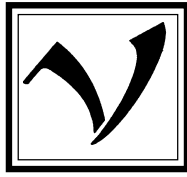




## **Vidhi Dyestuffs Manufacturing Limited**

**18TH Annual  
Report  
2010 - 2011**





**VIDHI DYESTUFFS MANUFACTURING LIMITED  
EIGHTEENTH ANNUAL REPORT 2010 - 2011**

**BOARD OF DIRECTORS**

<b>DIRECTORS</b>	:	MR. BIPIN M. MANEK <i>Chairman &amp; Managing Director</i>
	:	MR. MIHIR B. MANEK <i>Jt. Managing Director</i>
	:	MRS. PRAVINAB. MANEK
	:	MR. VIJAY K. ATRE
	:	MR. PRAFULCHANDRAA. SHAH
	:	MR. CHETAN P. BAVISHI
	:	MR. NIREN D. DESAI
<b>AUDITORS</b>	:	M/s. BHUTA SHAH & CO. <i>Chartered Accountants</i>
<b>BANKERS</b>	:	VIJAYA BANK HDFC BANK
<b>REGISTERED OFFICE</b>	:	E/27, COMMERCE CENTRE, 78, TARDEO ROAD, MUMBAI - 400 034.
<b>FACTORY</b>	:	59B & 68, MIDC, DHATAV, ROHA, DIST. RAIGAD, MAHARASHTRA - 402 116.
<b>REGISTRAR &amp; SHARE TRANSFER AGENT</b>	:	SHAREX DYNAMIC (INDIA) PVT. LTD. BRANCH OFFICE : UNIT 1, LUTHRA INDUSTRIAL PREMISES, ANDHERI KURLA ROAD, SAFED POOL, ANDHERI (EAST), MUMBAI - 400 072. TEL. NO. : 2851 5606 / 5644



**NOTICE**

To,  
The Members

**VIDHI DYESTUFFS MANUFACTURING LIMITED**

Notice is hereby given that the **Eighteenth Annual General Meeting** of the Shareholders of **VIDHI DYESTUFFS MANUFACTURING LIMITED** will be held on Tuesday, the 27<sup>th</sup> September, 2011 at 5.30 P.M. at E/27, Commerce Centre, 78, Tardeo Road, Mumbai - 400034 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2011 and the Profit & Loss Account of the Company for the year ended on that date, together with the Report of Directors' and the Auditors thereon.
2. To re-appoint Shri. Vijay K. Atre as Director, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DULY COMPLETED, STAMPED AND SIGNED AND SHOULD BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 20th September, 2011 to Tuesday, the 27th September, 2011 (both days inclusive).
3. Members are requested to :
  - (i) Immediately intimate change of address, if any, to the Company/Registrar and Share Transfer Agent quoting reference to their Registered Folio Number.
  - (ii) Members are requested to send all share transfer lodgments (Physical mode) / correspondence to the Registrar and Share Transfer Agent at the following address upto the date of book closure:  
**M/s Sharex Dynamic (India) Private Limited**  
Unit No. 1, Luthra Ind. Premises, Andheri-Kurla Road,  
Safed Pool, Andheri (East), Mumbai - 400 072.  
Tel No: 2851 5606, 2851 5644 Fax No: 2851 2885
  - (iii) Members desirous of obtaining any information, concerning the accounts and operations of the Company are requested to address their queries to Compliance Officer of the Company at the Company's registered office at least seven days before the date of the Annual General Meeting in order to enable the management to keep the information ready at the meeting.
  - (iv) Quote Registered Folio Number or DP ID/ Client ID in all the correspondence.
  - (v) Furnish bank account details to the R&TA/Depository Participant to prevent fraudulent encashment of dividend warrants, whenever issued.
4. For the convenience of the Members, attendance slip is enclosed in the Annual Report. Members/ Proxy Holders/Authorized Representatives are requested to fill in and sign at the space provided therein and submit the same at the venue. Proxy/Authorized Representatives of Members should state on the attendance slip as 'Proxy' or 'Authorized Representative', as the case may be. Further, those who hold shares in demat form, are requested to write their Client Id and DP Id numbers and those who hold shares in physical forms are requested to write their folio number on the attendance slip for easy identification at the meeting.
5. The Members are requested to dematerialize their shareholdings with their Depository Participants as the Company's Shares are traded compulsorily under demat mode on the Stock Exchanges.
6. As per the provisions of Section 109A of the Companies Act, 1956 facility for making nominations is available for shareholders in respect of the physical shares held by them. Nomination forms can be obtained from the Company's Registered Office/R&TA.
7. Consequent upon amendment to Section 205A of the Companies Act, 1956 and introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of refund pertaining to share application money out of public issue remaining unpaid or unclaimed for a period of seven years from the date of transfer to Refund Account of the Company has been transferred to the Investor Education and Protection Fund set up by the Government of India and no payments shall be made in respect of any such claims by the Fund.  
Members, who have not yet encashed their dividend warrant(s) for Interim Dividend declared on 21st December 2004, are requested to make their claims to the Company accordingly, without any delay.
8. Members, who are holding Shares in identical order of names in more than one Folio, are requested to apply to the Company/R&TA along with the relevant Share Certificates for consolidation of such Foliros in one Folio.
9. Members are informed that in case joint holders attend the Meeting, only such joint holder who is higher in the order of names in the Register of Members/Beneficial Holders will be entitled to vote.



## VIDHI DYESTUFFS MANUFACTURING LIMITED

10. Corporate members are requested to forward a certified true copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
11. Shri Vijay K. Atre, Director retires by rotation, being eligible, offers himself for re-appointment. The particulars of re-appointment of Director are given in the Annexure to the Notice and the Corporate Governance Section of the Annual Report.
12. All documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company between 10.00 a.m. and 12.00 (Noon) on any working day.
13. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are therefore requested to kindly bring their copies at the time of attending the Meeting.
14. **Green Initiative:**

Ministry of Corporate Affairs (MCA) vide Circular Nos. 17/2011 and 18/2011 dated 21st April 2011 and 29th April 2011, respectively, have clarified that a Company would be deemed to have complied with the provisions of Section 53 and 219 (1) of the Companies Act, 1956, if documents like notices, annual reports, etc. are sent in electronic mode to its Members, in accordance with the above referred circulars.

Accordingly, we propose to send all documents which requires to be sent to share holders like notices, annual reports, etc. henceforth, to the shareholders in electronic form through e-mail address provided by them and made available to the Company or depositories through R&TA.

Members who have not registered their e-mail addresses are requested to register their e-mail address in respect of electronic holding with the Depository through their concerned Depository Participant. Members who hold shares in physical forms are requested to register their e-mail addresses quoting their Folio number with Registrar and Share Transfer Agent of the Company at the earliest so as to enable the Company to send the said documents in electric form, thereby supporting the green initiative of the MCA.

We request Members to note that the documents viz. Annual Report, etc. will be uploaded on the website of the Company viz. [www.vidhifoodcolours.com](http://www.vidhifoodcolours.com) and made available for inspection at the registered office of the Company during the business hours. However, in case a Member wishes to receive a physical copy of the said documents, he/she/it is required to send an e-mail to the Company at [vidhi@bom4.vsnl.net.in](mailto:vidhi@bom4.vsnl.net.in) duly quoting his/her/its DP ID & Client ID or the folio number, as the case may be, and the said documents will be dispatched to the members free of cost.

By Order of the Board  
For **Vidhi Dyestuffs Manufacturing Limited**

Place : Mumbai  
Date : 20<sup>th</sup> August 2011

**Bipin M. Manek**  
Chairman & Managing Director

### ANNEXURE TO ITEM NO. 2 OF THE NOTICE

Details of Director seeking re-appointment at the forthcoming Annual General Meeting (in pursuance of revise Clause 49 of the Listing Agreement).

Name of the Director	VIJAY K. ATRE
Date of Birth	6 <sup>th</sup> April 1925
Date of Appointment on the Board	2 <sup>nd</sup> May 1995
Qualifications	M. Sc.
Experience	33 yeas rich experience in the field of food colors Manufacturing unit.
Shareholding in the Company	25,000
List of Directorships held in other Companies	Nil
Committee Membership	Vidhi Dyestuffs Mfg. Ltd. - Chairman of Audit Committee & Remuneration Committee and Member of Share Transfer cum Shareholders/Investors Grievance Committee.

For **Vidhi Dyestuffs Manufacturing Limited**

Place : Mumbai  
Date : 20<sup>th</sup> August 2011

**Bipin M. Manek**  
Chairman & Managing Director



**DIRECTORS' REPORT**

To,

The Members,

**VIDHI DYESTUFFS MANUFACTURING LIMITED**

Your Directors have pleasure in presenting 18th Annual Report together with the Audited Statement of Accounts for the financial year ended 31st March 2011.

**FINANCIAL RESULTS:**

	<b>Current Year 2010-11 Rupees Lakhs</b>	Previous year 2009-10 Rupees Lakhs
Profit for the year before providing for Depreciation	<b>695.58</b>	546.64
Less : Depreciation	<b>91.79</b>	99.51
Profit after Depreciation	<b>603.79</b>	447.13
Less : Provision for Taxation		
Current Year	<b>235.49</b>	175.13
Earlier year	-	2.95
Deferred Tax	-	(16.24)
	<b>235.49</b>	161.84
Profit After Tax	<b>368.30</b>	285.29
Add : Profit brought forward from Previous year	<b>1,574.50</b>	1,289.21
	<b>1,942.80</b>	1,574.50
<b>APPROPRIATION :</b>		
Interim Dividend	-	-
Corporate Dividend Tax	-	-
Transfer to General Reserve	-	-
Balance Profit Carried to Balance Sheet	<b>1,942.80</b>	1,574.50

**OPERATIONS:**

During the year under review your Company has achieved a turnover of Rs.9862.10 Lakhs as compared to Rs. 7113.88 Lakhs of previous year registering a growth of 38.63%. The net profit after tax has also gone up from Rs. 285.29 Lakhs to Rs.368.30 Lakhs recorded an increase of 29.10% as compared to previous year.

The Company has manufactured 1151.549 M. Tons of Food Colors against 1083.285 M. Tons in the previous year. Your company has increased its export market share as well as local trading Sales on account of persistent marketing efforts.

The new production facility of the Company situated at plot no 68 MIDC Dhatav-Roha is scheduled to come in production in August,2011.Your Directors assure to strive for a bright future for your Company.

**DIVIDEND:**

In order to conserve resources, your Directors do not recommend any dividend for the year 2010-2011.

**DIRECTORS:**

In accordance with the requirements of the Companies Act, 1956 and Articles of Association of the Company Shri Vijay K. Atre retires at the ensuing Annual General Meeting and being eligible, offers himself, for re-appointment as a Director.

Your Directors recommend his reappointment as Director.

**CORPORATE GOVERNANCE:**

The Company has successfully implemented and complied with all the requirements and disclosures of the Code of Corporate Governance as required under Clause 49 of the Listing Agreement entered into with the Stock Exchanges. A report on Corporate Governance as stated above, along with a Certificate from the Statutory Auditors confirming compliance of the conditions of Corporate Governance, annexed to the Directors' Report.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

The Management Discussion and Analysis Report as mandated under the Code of Corporate Governance, is attached to the Corporate Governance Report.



# VIDHI DYESTUFFS MANUFACTURING LIMITED

## AUDITORS:

M/s. Bhuta Shah & Co, Chartered Accountants, Mumbai having Firm Registration No. 101474W, Auditors of the Company retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment as the Statutory Auditors of the Company at remuneration to be decided by the Board of Directors. The Company has received a letter from them to that effect that their re-appointment, if made, would be within the prescribed limits under section 224 (1B) of the Companies Act, 1956

## AUDITORS' REPORT:

There are no qualifications contained in the Auditor's Report and therefore no further explanation is required to be provided. The notes to the accounts are referred in the Auditors' Report are also self - explanatory and therefore do not call for any further comments.

## COMPLIANCE CERTIFICATE:

The Board of Directors appointed M/s. Hemanshu Kapadia & Associates, Company Secretaries in Whole-time Practice, to inspect the books, registers and records of the Company and to report us whether the Company has complied with all the provisions of the Companies Act, 1956. The Compliance Certificate u/s 383A of the Companies Act, 1956, received from M/s. Hemanshu Kapadia & Associates is attached herewith.

## POSTAL BALLOT:

During the financial year 2010-11, the Company has passed a Special Resolution on 6th July 2010 through Postal Ballot for the alteration of the Main Object of the Company to diversify its business activities to undertake construction and realty business activity in addition to current Main Object of the Company.

## FIXED DEPOSIT:

During the year under review, the Company has not accepted any deposits within the meaning of Section 58A of the Companies Act, 1956 and Rules made there under.

## PARTICULARS OF THE EMPLOYEES:

There are no employees to whom the disclosure requirements u/s. 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended from time to time, apply.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information as per Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report to the Board of Directors) Rules, 1988 is given in Annexure-A forming part of this Report.

## POLLUTION CONTROL:

The Company is environment conscience and the products manufactured by the Company require the consent from Maharashtra Pollution Control Board (MPCB) for manufacturing. The Company's plant situated at Roha has provided full-fledge facilities to control pollution under Water Act and Air Act. Your Company has taken necessary approval and consent from the MPCB. Further your Company is also member of Common Effluent Treatment Plant (CETP), which is situated at Roha.

