

ANNUAL REPORT 2010-2011



VIPUL DYECHEM LTD.

Infinite possibilities ●●●

(Government of India recognised Star Export House)
An ISO 9001: 2008 certified company

Board of Directors : Mr. Pravinchandra B. Shah Chairman
Mr. Vipul P. Shah Managing Director
Dr. S. N. Sahai Whole Time Director
Mr. R. L. Rathod Whole Time Director (upto 15th July, 2010)
Mr. Arvind J. Patel Director
Mr. Jagdeep Mehta Director
Dr. Anil S. Salvi Director (upto 15th July, 2010)
Mr. Prasannakumar Gawde Director

Auditors : M/s. J. A. Rajani & Co.
Chartered Accountant
Mumbai.

Banker : Vijaya Bank
Mandvi Branch,
Mumbai.

Registered Office : 102, Andheri Industrial Estate,
Off. Veera Desai Road,
Andheri (West),
Mumbai - 400053.

Works : Palghar

Registrar & Share Transfer Agent : **Bigshare Services Pvt. Ltd.**
E 2/3, Ansa Industrial Estate,
Sakivihar Road, Saki Naka, Andheri (East),
Mumbai 400 072
Tel No. : 022 2847 0652
Fax No. : 022 2847 5207
Email ID : ansar@bigshareonline.com

NOTICE

Notice is hereby given that the next Annual General Meeting of the members of **VIPUL DYECHEM LIMITED** will be held on Friday, the 30th day of September 2011 at 3.30 p.m. at Hotel Karl Residency, 36, Lalubhai Park Road, Andheri (West), Mumbai - 400058 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2011 and Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors' and Auditors' thereon.
2. To declare dividend on Equity Shares for the financial year ended on 31st March 2011.
3. To appoint a Director in place of Mr. Pravinchandra B. Shah, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Arvind Patel, who retires by rotation and being eligible, offers himself for re-appointment.
5. To re-appoint M/s J. A. Rajani & Co., Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting upto the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass with or without modification(s) as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), the reappointment of Dr. S. N. Sahai as Whole Time Director of the Company for a further period of 1 year w.e.f. 15th December 2010 on the following terms and conditions be and is hereby approved:

I. Term of appointment: 1 year w.e.f. 15th December 2010.

II. Remuneration payable:

(a) Salary: Rs. 30,000/- per month

(b) Perquisites: The Whole Time Director shall be entitled to the perquisites in accordance with the Company's policies, practices and procedures over and above the salary.

(c) The Company shall reimburse the Whole Time Director expenses incurred by him for the purpose of the business of the Company in accordance with the Company's policies, practices and procedures.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year during the currency of tenure of service of Dr. S. N. Sahai, the payment of salary, perquisites and other allowances as approved by this resolution shall be payable as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts and deeds as may be required to give effect to the above resolution.”

7. To consider and if thought fit, to pass with or without modification(s) as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), revision in the remuneration payable to Dr. S. N. Sahai, Whole Time Director of the Company with effect from 1st April 2011 for the remaining period of his tenure on the following terms and conditions be and is hereby approved:

I. Remuneration payable:

- (a) Salary: Rs. 37,500/- per month
- (b) Perquisites: The Whole Time Director shall be entitled to the perquisites in accordance with the Company's policies, practices and procedures over and above the salary.
- (c) The Company shall reimburse the Whole Time Director expenses incurred by him for the purpose of the business of the Company in accordance with the Company's policies, practices and procedures.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year during the currency of tenure of service of Dr. S. N. Sahai, the payment of salary, perquisites and other allowances as approved by this resolution shall be payable as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts and deeds as may be required to give effect to the above resolution."

8. To consider and if thought fit, to pass with or without modification(s) as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and are hereby amended as follows :

(I) by inserting following new Article as Article No. 97 (c) after existing Article No. 97 (b):

97(c)	Notice and other documents of General meeting of the company can be given to shareholders even by email provided every shareholder should be given advanced opportunity to register their email address and changes therein from time to time with the company. In case any member has not registered his email address with the company, the service of notice and documents should be in accordance with the provisions of section 53 of the Companies Act, 1956. The Notice of the General Meeting must inform the shareholders regarding availability of participation in the meeting through Video Conferencing and must provide necessary information to shareholders to access the available facility of video conferencing.	Notice of Meeting
-------	---	-------------------

(II) by inserting following para at the end of the existing Article No. 106:

106	Members attending the meeting through the Video conferencing will not be counted for the purpose of ascertaining the quorum of the meeting.
-----	---

(III) by insertion of the following Article No. 138 A after the existing Article No. 138

138 A	Notwithstanding anything contained in the Articles of Association of the Company, the Company does adopt the mode of passing the resolutions by its members by means of a postal ballot (including voting by an electronic mode) pursuant to the provisions of Section 192A of the Companies Act, 1956, and rules made there under and any modifications or amendments made thereto from time to time.
-------	--

(IV) by substituting the existing Article No. 162(a) with the following new Article No. 162(a):

162(a)	<p>The Directors may meet either in person or through video conferencing, capable of recording and recognizing the participation of the directors, for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings from time to time.</p> <p>The provisions relating to notice, agenda, quorum and minutes stated hereinafter shall mutates mutandis apply to the meetings held through such video conferencing.</p>
--------	--

(V) by substituting the existing Article No. 162(d) with the following new Article No. 162(d) :

162 (d)	Notice of every meeting of the Board shall be given in writing to every Director whether in or outside India or through written communication sent electronically, and otherwise regulate their meetings, as they think fit Notice of the Board Meeting must inform directors regarding availability of participation through video conferencing and should also provide necessary information to enable the directors to access the available facility of Video conferencing. Notice of the meeting shall also seek confirmation from the Director as to whether he will attend the meeting physically or through electronic mode and shall also contain contact number (s), email addresses of the Secretary / designated officer to whom the director shall confirm in this regard.
------------	---

(VI) by substituting the existing Article No. 163 1. (a) with the following new Article No. 163 1. (a):

163 1. (a):	Subject to Section 287 of the Act the quorum for a meeting of the Board shall be one third of its total strength (any fraction contained in that one third being rounded off as one) or two directors, present in person or attending through video-conferencing, whichever is higher, provided that where at any time the number of interested directors exceeds or is equal to two thirds of the total strength the number of the remaining director that is to say, the number of directors who are not interested shall be the quorum during such time provided such number is not less than two. Provided that any Director participating through video conferencing shall attend in person at least one Board Meeting held every year.
----------------	---

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts and deeds as may be necessary to give effect to be above resolution.”

By Order of the Board of Directors

P. B. Shah
Chairman

Place : Mumbai
Date : 5th August 2011

Registered Office:
102, Andheri Industrial Estate,
Off. Veera Desai Road,
Andheri (West),
Mumbai 400 053

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Member/Proxy should bring the attendance slip duly filled in for attending the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 28th September 2011 to Friday, 30th September 2011 (both days inclusive).
4. The dividend, if approved, shall be payable to members of the Company whose names appear as beneficial owners as at the end of business hours on 30th September 2011 as per the list furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form and as members on the Register of Members of the Company as on 30th September 2011 after giving effect to valid transfers in respect of transfer request lodged with the Company on or before the close of business hours on 30th September 2011.
5. The Securities and Exchange Board of India (SEBI) and the Reserve Bank of India (RBI) have advised all listed Companies mandatorily to use the Electronic Clearing Service (ECS) facility wherever possible for dividend payment to the shareholders. In view of this stipulation, the Company proposes to implement the ECS facility. Members who wish to avail the ECS facility may provide the Company with ECS mandate for crediting the future dividend payment directly to their respective bank accounts.

6. Shareholders are kindly requested to bring their copy of Annual Report to the meeting.
7. Members are requested to address all correspondences, including ECS mandates, etc. to the Registrar and Share Transfer Agents - Bigshare Services Private Limited, E-2, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai 400 072
8. Any member seeking information with regard to accounts of the Company is requested to write atleast 7 days before the meeting to enable the company to keep the information ready.
9. *Brief resume of directors being re-appointed:*

Mr. Pravinchandra B. Shah, a promoter Director and Chairman of the Company, is a Science Graduate, having 44 years of experience in the Dyestuff and Chemical Business. He is also director in Vipchem Pvt. Ltd., Jayapriya Chemical Industries Ltd. and Standardcon Pvt. Limited. He holds 247100 equity shares of the Company.

Mr. Arvind Patel is a science graduate having more than 44 years of experience in the line of business of the Company. He does not hold any equity shares of the Company.

Dr. S. N. Sahai is P.H.D in Technology process and having more than 31 years of experience in marketing and Techno commercial. He is also director in Jayapriya Chemical Industries Ltd. He does not hold any equity shares of the Company.

“Green Initiative”

The Ministry of Corporate Affairs, vide its Circular nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 has taken a “Green Initiative” by allowing paperless compliances by the companies to serve the requisite documents to its members vide e-mode in pursuance to Section 53 of the Companies Act, 1956. Accordingly, the Company shall be required to update its database by incorporating your designated e-mail ID in its records.

You are thus requested to kindly submit your e-mail ID through the e-mail updation form provided with this Annual Report. The same could be done by filling up and signing at the appropriate place in the said form and by returning this form by post to the Company.

The e-mail ID provided shall be updated subject to successful verification of your signatures as per record available with the RTA of the Company.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**Item Nos. 6 & 7**

The Board of Directors of the Company at their meeting held on 29th October 2010 re-appointed Dr. S. N. Sahai as Whole-Time Director of the Company for a further period of 1 year w.e.f. 15th December 2010 on the terms and conditions as detailed in the resolution as set out in item no. 6 of this notice, subject to approval of members of the Company.

Further, in view of his contribution to the Company, the Board of Directors, on recommendation of remuneration committee, at their meeting held on 30th May 2011 revised the remuneration payable to Dr. S. N. Sahai, w.e.f 1st April 2011 for the remaining period of his tenure as detailed in the resolution as set out in item no. 7 of this notice, subject to approval of members of the Company.

Your Directors recommend the Ordinary Resolutions as set out at item nos. 6 and 7 of the notice.

Except Dr. S. N. Sahai, none of other directors of the Company are concerned or interested in these resolutions.

Item No. 8

In view of availing the following facilities, it is necessary to make suitable alterations in the existing provisions of Articles of Association of the Company.

(I) & (II)

The Ministry of Corporate Affairs, as a matter of Green Initiative has come out with the General Circular No. 27/2011 dated May 20, 2011 whereby participation by shareholders in general meeting under the Companies Act, 1956 is allowed through electronic mode. In view of availing the said facilities it is necessary to make the suitable alteration in the existing provisions of the Articles of Association of the Company.

Therefore it is propose to insert the suitable para after the existing Article Nos. 97 & 106, as set out at Item No. 8(I) & 8(II), to enable the Company to hold shareholders meeting and sending the requisite documents through e-mode.

(III)

To have provisions in Articles of Association of the Company in tendum with applicable provision of section 192A of the Companies Act, 1956, read with the Companies (passing of resolution by postal ballot) Rules, 2011 by way of postal ballot. regarding the passing of resolutions by postal ballot, it is proposed to insert new Article Nos. 138A after the existing Article No. 138 of the Articles of Association of the Company, as Set out at Item No. 8 (III).

(IV), (V) & (VI)

The Ministry of Corporate Affairs, as a matter of Green Initiative has come out with the another General Circular No. 28/2011 dated May 20, 2011 whereby participation by directors in meeting of Board / Committee of directors under the Companies Act, 1956 is also allowed through electronic mode. In view of availing the said facility it is necessary to make the suitable alteration in the existing provisions of the Articles of Association of the Company.

Therefore it is propose to substitute existing Article No. 162(a), Article No. 162 (d) and Article No. 163 1. (a) with the new Article No. 162(a) and Article No. 162 (d) respectively, as Set out at Item No. 8 (IV), 8 (V) & 8 (VI) to enable the Company to hold directors meeting through electronic mode.

As per the provisions of Section 31 of the Companies Act, 1956, the consent of the members by way of Special Resolution is required to carry out the proposed alterations in the Articles of Association of the Company.

Your Directors recommend passing the Special Resolution as set out at item no. 8 of the Notice.

None of the directors of the Company are concerned or interested in the above said resolution.

A copy of the Articles of Association of the Company together with the proposed alterations would be available for inspection by the member at the Registered Office of the Company during business hours on any working days and at the Annual General Meeting.

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting herewith Annual Report together with the Audited Accounts of the Company for the financial year ended 31st March 2011.

Financial Highlights:

The financial figures for the year under review are given below:

Particulars	2010-11	2009-2010
Turnover	3298.32	2654.17
Profit (Before Depreciation, Interest & Taxation)	201.50	144.22
Less: Depreciation	22.91	19.46
Less: Interest	40.00	41.32
Profit before Tax	138.59	83.43
Less: Provision for Taxation	42.23	27.41
Profit after Tax	96.36	56.01
Add: Balance brought forward from Previous Year	207.21	200.30
Surplus available for appropriation	303.57	256.32
Proposed Dividend	43.48	36.68
Tax on Dividend	7.22	5.67
Tax adjustment earlier year	0.45	6.76
Balance carried to Balance Sheet	252.42	207.21

Operations:

Your Directors are pleased to inform you that the Company has achieved a turnover of Rs. 3298.32 Lacs during the year as compared to Rs. 2654.17 Lacs during the previous year. The Profit before tax has been increased to Rs. 138.59 Lacs from Rs. 83.43 Lacs in the previous year. After considering the provision for taxation of Rs. 42.23 Lacs (previous year Rs. 27.41 Lacs), your Company has achieved a Net Profit of Rs. 96.36 Lacs during the year (previous year Rs. 56.01 Lacs)

Dividend:

The Company's overall performance during the year under review was satisfactory. Your Directors are pleased to recommend the payment of dividend @ Re. 0.80 (8%) (previous year Re. 0.80 (8%)) for the financial year ended 31st March 2011. The dividend on Equity shares, if approved by the members will be paid to those members whose names appear on the Register of Members on 30th September 2011 and would involve an outflow of Rs. 43,47,600/- towards dividend and Rs. 7,22,136/- towards dividend tax, resulting in a total outgo of Rs. 50,69,736/-.

Public Deposits:

During the year under review, the Company has not accepted/renewed any deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956.

Directors:

Mr. R. L. Rathod and Dr. Anil Salvi resigned from the directorship of the Company w.e.f. 15th July 2010. The Board places its gratitude towards Mr. Rathod and Dr. Salvi for valuable guidelines extended by them during their tenure as Directors of the Company.

In accordance with Articles of Association of the Company, Mr. Pravinchandra B. Shah and Mr. Arvind Patel, Directors of the Company retire by rotation and being eligible have offered themselves for re-appointment at the ensuing Annual General Meeting.

Dr. S.N. Sahai was re-appointed as Whole Time Director of the company for a further period of one year w.e.f. 15th December 2010, subject to the approval of the members.

Your Board recommends the re-appointment of Mr. Pravinchandra B. Shah, Mr. Arvind Patel and Dr. S. N. Sahai as directors of the Company.

