




FORM A

(Pursuant to Clause 31 of the Listing Agreement)

Format of covering letter of the annual audit report to be filed with the stock exchanges

Sr. No.	Name of the Company	Vidhi Dyestuffs Manufacturing Limited
1.	Annual financial statements for the year ended	March 31, 2015
2.	Type of Audit observation	Un-qualified/ Matter of Emphasis
3.	Frequency of observation	Not Applicable
4.	<p>To be signed by</p> <p>Mr. Bipin M. Manek (DIN: 00416441) (CEO/Managing Director)</p> <p>Mr. Jitendra B. Shah (Partner, Bhuta Shah & Co., Auditors of the Company)</p> <p>Mr. Niren D. Desai (DIN: 01978382) (Audit Committee Chairman)</p>	  <p>For M/s. BHUTA SHAH & CHARTERED ACCOUNTANTS</p> 

PART.

22nd ANNUAL REPORT 2014 - 2015



COLOURS

You Can Trust For
Your Food





VIDHI DYESTUFFS MFG. LTD.

CIN : L24110MH1994PLC076156

22nd Annual Report – 2014-15

Directors

Mr. Bipin M. Manek (DIN 00416441)
Chairman and Managing Director

Mr. Mihir B. Manek (DIN 00650613)
Jt. Managing Director

Mrs. Pravina B. Manek (DIN 00416533)
Director

Mr. Vijay K. Atre (DIN 00416853)
Non-Executive Director

Mr. Prafulchandra A. Shah (DIN 00417022)
Independent Director

Mr. Chetan P. Bavishi (DIN 01978410)
Independent Director

Mr. Niren D. Desai (DIN 01978382)
Independent Director

Mr. Rahul Berde (DIN: 06981981)
Independent Director

Auditors

M/s. Bhuta Shah & Company
Chartered Accountants

Bankers

Vijaya Bank
HDFC Bank

Registered Office

E/27, Commerce Centre, 78, Tardeo Road,
Mumbai – 400034, India.

Corporate Office

E/28&29, Commerce Centre, 78, Tardeo Road,
Mumbai – 400034, India.
Tel : + 91 22 6140 6666
Fax : + 91 22 2352 1980

Factory

Plot No. 59/B & 68, MIDC Dhatav, Roha, District
Raigad, Maharashtra – 402 116, India.

Registrar & Share Transfer Agent

Sharex Dynamic (I) Pvt. Ltd.
Unit 1, LuthralInds. Premises, Andheri Kurla Road,
Safed Pool, Andheri (E), Mumbai – 400072
Tel : + 91 22 2851 5606, 2851 5644



Global Leader In World Class Synthetic Food Colours



Vidhi Dyestuffs Mfg. Ltd., is a leading manufacturer of Superior Synthetic Food Grade Colours. "VDML" provides customers superior colour solutions in applications for various industries such as Food & Beverage, Confectionary, Pharmaceuticals, Feeds, Cosmetics, Confectionary, Dairy etc. Our colours are being distributed and consumed in over 70 countries across 6 continents.

Our manufacturing facilities are spread over an area of 176,000 square feet, located in DhataV Village of Raigad District in the state of Maharashtra - India. Today VDML is an ISO 9001:2008, ISO 22000:2005 and HACCP certified company. Our Manufacturing facilities have been audited and found satisfactory by the U.S. FDA. All our products carry HALAL and Kosher certification. VDML, is steadfastly working towards adoptions of standards like CEDEX and GFSI compliance.

Various products containing the colours are consumed by every human being right from the time they wake up in the morning in the form of coloured tooth paste and after shave lotion till they sleep at night, when they are hale and hearty in confectionary, beverages, jams, jellies etc to medicines when they fall sick.

Even the daily food you feed to your pet dog or cat or any such animal uses the same colours to make the food more appealing to these lovely creatures.



A Truly Global Foot Print



91.42% of all colours manufactured by VDML are exported globally.

Australasia	Americas	Europe	Africa	Middle East
Australia	Argentina	Chec. Republic	Algeria	Syria
Bangladesh	Bolivia	Cyprus	Egypt	UAE
China	Brazil	France	Kenya	
Indonesia	Canada	Germany	South Africa	
Korea	Chile	Holland		
Malaysia	Colombia	Hungary		
New Zealand	El Salvador	Italy		
Pakistan	Guatemala	Malta		
Philippines	Mexico	Morocco		
Sri Lanka	Paraguay	Poland		
Thailand	Peru	Russia		
Vietnam	Uruguay	Spain		
	USA	The Netherlands		
		Turkey		
		UK		

A Comprehensive Range

Synthetic Water Soluble Colours: (European Commission & JECFA Approved)
Available in microfine powder, fine plating grade powder & in granular forms.

Aluminum Lakes: (European Commission & JECFA Approved)
Food grade insoluble pigments available in microfine powder form.

FD&C Colours: (U. S. FDA Approved)
Available in microfine powder, fine plating grade powder as well as granular forms.

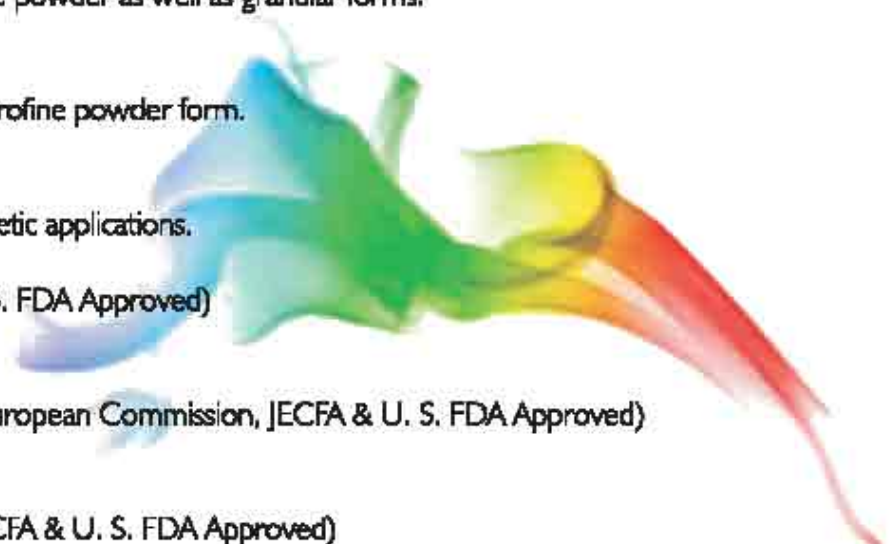
FD&C Lakes: (U. S. FDA Approved)
Food grade insoluble pigments available in microfine powder form.

D&C Colours: (U. S. FDA Approved)
Available in microfine powder for drug & cosmetic applications.

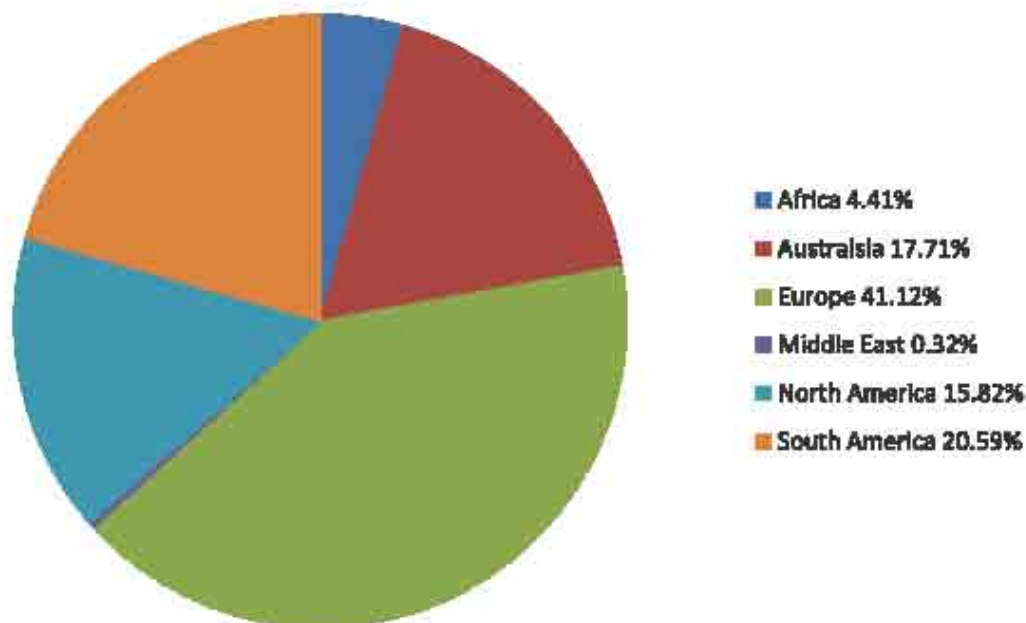
Blends: (European Commission, JECFA & U. S. FDA Approved)
Useful for acquiring any desired shade.

Co-Blended Lakes & Co-Blended Granules: (European Commission, JECFA & U. S. FDA Approved)
To achieve custom blended shades.

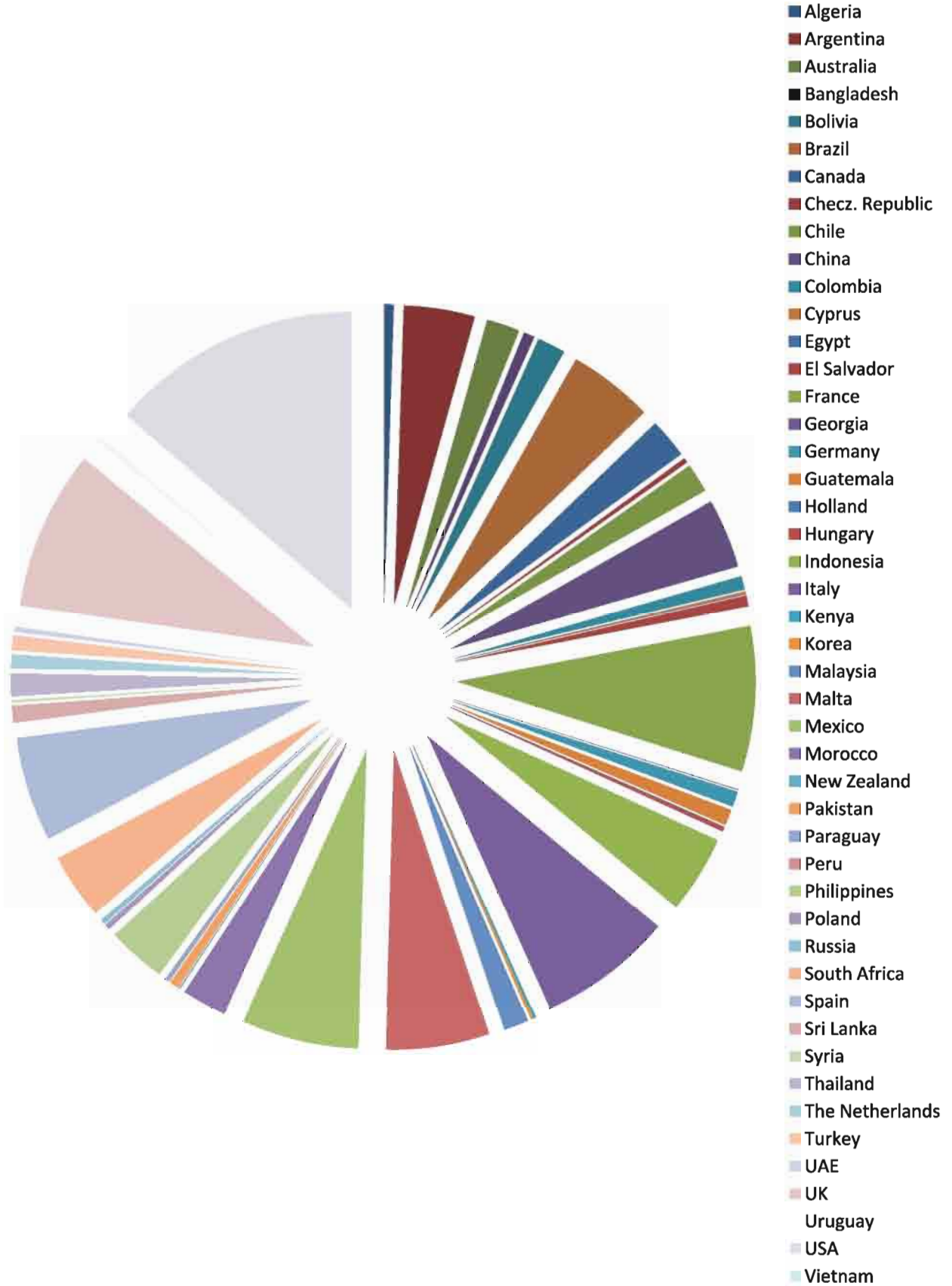
Natural Colours: (European Commission, JECFA & U. S. FDA Approved)
Natural colour formulations tailor made to suit any product applications.