## INSURANCE:

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

## DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii) Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii) Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) the Directors have prepared the Annual Accounts on a going concern basis.

## ACKNOWLEDGEMENTS:

The Board takes this opportunity to place on record their deep sense of gratitude and appreciation to the Banks, Financial Institution, Central and State Government Authorities for their guidance and support. Your Directors are also grateful to the customers, suppliers and business associates of the Company for their continued co-operation and support. Your Directors also wish to record their appreciation for the employees for their commitment, dedication and hard work put by them at all levels in contributing to the Company's growth. Your Directors are also deeply grateful to the shareholders of the Company for their confidence shown in them.

For VIDHI DYESTUFFS MANUFACTURING LIMITED

Place : Mumbai

Date : 20<sup>th</sup> August 2011

**Bipin M. Manek**

Chairman & Managing Director



## ANNEXURE TO THE DIRECTORS REPORT

### Annexure - A

Disclosure of particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under the Companies (Disclosure of Particulars in the Board of Director's Report) Rules 1988.

#### 1) CONSERVATION OF ENERGY

<b>A) Details of power and fuel consumption:</b>	<b>Current Year</b>	Previous year
a. Electricity		
Purchased and consumed : UNITS	<b>17,36,270</b>	17,44,774
: TOTALAMOUNT	<b>98,46,410</b>	92,32,840
: RATE PER UNIT	<b>5.67</b>	5.30
b. Furnace Oil : LITRES	<b>1,46,475</b>	1,74,960
: TOTALAMOUNT	<b>38,54,582</b>	40,15,794
: RATE PER LITRE	<b>26.32</b>	22.95
c. Coal : KILOGRAM	<b>20,68,685</b>	18,80,980
: TOTALAMOUNT	<b>1,11,05,902</b>	76,06,344
: RATE PER KGS.	<b>5.36</b>	4.04
<b>B) Details of consumption per unit of production</b>		
PER KILO OF DYES		
Electricity : UNITS	<b>1.51</b>	1.61
Energy Charges :		
(Furnace Oil / Coal) : LITRES / KILOGRAM	<b>1.92</b>	1.90

#### 2) TECHNICAL ABSORPTION, ADAPTION & INNOVATION :

1. No technology has been imported by the company.
2. Efforts are being made to further improve quality of the products.
3. The Company strives to achieve innovations in its operations

#### 3) FOREIGN EXCHANGE EARNINGS AND OUTGO :

The Company's total exports sales during the year under review have amounted to Rs.45.74 Crores.

(Rs. In Lakhs)

	<b>Current Year</b>	Previous year
FOB VALUE OF EXPORTS	<b>4448.25</b>	3721.62
EXPENDITURE IN FOREIGN EXCHANGE	<b>4905.11</b>	3766.98

For Vidhi Dyestuffs Manufacturing Limited

Place : Mumbai  
Date : 20<sup>th</sup> August 2011

**Bipin M. Manek**  
Chairman & Managing Director



# VIDHI DYESTUFFS MANUFACTURING LIMITED

## COMPLIANCE CERTIFICATE

**CIN of the Company :** L24110MH1994PLC076156

**Nominal Capital :** Rs. 6,00,00,000/-

To,  
The Members,

**VIDHI DYESTUFFS MANUFACTURING LIMITED**

E-27, Commerce Centre, 78, Tardeo Road, Mumbai- 400 034.

We have examined the registers, records books and papers of **Vidhi Dyestuffs Manufacturing Limited** (The Company) as required to be maintained under the Companies Act, 1956 (The Act), and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31<sup>st</sup> March 2011. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this Certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this Certificate, with the Registrar of Companies, within the time prescribed/with additional fees under the Companies Act, 1956 and the rules made thereunder. However no forms or returns were required to be filed with the Regional Director, Central Government, Company Law Board or other authorities.
3. The Company being a Public Limited Company comments are not required.
4. The Board of Directors duly met Nine (9) times respectively on 16th April 2010, 20th May 2010, 27th May 2010, 15th July 2010, 12th August 2010, 12th November 2010, 28th December 2010, 6th January 2011 and 31st January 2011 in respect of which meetings, proper notices were given and the proceedings were properly signed and recorded in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members from Tuesday, 31st August 2010 to Tuesday, 7th September 2010 for the purpose of 17th Annual General Meeting to be held on 9th September 2010 and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31st March 2010 was held on 9th September 2010 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra-ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its Directors or persons or firms or Companies referred in the Section 295 of the Act during the financial year.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
12. The Company has not issued any duplicate share certificate during the financial year.
13. (i) The Company has delivered the certificate on lodgment thereof for transfer and transmission in accordance with the provisions of the Act. However, there was no allotment of securities during the financial year under review.  
(ii) The Company was not required to deposit any amount in separate Bank Account as no dividend was declared during the financial year under review.  
(iii) The Company was not required to post warrants to any Member of the Company as no dividend was declared during the financial year under review.  
(iv) The Company has transferred unclaimed dividend amount of Rs.55,382/- towards the Investor Education and Protection Fund which has remained unclaimed or unpaid for the period of seven years. Except for the above the Company was not required to transfer any other amount to the Investor Education and Protection Fund as there was no application money due for refund, matured deposits, matured debentures and the interest accrued thereon.  
(v) The Company has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of Additional Directors, Alternate Directors and Directors to fill casual vacancy during the financial year under review. One Director has resigned from the Board of the Company during the financial year under review.
15. The Company has not appointed any Managing Director/ Whole-time Director/ Manager during the financial year. However, the Company has appointed one Joint Managing Director in compliance with the provisions of Section 269 read with Schedule XIII of the Act.

16. The Company has not appointed any sole-selling agents during the financial year.
17. The Company was not required to obtain any approval from the Central Government, Company Law Board, Regional Director and/or such authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms/Companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. Since the Company has not issued any Preference Shares or Debentures, the question of redemption do not arise.
22. There were no transactions necessitating the Company to keep in abeyance the Rights to Dividend, Rights Shares and Bonus pending registration of transfer of Shares during the financial year.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The amount borrowed from Banks during the financial year ending 31st March 2011 are within the borrowing limits of the Company and that necessary resolutions as per section 293 (1) (d) of the Act have been passed.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate during the financial year and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny.
27. The Company has altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny after obtaining the approval of the Members through Postal Ballot and complied with the provisions of the Act.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to Share capital of the Company during the year under scrutiny.
30. The Company has not altered its Article of Association during the financial year.
31. There was no prosecution initiated against or show cause notice received by the Company and no fine or penalty or any other punishment was imposed on the Company during the financial year, for offence under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to Section 418 of the Act except in few cases where there was delay in the range of 1 to 5 days.

For Hemanshu Kapadia & Associates

Place : Mumbai

Date : 20<sup>th</sup> August 2011

**Hemanshu Kapadia**

C. P. No.: 2285

### ANNEXURE A

#### Registers as maintained by the Company Statutory Registers

1. Register of Members u/s 150 (maintained by RTA)
2. Register of Beneficial Owners u/s 152A
3. Register of Charge u/s 143
4. Register of Directors, Managing Director, Manager and Secretary u/s 303
5. Register of Directors Shareholding u/s 307
6. Register of Particulars of contracts in which Directors are interested u/s 301
7. Register of Application & Allotment u/s 75
8. Books of Minutes of Board & General Meetings u/s 193
9. Books of Accounts u/s 209
10. Registers and Returns u/s 163
11. Register of Share Transfer u/s 108 (maintained by RTA)
12. Register of Renewed and Duplicate Certificates under Rule 7 of the Companies (Issue of Share Certificates) Rules, 1960
13. Register of Investment u/s 49(7)

#### Other Registers

1. Register of Directors' Attendance
2. Register of Shareholders Attendance
3. Register of Proxies
4. Register of Fixed Assets

#### Note:

The Company has not maintained the following registers as it was informed that there were no entries / transactions to be recorded therein:

1. Register of Debenture holders' u/s 152
2. Register of Deposits under Rule 7 of the Companies (Acceptance of Deposits) Rules, 1975
3. Register of Securities Bought Back u/s 77A
4. Foreign Registers of Members or Debenture holders' u/s 157





**ANNEXURE B**

Forms and Returns filed by the Company with Registrar of Companies during the financial year ending 31<sup>st</sup> March 2011.

Sr. No	Form No./ Return	Filed under Section	For	Date of filing	Whether filed within prescribed time Yes/ No	If delay in filing whether requisite additional fee paid Yes/ No
1.	Form 1 of INV	205C read with rule 3 of IEPF (Awareness and Protection of Investor) Rules 2001	Deposits to Investor Education and Protection Fund	23/10/2010	Yes	N.A.
2.	Form 1 of INV	205C read with rule 3 of IEPF (Awareness and Protection of Investor) Rules 2001	Deposits to Investor Education and Protection Fund	18/03/2011	Yes	N.A.
3.	Form 1 of INV	205C read with rule 3 of IEPF (Awareness and Protection of Investor) Rules 2001	Deposits to Investor Education and Protection Fund	18/03/2011	Yes	N.A.
4.	Form 66	383A(1)	Compliance Certificate for the financial year ended on 31st March 2010.	25/09/2010	Yes	N.A.
5.	Form 23AC & 23ACA	220	Financial year ended 31st March 2010.	30/09/2010	Yes	N.A.
6.	Form 20B	159(1)	Annual General Meeting held on 9th September 2010.	30/09/2010	Yes	N.A.
7.	Form 32	303(2)	For resignation of Director	21/05/2010	Yes	N.A.
8.	Form 32	303(2)	For change in designation as Joint Managing Director	12/08/2010	Yes	N.A.
9.	Form 62	-	Submission of documents with Registrar.	25/05/2010	Yes	N.A.
10.	Form 23	192	Registration of Resolution	12/08/2010	Yes	N.A.
11.	Form 25C	269(2) and Schedule XIII	Return of Appointment of Joint Managing Director	14/08/2010	Yes	N.A.
12.	Form 23	192	Registration of Resolution	13/07/2010	Yes	N.A.
13.	Form 8	135	Modification of Charge	06/01/2011	No	Yes

**Declaration regarding Code of Conduct:****Pursuant to Clause 49 I D (ii) of the Listing Agreement**

**I hereby declare that** in compliances with the regulatory requirements and effective implementation of corporate governance practices, the Company has adopted the following codes of governance in accordance with the applicable regulations of Securities and Exchange Board of India :-

- Code of Conduct for prevention of Insider Trading or regulating the dealings of the Directors and Employees of the Company possessing or likely to possess price sensitive information, in the securities of the Company;
- Code of Conduct for Board of Directors and Senior Management

**For Vidhi Dyestuffs Manufacturing Limited**

Place: Mumbai  
Dated: 20<sup>th</sup> August 2011

**Bipin M. Manek**  
Chairman & Managing Director



# VIDHI DYESTUFFS MANUFACTURING LIMITED

## CORPORATE GOVERNANCE

In this dynamic environment, shareholders across the globe have keen interest in the performance of the Companies and thus good Corporate Governance is of paramount importance for the Companies seeking to distinguish themselves in the global footprint.

Corporate Governance broadly refers to a set of rules and practices designed to govern the behavior of corporate enterprises. It refers to a system by which Companies are governed, controlled and managed. The detailed report on Corporate Governance as per the format prescribed by SEBI and incorporated in the Clause 49 of the Listing Agreement is set out below. In this report, we confirm the compliance of Corporate Governance criteria as required under Clause 49 of the Listing Agreement.

### (A) Mandatory Requirements:

#### 1. Company Philosophy:

Corporate Governance is a system by which Companies are governed, controlled and managed. Your Company's philosophy on Corporate Governance envisages accountability, responsibility and transparency in the conduct of the Company's business and its affairs vis-à-vis its employees, shareholders, bankers, lenders, government, suppliers, dealers etc. and accordingly lays great emphasis on regulatory compliances. The Company's Corporate Governance philosophy encompasses not only regulatory and legal requirements such as filing of forms under Listing Agreement with the Stock Exchanges but also several voluntary practices. Your Company strives to ensure that high standards of professionalism and ethical conduct are maintained throughout the organization. Your Company continues to give high priority to the principles and practice of Corporate Governance and has accordingly benchmarked its practices with the existing guidelines of Corporate Governance as laid down in the Listing Agreement. Transparency, fairness, disclosures and accountability-the four pillars of Corporate Governance have always been central to the working of your Company.

#### 2. Board of Directors:

Your Company is managed and guided by a professional Board comprising of 7 Directors out of which 4 are Independent Directors. During the year, the Board was headed by Executive Chairman—Shri. Bipin M. Manek. All the members of the Board are persons with considerable experience and expertise in their respective fields.

