

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

#### b) Advance given for Capex:

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



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

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

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

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

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

### 1. Management's Responsibility For The Standalone Ind As Financial Statements

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

## Report On Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
  - e. On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended :

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

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its Ind AS financial position in its financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts which may lead to foreseeable losses, although company enters into short term forward contracts to hedge against foreign currency movements. It has been appropriately disclosed in its financial.
  - iii. There the Company does not have any dues that are required to be transferred to the Investor Education and Protection Fund.
  - iv. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the

matters specified in paragraphs 3 and 4 of the Order.

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

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

CA. Bhargav Vaghela  
Partner  
M. No: 124619  
FRN: 008744N  
UDIN : 20124619AAAABY8348

## **Annexure "A"**

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

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date) REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (i) OF SUBSECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of ISHAN DYES & CHEMICALS LIMITED ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

#### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and whether such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgments, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded

as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and payments of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **OPINION**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Date: 9<sup>th</sup> June, 2020

Place: Ahmedabad

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

CA. Bhargav Vaghela  
Partner

M. No: 124619

FRN: 008744N

UDIN : 20124619AAAABY8348

## Annexure "B"

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

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

### **Annexure to the Independent Auditors' Report of even date to the members of Ishan Dyes & Chemicals Ltd. on the financial statements for the year ended 31<sup>st</sup> March 2020.**

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

#### **i. In respect of Company's fixed assets:**

- a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. As Explained to us, all the fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies between book records and the physical inventories have been noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- c. According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

#### **ii. In respect of inventories:**

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

iii. According to the information and explanations given to us, the Company has *granted interest free* unsecured loan to the Director of the Company, covered in the register maintained under section 189 of the Companies Act, 2013. The total loan amount outstanding at the end of the year is Rs. 15.00 Lacs. According to the information and explanations the terms and conditions of the grant of the loan are not prima facie prejudicial to the interests of the company. *However as no specific terms and conditions with regard to the repayment have been specified, we are not able to comment on the compliance with schedule of repayment and overdue amount.*

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities.

v. According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (v) of paragraph 3 of the Order is not applicable to the Company.

vi. On the basis of records produced we are of the opinion that prima facie cost records and accounts prescribed by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 in respect of products of 'the Company' covered under the rules under said section have been made and maintained. However we are neither required to carry out nor have carried out any detailed examination of such accounts and records.

vii. In respect of statutory dues:

a. According to the information and explanations give to us, the Company in general is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, duty of Customs, Duty of Excise, Value Added Tax, Goods and Service Tax, Cess and other material statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2020 for a period of more than six months from the date of becoming payable

b. The details of the dues outstanding in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, duty of Customs, Duty of Excise, Value Added Tax and Cess which have not been deposited as on March 31, 2020 on account of disputes in case of Ishan Dyes & Chemicals Limited are given below:

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

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks.

ix. In our opinion and according to the information and explanations given to us, monies raised by way of debt instruments and the term loans during the year have been applied by the Company for the purposes for which they were raised.

x. The Company has raised Rs. 1269.93 Lacs by way of Right Issue and they have been applied for the purpose for which they were raised. Company has used the money to repay the credit facilities with The Kalupur Commercial Co-operative Bank Limited and meeting right issue expenses.

xi. In our opinion and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

xii. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

xiii. The Company is not a Nidhi Company and hence reporting under clause (xii) of Paragraph 3 of the Order is not applicable.

xiv. In our opinion and according to the information and explanations given to us the Company's transactions with its related party are in compliance with Sections 177 and 188 of the Companies Act.

2013, where applicable, and details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

- xv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of Paragraph 3 of the Order is not applicable to the Company.
- xvi. In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence reporting under clause (xv) of Paragraph 3 of the Order is not applicable to the Company.
- xvii. In our opinion and according to information and explanations provided to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

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

CA. Bhargav Vaghela  
Partner  
M. No: 124619  
FRN: 008744N  
UDIN : 20124619AAAAABY8348



**Ishan Dyes & Chemicals Limited**

Reg. Off: Plot No. 18, GIDC Estate, Phase I, Vatva, Ahmedabad 382445  
 Tel.: 079-25832144/25893607, Fax: 079-25833643  
 E-mail: ishandyes@yahoo.com, Website: www.ishandyes.com  
 CIN: L24110GJ1993PLC020737

Balance Sheet as at March 31, 2020

**(Amount in Rs.)**

Particulars	Note	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	284,955,497	261,163,913
Capital work-in-progress	2.1	-	-
Intangible Assets	3	4,766,667	-
Intangible Assets under Development	3.1	6,361,200	-
Financial Assets			
Investments	4	205,000	205,000
Deferred Tax Asset (Net)		-	-
Other non-current assets	5	24,034,348	10,920,168
<b>Total Non-Current Assets</b>		<b>320,322,712</b>	<b>272,289,081</b>
<b>Current Assets</b>			
Inventories	6	89,643,586	93,890,378
Financial Assets			
Trade receivables	7	188,551,155	123,344,035
Cash and cash equivalents	8	11,565,323	2,371,496
Financial Asset-Loans	9	2,249,997	484,571
Other Current assets	10	52,940,197	55,777,917
<b>Total Current Assets</b>		<b>344,950,258</b>	<b>275,868,396</b>
<b>Total Assets</b>		<b>665,272,970</b>	<b>548,157,477</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	11	159,681,470	112,647,000
Other equity	12	381,824,292	221,903,851
<b>Total Equity</b>		<b>541,505,762</b>	<b>334,550,851</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Financial Liabilities			
Borrowings	13	6,215,313	31,750,908
Provisions	14	7,639,068	6,384,804
Deferred Tax Liabilities (Net)	15	9,306,581	12,284,833
<b>Total Non-Current Liabilities</b>		<b>23,160,962</b>	<b>50,420,546</b>
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	16	14,484,041	78,094,605
Trade payable	17	63,078,501	65,899,909
Other	18	3,390,135	11,216,544
Other Current Liabilities	19	7,651,421	590,698
Provisions	20	12,002,149	7,384,324
<b>Total Current Liabilities</b>		<b>100,606,246</b>	<b>163,186,081</b>
<b>Total Equity and Liabilities</b>		<b>665,272,970</b>	<b>548,157,477</b>
Significant Accounting Policies	1		
The accompanying notes are forming an integral part of the standalone financial statements.	2 to 46		

As per our report on even date

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

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

Place : Ahmedabad  
 Date : 09th June, 2020

**Piyush N. Patel** Chairman & Managing Director  
 DIN - 00450007

**Shrinal P. Patel** Whole Time Director  
 DIN - 02992519

**Roopin A. Patel** Independent Director  
 DIN - 03302732

**Chintan Pancholi** Chief Financial Officer  
 PAN - ARJPP4526E

**Ankita V. Shah** Company Secretary  
 M. No - A 40326

Place : Ahmedabad  
 Date : 09th June, 2020

**Ishan Dyes & Chemicals Limited**

Reg. Off: Plot No. 18, GIDC Estate, Phase I, Vatva, Ahmedabad 382445

Tel: 079-25832144/25893607, Fax: 079-25833643

E-mail: ishandyes@yahoo.com, Website: www.ishandyes.com

CIN: L24110GJ1993PLC020737

Statement of Profit &amp; Loss for the year ended March 31, 2020

(Amount in Rs.)