Continent Wise Break Up In Sales

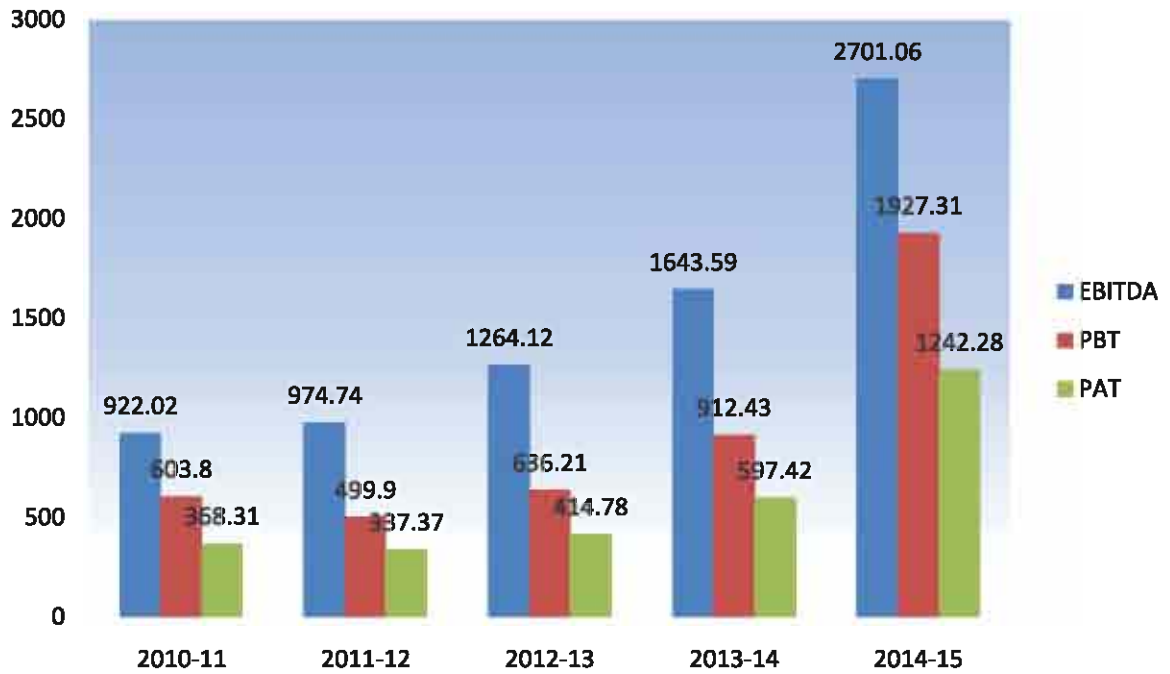


Country Wise Break Up In Sales



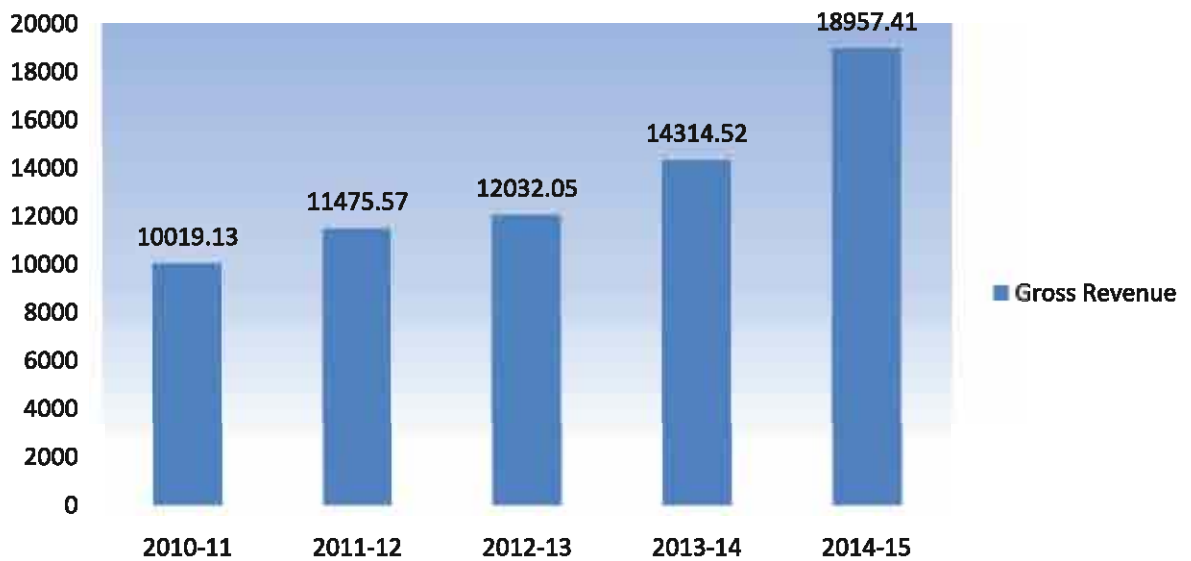
Key Comparative Figures

Rs. In Lakhs



Rs. In Lakhs

Gross Revenue



LRQA
Business Assurance

CERTIFICATE SCHEDULE

Vidhi Dyestuffs Manufacturing Limited
59-B & 68 MIDC, Dhatav, Roha, District Raigad,
Maharashtra - 402 116,
INDIA

Head Office	Activities
E-27, Commerce Centre 78 Tando Road, Mumbai.	Sales, Purchase
Other Locations	Activities
Factory 59-B & 68, MIDC, Dhatav, Roha, District Raigad, Maharashtra - 402 116, India	Manufacturing, QC and R&D activities, Maintenance, Stores (Raw Materials & Finished goods)
Flat No. 68, MIDC Dhatav Roha, District - Raigad, Maharashtra - 4011 16, India.	Manufacture of food colours and lake colours.

Approved: Original Approval: 26 June 2010
Certificate No: MUMAQ10084 Current Certificate: 20 June 2014
Certificate Expiry: 19 June 2016

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LRQA
Business Assurance

CERTIFICATE OF APPROVAL

This is to certify that the Quality Management System of:

Vidhi Dyestuffs Manufacturing Limited
59-B & 68 MIDC, Dhatav, Roha, District Raigad,
Maharashtra - 402 116,
INDIA

has been approved by Lloyd's Register Quality Assurance
to the following Quality Management System Standard

ISO 9001:2008

The Quality Management System is applicable to:

The formulation and manufacture of Food Colours and Lake Colours.

This certificate is valid only in association with the certificate scheme bearing the same
number on which the Standard applicable to this approval is based.

Approved: Original Approval: 20 June 2010
Certificate No: MUMAQ10084 Current Certificate: 20 June 2014
Certificate Expiry: 19 June 2016

Signed by Lloyd's Register Quality Assurance Limited

LRQA
Business Assurance

CERTIFICATE OF APPROVAL

This is to certify that the HACCP System of

Vidhi Dyestuffs Manufacturing Limited
59 - B & 68 MIDC, Dhatav, Roha (Raigad),
Maharashtra,
INDIA

has been approved by Lloyd's Register Quality Assurance limited to the
following standard:

HACCP
Codex Alimentarius Annex to CAC/RCP 1-1969 (2009)

The HACCP system is applicable to:

**The Management of a Food Hazard Analysis and Critical
Control Point (HACCP) System for the manufacture of Food
Colours and Lake Colours.**

Approved: Original Approval: 27 August 2010
Certificate No: MUMAQ10084 Current Certificate: 27 August 2013
Certificate Expiry: 21 August 2016

Signed by Lloyd's Register Quality Assurance Limited

LRQA
Business Assurance

CERTIFICATE OF APPROVAL

This is to certify that the Food Safety Management System of

Vidhi Dyestuffs Manufacturing Limited
59 - B & 68 MIDC, Dhatav, Roha (Raigad),
Maharashtra,
INDIA

has been assessed by Lloyd's Register Quality Assurance and found to
conform with the requirements of the following Food Safety Management
System Standard

ISO 22000:2005

The Food Safety Management System is applicable to:

The manufacture of Food Colours and Lake Colours.

Approved: Original Approval: 22 August 2010
Certificate No: MUMAQ10084 Current Certificate: 22 August 2014
Certificate Expiry: 21 August 2016

Signed by Lloyd's Register Quality Assurance Limited

Registered
Registries No. 0461

National Commission
Jawahar Complex - 8 - Maharashtra
Registration Certificate

This is to certify that **Ms. Vidhi Dyestuffs Mfg. Ltd.**

Manufacture, Flat No. 68, MIDC Dhatav Roha Raigad
Maharashtra-402116, India

Under license: E-27, Commerce Centre, 78, Tando Road,
Mumbai-400014 India

is registered with Food Commission for the following products:

1. Synthetic	2. Synthetic Blue	3. Natural Yellow
4. Fluorescent Yellow	5. Synthetic Yellow	6. Synthetic Orange
7. Natural Red	8. Synthetic Red	9. Synthetic Purple
10. Synthetic Green	11. Natural Green	12. Synthetic Blue
13. Natural Pink	14. Green & Blue Black & Yellow lake colours	

Validity: From 17.12.2014 to 16.12.2015
Date of Issue: 16.12.2014
Certificate No: 0461/MS/1501/0461/402

Gulzar Ahmed Aamir
General Secretary

جمهوری اسلامی و عربی
بندول اسلام
REPUBLIC OF INDONESIA
KEMENTERIAN KESEHATAN
REPUBLIC OF INDONESIA
KEMENTERIAN KESEHATAN
REPUBLIC OF INDONESIA

LAMPIRAN SERTIFIKAT HALAL
THE ATTACHMENT OF HALAL CERTIFICATE

No. 003/000/1/0001/14

Name/Company: Vidhi Dyestuffs MFG. LTD
Address: 59-B & 68 MIDC, Dhatav,
Roha, Raigad, Dist. Raigad, Maharashtra, India

No. 003/000/1/0001/14

Date of Issue: 16.12.2014
Date of Expiry: 16.12.2015

Gulzar Ahmed Aamir
General Secretary

KOF-K
Kosher Supervision

KOSHER CERTIFICATE

Date: Sep 22, 2014
Date of Expiry: 22 Sep 2016
Certificate No: 0303/2016

The following products manufactured by **VIDHI DYESTUFFS MFG. LTD** are certified kosher with the label instructions:

Product Name	Class	Process	Shelf
... (list of products)

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NOTICE

To,
The Members
Vidhi Dyestuffs Manufacturing Limited

Notice is hereby given that the **Twenty Second Annual General Meeting** of the Shareholders of **VIDHI DYESTUFFS MANUFACTURING LIMITED** will be held on Wednesday, September 16, 2015 at 3.30 P.M. at The Victoria Memorial School for Blind, opp. Tardeo A/c Market, 73, Tardeo Road, Mumbai – 400 034 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2015 including the Audited Balance Sheet as at March 31, 2015 and the Statement of Profit and Loss, Cash Flow Statement of the Company for the year ended on that date and notes related thereto together with the Reports of Directors' and the Auditors' thereon.
2. To declare Final Dividend on equity shares for the financial year 2014-15.
3. To appoint a Director in place of Mr. Mihir Manek (DIN **00650613**), who retires by rotation and being eligible, offers himself for re-appointment.
4. To ratify the appointment of Auditors and fix their remuneration and in this regard, to consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) and pursuant to the recommendation of the Audit Committee and the Board of Directors, the Company be and is hereby ratifies the appointment of M/s. Bhuta Shah & Co., Chartered Accountants, Mumbai (Firm Registration No.101474W), who were appointed as Statutory Auditors of the Company in the Twenty First Annual General Meeting to hold office for the period of 3 (Three) financial years i.e. until the conclusion of the Twenty Fourth Annual General Meeting, as Statutory Auditors of the Company to hold office until the conclusion of the Twenty Fourth Annual General Meeting of the Company to be held in the year 2017 and the Board of Directors of the Company be authorized to fix remuneration at a later date.”