Composition of the Board of Directors is in accordance with the requirements of Clause 49(I)(A) of the Listing Agreement. None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees as per Clause 49(I)(C)(ii) across all Companies in which they are Directors. The same is also evidenced from the below given table:

Sr. No.	Name of the Director(s)	Category	No. of Other Directorship#	No. of other Committees# Chairman	Member
1	Shri Bipin M. Manek	Executive-Chairman & Managing Director, Promoter	NIL	NIL	NIL
2	Shri Naresh L. Modi (resigned w.e.f. 27th April 2010)	Non-Executive Director, Promoter	NIL	NIL	NIL
3	Smt. Pravina B. Manek	Non-Executive Director, Promoter	NIL	NIL	NIL
4	Shri Vijay K. Atre	Non-Executive Director, Independent	NIL	NIL	NIL
5	Shri Prafulchandra A. Shah	Non-Executive Director, Independent	NIL	NIL	NIL
6	Shri Chetan P.Bavishi	Non-Executive Director, Independent	NIL	NIL	NIL
7	Shri Niren D Desai	Non-Executive Director, Independent	NIL	NIL	NIL
8	Shri Mihir B. Manek	Executive - Jt. Managing Director	NIL	NIL	NIL

# For the purpose of considering the number of directorships and Committee positions, all Public Limited Companies, whether listed or not, have been included and all other Companies including Private Limited Companies, Foreign Companies and companies under Section 25 of the Companies Act, 1956, have been excluded and the Committees other than Audit Committee and Shareholders'/ Investors' Grievance Committee have been excluded.

Shri Bipin M. Manek, Smt. Pravina B. Manek and Shri Mihir B. Manek, Directors of the Company are related with each other (inter-se) within the meaning of Clause 49 IV(G)(ia) of the Listing Agreement.

None of the above-referred Independent Directors have any material pecuniary relationship or transaction with the Company, its Promoters or with its Management, which would affect the independence or judgment of the Directors.

Besides the transactions reported in the Notes to the Accounts for the year, the Company has not entered into any materially significant transactions with its Promoters, Directors or their relatives or with the Management etc. that may have potential conflict with the interest of the Company at large.

#### a) Re-appointment of Director:

Shri Vijay K. Atre retires at the ensuing Annual General Meeting and being eligible, offers himself, for re-appointment as Director.

Details of Director seeking re-appointment at the forthcoming Annual General Meeting are given in the annexure to the notice calling Annual General Meeting.



**b) Shareholding of Non Executive Directors as on 31st March 2011:**

Sr. No.	Name of Director	No. of Shares held	% of Shareholding
1.	Smt. Pravina B. Manek	1,79,90,667	36.02
2.	Shri Vijay K. Atre	25,000	0.05
3.	Shri Prafulchandra A. Shah	-	-
4.	Shri Chetan P. Bavishi	-	-
5.	Shri Niren D. Desai	-	-

**c) Attendance Record of the Directors:**

The meetings of the Board of Directors are scheduled well in advance and generally held at the Registered Office of the Company in Mumbai. The Board meets at least once in every quarter to review the quarterly performance and financial results. The Board Members are also free to recommend inclusion of any other matter in the Agenda for discussion in the Board Meeting.

During the financial year 2010-2011, Nine (9) Meetings of Board of Directors were held on 16th April 2010, 20th May 2010, 27th May 2010, 15th July 2010, 12th August 2010, 12th November 2010, 28th December 2010, 6th January 2011 and 31st January 2011.

Annual General Meeting for the financial year ended 31st March 2010 was held on Thursday, 9th September 2010.

During the financial year ended 31st March 2011, the Board of Directors has passed a circular resolution on 28th July 2010 for postponement of Seventeenth Annual General Meeting.

Name of Directors	Number of Board Meetings Attended	Attendances at the last Annual General Meetings
Shri Bipin M. Manek	9	Yes
Shri Naresh L. Modi*	1	No
Smt. Pravina B. Manek	9	Yes
Shri Vijay K. Atre	9	Yes
Shri Prafulchandra A. Shah	9	Yes
Shri Chetan P. Bavishi	9	Yes
Shri Niren D. Desai	9	Yes
Shri Mihir B. Manek	9	Yes

\* resigned w.e.f. 27th April 2010

Agenda for each Board Meeting was sent along with notes on agenda items at least 7 days in advance to all the Directors. At the Board meetings of the Company the Directors are being provided information stipulated in Clause 49 of the Listing Agreement. The Board has a formal schedule of matters reserved for its consideration, which includes review of the Company's performance. The Company has designed the required information system for this purpose. Matters discussed at these Board Meetings relate to among others, review of annual plan, quarterly results of the Company, Minutes of Meetings of Audit Committee, observations of the Audit Committee, statutory compliances by the Company, sale and purchase of investments etc.

**d) Code of Conduct:**

In compliances with the regulatory requirements and effective implementation of corporate governance practices, the Company has adopted the following codes of governance in accordance with the applicable regulations of Securities and Exchange Board of India:

- Code of Conduct for prevention of Insider Trading or regulating the dealings of the Directors and Employees of the Company possessing or likely to possess price sensitive information, in the securities of the Company;
- Code of Conduct for Board of Directors and Senior Management.

All the Board members and Senior Management personnel have affirmed compliance with the Code of Conduct for the year 2010-11. Declaration by the Managing Director and Chief Financial Officer under Clause 49(1) (D) of the Listing Agreement regarding adherence to the Code of Conduct is forming part of the Report on Corporate Governance.

**3. Audit Committee:**

The composition, procedure and role/function of the Audit Committee are in accordance with the requirements of the Listing Agreement.

**a) Power of the Audit Committee:**

As per Clause 49 II(C), the powers of Audit Committee shall include the following:

- To investigate any activity within its terms of reference.
- To seek information from any employee
- To obtain outside legal or other professional advise
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

**b) Role & Function:**

As per Clause 49 II(D), role of Audit Committee shall include the following:

- Overview the Company's financial reporting process and its financial statements.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of Statutory Auditors and fixation of audit of fees.



## VIDHI DYESTUFFS MANUFACTURING LIMITED

- Approval of payment to Statutory Auditors for any services rendered by them.
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (2AA) of section 217 of the Companies Act, 1956;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions;
  - g. Qualification in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing, with the management, performance of Statutory and Internal Auditors, adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the Internal Audit Department, reporting structure coverage and frequency of internal audit.
- Discussion with Internal Auditors any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment of the depositors, debenture holders, shareholders and creditors.
- Carrying out any other function as mentioned in terms of reference to the Audit Committee.
- Reviewing periodically the financial results adequacy of internal audit functions.
- Examine accounting policies, taxation matters and disclosure aspects as stipulated under various legislations.
- Investigate any other matters referred to by the Boards.

### c) Composition:

The Audit Committee consists of Five Directors, out of which, three are Independent and Non-Executive Directors, one is Promoter and Non-Executive Director and one is Executive Director.

Name	Designation	Non-Executive/ Independent
Shri Vijay K. Atre	Chairman	Non-Executive, Independent
Shri Prafulchandra A. Shah	Member	Non-Executive, Independent
Shri Niren D. Desai	Member	Non-Executive, Independent
Smt. Pravina B Manek	Member	Non-Executive, Promoter
Shri Mihir B. Manek	Member	Executive

All the members of the Audit committee are financially literate and have accounting or related financial management expertise.

### d) Meetings & Attendance:

The Members of the Audit Committee met Six (6) times during the year on 16th April 2010, 27th May 2010, 15th July 2010, 12th August 2010, 12th November 2010 and 31st January 2011 the details of which are as follows:

Name	Non-Executive/Independent	Numbers of Meetings	
		Held	Attended
Shri Vijay K. Atre	Chairman, Non-Executive, Independent	6	6
Shri Prafulchandra A. Shah	Non-Executive, Independent	6	6
Shri Niren D. Desai	Non-Executive, Independent	6	6
Smt. Pravina B. Manek	Non-Executive	6	6
Shri Mihir B. Manek	Executive	6	6

The highlights of each of the Audit Committee Meetings are informed to the Board of Directors and discussed in the Board Meeting.

## 4. Remuneration Committee:

The Remuneration Committee is constituted to formulate and recommend to the Board from time to time a compensation structure for Managing Director/Whole-time Director of the Company.

### a) Brief description of terms of reference:

- To review, assess and recommend the appointment and remuneration of Managing Director/ Whole-time Director.
- To review the remuneration package including the retirement benefits payable to the Directors, periodically and recommend suitable revision/increments, whenever required to the Board.



**b) Composition:**

The Remuneration Committee comprises of four Directors, out of which, three are Independent, Non-Executive Directors and one is Promoter, Non-Executive Director.

Name	Designation	Non-Executive/Independent
Shri Vijay K. Atre	Chairman	Non-Executive, Independent
Shri Prafulchandra A. Shah	Member	Non-Executive, Independent
Shri Niren D. Desai	Member	Non-Executive, Independent
Smt. Pravina B Manek	Member	Non-Executive, Promoter

**c) Meetings and Attendance:**

During the year under report the Remuneration Committee has met only once on 15th July 2010. Remuneration Committee in their Meeting held on 15th July 2010, has recommended to appoint Shri Mihir B. Manek, Whole-time Director, as Joint Managing Director on same terms and conditions as to the existing Managing Director of the Company as per Schedule XIII of the Companies Act, 1956 and other applicable provisions of the said Act. Same was approved by the Members in the Annual General Meeting held on 9th September 2010.

The highlights of each of the Remuneration Committee Meetings are informed to the Board of Directors and discussed in the Board Meeting.

**d) Remuneration Policy:**

The remuneration of the Managing Director/Whole-time Directors are decided by the Remuneration Committee based on the Company's performance vis-à-vis the industry performance/track record of the Managing Director/Whole-time Directors and the same is reported to the Board of Directors. The Company pays remuneration by way of salary, perquisites & allowances to all its Whole-time Directors/ Managing Director such that the total remuneration as decided by the Board of Directors in its absolute discretion does not exceed the limits prescribed in the Companies Act, 1956 which shall be duly approved by the Board and Members of the Company and, if necessary and required, prior approval of the Central Government shall also be taken for the same. Increments are decided by the Remuneration Committee within the salary scale approved by the Members and are effective as per the relevant Agreements.

**e) The details of the remuneration paid:**

Directors	Remuneration paid/payable during 2010-2011 (Rs.)		
	Salary	Commission	Total
Shri Bipin M. Manek	15,00,000	9,22,650	24,22,650
Shri Vijay K. Atre	3,00,000	----	3,00,000
Shri Mihir B. Manek	15,00,000	17,20,290	32,20,290
Total	33,00,000	26,42,940	59,42,940

**Sitting fees paid to the Non-Executive Directors for the financial year 2010-2011:** The Company pays sitting fees @ Rs.2,500/- per Board Meeting to Non-executive Directors for attending Meetings of the Board.

Shri Bipin M. Manek, Managing Director of the Company, has given a personal guarantee for securing repayment of Working Capital Facility and various other financial assistance availed by the Company. Accordingly, the Board has decided to pay guarantee commission @ 0.75% per annum amounting to Rs.11,25,000/- and same has been approved by the Members in the Annual General Meeting held on 9th September 2010.

**5. Share Transfer cum Shareholders'/Investors' Grievance Committee:**

The Company has always valued its investors and stakeholders relationships in order to ensure the proper and speedy redressal of shareholders'/investors' complaints. The constitution and terms of reference of the Share Transfer cum Shareholders'/Investors' Grievance Committee is in conformity with the provisions of Clause 49 of the Listing Agreement entered into with the Stock Exchange.

**a) Terms of Reference:**

- Review the existing Investors Redressal System and suggest measures for improvement.
- Review the report of Registrars and Share Transfer Agents about investor's grievances and follow up for the necessary action taken for redressal thereof.
- Suggest improvement in investor's relations.
- Consider and take on record the Certificate from Practicing Company Secretary under Clause 47 (c) of the Listing Agreement.
- Consider appointment/reappointment of Registrars and Share Transfer Agents and review terms and conditions of their appointments, their remuneration, service charges, fees etc.
- Consider and take on record the Secretarial Audit Certificate issued by practicing Company Secretary certifying that the aggregate number of equity shares held in depositories and in physical form tally with the total number of shares issued, listed and admitted share capital.



## VIDHI DYESTUFFS MANUFACTURING LIMITED

### b) Composition

The Share Transfer cum Shareholders'/Investors' Grievance Committee consists of three Directors, out of which, two are Independent, Non-executive Directors and one is Promoter, Non-executive Director.

Name	Designation	Non-Executive/Independent
Smt. Pravina B Manek	Chairperson	Non-Executive, Promoter
Shri Vijay K. Atre	Member	Non-Executive, Independent
Shri Chetan P. Bavishi	Member	Non-Executive, Independent

### c) Meetings & Attendance:

The Meeting of Share Transfer cum Shareholders'/Investors' Grievance Committee was held on 27th May 2010, 12th August 2010, 12th November 2010 and 31st January 2011 the details of which are as follows:

Name	Non-Executive/Independent	Numbers of Meetings	
		Held	Attended
Smt. Pravina B. Manek	Non-Executive, Promoter	4	4
Shri Vijay K. Atre	Non-Executive Independent	4	4
Shri Chetan P. Bavishi	Non-Executive Independent	4	4

The highlights of each of the Share Transfer cum Shareholders'/Investors' Grievance Committee Meetings are informed to the Board of Directors and discussed in the Board Meeting.