	Particulars	Note	2019-20	2018-19
<b>1</b>	<b>REVENUES:</b>			
	Revenue from operations	21	801,451,040	668,094,150
	Other Income	22	23,457,319	12,642,087
	<b>Total Revenue</b>		<b>824,908,358</b>	<b>680,736,236</b>
<b>2</b>	<b>Expenses:</b>			
	(a) Cost of materials consumed	23	457,521,539	410,977,461
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(7,771,203)	(31,782,523)
	(c) Employee benefits expense	25	71,712,214	59,017,375
	(d) Finance Cost	26	5,946,526	9,322,711
	(e) Depreciation and amortisation expense	2 & 3	17,777,713	12,688,264
	(f) Other expenses	27	80,759,930	70,399,756
	(g) Power Expenses		67,675,978	54,723,371
	(h) Fuel Expenses		28,927,767	29,453,805
	<b>Total Expenses</b>		<b>722,550,463</b>	<b>614,800,220</b>
<b>3</b>	<b>Profit before Interest, Depreciation &amp; Tax (PBDT)</b>		<b>102,357,896</b>	<b>65,936,017</b>
<b>4</b>	Exceptional Items		-	-
<b>5</b>	<b>Profit/(Loss) from ordinary activities before tax (5 - 6)</b>		<b>102,357,896</b>	<b>65,936,017</b>
<b>6</b>	<b>Tax Expenses</b>			
	- Current tax		23,400,000	15,400,000
	- Short/(Excess) provision of tax in respect of earlier years		(148,328)	(790,950)
	- Deferred tax		(2,978,252)	8,048,190
	<b>Total Tax Expenses</b>		<b>20,273,420</b>	<b>22,657,240</b>
<b>7</b>	<b>Net Profit(loss) for the period</b>		<b>82,084,476</b>	<b>43,278,776</b>
<b>8</b>	Other Comprehensive income net of taxes		43,370	5,350
<b>9</b>	<b>Total Comprehensive Income for the period</b>		<b>82,127,846</b>	<b>43,284,126</b>
<b>10</b>	<b>Earnings per equity share of face value of Rs. 10 each</b>			
	(a) Basic (in INR)	35	5.82	3.84
	(b) Diluted (in INR)	35	5.82	3.84
	Significant Accounting Policies	1		
	The accompanying notes are forming an integral part of the standalone financial statements.	2 to 46		

As per our report on even date

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

Chartered Accountants

**Bhargav Vagehla**

Partner

M. No. : 124619

FRN: 008744N

Place : Ahmedabad

Date : 09th June, 2020

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

DIN - 00450807

**Shrinal P. Patel** Whole Time Director

DIN - 02992519

**Roopin A. Patel** Independent Director

DIN - 03302732

**Chintan Pancholi** Chief Financial Officer

PAN - ARJPP4526E

**Ankita V. Shah** Company Secretary

M. No - A 40326

Place : Ahmedabad

Date : 09th June, 2020

**Ishan Dyes & Chemicals Limited**

Reg. Off: Plot No. 18, GIDC Estate, Phase I, Vatva, Ahmedabad 382445

Tel.: 079-25832144/25893607, Fax: 079-25833643

E-mail: ishandyes@yahoo.com, Website: www.ishandyes.com

CIN: L24110GJ1993PLC020737

## Statement of Changes in Equity

**A. Equity Share Capital**
**(Amount in Rs.)**

Note	Amount
As at April 01, 2018	112,647,000
Issued during the year -	-
As at March 31, 2019	112,647,000
Issued during the year -	47,034,470
As at March 31, 2020	159,681,470

**B. Other Equity**

Note	Reserves and Surplus				Total Amount
	Securities Amount Premium	Revaluation Reserve	Retained Earning	Other Comprehensive Income	
Balance as at April 01, 2018	5,375,000	12,136,953	160,944,973	162,799	178,619,725
Addition for the year	-	-	43,278,776	-	43,278,776
Other Comprehensive Income	-	-	-	5,350	5,350
<b>Total comprehensive income for the year</b>	-	-	<b>43,278,776</b>	<b>5,350</b>	<b>43,284,126</b>
Transfer from Retained Earning to General reserve	-	-	-	-	-
Balance as at March 31, 2019	5,375,000	12,136,953	204,223,749	168,149	221,903,851
Balance as at April 01, 2019	5,375,000	12,136,953	204,223,749	168,149	221,903,851
Addition for the year	77,792,596	-	82,084,476	-	159,877,072
Other Comprehensive Income	-	-	-	43,370	43,370
<b>Total comprehensive income for the year</b>	<b>83,167,596</b>	<b>12,136,953</b>	<b>286,308,224</b>	<b>211,519</b>	<b>381,824,292</b>
Dividend paid (Including Tax thereon)	-	-	-	-	-
Balance as at March 31, 2020	83,167,596	12,136,953	286,308,224	211,519	381,824,292

As per our report on even date

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

Chartered Accountants

**Bhargav Vaghela**

Partner

M. No. : 124619

FRN: 008744N

Place : Ahmedabad

Date : 09th June, 2020

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

DIN - 00450807

**Shrinal P. Patel** Whole Time Director

DIN - 02992519

**Roopin A. Patel** Independent Director

DIN - 03302732

**Chintan Pancholi** Chief Financial Officer

PAN - ARJPP4526E

**Ankita V. Shah** Company Secretary

M. No - A 40326

Place : Ahmedabad

Date : 09th June, 2020

**Ishan Dyes & Chemicals Limited**

Reg. Off: Plot No. 1B, GIDC Estate, Phase I, Vatva, Ahmedabad 382445

Tel.: 079-25832144/25893607, Fax: 079-25833643

E-mail: ishandyes@yahoo.com, Website: www.ishandyes.com

CIN: L24110GJ1993PLC020737



Cash Flow Statement for the year ended March 31, 2020

**(Amount in Rs.)**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	Audited	Audited
<b>Cash flow from operating activities</b>		
Net profit before tax	102,357,896	65,936,017
Adjustments for:		
Depreciation	17,777,713	12,688,264
Finance Cost	5,946,526	9,322,711
Interest Income	(5,632,083)	(151,927)
Loss/(profit) on sale of fixed assets (net)	(600,000)	-
<b>Operating profit before working capital changes</b>	<b>119,850,051</b>	<b>87,795,064</b>
<b>Adjustment for change in working capital</b>		
(Increase)/decrease in Inventories	4,246,792	(33,321,554)
(Increase)/decrease in Trade Receivables	(65,207,120)	39,348,695
(Increase)/decrease in other assets	(11,998,517)	(18,534,636)
Increase/(Decrease) in Trade payables	(2,821,408)	(10,651,589)
Increase/(Decrease) in Other Liabilities	(765,686)	402,464
Increase/(Decrease) in Provisions	4,617,825	(1,612,276)
<b>Cash generated from operations</b>	<b>47,921,937</b>	<b>63,426,169</b>
Direct taxes paid (net)	(21,997,408)	(13,581,742)
<b>Net cash generated from operating activities</b>	<b>25,924,529</b>	<b>49,844,427</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets (including capital work in progress)	(40,835,964)	(68,161,067)
Intangible Assets	(11,861,200)	-
Proceeds from sale of fixed assets	600,000	-
Interest received	5,632,083	151,927
<b>Net cash used in investing activities</b>	<b>(46,465,081)</b>	<b>(68,009,140)</b>
<b>Cash flow from financing activities</b>		
Issue / (Buyback) of Equity Shares	124,827,066	-
Proceeds / (Repayment) of long term borrowings	(25,535,595)	3,233,683
Proceeds from short term borrowings	(63,610,565)	23,832,044
Interest paid	(5,946,526)	(9,322,711)
<b>Net cash used in financing activities</b>	<b>29,734,381</b>	<b>17,743,016</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>9,193,828</b>	<b>(421,696)</b>
<b>Cash and cash equivalents at the beginning of year</b>	<b>2,371,496</b>	<b>2,793,193</b>
<b>Cash and cash equivalents at the end of year</b>	<b>11,565,325</b>	<b>2,371,496</b>
<b>Components of cash and cash equivalents</b>		
Cash in hand	17,139	97,001
Balance with scheduled banks	-	-
- current accounts	298,402	334,588
- deposit account	11,249,782	1,939,907
	<b>11,565,325</b>	<b>2,371,496</b>