SPECIAL BUSINESS:

5. Appointment of Mr. Rahul C. Berde (DIN **06981981**) as an Independent Director of the Company.

To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to provisions of Section 161 read with Sections 149, 150, 152 and 160 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014, and other Rules made there under (including any statutory modifications or re-enactment thereof for the time being in force), read with Schedule IV of the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. Rahul C. Berde (DIN 06981981), who was appointed by the Board of Directors as an Additional (Independent) Director of the Company for a period of five years w.e.f. September 30, 2014 and pursuant to Section 161 of the Act who holds office up to the date of this Annual General Meeting and who is not disqualified to become a Director under the Companies Act, 2013 and who is eligible for appointment as an Independent Director and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a Member proposing his name as a candidate for the office of Independent Director of the Company, be and is hereby appointed as an Independent Director on the Board of the Company to hold office till September 29, 2019, not liable to retire by rotation.”

6. Appointment of Mr. Anil Kumar Dhar (DIN **01524239**) as an Independent Director of the Company.

To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to provisions of Section 160 read with Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014, and other Rules made there under (including any statutory modifications or re-enactment thereof for the time being in force), read with Schedule IV of the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. Anil Kumar Dhar (DIN 01524239), who is not disqualified to become a Director under the Companies Act, 2013 and who is eligible for appointment as an Independent Director and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a Member proposing his name as a candidate for the office of Independent Director of the Company, be and is hereby appointed as

an Independent Director on the Board of the Company for a period of five years w.e.f. September 16, 2015 till September 15, 2020, not liable to retire by rotation.”

7. Re-Appointment of Mr. Mihir B. Manek(DIN 00650613) as Joint Managing Director of the Company.

To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 179, 196, 197 and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Companies (Meetings of Board and its Powers) Rules, 2014, Schedule V and all the other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modifications or re-enactments(s) thereof for the time being in force), provisions of Articles of Association of the Company and subject to the approvals, consents, permissions, sanctions, etc., of the Central Government and all other concerned statutory, regulatory and other authorities, if any to the extent applicable and required and subject to such conditions and modifications as may be prescribed, stipulated or imposed by any of them while granting such approvals, consents, permissions, sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the 'Board' which shall include duly authorized committee thereof for the time being in force exercising the powers conferred upon it by the Board), and as per the recommendation of Nomination and Remuneration Committee and Board of Directors, Mr. Mihir B. Manek (DIN: 00650613) be and is hereby re-appointed as Joint Managing Director of the Company (on continuation basis, without any interruption/ break in service) for a further period of five years with effect from July 15, 2015 till July 14, 2020 on the terms and condition including remuneration as set out in the Joint Managing Director Agreement dated July 6, 2015, a copy of which is placed before this meeting, which agreement hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or agreement.

RESOLVED FURTHER THAT where in any financial year during the currency of the tenure of Mr. Mihir B. Manek (DIN: 00650613) as the joint Managing Director of the Company, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, benefits, perquisites, allowances, etc. as specified in the agreement as the minimum remuneration subject to compliance with the applicable provisions of Sections 196, 197 and all other applicable provisions, if any, of the Act read with Schedule V of the Act, as amended from time to time, subject to the approval of the Central Government, if and to the extent necessary and applicable; notwithstanding that the same is in excess of the maximum remuneration permitted to be paid to him under the applicable provisions of the Act.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable and expedient to give effect to this resolution.”

By Order of the Board

For Vidhi Dyestuffs Manufacturing Limited,

Date: August 12, 2015

Place: Mumbai

Bipin M. Manek

Chairman & Managing Director

(DIN: 00416441)

Address: Flat No. 12, Somerset House,

Off. Bhulabhai Desai Road,

Warden Road, Mumbai - 400026

Registered Office:

E/27, Commerce Centre,

78, Tardeo Road,

Mumbai – 400034

CIN: L24110MH1994PLC076156

NOTES:

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself 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.

A person can act as a proxy on behalf of the Members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share

capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. A proxy form is sent herewith. Proxies submitted on behalf of the Companies, societies etc., must be supported by an appropriate resolution/authority, as applicable. The Proxy-holder shall prove his identity at the time of attending the Meeting.

2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business as set out above is annexed hereto.
3. Map of venue of the AGM is given after the notice.



* The Victoria Memorial School for Blind, opp. Tardeo A/c Market, 73, Tardeo Road, Mumbai – 400 034

4. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the September 5, 2015 to Wednesday, the September 16, 2015 (both days inclusive).
5. The dividend, if declared at the Annual General Meeting, would be paid/dispatched on or after September 16, 2015 to those persons or their mandates:
 - a) whose names appear as Beneficial Owners as at the end of the business hours on September 4, 2015 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and
 - b) whose names appear as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company/its Registrar and Transfer Agents on or before September 4, 2015.
6. Members who have not encashed the dividend warrants so far in respect of the below periods, are requested to make their claim to the Registrar and Share Transfer Agent namely, M/s. Sharex Dynamic (India) Private Limited well in advance of the below due dates. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend account, will be transferred to the Investor Education and Protection Funds. It may be noted that once the amounts in the unpaid dividend accounts are transferred to IEPF, no claim shall lie against the IEPF or the Company in respect thereof and the Members would lose their right to claim such dividend. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 27, 2014 (date of last Annual General Meeting) on the website of the Company (www.vidhifoodcolour.com), as also on the website of the Ministry of Corporate Affairs.
7. Due dates of transferring unclaimed and unpaid dividends declared by the Company for the financial year 2007-08 and thereafter to IEPF:

Financial Year	Date of declaration of dividend	Last date for claiming unpaid/unclaimed dividend
2012-13 (1 st Interim Dividend)	November 12, 2012	January 15, 2020
2013-14 (1 st Interim Dividend)	November 12, 2013	January 15, 2021
2013-14 (2 nd Interim Dividend)	February 12, 2014	April 19, 2021
2014-15 (1 st Interim Dividend)	November 14, 2014	January 17, 2022

8. Consequent upon amendment to Section 205A of the Companies Act, 1956 and Introduction of Section 205C by the Companies (Amendment) Act, 1999, the Company has transferred all unclaimed Dividend declared till the financial year ended March 31, 2008 to the Investor Education and Protection Fund set up by the Government of India as per provisions of erstwhile Section 205C of the Companies Act, 1956. No claims shall lie against the Fund or the Company in respect to the amounts which were

- transferred to the IEPF in accordance with the Companies Act, 1956. During the financial year 2014-15 no amount was due to be transferred to IEPF.
9. The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) is M/s. Sharex Dynamic (India) Private Limited having their Registered Office at Unit No. 1, Luthra Ind. Premises, Andheri-Kurla Road, Safed Pool, Andheri (East), Mumbai - 400072.
 10. Members are requested to furnish/ update the details of their address, e-mail address, bank account details, relevant information for availing various approved/ permissible modes of electronic funds transfer facilities viz. Electronic Clearing Services (ECS), National Electronic Funds Transfer (NEFT), Real Time Gross Settlement (RTGS), etc. to prevent fraudulent encashment of dividend warrants, whenever issued:
 - (i) to their Depository Participants (DPs) in respect of their shareholdings in electronic (demat) form, and
 - (ii) to the Company's Registrar & Share Transfer Agents namely, **M/s. Sharex Dynamic (India) Private Limited** in respect shareholdings in physical form.
 11. Members are requested to:
 - (i) send all share transfer lodgements (Physical mode) / correspondence to the Registrar and Share Transfer Agent unto the date of book closure.
 - (ii) write to the Compliance Officer of the Company for their queries or if desirous of obtaining any information, concerning the accounts and operations 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.
 - (iii) Quote Registered Folio Number or DP ID/ Client ID in all the correspondence.
 12. 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 of the Meeting. 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 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.
 13. Corporate Members intending to send their representatives to attend the Meeting are requested to send to the Company a certified copy of the board resolution authorizing their representatives to attend and vote at the Meeting on their behalf.
 14. As per the provisions of Section 72 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014 facility for making nominations is available for shareholders in respect of the physical shares held by them. Form SH 13 for making nomination can be obtained from R&TA. The duly filled in nomination form shall be sent to **M/s. Sharex Dynamic (India) Private Limited** at the above mentioned address. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.
 15. 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 Folios in one Folio.
 16. 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.
 17. Mr. Mihir B. Manek (DIN **00650613**), Director retires by rotation at the Annual General Meeting and being eligible, offers himself for re-appointment. Further, Mr. Rahul Berde (DIN 06981981) and Mr. Anil Kumar Dhar (DIN:**01524239**) are proposed to be appointed as Independent Directors in the ensuing Annual General Meeting. Pursuant to the Clause 49 of the Listing Agreement and as mandated under Secretarial Standards - 2 issued by the Institute of Company Secretaries of India effective from July 01, 2015, brief resume of the Directors seeking appointment or re-appointment at the forthcoming Annual General Meeting, nature of their expertise in specific functional areas, names of the Companies in which they hold Directorships and the Memberships/ Chairmanships of Committees of the Board and their shareholding in the Company, are annexed hereto. The Directors have furnished the relevant consents, declarations, etc. for their appointment/ reappointment.
 18. 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 except on Public Holidays, Saturdays & Sundays, upto and including the date of the ensuing Annual General Meeting of the Company.
 19. 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.
 20. As per Sections 101, 136 and other applicable provisions of the Act, read with the rules made there under and circulars issued by the Ministry of Corporate Affairs, Companies can now send various reports, documents, communications, including but not limited to annual report to its members through electronic mode at their registered e-mail addresses. The Company believes in green initiative and is concerned about the environment. Hence, Annual Report including inter alia the Report of the Board of Directors, Auditors' Report, Balance Sheet, Statement of Profit and Loss, Cash Flow Statement, Notice of this AGM, instructions

for e-voting, attendance slip, proxy form, etc. is being sent by electronic mode to all Members whose e-mail addresses are registered with the Company/R&TA/ depositories unless a Member has requested for a hard copy of the same. For Members who have not registered their e-mail addresses, physical copies of the relevant documents are being sent by the permitted mode.