Change in Share Capital of the Company

Authorized Share Capital of the Company was increased from Rs. 6 Crore to Rs. 7 Crore during the year under review.

On 23rd August 2010 the Company issued and allotted 19,75,000 Warrants on preferential basis convertible into equivalent number of Equity shares of Rs. 10/- each at an issue price of Rs. 20/- (including premium of Rs. 10/- per share) to the persons in Promoter Group and others. The Preferential Allotment was made in accordance with the provisions of Chapter VII of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009.

On 31st March, 2011, the Company issued and allotted 8,50,000 Equity shares of Rs.10/- each upon conversion of 8,50,000 warrants issued on preferential basis.

Based on the above changes, the issued, subscribed & paid up Capital of the Company has increased to Rs. 5,43,45,000/- divided into 54,34,500 Equity shares of Rs.10/- each.

Auditors' Report

With regard to observations made by the Auditors' in their report, your Directors would like to state that:

1. Regarding the payment of dividend distribution tax of Rs. 5.67 Lacs for the year 2009-10, we state that the Company is in process of making payment of the same.
2. The Company has disputed the demand of Rs. 0.55 Lacs raised by the Income Tax Department in respect of Assessment Year 2002-03 and has made an appeal before the Income Tax Appellate Tribunal, Mumbai. The Company is hopeful of winning the appeal.

Auditors:

M/s J. A. Rajani & Co., Chartered Accountants, Mumbai, the Statutory Auditors of the Company hold the office till the conclusion of ensuing Annual General Meeting. The Company has received a letter from them to the effect that they are willing to continue as Statutory Auditors and that if re-appointment would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

Your Directors recommend the re-appointment of M/s J. A. Rajani & Co., Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of the ensuing Annual General Meeting upto the conclusion of next Annual General Meeting of the Company.

Directors' Responsibility Statement:

In accordance with the provisions of Section 217(2AA) of Companies Act, 1956, your Directors confirm that:

- a) in the preparation of the annual accounts, the applicable Accounting Standards have been followed and that no material departures have been made from the same;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company financial year ended on 31st March 2011 and of the profit of the Company for that year;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis.

Awards and Recognition:

The Company has received "FIRST AWARD" for the 'Outstanding Export Performance' under the Dyes, Dye Intermediates and Pigment Panel by Export Promotion Council - Chemexcil, Government of India on 6th January 2011.

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange:

As required under the provisions of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, particulars regarding conservation of energy, technology absorption and foreign exchange earnings and outgo for the year under review are annexed to this report.

Subsidiary Company:

The Company has acquired 2,550 Equity Shares of Rs. 100/- each of Shree Ambika Naturals Private Limited on 14th March 2011, which constitutes to 56% of paid up share capital of Shree Ambika Naturals Private Limited and by which it has become subsidiary of the Company. Shree Ambika Naturals Pvt. Ltd. is engaged in the business of manufacturing and trading of natural Chemicals, Colours and Dye stuff organic and in-organic.

The Ministry of Corporate Affairs (MCA) vide General Circular No.2/2011 No. 51/12/2007-CL-III dated 8th February 2011 read with General Circular No.3/2011 No. 5/12/2007-CL-III dated 21st February 2011 has granted a general exemption from attaching the balance sheet of subsidiary company with holding company's balance sheet, if the holding company presents in its Annual Report the consolidated financial statements duly audited by its statutory auditors.

Therefore as per the provisions of Section 212 of the Companies Act, 1956 read with General Circular No.2/2011 No. 51/12/2007-CL-III dated 8th February 2011 issued by the Ministry of Corporate Affairs, a statement of financial information of the Subsidiary Company is attached with the Annual Report of the Company for the year ended on 31st March 2011 and the Company is not attaching the Balance Sheet of its subsidiary company for the financial year ended on 31st March 2011 with the Company's Balance Sheet.

The Annual Accounts of the subsidiary company will be made available on the company's website www.vipuldyes.com and shall also be made available to the shareholders on request and will also be kept for inspection at the Registered office of the Company and of the Subsidiary Company during the office hours on all working days.

As required by under Accounting Standard 21, the Audited Consolidated Financial Statements for the above referred subsidiary company are attached herewith and form part of the Annual Report.

Corporate Governance Report:

Pursuant to Clause 49 of the listing agreement with the stock exchange, the following have been made a part of the annual report and are attached to this report:

- Management Discussion and Analysis
- Corporate Governance Report
- Auditors' certificate regarding compliance of conditions of Corporate Governance

Personnel:

The employer - employee relation remained cordial throughout the year. The Board places on record its sincere appreciation for the valuable contribution made by employees across all levels of the organization.

The Company has no employees covered under Section 217 (2A) of the Companies Act, 1956.

Acknowledgements:

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from the Financial Institution, Banks, Government Authorities, Vendors and Shareholders and all organizations connected with its business during the year under review. Your Directors also wish to place a record their deep sense of appreciation for the committed services of executives, staff and workers of the Company.

Place: Mumbai
Date : 5th August 2011

For & on behalf of the Board of Directors

P. B. Shah
Chairman

ANNEXTURE A TO THE DIRECTORS' REPORT

ADDITIONAL INFORMATION AS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF DIRECTOR'S REPORT FOR THE YEAR ENDED ON 31ST MARCH 2011:

A. CONSERVATION OF ENERGY:

The Company is conscious about the energy conservation and has kept constant supervision so as to avoid any leakage, stripping, etc. The power meters are also regularly checked. However, the management, wherever possible, shall try to replace machinery which is found defective by upto date innovated machinery, even generating sets are provided and the company started using diesel oil since last 6 years.

FORM - A		
	2010-2011	2009-2010
A. POWER AND FUEL CONSUMPTION		
(i) ELECTRICITY		
(a) Purchased Units (KWH)	2,18,925	2,69,898
(b) Total Amount (Rs.)	14,00,119	12,82,014
(c) Rate per Unit (Rs.)	6.40	4.75
(ii) FUEL OIL (Diesel)		
(a) Qty – Units (LTR)	1,00,900	79,946
(b) Total Amount (Rs.)	26,99,749	21,98,538
(c) Average Rate (Rs.)	26.76	27.50
(iii) OTHERS / INTERNAL GENERATION	NIL	3,85,040
B. CONSUMPTION PER UNIT OF PRODUCTION		
Products: Dye intermediates		
(a) Electricity (KWH/KG)	1.00	1.28
(b) Fuel Oil (LTR/KG)	0.46	0.37

B. TECHNOLOGY ABSORPTION AND ADAPTATION:

The company has not acquired any foreign technology so far as the technical know-how is concerned. The technology for the company's activities is available easily in India. The question of absorption and adaptation does not arise.

C. RESEARCH AND DEVELOPMENT:

The company has no separate division as such of carrying out Research and Development since the company has been using so far the standardized methods of manufacturing Dyes and Chemicals. However, a small laboratory is in function for quality control. The company has therefore not spent any expenditure on Research and Development during the year under review.

D. FOREIGN EXCHANGE INFLOW / OUTGO:
(Rs. in Lacs)

	2010-2011	2009-2010
Foreign Exchange earned:		
Direct Export	2539.20	2297.00
Others	-	-
Foreign Exchange used:		
a. CIF value of imports	320.04	205.93
b. Foreign travel and other expenses	11.53	7.96
c. Commission	14.68	10.78

ANNEXTURE B TO THE DIRECTORS' REPORT

Information as required under General Circular No.2/2011 No. 51/12/2007-CL-III dated 8th February 2011 issued by the Ministry of Corporate Affairs (MCA) relating to Subsidiary Companies for the year ended 31st March, 2011 under Section 212 of the Companies Act, 1956:

(Amount in Rs.)

Particulars	Shree Ambika Naturals Pvt. Ltd.
Share Capital	4,55,000
Reserves	1,22,991
Total Assets	19,60,226
Total Liabilities	13,82,235
Investments (Except in Subsidiary Companies)	-
Turnover	11,63,308
Profit/(Loss) before Taxation	50,962
Provision for Taxation	13,981
Profit /(Loss) after Taxation	36,981
Proposed Dividend	-

MANAGEMENT DISCUSSIONS AND ANALYSIS

1. Industrial Scenario:

Presently India, China, Korea, Taiwan and Indonesia are the main Producer for the Dyestuffs and Pigments. Manufacturers in Europe & USA have almost shifted the production base to these Asian Countries. Main reason for this is the low cost of production and ample manpower within Asian Country.

Dyestuff Industry is mainly depending on the textile industry and presently most of the Asian Countries are encouraging their textile business which used to be a core business once upon a time. Including India lot of incentives have been provided to the textile industries and presently all these textiles are being exported to Europe, USA and other Western Countries. So, definitely with the improved textile industry, Dyestuff Industry is bound to grow.

Dyestuff Industry has gone into a tremendous change during last ten years as manufacturing activities in European countries have been stopped due to the environmental & pollution problems. Today, the global market of dyestuffs, pigments and intermediates is around USD 25.85 Billion with dyestuffs and pigments market is approximately around USD 17.88 Billion and the intermediates is about USD 7.98 Billion. India's share in the global market is about 8 to 9%.

Today India is the second largest producer of Dyestuff after the China. Though the Chinese products are very cheap and economical, Indian products are always preferred because of the consistent quality and timely delivery. In effect now in China also the cost of production is increasing and hence the price difference between Indian products and the Chinese products is becoming more narrow. So, definitely in the very near future the price difference between Indian products and the Chinese products will no longer exist.

China to lose competitive advantage:

The biggest competition for our industry is from China. Presently Chinese pigments manufacturers are more economical because of economies of large scale. But following table will explain why China is going to lose its competitive advantage vis a vis India :-

	China	India
Subsidies	Chinese Govt. is gradually reducing the subsidies granted.	In India for exports no subsidies exist. Duty Drawback is only incentive available to Exporters which works out to just 1% and even if withdrawn will have insignificant impact
Energy Cost	Energy cost which was almost zero earlier is now becoming expensive	Energy cost in India is at peak now .Govt. of India is taking number of initiatives to generate and supply uninterrupted power without any further increase in cost of power.
Labour Cost	Labour is getting more expensive in China	Labour is still very cost effective. Besides normal 10 to 12% increase p.a. there is no further addition to cost.
Stringent pollution control Norms	Earlier there were no specific norms to follow. But, nowadays every factory in China has to fulfill certain basic requirements in relation to pollution control.	But in India in general and specifically in the states of Maharashtra and Gujarat where there is concentration of Chemical Industries, there are already strict Pollution control norms to be followed. In many industrial areas Common effluent treatment plants have come up where effluent treatment is done at very nominal cost.Hense no threat from Pollution Control norms .
Revaluation of Currency	There is tremendous pressure on Chinese currency for revaluation. Chinese currency Yuan needs to be appreciated against Dollar and as a result of this Chinese exporters are not making any long term commitment with the apprehension that any upward revaluation of Yuan against Dollar will make their exports expensive.	Indian currency have already appreciated by 5 to 6%.Economy is growing at very healthy rate so further appreciation in the Rupee is not ruled out. But lot of Raw Materials are also imported, hence this will nullify the effect of appreciation.

Apart from these, if you are exporter manufacturer than the charges like Excise, Sales Tax do not form part of cost of Sales. With the GST rollout in sight further simplification of tax laws is expected.

Considering all the above factors in coming 2 to 3 years Chinese prices of pigments will be at par with that of Indian manufacturers of pigments. Indian manufacturers have got a great opportunity on hand to capture the market presently controlled by Chinese. The process has already started. Two years back it was almost impossible to export Organic pigments out of India. But slowly and steadily Indian organic pigments manufacturer have started creating market for their own products worldwide.

Domestic demand push :-

Indian GDP is expected to grow @8.5% for the fiscal 2010-2011. Indian Govt. is planning to spend more than 1 trillion rupees on Infrastructure development in next 10 years. So there is a growth in all infrastructural related industries. New roads are being laid out. Huge townships have been planned and constructed across India in 4 metros as well as other medium size cities. Demand for plastic is increasing day by day. Textile Industries are doing better. Indian exports of textiles especially Home furnishing to Europe and USA are increasing. With all these end-user Industries doing well demand for pigments is going to increase manifold in the years to come. So within India also there is wide scope for growth of pigment in ink industry.

2. Risk factors & threats:

Risk involved in economics and working of Industries are greatly influenced by the various policies fabricated by the Central and State Governments. If the policies of any nature are framed with utmost transparencies and in frequent intervals, coupled with a definite all time performance on the part of Management, growth and development of industries is certain. Flexibility on the managerial behavior with flexibility on the needs of the customers is also taken as an important factor.

3. Utilization of the Products :

It is always dangerous if the products manufactured by the company utilized only by a specific industry. In view of this, the management always tries to have multiple products having end use in multiple industries. Accordingly, the products manufactured by the Company have been utilized successfully in the following industries:

a) Textile Dyeing and Printing:

As mentioned above, with a growing textile industry, the management is sure to have substantial growth by utilization of the concerned products within the textile industry.

b) Paint and Printing Ink:

The Company has started producing Pigments since last two years. Pigments are utilized widely for Paint and Printing Ink industries. With the increase of application related to printing such as Media, Newspapers, etc., there are huge possibilities for the sales of this product within the Printing Ink Industry and with the growing infrastructure, construction, automobile industry, the Paint Industry & Rubber Industry is also doing well, wherein the Company is selling its products.

4. Opportunities:

In recent times we have increased the Customer Base. Besides exporting to developed countries such as USA, EEC, JAPAN, we are exporting even to the remote places like Guatemala, Uruguay, and Vietnam. Exports to Latin American Countries such as Brazil, Argentina, Colombia, Chile & Peru have also increased. Profitability is much more in the exports to these countries compared to highly competitive European & other Far East Asian Market. The customer base has been very broadly increased so that the momentum can be continued.

Company is also exploring the possibilities for the marketing of some new product line like Natural Colours, Herbal Extracts, etc. Initially the focus shall be on the trading of these new items. But, at the same time, R&D has already been started in the laboratory to successfully implement the production of these new kind of products In-house.

Distributors & Dealers Network has been established in certain areas within India to develop the domestic sales. Agents have been appointed in Indore, New Delhi, Nagpur, Hyderabad etc. and slowly this network shall be expanded, Company has also acquired an Industrial Land at Tarapur wherein the manufacturing activity of the Pigments shall be expanded by nearly four-fold.

Natural / Herbal Extracts :- Shree Ambika Naturals Pvt. Ltd., a subsidiary of Vipul Dyechem Ltd., with the intension of diversify from the traditional Dyes and Pigment Business, and considering the growth in the food, Pharmaceuticals and Cosmetic industries, has started producing successfully Herbal Extracts Phyto Chemicals and Natural colours at Ahmednagar (Maharashtra).

5. Internal Control and its Adequacy:

Team of Management available especially for the Company's production activities is so very highly experienced, that at every stage of production from availability of quality materials till the outcome of production as per ISO 9001:2008, they use their expertise to such an extent that the Company's products have achieved their due importance in the local and international markets.