1. Figures given in brackets indicate cash outflow.

2. The figures of the previous year have been regrouped/reclassified, where necessary, to confirm with the classification of the current year.

3. The above cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standards (Ind AS-7) "Statement of Cash Flows".

This is the Cash flow statement referred to in our report of even date

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

Chartered Accountants

**Bhargav Vaghela**

Partner

M. No.: 124 619

FRN: 008744N

For and on behalf of the Board

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

DIN - 00450807

**Shrinai P. Patel** Whole Time Director

DIN - 02992519

**Roopin A. Patel** Independent Director

DIN - 03302732

**Chintan Pancholi** Chief Financial Officer

PAN - ARJPP4526E

**Ankita V. Shah** Company Secretary

M. No - A 40326

Place : Ahmedabad

Date : 09th June, 2020

Place : Ahmedabad

Date : 09th June, 2020

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS****A.: CORPORATE INFORMATION:**

The Company Ishan Dyes and Chemicals Limited was incorporated on 30th November, 1993 under the Companies Act, 1956 having CIN L24110GJ1993PLC020737 with its Registered Office at, "Plot No. 18, GIDC Estate, Phase 1, Vatva, Ahmedabad - 382445". The Company is at present listed on BSE Limited (Bombay Stock Exchange). The Company is engaged into the business of manufacturing Copper Phthalocyanine Crude Blue (CPC Blue) and Pigment Blues. The manufacturing facility is located at Registered Office. The products of the Company are well-established in the international and domestic market.

**B.: SUMMARY OF BASIS OF COMPLIANCE, BASIS OF PREPARATION AND PRESENTATION, CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS AND SIGNIFICANT ACCOUNTING POLICIES:****B.1 BASIS OF COMPLIANCE**

The financial statements comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ('the 2013 Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

**B.2 BASIS OF PREPARATION AND PRESENTATION**

The financial statements have been prepared under the historical cost convention using the accrual method of accounting basis, except for certain financial instruments that are measured at fair values at the end of each reporting period as explained in the significant accounting policies below.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the 2013 Act.

**B.3 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS**

The preparation of the financial statements requires management to make estimates, assumptions and judgments that affect the reported balances of assets and liabilities and disclosures as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates considering different assumptions and conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Impact on account of revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below.

**C.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****a): Property, plant and equipment (PPE IND AS 16)**

These tangible assets are held for use in production, supply of goods or services or for administrative purposes. Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment losses except for freehold land which is not depreciated. Cost includes purchase price after deducting trade discount/rebate, import duties, non-refundable taxes, Net of Cenvat and VAT credit/GST input credit wherever applicable, cost of replacing the component parts, borrowing costs and other directly attributable cost of bringing the asset to its working condition in the manner intended by the management.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

The cost of an item of PPE is recognised as an asset if, and only if, it is probable that the economic benefits associated with the item will flow to the Company in future periods and the cost of the item can be measured reliably. Expenditure incurred after the PPE have been put into operations, such as repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred.

Items such as spare parts, standby equipment and servicing equipment are recognised as PPE when it is held for use in the production or supply of goods or services, or for administrative purpose, and are expected to be used for more than one year. Otherwise such items are classified as inventory.

The Company adjusts exchange differences arising on translation difference/settlement of long term foreign currency monetary items outstanding and pertaining to the acquisition of a depreciable asset to the cost of asset and depreciates the same over the remaining life of the asset. The depreciation on such foreign exchange difference is recognised from first day of its financial year

#### **De-recognised upon disposal**

An item of PPE is derecognised on disposal or when no future economic benefits are expected from use or disposal. Any gain or loss arising on derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss when asset is derecognised.

#### **Treatment of Expenditure during Construction Period**

Expenditure, net of income earned, during construction (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) period is included under capital work-in-progress, and the same is allocated to the respective PPE on the completion of construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other Non-Current Assets".

#### **Depreciation**

The depreciable amount of an asset is determined after deducting its residual value. Where the residual value of an asset increases to an amount equal to or greater than the asset's carrying amount, no depreciation charge is recognized till the asset's residual value decreases below the asset's carrying amount. Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the intended manner. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale in accordance with IND AS 105 and the date that the asset is derecognised.

The Company depreciates its property, plant and equipment (PPE) over the useful life in the manner prescribed in Schedule II to the Act. Management believes that useful life of assets are same as those prescribed in Schedule II to the Act, except for plant and equipment wherein based on technical evaluation, useful life has been estimated to be different from that prescribed in Schedule II of the Act.

The identified component of fixed assets are depreciated over the useful lives and the remaining components are depreciated over the life of the principal assets.

Depreciation on fixed assets added/disposed off during the period is provided on pro-rata basis with reference to the date of addition/disposal.

The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

### **b): Investments**

The Company reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is an indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

### **c): Borrowing cost (IND AS 23)**

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

### **d): Inventories (IND AS 2)**

The inventory is valued as follows:

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

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

**e): Impairment loss (IND AS 36)**

At the end of each reporting period, the Company reviews the carrying amounts of its PPE and other intangible assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The resulting impairment loss is recognised in the Statement of Profit and Loss. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or CGU in prior years. A reversal of an impairment loss is recognised in the Statement of Profit and Loss.

**f): Employee benefits (IND AS 19)**

**Short term employee benefits**

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

**Post-employment benefits**

**1. Defined Benefit Plan**

**GRATUITY**

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

**2. Defined Contribution Plans**

**PROVIDENT FUND**

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

**g): Cash and cash equivalents (IND AS 7)**

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

**h): Foreign currency translation**

The functional currency of Ishan Dyes and Chemical Limited (i.e. the currency of the primary economic environment in which the Company operates) is Indian Rupee.

On initial recognition, all foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the date of the transaction. As at the reporting date, foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and the exchange gains or losses are recognised in the Statement of Profit and Loss.

**i): Revenue recognition (IND AS 18)**

Revenue is recognised only when risks and rewards incidental to ownership are transferred to the customer, it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations are net of GST and adjusted for discounts (net).

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

Dividend income is recognised when the Company's right to receive the payment has been established.

**j): Provision, contingent liabilities and contingent assets (IND AS 37)**

Provision is recognised in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are neither recognised nor disclosed in the financial statements.