### d) The details of Complaints received and redressed during the financial Year 2010-2011 are as under

Sr. No	Particulars	Correspondences	
		Received	Redressed / attended
<b>Complaints</b>			
1	Non-Receipt of Share Certificates	-	-
2	Non-Receipt of Dividend Warrants	-	-
3	Non-Receipt of Annual Report	-	-
4	SEBI / Stock Exchanges / Forums / Legal	-	-
5	Miscellaneous Complaints	-	-
<b>Requests from Shareholders</b>			
6	Change of Address	-	-
7	POA/Mandate/Bank Details	-	-
8	Exchange / Redemption	1	1
9	Deletion/Transfer/Transmission	1	1
10	Ind Bond / Affix. For Duplicates	-	-
11	Div / RO for revalidation	-	-
	Filing / Acknowledgement / Miscellaneous		
	<b>Total</b>	<b>2</b>	<b>2</b>

The status on various complaints received and replied, if any, is also reported to the Board of Directors as an Agenda item in every Board Meeting.

All Share transfer and correspondence thereon are handled by the Company's R&TA viz. Sharex Dynamic (India) Private Limited having Registered Office at 17B, Dena Bank Building, 2nd Floor, Horniman Circle Fort, Mumbai – 400001 and their Branch Office at Unit – 1, Luthra Industrial Premises, Andheri Kurla Road, Safed Pool, Andheri (East) Mumbai-400072.

### e) Compliance officer :

Shri Mahesh Jani has been appointed as the Compliance Officer, as required by the Listing Agreements entered into by the Company with Stock Exchanges. He has been entrusted the task of overseeing the Share transfer, transmission, splitting and consolidation of shares and issue of duplicate share certificates work done by the R&TA and attending to Grievances of the Shareholders and Investors intimated to the Company directly by SEBI and Stock Exchanges. During the year under report, the Company has not received any Shareholder's Grievance.

## 6. General Body Meeting:

### a) Location and time where last three Annual General Meeting were held:

Financial Year	Details of Location	Day, Date and Time
2009-2010	E/27, Commerce Centre, 78, Tardeo Road, Mumbai-400 034	Thursday, 09-09-2010 at 5.30 p.m.
2008-2009	E/27, Commerce Centre, 78, Tardeo Road, Mumbai-400 034	Wednesday, 30-09-2009 at 5.00 p.m.
2007-2008	E/27, Commerce Centre, 78, Tardeo Road, Mumbai-400 034	Tuesday, 30-09-2008 at 5.00 p.m.



**b) Special Resolutions passed during previous three Annual General Meeting:**

**2009-10**

- 1) To appoint Shri Mihir B. Manek as Joint Managing Director for a period of five years on terms and conditions as of Managing Director.
- 2) To pay Guarantee Commission @ 0.75% p.a. to Shri Bipin M. Manek on the amount of personal guarantee given by him to the Bank for securing repayment of the Working Capital Facility and various other financial assistances availed by the Company.

**2008-09**

No Special Resolution was passed.

**2007-08**

No Special Resolution was passed.

**c) Special Resolutions passed through Postal Ballot during the Year:**

During the financial year 2010-11, the Company has passed a Special Resolution on 6th July 2010 through Postal Ballot pursuant to Section 192A of the Companies Act, 1956 and the Companies (Passing of Resolution by Postal Ballot) Rules, 2001 for the alteration of the Main Object of the Company to diversify its business activities to undertake construction and realty business activity in addition to current Main Object of the Company.

**7. Corporate Social Responsibilities:**

The Company, as a Corporate Citizen of the Country, is well aware of its social obligations. It has always participated in social reformation activities mainly in the field of education and healthcare. It continuously participates to provide help to the needy ones for education, medical & during natural disasters. The Company continues to support the various social causes on a need basis.

The Company is environment conscience and the products manufactured by the Company require the consent from Maharashtra Pollution Control Board (MPCB) for manufacturing. The Company's plant situated at Roha has provided full-fledge facilities to control pollution under Water Act and Air Act. Your Company has taken necessary approval and consent from the MPCB. Further your Company is also member of Common Effluent Treatment Plant (CETP), which is situated at Roha.

As a good Corporate Citizen, the Company pays all the taxes, Government dues, cess, duties, etc. well on time because it believes that payment of taxes and levies is a way of fulfilling its social responsibilities.

**8. Disclosures:**

There has not been any materially significant related party transaction between the Company and its Director, Promoters etc. that may have potential conflict with the interest of the Company at large.

The Company has complied with all regulation of Stock Exchanges, Securities and Exchange Board of India (SEBI) or other statutory authority (ies) on any matter related to capital markets. No penalties have been imposed or strictures passed during the year against the Company by SEBI, Stock Exchange(s), or any other statutory authority.

The Company has duly complied with all the mandatory requirements as per Clause 49 of the Listing Agreement. Compliance with Non-mandatory requirements is furnished separately under the heading "Non-mandatory Requirements".

**9. Means of Communication:**

Half yearly/quarterly results have not been sent to shareholders; instead shareholders have been intimated through press releases. The Quarterly Results and Shareholding Pattern of the Company at every quarter end is posted on the BSE website viz., www.bseindia.com.

The quarterly, half-yearly and annual results of the Company's financial performance are published in the newspapers viz. Business Standard (English) and Dainik Sagar (Regional language - Marathi). The results are informed to the Stock Exchanges before their press release. The results are also posted on the BSE website viz., www.bseindia.com. Annual Reports are sent to each shareholders at their address registered with the Company. Management Discussion & Analysis Report and Corporate Governance Certificate as required under Clause 49 of the Listing Agreement obtained from Auditors of the Company, is attached to this report.

The Company has its official website namely www.vidhifoodcolours.com which is providing all the product related and general information about the Company. The Company is regular in submitting all the relevant information with the Stock Exchanges.

No presentation to any institutional investors or analysts has been made during the financial year ended 31st March 2011.

**10. General Shareholders Information:**

**a) 18th Annual General Meeting 2010-2011:**

**Date and Time** : Tuesday, the 27<sup>th</sup> September, 2011 at 5.30 p.m.

**Venue** : E/27, Commerce Centre, 78, Tardeo Road, Mumbai - 400 034.

**Date of Book Closure** : Tuesday, the 20<sup>th</sup> September, 2011 to Tuesday, the 27<sup>th</sup> September, 2011 (inclusive of both days).

**b) Financial Calendar: 1st April 2011 to 31st March 2012**

Unaudited results for First quarter ended 30th June 2011	By 14th August 2011
Unaudited results for Second quarter ended 30th September 2011	By 14th November 2011
Unaudited results for Third quarter ended 31st December 2011	By 14th February 2012
Audited Annual results for the year ended 31st March 2012	By 30th May 2012



## VIDHI DYESTUFFS MANUFACTURING LIMITED

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

The Equity Shares of the Company are listed on the Stock Exchange

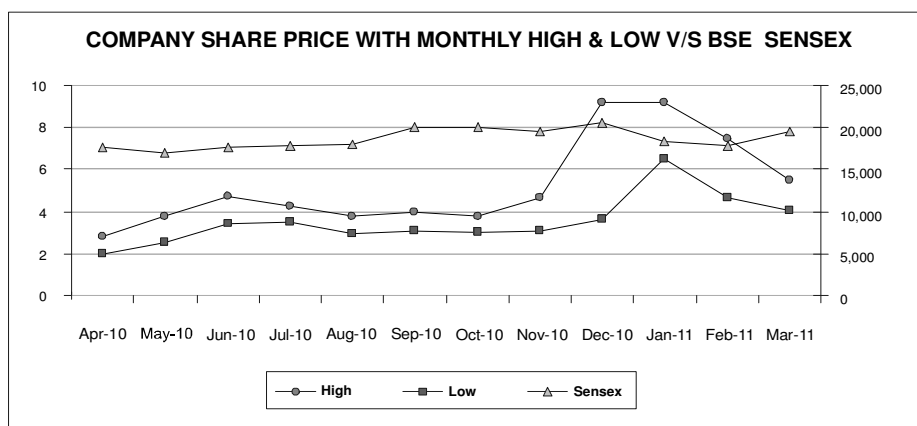
- a) Bombay Stock Exchange Limited Stock Code No. 531717  
 b) Ahmedabad Stock Exchange Limited Stock Code No. 65175

The Company has already paid listing fees for the financial year 2011-2012 to the Stock Exchanges where the securities are listed.

### d) Stock Market Price Data:

Month/Year	No. of Shares	Bombay Stock Exchange (BSE)		Sensex
		High (Rs.)	Low (Rs.)	
April, 2010	6,24,074	2.80	2.00	17,558.71
May, 2010	13,94,523	3.75	2.52	16,944.63
June, 2010	27,09,526	4.76	3.40	17,700.90
July, 2010	6,64,670	4.25	3.50	17,868.29
August, 2010	7,05,679	3.80	2.97	17,971.12
September, 2010	7,50,643	3.99	3.11	20,069.12
October, 2010	7,39,067	3.80	3.01	20,032.34
November, 2010	54,70,252	4.65	3.05	19,521.25
December, 2010	68,86,511	9.16	3.61	20,509.09
January, 2011	41,15,383	9.16	6.49	18,327.76
February, 2011	14,29,288	7.48	4.69	17,823.40
March, 2011	8,47,014	5.50	4.06	19,445.22

### e) Stock Performance:



### f) Registrar and Share Transfer Agents:

Registered Office :-

**Sharex Dynamic (India) Private Limited**  
 17B, Dena Bank Building, 2nd Floor,  
 Horniman Circle Fort,  
 Mumbai- 400001.

Branch Office:-

**Sharex Dynamic (India) Private Limited**  
 Unit 1, Luthra Industrial Premises,  
 Andheri Kurla Road, Safed Pool,  
 Andheri (East) Mumbai- 400072.

### g) Share Transfer System:

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

For expediting the process of transfer of shares, the Board has delegated the authority to the Compliance Officer/ Share Transfer Cum Shareholders'/Investors' Grievance Committee, to approve the transfer of shares within the time stipulated in the Listing Agreement as well as in the Companies Act, 1956.

Physical transfers are affected well within the stipulated period of 30 days, except those rejected on technical grounds. All requests for dematerialization of shares are processed and the confirmation is given to the depositories within 21 days. The Company has duly obtained Certificates on half yearly basis from Practicing Company Secretary certifying due compliance with the formalities of share transfer as required under Clause 47(c) of the Listing Agreement and submitted the copy of the Certificate to the Stock Exchanges where the securities of the Company are listed.





h) **Distribution of Share: Distribution of shareholding as on 31st March 2011**

Category	No. of Shareholders	% To Total Shareholders	No. of Shares	% To Total Shares
1-5000	2337	82.40	35,17,244	7.04
5001-10000	226	7.97	18,67,223	3.74
10001-20000	111	3.91	16,89,194	3.38
20001-30000	54	1.90	13,78,012	2.76
30001-40000	22	0.78	7,57,485	1.52
40001-50000	22	0.78	10,53,284	2.11
50001-100000	37	1.31	26,41,281	5.29
Above 100001	27	0.95	3,70,41,277	74.16
<b>Total</b>	<b>2836</b>	<b>100.00</b>	<b>4,99,45,000</b>	<b>100.00</b>

i) **Shareholding Pattern : Shareholding Pattern as on 31st March 2011**

Category	No. of Shares Held	% to Total Capital	No. of Shareholders	% to Total Shareholders
Promoters	3,21,26,000	64.32	5	0.18
Non-Promoters:				
Mutual Funds & UTI	--	--	--	--
Financial Institutions/Banks	--	--	--	--
FII's	--	--	--	--
Bodies Corporate	15,74,354	3.15	117	4.13
NRI'S,OCB'S & Foreign companies	88,672	0.18	13	0.46
Public	1,61,19,373	32.28	2689	94.81
Clearing House	36,601	0.07	12	0.42
<b>Total</b>	<b>4,99,45,000</b>	<b>100.00</b>	<b>2836</b>	<b>100.00</b>

j) **Dematerialization of Shares:**

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

The shares of your Company are to be compulsorily traded in the dematerialised form. As on 31st March 2011, 4,91,71,890 Equity Shares comprising of 98.45% of Paid-up Capital of the Company, have been dematerialised by the Investors and bulk of transfers take place in the demat segment.

k) **Outstanding ADR/ GDR:**

The Company has not issued any ADR or GDRs.

l) **Company ISIN No.:** INE632C01026m) **Plant Location:**

Plot No. 59/B & 68, M.I.D.C Dhatav - Roha,  
Dist. Raigad, Maharashtra – 402 116

n) **Investors Correspondence:**

Registered Office	Secretarial Department	Registrar & Share Transfer Agents Branch office at :-
The Compliance Officer Vidhi Dyestuffs Mfg. Ltd. E/27, Commerce Centre, 78, Tardeo Road, Mumbai - 400034.	<b>Vidhi Dyestuffs Mfg. Ltd.</b> E/27, Commerce Centre, 78, Tardeo Road, Mumbai - 400 034.	<b>Sharex Dynamic (India) Private Limited.</b> Unit -1, Luthra Industrial Premises, Andheri Kurla Road, Safed Pool, Andheri (East) Mumbai - 400 072.

o) **Management Discussion and Analysis Report:**

The Management Discussion and Analysis Report is attached to this report.

p) **Risk Management Framework:**

The Board members discussed about the risk assessment and minimization procedures.