Systems of internal controls adopted by the Team of Management are adequate to ensure that all assets are guarded and protected against loss from unauthorized and unethical use of such assets. Whenever the assets are disposed off, the transaction cannot go without authorization.

6. Cautionary Statement:

Any Statement made in this Management Discussions and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be a forward-looking within the meaning of applicable security laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that might make the difference to the Company's operations include availability of materials & prices, cyclical demand and pricing in the Company's principal markets, changes in the Government regulations, taxation and commitments for market development in India and abroad.

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate governance helps to serve corporate purposes by providing a framework within which stakeholders can pursue the objectives of the organization most effectively.

The Company's philosophy on Corporate Governance is aimed at strengthening the confidence of the shareholders in the Company and building a long term relationship of trust with them by maintaining transparency and periodical disclosures. The Company believes in maintaining high standards of quality and ethical conduct in its operations.

2. BOARD OF DIRECTORS

a) Composition

The Board of Directors provides strategic direction and thrust to the operations of the Company. The Board has a Non-Executive Non-Independent Chairman and five other directors. Out of these, two directors are Executive Directors and three are Non - Executive Independent Directors. The Company complies with the revised norms for Independent Directors.

b) Board Procedure

The agenda is prepared in consultation with the Chairman of the Board of Directors and the Chairmen of other Committees. The agenda for the meetings of the Board and its committees, together with the appropriate supporting documents are circulated well in advance of the meeting.

Matters discussed at Board meetings generally relate to Company's business operations, quarterly results of the Company, review of the reports of the Audit Committee and compliance with their recommendation, suggestion, non compliance of any regulatory, statutory or listing requirements etc.

c) Attendance at Meetings

During the year under review, the Board of Directors met 9 (Nine) times on 5th April 2010, 29th May 2010, 19th June 2010, 6th July 2010, 9th August 2010, 23rd August 2010, 29th October 2010, 3rd February 2011 and 31st March 2011. As stipulated, the gap between two board meetings did not exceeded four calendar months.

Details of composition and category of Directors, their attendance at each Board meeting held during the financial year 2010-11 and at the last Annual General Meeting, their directorships in other companies and membership / chairmanship in committees are as follows:

Director	Category	No. of Board Meetings Attended		Attendance at previous AGM held on 30 th September, 2010	No. of Directorship held in other Public Companies	Committee position in other Companies	
		Held	Attended			Member	Chairman
Shri P. B. Shah	Promoter/ Chairman / Non Executive	9	9	Present	1	-	-
Shri Vipul P Shah	Promoter/ Managing Director	9	9	Present	1	-	-
Dr. S.N.Sahai	Whole Time Director	9	9	Present	1	-	-
Shri R.L. Rathod (upto 15 th July 2010)	Whole Time Director	4	1	-	-	-	-
Shri Arvind Patel	Non Executive / Independent Director	9	-	Absent	-	-	-
Shri Jagdeep Mehta	Non Executive / Independent Director	9	7	Absent	-	-	-
Dr. Anil Salvi (upto 15 th July 2010)	Non Executive / Independent Director	4	-	-	-	-	-
Shri Prasannakumar Gawde	Non Executive / Independent Director	9	9	Present	1	2	-

None of the directors hold directorships in more than 15 public limited companies, membership in more than 10 committees and chairmanship in more than 5 committees.

3. BOARD COMMITTEES

a. Audit Committee

The Committee comprises of two independent and one executive director having financial background and knowledge in the areas of business of the Company. The Committee comprises of Shri Prassannakumar Gawde (Chairman of the Committee) Shri Jagdeep Mehta and Shri Vipul P. Shah.

During the year under review, 4 (four) meetings of the Audit Committee were held on 29th May 2010, 9th August 2010, 29th October 2010 and 3rd February 2011.

The number of meetings attended by each member during the year ended 31st March 2011 is as under:

Name of the member	Designation	No. of meetings	
		Held	Attended
Shri Prassannakumar Gawde	Chairman	4	4
Shri Jagdeep Mehta	Member	4	4
Shri Vipul P. Shah	Member	4	4

The terms of reference of the Committee are wide. The members have access to all the required information from the Company. The brief descriptions of terms of reference are as follows:

- Reviewing the performance of the Company as reflected in the financial statements, as also compliance with accounting policies and practices, regulatory requirements concerning the said financial statements.
- 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 the appointment/removal of statutory auditors, fixation of audit fees and also approval of payments for any other services.
- Review with management the quarterly/half yearly and annual financial statements with the primary focus on accounting policies and practices, compliances with accounting standards and with the stock exchange and legal requirements concerning the financial statements.
- Reviewing with management, Statutory and internal auditors adequacy of the internal control systems in the Company.
- Discussing with internal and statutory auditors of any significant findings and follow-up thereon and reviewing the reports furnished by them.
- Reviewing the Company's financial and risk management policies.

b. Shareholders / Investors Grievance Committee

The composition of the committee is as under:

Name of the member	Designation	No. of meetings	
		Held	Attended
Shri P. B. Shah	Chairman	4	4
Dr. S. N. Sahai	Member	4	4
Shri R. L. Rathod (upto 15 th July 2010)	Member	1	1
Shri Vipul P Shah	Member	3	3

The Committee meets as and when required, to deal with the matters relating to transfer/ transmission of shares and monitors redressal of complaints from shareholders relating to transfer, non receipt of balance sheet, dematerialization of shares, etc.

During the year, 8 complaints were received from the shareholders and all the 8 complaints were replied/ resolved to the satisfaction of the shareholders as on 31st March 2011 and no complaint was pending at the end of the year.

Dr. S. N. Sahai, Whole Time Director is Compliance Officer of the Company.

c. Remuneration Committee

The composition of the Committee is as under:

Name	Designation	Category
Dr. Anil S. Salvi (upto 15 th July 2010)	Chairman	Independent
Shri Prassannakumar Gawde	Chairman	Independent
Shri Arvind Patel	Member	Independent
Shri Jagdeep Mehta	Member	Independent

The details of remuneration paid to the directors during the year ended 31st March 2011 and their shareholding is as follows: **(Amount in Rs.)**

Name of the Directors	Salary & Perquisites	Performance Incentive/ Bonus	Commission	Sitting Fees	Total	No. of Shares held
Shri P. B. Shah	-	-	-	-	-	2,47,100
Shri V. P. Shah	12,00,000	-	-	-	12,00,000	7,26,100
Dr. S. N. Sahai	3,60,000	-	-	-	3,60,000	-
Shri R. L. Rathod	36,000	-	-	-	36,000	500
Shri Arvind Patel	-	-	-	-	-	-
Dr. Anil S. Salvi	-	-	-	-	-	-
Shri Jagdeep Mehta	-	-	-	-	-	-
Shri Prasannakumar Gawde	-	-	-	-	-	-

Presently the Company does not have any scheme to grant stock options either to the Whole-time directors or employees.

No remuneration is paid to non-executive directors.

4. GENERAL BODY MEETINGS

Details of location, date and time where last three Annual General Meetings were held are given below:

Financial Year	Date	Time	Location of the meeting
2009 - 2010	30-09-2010	9.30 p.m.	Hotel Karl Residency, 36, Lalubhai Park Road, Andheri (West), Mumbai - 400 058.
2008 - 2009	25-09-2009	2.30 p.m.	Hotel Karl Residency, 36, Lalubhai Park Road, Andheri (West), Mumbai - 400 058.
2007 - 2008	30-09-2008	4.30 p.m.	Hotel Karl Residency, 36, Lalubhai Park Road, Andheri (West), Mumbai - 400 058.

Special Resolutions passed in last 3 Annual / Extra Ordinary General Meetings:

Date of A.G.M./E.O.G.M	Particulars of Special Resolution
30.09.2010	No special resolution was passed.
25.09.2009	No special resolution was passed.
30.09.2008	No special resolution was passed.

No Special Resolution is proposed to be passed through postal ballot at the ensuing Annual General Meeting.

- **Postal Ballot**

The Company issued Postal Ballot Notice to its shareholders on 23rd June 2010. The Postal Ballot process was undertaken in accordance with the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001. Mr. Rajesh Kedia, Practicing Company Secretary was appointed as Scrutinizer for conducting the Postal Ballot process. The result of the Postal Ballot process was announced on 24th July 2010.

The details of resolutions passed through postal ballot and the voting pattern for the same are as follows :

Sr. No.	Business	Postal Ballot forms received		Valid Votes Casted		
		Total	Valid	Total	In favour	Against
1.	Ordinary Resolution u/s 16 and 94 of the Companies Act, 1956 for increase in Authorised Share Capital of the Company from Rs. 6 Crore to Rs. 7 Crore and consequential alteration in Clause V of the Memorandum of Association of the Company.	27	26	2758468	2758268 (99.99%)	200 (0.01%)
2.	Special Resolution u/s 31 of the Companies Act, 1956 for alteration in Article 3 of Articles of Association of the Company upon increase in Authorised Share Capital of the Company from Rs. 6 Crore to Rs. 7 Crore.	27	26	2758468	2758268 (99.99%)	200 (0.01%)
3.	Special Resolution u/s 81(1A) of the Companies Act, 1956 for issue of warrants convertible into equivalent number of equity shares of the Company on preferential basis.	27	26	2758468	2758268 (99.99%)	200 (0.01%)
4.	Ordinary Resolution u/s 293(1)(d) of the Companies Act, 1956 for giving authority to the Board of Directors of the Company to borrow money upto Rs. 100 Crore.	27	26	2758468	2758268 (99.99%)	200 (0.01%)
5.	Ordinary Resolution u/s 293(1)(a) of the Companies Act, 1956 for giving authority to the Board of Directors of the Company to create charge on the assets / undertakings of the Company upto the limit as approved u/s 293(1)(d) of the Companies Act, 1956.	27	26	2758468	2758268 (99.99%)	200 (0.01%)

All the resolutions were passed with requisite majority.

5. DISCLOSURES

a) Related party transactions:

During the year under review, besides the transactions reported in Notes to Accounts to the Balance Sheet as at 31st March 2011, there were no other related party transactions with its promoters, directors and management that had a potential conflict of interest of the Company at large.

b) Code of Conduct:

The Board of Directors has adopted a Code of Conduct for the Board of Directors and Senior Management Personnel of the Company. All Board members have affirmed their compliance with the Code of Conduct. A declaration by the Managing Director of the Company affirming the compliance of the same in respect of the financial year ended on 31st March 2011 by the members of the Board, as applicable to them, is also annexed separately in this Annual Report.

c) Compliance by the Company

The Company has complied with the requirements of the Stock Exchange, Securities and Exchange Board of India (SEBI) and other statutory authorities on all matters relating to capital market during the last three years. The Stock Exchanges, SEBI or any statutory authority on any matter relating to capital markets imposed no penalties or strictures on the Company.

d) Disclosure of Accounting Treatment

In the preparation of the financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent possible.

e) Disclosures of Risk Management

The Board discussed the risk assessment procedure and the same has been laid before the Board from time to time.

f) CEO / CFO Certification

A certification in the terms of Clause 49(v) of the listing agreement from Shri Vipul P. Shah, Managing Director of the Company, in respect of financial year ended 31st March 2011 was placed before the Board.

g) Review of Directors Responsibility Statement

The Board in its report has confirmed that the annual accounts for the year ended 31st March 2011 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

h) Whistler Blower Policy

The Company has not adopted any formal Whistler Blower Policy. However, the Company has not denied access to any personnel to approach the Audit Committee.

i) Details of compliance with mandatory requirements and adoption of the non mandatory requirements of this clause.

Company has complied with all the mandatory requirements of the Clause 49 of the Listing Agreement. The details of these compliances along with the non-mandatory requirements adopted by the Company have been given in the relevant sections of this report.

6. MEANS OF COMMUNICATION

- a) At present half yearly report on accounts is not being sent to each household of shareholders.
- b) The quarterly, half-yearly and full year results are published in Business Standard and Apana Mahanayak.
- c) At present, the Company has not made presentation to institutional investors and Analysts.
- d) The Company has its own website www.vipuldyes.com.
- e) The Management Discussion and Analysis is given separately in this Annual Report.

7. GENERAL INFORMATION FOR SHAREHOLDERS
a) Annual General Meeting

Time	:	3.30 p.m.
Date	:	30 th September 2011
Venue	:	Hotel Karl Residency, 6, Lalubhai Park Road, Andheri (West), Mumbai - 400 058

b) Financial Calendar: (2011-2012)

Result for the quarter ending June 30 th , 2011	:	by August 14 th 2011
Result for the quarter ending September 30 th , 2011	:	by November 14 th 2011
Result for the quarter ending December 31 st , 2011	:	by February 14 th 2012
Audited Result for the year ending March 31 st , 2012	:	by May 30 th 2012.

c) Date of Book Closure : 28th September 2011 to 30th September 2011 (both days inclusive)

d) Dividend Payment Date : Credit/ Dispatch between 7th October 2011 to 11th October 2011

- e) **Listing on Stock Exchanges** : Bombay Stock Exchange Limited
The Ahmedabad Stock Exchange Limited*
The Delhi Stock Exchange Association*
* Applied for de-listing.

The Company has paid the necessary listing fees of the Bombay Stock Exchange Limited for the year 2011-2012.

- f) **Stock Code** : BSE : 530627
g) **ISIN for NSDL & CDSL** : INE 834D01018
h) **Market Price Data & comparison with BSE Sensex :**

The monthly high and low quotations of shares traded on the Bombay Stock Exchange Limited and BSE Sensex during each month in last financial year are as follows:

Month	Company's shares price at BSE*		BSE Sensex*	
	High (Rs)	Low (Rs)	High (Rs)	Low (Rs)
April 2010	14.33	12.00	18,047.86	17,276.80
May 2010	14.70	11.70	17,536.86	15,960.15
June 2010	28.71	14.00	17,919.62	16,318.39
July 2010	45.20	28.60	18,237.56	17,395.58
August 2010	43.50	34.20	18,475.27	17,819.99
September 2010	46.40	35.50	20,267.98	18,027.12
October 2010	41.00	34.15	20,854.55	19,768.96
November 2010	45.50	35.05	21,108.64	18,954.82
December 2010	39.60	25.55	20,552.03	19,074.57
January 2011	33.80	23.00	20,664.80	18,038.48
February 2011	27.30	17.00	18,690.97	17,295.62
March 2011	24.65	18.40	19,575.16	17,792.17

* Source: www.bseindia.com

- i) **Share Transfer System :**

All shares sent for transfer in physical form are registered by the Company's Registrar and Share Transfer Agents within a maximum period of 30 days of the lodgment, except in some cases, if documents, are found in order. Shares under objection are returned within two weeks. All requests for dematerialization of shares are promptly processed and confirmation is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services Limited (CSDL) within 21 days.