**k): Taxes (IND AS 12)**

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

Minimum Alternate Tax is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised, it is credited to the Statement of Profit and Loss and is considered as (MAT Credit Entitlement). The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period. Minimum Alternate Tax (MAT) Credit are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence, it is presented as Deferred Tax Asset.

**l): Financial instruments (IND AS 109)**

**i) Financial Assets**

**A. Initial recognition and measurement**

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

**B. Subsequent measurement**

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

**a) Financial assets carried at amortised cost (AC)**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest



income from these financial assets is included in finance income using the effective interest rate method.

**b) Financial assets at fair value through other comprehensive income (FVTOCI)**

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income ('FVTOCI'). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains or losses which are recognised in Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised as gains/ (losses) within other income or other expense. Interest income from these financial assets is included in other income using the effective interest rate method.

**c) Financial assets at fair value through profit or loss (FVTPL)**

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at FVTPL and is not part of a hedging relationship is recognised in profit or loss and presented net in the Statement of Profit and Loss as gains/(losses) within other income or other expense in the period in which it arises. Interest income from these financial assets is included in other income.

**C. Investment in equity instruments**

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments are recognised in the Statement of Profit and Loss as Other Income when the Company's right to receive payments is established. Changes in the fair value of financial assets at FVTPL are recognised as gains/(losses) within other income or other expense in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

**ii) Financial liabilities**

**A. Initial recognition and measurement**

The Company's financial liabilities comprise borrowings, trade payables and other liabilities. These are initially measured at fair value, net of transaction costs,

**B. Subsequent measurement**

Subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

**m) Cash Dividend to Equity Holders of the Company:**

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

**n): Fair Value Measurement (IND AS 113)**

The Company measures financial instruments, such as investments (other than equity investments in Subsidiaries, Joint Ventures and Associates) and derivatives at fair values at each Balance Sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

**o): Events occurring after the balance sheet date (IND AS 10)**

Assets and liabilities are adjusted for events occurring after the reporting period that provides additional evidence to assist the estimation of amounts relating to conditions existing at the end of the reporting period.

Dividends declared by the Company after the reporting period are not recognized as liability at the end of the reporting period. Dividends declared after the reporting period but before the issue of financial statements are not recognized as liability since no obligation exists at that time. Such dividends are disclosed in the notes to the financial statements.

(Amount in Rs.)

Sr. No.	Fixed Assets	Gross Block				Accumulated Depreciation			Net Block	
		Balance as at 1st April 2019	Additions during the year	Disposals during the year	Balance as at 31st March 2020	Balance as at 1st April 2019	Depreciation provided for the year	Reversals	Balance as at 31st March 2020	Balance as at 31st March 2019
1	Land	20,390,888	-	-	20,390,888	-	-	-	20,390,888	20,390,888
2	Factory Building	145,291,276	11,896,487	-	157,187,763	17,660,458	5,879,828	-	133,647,477	127,630,818
3	Office Building	5,931,922	-	-	5,931,922	1,710,978	272,475	-	3,948,469	4,220,945
4	Electrical Fittings	21,299,337	-	-	21,299,337	10,471,377	712,483	-	10,115,477	10,827,960
5	Plant & Machinery	143,812,774	7,216,203	-	151,028,977	60,083,420	5,452,569	-	85,492,988	83,729,354
6	Plant & Equipment	20,068,347	7,641,093	-	27,709,440	9,101,731	2,321,612	-	16,286,097	10,966,616
7	Office Equipments	4,301,533	596,017	-	4,897,550	2,326,238	394,177	-	2,177,135	1,975,295
8	Computer	1,354,247	4,407	-	1,358,654	1,312,148	10,520	-	35,986	42,099
9	Furniture & Fixtures	2,119,951	-	-	2,119,951	1,756,449	307,534	-	2,063,984	363,502
10	Vehicles	17,148,753	13,481,758	1,595,010	29,035,501	16,132,317	1,693,182	1,595,010	12,805,012	1,016,436
<b>Grand Total</b>		<b>381,719,029</b>	<b>40,835,964</b>	<b>1,595,010</b>	<b>420,959,984</b>	<b>120,555,116</b>	<b>17,044,380</b>	<b>1,595,010</b>	<b>284,955,497</b>	<b>261,163,913</b>
<b>Previous Year</b>		<b>305,751,072</b>	<b>75,967,957</b>	<b>-</b>	<b>381,719,029</b>	<b>107,866,853</b>	<b>12,688,264</b>	<b>-</b>	<b>120,555,116</b>	<b>197,884,219</b>

Note : 2.1 Capital Work in Process:

Particulars	Amount in Rs.
Balances at the beginning of the Year	-
Add: Addition during the year	19,138,629
Less: Capitalised during the year	19,138,629
Balances at the End of the Year	-



**Notes to Financial Statements**
**Note : 3 Intangible Assets**

Amount in Rs.

Sr. No.	Particulars	Balances as at 1st April 2019	Addition during the year	Amortisation During the Year	Balances as at 31st March 2020
1	CETP Effluent Treatment Water Booking	-	5,500,000	733,333	4,766,667
	<b>Total</b>	-	<b>5,500,000</b>	<b>733,333</b>	<b>4,766,667</b>

**Note : 3.1 Intangible Assets under Development**

Amount in Rs.

Sr. No.	Particulars	Balances at the 1st April 2019	Addition during the year	Capitalised during the year	Balances as at 31st March 2020
1	Deep Sea Effluent Disposal Pipeline Project	-	4,309,200	-	4,309,200
2	Green Fantom Project	-	2,052,000	-	2,052,000
3	CETP Effluent Treatment Water Booking	-	5,500,000	5,500,000	
	<b>Total</b>	-	<b>11,861,200</b>	<b>5,500,000</b>	<b>6,361,200</b>

Note: Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

**Notes to Financial Statements**  
For the year ended March 31, 2020**Note - 4 Non Current Investments****(Amount in Rs.)**

Particulars	As at March 31,2020	As at March 31,2019
<b>Unquoted Shares fully paid up</b>		
The Green Environment Services Co-op. Soc. Ltd. (50 no. of Equity Shares of Rs.100/- each)	5,000	5,000
The Kalapur Commercial Co.Op. Bank (Shares) (8,000 no. of Equity Shares of Rs.25/- each)	200,000	200,000
<b>Total</b>	<b>205,000</b>	<b>205,000</b>

**Note - 5 Other Non Current Assets****(Amount in Rs.)**

Particulars	As at March 31,2020	As at March 31,2019
Capital Advances	22,753,873	10,119,669
Deposits	1,241,050	359,262
Gratuity - Net Asset	-	413,547
Advance Tax (FY 16-17)	27,690	27,690
Advance Tax (FY 18-19)	11,735	-
<b>Total</b>	<b>24,034,348</b>	<b>10,920,168</b>

**Note - 6 Inventories****(Amount in Rs.)**

Particulars	As at March 31,2020	As at March 31,2019
Raw Materials	4,736,276	17,119,836
Work-in-Progress	78,238,231	75,325,497
Finished Goods	5,490,677	632,208
Stores & Spares	183,360	183,360
Fuel	896,363	467,634
ETP Material	98,679	161,843
<b>Total</b>	<b>89,643,586</b>	<b>93,890,378</b>