# VIDHI DYESTUFFS MANUFACTURING LIMITED

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## (B) Non-Mandatory Requirements:

### 1. Chairman of the Board:

The Company has an Executive Chairman and hence, the requirement pertaining to reimbursement of expenses to a Non - Executive Chairman does not arise.

### 2. Remuneration Committee:

The Company has set up a Remuneration Committee as per the details under Item no.4 of this Report.

### 3. Other Requirements:

The Company is yet to adopt the non-mandatory requirements like sending of the half yearly financial performance including summary of significant events in past six months to shareholders, restricting the tenure of the Independent Directors in the aggregate to a period of nine years on the Board of the Company, unqualified financial statements, training of Board Members, mechanism of evaluation of Non-Executive Board Members and Whistle Blower Policy would be complied with at an appropriate time later. The Board is taking guidance from Non-Mandatory requirement as mentioned in Corporate Governance. It is always an endeavor of the Board to implement the suggestion of the non mandatory requirement.

For Vidhi Dyestuffs Manufacturing Limited

Place : Mumbai  
Date : 20<sup>th</sup> August 2011

**Bipin M. Manek**  
Chairman & Managing Director

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## CORPORATE GOVERNANCE CERTIFICATE

To the Members of

**Vidhi Dyestuffs Manufacturing Limited,**

We have examined the compliance of conditions of corporate governance by Vidhi Dyestuffs Manufacturing Limited (the Company) for the year ended on 31<sup>st</sup> March, 2011 as stipulated in clause 49 of the Listing Agreement of the Company with the stock exchanges.

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

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

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 & on behalf of M/s. Bhuta Shah & Co.**  
Chartered Accountants  
Firm Registration No.101474W

**S. J. Parmar**  
Partner  
Membership No. 103424

Mumbai, 20<sup>th</sup> August 2011



**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****1) Industry Structure and Developments**

“Vidhi” manufactures edible food colours as ingredient for foodstuffs, pharmaceuticals, confectionery, pet foods, healthcare, dairy, soft drinks and cosmetic industries. The Food colours are intended for industrial use. The demand for the colours is derived directly from its customers and end users through the Company’s various appointed distributors and country specific suppliers. The Company is among the acknowledged world wide leaders in the manufacturing of Food Colours.

“Vidhi” has successfully entered the field of food colours to primarily cater to niche applications. Your Company’s colors enhance visual characteristics of a variety of products resulting in value added end products for different market segments.

**2) Opportunities**

Processed food industry has done exceeding well even in the recent times with more and more people world wide choosing foods, drinks and other consumables off the shelf than making it themselves your Company sees a steady increase in demand of its colors in times to come.

**3) Threats, Risks and Concerns**

The Company continuously monitors the business environments and has put in place a framework for identification assessments and management of Risks.

Appropriate risk response strategies have been developed for achievement of business objective.

Fluctuating currency is an area of concern.

**4) Performance**

The Turnover of the Company during the financial year 2010-2011 increased by 38.63% as compared to the last financial year i.e. 2009-2010 on account of very healthy demand for the Company’s products world wide. The production utilization capacity was increased by 6.30% as compared to previous year. The profit before tax of the Company was increased by 35.04% as compared to previous year.

As the products of your Company are used by food and pharmaceutical industry, The Management is confident that ISO 9001:2008 and ISO 22000-2005, Hazard Analysis & Critical Control Point Evaluation (HACCP), KOSHER & HALAL Certification will help your Company to increase its market share during the current year.

**5) Outlook**

In an endeavor to remain supremely competitive, your Company has undertaken the task of modernizing & installing new process equipments in a phase wise manner, to boost quality & quantity. The new production facility of the Company situated at plot no 68 MIDC Dhatav-Roha is scheduled to come in production in August,2011. Adopting the most cost effective manufacturing practices and changing with changing times will ensure that the Company continues to grow.

**6) Internal Control Systems and their adequacy**

The Company has effective internal control systems commensurate with the size of the Company. The internal audit department conducts audits of the performance of various departments, functional and locations and also statutory compliances based on an annual audit plan. They report their observations / recommendations to the Audit Committee of the Board of Directors, which comprises of 3 Non-executive Independent Directors. The Audit Committee reviews the audit observations and follows up on the implementation of the suggestions and remedial measures and also recommends increased scope of coverage, if necessary.

**7) Financial and operational performance****(i) Highlights of Financial performance:**

(Rs. lakhs)

Particulars	2010-11	2009-10	Change (%)
Turnover (1)	9862.10	7113.88	38.63
Other income (2)	156.26	123.12	26.91
Sub-total (1+2)	10018.36	7237.00	38.43
Total Expenditure (Excluding interest)	9263.90	6680.03	38.68
Profit before interest and Tax	377.36	330.81	14.07
Operating margin	7.53%	7.79%	-3.33
Profit after Tax	368.30	285.29	29.10
Return on Capital Employed	14.30%	12.92%	1.38
Inventory Turnover-Times	0.13	0.18	-27.77
Current Ratio	3.96:1	4.82:1	-17.84
Debt : Equity Ratio	0.84	0.55	52.72

**(ii) Operational performance:**

The Company has achieved an increase of 35.04% in profit before tax for the year under review on account of various positive factors like control on energy cost by change in Fuel, good demand for the Company’s colors, good product mix & weaker currency.

**(iii) Cautionary Statement:**

Statements in this Report, particularly those which relate to Management Discussion and Analysis, describing the Company’s objectives, projections, estimates and expectations may constitute “forward looking statements” within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

**8) Human Resources / Industrial Relations**

The Company had total work force of 35 as on 31st March 2011. Relations between employees at various levels and the Management have been cordial.

The Company has identified and assessed the competencies of Managers to develop their potential through training and management development activities and various measures are underway to maintain a high motivation level of human resources.

**9) Safety and Ecology**

The factory at Roha continues to achieve considerable success in the prevention of accidents by adhering to strict guidelines. The Company takes pride that there are “No Reportable Accidents” since incorporation. This was made possible by appointing safety consultant, safety day mock drills and strict adherence to lay down ISO standards, whereby calibration of instruments and safety interlocks were checked as per planned schedules. Maintenance of all equipments and testing thereof was carried out as per statutory requirements.

Refresher Annual Safety Training Programmes of all concerned, which also include contractors, were conducted to enhance awareness of safety standards. A greater degree of participation / involvement of workers in safety matters attained of holding periodical shop floor safety meetings.

In addition to continuous efficient operations of the effluent treatment plant at the factory, promotion of general awareness amongst the employees of the Company by training at all levels, has provided good results with regard to pollution control and conservation of natural resources like waste and fuel. Solid waste is regularly disposed of by incineration or in other appropriate manner as per statutory requirements.

The Company is looking forward to further improving its commitments to environment and ecology.

Strict adherence to maintenance schedules has also reduced downtime of critical equipments, which in turn has increased operational efficiency and has reduced costs.



# VIDHI DYESTUFFS MANUFACTURING LIMITED

## AUDITORS' REPORT

To the Members of

Vidhi Dyestuffs Manufacturing Limited

1. We have audited the attached Balance Sheet of **VIDHI DYESTUFFS MANUFACTURING LIMITED** as at 31st March 2011 and the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on 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 statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003, as amended by the companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said Order to the extent applicable.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - (i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books;
  - (iii) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (iv) in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
  - (v) on the basis of the written representations received from the Directors as on 31st March, 2011, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as Director in terms of clause (g) of sub-section (1) section 274 of the Companies Act, 1956; and
  - (vi) in our opinion and to the best of our information and according to the explanations given to us, the said accounts read with notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2011;
    - (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
    - (c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For and on behalf of **Bhuta Shah & Co.**  
Chartered Accountants  
Firm Registration No. 101474W

**S. J. Parmar**  
Partner  
Membership No. 103424

Mumbai: 30th May, 2011

## ANNEXURE TO THE AUDITOR'S REPORT

Annexure referred to in paragraph 3 of our Report on even date on the accounts of M/s. Vidhi Dyestuffs Manufacturing Limited ended 31st March 2011.

- i.
  - a. The Company is maintaining proper records showing full particulars including quantitative details and situations of fixed assets.
  - b. The management at reasonable intervals during the period has physically verified the fixed assets. According to the explanation given to us, no material discrepancies have been noticed on verification.
  - c. The Company has not disposed off any substantial / major part of its fixed assets during the year.
- ii.
  - a. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - b. In our opinion and according to information and explanation given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - c. In our opinion and according to information and explanation given to us and on the basis of our verification of inventory records, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification were not material and have been properly dealt with in the books of accounts.
- iii.
  - a. According to the information and explanation given to us, the Company has not granted loans, secured or unsecured to companies, firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956. Accordingly, sub-clauses (b), (c) and (d) are not applicable.



- e. According to the information and explanation given to us, the company has taken loan from a company in which key management personnel have significant influence, covered in register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 72,039/- and outstanding amount at the end of the year is Rs. 42,039/-.
- f. In our opinion and according to information and explanation given to us, the rate of interest and other terms and conditions on which the above loans have been taken are not prima-facie prejudicial to the interest of the company.
- g. The principal amounts, are payable on demand and there is no repayment schedule.
- iv. In our opinion and according to the information and explanation given to us there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit no major weakness has been observed in the internal controls.
- v. According to the information and explanation provided by the management, there have been no contracts or arrangements during the period that need to be entered into the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of sub-clauses (a) and (b) of the said order are not applicable.
- vi. In our opinion and according to the information and explanation given to us the Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 or any other relevant provisions of the act and the Rules framed there under.
- vii. As explained to us, the Company has no formal internal audit department.
- viii. According to the information and explanation given to us maintenance of cost records has not been prescribed by the Central Government under section 209(1) (d) of the Companies Act, 1956.
- ix. a. According to the information and explanation given to us and according to the books and records produced and examined by us, in our opinion, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income-tax, Sales-tax, Wealth-tax, Service-tax, Customs Duty, Excise Duty, Cess and any other statutory dues applicable to it with appropriate authorities.
- b. According to the information and explanation given to us, no undisputed amounts payable in respect of Income-tax, Sales-tax, Wealth-tax, Service-tax, Custom Duty, Excise Duty and Cess were outstanding at the year end for a period of more than six months from the date they became payable.
- c. As explained to us and according to the records of the company, the following dues of Income Tax have not been deposited on account of dispute :

Name of statute (Nature of dues)	Assessment Year to which the amount relates	Forum where dispute is pending	Amount (Rs. in Lakhs)
Income Tax Act, 1961.	2003-04	The Hon'ble Supreme Court of India	34.98
Income Tax Act, 1961.	2004-05	The Hon'ble Supreme Court of India	13.63

- x. The Company has neither accumulated losses as at 31st March 2011 nor has it incurred cash losses during the financial year ended on that date and in the immediately preceding financial year.
- xi. Based on the documents and records produced to us and according to the explanation given to us the, company has not defaulted in repayment of dues to a financial institution or banks as at the balance sheet date.
- xii. According to the information and explanation given to us the company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, considering the nature of the business carried down during the year, the provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.
- xiv. The company has, in our opinion maintained proper records and contracts with respect to its investments where timely entries of transactions are made in the former. All investments at the close of the year are generally held in the name of the company.
- xv. According to information and explanations given to us, the company has not given any guarantee for loans taken by others from banks and financial institutions.
- xvi. According to the information and explanation given to us and the records examined, the Company has availed term loans during the year and utilized for the purpose for which they were applied.
- xvii. According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company and after assurances made by the Company for classification of long-term and short-term usages of funds, we are of the opinion that, prima facie, as at the close of the year, short-terms funds have not been utilized for long-term investments.
- xviii. During the year, the company has not made any preferential allotment to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix. The company has not issued any debentures and hence, the clause 4(xix) of the Order is not applicable.
- xx. The company has not raised any money by public issue during the year.
- xxi. During the course of our examination of the books of account and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year.

For and on behalf of **Bhuta Shah & Co.**  
Chartered Accountants  
Firm Registration No. 101474W

**S. J. Parmar**  
Partner  
Membership No. 103424

Mumbai: 30th May, 2011



# VIDHI DYESTUFFS MANUFACTURING LIMITED

## BALANCE SHEET AS AT 31 MARCH 2011

	Schedule	As at 31.03.2011 (Rs. in lakhs)	As at 31.03.2010 (Rs. in lakhs)
<b>I) SOURCES OF FUNDS :</b>			
<b>Shareholders' funds</b>			
Share capital	1	500.20	500.20
Reserves and Surplus	2	2,076.05	1,707.75
		2,576.25	2,207.95
<b>Loan funds</b>			
Secured Loans	3	2,231.12	1,211.22
Unsecured Loans	4	444.04	0.72
<b>TOTAL</b>		<b>5,251.41</b>	<b>3,419.89</b>
<b>II) APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	5	1,265.63	1,223.58
Less : Accumulated Depreciation		973.64	882.48
Net Block		291.99	341.10
Capital WIP		803.06	183.54
		1,095.05	524.64
<b>Investments</b>	6	13.57	20.70
<b>Current Assets, loans and advances</b>			
Inventories	7	1,263.09	1,255.25
Sundry Debtors	8	2,886.71	1,565.51
Cash and Bank Balances	9	268.31	171.00
Loans and Advances	10	1,126.01	635.23
		5,544.12	3,626.99
Less : Current Liabilities and Provisions	11	1,401.33	752.44
<b>Net Current Assets</b>		<b>4,142.79</b>	<b>2,874.55</b>
<b>TOTAL</b>		<b>5,251.41</b>	<b>3,419.89</b>

Significant accounting policies and notes to accounts 20

The schedules referred to above form an integral part of the balance sheet.