- j) **Shareholding pattern as at 31st March 2011:**

Sr.No.	Category of Holders	No. of Shares held	% of Shares held
1	Promoter and Promoter group	22,46,600	54.22
2	Mutual Funds/UTI	71,100	1.31
3	Banks/Financial Institutions/ Insurance Companies (Central/ State Govt. Institutions/ Non Govt. Institutions)	-	-
4	Venture Capital Funds	-	-
5	FII's	-	-
6	Bodies Corporate	5,52,581	10.17
7	Individuals < Rs. 1 Lac > Rs. 1 Lac	9,80,998 8,45,670	18.05 15.56
8	Clearing Member	3,801	0.07
9	NRI/OCBs	33,750	0.62
10	Trust	-	-
11	Foreign Corporate Bodies	-	-
	TOTAL	54,34,500	100.00

k) The Distribution of Shareholding as at 31.03.2011:

Slab of Shares Holding		Share Holders	Percentage %	Amount Rs.	Percentage %
From	To				
1	500	2627	86.93	409347	7.53
501	1000	164	5.43	142957	2.63
1001	2000	79	2.61	124294	2.29
2001	3000	36	1.19	94961	1.75
3001	4000	24	0.80	85807	1.58
4001	5000	9	0.30	41843	0.77
5001	10000	31	1.02	228290	4.20
10001	and above	52	1.72	4307001	79.25
TOTAL		3,022	100.00	54,34,500	100.00

l) Dematerialization of shares and liquidity:

As on 31st March 2011 about 62.25% of the Company's Equity Shares have been dematerialized. The equity shares of the Company are actively traded on the Bombay Stock Exchange Ltd., Mumbai.

m) Outstanding ADRS, GDRS, Warrants or any convertible instruments, conversion date and impact on Equity:

As on 31st March 2011, 1125000 warrants issued on preferential basis were outstanding for conversion. The Company has not issued any ADRS, GDRS or any other convertible instruments.

n) Registrar and Share Transfer Agents :

Bigshare Services Pvt. Ltd.
E 2/3, Ansa Industrial Estate,
Sakivihar Road, Saki Naka,
Andheri (East), Mumbai 400 072
Tel No. : 022 2847 0652
Fax No. : 022 2847 5207

o) Plant :

Plot No. 11, Survey No. 35,
Diwan & Sons Industrial Estate,
Village Aliyali, Palghar

p) Address for Investor Correspondence:

For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address, non-receipt of dividend or any address, non-receipt of dividend or any other query relating to shares, please write to:

Bigshare Services Pvt. Ltd.
E 2/3, Ansa Industrial Estate,
Sakivihar Road, Saki Naka, Andheri (East),
Mumbai 400 072
Tel No. : 022 2847 0652
Fax No. : 022 2847 5207
Email ID : ansar@bigshareonline.com

Compliance Officer
Dr. S. N. Sahai
102, Andheri Industrial Estate,
Off. Veera Desai Road,
Andheri (West),
Mumbai 400 053
Tel No. : 022 67759999
Fax No. : 022 67759977
Email ID : admin@vipuldyes.com

DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT

I, Vipul P. Shah, Managing Director of the Company, confirm that all the Directors of the Company have affirmed compliance with the code of conduct during the year ended on 31st March 2011.

For **Vipul Dyechem Limited**

Place : Mumbai
Date : 5th August 2011

Vipul Shah
Managing Director

CERTIFICATE OF COMPLIANCE FROM THE AUDITORS OF THE COMPANY

To the members of **VIPUL DYECEM LIMITED**

We have examined the Compliance of the conditions of Corporate Governance by **VIPUL DYECEM LIMITED** for the year ended 31st March, 2011 as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchanges of India.

The compliance of conditions of Corporate Governance is the responsibility of management. Our Examination was limited to the 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 the opinion on the financial statements of the Company

In our opinion and to the best of our information and explanations given to us and the representations made by management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned listing agreement.

We state that in respect of Investor Grievances received, generally no investor grievances are pending for a period exceeding one month against the company as per records maintained by the Investors Grievance committee.

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

For **M/s. J. A. Rajani & Co.**

Chartered Accountants
Firm Reg. No. 108331W

P. J. Rajani

Proprietor
Membership No. : 116740

Place : Mumbai
Date : 5th August, 2011

AUDITORS' REPORT TO THE MEMBERS OF VIPUL DYECEM LIMITED.

1. We have audited the attached Balance Sheet of VIPUL DYECEM LIMITED as at 31st March, 2011 and also the Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in term of Section 227(4A) of the Companies Act, 1956(The Act) and on the basis of such examination of the books and records of the Company as we consider proper and the information and explanation given to us during the course of our audit, we annex a statement on the Matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the annexure referred to above, we state that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by the law have been kept by the Company so far as appears from our examination of the books;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report comply with the Accounting Standard (AS) referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representation received from directors of the company as at 31st March, 2011 and taken on record by the Board of Directors, we report that none of the director is disqualified from being appointed as director of the company in terms of clause (g) of sub-section (1) of section 274 of companies Act, 1956;
 - f) In our opinion, and to the best of our information and according to the explanation given to us, the said accounts read together with the Significant Accounting Policies and Notes on Accounts (schedule XVII) give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India:
 - i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - ii) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - iii) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

For J.A.Rajani & Co.
Chartered Accountants
Firm Reg. No. 108331W

P.J.Rajani
Proprietor
Membership No. 116740

Place: Mumbai
Date: 30th May, 2011.

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE**i) In respect of its Fixed Assets.**

Proper records showing full particulars, including quantitative details and situation of fixed assets are maintained.

As explained to us some of the Fixed Assets were physically verified during the year by the management in accordance with a program of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. The reconciliation work with the available records is in progress and necessary entries will be passed in the accounts to give to material discrepancies, observed on such reconciliation.

In our opinion and according to the information and explanations given to us, the company has not made any substantial disposal of Fixed Assets during the year.

ii) In respect of its Inventories.

As explained to us, major inventories were physically verified during the year by the management at reasonable intervals. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to size of the company and the nature of its business.

In our opinion and according to the information and explanations given to us, the company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

iii) According to the information and explanation given to us:

The company has not granted loans, secured or unsecured to companies, firms or other parties covered in register maintained u/s 301 of the Companies Act 1956 during the year and year end balance is Rs. Nil.

The company has not taken loan from companies, firms or other parties covered in register maintained u/s 301 of the Companies Act 1956.

The rate of interest and other terms and conditions of loans given and taken by the company are prima facie not prejudicial to the interest of the company as no interest charged or received on any loans taken or given.

Since no stipulation as to recovery of principal as well as payment of interest are made for loans granted and taken, we cannot offer any comments for regularities of payments or overdue amount, if any.

iv) In our opinion and according to the information and explanation given to us the company has internal control system commensurate with the size of the company and the nature of its business with regards to purchase of inventories, fixed assets and with regards to the sale of the goods and services. During the course of our audit, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in internal controls system.**v) To the best of our knowledge and belief and according to the information and explanation given to us particulars of contracts or arrangements referred to in section 301 that need to be entered in the register have been so entered.**

In our opinion and according to the information and explanation given to us, the transaction made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

vi) In our opinion and according to the information and explanation given to us, the company has not accepted public deposits during the year within the meaning of Section 58A and 58AA. We have been informed that no order has been passed by the Company Law Board or National Company Law Board Tribunal or Reserve Bank of India or any other Tribunal in India.**vii) In our opinion, the company has internal audit system, commensurate with the size and nature of its business.****viii) According to the information and explanation given to us the maintenance of Cost records under section 209(1) (d) of the Companies Act 1956 has not been prescribed by Central Government for any of the products of the Company for the year under review.**

- ix) According to the record of the company, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees' State Insurance, Income Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other statutory dues applicable to it with appropriate authorities.

According to the information and explanations given to us, there are no undisputed amount payable in respect of income tax, wealth tax, custom duty, excise duty and cess which were outstanding, at the end of the period of more than six months from the date they became payable except dividend distribution tax of Rs. 5.67 Lacs.

According to the information and explanations given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute except for Rs.0.55 Lacs Income Tax in respect of Assessment 2002-03 which is Appeal with Income Tax Appellate Tribunal Mumbai.

- x) The company neither has accumulated losses at the end of the year, nor incurred cash losses during the financial year covered by our audit and the immediate preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to the financial institution, bank or debenture holders.
- xii) According to information and explanation given to us company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) Clause (xiii) of the order is not applicable to the Company, as the Company is not chit fund Company or Nidhi / Mutual benefit fund / Society.
- xiv) The company has, in our opinion, maintained proper records and contracts with respect to its investment where timely entries are made in the former. All investment at the end are generally held in the name of the company.
- xv) According to information and explanation given to us the company has not given guarantees for loan taken by others from banks or financial institutions.
- xvi) According to information and explanation given to us the company has not taken term loan during the year.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii) According to the information and explanations given to us, the company has made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act 1956 at a price which is not prejudicial to the interest of the Company.
- xix) According to information and explanation given to us Debentures have not been issued by the company during the year.
- xx) During the period, the company has not raised money by public issue.
- xxi) According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For J. A. Rajani & Co.
Chartered Accountants
Firm Reg. No. 108331W

P. J. Rajani
Proprietor
Membership No. 116740

Place: Mumbai
Date: 30th May, 2011.

BALANCE SHEET AS ON 31st MARCH 2011

	Schedules	AS ON 31.03.2011 Rs.	AS ON 31.03.2010 Rs.
I SOURCE OF FUNDS:			
A Shareholder's Funds			
Share Capital	I	54,345,000	45,845,000
Application Money-Warrant		5,625,000	-
Reserve and Surplus	II	64,182,765	51,162,046
		<u>124,152,765</u>	<u>97,007,046</u>
B Loan Funds			
Secured Loans	III	59,487,046	54,308,502
Unsecured Loan	III	2,829,799	2,500,000
		<u>62,316,845</u>	<u>56,808,502</u>
C Deferred Tax Liabilities			
		761,495	737,619
TOTAL		<u><u>187,231,104</u></u>	<u><u>154,553,167</u></u>
II APPLICATION OF FUNDS			
A Fixed Assets			
Gross Block		54,124,778	47,639,484
Less: Depreciation		24,452,186	22,199,215
Net Block	IV	29,672,593	25,440,269
B Investments (at cost)			
	V	2,959,841	2,493,719
C Current Assets ,Loans and Advances			
Inventories	VI	34,987,758	26,526,397
Sundry Debtors	VII	82,814,143	52,284,296
Cash & Bank Balances	VIII	23,623,919	14,057,566
Loans & Advances	IX	74,983,057	78,722,706
		<u>216,408,878</u>	<u>171,590,965</u>
Less: Current Liabilities & Provisions	X	<u>61,930,208</u>	<u>44,971,786</u>
Net Current Assets		154,478,670	126,619,179
Misc. Expenditure		120,000	-
TOTAL		<u><u>187,231,104</u></u>	<u><u>154,553,167</u></u>

As per our report of even date.

For J. A. Rajani & Co.

Chartered Accountants

P. J. Rajani

Proprietor

Place : Mumbai

Date : 30th May, 2011

For and on behalf of the Board of Directors

P. B. Shah

Chairman

V. P. Shah

Managing Director

Dr. S. N. Sahai

Whole Time Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2011

	Schedules	31.03.2011 Rs.	31.03.2010 Rs.
INCOME			
Sales and Income from Operations	XI	329,832,645	265,417,963
Other Income	XI	1,354,767	684,589
TOTAL		331,187,413	266,102,553
EXPENDITURE			
Material Cost Inventory Adjustments	XII	276,774,920	221,315,155
Personnel Cost	XIII	3,705,913	3,210,622
Manufacturing Expenses	XIV	12,481,318	10,559,406
Administrative, Selling & Distribution Exp.	XV	18,075,661	16,594,935
Interest Charges	XVI	3,998,306	4,132,296
Depreciation		2,291,474	1,946,762
TOTAL		317,327,592	257,759,177
PROFIT BEFORE TAXATION AND EXTRAORDINARY ITEMS		13,859,820	8,343,375
PROVISION FOR TAX		4,223,876	2,741,888
PROFIT AFTER TAXATION AND EXTRAORDINARY ITEMS		9,635,944	5,601,487
Balance Brought Forward		20,721,593	20,030,801
PROFIT AVAILABLE FOR APPROPRIATION		30,357,538	25,632,288
APPROPRIATIONS			
Dividend		4,347,600	3,667,600
Tax on Dividend		722,136	566,644
Tax / Other Adjustment Earlier Years		45,490	676,451
Balance Carried Forward		25,242,312	20,721,593
		30,357,538	25,632,288
E.P.S. (BASIC & DILUTED)		2.10	1.22
NOTES TO THE ACCOUNTS	XVII		

As per our report of even date.

For J. A. Rajani & Co.
Chartered Accountants

P. J. Rajani
Proprietor

Place : Mumbai
Date : 30th May, 2011

For and on behalf of the Board of Directors

P. B. Shah Chairman

V. P. Shah Managing Director

Dr. S. N. Sahai Whole Time Director

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH 2011

	31.03.2011	31.03.2010
	Rs.	Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax & Extra Ordinary Items	13,859,820	8,343,375
Adjustment for:		
Depreciation	2,291,474	1,946,762
Interest Paid	3,998,306	4,132,296
Other Income	(1,354,767)	(684,589)
Bad debts Written Off	558,870	299,986
loss on sale of fixed assets	45,098	4,440
Operating Profit before working Capital changes	19,398,801	14,042,271
Adjustment for:		
Trade & other receivables	(27,349,069)	(7,622,888)
Inventories	(8,461,361)	(2,286,295)
Trade Payables	11,735,774	5,187,074
Cash generated from operating activities	(4,675,854)	9,320,162
Interest Paid	(3,998,306)	(4,132,296)
Net Cash out flow from Operating Activities (A)	(8,674,160)	5,187,866
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(6,568,892)	(11,854,247)
Other Income	1,354,767	684,589
Purchase/ sale of Investments	(466,123)	100,000
Net Cash used for Investing Activities (B)	(5,680,247)	(11,069,658)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Capital/Share Application Received	22,505,000	-
Increase of /(Repayment) of Loan Fund	5,508,343	14,941,258
Dividend Paid	(4,092,583)	(2,750,700)
Net Cash out flow from financing Activities (C)	23,920,760	12,190,558
Net Decrease in Cash & Cash Equivalents (A+B-C)	9,566,353	6,308,766
Opening Cash & Cash Equivalents	14,057,566	7,748,800
Closing Cash & Cash Equivalents	23,623,919	14,057,566
Net Decrease in Cash & Cash Equivalents during the year	9,566,353	6,308,766

NOTE: (a) Figures in brackets are Cash out flow

(b) Figures in regrouped/rearranged wherever found necessary.

As per our report of even date.

For J. A. Rajani & Co.