**Note - 7 Trade Receivables****(Amount in Rs.)**

Particulars	As at March 31,2020	As at March 31,2019
Unsecured, Considered good	188,551,155	123,344,035
<b>Total</b>	<b>188,551,155</b>	<b>123,344,035</b>

**Note - 8 Cash and Cash Equivalents**
*(Amount in Rs.)*

Particulars	As at March 31,2020	As at March 31,2019
<b>Cash on Hand</b>	17,139	97,001
<b>Balances with Banks</b>		
Current Accounts	298,402	334,588
Fixed Deposits	11,249,782	1,939,907
<b>Total</b>	<b>11,565,323</b>	<b>2,371,496</b>

**Note - 9 Financial Asset-Loans**
*(Amount in Rs.)*

Particulars	As at March 31,2020	As at March 31,2019
<b>Unsecured Considered good:-</b>		
Staff Loans	2,249,997	484,571
<b>Total</b>	<b>2,249,997</b>	<b>484,571</b>

**Note - 10 Other Current Assets**
*(Amount in Rs.)*

Particulars	As at March 31,2020	As at March 31,2019
Advances recoverable	523,873	25,456,934
Advances to suppliers	21,368,104	3,498,992
Balances with Government Authorities	29,101,962	25,777,663
Prepaid Expenses	1,946,259	1,044,328
<b>Total</b>	<b>52,940,197</b>	<b>55,777,917</b>

**Note - 11 Equity**
*(Amount in Rs.)*

Particulars	As at March 31,2020		As at March 31,2019	
<b>Authorised :</b>				
Equity Shares of Rs. 10/- Each	25,000,000	250,000,000	25,000,000	250,000,000
<b>Issued, Subscribed and Paid-up :</b>				
Equity Shares of Rs. 10/- each	15,968,147	159,681,470	11,264,700	112,647,000
<b>Total</b>	<b>15,968,147</b>	<b>159,681,470</b>	<b>11,264,700</b>	<b>112,647,000</b>

**Notes:**

The Company has equity shares having a par value of Rs. 10 per share. All equity shares rank equally with regard to dividend and share in the Company's residual assets in proportion of amount paid up. The equity shares are entitled to receive dividend as declared from time to time. Each holder of the equity shares is entitled to one vote per share. On winding up of Company, the holder of equity shares will be entitled to receive the residual assets of Company, remaining after distribution of all preferential amounts in proportion to number of equity shares held.

**Note - 11.1** The reconciliation of the number of shares outstanding is set out below :

Share Capital	As at March 31,2020		As at March 31,2019	
	Number	Rs.	Number	Rs.
Equity Shares Outstanding at the beginning of the year	11,264,700	112,647,000	11,264,700	112,647,000
Equity Shares issued during the year	4,703,447	47,034,470	-	-
Equity Shares bought back during the year	-	-	-	-
Equity Shares outstanding at the end of the year	15,968,147	159,681,470	11,264,700	112,647,000

**Note - 11.2** The details of shareholders holding more than 5% shares :

Name of Shareholder	As at March 31,2020		As at March 31,2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mirali H. Patel	2,166,494	13.57%	1,483,900.00	13.17%
Piyush N. Patel	3,964,859	24.83%	1,665,650	14.79%
Shrinal P. Patel	1,665,210	10.43%	983,500	8.73%
Ramila B. Patel	716,055	4.48%	716,055	6.36%
Anilaben Piyushbhai Patel	1,292,325	8.09%	363,750	3.23%

**Shares issued for other than cash, Bonus issue and Shares bought back**

During the Year, the Board of Directors at their meeting held on 23rd August, 2019 allotted 4,703,447 Equity Shares of face value of Rs. 10/- each at an issue price of Rs. 27/- per Equity Share (including premium of Rs. 17/- per Equity Share) aggregating to Rs. 1269.94 Lakh to the eligible existing members of the Company who had applied on a rights basis holding Shares on 10th May, 2019.

The Right Issue Offer period was opened on 12th July, 2019 and closed on 09th August, 2019. The Rights Issue was subscribed 0.9078 times. The right issue shares were listed on the stock exchange from 29th August 2019.

The Company has fully utilized the money raised from the Rights Issue for the purposes/objects as mentioned in the Offer Document/Letter of Offer i.e. Repayment of Identified Outstanding Loans and the surplus amount has been utilized for the General Corporate purpose in accordance with the applicable regulations and guidelines.

**Note - 12 Other Equity**

**(Amount in Rs.)**

Particulars	As at March 31,2020	As at March 31,2019
<b>a. Securities Premium Account</b>		
Balance as per last year	5,375,000	5,375,000
Add: from proceeds of Right Issue (refer note 11.2)	77,792,596	-
Balance as per last account	83,167,596	5,375,000
	<b>83,167,596</b>	<b>5,375,000</b>
<b>b. Revaluation Reserve</b>		
Balance as per last year	12,136,953	12,136,953
Add: Appropriations from Current year's Profit	-	-
Balance as per last account	12,136,953	12,136,953
	<b>12,136,953</b>	<b>12,136,953</b>
<b>c. Retained Earnings</b>		
Balance as per last account	204,223,748	160,944,973
Add: Profit for the year	82,084,476	43,278,776
Less: Appropriations		
Dividend	-	-
Tax on Dividend	-	-
Balance as per end of the year	<b>286,308,224</b>	<b>204,223,749</b>
<b>d. Other Comprehensive Income (OCI)</b>		
Balance as per last account	168,149	162,799
Add: Movement in OCL (Net) during the year	43,370	5,350
Balance as per end of the year	<b>211,519</b>	<b>168,149</b>
<b>Total</b>	<b>381,824,292</b>	<b>221,903,851</b>

**Note - 13 Borrowings - Non Current**
**(Amount in Rs.)**

Particulars	As at March 31,2020		As at March 31,2019	
	Non Current	Current	Non Current	Current
<b>SECURED</b>				
<b>Term Loan</b>				
From Bank				
1) Vehicle Loan (Refer Note 1 below)	6,215,313	3,390,135	-	-
2) Machinery Loan 2 (Refer Note 2 below)	-	-	14,872,991	5,402,088
3) Other Term Loan (Refer Note 3 below)	-	-	16,877,917	5,814,456
<b>Total</b>	<b>6,215,313</b>	<b>3,390,135</b>	<b>31,750,908</b>	<b>11,216,544</b>

**Notes:**

- 1) Vehicle Loan is secured by Hire Purchase of vehicle where the vendors has a lien on and right of repossession of specific vehicle. The loan is repayable in 36 monthly installments and carries interest rate of 7.3673% p.a.
- 2) Machinery Term Loan was for the purpose of purchase of machineries, equipments and other moveable fixed assets and such term loan was primarily Secured against first & exclusive charge by way of equitable mortgage of factory land. Further, secured by way of hypothecation of entire machineries, electric installations, furniture & fixtures, office equipments and other moveable fixed assets of the company, situated at the factories, present and future. The term loan was repayable in 60 monthly installments and carries interest rate of 9.50% p.a.
- 3) Other Term loan was for the purpose of construction of industrial land and such term loan was primarily Secured against first & exclusive charge by way of equitable mortgage of factory land. Further secured by way of hypothecation of entire machineries, electric installations, furniture & fixtures, office equipments and other moveable fixed assets of the company, situated at the factories, present and future. The term loan was repayable in 60 monthly installments and carries interest rate of 9.50% p.a.
- 4) Proceeds to Right Issue is utilised for the purpose of repayment of loan from Bank Sr No 2 & 3 during the year.