To support "Green initiative", Members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses with their depository participants, in respect of electronic holdings. Members holding shares in physical form are requested to kindly register their e-mail addresses with the Company's R&TA at their abovementioned address. Annual Report is also available on the Company's website at www.vidhifoodcolour.com and made available for inspection at the Registered Office of the Company during the business hours.

21. Voting through electronic means:

- A. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, the Company is pleased to provide Members the facility to exercise their right to vote at the 22nd Annual General Meeting (AGM) by electronic means. The Company has appointed Central Depository Services Limited (CDSL) for facilitating e-voting.
- B. Members are requested to note that the Company is providing facility for remote e-voting and the business as given in the notice of 22nd AGM may be transacted through electronic voting system. It is hereby clarified that it is not mandatory for a Member to vote using the remote e-voting facility. The members shall note that the facility for voting shall also be provided at the meeting through poll paper and the members (as on cut-off date) attending the meeting who have not casted their vote by remote e-voting shall be able to exercise their voting rights at the meeting. If the members have already cast their vote by remote e-voting prior to the meeting they may attend the meeting but shall not be entitled to cast their vote again and Vote caste by them at the meeting, if any, shall be treated as invalid.
- C. A Member may avail of the facility at his/her/its discretion, as per the instructions provided herein:
 - (i) The voting period begins on Saturday, September 12, 2015 at (9:00 a.m. IST) and ends on Tuesday, September 15, 2015 (05:00 p.m. IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Wednesday September 9, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (iii) Click on Shareholders.
 - (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (v) Next enter the Image Verification as displayed and Click on Login.
 - (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv)

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN of **Vidhi Dyestuffs Manufacturing Limited** to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- D. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. September 9, 2015.
- E. Mr. Hemanshu Kapadia (FCS: 3477 and CP 2285), Practising Company Secretary failing him Mr. Vipin Mehta (ACS: 25385 and CP 9869), Practising Company Secretary has been appointed as the Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner.
- F. The Scrutinizer shall immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make, within a period not exceeding three (3) days from the conclusion of the meeting a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, forthwith to the Chairman of the Company or a person authorised by him in writing who shall countersign the same.
- G. The Chairman or the authorised person shall declare the results of the voting forthwith and the results declared alongwith the report of the scrutinizer shall be placed on the website of the Company i.e. www.vidhifoodcolour.com and on the website of CDSL i.e. www.evotingindia.com. The Company shall also simultaneously forward the results to BSE and ASE where its shares are listed.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**Item nos. 5 and 6:**

In compliance of provisions of Clause 49 of the Listing Agreement, as amended, entered into with Stock Exchanges, the Board of Directors in their meeting held on September 30, 2014 had appointed Mr. Rahul Berde (DIN 06981981) as Additional Independent Non-executive Director of the Company with immediate effect for a period of five years i.e. till September 29, 2019 subject to receipt of necessary notice u/s 160 of the Companies Act, 2013 and approval of the Members in the ensuing Annual General Meeting.

Pursuant to provisions of Section 160 of the Companies Act, 2013, the Company has received a notice in writing from a Member along with the requisite deposit of amount under the provision of Section 160 of Companies Act, 2013, proposing the candidature of Mr. Rahul Berde (DIN 06981981) for the office of Independent Director of the Company. In terms of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the rules made there (including any statutory modification(s) or re-enactment thereof for the time being in force) (hereinafter referred to as 'the Act'), Mr. Rahul Berde (DIN 06981981), being eligible for appointment as Independent Director, is proposed to be appointed as Non-executive Independent Director till September 29, 2019, not liable to retire by rotation.

Further, pursuant to Section 160 of the Companies Act, 2013, the Company has received a notice in writing from a Member along with the requisite deposit of amount under the provision of Section 160 of Companies Act, 2013, proposing the candidature of Mr. Anil Kumar Dhar (DIN:01524239) for the office of Independent Director of the Company. In terms of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the rules made there under, Mr. Anil Kumar Dhar (DIN:01524239), being eligible for appointment as Independent Director, is proposed to be appointed as Non-executive Independent Director of the Company for a period of five years w.e.f. September 16, 2015 till September 15, 2020, not liable to retire by rotation.

The Company has received following documents from the above proposed appointees:

- i) Letters of consent to act as a Director in the prescribed form *DIR-2* pursuant to Section 152 of the Act and Rule 8 of the Companies (Appointment and Qualification of Directors) Rules 2014;
- ii) Letters of intimation in the prescribed form *DIR-8* pursuant to Section 164 of the Act and Rule 14 of Companies (Appointment and Qualification of Directors) Rules, 2014 to the effect that they are not disqualified to become directors under the Act;
- iii) Declarations that they meet the criteria of independence as provided under Section 149 of the Act read with the Clause 49 of the listing agreement as amended and declarations under Section 152 of the Act to the effect that they are not disqualified to become directors under the Act.

The Nomination and Remuneration Committee has recommended the appointment of these Directors as the Independent Directors for a term of five consecutive years. In the opinion of the Board of Directors, Mr. Rahul Berde (DIN 06981981) and Mr. Anil Kumar Dhar (DIN:01524239) fulfill the conditions specified in the Act, rules made thereunder read with the Clause 49 of the Listing Agreement, as amended, for their appointment as the Independent Directors of the Company and that they are independent of the management and they are not disqualified to become Directors under the Act. Documents relevant to the appointment of these Directors as the Independent Directors are available for inspection at the Registered Office of the Company during business hours on any working day of the Company without payment of fee. The Board of Directors is authorized to take all such steps as may be necessary, proper, expedient or desirable to give effect to these appointments, with liberty to the Board of Directors of the Company to alter and vary the terms and conditions of the aforesaid appointment.

The ordinary resolutions at Item nos. 5 to 6 of this Notice seek the approval of the Members for the appointment of Mr. Rahul Berde (DIN 06981981) and Mr. Anil Kumar Dhar (DIN:01524239) as the Independent Directors of the Company, not liable to retire by rotation, for a term of five consecutive years commencing from September 30, 2014 and September 16, 2015, respectively, pursuant to Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Act and applicable rules made there under and Clause 49 of the Listing Agreement, as amended from time to time. The Board of Directors considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail services of these Directors as the Independent Directors. Accordingly, the Board of Directors recommends the ordinary resolutions as set out at Item no. 5 and 6 of this Notice in relation to the appointment of Mr. Rahul Berde (DIN 06981981) and Mr. Anil Kumar Dhar (DIN:01524239) as the Independent Directors, for the approval by the Members of the Company.

Mr. Rahul Berde (DIN 06981981) and Mr. Anil Kumar Dhar (DIN:01524239), respectively, are concerned or interested in the respective Resolutions of the accompanying notice relating to their own appointments. None of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolutions set out at Item No. 5 and 6 of the Notice, except Mr. Rahul Berde (DIN 06981981), Director, in the resolution set out at Item No. 5 which is related to his appointment.

Item No. 7:

Mr. Mihir Manek (DIN: 00650613) has been involved in leading the food colour manufacturing business of the Company successfully and has been instrumental in achieving substantial growth for the Company as Whole-time Director effective from July 31, 2006 for a period of five years. Subsequently, he was designated as Joint Managing Director of the Company w.e.f. July 15, 2010 for a period of

five years, approval of the Members for which was obtained in the Annual General Meeting held on September 9, 2010. The tenure of Mr. Mihir B. Manek (DIN: **00650613**) as Joint Managing Director was expiring on July 14, 2015 hence, the Board of Directors in their Meeting held on July 6, 2015, on recommendation of Nomination and Remuneration Committee and considering the contribution made by Mr. Mihir B. Manek (DIN: **00650613**), thought it fit in the interest of the Company to retain and continue to avail his expertise by re-appointing him as Joint Managing Director for a further period of Five years w.e.f. 15 July 2015, subject to approval of Members in General Meeting, to achieve the desired goals of the Company.

Further pursuant to provision of section 196, the terms and Conditions on basis of which appointment of Mr. Mihir Manek (DIN: **00650613**) as Joint Managing Director was made is provided hereunder.

1. Tenure:

He term as Joint Managing Director is for a period of five (5) years with effect from July 15, 2015 till July 14, 2020.

2. Remuneration:

- a) **Fixed amount** : Rs. 1,25,000/- (One Lac Twenty Five Thousand Only) per month and applicable perquisites, and
- b) **Commission** : 2% on the Net profit of the Company.
- c) **Sitting fees** : The Joint Managing Director shall not be entitled to sitting fees for attending meetings of the Board of Directors or Committees thereof so long as he continues as Joint Managing Director.
- d) **Overall limit** : The remuneration referred above is subject to the limit of 5% of the Annual Net Profits of the Company and subject further to the overall limit of 10% on the remuneration of all the Managing Directors/ Whole-time Directors of the Company.

The Joint Managing Director shall be entitled to reimbursement of all expenses including traveling, entertainment and other out-of-pocket expenses incurred in connection with the business of the Company.

If the Joint Managing Director's employment shall cease during the currency of any Financial Year, he or his executors or administrators shall be entitled to rateable proportion of what he would have received if he had lived and been employed for the whole of that year.

3. Resignation

He can resign his office upon giving to the Company **Three months notice** in writing expiring at the end of any calendar month of his intention to do so.

4. Termination:

The Company shall be entitled to terminate this Agreement:

(a) by giving not less than three months notice in writing if, in the opinion of the Company's Board of Directors that he has been incapacitated by reasons of his ill health or accident from performing his duties under this Agreement for a total period of six months continuous or otherwise in the preceding period of 12 months, or

(b) by giving not less than one month notice in writing if, in the opinion of Company's Board of Directors, he has committed any serious breach of the terms of this Agreement or misconduct or done fraud PROVIDED THAT in any of the aforesaid cases the Company shall be entitled to call upon the Joint Managing Director to cease to act as such forthwith if the Company offer to pay him his salary under the Agreement for the period of such notice and shall offer to permit the Joint Managing Director to avail of and enjoy the perquisites or benefits to which he is entitled under this Agreement for the period of such notice.

5. Compensation:

If at any time the office of the Joint Managing Director is terminated before the expiry of his term of office the Joint Managing Director shall be entitled to compensation for loss of office in accordance with and subject to the restriction laid down to Section 191 and 202 of the Companies Act, 2013.

6. Rotational:

The Joint Managing Director shall be liable to retire by rotation and he shall be reckoned as Director for the purpose of determining the rotation for retirement of Directors.

Ordinary resolution at Item no. 7 of this Notice seek the approval of the Members for re-appointment of Mr. Mihir B. Manek (DIN: **00650613**) as Joint Managing Director of the Company for a term of five consecutive years commencing from July 15, 2015 to July 14, 2020 pursuant to Sections 196, 197 and read with rules made thereunder and all other applicable provisions of the Act, as amended from time to time. The Board of Directors considers that his association with the Company would be of immense benefit to the Company and it is desirable to avail his experience in the field of Food color manufacturing business of the Company. Accordingly, the Board of Directors recommends Ordinary Resolution as set out at Item no. 7 of this Notice in relation to the re-appointment of Mr. Mihir Manek (DIN: 00650613) as Joint Managing Director for the approval by the Members of the Company.