Chartered Accountants

P. J. Rajani

Proprietor

Place : Mumbai

Date : 30th May,2011

For and on behalf of the Board of Directors

P. B. Shah

Chairman

V. P. Shah

Managing Director

Dr. S. N. Sahai

Whole Time Director

SCHEDULES TO THE BALANCE SHEET AS ON 31st MARCH, 2011

	<u>31.03.2011</u>	31.03.2010
	<u>Rs.</u>	<u>Rs.</u>
<u>SCHEDULE I</u>		
<u>SHARE CAPITAL</u>		
AUTHORISED :		
70,00,000 (60,00,000) Equity Shares of Rs .10/- each	<u>70,000,000</u>	<u>60,000,000</u>
ISSUED ,SUBSCRIBED & PAID UP		
54,34,500 (45,84,500) Equity Shares of Rs.10/- each	54,345,000	45,845,000
Out of the above 3,80,000 Equity Shares fully paid have been issued as Bonus Shares by Capitalisation of Revaluation Reserve		
TOTAL	<u>54,345,000</u>	<u>45,845,000</u>
<u>SCHEDULE II</u>		
<u>RESERVE & SURPLUS</u>		
CAPITAL RESERVE	852,700	852,700
GENERAL RESERVE	9,009,753	9,009,753
SHARE PREMIUM	29,078,000	20,578,000
Opening Balance	20,578,000	
Add :Premium on issue of Shares	<u>8,500,000</u>	
PROFIT & LOSS APPROPRIATION	25,242,312	20,721,593
TOTAL	<u>64,182,765</u>	<u>51,162,046</u>
<u>SCHEDULE III</u>		
<u>LOANS</u>		
(A) SECURED LOAN FROM BANKERS:		
# 1. PACKING CREDIT LOAN (secured by Hypothecation of goods ment for export)	17,032,954	17,122,260
# 2. BILL DISCOUNTING (Secured by Foreign Bill purchase)	40,948,749	35,053,086
3. OVERDRAFT AGAINST FIXED DEPOSIT	-	1,700,000
II MOTOR CAR LOAN	153,121	433,156
(B) SECURED LOAN FROM OTHERS:		
MOTOR CAR LOAN	1,352,223	-
	<u>59,487,046</u>	<u>54,308,502</u>
(C) UNSECURED LOANS		
** FROM BANKS	1,327,514	2,500,000
FROM OTHER	1,502,285	-
	<u>2,829,799</u>	<u>2,500,000</u>
# the above loans also covered by colateral securities as under		
1) EMDTD of land property & building with machinery/electricals installation situated at Survey no 35, Dewan & Sons Industrial Estate,Palghar		
2) Land & Building along with machineries at Plot no.11, Dewan & Sons Industrial Estate, Palghar of M/s. Vip Chem Pvt Ltd.		
3) Land & Building at Plot no 10 & 16, Dewan & Sons Industrial Estate, Palghar of Jayshree Chemicals		
4) Also covered in personal guarantee of 2 directors & corporate guarantees of Jayshree Chemicals & Vip Chem Pvt. Ltd.		
** Personal Guarantee by Directors		

SCHEDULES TO THE BALANCE SHEET AS ON 31ST MARCH, 2011
**SCHEDULE IV
FIXED ASSETS**

(Amount in Rs.)

ASSETS Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01-04-2010	Addition during the year	Deduction	As on 31.03.2011	Up to 31.03.2010	For the year	Adjustment during the year	Up to 31.03.2011	As on 31.03.2011	As on 31.03.2010
Factory land	12,618,157	1,314,627	-	13,932,784	-	-	-	-	13,932,784	12,618,157
Office Premises	635,480	-	-	635,480	45,042	29,522	-	74,564	560,916	590,438
Factory Building	4,159,558	-	-	4,159,558	3,026,321	113,324	-	3,139,645	1,019,913	1,133,237
Plant & Machinery	23,584,787	2,262,347	-	25,847,134	15,442,237	1,308,547	-	16,750,784	9,096,350	8,142,550
Electrical Installation	469,455	-	-	469,455	400,437	9,600	-	410,037	59,418	69,018
Motor Car	2,197,068	2,097,917	-	4,294,985	1,278,780	510,064	-	1,788,844	2,506,141	918,288
Air Conditioner	374,787	26,500	-	401,287	247,643	27,810	-	275,453	125,834	127,144
Furniture & Fixture	1,395,979	172,684	-	1,568,663	655,324	145,552	-	800,876	767,787	740,655
Computer	938,969	165,582	-	1,104,551	717,933	119,216	-	837,149	267,402	221,036
Office Equipment	535,076	105,181	110,270	529,987	385,498	27,840	38,504	374,833	155,154	149,578
Work in Progress	730,168	1,180,894	730,168	1,180,894	-	-	-	-	1,180,894	730,168
TOTAL	47,639,484	7,325,732	840,438	54,124,778	22,199,215	2,291,474	38,504	24,452,186	29,672,593	25,440,269
Previous Year	35,876,260	11,886,747	123,523	47,639,484	20,275,219	1,946,762	22,767	22,199,215	25,440,269	15,601,041

**SCHEDULE V
INVESTMENT (AT COST)**

(A) UNQUOTED

Government Securities

Shree Ambika Naturals Pvt Ltd

(B) QUOTED (NON TRADE)

Equity Shares Fully Paid

(C) CONVERTABLE DEBENTURES

In Listed Companies

TOTAL

(Market Value of Quoted investments Rs.28,79,395/- (P.Y. Rs. 29,65,468))

31.03.2011
Rs.

 31.03.2010
Rs.

1,000

1,000

255,000

-

2,663,341

2,452,219

40,500

40,500

2,959,841
2,493,719
**SCHEDULE VI
INVENTORIES**

(As taken, valued & certified by Management)

Stock in Trade (at cost unless otherwise stated)

Raw Materials

15,021,428

14,309,122

Finished Goods

19,966,330

12,217,275

(at cost or net realisable value whichever is lower)

TOTAL
34,987,758
26,526,397

SCHEDULES TO THE BALANCE SHEET AS ON 31st MARCH, 2011

	31.03.2011	31.03.2010
	Rs.	Rs.
<u>SCHEDULE VII</u>		
<u>SUNDRY DEBTORS</u>		
(Unsecured considered good)		
Outstanding for more than six months	4,864,862	3,660,785
Other Debts	77,949,281	48,623,511
TOTAL	82,814,143	52,284,296
<u>SCHEDULE VIII</u>		
<u>CASH AND BANK BALANCES</u>		
Cash in Hand	361,846	521,640
Balance with schedule Banks		
On Current Accounts	11,592,952	6,742,853
On Deposit Accounts	11,669,122	6,793,074
(Against L.C Margin & Guarantees & Bank Overdraft)		
TOTAL	23,623,919	14,057,566
<u>SCHEDULE IX</u>		
<u>LOAN & ADVANCES</u>		
(Unsecured considered goods unless otherwise stated)		
Deposits	8,010,579	8,007,074
Advances receivable in cash or in kind or for value to be received	60,684,736	66,098,372
Balance with Govt.	6,287,742	4,617,260
TOTAL	74,983,057	78,722,706
<u>SCHEDULE X</u>		
<u>CURRENT LIABILITIES & PROVISIONS</u>		
<u>CURRENT LIABILITIES</u>		
Acceptances	11,113,338	6,519,860
Sundry Creditors for Goods	28,730,006	23,859,361
Sundry Creditors for Expenses	6,483,368	4,721,749
Other liabilities	91,141	156,118
Advances from Customers	3,154,826	887,196
Duties & Taxes	385,252	136,276
Unclaimed Dividend	705,574	595,442
<u>PROVISIONS</u>		
Provision for Income Tax (Net)	4,125,853	2,719,259
Provision for Dividend	4,347,600	3,667,600
Tax on Dividend	1,288,780	991,627
Provision for Exp	1,504,470	717,298
TOTAL	61,930,208	44,971,786

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

	31.03.2011	31.03.2010
	<u>Rs.</u>	<u>Rs.</u>
<u>SCHEDULE TO THE PROFIT & LOSS ACCOUNT</u>		
<u>SCHEDULE XI</u>		
<u>INCOME</u>		
(A) SALES AND INCOME FROM OPERATIONS		
Export sales	260,402,133	229,700,340
Local sales (Including Excise Duty)	58,344,388	27,753,251
Less:Excise Duty	(1,648,759)	(1,615,562)
Export incentives	12,734,883	9,579,934
	<u>329,832,645</u>	<u>265,417,963</u>
(B) OTHER INCOME		
Dividend Income	58,703	64,525
Exchange Gain	398,589	-
Interest & Others	897,475	620,064
(TDS Rs. 74155.80(P.Y. 80751)	<u>1,354,767</u>	<u>684,589</u>
TOTAL		
<u>SCHEDULE XII</u>		
<u>MATERIAL COST AND INVENTORY ADJUSTMENTS</u>		
Raw Materials Consumed		
Opening stock	14,309,122	15,496,910
Add: Purchases	33,133,151	40,478,140
	47,442,273	55,975,050
Less: Closing stock	15,021,428	14,309,122
	32,420,845	41,665,928
Finished Goods Purchased	252,103,130	183,123,310
Inventory Adjustment		
Stock at Commencement	12,217,275	8,743,192
Less :Stock at close	19,966,330	12,217,275
	(7,749,055)	(3,474,083)
TOTAL	<u>276,774,920</u>	<u>221,315,155</u>
<u>SCHEDULE XIII</u>		
<u>PERSONNEL COST</u>		
Salaries	1,712,928	1,117,275
Bonus	112,255	143,385
Staff Welfare Expenses	284,730	245,962
Directors Remuneration	1,596,000	1,704,000
TOTAL	<u>3,705,913</u>	<u>3,210,622</u>

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

	31.03.2011	31.03.2010
	Rs.	Rs.
<u>SCHEDULE XIV</u>		
<u>MANUFACTURING EXPENSES</u>		
Wages and Processing Charges	2,107,025	1,771,734
Packing Material	1,312,760	1,201,350
Repairs and Maintenance	1,139,459	955,861
Power fuel and Electricity Charges	4,905,642	3,848,980
Stores & Factory Expenses	686,141	850,298
Transport Charges	2,330,292	1,931,183
TOTAL	12,481,318	10,559,406
<u>SCHEDULE XV</u>		
<u>ADMINISTRATIVE, SELLING AND DISTRIBUTION EXPENSES.</u>		
Export Clearing ,Freight & Forwarding	4,034,673	3,600,907
Telephone Postage Telegram Expenses	1,119,459	791,959
Printing and Stationary	472,968	305,464
Professional & Legal Charges	1,420,228	957,599
Travelling Expenses	1,756,922	1,638,397
Insurance Charges	1,312,538	1,489,413
Rent ,Rates, Electricity & Warehouse	1,145,974	917,969
Donation	693,000	410,675
Auditors Remuneration	185,000	155,000
Bank Charges & Commission	1,895,383	2,352,686
Exchange Rate Loss	-	1,121,763
Commission	1,692,872	1,136,846
Miscellaneous/ Office Expenses	1,270,429	1,284,250
Sales Promotion/ Exhibition Expenses	517,345	132,021
Bad Debts written off	558,870	299,986
TOTAL	18,075,661	16,594,935
<u>SCHEDULE XVI</u>		
<u>INTEREST</u>		
Bank Interest	3,414,553	4,053,720
Interest to Others	583,753	78,576
TOTAL	3,998,306	4,132,296

SCHEDULE: XVII**NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH 2011.****A SIGNIFICANT ACCOUNTING POLICIES:****I. System Of Accounting:**

The Company follows mercantile system of accounting and recognises income and expenditure on an accrual basis except those with significant uncertainties.

Financial Statements are based on historical cost. These costs are not adjusted to reflect the impact of the changing value in the purchasing power of money. Estimates and Assumptions used in the preparation of the financial statements are based upon management's evaluation of the relevant facts and circumstances as of the day of the Financial Statements, which may differ from the actual results at a subsequent date.

II. Fixed Assets, Depreciation and Impairment loss:

Fixed Assets are stated at cost net of accumulated depreciation. Cost includes expenses related to acquisition and financing cost on borrowing during construction period. Assets acquired on Hire purchase are capitalised to the extent of Principal Value.

Depreciation on Fixed Assets has been provided on written down value basis and manner provided in schedule XIV of Companies Act 1956. Additions during the Year are depreciated on pro-rata basis. Leasehold land is shown at cost and no write offs are made in respect thereof.

In case, the recoverable amount of fixed assets is lower than its carrying amount, a provision is made for the impairment loss.

III. Investments:

Long-term investments are stated at cost of acquisition less provision for diminution in value other than temporary, if any.

IV. Prior Period Adjustments:

All items of Income/Expenditure pertaining to prior period (except those not exceeding Rupees One Thousand in each case which are accounted through respective revenue accounts) are accounted through Prior Period Adjustment account.

V. Inventories:

Raw Materials are valued at cost.

Finished Goods are valued at lower of cost or net realizable value.

Packing materials, stores and spares are charged to revenue account.

VI. Revenue Recognition:

Export Sales are accounted on the date of Bill of Lading. Export benefits thereon are accounted on the basis of eligibility in the year of Export.

Sales includes Central Excise and other incidental charges.

Dividend from investments in the shares is accounted for on the basis of the date of declaration of dividend falling within the accounting year.

VII. Deferred Revenue Expenditure:

Shares issue expenses are amortised over a period of 10 years.

VIII. Retirement Benefits:

The Company has created an Employees' Group Gratuity Fund, which has taken a Group Gratuity cum Life Insurance Policy from the Life Insurance Corporation of India. Gratuity is provided on the basis of premium paid on the above policy as intimated by Life Insurance Corporation of India. The adequacy of the fund along with the provision is as per the actuarial valuation.

Provision for leave entitlement is accrued and provided for at the end of the financial year.

IX. Bonus:

No provision is made in accounts for bonus payable to employees. The payment is recorded when actual disbursement is made.

X. Borrowing Cost:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalized till the month in which the asset is ready to use as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which this are incurred.

XI. Foreign Currency Transactions:

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. At the year-end monetary items denominated in foreign currencies are converted into rupee equivalent at the year-end exchange rates. All exchange differences arising on settlement and conversion on foreign currency transaction are dealt with in profit and loss account, except in cases where they relate to acquisition of fixed assets, in which they are adjusted in the cost of corresponding assets.

XII. Accounting for Tax on Income:

The provision for current tax has been made in accordance with the Income Tax Law prevailing for the relevant assessment year after considering various admissible reliefs'.

Deferred tax for the year is recognized, on timing differences being the difference between the taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

The deferred tax assets and liabilities are measured using the tax rates and tax rules that have been enacted or substantially enacted on the balance sheet date. Deferred tax assets are recognized and carried forward only if there is reasonable, virtual certainty of its realization.

XIII. Research & Development:

Revenue expenditure is charged to revenue under the natural heads of account in the year in which it is incurred.

Fixed assets purchased for research and development are treated in the same way as any other Fixed Assets.

XIV. Expenditure During Construction and on New Projects:

In case of new Industrial units and substantial expansion of existing units, all pre- operating expenditure specifically for the project, incurred up to the date of installation, is capitalised and added pro rata to the cost of fixed assets.

XV. Provisions, Contingent Liabilities and Contingent Assets:

A provision is made based on reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation. Contingent Liabilities, if material, are disclosed by way of notes to accounts. Contingent Assets are not recognised or disclosed in the financial statements.

B) NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH 2011.
1) Contingent Liabilities not provided for in respect of:-

(Amount in Rs. Lacs)

	31.03.2011	31.03.2010
A) Estimated amount of contract remaining to be executed on Capital account.	18.50	5.00
B) Bank Guarantees/Counter Guarantee issued.	-	-
C) Letter of Credit & Bank Guarantee (Secured with 100% margin pledged with Bank in the form of F.D.R.)	-	-
D) Income Tax Assessment Refund/Dues against which Company prefer appeal.	0.54	0.54
E) Dues Raised by M.S.E.B which is protested by Company.	2.50	2.50

2) The Sales Tax & Income-Tax Assessments are pending for earlier years. Liabilities in respect of such taxes could not ascertained.

3) Auditor's Remuneration: -

(Amount in Rs.)

	2010-2011	2009-2010
Audit Fees	1,48,905	1,21,330
Tax Audit Fees	55,150	49,635
Certification & Other matter	78,874	57,784
Taxation Matters	1,03,682	1,08,094
	3,86,611	3,36,843

- 4) During the year, the Company has issued 8,50,000 Equity shares of Rs. 10 each issued at a price of Rs. 20/- (including premium of Rs. 10/- each) on conversion of Warrants issued on preferential basis.
- 5) Export benefits including Central Excise, Advance Licenses and Passbook of Duty Credit to be reconciled with the related evidences and Statements and necessary adjustment if required will be made after reconciliation. Export benefits receivable are valued and certified by the management. However the actual realisation of the same may significantly differ.
- 6) The Company has deposits of Rs.74 lacs with the Pyrates Phosphates & Chemicals Ltd (PPCL) which is overdue. However the company has filed a suit with District Court and for the same District Court has given the ruling in favour of the Company by the way of decree. The Company has now filed an application for the execution of the preferential claim for the decree against PPCL and as per the latest order given by the Honourable High Court Patna, it has been decided that the claim may be considered upon liquidation / disposal of all the assets of PPCL. In view of that, the management has not made any provision for doubtful deposits.
- 7) Sundry Debtors, Creditors, Loan, Deposits and advances are subject to reconciliation and confirmation, necessary adjustment if required will be after reconciliation.
- 8) Some assets of which the company is beneficial owner are pending for transfer in the name of the company.
- 9) No provision has been made in the accounts for diminution in the value of quoted investments by reason of these investments being Long Term Investment and the decline in their value being on account of temporary factors.

During the year ended March 31, 2011, the Company made an investment of Rs 2.55 Lacs by way of subscription to the equity share capital of Shree Ambika Naturals Pvt. Ltd. With this subscription, Shree Ambika Naturals Pvt. Ltd. has become a subsidiary of the Company.

Shree Ambika Naturals Pvt. Ltd. (Formerly Known as Shree Ambika Dyechem Pvt. Ltd.) is a company having its manufacturing unit at Ahmednagar, Maharashtra.

- 10) The Company had created an Employees' Group Gratuity Fund in the previous year, which has taken a Group Gratuity cum Life Insurance Policy from the Life Insurance Corporation of India. Consequent to this reserve at the previous year end has decreased by Rs. 4.73 Lacs for contribution of premium to LIC for earlier years liability. Bonus is accounted on cash basis.
- 11) In the opinion of the Board of Directors to the best of Knowledge and belief all the current assets, loans and advances have been stated at realisable value at least of an amount equal to the amount at which they are stated in Balance Sheet.
- 12) Unpaid Dividend accounts are subject to reconciliation.
- 13) The Company does not possess information as to which of its suppliers are Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the Company owes any amount. However, the Company is regular in making payments to its suppliers and has not received any claim in respect of interest for delayed payment.
- 14) The outstanding forward exchange contract as on 31st March, 2011 entered into by the company was for USD Nil (Prev. year USD 85,400 equivalent INR 39.40 Lacs).
- 15) The entire operations of the Company relate to only one segment viz. Dyes, Chemicals & Intermediates such, there is no separate reportable segment under Accounting Standard-17 on Segment Reporting.

16) Managerial Remuneration. (Amount in Rs.)

Sr. No.	Director	Salary & Perquisites	Performance Incentives/Bonus	Total
1	Mr. V. P. Shah (Managing Director)	12,00,000	-	12,00,000
2	Mr. R. L. Rathod (Whole Time Director)	36,000	-	36,000
3	Dr. S. N. Sahai (Whole Time Director)	3,60,000	-	3,30,000

Insurance amount includes Rs. 7.14 lacs paid for key man insurance policy of Mr. Vipul P. Shah the Managing Director of the company.

17) As stipulated in Accounting Standard - 28 on Impairment of Assets issued by the Institute of Chartered Accountants of India, the company has assessed potential generation of economic benefits from its business units and is of the view that Assets employed in continuing businesses are capable of generating adequate returns over their useful lives in the usual course of business, there is no indication to the contrary and accordingly management is of the view that no impairment provision is called for in these accounts.

18) Related Party Disclosure as required by Accounting Standard - 18 issued by the Institute of Chartered Accountants of India.

A Entities where control exists
Shree Ambika Naturals Pvt. Ltd. (Formerly Known as Shree Ambika Dye Chem. Pvt. Ltd.)

B Key Management Personal (KMP)
Shri V. P. Shah Managing Director
Shri R. L. Rathod Whole Time Director (upto 15th July, 2010)
Dr. S. N. Sahai Whole Time Director

C Relatives of KMP
Smt. Jaya P. Shah
Shri. P. B. Shah
P.B. Shah HUF

D Other Related Parties (Entities in which (KMP) or their relatives have significant influence)
Jayshree Chemicals Jayapriya Chemical Industries Ltd.
Ganesh Tiles & Marble Industries VIP Chem Pvt Ltd.
Amar Trading Corporation Standardcon Pvt.Ltd.
J.V.Dye Chem. Pvt. Ltd.

TRANSACTION WITH RELATED PARTIES AND OUTSTANDING BALANCE AS ON 31.03.2011. (Amount in Rs.)

TRANSACTION DURING THE YEAR	ENTITIES WHERE CONTROL EXISTS	KEY MANAGEMENT PERSONNEL (KMP)	RELATIVE OF KMP	ENTITIES WHERE SIGNIFICANT INFLUENCE
INVESTMENT IN SHARES	255,000 (-)	- (-)	- (-)	- (-)
PURCHASE \SERVICES	- (-)	- (-)	1,44,000 (1,44,000)	91,272,189 (65,096,303)
SALES \SERVICES	- (-)	- (-)	- (-)	29,057,959 (26,337,354)
ADVANCE \LOAN GIVEN NET	1,000,000 (-)	- (-)	(2,403,368) (-)	57,861,903 (29,403,091)
REMUNERATION & COMMISSION	- (-)	1,596,000 (1,714,000)	- (-)	- (-)
BALANCE RECEIVABLE	- (-)	(91,141) (17,780)	(23,750) (2,379,618)	38,625,496 (42,977,823)

Figures in brackets indicate figure for the previous year.

19) Earning Per Share (EPS)

Basic and Diluted E.P.S.	2010-2011	2009-2010
Profit for the year after Tax	Rs. 96,35,944	Rs.56,01,486
No. of Equity Share	45,86,829	45,84,500
Face value per share	Rs.10	Rs.10
E . P . S .	Rs.2.10	Rs.1.22

20) Accounting for Tax on Income

Deferred tax liability at the year end comprises of timing difference on account of depreciation.

21) Additional Information Pursuant to the provisions of Para 3,4C,4D & Part II of Schedule VI of the Companies Act, 1956. (For A to E below figures in bracket relate to the previous year)
A. Information in respect of each class of Goods Manufactured.

Class of Goods	Licenced Capacity	Installed Capacity	Actual Production
Dyes	N/A**	310.00 M.T. (310.00 M.T.)	218.57 M.T. (242.94 M.T.)

**Notes:

- The Installed Capacities, Production & Consumption of Raw Materials are as per the certificate given by the management on which the Auditors have relied, being a technical matter.
- Under the Industrial Policy Statement dated 24th July 1991, and the notification issued thereunder, there is no licensing requirement for the Company's product.

B. Particulars of Opening & Closing Stock: -

(Value in Rs.)

	Opening Stock		Closing Stock	
	Qty Kgs.	Value	Qty Kgs.	Value
Dyes & Chemicals	45,131 (97,500)	1,22,17,275 (87,43,192)	1,51,571 (45,131)	1,99,66,330 (1,22,17,275)

C. Particulars Purchases: Finished Goods Purchases

(Value in Rs.)

	Qty Kgs.	Value
Dyes & Chemicals	14,75,908 (11,73,032)	25,11,18,730 (18,24,11,780)

	Nos.	Value
Others	Nil	Nil
	(31,220)	(7,11,530)

D. Particulars of Sales:

(Value in Rs.)

	Qty Kgs.	Value
Dyes & Chemicals	15,88,039 (14,68,344)	31,71,36,307 (25,50,96,414)

	Nos.	Value
Others	Nil	Nil
	(31,220)	(7,41,615)

E. Consumption of Raw Materials:

(Value in Rs.)

	Qty Kgs.	Value
Chemicals & Intermediate	13,52,119 (14,09,827)	3,24,20,845 (4,16,65,928)

F. Value of Percentage of Imported & Indigenous material consumed: (Value in Rs.)

Material	2010-2011		2009-2010	
	Value	%	Value	%
Imported	1,08,72,649	33.5	2,05,92,929	49
Indigenous	2,15,48,196	66.5	2,10,72,999	51
Total	3,24,20,845	100	4,16,65,928	100

G. Earning in Foreign Exchange : (Value in Rs.)

	2010-2011	2009-2010
Export at F.O.B. Value		
Dyes & Dyes Intermediates	26,04,02,133	22,97,00,340

H. C.I.F. Value of imports: (Value in Rs.)

	2010-2011	2009-2010
Raw Material	1,21,44,960	2,05,92,929

I. Particulars of expenditure in Foreign Currency : (Value in Rs.)

	2010-2011	2009-2010
Raw Material & Finished Goods	3,20,04,104	3,63,74,175
Commission	14,68,177	10,78,765
Traveling Expenses	8,26,433	7,95,791
Other Expenses	3,26,615	-

22) Previous year figures have been regrouped, rearranged and recasted wherever necessary.

As per our report of even date.

For J. A. Rajani & Co.

Chartered Accountants

P. J. Rajani

Proprietor

Place : Mumbai

Date : 30th May ,2011

For and on behalf of the Board of Directors

P. B. Shah Chairman

V. P. Shah Managing Director

Dr. S. N. Sahai Whole Time Director

**ADDITIONAL INFORMATION REQUIRED VIDE NOTIFICATION GSR 388(E) DATED 15.05.95
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**
1 Registration Details

Registration No.	:	15857	State Code	:	11
Balance Sheet Date	:	Date	Month	Year	
		31	3	2011	

2 Capital raised during the year (Amount in Rs.Thousand)

Public Issue	:	NIL	Right Issue	:	NIL
Bonus Issue	:	NIL	Private Issue (Preferential)	:	8500

3 Position of Mobilisation and Development of Funds (Amount in Rs.Thousand)

Total Liabilities	:	187,231	Total Assets	:	187,231
-------------------	---	---------	--------------	---	---------

SOURCES OF FUNDS

Paid up Capital	:	59,970	Reserve & Surplus	:	64,944
Secured Loans	:	59,487	Unsecured Loan	:	2829.79

APPLICATION OF FUNDS

Net Fixed Assets	:	29,673	Investments	:	2,960
Net Current Assets	:	154,479	Misc. Expenditure	:	120.00
Accumulated Losses	:	-			

4 Performance of Company (Amount in Rs.Thousand)

Turnover	:	331,187	Total Expenditure	:	317,328
Profit/(Loss) Before Tax	:	13,860	Profit/(Loss) After Tax	:	9,636
Earning Per Share in (Rs.)	:	2.10	Dividend Rate %	:	8%

5 Generic Names of Three Principal Products/Service of Company

Item Code No.	:	32.04
Product Description	:	DYE INTERMEDIATES

For and on behalf of the Board of Directors

P. B. Shah Chairman

V. P. Shah Managing Director

Dr. S. N. Sahai Whole Time Director

Place : Mumbai
Date : 30th May ,2011

Auditors Report to the Board of Directors of Vipul Dyechem Limited on the Consolidated Financial Statements of Vipul Dyechem Limited and its Subsidiary (Vipul Group)

1. We have audited the attached consolidated Balance Sheet of Vipul Group as at 31st March, 2011, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These consolidated financial statements are the responsibility of the management of Vipul Dyechem Limited. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the Consolidated Financial Statements have been prepared by the Management of Vipul Dyechem Limited in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, as notified under the Companies (Accounting Standards), Rules 2006 and on the basis of the separate audited financial statements of Vipul Dyechem Limited and its subsidiary included in the consolidated financial statements.
4. On the basis of the information and explanation given to us and on consideration of the other financial information of the components and accounts approved by the Board of Directors and audit report on the individual financial statements of the Vipul Dyechem Limited and its subsidiary, in our opinion, the consolidated financial statements give a true and fair view in conformity with accounting principles generally accepted in India:
 - i) In the case of the Consolidated Balance Sheet, of the Consolidated state of affairs of the Vipul Group as at 31st March, 2011;
 - ii) In the case of the Consolidated Profit and Loss Account, of the Profit of Vipul Group for the year ended on that date; and
 - iii) In the case of the Consolidated Cash Flow Statement, of the Cash Flows of the Vipul Group for the year ended on that date.

For J.A.Rajani & Co.
Chartered Accountants

P.J.Rajani
Proprietor
Mem. No. 116740
Firm Reg. No.108331W

Place: Mumbai
Date :30th May, 2011.

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2011

		Schedules	AS ON 31.03.2011 <u>Rs.</u>
I SOURCE OF FUNDS:			
A Shareholder's Funds			
Share Capital	I		54,345,000
Application Money-Warrant			5,625,000
Reserve and Surplus	II		<u>64,231,830</u>
			124,201,830
B Loan Funds			
Secured Loans	III		59,487,046
Unsecured Loan	III		<u>2,829,799</u>
			62,316,845
C Deferred Tax Liabilities			
			772,237
D Minority Interest			
			273,923
TOTAL			<u><u>187,564,834</u></u>
II APPLICATION OF FUNDS			
A Fixed Assets			
Gross Block			54,497,830
Less: Depreciation			<u>24,473,928</u>
Net Block	IV		30,023,902
B Investments (at cost)			
	V		2,704,841
C Current Assets ,Loans and Advances			
Inventories	VI		35,064,813
Sundry Debtors	VII		83,034,251
Cash & Bank Balances	VIII		23,768,675
Loans & Advances	IX		<u>75,150,051</u>
			217,017,790
Less: Current Liabilities & Provisions	X		<u>62,301,700</u>
Net Current Assets			154,716,091
Misc. Expenditure			<u>120,000</u>
TOTAL			<u><u>187,564,834</u></u>
NOTES TO THE ACCOUNTS		XVII	

As per our report of even date.