**Note - 14 Non Current Provisions**
**(Amount in Rs.)**

Particulars	As at March 31,2020	As at March 31,2019
Provision - others		
Provision for Income Tax (Gross)	23,400,000	15,400,000
Less: Advance Tax	(15,000,000)	(9,000,000)
Less: TDS	(653,540)	(15,196)
Less: TCS	(107,392)	-
Provision for Income Tax (Net)	7,639,068	6,384,804
<b>Total</b>	<b>7,639,068</b>	<b>6,384,804</b>

**Note - 15 Deferred Tax Liabilities (Net)**
**(Amount in Rs.)**

Particulars	As at March 31,2020	As at March 31,2019
<b>Deferred Tax Liability/(Asset)</b>		
Opening Balance	12,284,833	4,236,643
Provisions	392,460	(162,182)
Depreciation on Fixed Assets	(3,370,712)	8,210,372
<b>Total</b>	<b>9,306,581</b>	<b>12,284,833</b>

**Notes:**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

In assessing the realizability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realize the benefits of these deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.



**Note - 16 Borrowings - Current**
*(Amount in Rs.)*

Particulars	As at March 31,2020	As at March 31,2019
<b>SECURED</b>		
Working Capital facilities		
From Bank	10,030,751	76,074,239
<b>UNSECURED</b>		
From Others	4,453,290	2,020,366
<b>Total</b>	<b>14,484,041</b>	<b>78,094,605</b>

**Notes:**

- 1) Working Capital facilities includes cash credit facility and export facility. Which are primarily secured against first and exclusive charge on stock & book debt of the company till repayment of credit facility extended by bank to company and carries interest rate of 9.50% p.a. and these facilities are fully interchangeable.
- 2) The secured working capital facilities are repayable on demand by the Bank.
- 3) Unsecured borrowing are repayable on demand.

**Note - 17 Trade payables**
*(Amount in Rs.)*

Particulars	As at March 31,2020	As at March 31,2019
<b>Trade Payables</b>		
Total outstanding dues of Micro and Small enterprises	7,332,264	404,277
Total outstanding dues of other than Micro and Small enterprises	55,746,237	65,495,632
<b>Total</b>	<b>63,078,501</b>	<b>65,899,909</b>

**Note - 18 Current Financial Liabilities - Other**
*(Amount in Rs.)*

Particulars	As at March 31,2020	As at March 31,2019
Current maturities of long term debt (Refer Note : 13)	3,390,135	11,216,544
<b>Total</b>	<b>3,390,135</b>	<b>11,216,544</b>

**Note - 19 Other Current Liabilities**
*(Amount in Rs.)*

Particulars	As at March 31,2020	As at March 31,2019
Statutory Dues Payable	2,345,231	394,532
Capital Creditors	5,155,711	196,166
Advances from customers	82,406	-
Gratuity Net Liability	68,073	-
<b>Total</b>	<b>7,651,421</b>	<b>590,698</b>

**Note - 20 Short Term Provisions**
*(Amount in Rs.)*

Particulars	As at March 31,2020	As at March 31,2019
Employee benefit expenses payable	9,867,857	5,556,399
Others	2,134,292	1,827,925
<b>Total</b>	<b>12,002,149</b>	<b>7,384,324</b>

**Note - 21 Revenue from Operations**
*(Amount in Rs.)*

Particulars	2019-20	2018-19
<b>Sale of Products</b>	<b>801,451,040</b>	<b>668,094,150</b>
a. Export Sales	353,063,858	293,369,693
b. Domestic Sales ( Net of Taxes )	448,387,182	374,724,457
<b>Total</b>	<b>801,451,040</b>	<b>668,094,150</b>

**Note - 22 Other Incomes**
*(Amount in Rs.)*

Particulars	2019-20	2018-19
<b>Operational Income</b>		
Interest Income	5,632,083	151,927
Export Incentives	6,816,668	7,245,157
Discounts	820,026	1,758,916
Foreign Exchange Fluctuation (Gain)	9,558,542	3,456,087
<b>Non-operational Income</b>		
Dividend	30,000	30,000
Profit on sale of vehicle	600,000	-
<b>Total</b>	<b>23,457,319</b>	<b>12,642,087</b>

**Note - 23 Cost of Materials Consumed**
*(Amount in Rs.)*

Particulars	2019-20	2018-19
Opening Stock	17,119,836	15,165,622
Add: Purchases	445,137,979	412,931,675
Less: Closing Stock	4,736,276	17,119,836
<b>Consumption</b>	<b>457,521,539</b>	<b>410,977,461</b>
Imported	73,748,306	106,082,006
Indigenous	383,773,233	304,895,455
<b>Total</b>	<b>457,521,539</b>	<b>410,977,461</b>

**Note - 24 Changes in Inventories**
*(Amount in Rs.)*

Particulars	2019-20	2018-19
<b>Inventories at the end of the year</b>		
Work-in-Progress	78,238,231	75,325,497
Finished Goods	5,490,677	632,208
<b>Total</b>	<b>83,728,908</b>	<b>75,957,705</b>
<b>Less: Inventories at the beginning of the year</b>		
Work-in-Progress	75,325,497	43,226,758
Finished Goods	632,208	948,424
<b>Total</b>	<b>75,957,705</b>	<b>44,175,182</b>
<b>Net (Increase)/decrease in stock</b>	<b>(7,771,203)</b>	<b>(31,782,523)</b>

**Note - 25 Employee Benefit Expenses**
**(Amount in Rs.)**

Particulars	2019-20	2018-19
Salaries, Wages, Allowances, etc.	58,230,041	50,761,497
Contribution to Provident and Other Funds	1,808,116	2,426,970
Staff Welfare Expense	209,257	364,108
Managerial Remuneration including perquisites and commission	11,464,800	5,464,800
<b>Total</b>	<b>71,712,214</b>	<b>59,017,375</b>

**Note - 26 Finance Costs**
**(Amount in Rs.)**

Particulars	2019-20	2018-19
<b>Interest Expense</b>		
Demand loan	2,806,134	5,273,555
Term loan	1,970,699	2,540,628
<b>Other financial cost</b>		
Processing fees	346,012	916,752
Bank charges	823,681	591,776
<b>Total</b>	<b>5,946,526</b>	<b>9,322,711</b>

**Note - 27 Other Expenses**
**(Amount in Rs.)**

Particulars	2019-20	2018-19
<b>Manufacturing Exps</b>		
Consumption of Stores & Spares parts	9,457,901	8,240,124
Repair & Maintenance ( Plant and Machinery )	3,716,808	4,751,926
Pollution Control & Effluent Treatment Expenses	23,739,227	21,090,717
Power Expenses	67,675,978	54,723,371
Fuel Expenses	28,927,767	29,453,805
<b>Administrative Exps</b>		
Professional Fees	1,858,037	2,377,827
Insurance	1,285,270	794,973
Rent, Rates and taxes, excluding , taxes on income	306,685	630,845
Auditor Remuneration	150,000	150,000
Office & Factory Expenses	1,215,516	805,691
Vehicle Running Expenses	1,365,942	1,458,571
Travelling & Conyence Expenses	6,920,336	2,032,587
Donation Expenses	11,000	150,000
Communication Expenses	631,501	748,000
Legal Expenses	621,366	317,471
Listing Fees	345,000	370,000
Security Expenses	2,518,958	1,476,658
Printing & Stationery Expenses	262,085	190,929
Corporate Social Responsibility Expenditure	1,400,000	1,400,000
Interest and Penalty Statutory dues	3,055,948	1,270,304
Goods and Service Tax Expense	3,328,602	67,531
Miscellaneous Expenses	1,585,694	906,336
<b>Selling and Distribution Expenses</b>		
Freight Outward	8,361,517	11,802,938
Selling & Distirbution Exps	8,622,537	9,366,327
<b>Total</b>	<b>177,363,675</b>	<b>154,576,932</b>