Pursuant to Section 102 (1) of the Companies Act, 2013 it is informed that Mr. Mihir B. Manek(DIN **00650613**), Joint Managing Director, himself, and Mr. Bipin M. Manek (DIN **00416441**), Managing Director, and Mrs. Pravina B. Manek (DIN **00416533**), being parents are concerned or interested in the Resolution at item no.7 of the accompanying notice relating to re-appointment of Joint Managing Director. As on March 31, 2015, Mr. Bipin M. Manek (DIN **00416441**) was holding 1,41,10,333 equity shares of the Company constituting 28.25% of total voting power and Mrs. Pravina B. Manek(DIN **00416533**) was holding 1,79,90,667 equity shares of the Company constituting 36.02% of total voting power. None of the Directors, key Managerial Personnel of the Company or their relatives, other than those mentioned above, are concerned or interested, financially or otherwise, in the resolutions set out at Item No. 7 of the Notice.

Annexure to item no. 5, 6 and 7 of the Explanatory Statement

Details of Directors seeking appointment or re-appointment at the forthcoming Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement and Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder and Secretarial Standards II issued by ICSI):

Name of the Director	Mr. Mihir Manek (DIN: 00650613)	Mr. Rahul Berde (DIN 06981981)	Mr. Anil Kumar Dhar (DIN:01524239)
Date of Birth	March 8, 1982	June 4, 1982	September 10, 1952
Age	33	33	63
Nationality	Indian	Indian	Indian
Date of Appointment on the Board	July 31, 2006	September 30, 2014	September 16, 2015 (If approved in ensuing AGM)
Qualification	B. Sc. In Industrial Chemistry	M.Sc (Analytical Chemistry)	B. Sc. In Industrial Chemistry
Experience	9 years of experience in the business of procurement of imported raw materials and distribution of various chemicals	5 years of experience as senior marketing manager Water's India Limited	38 years' experience in Indirect Taxation & Foreign Trade Laws.
Shareholding in the Company	Nil	Nil	Nil
List of Directorship held in other Companies	Arjun Food Colorants Mfg. Private Limited	Nil	Chandan Steel Limited
Committee Membership	Vidhi Dyestuffs Manufacturing Limited- Audit Committee – Member	Nil	Nil
Last Remuneration drawn	Rs. 1,25,000/- per month and 2% of the Net Profit of the Company	Applicable seating fees	Applicable seating fees
Remuneration to be drawn after appointment/re-appointment	Rs. 1,25,000/- per month and 2% of the Net Profit of the Company	Applicable seating fees	Applicable seating fees
Relationship with Directors, Managers or other KMP	Part of Promoter Group and Son of Mr. Bipin M. Manek (DIN 00416441), Managing Director, and Mrs. Pravina B. Manek (DIN 00416533), Non-Executive Director	Being Independent Director, no relation with the Directors, Managers or other KMP	Being Independent Director, no relation with the Directors, Managers or other KMP
Number of Meeting of Board attend during the Year (For F.Y. 2014-15)	5	2	NA

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

**Date: August 12, 2015
Place: Mumbai**

Bipin M. Manek
Chairman & Managing Director
(DIN: **00416441**)
Address: Flat No. 12, Somerset House,
Off. Bhulabhai Desai Road,
Warden Road, Mumbai - 400026

DIRECTORS' REPORT

To,
The Members,
VIDHI DYESTUFFS MANUFACTURING LIMITED

The Directors have pleasure in presenting the **Twenty-Second Annual Report** of the Company and the Audited Financial Statement for the financial year ended **March 31, 2015**.

Financial summary or highlights/Performance of the Company:

The financial highlights of the Company are given below:

	Current Year 2014-15 Rs. in Lacs	Previous year 2013-14 Rs. in Lacs
Total Income	18,957.41	14,314.53
Total Expenditure (excluding Depreciation)	<u>16818.22</u>	<u>13,204.60</u>
Profit for the year before providing for		
Depreciation	2,139.19	1,109.93
Less : Depreciation	162.98	197.48
Less: Exceptional Items	<u>48.9</u>	<u>--</u>
Profit before Tax	1,927.31	912.45
Less : Provision for Taxation		
Current Year	680.00	299.85
Earlier year	2.05	8.83
Deferred Tax	2.98	6.33
	<u>685.03</u>	<u>315.01</u>
Profit After Tax	<u>1,242.29</u>	<u>597.45</u>
Profit brought forward from Previous Year	<u>2,880.22</u>	<u>2,562.73</u>
	<u><u>4,122.51</u></u>	<u><u>3160.17</u></u>
APPROPRIATION :		
Interim Dividend	124.86	199.78
Proposed Dividend	124.86	--
Transfer to General Reserve	175.73	45.89
Dividend Distribution Tax	51.64	34.28
Provision for Wealth tax	0.76	--
Balance Profit Carried to Balance Sheet	<u><u>3,644.66</u></u>	<u><u>2,880.22</u></u>

2. Brief description of the Company's working during the year/State of Company's affair:

The Company is manufacturing synthetic food colors and preservative. There was no change in nature of business activity during the year.

During the year under review your Company has achieved a turnover of Rs. 18,300.21 Lacs as compared to turnover of Rs. 14078.32 Lacs of previous year registering a growth of 29.99%. The net profit after tax was also increased by 107.93 % to Rs. 1242.28 Lacs as compared to profit after tax during previous year of Rs. 597.45 Lacs.

Due to fire there was major break down of one of the critical equipment at the Company's factory premises situated at 68, MIDC,

Dhatav, Roha, Dist. Raigad, Maharashtra - 402 116, on September 07, 2014, which affected approx 25%-30% of production of food colors, however Company had made arrangement to procure the said material from other suppliers to meet the order book. The said equipment had been successfully repaired / replaced and is in full use.

The Company has manufactured 2275.20 M. Tons of Food colours against 1905.45 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.

Your Directors assure to keep the growth momentum in coming years and strive for bright future for your Company.

3. Dividend

The Company's strong cash generation and positive growth momentum led the Board of your Company to distribute profit to its Members and accordingly the Board of Directors in their meeting held on November 14, 2014 had declared interim dividend to the shareholders @ 25% (Rs 0.25/- per equity shares) amounting to Rs. 124.86 Lacs (Excluding Dividend Distribution Tax to be paid by the Company).

Further, your Directors are please to recommend Final Dividend of @ 25% (Rs 0.25/- per equity shares) for the Financial Year ended March 31, 2015, amounting to Rs. 124.86 Lacs (Excluding Dividend Distribution Tax to be paid by the Company), payable to those shareholders whose names appear in the Register of Members/Beneficial Holders as on the Record Date. The Dividend payout on final dividend is subject to the approval of the Members at the ensuing Annual General Meeting.

4. Reserves

The Board during the year has transferred Rs. 175.73 Lacs in General Reserve.

5. Directors & Key Managerial Persons:

In accordance with the requirements of the Companies Act, 2013 and Articles of Association of the Company, Mr. Mihir M. Manek (DIN: **00650613**), Joint Managing Director of the Company, retire at the ensuing Annual General Meeting and being eligible, offer himself, for re-appointment pursuant to provision of Section 152 of the Act.

The Board of Directors, on recommendation of Nomination and Remuneration Committee, in their meeting held on September 30, 2014 has appointed Mr. Rahul Berde (DIN: **06981981**) as Additional Independent Director in the Company, not liable to retire by rotation, whose appointment shall be subject to approval of members in the ensuing Annual General Meeting. The Company has received notice in writing from a Member along with the requisite deposits under section 160 of the Act proposing the candidature of Mr. Rahul Berde (DIN: **06981981**) as Independent Director and the Board of Directors recommends his appointment. The Company has also received the relevant declarations from Mr. Rahul Berde (DIN: **06981981**), pursuant to Section 149(7) of the Act, that he meet the criteria of independence as provided under section 149(6) of Companies Act, 2013 and that he is not disqualified to become Director under the Act; and in the opinion of the Board of Directors, he fulfil the conditions specified in the Act, rules made there under, read with the Clause 49 of the listing agreement as amended, for his appointment as Independent Director of the Company and that he is independent of the management.

The Board of Directors, on recommendation of Nomination and Remuneration Committee, in their meeting held on July 6, 2015 has, subject to the approval of the Members, re-appointed Mr. Mihir M. Manek (DIN: **00650613**) as Joint Managing Director of the Company for a further period of three years w.e.f. July 15, 2015 till July 14, 2020.

Also during the year, the members in the 21st Annual General Meeting held on September 27, 2014 has approved the appointment of Mr. Prafulchandra Shah (DIN **00417022**), Mr. Chetan P. Bavishi (DIN **01978410**) and Mr. Niren D. Desai (DIN **01978382**) as an Independent Non-Executive Director in the Company, not liable to retire by rotation, for the term of 5 years i.e. till September 26, 2019.

The Board recommended their appointment/ re-appointment to the Members.

The Company has received declarations u/s 149(7) of the Act from all the Independent Directors of the Company Confirming that they meet the criteria of Independence as prescribed both under the Act and Clause 49 of Listing Agreement with Stock Exchanges. The Company has also received Disclosure of Interest by Directors as per the provisions of Section 184 of Companies Act, 2013.

The Board of Directors in their Meeting held on May 30, 2015, on recommendation of Nomination and Remuneration Committee, has appointed Mr. Anuj Gandhi (Membership No. A39240) as Whole Time Company Secretary and Compliance officer of the Company w.e.f. June 1, 2015.

The Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which include criteria for performance evaluation of the non-executive directors and executive directors. The said Policy is

put up on the website of the Company at the link: <http://www.vidhifoodcolour.com/financials.php?m=52>

On the basis of policy for performance evaluation, the Board carried out an annual performance evaluation of its own performance, the individual Directors as well as the working of the Committees of the Board. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by Independent Directors. Details of the same are given in the Report on Corporate Governance annexed hereto and marked as **Annexure-7**.

The Company believes that the Board be continuously empowered with the knowledge of the latest developments in the Company's business and the external forces affecting the industry in which Company operates. The details of programmes for familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at the link: <http://www.vidhifoodcolour.com/financials.php?m=52>

The following policies of the Company are attached herewith marked as **Annexure-1** :

- a) Policy for selection of Directors & senior Management and determining Directors independence; and
- b) Remuneration Policy for Directors, Key Managerial Personnel and other employees.

Further, brief resume of the Directors proposed to be appointed/ re-appointed, relevant information, nature of their expertise in specific functional areas, names of the companies in which they hold directorships and the memberships/ chairmanships of Committees of the Board and their shareholding in the Company, as stipulated under clause 49 of the Listing Agreement entered into with the Stock Exchanges, have been furnished separately in the Notice convening the 22nd Annual General Meeting read with the Annexure thereto forming part of this Report.

Details of the number of meetings of the Board of Directors have been furnished in the Report on Corporate Governance.

6. Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report

There was no material change during the reporting period.

7. Details in respect of adequacy of internal financial controls with reference to the Financial Statements.

The Company has devised appropriate systems and framework for adequate internal financial controls with reference to financial statements commensurate with the size, scale and complexity of its operations including proper delegation of authority, policies and procedures, effective IT systems aligned to business requirements, risk based internal audit framework, risk management framework and whistle blower mechanism.

The Audit Committee regularly reviews the internal control system to ensure that it remains effective and aligned with the business requirements. In case weaknesses are identified as a result of the reviews, new procedures are put in place to strengthen controls.

The Company has implemented various policy such as code of conduct, whistle-blower policy, insider trading policy, Risk Management Policy, etc. and has also prepared Standard Operating Practices (SOP) for each of its processes.

During the year, controls were tested and no reportable material weakness in design and operation were observed.