For J. A. Rajani & Co.

Chartered Accountants

P. J. Rajani

Proprietor

Place : Mumbai

Date : 30th May, 2011

For and on behalf of the Board of Directors

P. B. Shah

Chairman

V. P. Shah

Managing Director

Dr. S. N. Sahai

Whole Time Director

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

	Schedules	31.03.2011 <u>Rs.</u>
INCOME		
Sales and Income from Operations	XI	330,994,495
Other Income	XI	1,356,225
TOTAL		<u>332,350,721</u>
EXPENDITURE		
Material Cost Inventory Adjustments	XII	276,774,920
Personnel Cost	XIII	3,904,813
Manufacturing Expenses	XIV	13,330,833
Administrative, Selling & Distribution Exp.	XV	18,117,850
Interest Charges	XVI	3,998,306
Depreciation		2,313,216
TOTAL		<u>318,439,938</u>
PROFIT BEFORE TAXATION AND EXTRAORDINARY ITEMS		13,910,782
PROVISION FOR TAX		4,237,857
PROFIT AFTER TAXATION AND EXTRAORDINARY ITEMS		<u>9,672,926</u>
SHARE OF MINORITY		(36,117.43)
NET PROFIT AFTER SHARE OF MINORITY		9,636,808
Balance Brought Forward		20,721,593
PROFIT AVAILABLE FOR APPROPRIATION		<u>30,358,401</u>
APPROPRIATIONS		
Dividend		4,347,600
Tax on Dividend		722,136
Tax / Other Adjustment Earlier Years		45,490
Balance Carried Forward		25,243,175
		<u>30,358,401</u>
E.P.S. (BASIC & DILUTED)		2.10
NOTES TO THE ACCOUNTS	XVII	

As per our report of even date.

For J. A. Rajani & Co.

Chartered Accountants

P. J. Rajani

Proprietor

Place : Mumbai

Date : 30th May, 2011

For and on behalf of the Board of Directors

P. B. Shah

Chairman

V. P. Shah

Managing Director

Dr. S. N. Sahai

Whole Time Director

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2011

		31.03.2011
		<u>Rs.</u>
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax & Extra Ordinary Items		13,910,782
Adjustment for:		
Depreciation		2,313,216
Interest Paid		3,998,306
Other Income		(1,356,225)
Bad debts Written Off		558,870
loss on sale of fixed assets		45,098
Operating Profit before working Capital changes		<u>19,470,047</u>
Adjustment for:		
Trade & other receivables		(27,736,171)
Inventories		(8,538,416)
Trade Payables		<u>12,205,113</u>
Cash generated from operating activities		(4,599,426)
Interest Paid		(3,998,306)
Net Cash out flow from Operating Activities	(A)	<u><u>(8,597,732)</u></u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets		(6,757,022)
Other Income		1,356,225
Purchase/ sale of Investments		<u>(211,123)</u>
Net Cash used for Investing Activities	(B)	<u><u>(5,611,919)</u></u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Capital/Share Application Received		22,505,000
Increase of /(Repayment) of Loan Fund		5,508,343
Dividend Paid		(4,092,583)
Net Cash out flow from financing Activities	(C)	<u><u>23,920,760</u></u>
Net Decrease in Cash & Cash Equivalents	(A+B-C)	<u><u>9,711,109</u></u>
Opening Cash & Cash Equivalents		14,057,566
Closing Cash & Cash Equivalents		<u>23,768,675</u>
Net Decrease in Cash & Cash Equivalents during the year		<u><u>9,711,109</u></u>
NOTE: (a) Figures in brackets are Cash out flow		
(b) Figures in regrouped/rearranged wherever found necessary.		

As per our report of even date.

For J. A. Rajani & Co.
Chartered Accountants

P. J. Rajani
Proprietor

Place : Mumbai
Date : 30th May,2011

For and on behalf of the Board of Directors

P. B. Shah Chairman

V. P. Shah Managing Director

Dr. S. N. Sahai Whole Time Director

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	31.03.2011
	Rs.
SCHEDULE I	
SHARE CAPITAL	
AUTHORISED :	
70,00,000 (60,00,000) Equity Shares of Rs .10/- each	<u>70,000,000</u>
ISSUED ,SUBSCRIBED & PAID UP	
54,34,500 (45,84,500) Equity Shares of Rs.10/- each	54,345,000
Out of the above 3,80,000 Equity Shares fully paid have been issued as Bonus Shares by Capitalisation of Revaluation Reserve	
TOTAL	<u><u>54,345,000</u></u>
SCHEDULE II	
RESERVE & SURPLUS	
CAPITAL RESERVE	852,700
GENERAL RESERVE	9,009,753
SHARE PREMIUM	
Opening Balance	20,578,000
Add: Premium on Issue of Shares	8,500,000
	29,078,000
PROFIT & LOSS APPROPRIATION	25,243,175
CAPITAL RESERVE ON CONSOLIDATION	48,202
TOTAL	<u><u>64,231,830</u></u>
SCHEDULE III	
LOANS	
(A) SECURED LOAN FROM BANKERS:	
# 1. PACKING CREDIT LOAN	17,032,954
(secured by Hypothecation of goods ment for export)	
# 2. BILL DISCOUNTING	40,948,749
(Secured by Foreign Bill purchase)	
II MOTOR CAR LOAN	153,121
(B) SECURED LOAN FROM OTHERS:	
MOTOR CAR LOAN	1,352,223
	<u>59,487,046</u>
(C) UNSECURED LOANS	
** FROM BANKS	1,327,514
FROM OTHER	1,502,285
	<u>2,829,799</u>
# the above loans also covered by colateral securities as under	
1) EMDTD of land property & building with machinery/electricals installation situated at Survey no 35, Dewan & Sons Industrial Estate,Palghar	
2) Land & Building along with machineries at Plot no.11, Dewan & Sons Industrial Estate, Palghar of M/s. Vip Chem Pvt Ltd.	
3) Land & Building at Plot no 10 & 16, Dewan & Sons Industrial Estate, Palghar of Jayshree Chemicals	
4) Also covered in personal guarantee of 2 directors & corporate guarantees of Jayshree Chemicals & Vip Chem Pvt. Ltd.	
** Personal Guarantee by Directors	

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
**SCHEDULE IV
FIXED ASSETS**

(Amount in Rs.)

Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	As on 1-04-2010	Addition during the year	Deduction	As on 31.03.2011	Up to 31.03.2010	For the year	Adjustment during the year	Up to 31.03.2011	As on 31.03.2011
Factory land	12,638,657	1,314,627	-	13,953,284	-	-	-	-	13,953,284
Office Premises	635,480	-	-	635,480	45,042	29,522	-	74,564	560,916
Factory Building	4,188,736	-	-	4,188,736	3,026,321	116,242	-	3,142,563	1,046,173
Plant & Machinery	23,719,849	2,262,347	-	25,982,196	15,442,237	1,327,334	-	16,769,571	9,212,625
Electrical Installation	469,455	-	-	469,455	400,437	9,600	-	410,037	59,418
Motor Car	2,197,103	2,097,917	-	4,295,020	1,278,780	510,074	-	1,788,854	2,506,166
Air Conditioner	374,787	26,500	-	401,287	247,643	27,810	-	275,453	125,834
Furniture & Fixture	1,396,126	172,684	-	1,568,810	655,324	145,579	-	800,903	767,907
Computer	938,969	165,582	-	1,104,551	717,933	119,216	-	837,149	267,402
Office Equipment	535,076	105,181	110,270	529,987	385,498	27,840	38,504	374,833	155,154
Work in Progress	730,168	1,369,024	730,168	1,369,024	-	-	-	-	1,369,024
TOTAL	47,824,406	7,513,862	840,438	54,497,830	22,199,215	2,313,216	38,504	24,473,928	30,023,902
Previous Year	35,876,260	11,886,747	123,523	47,639,484	20,275,219	1,946,762	22,767	22,199,215	25,440,269

31.03.2011
Rs.
**SCHEDULE V
INVESTMENT (AT COST)**
(A) UNQUOTED

Government Securities

1,000

(B) QUOTED (NON TRADE)

Equity Shares Fully Paid

2,663,341

(C) CONVERTABLE DEBENTURES

In Listed Companies

40,500

TOTAL
2,704,841

(Market Value of Quoted investments Rs.28,79,395/- (P.Y. Rs. 29,65,468/-))

**SCHEDULE VI
INVENTORIES**

(As taken, valued & certified by Management)

Stock in Trade (at cost unless otherwise stated)

Raw Materials

15,098,483

Finished Goods

19,966,330

(at cost or net realisable value whichever is lower)

TOTAL
35,064,813

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	31.03.2011
	Rs.
SCHEDULE VII	
SUNDRY DEBTORS	
(Unsecured considered good)	
Outstanding for more than six months	5,084,970
Other Debts	77,949,281
TOTAL	83,034,251
SCHEDULE VIII	
CASH AND BANK BALANCES	
Cash in Hand	460,940
Balance with schedule Banks	
On Current Accounts	11,638,614
On Deposit Accounts	11,669,122
(Against L.C Margin & Guarantees & Bank Overdraft)	
TOTAL	23,768,675
SCHEDULE IX	
LOAN & ADVANCES	
(Unsecured considered goods unless otherwise stated)	
Deposits	8,053,262
Advances receivable in cash or in kind or for value to be received	60,689,477
Balance with Govt.	6,407,312
TOTAL	75,150,051
SCHEDULE X	
CURRENT LIABILITIES & PROVISIONS	
CURRENT LIABILITIES	
Acceptances	11,113,338
Sundry Creditors for Goods	29,049,449
Sundry Creditors for Expenses	6,483,368
Other liabilities	91,141
Advances from Customers	3,154,826
Duties & Taxes	393,917
Unclaimed Dividend	705,574
PROVISIONS	
Provision for Income Tax (Net)	4,156,827
Provision for Dividend	4,347,600
Tax on Dividend	1,288,780
Provision for Exp	1,516,880
TOTAL	62,301,700

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	31.03.2011
	<u>Rs.</u>
SCHEDULE TO THE PROFIT & LOSS ACCOUNT	
SCHEDULE XI	
INCOME	
(A) SALES AND INCOME FROM OPERATIONS	
Export sales	260,402,133
Local sales (Including Excise Duty)	59,506,238
Less:Excise Duty	(1,648,759)
Export incentives	12,734,883
	<u>330,994,495</u>
(B) OTHER INCOME	
Dividend Income	58,703
Exchange Gain	398,589
Interest & Others	898,933
(TDS Rs. 74155.80(P.Y. Rs. 80751)	
TOTAL	<u>1,356,225</u>
 SCHEDULE XII	
MATERIAL COST AND INVENTORY ADJUSTMENTS	
Raw Materials Consumed	
Opening stock	14,309,122
Add: Purchases	33,133,151
	<u>47,442,273</u>
Less: Closing stock	15,021,428
	<u>32,420,845</u>
Finished Goods Purchased	252,103,130
Inventory Adjustment	
Stock at Commencement	12,217,275
Less :Stock at close	19,966,330
	<u>(7,749,055)</u>
TOTAL	<u>276,774,920</u>
 SCHEDULE XIII	
PERSONNEL COST	
Salaries	1,780,088
Bonus	112,255
Staff Welfare Expenses	296,470
Directors Remuneration	1,716,000
TOTAL	<u>3,904,813</u>
 SCHEDULE XIV	
MANUFACTURING EXPENSES	
Wages and Processing Charges	2,506,783
Packing Material	1,315,260
Repairs and Maintenance	1,193,992
Power fuel and Electricity Charges	5,176,299
Stores & Factory Expenses	766,516
Transport Charges	2,371,984
TOTAL	<u>13,330,833</u>

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	31.03.2011
	<u>Rs.</u>
SCHEDULE XV	
ADMINISTRATIVE, SELLING AND DISTRIBUTION EXPENSES.	
Export Clearing ,Freight & Forwarding	4,034,673
Telephone Postage Telegram Expenses	1,124,311
Printing and Stationary	473,188
Professional & Legal Charges	1,427,143
Travelling Expenses	1,764,942
Insurance Charges	1,312,538
Rent ,Rates, Electricity & Warehouse	1,145,974
Donation	693,000
Auditors Remuneration	196,030
Bank Charges & Commission	1,896,375
Commission	1,692,872
Miscellaneous/ Office Expenses	1,280,589
Sales Promotion/ Exhibition Expenses	517,345
Bad Debts written off	558,870
TOTAL	<u>18,117,850</u>
SCHEDULE XVI	
INTEREST	
Bank Interest	3,414,553
Interest to Others	583,753
TOTAL	<u>3,998,306</u>

SCHEDULE: XVII**NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2011.****Basis of Consolidation:**

The consolidated financial statement relates to the Vipul Dyechem Ltd., the holding company and its subsidiary Shree Ambika Naturals Pvt. Ltd, together "the Group". The Financial Statements of the entities in the Group used in the consolidation are drawn up to the same reporting date as of the Company, i.e. 31st March, 2011.

The consolidation of the financial statements of the company with its subsidiary has been prepared in accordance with the requirements of accounting standard (AS) 21 "Consolidated Financial Statements".

The excess of cost to the Company of its investments in the subsidiary companies over its share of the equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies were made, is recognized as 'goodwill', being an asset in the Consolidated Financial Statements. Where the share of the equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the Company, it is recognized as 'Capital Reserve' and shown under the head 'Reserves & Surplus'.

Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments as stated above.

The financial statement of the parent and its subsidiary are combined on a line-by-line basis and intra-group balances, intra-group transactions and unrealized profits or losses are fully eliminated in accordance with Accounting Standard (AS-21) "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India .

A) SIGNIFICANT ACCOUNTING POLICIES:**I. System of Accounting:**

The Company follows mercantile system of accounting and recognises income and expenditure on an accrual basis except those with significant uncertainties.

Financial Statements are based on historical cost. These costs are not adjusted to reflect the impact of the changing value in the purchasing power of money. Estimates and Assumptions used in the preparation of the financial statements are based upon management's evaluation of the relevant facts and circumstances as of the day of the Financial Statements, which may differ from the actual results at a subsequent date.

II. Fixed Assets, Depreciation And Impairment Loss:

Fixed Assets are stated at cost net of accumulated depreciation. Cost includes expenses related to acquisition and financing cost on borrowing during construction period. Assets acquired on Hire purchase are capitalised to the extent of Principal Value.

Depreciation on Fixed Assets has been provided on written down value basis and manner provided in schedule XIV of Companies Act 1956. Additions during the Year are depreciated on pro-rata basis. Leasehold land is shown at cost and no write offs are made in respect thereof.

In case, the recoverable amount of fixed assets is lower than its carrying amount, a provision is made for the impairment loss.

III. Investments:

Long-term investments are stated at cost of acquisition less provision for diminution in value other than temporary, if any.

IV. Prior Period Adjustments:

All items of Income/Expenditure pertaining to prior period (except those not exceeding Rupees One Thousand in each case which are accounted through respective revenue accounts) are accounted through Prior Period Adjustment account.

V. Inventories:

Raw Materials are valued at cost.