**Note - 28 Details of Payment to Auditors**
**(Amount in Rs.)**

Particulars	As at March 31,2020	As at March 31,2019
Audit Fees	150,000	150,000
Others (Certification work)	100,000	-
<b>Total</b>	<b>250,000</b>	<b>150,000</b>

**Note - 29 Corporate Social Responsibility Expenditure**
**(Amount in Rs.)**

Particulars	As at March 31,2020	As at March 31,2019
Corporate Social Responsibility Expenditure	1,400,000	1,400,000
<b>Total</b>	<b>1,400,000</b>	<b>1,400,000</b>

**Note - 30 Value of imports calculated on CIF basis**
**(Amount in Rs.)**

Particulars	As at March 31,2020	As at March 31,2019
Raw Material	73,748,306	106,082,006
<b>Total</b>	<b>73,748,306</b>	<b>106,082,006</b>

**Note - 31 Expenditure in foreign currency during the financial year on account of followings**
**(Amount in Rs.)**

Particulars	As at March 31,2020	As at March 31,2019
Other matters		
Travelling Expenses	320,427	198,887
Registration Charges	355,140	-
<b>Total</b>	<b>675,567</b>	<b>198,887</b>

**Note - 32 Details of Consumption during the year**
**(Amount in Rs.)**

Particulars	As at March 31,2020		As at March 31,2019	
	Amount	%	Amount	%
Raw Materials	457,521,539	92.26%	410,977,461	91.60%
Fuel	28,927,767	5.83%	29,453,805	6.56%
Stores & Spares	9,457,901	1.91%	8,240,124	1.84%
<b>Total</b>	<b>495,907,206</b>	<b>100.00%</b>	<b>448,671,390</b>	<b>100.00%</b>

**Note - 33 Foreign currency exposure :**

Particulars	As at March 31,2020		As at March 31,2019	
	Foreign Currency	(Amount in `)	Foreign Currency	(Amount in `)
USD (unhedged)	-	-	268,384	18,593,644
USD (hedged) *	490,000	36,727,456	-	-
Euro (unhedged)	-	-	206,000	16,014,440
Euro (hedged) *	1,714,000	138,261,124	580,000	48,305,300

\* Forward contract booked

**Note - 34 Employee Benefits**

As per Indian Accounting Standard 19 "Employee benefits", the disclosures as defined are given below :

**Defined Contribution Plans**

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

**(Amount in Rs.)**

Particulars	As at March 31,2020	As at March 31,2019
Pension contribution	693,573	692,312
Provident Fund contribution	406,101	340,025
<b>Total</b>	<b>1,099,674</b>	<b>1,032,337</b>

**Defined Benefit Plans**

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

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

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

**Disclosures for defined benefit plans i.e. Gratuity (Funded Plan), based on actuarial reports as on March 31, 2020 are as under:**

**(Amount in Rs.)**

Particulars	As at March 31,2020	As at March 31,2019
<b>(i) Changes in present value of obligations</b>		
Present value of as at beginning of year	5,260,734	4,514,827
Current service cost	577,668	531,505
Interest cost	337,649	289,313
Actuarial loss / (gain)	(8,126)	16,070
Benefit (paid)	-	(90,981)
Present value of obligations as at end of year	6,167,925	5,260,734
<b>(ii) Changes in fair value for plan assets</b>		
Opening value of plan assets	5,674,281	4,590,580
Interest Income	390,327	315,097
Return on plan assets excluding amounts included in interest income	35,244	21,420
Contributions by employer *	-	838,165
Benefit (paid)	-	(90,981)
Fair value of the plan assets as at year end	6,099,852	5,674,281
<b>(iii) Amount recognised in the Balance Sheet</b>		
Present value of the obligations as at year end	6,167,925	5,260,734
Fair value of the plan assets as at year end	6,099,852	5,674,281
Net (asset) / liability recognised as at year end	<b>68,073</b>	<b>(413,547)</b>
<b>(iv) Expenses recognised in the Statement of Profit and Loss</b>		
Current service cost	577,668	531,505
Interest on defined benefit obligation	337,649	289,313
Interest on plan assets	(390,327)	(315,097)
<b>Total amount included in 'Employee Benefit Expense'</b>	<b>524,990</b>	<b>505,721</b>
Net actuarial loss/(gain) recognized in Other Comprehensive (Income) / Expense	<b>(43,370)</b>	<b>(5,350)</b>
<b>Net Effect Statement of Profit and Loss</b>	<b>481,620</b>	<b>500,371</b>

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

Employee benefits are accounted and shown as per Actuarial Valuation Report as on 31st March 2020.

The Premium paid to LIC as a contribution towards Employees' Group Gratuity-cum Life Assurance (Cash Accumulation) Scheme of LIC has been debited to the Profit and Loss account for the year ended and the same is higher than liability to be recognise towards the gratuity provision for the year ended. Hence, (\*) marked details (Sr No. 1 & 2) is not covered by Actuarial Valuer in its report and in turn it is not filled up in above table.

**Leave Encashment:**
**(Amount in Rs.)**

Particulars	As at March 31,2020	As at March 31,2019
Provision for Leave Encashment outstanding during the year	1,287,029	1,196,654
<b>Total</b>	<b>1,287,029</b>	<b>1,196,654</b>

**Note - 35 Earning Per Share (EPS)**
**(Amount in Rs.)**

Particulars	As at March 31,2020	As at March 31,2019
(i) Net Profit/(Loss) attributable to equity shareholders	82,127,846	43,284,126
(ii) Equity Shares outstanding at the end of the year	15,968,147	11,264,700
(iii) Weighted avg. number of shares outstanding at the end of the year	14,117,610	11,264,700
(iv) Weighted avg. potential equity shares	-	-
(v) Total weighted average number of equity shares used as denominator for calculating diluted EPS	14,117,610	11,264,700
Basic Earnings per share	5.82	3.84
Diluted Earnings per share	5.82	3.84
Nominal value per share	10.00	10.00

**Note - 36 Contingent Liabilities**
**Claim against company not acknowledged as debt**
**(Amount in Rs.)**

Particulars	As at March 31,2020	As at March 31,2019
1. Notice for short deduction/payment of TDS and interest thereon (refer Note 1 below)	157,932	57,882
2. Income Tax, Penalty and Interest for AY 2007-08 (refer Note 2 below)	-	864,520
3. Income Tax, Penalty and Interest for AY 2019-20 (refer Note 3 below)	57,500	-
4. Income Tax, Penalty and Interest for AY 2018-19 (refer Note 4 below)	159,480	-

**Note 1-** The Company has received a Intimation for short payment/short deduction of TDS and interest thereon under the Income Tax Act, 1961 for FY 2019-20, 2018-19, 2017-18, 2016-17, Prior Years.