As per our report attached

**For and on behalf of Bhuta Shah & Co.**

Chartered Accountants

Firm Registration No.101474W

**S. J. Parmar**

Partner

Membership No. 103424

Mumbai, 30th May, 2011

**For and on behalf of the Board of Directors**

**Bipin M. Manek**

Chairman and  
Managing Director

Mumbai, 30th May, 2011

**Mihir B. Manek**

Joint Managing Director



**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

<b>Particulars</b>	<b>Schedule</b>	<b>Current Year Rs. inLakhs</b>	<b>Previous Year Rs. inLakhs</b>
<b>INCOME</b>			
Sales	12	<b>9,862.10</b>	7,113.88
Other Income	13	<b>156.26</b>	123.11
Increase /(Decrease) in Stock	14	<b>75.77</b>	6.49
		<hr/>	<hr/>
<b>TOTAL 'A'</b>		<b>10,094.13</b>	7,243.48
<b>EXPENDITURE</b>			
Manufacturing and Operating Expenses	15	<b>8,583.70</b>	6,007.97
Human Resources	16	<b>94.14</b>	81.90
Administrative Expenses	17	<b>194.22</b>	210.39
Selling and Distribution Expenses	18	<b>300.05</b>	280.25
Financial charges	19	<b>226.43</b>	116.33
		<hr/>	<hr/>
<b>TOTAL 'B'</b>		<b>9,398.54</b>	6,696.84
<b>PROFIT BEFORE DEPRECIATION (A - B)</b>			
		<b>695.59</b>	546.64
Depreciation	5	<b>91.79</b>	99.51
<b>PROFIT BEFORE TAXATION</b>			
		<b>603.80</b>	447.13
Tax Expense			
Current Year		<b>235.49</b>	175.13
Earlier Year's		-	2.95
Deferred Tax		-	(16.24)
<b>PROFIT AFTER TAXATION</b>			
		<b>368.31</b>	285.29
Surplus brought forward from previous year		<b>1,574.50</b>	1,289.21
<b>Balance carried to Balance Sheet</b>		<b>1,942.81</b>	1,574.50
<b>Basic / Diluted earnings per share (Rs.)</b>			
		<b>0.74</b>	0.57
<b>Significant accounting policies and notes to accounts</b>	20		

The schedules referred to above form an integral part of the profit and loss account.

As per our report attached

**For and on behalf of Bhuta Shah & Co.**

Chartered Accountants

Firm Registration No.101474W

**S. J. Parmar**

Partner

Membership No. 103424

Mumbai, 30th May, 2011

**For and on behalf of the Board of Directors**

**Bipin M. Manek**

Chairman and  
Managing Director

Mumbai, 30th May, 2011

**Mihir B. Manek**

Joint Managing Director



# VIDHI DYESTUFFS MANUFACTURING LIMITED

## SCHEDULES FORMING PART OF THE BALANCE SHEET

		As At 31.03.2011 Rs. In lakhs	As At 31.03.2010 Rs. In lakhs
<b>SCHEDULE - 1</b>			
<b>SHARE CAPITAL</b>			
Authorised	60,000,000 equity shares of Re. 1/- each	600.00	600.00
Issued and Subscribed	50,034,000 equity shares of Re. 1/- each	500.34	500.34
Paid Up	4,99,45,000 shares of Rs. 1/- each fully paid	499.45	499.45
Add: Forfeited shares		0.75	0.75
	<b>Total</b>	<b>500.20</b>	<b>500.20</b>
<b>Schedule 2</b>			
<b>Reserves and Surplus</b>			
<b>General Reserve</b>			
-	Balance brought forward	133.24	133.24
	Add : Transferred from Profit and Loss Account		
-	Balance carried forward	133.24	133.24
	Profit and Loss Account	1,942.81	1,574.51
	<b>Total</b>	<b>2,076.05</b>	<b>1,707.75</b>
<b>Schedule 3</b>			
<b>Secured Loans</b>			
<b>Term Loans</b>			
	HDFC Bank	301.24	87.08
	Kotak Mahindra	-	1.50
<b>Working Capital Loans</b>			
	HDFC Bank	209.90	623.01
	Vijaya Bank	1,652.83	499.63
<b>Intercorporate loans</b>			
	Bajaj Allianz Life Insurance Company Limited	67.15	-
	<b>Total</b>	<b>2,231.12</b>	<b>1,211.22</b>

### NOTES :

- 1) Loan from Vijaya Bank is secured by first mortgage of immovable properties , first charge by way of hypothecation of plant and machinery, spares and accessories relating to plant and machinery and other assets, hypothecation of stocks and book-debts (present and future) and personal guarantee of directors.
- 2) Loan from HDFC bank is secured by hypothecation of Factory Shed at Plot No -68 Roha and personal guarantee of Directors
- 3) Loan from Kotak Mahindra Prime Limited is secured against hypothecation of car and personal guarantee of a director.
- 4) Loan From Bajaj Allianz is Secured against Keyman Insurance Policies.

### Schedule 4

#### Unsecured Loans

#### Inter Corporate Loans

Arjun Dyestuffs Manufacturing Private Limited

0.42

0.72

#### Loans from Banks

Long Term loans

\* Standard Chartered Bank

434.99

-

Short Term loans

\*\* YES Bank

8.63

-

### NOTES :

\* Secured against personal asset of a Director

\*\* Personal Guarantee of the director's relative and security of personal assets of a director's relative





## SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE 5  
FIXED ASSETS

(Rs. in Lakhs)

	Tangible Assets										Total	Previous Year
	Land	Factory Building	Administrative Building	Furniture and Fixtures	Office Premises	Office Equipments	Plant and Machinery	Computers	Telephones	Vehicles		
<b>Gross Block</b>												
At 1st April 2010	36.38	222.82	29.15	9.93	1.58	10.16	835.90	16.20	2.60	58.86	1,223.58	1,182.33
Additions	-	-	-	-	-	-	10.31	-	-	36.84	47.15	41.25
Deductions / adjustments	-	-	-	-	-	-	-	-	-	5.10	5.10	-
<b>At 31st March 2011</b>	<b>36.38</b>	<b>222.82</b>	<b>29.15</b>	<b>9.93</b>	<b>1.58</b>	<b>10.16</b>	<b>846.21</b>	<b>16.20</b>	<b>2.60</b>	<b>90.60</b>	<b>1,265.63</b>	<b>1,223.58</b>
<b>Accumulated Depreciation</b>												
At 1 April 2010	3.10	77.05	5.55	7.85	0.36	2.67	749.65	14.52	1.39	20.34	882.48	782.96
Charge for the year	0.42	7.46	0.48	0.63	0.03	0.49	73.82	0.49	0.12	7.85	91.79	99.51
Deductions / adjustments	-	-	-	-	-	-	-	-	-	0.63	0.63	-
<b>At 31st March 2011</b>	<b>3.52</b>	<b>84.51</b>	<b>6.03</b>	<b>8.48</b>	<b>0.39</b>	<b>3.16</b>	<b>823.47</b>	<b>15.01</b>	<b>1.51</b>	<b>27.56</b>	<b>973.64</b>	<b>882.48</b>
<b>Net Block</b>												
At 31st March 2011	32.86	138.31	23.12	1.45	1.19	7.00	22.74	1.19	1.09	63.04	291.99	341.10
At 31st March 2010	33.28	145.77	23.60	2.08	1.22	7.49	86.25	1.67	1.21	38.53	341.10	-

**As At 31.03.2011**      **As At 31.03.2010**  
**Rs. In lakhs**                      **Rs. In lakhs**

## Schedule 6

## Investments

(At Cost - Non Trade - Long Term)

Quoted fully paid up Equity Shares)

Accentia Technologies Limited	-	0.22
BITS Limited	-	0.43
Coal India Limited	<b>0.99</b>	-
Dagger- Forst Tools Limited	<b>1.04</b>	1.05
Diamines and Chemicals Limited	<b>1.85</b>	2.80
Gijarat Mineral Development Corporation Limited	-	5.28
Intradeco Limited	-	0.39
Maars Software International Limited	-	1.20
N R C Limited	-	0.88
Ontrack Systems Limited	<b>5.81</b>	5.81
Power Grid Corporation of India Limited	<b>0.51</b>	-
Reliance Power Limited	-	0.26
Roman Tarmat Limited	<b>1.65</b>	1.65
Satyam Computers Limited	-	0.44
Share Application Money	<b>1.72</b>	0.29
<b>Total</b>	<b>13.57</b>	20.70

Market Value of quoted investments  
(M.V. Rs. 8.11 Lacs Previous Year Rs. 11.08 Lacs)

## Schedule 7

Inventories (At Cost)

(As taken, valued and certified by management)

Raw Materials	<b>272.84</b>	249.70
Finished Goods	<b>230.24</b>	166.40
Work in Progress	<b>200.53</b>	188.60
Trading stock	<b>407.04</b>	283.51
Stock in Transit	<b>152.44</b>	367.04
<b>Total</b>	<b>1,263.09</b>	1,255.25



# VIDHI DYESTUFFS MANUFACTURING LIMITED

## SCHEDULES FORMING PART OF THE BALANCE SHEET

	As At 31.03.2011 Rs. In lakhs	As At 31.03.2010 Rs. In lakhs
<b>Schedule 8</b>		
<b>Sundry Debtors</b>		
(Unsecured, considered good)		
Debts outstanding		
- over six months	55.79	60.27
- other debts	2,831.66	1,505.24
	<u>2,887.45</u>	<u>1,565.51</u>
Less: Provision for doubtful debts	0.74	-
<b>Total</b>	<u><u>2,886.71</u></u>	<u><u>1,565.51</u></u>
<b>Schedule 9</b>		
<b>Cash and Bank balances</b>		
Cash in Hand	3.38	1.73
Balances with Schedule Banks :	-	-
- in current accounts	17.96	104.14
*- in deposit accounts	246.97	65.13
	<u>268.31</u>	<u>171.00</u>
<b>Total</b>	<u><u>268.31</u></u>	<u><u>171.00</u></u>
* The deposits with respective banks are liened against non-funding facilities with respective banks		
<b>Schedule 10</b>		
<b>Loans and Advances</b>		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	833.59	409.44
Deposits*	72.98	123.86
*(Including Rs. 20 lacs (Previous Year: Rs. 20 lacs) paid to a Director as deposit for premises taken on Lease )		
Advances to creditors for capital goods	25.21	19.36
Advances to creditors for Goods	191.72	76.29
Advances to creditors for expenses	2.51	6.28
	<u>1,126.01</u>	<u>635.23</u>
<b>Total</b>	<u><u>1,126.01</u></u>	<u><u>635.23</u></u>
<b>Schedule 11</b>		
<b>Current Liabilities and Provisions</b>		
<b>Current Liabilities</b>		
Sundry Creditors		
Capital Goods	28.23	0.40
Other Goods	930.05	549.72
Expenses	104.17	59.22
Other Liabilities	173.49	118.22
Trade Advances	15.67	4.12
Unclaimed Dividend*	0.43	0.64
	<u>1,252.04</u>	<u>732.32</u>
<b>Sub Total (A)</b>	<u><u>1,252.04</u></u>	<u><u>732.32</u></u>
<b>Provisions</b>		
Provision for taxation	149.29	20.13
	<u>149.29</u>	<u>20.13</u>
<b>Sub Total (B)</b>	<u><u>149.29</u></u>	<u><u>20.13</u></u>
<b>Total (A+B)</b>	<u><u>1,401.33</u></u>	<u><u>752.44</u></u>

\*Note: Investor Education and Protection Fund is credited by the amount of unclaimed dividend after seven years from the due date.



## SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

	2010-2011 Rs. In lakhs	2009-2010 Rs. In lakhs
<b>Schedule 12</b>		
<b>Sales</b>		
Export Sales		
Manufacturing	4168.21	3445.46
Trading	405.60	649.33
Local Sales		
Manufacturing Sales	227.56	164.96
Trading Sales	5003.74	2682.46
Net Exchange gain / short realisation	56.99	171.67
	9862.10	7113.88
<b>Total</b>	9862.10	7113.88
<b>Schedule 13</b>		
<b>Other Income</b>		
Export Incentives	135.73	109.81
Discount	-	0.50
Dividends	0.13	0.43
Interest	14.07	6.01
Profit on sale of investments	-	6.36
Miscellaneous receipts	6.33	-
	156.26	123.11
<b>Total</b>	156.26	123.11
<b>Schedule 14</b>		
<b>Increase /(Decrease) in Stock</b>		
Opening Stock		
Finished Goods	166.40	143.59
Work-in-progress	188.60	204.92
	355.00	348.51
<b>Total (A)</b>	355.00	348.51
Closing Stock		
Finished Goods	230.24	166.40
Work-in-progress	200.53	188.60
	430.77	355.00
<b>Total (B)</b>	430.77	355.00
<b>Increase / (Decrease) in Stock</b>	<b>Total (B - A)</b>	<b>75.77</b>
		6.49



# VIDHI DYESTUFFS MANUFACTURING LIMITED

## SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

	2010-2011 Rs. In lakhs	2009-2010 Rs. In lakhs
<b>Schedule 15</b>		
<b>Manufacturing and Other Operating Expenses</b>		
Raw Material consumed	2947.88	2805.39
Fuel, Water and Power Charges	293.37	244.25
Cost of traded goods	4857.65	2459.02
Warehousing Charges	8.79	6.16
Stores and Spares purchase	71.39	130.32
<b>Repairs and Maintenance</b>		
Plant and Machinery	18.12	23.83
Factory Building	11.24	48.69
Stores and Spares	8.41	11.88
Computer Maintenance	0.30	0.31
Others	16.13	0.13
<b>Other Operating Expenses</b>		
Agency Charges	13.69	12.25
Clearing and Forwarding	209.54	165.94
Insurance ( Plant and Machinery)	1.80	1.45
Insurance (Stock)	3.75	0.95
Lab Expenses	7.88	8.80
Legal and professional charges	26.93	4.89
Licence Procurement Premium	9.19	16.28
Other Manufacturing Expenses	74.47	60.31
Commission on Purchases	-	3.71
Rent, Rates and Taxes	3.17	3.41
<b>Total</b>	<b>8583.70</b>	<b>6007.97</b>
<b>Schedule 16</b>		
<b>Human Resources</b>		
Basic Salary, Allowances and Other Emoluments	84.08	61.66
Staff Welfare Expenses	6.11	16.76
Contribution to Provident Fund, Gratuity Fund	3.95	3.48
<b>Total</b>	<b>94.14</b>	<b>81.90</b>



## SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

	2010-2011 Rs. In lakhs	2009-2010 Rs. In lakhs
<b>Schedule 17</b>		
<b>Administrative Expenses</b>		
Auditor's Remuneration	3.00	3.00
Conveyance and Travelling	25.37	46.79
Director's Remuneration	30.00	30.00
Guarantee Commission to directors	11.25	11.25
Commission to Directors	26.43	8.99
Technical Directors Remuneration	3.00	3.00
Directors Sitting Fees	0.40	0.35
Donation	1.35	4.53
Electricity Expenses	1.95	2.13
Insurance - vehicles and other assets	4.47	0.98
Keyman Insurance Premium	2.86	2.76
Legal and professional charges	14.53	6.45
Loss on sale of fixed assets	0.72	-
Membership and Subscription fees	7.15	3.00
Other office expenses	12.73	16.56
Printing and Stationery	12.31	14.75
Loss on Sale of DEP B License	2.00	-
Loss on sale of investments	1.63	0.35
Bad debts	-	33.80
Provision for doubtful debts	0.74	-
Sundry balance written off	18.97	11.84
Rent, Rates and Taxes	0.99	2.83
Telephone Expenses	6.75	7.05
Security charges	5.14	-
Service charges	0.48	-
<b>Total</b>	<b>194.22</b>	<b>210.39</b>
<b>Schedule 18</b>		
<b>Selling and Distribution Expenses</b>		
Advertisement	2.37	2.27
Business Promotion	23.17	33.50
Certificate of origin fees	27.22	29.82
Clearing and Forwarding	171.37	165.51
Commission	32.50	20.34
Discount on Sales	5.60	4.30
E. C. G. C. Premium	17.74	8.93
Exhibition and Trade Fair Expenses	6.99	10.17
Foreign Travelling Expenses	12.25	3.61
Insurance	0.77	1.30
Other expenses	0.07	0.50
<b>Total</b>	<b>300.05</b>	<b>280.25</b>
<b>Schedule 19</b>		
<b>Financial Charges</b>		
Bank interest and charges	224.18	116.09
Interest on Car Loan	-	0.23
Other Interest	-	2.25
<b>Total</b>	<b>226.43</b>	<b>116.33</b>



# VIDHI DYESTUFFS MANUFACTURING LIMITED

## SCHEDULES FORMING PART OF THE ACCOUNTS

### Schedule 20 Part I - Significant accounting policies and notes to accounts

#### 1. Background

The Company is engaged in the business of manufacturing and trading of food colours and trading in chemicals. The Company has been incorporated on 19th January, 1994.

#### 2. Significant accounting policies

##### a. Basis of preparation of Financial Statements

The financial statements are prepared and presented under the historical cost convention, on accrual basis of accounting in accordance with the accounting principles generally accepted in India and comply with the accounting standards specified in the Companies (Accounting Standards) Rules 2006, issued by the Central Government, in consultation with National Advisory Committee on Accounting Standards and relevant provisions of Companies Act, 1956 ('the Act'), to the extent applicable. The major accounting policies are detailed hereunder.

##### b. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles ('GAAP') requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Difference between the actual results and the estimates are recognized in the period in which the results are known /materialized.

##### c. Revenue recognition

Revenue from sale of products is recognized on transfer of all significant risk and rewards of ownership of the products on to the customers, which is generally on dispatch of goods. Sales are stated exclusive of sales tax and net of trade and quantity discount.

Dividend Income is recognized when the right to receive the dividend is established.

Interest Income is recognized on the time proportion basis.

Export turnover include exchange rate difference arising on realisation.

Export incentives / benefits are accounted for on accrual basis on value of exports affected during the year.

##### d. Inventories

Inventories comprise all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Inventories are valued at lower of cost and net realizable value on First-in-First-basis (FIFO).

Cost of work-in-process and finished goods include material cost, labour cost and manufacturing overheads absorbed on the basis of normal capacity of production. Excise duty payable on production is accounted for at the time of removal from the factory.

Stores and Spares are charged to the profit and loss account in the year of purchase.

##### e. Fixed Assets and Depreciation

Fixed Assets are stated at the Historical Cost (Net of MODVAT) of acquisition less accumulated depreciation. The costs of fixed assets include taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets.

Depreciation on fixed assets is provided for on the straight-line method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

Leasehold land is amortized over the period of lease.

Capital work-in-progress includes the cost of fixed assets that are not ready to use at the balance sheet date and advances paid to acquire capital assets before the balance sheet date.

##### f. Foreign currencies

Foreign Currency transactions are accounted at the exchange rates prevailing on the date of the transaction. Foreign currency monetary items outstanding as at the Balance sheet are reported using the closing rate. Gains and losses resulting from the settlement of such transactions and translation of monetary assets and liabilities denominated in foreign currencies are recognized in the profit and loss account.

##### g. Investments

Long Term investments are stated at cost. The diminution in the market value of investments is not considered unless such diminution is considered permanent.

Current investments are carried at the lower of cost or quoted /fair value, computed separately in respect of each category of investments.



**h. Employee benefits****a. Post-employment benefits**

- i. **Defined Contribution Plans:** The company's approved provident fund scheme is defined benefit plan. The company's contribution paid / payable under the scheme is recognized as expenses in the profit and loss account during the period in which the employee renders the related service.
- ii. **Defined Benefit Plans:** The company's gratuity is defined benefit plan. The present value of obligation under such defined benefit plan is determined based in actuarial valuation using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, is based on the market yields on Government securities as at the balance sheet date.

Actuarial gains and losses are recognized immediately in the profit and loss account.

**i. Earnings per share**

Basic and diluted earnings per share are computed by dividing the net profit attributable to equity shareholders for the year, by the weighted average number of equity shares outstanding during the year.

**j. Taxation****Direct Taxes**

Provision for current tax is made and retained in accounts on the basis of estimated tax liability as per the applicable provisions of the Income-Tax Act, 1961.

Deferred tax for timing differences of Depreciation between tax profits and book profits is accounted for using the tax rates and laws that have been enacted or substantially enacted as of the Balance Sheet date. Deferred tax assets are not recognized as the differences are pertaining to depreciation.

**Indirect Taxes**

The liabilities are provided or considered as contingent depending upon the merits of each case and/or receiving the actual demand from the department

**k. Provision, Contingent Liabilities and Contingent Assets**

Provisions comprise liabilities of uncertain timing or amount. Provisions are recognized when the company recognizes it has a present obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Disclosures for contingent liability are made when there is a possible or present obligation for which it is not probable that there will be an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no disclosure is made.

Loss contingencies arising from claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the can be reasonably estimated.

Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

**II. Notes forming part of the accounts for the year ended 31st March, 2011.**

1. Depreciation for the year has been calculated at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956. Plant and machinery falling in the category of continuous process plants has been identified on the basis of technical opinion obtained by the Company.
2. Break-up of expenditure incurred during the year on employees in respect of remuneration exceeding Rs. 60 Lakhs per year or Rs.5 Lakhs or more per month or part of the month – None (Previous Year – None).
3. In view of the accounting policy followed by the company, excise duty payable on finished goods is neither included in the expenditure nor included in the value of such stocks, but is accounted for on clearance of the goods. This accounting treatment has no impact on profits. The amount of excise duty payable on finished goods not cleared as at 31st March, 2011 is Rs. 23.70 Lakhs (Previous year Rs. 13.56 Lakhs).
4. In the opinion of the directors, current assets, loans and advances have the value at which they are stated in the balance sheet, if realised in the ordinary course of business. Sundry debtors, creditors and advances are subject to confirmation. Periodically, the company evaluates all customer dues to the company for collectability. The need for provisions is assessed based on various factors including collectability of specific dues, general economic factors, which could affect the customer's ability to settle.
5. Segment Reporting

The Company's main activity is manufacturing and trading of food colours and trading in chemicals which constitutes a single reportable segment in the context of Accounting Standard – 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India.



## VIDHI DYESTUFFS MANUFACTURING LIMITED

6. Motor Car reflected in the Balance Sheet is owned and belongs to the Company. However, for the sake of convenience it has been purchased in the name of a director.
7. The amounts receivable from Government Authorities are subject to completion of final assessment.

8. **Contingent Liabilities** (Rs. in Lakhs)

Nature of dues	2010-2011	2009-2010
Income Tax for A.Y. 2003-04 & AY 2004-05 (Income-tax Department's Appeal pending before The Hon'ble Supreme Court of India)	48.61	-
Income Tax for A.Y. 2003-04 & AY 2004-05 (Income-tax Department's Appeal pending before Hon'ble Bombay High Court)	-	48.61
Custom duty payable	6.23	34.93
Export of excisable goods without payment of duty under Form UT-1	126.63	88.63

9. The company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to amounts unpaid as at the year end together with interest paid/payable under this Act have not been given.

10. Additional information pursuant to the provisions of paragraphs 3, 4, 4 – A, 4 – B and 4 – C of part II of Schedule VI of the Companies Act, 1956

a) **Production and Sales - net of captive consumption**

Production Quantity M.T.	Turnover Quantity M.T.	Closing Stock Quantity M.T.	Closing Stock Value Rs. (In Lakhs)
1151.549	1204.428	81.321	230.24

\* Includes blending

b) **Consumption of Raw Material and Stores and Spares –** (Previous Year - Rs. 2932.89 Lakhs)

Item Name	Quantity (M.T.)	Value Rs. (In Lakhs)
Soda Ash	439.72	52.90
Sulphuric Acid	453.49	24.85
Sodium Naphthionate	193.85	269.55
Vacuum Salt	667.76	28.38
Beta Nephthol	281.00	351.92
Hydrochloric Acid	661.46	16.27
Sulphanilic acid	162.28	111.32
Others (Including Stores and Spares)	-	2164.09
<b>TOTAL</b>	<b>-</b>	<b>3019.28</b>

c) **Closing Stock – Raw Material and Packing Materials -** (Previous Year - Rs. 191.49 Lakhs)

Item Name	Quantity (M.T./Nos)*	Value (in lakhs)
Dimethyl Acetyl Succinate	26.20	32.42
Aluminium Sulphate	11.29	10.16
Furnace Oil	3.34	1.13
N.W.Acid	0.54	1.59
P.C.O.S.A	3.82	9.91
Soda Ash	24.17	2.99
Schaffers Acid	4.75	6.92
Sodium Naphthionate	13.10	19.02
Sulphanilic Acid	37.40	24.90
Vacuum Salt	48.24	1.80
* Plastic Bag	993	0.92
* Bucket /Drums /Corrugated		
Boxes	3305	2.96
Others		158.11
<b>TOTAL</b>		<b>272.83</b>





**d) Trading Purchase and Sales**

(Rs. in lakhs)

Item	Opening Stock Value	Opening Stock Quantity M.T.	Purchase Quantity M.T.	Turnover Quantity M.T.	Closing Stock Quantity M.T.	Closing Stock Value
Chemicals	283.51	858.71	13681.80	13674.84	866.07	407.03
Food Colours	4.49	1.85	25.32	27.17	-	-

**e) Deferred Tax**

The deferred tax during the year for timing difference is accounted using tax rates that have been enacted; the net difference arising thereon is debited to Profit and Loss Account. As per the management, since there is no other timing difference other than depreciation and therefore no deferred tax assets have been created for the accounting year.