Finished Goods are valued at lower of cost or net realizable value.

Packing materials, stores and spares are charged to revenue account.

VI. Revenue Recognition:

Export Sales are accounted on the date of Bill of Lading. Export benefits thereon are accounted on the basis of eligibility in the year of Export.

Sales includes Central Excise and other incidental charges.

Dividend from investments in the shares is accounted for on the basis of the date of declaration of dividend falling within the accounting year.

VII. Deferred Revenue Expenditure:

Shares Issue Expenses are amortised over a period of 10 years.

VIII. Retirement Benefits:

The Company has created an Employees' Group Gratuity Fund, which has taken a Group Gratuity cum Life Insurance Policy from the Life Insurance Corporation of India. Gratuity is provided on the basis of premium paid on the above policy as intimated by Life Insurance Corporation of India. The adequacy of the fund along with the provision is as per the actuarial valuation.

Provision for leave entitlement is accrued and provided for at the end of the financial year.

IX. Bonus:

No provision is made in accounts for bonus payable to employees. The payment is recorded when actual disbursement is made.

X. Borrowing Cost:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalized till the month in which the asset is ready to use as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which this are incurred.

XI. Foreign Currency Transactions:

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. At the year-end monetary items denominated in foreign currencies are converted into rupee equivalent at the year-end exchange rates. All exchange differences arising on settlement and conversion on foreign currency transaction are dealt with in profit and loss account, except in cases where they relate to acquisition of fixed assets, in which they are adjusted in the cost of corresponding assets.

XII. Accounting For Tax On Income:

The provision for current tax has been made in accordance with the Income Tax Law prevailing for the relevant assessment year after considering various admissible relief's'.

Deferred tax for the year is recognized, on timing differences being the difference between the taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

The deferred tax assets and liabilities are measured using the tax rates and tax rules that have been enacted or substantially enacted on the balance sheet date. Deferred tax assets are recognized and carried forward only if there is reasonable, virtual certainty of its realization.

XIII. Research & Development:

Revenue expenditure is charged to revenue under the natural heads of account in the year in which it is incurred.

Fixed assets purchased for research and development are treated in the same way as any other Fixed Assets.

XIV. Expenditure During Construction And On New Projects:

In case of new Industrial units and substantial expansion of existing units, all pre- operating expenditure specifically for the project, incurred up to the date of installation, is capitalised and added pro rata to the cost of fixed assets.

XV. Provisions, Contingent Liabilities and Contingent Assets:

A provision is made based on reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation. Contingent Liabilities, if material, are disclosed by way of notes to accounts. Contingent Assets are not recognised or disclosed in the financial statements.

B) NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH 2011.

- 1) Contingent Liabilities not provided for in respect of:- (Amount in Rs. Lacs)

	31.03.2011
A) Estimated amount of contract remaining to be executed on Capital account.	18.50
B) Income Tax Assessment Refund/Dues against which Company prefer appeal.	0.54
C) Dues Raised by M.S.E.B which is protested by Company.	2.50

- 2) The Sales Tax & Income-Tax Assessments are pending for earlier years. Liabilities in respect of such taxes could not ascertained.

- 3) Auditor's Remuneration (Amount in Rs.)

	2010-2011
Audit Fees	1,59,935.00
Tax Audit Fees	55,150.00
Certification & Other matter	78,874.00
Taxation Matters	1,09,197.00
	4,03,156.00

- 4) During the year, the Company has issued 8,50,000 Equity shares of Rs. 10 each issued at a price of Rs. 20/- (including premium of Rs. 10/- each) on conversion of Warrants issued on preferential basis.
- 5) Export benefits including Central Excise, Advance Licenses and Passbook of Duty Credit to be reconciled with the related evidences and Statements and necessary adjustment if required will be made after reconciliation. Export benefits receivable are valued and certified by the management. However the actual realisation of the same may significantly differ.
- 6) The Company has deposits of Rs.74 lacs with the Pyrates Phosphates & Chemicals Ltd (PPCL) which is overdue. However the company has filed a suit with District Court and for the same District Court has given the ruling in favour of the Company by the way of decree. The Company has now filled an application for the execution of the preferential claim for the decree against PPCL and as per the latest order given by the Honourable High Court Patna, it has been decided that the claim may be considered upon liquidation / disposal of all the assets of PPCL. In view of that, the management has not made any provision for doubtful deposits.
- 7) Sundry Debtors, Creditors, Loan, Deposits and advances are subject to reconciliation and confirmation, necessary adjustment if required will be after reconciliation.
- 8) Some assets of which the company is beneficial owner are pending for transfer in the name of the company.
- 9) No provision has been made in the accounts for diminution in the value of quoted investments by reason of these investments being Long Term Investment and the decline in their value being on account of temporary factors.

During the year ended March 31, 2011, the Company made an investment of Rs 2.55 Lacs by way of subscription to the equity share capital of Shree Ambika Naturals Pvt. Ltd. With this subscription, Shree Ambika Naturals Pvt. Ltd. has become a subsidiary of the Company.

Shree Ambika Naturals Pvt. Ltd. (Formerly Known as Shree Ambika Dyechem Pvt. Ltd.) is a company having its manufacturing unit at Ahmednagar, Maharashtra.

The Company's net worth is in excess of the cost of investment on the date of acquisition and the difference has been recognized as capital reserve

- 10) The Company had created an Employees' Group Gratuity Fund in the previous year, which has taken a Group Gratuity cum Life Insurance Policy from the Life Insurance Corporation of India. Consequent to this reserve at the previous year end has decreased by Rs. 4.73 Lacs for contribution of premium to LIC for earlier years liability. Bonus is accounted on cash basis.
- 11) In the opinion of the Board of Directors to the best of Knowledge and belief all the current assets, loans and advances have been stated at realisable value at least of an amount equal to the amount at which they are stated in Balance Sheet.
- 12) Unpaid Dividend accounts are subject to reconciliation.
- 13) The Company does not possess information as to which of its suppliers are Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the Company owes any amount. However, the Company is regular in making payments to its suppliers and has not received any claim in respect of interest for delayed payment.
- 14) The outstanding forward exchange contract as on 31/03/2011 entered into by the company was for USD Nil (Prev. year USD 85,400 equivalent INR 39.40 Lacs).
- 15) The entire operations of the Company relate to only one segment viz. Dyes, Chemicals & Intermediates such, there is no separate reportable segment under Accounting Standard As 17 on Segment Reporting.
- 16) Managerial Remuneration. (Amount in Rs.)

Sr. No.	Director	Salary & Perquisites	Performance Incentives/Bonus	Total
1	Mr. V. P. Shah (Managing Director)	12,00,000	-	12,00,000
2	Mr. R. L. Rathod (Whole Time Director)	36,000	-	36,000
3	Dr. S. N. Sahai (Whole Time Director)	3,60,000	-	3,60,000

Insurance amount includes Rs. 7.14 lacs paid for key man insurance policy of Mr. Vipul P. Shah the Managing Director of the company.

- 17) As stipulated in Accounting Standard 28 on Impairment of Assets issued by the Institute of Chartered Accountants of India, the company has assessed potential generation of economic benefits from its business units and is of the view that Assets employed in continuing businesses are capable of generating adequate returns over their useful lives in the usual course of business, there is no indication to the contrary and accordingly management is of the view that no impairment provision is called for in these accounts.
- 18) Related Party Disclosure as required by Accounting Standard-18 issued by the Institute of Chartered Accountants of India.
 - A. Key Management Personal (KMP)

Shri V. P. Shah	Managing Director
Shri R. L. Rathod	Whole Time Director (upto 15 th July, 2010)
Dr. S. N. Sahai	Whole Time Director
 - B. Relatives of KMP

Smt. Jaya P. Shah	
Shri. P. B. Shah	
P.B. Shah HUF	
 - C. Other Related Parties (Entities in which (KMP) or their relatives have significant influence)

Jayshree Chemicals	Jayapriya Chemical Industries Ltd.
Ganesh Tiles & Marble Industries	VIP Chem Pvt Ltd.
Amar Trading Corporation	Standardcon Pvt.Ltd.
J.V.Dye Chem. Pvt. Ltd.	

TRANSACTION WITH RELATED PARTIES AND OUTSTANDING BALANCE AS ON 31.03.2011.

TRANSACTION DURING THE YEAR	KEY MANAGEMENT PERSONNEL (KMP)	RELATIVE OF KMP	ENTITIES WHERE SIGNIFICANT INFLUENCE
INVESTMENT IN SHARES	-	-	-
PURCHASE \SERVICES	-	144,000	91,272,189
SALES \SERVICES	-	-	3,02,19,809
ADVANCE \LOAN GIVEN NET	-	(2,403,368)	57,728,665
REMUNERATION & COMMISSION	17,16,000	-	-
BALANCE RECEIVABLE/(PAYABLE)	(101140.50)	(23,750)	39,837,845

19) Earning Per Share (EPS)

Basic and Diluted E.P.S.	2010-2011
Profit for the year after Tax	Rs. 96,36,808
No. of Equity Share	45,86,829
Face value per share	Rs.10
E . P . S .	Rs.2.10

20) Accounting for Tax on Income

Deferred tax liability at the year end comprises of timing difference on account of depreciation.

21) Additional Information Pursuant to the provisions of Para 3,4C,4D & Part II of Schedule VI of the Companies Act, 1956. (For A to E below figures in bracket relate to the previous year)
A. Information in respect of each class of Goods Manufactured.

Class of Goods	Licenced Capacity	Installed Capacity	Actual Production
Dyes	N/A**	310.00 M.T.	218.57 M.T.

****Notes:**

- The Installed Capacities, Production & Consumption of Raw Materials are as per the certificate given by the management on which the Auditors have relied, being a technical matter.
- Under the Industrial Policy Statement dated 24th July 1991, and the notification issued thereunder, there is no licensing requirement for the Company's product.

B. Particulars of Opening & Closing Stock: -

(Value in Rs.)

	Opening Stock		Closing Stock	
	Qty Kgs.	Value	Qty Kgs.	Value
Dyes & Chemicals	45,131	1,22,17,275	1,51,571	1,99,66,330

C. Particulars Purchases: Finished Goods Purchases

(Value in Rs.)

	Qty Kgs.	Value
Dyes & Chemicals	14,75,908	25,11,18,730

D. Particulars of Sales:

(Value in Rs.)

	Qty Kgs.	Value
Dyes & Chemicals	15,88,039	31,71,36,307

E. Consumption of Raw Materials: :

(Value in Rs.)

	Qty Kgs.	Value
Chemicals & Intermediate	13,52,119	3,24,20,845

F. Value of Percentage of Imported & Indigenous material consumed: (Value in Rs.)

Material	2010-2011	
	Value	%
Imported	1,08,72,649	33.5
Indigenous	2,15,48,196	66.5
Total	3,24,20,845	100

G. Earning in Foreign Exchange : (Value in Rs.)

	2010-2011
Export at F.O.B. Value	
Dyes & Dyes Intermediates	26,04,02,133

H. C.I.F. Value of imports: (Value in Rs.)

	2010-2011
Raw Material	1,21,44,960

I. Particulars of expenditure in Foreign Currency : (Value in Rs.)

	2010-2011
Raw Material & Finished Goods	3,20,04,104
Commission	14,68,177
Traveling Expenses	8,26,433
Other Expenses	3,26,615

22) Being the first Years of presenting the Consolidated Financial Statements, Previous year's figure are not given.

As per our report of even date.

For J. A. Rajani & Co.

Chartered Accountants

P. J. Rajani

Proprietor

Place : Mumbai

Date : 30th May ,2011

For and on behalf of the Board of Directors

P. B. Shah Chairman

V. P. Shah Managing Director

Dr. S. N. Sahai Whole Time Director

Date : _____

Compliance Officer,
Vipul Dyechem Limited.
102, Andheri Industrial Estate
Off. Veera Desai Road,
Andheri (West),
Mumbai - 400053
Sub: E-mail updation

Dear Sir,

In view of the MCA Circular no. 17/2011 dated April 21, 2011, I/we :

Name of the Sole/ Joint holder(s)	Father's / Husband's Name

holding _____ nos. of shares of Vipul Dyechem Limited vide Folio No. _____ / DP-Client ID _____, do hereby wish to receive all future correspondence of the Company at the following e-mail ID :

E-mail ID : _____

I/we hereby declare that the particulars given herein are true, correct and complete. I/we hereby undertake to promptly inform **Vipul Dyechem Limited** (VDCL) or my/our DP of any changes to the information provided hereinabove.

You are requested to please update the same in your records.

Thanking you,
Yours truly,

Sole/ First holder
(Specimen as registered with the Company)

Second holder

Third holder

Note : Kindly submit your e-mail ID by filling up and signing at the appropriate place provided hereinabove and send this form by post.

The e-mail ID provided shall be updated subject to successful verification of your signatures.



VIPUL DYECHEM LIMITED

Registered Office:

102, Andheri Industrial Estate, Off Veera Desai Road, Andheri (West), Mumbai - 400 053.

PROXY FORM

ANNUAL GENERAL MEETING - 30th SEPTEMBER 2011

Reg.Folio No.....

No. of Shares.....

Client DP ID No.

I/We, Mr./Mrs/Miss.....

of in the district of

.....being a member/members of **VIPUL DYECHEM LIMITED** hereby appoint

Mr./Mrs./Miss..... of.....

in the district of or failing him

..... of as my/our /proxy to vote for me/us,

on my /our behalf of at the **ANNUAL GENERAL MEETING** of the Company, to be held on Friday, the 30th day of September 2011 at 3.30 p.m. at Hotel Karl Residency, 36, Lalubhai Park Road, Andheri (West), Mumbai - 400058 or any adjournment thereof.

Re. 1/-
Revenue
Stamp

Signed this day of 2011

Signature of Member

Note: This proxy must be deposited at the Registered Office of the Company at 102, Andheri Industrial Estate, Off. Veera Desai Road, Andheri (W), Mumbai - 400 053, not less than 48 hours before the time of the meeting.



VIPUL DYECHEM LIMITED

Registered Office:

102, Andheri Industrial Estate, Off Veera Desai Road, Andheri (West), Mumbai - 400 053.

ATTENDANCE SLIP

ANNUAL GENERAL MEETING - 30th SEPTEMBER 2011

Reg.Folio No.....

No. of Shares.....

Client DP ID No.

I,

(Name of the attending member / proxy) hereby record my presence at the Annual General Meeting of the Company, to be held on Friday, the 30th day of September 2011 at 3.30 p.m. at Hotel Karl Residency, 36, Lalubhai Park Road, Andheri (West), Mumbai - 400058.

Member's/Proxy Signature

Notes:

- Interested Joint Members may obtain Attendance Slips from the Registered Office of the Company.
- Members' / Joint Members' Proxies are requested to bring the Attendance Slips with them. Duplicate slips will not be issued at the venue.

If undelivered please return to:

VIPUL DYECHEM LIMITED

102, Andheri Industrial Estate,

Off Veera Desai Road,

Andheri (West), Mumbai - 400 053.