**Note 2-** Tax liability to be payable in terms of order under section 154 of Income Tax Act, 1961 for the Assessment Year 2007-08

**Note 3-** The Company has received demand notice of Rs. 57,500/- under section 154 of the income tax act, 1961 for AY 2019-20.

**Note 4-** The Company has received demand notice of Rs. 1,59,480/- under section 143(1)(a) of the income tax act, 1961 for AY 2018-19.)

**Note - 37 Earning in foreign currency during the financial year on account of followings**
**(Amount in Rs.)**

Particulars	As at March 31,2020	As at March 31,2019
Export of goods calculated on F.O.B basis	348,109,126	287,903,773
<b>Total</b>	<b>348,109,126</b>	<b>287,903,773</b>

**Note - 38 Details of Consumption of key Raw Material**
**(Amount in Rs.)**

Particulars	As at March 31,2020		As at March 31,2019	
	Amount	%	Amount	%
Phthalic Anhydride	168,674,544	40.17%	137,962,970	39.39%
Cuprous Chloride	124,570,711	29.67%	99,178,325	28.31%
Urea	58,305,285	13.89%	46,643,871	13.32%
Sulphuric Acid	45,052,114	10.73%	47,900,649	13.67%
Ammonium Molybdate	9,175,350	2.19%	6,562,430	1.87%
Others	14,110,136	3.36%	12,035,066	3.44%
<b>Total</b>	<b>419,888,140</b>	<b>100%</b>	<b>350,283,311</b>	<b>100.00%</b>

**Note - 39 Related Party Disclosures**

<b>(a) Name of the related party</b>	<b>Nature of Relationship</b>
1.Mr. Piyush N Patel	Key Managerial Personnel (Managing Director)
2.Mrs. Anilaben P Patel	Relative of Key Managerial Personnel
3.Mr. Shrinal P. Patel	Key Managerial Personnel (Whole-Time Director)
4. Mr. Chintan P. Pancholi	Key Managerial Personnel (Chief Financial Officer)
5. Ms. Ankita V. Shah	Key Managerial Personnel (Company Secretary)
6.Mrs. Mirali H. Patel	Director
7.Cluster Enviro Private Limited	Enterprise over which key managerial personnel are able to exercise significant influence

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

Nature of transactions	Key management personnel and its relative	Enterprise over which Key Managerial Personnel are able to exercise significant influence	Total
<b>Loan &amp; Advances received</b>			
Mr. Piyush N. Patel	535,365	-	535,365
Mr. Shrinal P. Patel	-	-	-
Cluster Enviro Pvt Ltd	-	36,448,011 (7,500,000)	36,448,011 (7,500,000)
Mrs. Anilaben P Patel	150,000	-	150,000
	-	-	-
<b>Loan &amp; Advances Paid</b>			
Mr. Piyush N. Patel	535,365	-	535,365
Mr. Shrinal P. Patel	1,500,000	-	1,500,000
Cluster Enviro Pvt Ltd	-	11,514,950 (32,433,061)	11,514,950 (32,433,061)
Mrs. Anilaben P Patel	150,000	-	150,000
	-	-	-
<b>Outstanding Balances</b>			
Mr. Piyush N. Patel	-	-	-
Mr. Shrinal P. Patel	1,500,000	-	1,500,000
Cluster Enviro Pvt Ltd	-	-	-
Mrs. Anilaben P Patel	-	(24,933,061)	(24,933,061)
	-	-	-
<b>Remuneration to key management personnel</b>			
<b>Managerial remuneration</b>			
Mr. Piyush N. Patel	2,400,000	-	2,400,000
	(2,400,000)	-	(2,400,000)
Mr. Shrinal P. Patel	1,800,000	-	1,800,000
	(1,800,000)	-	(1,800,000)
Mrs. Mirali H. Patel	480,000	-	480,000
	(480,000)	-	(480,000)
Mr. Chintan P. Pancholi	660,000	-	660,000
	(660,000)	-	(660,000)
Ms. Ankita V. Shah	228,000	-	228,000
	(228,000)	-	(228,000)
<b>Commission</b>			
Mr. Piyush N. Patel	3,000,000	-	3,000,000
Mr. Shrinal P. Patel	3,000,000	-	3,000,000
	-	-	-
<b>Bonus</b>			
Mr. Piyush N. Patel	264,000	-	264,000
	(264,000)	-	(264,000)
Mr. Shrinal P. Patel	198,000	-	198,000
	(198,000)	-	(198,000)
Mrs. Mirali H. Patel	52,800	-	52,800
	(52,800)	-	(52,800)
Mr. Chintan P. Pancholi	72,600	-	72,600
	(72,600)	-	(72,600)
Ms. Ankita V. Shah	25,080	-	25,080
	(25,080)	-	(25,080)
<b>Leave Encashment</b>			
Mr. Piyush N. Patel	138,462	-	138,462
	(138,462)	-	(138,462)
Mr. Shrinal P. Patel	103,846	-	103,846
	(103,846)	-	(103,846)
Mrs. Mirali H. Patel	27,692	-	27,692
	(27,692)	-	(27,692)
Mr. Chintan P. Pancholi	33,846	-	33,846
	(21,154)	-	(21,154)
Ms. Ankita V. Shah	13,154	-	13,154
	(13,154)	-	(13,154)

Figures in brackets [ ] are pertaining to previous year



**Note - 40 DIRECTORS REMMUNERATION**

Salary of Rs. 46,80,000/- , Commission of Rs.60,00,000/-, Bonus - Rs. 5,14,800/- & Leave Encashment - Rs. 2,70,000/-

**Note - 41 Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006**

Particulars	As at March 31,2020	As at March 31,2019
a. Principal amount remaining unpaid to any supplier as at the end of accounting year	7,332,264	404,277
b. Interest due and remaining unpaid to any supplier as at the end of accounting year		
c. Amount of interest paid by the Company in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year		
d. Amount of interest due and payable for the reporting period of delay in making payment [which have been paid but beyond the appointed day during the year] but without adding the interest specified under the MSMED Act, 2006		
e. Amount of interest accrued and remaining unpaid at the end of the accounting year.		
f. Amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act, 2006		
<b>Total</b>	<b>7,332,264</b>	<b>404,277</b>

The information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

**Note - 42** Balance due to / from third parties are subject to confirmation, reconciliation, and / or adjustments, if any.

**Note - 43** 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.

**Note - 44 SEGMENT REPORTING**

The Company's Whole Time Director (WTD) and Chief Financial Officer (CFO) evaluates the Company's performance from business and geographic perspective. In accordance with Ind AS-108 - Operating Segments, evaluation by the WTD and CFO and based on the nature of activities performed by the Company, which primarily relate to Manufacturing of Chemicals, the Company does not operate in more than one business segment.

**Note - 45** Net Exchange Gain included in the profit and loss account is Rs. 95,58,542/- (Gain in PY Rs. 34,56,087/-).

**Note - 46** Previous year's figures have been regrouped or reclassified wherever necessary to correspond with the current year's classification or disclosure.

**Note - 47** Figures have been rounded off to the nearest rupee.



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