8. Auditors and Audit Reports:

A) Statutory Auditors:

At the Annual General Meeting held on September 27, 2014, M/s. Bhuta Shah & Co., Chartered Accountants (Firm Registration No. 101474W), was appointed as Statutory Auditors of the Company for three consecutive financial year i.e. till the financial year 2016-17 who shall hold office till the conclusion of Annual General Meeting to be held for the financial year 2016-17. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the ratification of appointment of M/s. Bhuta Shah & Co., as Statutory Auditors of the Company for the financial year 2015-16, is recommended to the Members in ensuing Annual General Meeting for their approval. In this regard, the Company has received a certificate from the auditors to the effect that if there appointment is ratified in ensuing Annual General Meeting, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

The Members are requested to ratify the appointment of the Statutory Auditors as aforesaid and fix their remuneration.

There are no qualifications, reservation or adverse remark or disclaimer made by the Statutory Auditors in its report and therefore, there are no further explanations to be provided for in this Report.

B) Cost Auditors:

As per the provisions of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, as amended by MCA notification dated December 31, 2014, the Company is required to maintain Cost records however, Cost Audit is not mandatory for the financial year 2015-16.

The Cost Audit Report for the financial year 2013-14 has been filed on October 4, 2014. The Cost Audit Report for the financial year 2014-15 will be filed on/ before the due date (i.e. within 180 days from the close of the financial year).

C) Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed M/s. Hemanshu Kapadia & Associates, Practicing Company Secretary, to undertake the Secretarial Audit of the Company for the financial year 2014-15 and issue Secretarial Audit Report. Secretarial Audit Report issued by M/s. Hemanshu Kapadia & Associates for the financial year 2014-15 in Form MR-3 forms part of this report and marked as Annexure-2.

The observations of the Auditors and the Management reply for the same are as under:

Sr No	Auditors' Observation	Management Reply
1.	The Company has not appointed Whole-time Company Secretary, Chief Financial Officer and Internal Auditors.	The Company was looking after the suitable candidate for the said posts during the year under the Report. The Company has appointed a Whole-time Company Secretary in their Board Meeting held on May 30, 2015 w.e.f. June 1, 2015. The Company is also looking for suitable candidate for the position of Chief Financial Officer and Internal Auditors and same will be filled as soon as suitable candidate was found.

9. Extract of the Annual Return

In accordance with Section 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in Form MGT – 9 is annexed to the Directors' Report and marked as **Annexure-3**.

10. Conservation of energy, technology absorption and foreign exchange earnings and outgo

The information as per Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Account) Rules, 2014 with respect to conservation of energy, technology absorption & foreign exchange earnings and outgo are given in **Annexure-4** forming part of this report.

11. Details of Committees of the Board

Currently the Board has 4 Committees: the Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee. The Composition of various committees and compliances, are as per the applicable provisions of the Companies Act, 2013 along with the Rules and Listing agreement, Brief details of various Committees is provided separately in the Corporate Governance report.

12. Audit Committee Composition:

The Board has an Audit Committee in conformity with the provisions of Section 177 of the Companies Act, 2013 and Listing Agreement which comprising five Directors. Mr. Mitesh Manek, Compliance officer of the Company, acted as Secretary of the Committee during the financial year 2014-15. However after appointment of Mr. Anuj Gandhi as Company Secretary & Compliance Officer of the Company, he was appointed as secretary of the Committee in place of Mr. Mitesh Manek w.e.f. June 1, 2015. The composition of the Audit Committee is as follows:

Name	Designation	Non-Executive/ Independent
Mr. Niren D. Desai (DIN: 01978382)	Chairman	Non-Executive, Independent
Mr. Prafulchandra A. Shah (DIN: 00417022)	Member	Non-Executive, Independent
Mr. Chetan P. Bavishi (DIN 01978410)	Member	Non-Executive, Independent
Mrs. Pravina B Manek (DIN: 00416533)	Member	Non-Executive, Promoter
Mr. Mihir B. Manek (DIN: 00650613)	Member	Executive

All the members of the Audit committee are financially literate and have accounting or related financial management expertise as required under the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The scope and terms of reference of the Audit Committee have been amended in accordance with the Act and the Listing Agreement entered into with the Stock Exchanges.

During the year under review, the Board of Directors of the Company had accepted all the recommendations of the Committee.

13. Nomination and Remuneration Committee:

The Board has Nomination and Remuneration Committee in conformity with the provisions of Section 178 of the Companies Act, 2013. The composition of the Nomination and Remuneration Committee is as follows:

Name	Designation	Non-Executive/ Independent
Mr. Niren D. Desai (DIN: 01978382)	Chairman	Non-Executive, Independent
Mr. Prafulchandra A. Shah (DIN: 00417022)	Member	Non-Executive, Independent
Mr. Chetan P. Bavishi (DIN 01978410)	Member	Non-Executive, Independent
Mrs. Pravina B Manek (DIN: 00416533)	Member	Non-Executive, Promoter

Your Company has devised the Nomination Policy for the appointment of Directors and Key Managerial Personnel (KMP) of the Company who have ability to lead the Company towards achieving sustainable development. The Company has also framed Policy relating to the remuneration of Directors, Key Managerial Personnel and other Employees.

14. Corporate Social Responsibility Committee:

In line with the new provisions of Section 135 of the Companies Act, 2013 and the rules framed there under with respect to the Corporate Social Responsibility (CSR), your company has constituted a CSR Committee to recommend and monitor expenditure on CSR. The Board of Directors of the Company has approved CSR Policy based on the recommendation of the CSR Committee. The Company's policy is put up on the website of the Company at the link: <http://www.vidhifoodcolour.com/financials.php?m=52>

The Composition of the Committee pursuant to Section 135 of the Companies Act, 2013 is as follows:

Name	Designation	Non-Executive/ Independent
Mr. Prafulchandra A. Shah (DIN: 00417022)	Chairperson	Non-Executive, Independent
Mr. Chetan P. Bavishi (DIN: 01978410)	Member	Non-Executive, Independent
Mr. Nirenbhai D. Desai (DIN 01978382)	Member	Non-Executive, Independent
Mr. Rahul Berde (DIN: 06981981)	Member	Additional Non-Executive, Independent

The amount equal to 2% of the average net profit for the past three Financial Years is Rs. 26.99 lakhs, the minimum amount which the Company was required to spend on CSR activities. Since it has not finalised the project for CSR expenditure, it has not spent any amount towards CSR activities.

The Annual Report on CSR activities is annexed herewith marked as **Annexure-5**.

15. Disclosure under the Sexual Harassment of Women at work place (Prevention, Prohibition and Redressal) Act, 2013:

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy. The Policy is gender neutral.

No complaints pertaining to sexual harassment were received during the Financial Year 2014-15.

16. Details of establishment of vigil mechanism for directors and employees

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the Listing Agreement, to provide Directors and Employees to report their concerns and has also taken steps to safeguard any person using this mechanism from victimization and in appropriate and exceptional cases, there is direct access to approach Mr. Niren D. Desai (DIN: 01978382), Chairperson of the Audit Committee. Protected disclosures can be made by a whistle blower through an e-mail, or dedicated telephone line or a letter to the Chairman of the Audit Committee. The Policy on vigil mechanism and whistle blower policy may be accessed on the Company's website at the link: <http://www.vidhifoodcolour.com/financials.php?m=52>

17. Number of meetings of the Board of Directors:

The Board of Directors met Five (5) times during the Financial Year. The intervening gap between any two meetings was not more than 120 days as prescribed by the Companies Act, 2013. Details of date of Board meetings are provided separately in Corporate Governance report.

18. Particulars of loans, guarantees or investments under section 186:

Particulars of loans given, investments made, guarantees given and securities provided as covered under Section 186 of the Companies Act, 2013, if any, along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the standalone financial Statement (Please refer Note No. 11, 12 and 16) forming part of the Annual Report.

19. Particulars of contracts or arrangements with related parties:

The Company, during the year, has not entered into any transaction, as specified under section 188(1) of the Companies Act, 2014, with related parties. Accordingly, the disclosure of Related Party Transactions to be provided under section 134(3)(h) of the Companies Act, 2013, in Form AOC – 2 is not applicable. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website and can be accessed at the Web link: <http://www.vidhifoodcolour.com/financials.php?m=52>

Your Directors draw your attention to Note No 27 to the financial statements which set out related party disclosures.

20. Directors' Responsibility Statement:

As stipulated under section 134(3)(c) read with Section 134(5) of the Companies Act, 2013, your Directors hereby state and confirm that:

- a) In preparation of the annual accounts for the financial year ended March 31, 2015, the applicable accounting standards had been followed and there are no material departures from the same;
- b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit and loss of the Company for the year ended on that date;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the annual accounts on a 'going concern' basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively during the financial year ended March 31, 2015; and
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively during the financial year ended March 31, 2015.

21. Managerial Remuneration:

The information required to be disclosed with respect to the remuneration of Directors and KMPs in the Directors' Report pursuant to Section 197 of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is set out as an **Annexure-6** to this Report.

The Company doesn't have any employee falling within the preview of Section 197 of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 hence, no such details to be provided.

22. 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 (as amended) 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 and marked as **Annexure-7**.

23. Risk Management:

The Company's robust risk management framework identifies and evaluates all the risks that the organization faces such as strategic,

financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks. The Company recognises that these risks need to be managed and mitigated to protect its shareholders and other stakeholders, to achieve its business objectives and enable sustainable growth. The risk framework is aimed at effectively mitigating the Company's various business and operational risks, through strategic actions. Risk management is integral part of our critical business activities, functions and processes. The risks are reviewed for the change in the nature and extent of the major risks identified since the last assessment. It also provides control measures for risks and future action plans.

The Audit Committee oversees Enterprise Risk Management Framework to ensure execution of decided strategies with focus on action and monitoring risks arising out of unintended consequences of decisions or actions and related to performance, operations, compliance, incidents, processes, systems and transactions are managed appropriately. The Company believes that the overall risk exposure of present and future risks remains within risk capacity.

24. Other Disclosures/Reporting:

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- a) Details relating to deposits covered under Chapter V of the Act.
- b) Issue of equity shares with differential rights as to dividend, voting or otherwise.
- c) Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- d) The Company does not have any Subsidiaries and/or Joint Venture and/or Associate Company.
- e) Details of payment of remuneration or commission to Managing Director or Joint Managing Director of the Company from any of its subsidiaries as the Company does not have any Subsidiaries/Joint Venture/Associate Company.
- f) Voting rights which are not directly exercised by the employees in respect of shares for the subscription/purchase of which loan was given by the Company (as there is no scheme pursuant to which such persons can beneficially hold shares as envisaged under section 67(3)(c) of the Companies Act, 2013).
- g) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

25. Acknowledgements

Your Directors express their deep gratitude for the co-operation and support extended to the Company by its Members, customers, suppliers, bankers and various government agencies. Your Directors also place on record the commitment and involvement of the employees at all levels and looks forward to their continued co-operation.

**For and on behalf of the Board of
Vidhi Dyestuffs Manufacturing Limited,**

**Date: August 12, 2015
Place: Mumbai**

Bipin M. Manek
Chairman & Managing Director
(DIN: 00416441)
Address: Flat No. 12, Somerset House,
Off. Bhulabhai Desai Road,
Warden Road, Mumbai - 400026

Annexure -1

I. OBJECTIVE:

The Nomination and Remuneration Committee and this Policy formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 (IV) under the Listing Agreement, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors at its Meeting held on **August 14, 2014**.

The objective of the policy is to ensure that

- ❖ To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel (KMP) and Senior Management including Department head;
- ❖ the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the company successfully;
- ❖ relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- ❖ remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

II. DEFINITIONS

Key definitions of terms used in this Policy are as follows:

1. **Act** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
2. **Listing Agreement** means agreement executed with the Stock Exchanges on which securities of the Company are listed.
3. **Board** means Board of Directors of the Company.
4. **Directors** mean Directors of the Company.
5. **Key Managerial Personnel** means
 - i. Chief Executive Officer or the Managing Director or the Manager;
 - ii. Whole-time director;
 - iii. Chief Financial Officer;
 - iv. Company Secretary; and
 - v. such other officer as may be prescribed.
6. **Senior Management** means personnel of the company who are members of its core management team excluding the Board of Directors including Functional Heads.