The Break-up of deferred tax assets and liabilities into major components at the year-end is as below:

(Rs. in Lakhs)

Particulars	2010-11	2009-10
Deferred tax assets arising on account of difference between depreciation as per books and depreciation as per Income Tax Act, 1961 as on 31-3-2011	15.76	1.61
	15.76	1.61

**i) Managerial remuneration paid/payable to managing directors as per Schedule XIII Part II**

(Rs. in Lakhs)

	2010-2011	2009-2010
Profit before tax	603.80	447.13
Add:		
Managing and other director's remuneration and commission	56.43	38.99
Depreciation charged in the accounts	91.79	99.51
Loss on sale of Investments	1.63	-
Less:		
Depreciation as computed under section 350 of the Act	91.79	99.51
Profit on sale of Investments	-	6.36
Net Profit as per section 349 of the Act	661.86	479.76
Commission payable @ 2% per Managing Directors	26.47	9.60
Restricted to overall limits	26.43	8.99

**f) Details of payment made to Auditors:**

(Rs. in Lakhs)

Name of the Item	2010-2011	2009-2010
Statutory Audit	1.00	1.00
Taxation Matters	0.25	0.25
Other Services	1.75	1.75
<b>TOTAL</b>	<b>3.00</b>	<b>3.00</b>

**g) Capacity:**

Particulars	2010-2011 M.T.	2009-2010 M.T.
Licensed	1,140	1,140
Installed	1,140	1,140

**h) Value of Imports on C.I.F. basis**

(Rs. in Lakhs)

	2010-2011	2009-2010
Raw Materials	901.81	2061.21
Trading Purchases	3964.33	1660.45
Components and spare parts	NIL	15.60
Capital Goods	11.75	NIL



## VIDHI DYESTUFFS MANUFACTURING LIMITED

i) Expenditure in Foreign Currency		(Rs. in Lakhs)	
		2010-2011	2009-2010
Commission on export sales		0.06	3.37
Traveling Expenses		12.25	3.61
Exhibition and Trade Fair expenses		6.99	10.17
FDA Marking fees		27.22	29.72

j) Value of imported and indigenous materials consumed		(Rs. in lakhs)			
		2010-11	%	2009-10	%
Raw Material –	Indigenous	2046.07	69.41	744.18	26.53
	Imported (CIF)	901.81	30.59	2061.21	73.47
<b>TOTAL 'A'</b>		<b>2947.88</b>	<b>100.00</b>	<b>2805.39</b>	<b>100.00</b>
Components, spare parts and spares – Indigenous		71.391	100.00	127.50	100.00
<b>TOTAL 'B'</b>		<b>71.391</b>	<b>100.00</b>	<b>127.50</b>	<b>100.00</b>
<b>TOTAL 'A+B'</b>		<b>2932.89</b>			

k) Earnings in Foreign Currency		(Rs. in lakhs)	
		2010-2011	2009-2010
Exports (F.O.B.)		4448.25	3721.62

l) Employee Benefits		(Rs. in lakhs)	
		2010-2011	2009-2010
Actuarial valuations for the year		(%)	(%)
Discount rate		8.00	8.00
Rate of increase in compensation levels		4.00	5.00

**m) Related Party Disclosures:**

Disclosures as required by the Accounting Standard 18 "Related Party Disclosures" are given below:

Key management personnel and relatives

Key management personnel

1. Mr. Bipin M. Manek – Chairman and Managing Director
2. Mr. Mihir B. Manek – Joint Managing Director
3. Mr. Vijay K. Atre – Technical Director
4. Mrs. Pravina B. Manek – Director
5. Mr. Ajay V. Pande – Factory Manager

Enterprises over which key management personnel have significant influence:

1. M/s. Arjun Food Colorants Manufacturing Private Limited

Transactions with related Parties (Rs. in Lakhs)

Nature of transactions	2010-2011			2009-2010		
	Key management personnel	Relatives of Key Management Personnel	Enterprises over which key management personnel have Significant influence	Key management personnel	Relatives of Key Management Personnel	Enterprises over which key management personnel have Significant influence
Managerial Remuneration	56.42	-	-	38.99	-	-
Technical Director Remuneration	-	3.00	-	-	3.00	-
Bank Guarantee Commission	11.25	-	-	11.25	-	-
Loan taken during the year	-	-	50.00	-	-	-
Loan received during the year	-	-	50.30	-	-	0.06
<b>Outstanding Balances Payable</b>						
Loans Taken				0.42		
<b>Outstanding Balances Receivable</b>						
Security Deposit				20.00		



n) **Basic and Diluted Earning Per Share :**

For the purpose of calculation of Basic and Diluted Earning Per Share the following amounts are considered.

Particulars	(Rs. in Lakhs)	
	2010-2011	2009-2010
Net Profit after tax	368.301	285.29
Weighted average number of equity shares (Nos.)	5,00,20,000	5,00,20,000
Basic Earning Per Share (Rupees per share)	0.74	0.57
Diluted Earning Per Share (Rupees per share)	N. A.	N. A.

o) **Details of Investment Purchase / Sold during the year**

Name of the Company	Purchased		Sold	
	Quantity	Value	Quantity	Value
Accentia Technologies Limited	-	-	150	0.46
BITS Limited	-	-	10,000	0.07
Coal India Limited	423	0.99	-	-
Diamines and Chemicals Limited	-	-	1,238	0.76
Gujarat Mineral Development Corporation Limited	-	-	3,500	5.04
Intradeco Limited	-	-	85,000	0.16
Maars Software International Limited	-	-	20,000	0.31
N. R. C. Limited	-	-	5,000	0.50
Power Grid Corporation of India Limited	593	0.51	-	-
Reliance Power Limited	-	-	60	0.09
Satyam Computer Limited	-	-	1,200	1.03
<b>Grand Total</b>	<b>1016</b>	<b>1.50</b>	<b>1,26,148</b>	<b>8.43</b>

11. Previous year's figures have been regrouped and rearranged, wherever necessary, to confirm to the years classification.

Signature to schedule 1 to 20

As per our report attached

**For and on behalf of M/s. Bhuta Shah & Co.**

Chartered Accountants

Firm Registration No.101474W

**S. J. Parmar**

Partner

Membership No. 103424

Mumbai, 30th May 2011

**For and on behalf of the Board of Directors**

**Bipin M. Manek**

Chairman and  
Managing Director

Mumbai, 30th May 2011

**Mihir B. Manek**

Joint Managing Director



# VIDHI DYESTUFFS MANUFACTURING LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

(Rupees in Lakhs)

	2010-2011	2009-2010
<b>Cash flow from operating activities</b>		
Profit before tax	603.80	447.13
<b>Adjustments for :</b>		
Depreciation	91.79	99.51
Interest expense	226.43	116.33
Bad Debt w/off	-	33.80
Sundry Balances w/off	18.97	11.84
Loss on sale of fixed assets	0.72	-
(Profit) / Loss on sale of investments	1.63	(6.36)
Provision for doubtful debts	0.74	-
Interest income	(14.07)	(6.01)
Dividend income	(0.13)	(0.43)
	<b>326.08</b>	<b>248.68</b>
<b>Operating profit before working capital changes</b>	<b>929.88</b>	<b>695.81</b>
Increase in inventories	(7.84)	(611.89)
Increase in sundry debtors and other receivables	(1,831.69)	(664.96)
Increase in sundry creditors and provisions	520.35	309.38
	<b>(1,319.18)</b>	<b>(967.47)</b>
<b>Net change in working capital</b>	<b>(1,319.18)</b>	<b>(967.47)</b>
<b>Cash generated from Operations</b>	<b>(389.30)</b>	<b>(271.66)</b>
Direct taxes paid, net	(106.96)	(132.00)
	<b>(496.26)</b>	<b>(403.66)</b>
<b>Net cash provided by operating activities</b>	<b>A</b>	<b>(403.66)</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets	(47.15)	(41.25)
Capital Work- in- Progress	(619.52)	(183.54)
Proceeds from sale of fixed assets	3.75	-
Purchase of investments, Net	(12.46)	-
Sale of investments	17.95	22.12
Dividend received	0.13	0.43
Interest received	14.07	6.01
	<b>(643.23)</b>	<b>(196.23)</b>
<b>Net cash used in investing activities</b>	<b>B</b>	<b>(196.23)</b>
<b>Cash flow from financing activities</b>		
Interest paid	(226.43)	(116.33)
Increase / (Decrease) in long term borrowings	647.66	87.02
Increase / (Decrease) in short term borrowings	815.57	730.65
	<b>1,236.80</b>	<b>701.34</b>
<b>Net cash used in financing activities</b>	<b>C</b>	<b>701.34</b>
<b>Net increase /(decrease) in cash and cash equivalents</b>	<b>(A+B+C)</b>	<b>101.45</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>171.00</b>	<b>69.55</b>
	<b>268.31</b>	<b>171.00</b>

Note: Prior year figures have been reclassified/regrouped wherever necessary to conform to the current year' presentation.

As per our report attached

**For and on behalf of M/s. Bhuta Shah & Co.**

Chartered Accountants  
Firm Registration No.101474W

**S. J. Parmar**

Partner  
Membership No. 103424  
Mumbai, 30th May 2011

**For and on behalf of the Board of Directors**

**Bipin M. Manek**  
Chairman and  
Managing Director

Mumbai, 30th May 2011

**Mihir B. Manek**

Joint Managing Director



**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS**

## I. Registration Details

Registration No.   
 State Code   
 Balance Sheet   
 Date Month Year

## II. Capital Raised during the year (Amount in Rs. Thousand)

Public Issue   
 Rights Issue   
 Bonus Issue   
 Private Placement

## III. Position of Mobilization and Deployment of Fund (Amount in Rs. Thousands)

Total Liabilities   
 Total Assets   
 Sources of Funds  
 Paid-up Capital   
 Reserves & Surplus   
 Secured Loans   
 Unsecured Loans   
 Deferred tax liability

## Application of Funds

Net Fixed Assets   
 Investments   
 Net Current Assets   
 Miscellaneous Expenditure   
 Accumulated loss   
 Deferred tax asset

## IV. Performance of Company (Amount in Rs. Thousand)

Turnover   
 Total Expenditure   
 Profit / Loss Before Tax   
 + -- Profit / Loss After Tax   
 + -- Profit / Loss After Tax   
 Earning Per Share in Rs.   
 Dividend (%)

## V. Generic Names of Principal Products / Services of Company (as per monetary term)

Item No.   
 Product S Y N T H E T I C O R G A N I C  
 Description C O L O U R I N G M A T T E R  
 Item No.   
 C O L O U R L A K E S

The Earning per share disclosed above has been computed in accordance with the Accounting Standard - 20, Earning per share, specified in the Companies (Accounting Standards) Rules, 2006, issued by the Central Government, in consultation with National Advisory Committee on Accounting Standards ('NACAS')

For and on behalf of the Board of Directors

**Bipin M. Manek**  
 Chairman and  
 Managing Director

**Mihir B. Manek**  
 Joint Managing Director

Mumbai, 30th May 2011







**VIDHI DYESTUFFS MANUFACTURING LIMITED**  
 Regd. Office : E-27, Commerce Centre, 78 Tardeo Road, Mumbai - 400 034.

**ATTENDANCE SLIP**

To be handed over at the entrance of the Meeting Hall.

Name of the attending Members/ Proxy (in Block Letters)	Membership Folio No. / Client ID No.
	No. of Shares held

I hereby record at the **18TH ANNUAL GENERAL MEETING** of the Company being held on Tuesday, the 27<sup>th</sup> September 2011 at 5.30 P.M. at E/27, Commerce Centre, 78, Tardeo Road, Mumbai - 400034.

\_\_\_\_\_  
 Member's/ Proxy Signature  
 (To be signed at the time of handing over the slip)

Tear Here



**VIDHI DYESTUFFS MANUFACTURING LIMITED**  
 Regd. Office : E-27, Commerce Centre, 78 Tardeo Road, Mumbai - 400 034.

**FORM OF PROXY**

I / We \_\_\_\_\_  
 of \_\_\_\_\_  
 being a member/Members of the above named Company, hereby appoint of \_\_\_\_\_  
 \_\_\_\_\_ or failing him/her \_\_\_\_\_  
 \_\_\_\_\_ of \_\_\_\_\_

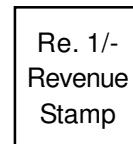
as my/our proxy to vote for me/us on/mybehalf at the 18th Annual General Meeting of the Company to be held on Tuesday, the 27<sup>th</sup> September 2011 at 5.30 P.M. at E/27, Commerce Centre, 78, Tardeo Road, Mumbai - 400034 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2011

Membership Folio No./Client IDNO : \_\_\_\_\_

No. of Shares held \_\_\_\_\_

Important :



- (a) Revenue Stamp of Rupee one is to be affixed on this form.
- (b) The form should be signed across the stamp as per specimen signature registered with the Company.
- (c) The Companies Act, 1956 lays down that an instrument appointing a proxy shall be deposited not less than FORTY EIGHT HOURS before the time fixed for holding the Meeting at Registered Office of the Company situated at E/27, Commerce Centre, 78, Tardeo Road, Mumbai - 400 034.
- (d) A proxy need not be a Member.

Tear Here

CRYSTAL (022) 6614 0900

**BOOK - POST**

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