III. ROLE OF COMMITTEE

1. Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee

The Committee shall:

- i. Periodically reviewing the size and composition of the Board to ensure that it is structured in such a manner which enables to take appropriate decision in the best interest of the Company as a whole.
- ii. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommending candidates to the Board as and when need arises keeping in view the Board structure and expertise/experience required.
- iii. Establish and on regular basis review the succession plan of the Board, KMPs and Senior Executives.
- iv. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- v. To formulate criteria for evaluation of Independent Directors and the Board;

- vi. Recommend to the Board performance criteria for the Directors, KMPs and Senior Management.
- vii. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel and their remuneration.
- viii. Help the Board to formulate and ensure the Board nomination process keeping in mind the diversity of gender, expertise, experience and Board structure.
- ix. Review and recommend to the Board:
 - a) The Remuneration Policy for all employees including KMPs and Senior Management including various components of remuneration whether fix or variable, performance reward, retirement benefits,
 - b) Remuneration of the Executive Directors and KMPs,
 - c) Remuneration of Non Executive Directors including Chairman, as a whole and individually and sitting fees to be paid for attending the meeting of the Board and Committee thereof, and
 - d) Equity based incentive Schemes.
- x. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage; and
- xi. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable;
- xii. To perform such other functions as may be necessary or appropriate for the performance of its duties.

2. Policy for appointment and removal of Director, KMP and Senior Management

i. Appointment criteria and qualifications

- a. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment, as per Company's Policy.
- b. A person to be recommended to the Board should be a man with integrity, possess adequate qualification, expertise and experience for the position he / she is considered for appointment and industry in which Company operate. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c. A person, to be appointed as Director, should possess impeccable reputation for integrity, deep expertise and insights in sectors/areas relevant to the Company, ability to contribute to the Company's growth, complementary skills in relation to the other Board members.
- d. The Company shall not appoint or continue the employment of any person as Managing Director and/or Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
- e. A whole-time KMP of the Company shall not hold office in more than one Company except in its Subsidiary Company at the same time. However, a whole-time KMP can be appointed as a Director in any Company with the permission of the Board of Directors of the Company.

ii. Term / Tenure

a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its, Managing Director and CEO or Executive/Whole-time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be

eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven Listed Companies as an Independent Director and three Listed Companies as an Independent Director in case such person is serving as a Whole-time Director of a Listed Company or such other number as may be prescribed under the Act.

iii. Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly) or at such intervals as may be considered necessary.

iv. Removal

The Committee may recommend to the Board, with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Act, rules and regulations and the policy of the Company.

v. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the term of appointment, provisions of the Act, Listing Agreement and the Policies of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company subject to compliance of provisions of the Act, Listing Agreement.

Policy relating to the Remuneration for the Managing Director, Whole-time Director, KMP and Senior Management Personnel

i. General:

- a) The remuneration / compensation / commission / fees etc. to be paid to the Managing Director, Whole-time Director, other Directors, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval which shall be subject to the prior/post approval of the shareholders of the Company or Central Government, wherever required.
- b) The remuneration and commission to be paid to the Managing Director, Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.
- c) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managing Director, Whole-time Director.
- d) Where any insurance is taken by the Company on behalf of its Managing Director, Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration.

ii. Remuneration to Managing Director/Whole-time Directors:

a) Fixed pay:

The Managing Director/ Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee, subject to the approval of the shareholders or Central Government, wherever required.

b) Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director, Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to

comply with such provisions, with the previous approval of the Central Government.

c) Provisions for excess remuneration:

If any Managing Director, Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the approval of the shareholders or the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the shareholder or Central Government.

iii. **Remuneration to Non- Executive / Independent Director:**

a) **Sitting Fees:**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof provided that the amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors. However, the amount of such fees shall not exceed Rs. 1 Lac per meeting of the Board or Committee attended by Director or such other amount as may be prescribed by the Central Government from time to time.

b) **Remuneration / Commission:**

All the remuneration of the Non-Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

c) **Stock Options:**

An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.

d) **Remuneration for services of Professional Nature:**

Any remuneration paid to Non- Executive Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:

- i) The Services are rendered by such Director in his/her capacity as the professional; and
- ii) In the opinion of the Committee, the Director possesses the requisite qualification for the practice of that profession.

iv. **Remuneration to Key Managerial Personnel and Senior Management:**

- a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- b) The Nomination and Remuneration Committee or any other Committee to be constituted by the Company for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Key Managerial Personnel and Senior Management.
- c) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from time to time.
- d) The Incentive pay/performance linked pay shall be decided based on the extent of achievement of the individual target/objective or performance of the Key Managerial Personnel and Senior Management and performance of the Company which will be decided annually or at such intervals as may be considered appropriate.

4. **Policy Review:**

The Policy is framed based on the provisions of the Companies Act, 2013 and rules made there under and the requirement of the Clause 49 of the Listing Agreement with the Stock Exchange. In case of any subsequent changes in the provisions of the Act or any other Regulations which makes any of the provisions of this Policy inconsistent with the Act or any such Regulation or the Listing Agreement, then the provisions of the Act or such Regulation or Agreement would prevail over the Policy and the provisions in the Policy would be modified in due course to make it in consistent with the Act or such Regulation or Agreement.

The Committee shall review the Policy as and when any changes are to be incorporated in the Policy due to changes in the Act or such Regulation or Agreement or felt necessary by the Committee. Any changes in the Policy shall be recommended by the Committee to the Board and shall be effective on approval of the Board.

IV. Implementation:

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- The Committee may Delegate any of its powers to one or more of its members.

For **Vidhi Dyestuffs Manufacturing Limited,**

Sd/-

Bipin Manek

Managing Director

DIN: 00416441

Date: August 12, 2015

Place: Mumbai

Annexure -2

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial year ended March 31, 2015

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Vidhi Dyestuffs Manufacturing Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2015 ("the audit period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance - mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015, according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under (including the applicable provisions of the Companies Act, 1956 in force during the Audit period);
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (**Not Applicable to the Company during the Audit period as there were no Foreign Direct Investments, Overseas Direct Investments in the Company and no External Commercial Borrowings were made by the Company**);
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**Not Applicable to the Company during the Audit period as the Company has not issued any new securities**);
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (**Not Applicable to the Company during the Audit period**);
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not Applicable to the Company during the Audit period as the Company has not issued any Debt instruments/ Securities**);
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not Applicable to the Company during the Audit period as delisting of securities did not take place**);
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not Applicable to the Company during the Audit period as the Company has not Bought back its securities**);
 - i. And the following other laws, as informed and certified by the Management of the Company which are specifically applicable to the Company based on food industry are:
 - Food Safety & Standards Act, 2006;
 - The Food Safety & Standards Rules, 2011;
 - Chemical Accidents (Emergency Planning, Preparedness and Response) Rules, 1996

We have also examined compliance with the applicable Clauses of the Listing Agreements entered into by the Company with BSE Limited and Ahmedabad Stock Exchange Limited.

We have not examined compliance by the Company with the Secretarial Standards issued by the Institute of Company Secretaries of India as they had not been notified by the Central Government upto March 31, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above except, the Company has not appointed Whole-time Company Secretary, Chief Financial Officer and Internal Auditors.

We further report that the Board of Directors of the Company is constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there were no instances of:

- i. Public/Rights/Preferential issue of shares/debentures/sweat equity.
- ii. Redemption/buy-back of securities.
- iii. Merger/amalgamation/reconstruction, etc.
- iv. Foreign Technical Collaborations.

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

ANNEXURE A

To,
The Members,
Vidhi Dyestuffs Manufacturing Limited
CIN: L24110MH1994PLC076156
E/27 Commerce Centre,
78, Tardeo Road,
Mumbai – 400034

Our report of even date is to be read along with the letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required we have obtained the Management representation about the compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Hemanshu Kapadia & Associates,

Hemanshu Kapadia
Proprietor
C. P. No. 2285
Membership No. F3477

Date: August 12, 2015
Place: Mumbai

Annexure -3**FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN**

as on financial year ended on 31.03.2015

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the
Company (Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS:

i	CIN	L24110MH1994PLC076156
ii	Registration Date	January 19,1994
iii	Name of the Company	VIDHI DYESTUFFS MANUFACTURING LIMITED
iv	Category/Sub-category of the Company	Company Limited by shares/ Indian Non Government Company
v	Address of the Registered office & contact details	E/27 COMMERCE CENTER, 78,TARDEO ROAD, MUMBAI-400034. Contact : 022 - 61406666/61406615
vi	Whether listed company	YES
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Sharex Dynamic (India) Pvt. Ltd. Unit-1, Luthra Industrial Premises, 1st Floor, 44-E, M Vasant Marg, Andheri Kurla Road, Safed pool, Andheri (E), Mumbai - 400072. Contact: 022 - 22641376/22702485

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

SI No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1.	Manufacturing of Food Colours and Preservative	20119	100%

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES - Not Applicable

SI No.	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	OF SHARES HELD	APPLICABLE SECTION
1.	N.A.				
2.					
3.					

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTERS									
(1) Indian									
a) Individual/HUF	32101000	0	32101000	64.27	32101000	0	32101000	64.27	0
b) Central Govt.or State Govt.	0	0	0	0	0	0	0	0	0
c) Bodies Corporates	0	0	0	0	0	0	0	0	0
d) Bank/Fl	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
SUB TOTAL:(A) (1)	32101000	0	32101000	64.27	32101000	0	32101000	64.27	0
(2) Foreign									
a) NRI- Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/Fl	0	0	0	0	0	0	0	0	0
e) Any other...	0	0	0	0	0	0	0	0	0
SUB TOTAL (A) (2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	32101000	0	32101000	64.27	32101000	0	32101000	64.27	0
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/Fl	0	0	0	0	0	0	0	0	0
C) Cenntral govt	0	0	0	0	0	0	0	0	0
d) State Govt.	0	0	0	0	0	0	0	0	0
e) Venture Capital Fund	0	0	0	0	1000	0	1000	0.00	0.00
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIS	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
SUB TOTAL (B)(1):	0	0	0	0	1000	0	1000	0.00	0.002
(2) Non Institutions									
a) Bodies corporates									
i) Indian	1244893	26010	1270903	2.54	1505991	26010	1532001	3.06	0.52
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	9859395	644100	10503495	21.03	11284152	588100	11872252	23.77	2.74
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	5718963	0	5718963	11.45	3880649	0	3880649	7.76	-3.68
c) Others (specify)									
c-i) Clearing Member	15517	0	15517	0.03	121810	0	121810	0.24	0.21
c-ii) NRI	240122	70000	310122	0.62	336588	70000	406588	0.81	0.19
c-iii) Director	25000	0	25000	0.05	25000	0	25000	0.05	0
c-vi) OCB	0	0	0	0	4700	0	4700	0.00	0.00
SUB TOTAL (B)(2):	17103890	740110	17844000	35.72	17158890	684110	17843000	35.72	-0.00
Total Public Shareholding (B)= (B)(1)+(B)(2)	17103890	740110	17844000	35.72	17159890	684110	17844000	35.72	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	49204890	740110	49945000	100	49260890	684110	49945000	100	0

ii SHARE HOLDING OF PROMOTERS

SI No.	Shareholders Name	Shareholding at the beginning of the year - As on 01.04.2014			Shareholding at the end of the year - As on 31.03.2015			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1.	Bipin Manek	14110333	28.25	0	14110333	28.25	0	0
2.	Pravina Manek	17990667	36.02	0	17990667	36.02	0	0
	Total	32101000	64.27	0	32101000	64.27	0	0

iii CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

SI No.		Share holding at the beginning of the Year		Increase/ Decrease in No. of Shares	Cumulative Share holding during the year	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
	At the beginning of the year - As on 01.04.2014	16050500	64.27			
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)			No Change	16050500	64.27
	At the end of the year - As on 31.03.2015				16050500	64.27

#: There is no change in shareholding Pattern of promoters between 01-04-2014 and 31-03-2015

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

1. Deepika Ganatra

Date	Increase or Decrease / Reason	Shareholding at the beginning of the year		Increase/ Decrease in Shareholding	Cumulative Share holding during the year 01-04-14 to 31-03-15	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
At the begning of the year - 01.04.2014		1062316	2.13			
Nil movement During the year				0		
At the end of the year - 31.03.2015					1062316	2.13

2. Bachh Raj Nahar

Date	Increase or Decrease / Reason	Shareholding at the beginning of the year		Increase/ Decrease in Shareholding	Cumulative Share holding during the year 01-04-14 to 31-03-15	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
At the begning of the year - 01.04.2014		453068	0.91			
30.06.2014	Decrease/Transfer			-125000	328068	0.66
At the end of the year - 31.03.2015					328068	0.66

3. Bharat Pitambardas Vora

Date	Increase or Decrease / Reason	Shareholding at the beginning of the year		Increase/ Decrease in Shareholding	Cumulative Share holding during the year 01-04-14 to 31-03-15	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
At the begning of the year - 01.04.2014		380000	0.76			
20.02.2015	Increase/Transfer			1000	381000	0.76
At the end of the year - 31.03.2015					381000	0.76

4. Ashvin S Patil

Date	Increase or Decrease / Reason	Shareholding at the beginning of the year		Increase/ Decrease in Shareholding	Cumulative Share holding during the year 01-04-14 to 31-03-15	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
At the begning of the year - 01.04.2014		361320	0.72			
09.01.2015	Decrease/Transfer			-11320	350000	0.70
16.01.2015	Decrease/Transfer			-21917	328083	0.66
23.01.2015	Decrease/Transfer			-28083	300000	0.60
30.01.2015	Decrease/Transfer			-50000	250000	0.50
06.02.2015	Decrease/Transfer			-20000	230000	0.46
13.02.2015	Decrease/Transfer			-30000	200000	0.40
At the end of the year - 31.03.2015					200000	0.40

5. Setu Securities Pvt Ltd

Date	Increase or Decrease / Reason	Shareholding at the beginning of the year		Increase/ Decrease in Shareholding	Cumulative Share holding during the year 01-04-14 to 31-03-15	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
At the begning of the year - 01.04.2014		351567	0.70			
04.07.2014	Increase/Transfer			17400	368967	0.74
12.09.2014	Decrease/Transfer			-99781	269186	0.54
19.09.2014	Decrease/Transfer			-27399	241787	0.48
07.11.2014	Decrease/Transfer			-13078	228709	0.46
14.11.2014	Decrease/Transfer			-9870	218839	0.44
21.11.2014	Decrease/Transfer			-2500	216339	0.43
27.11.2014	Increase/Transfer			26053	242392	0.49
19.12.2014	Increase/Transfer			30000	272392	0.55
31.12.2014	Decrease/Transfer			-9600	262792	0.53
02.01.2015	Decrease/Transfer			-10400	252392	0.51
09.01.2015	Decrease/Transfer			-4486	247906	0.50
13.02.2015	Decrease/Transfer			-2	247904	0.50
13.03.2015	Increase/Transfer			2	247906	0.50
At the end of the year - 31.03.2015					247906	0.50

6. Mitesh Gopesh Mehta

Date	Increase or Decrease / Reason	Shareholding at the beginning of the year		Increase/ Decrease in Shareholding	Cumulative Share holding during the year 01-04-14 to 31-03-15	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
At the begning of the year - 01.04.2014		347876	0.70			
12.09.2014	Decrease/Transfer			-204430	143446	0.29
At the end of the year - 31.03.2015					N.A.	N.A.

Ceased to be among the top ten Shareholders of the Company with effect from 12.09.2014.

7. K K Securities Limited

Date	Increase or Decrease / Reason	Shareholding at the beginning of the year		Increase/ Decrease in Shareholding	Cumulative Share holding during the year 01-04-14 to 31-03-15	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
At the begning of the year - 01.04.2014		257000	0.51			
12.09.2014	Increase/Transfer			1000	258000	0.52
19.09.2014	Decrease/Transfer			-1025	256975	0.51
31.10.2014	Decrease/Transfer			-27618	229357	0.46
14.11.2014	Decrease/Transfer			-229357	0	0.00
At the end of the year - 31.03.2015					N.A.	N.A.

Ceased to be among the top ten Shareholders of the Company with effect from 14.11.2014.

8. B. R. Nahar and Sons HUF (HUF)

Date	Increase or Decrease / Reason	Shareholding at the beginning of the year		Increase/ Decrease in Shareholding	Cumulative Share holding during the year 01-04-14 to 31-03-15	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
At the begning of the year - 01.04.2014		243100	0.49			
30.06.2014	Decrease/Transfer			-5700	237400	0.48
05.09.2014	Decrease/Transfer			-5000	232400	0.47
12.09.2014	Decrease/Transfer			-10000	222400	0.45
14.11.2014	Decrease/Transfer			-10000	212400	0.43
16.01.2015	Decrease/Transfer			-6040	206360	0.41
At the end of the year - 31.03.2015					206360	0.41

9. Ramesh Manohar Kasbekar

Date	Increase or Decrease / Reason	Shareholding at the beginning of the year		Increase/ Decrease in Shareholding	Cumulative Share holding during the year 01-04-14 to 31-03-15	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
At the begning of the year - 01.04.2014		218530	0.44			
Cease to be Top Ten shareholders w.e.f. 04.04.2014@	Decrease/Transfer			-3430	215100	0.43
Became part of top ten Shareholders of the Company with effect from 12.09.2014*		215530	0.43			
31.10.2014	Increase/Transfer			3000	218530	0.44
13.02.2015	Increase/Transfer			5300	223830	0.45
13.03.2015	Increase/Transfer			1270	225100	0.45
20.03.2015	Increase/Transfer			5708	230808	0.46
27.03.2015	Increase/Transfer			1192	232000	0.46
31.03.2015	Increase/Transfer			948	232948	0.47
At the end of the year - 31.03.2015					232948	0.47

Ceased to be among the top ten Shareholders of the Company with effect from 04.04.2014.

*Again became part of the Top Ten shareholders of the Company w.e.f.12.09.2014

10. Saurabh Mahar

Date	Increase or Decrease / Reason	Shareholding at the beginning of the year		Increase/ Decrease in Shareholding	Cumulative Share holding during the year 01-04-14 to 31-03-15	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
At the begning of the year - 01.04.2014		217000	0.43			
31.12.2014	Decrease/Transfer			-100000	117000	0.23
At the end of the year - 31.03.2015					N.A.	N.A.

Ceased to be among the top ten Shareholders of the Company with effect from 31.12.2014.

11. Bonanza Portfolio Ltd.

Date	Increase or Decrease / Reason	Shareholding at the beginning of the year		Increase/ Decrease in Shareholding	Cumulative Share holding during the year 01-04-14 to 31-03-15	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
At the begning of the year - 01.04.2014		N.A.	N.A.			
Became part of top ten Shareholders of the Company with effect from 30.05.2014		217394	0.44			
06.06.2014	Increase/Transfer			36379	253773	0.51
13.06.2014	Increase/Transfer			34421	288194	0.58
20.06.2014	Increase/Transfer			35000	323194	0.65
30.06.2014	Increase/Transfer			4815	328009	0.66
04.07.2014	Increase/Transfer			83304	411313	0.82
11.07.2014	Increase/Transfer			30000	441313	0.88
15.08.2014	Decrease/Transfer			-3000	438313	0.88
22.08.2014	Decrease/Transfer			-32579	405734	0.81
29.08.2014	Decrease/Transfer			-2022	403712	0.81
05.09.2014	Decrease/Transfer			-33778	369934	0.74
12.09.2014	Increase/Transfer			4250	374184	0.75
19.09.2014	Decrease/Transfer			-38481	335703	0.67
30.09.2014	Decrease/Transfer			-50353	285350	0.57
10.10.2014	Decrease/Transfer			-10000	275350	0.55
17.10.2014	Decrease/Transfer			-959	274391	0.55
31.10.2014	Increase/Transfer			400	274791	0.55
07.11.2014	Increase/Transfer			2000	276791	0.55
14.11.2014	Decrease/Transfer			-7216	269575	0.54
21.11.2014	Decrease/Transfer			-1371	268204	0.54
27.11.2014	Increase/Transfer			3350	271554	0.54
05.12.2014	Decrease/Transfer			-11353	260201	0.52
12.12.2014	Increase/Transfer			19900	280101	0.56
19.12.2014	Decrease/Transfer			-23300	256801	0.51
31.12.2014	Increase/Transfer			8686	265487	0.53
02.01.2015	Decrease/Transfer			-2100	263387	0.53
09.01.2015	Decrease/Transfer			-3276	260111	0.52
16.01.2015	Increase/Transfer			4950	265061	0.53
23.01.2015	Increase/Transfer			1750	266811	0.53
30.01.2015	Increase/Transfer			500	267311	0.54
06.02.2015	Increase/Transfer			4600	271911	0.54
13.02.2015	Increase/Transfer			105852	377763	0.76
20.02.2015	Decrease/Transfer			-7262	370501	0.74
06.03.2015	Decrease/Transfer			-4558	365943	0.73
13.03.2015	Decrease/Transfer			-9500	356443	0.71
20.03.2015	Decrease/Transfer			-48900	307543	0.62
27.03.2015	Decrease/Transfer			-250	307293	0.62
31.03.2015	Decrease/Transfer			-1000	306293	0.61
At the end of the year - 31.03.2015					306293	0.61

12. Rashmi Ramesh Kasbekar

Date	Increase or Decrease / Reason	Shareholding at the beginning of the year		Increase/ Decrease in Shareholding	Cumulative Share holding during the year 01-04-14 to 31-03-15	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
At the begning of the year - 01.04.2014		N.A.	N.A.			
Became part of top ten Shareholders of the Company with effect from 14.11.2014#		215780	0.43			
13.03.2015	Increase/Transfer			450	216230	0.43
27.03.2015	Increase/Transfer			1000	217230	0.43
At the end of the year - 31.03.2015					217230	0.43

Become part of the top ten Shareholders of the Company with effect from 14.11.2014.

13. Baldev Krishan Sailopal

Date	Increase or Decrease / Reason	Shareholding at the beginning of the year		Increase/ Decrease in Shareholding	Cumulative Share holding during the year 01-04-14 to 31-03-15	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
At the begning of the year - 01.04.2014		N.A.	N.A.			
Became part of top ten Shareholders of the Company with effect from 31.12.2014#		167000	0.33			
06.02.2015	Decrease/Transfer			-5000	162000	0.32
At the end of the year - 31.03.2015					162000	0.32

Become part of the top ten Shareholders of the Company with effect from 14.11.2014.

v Shareholding of Directors & KMP (For each Directors and KMP)

Sl No.	Shareholding of each of the Directors & KMP	Share holding at the beginning of the Year		Increase/ Decrease in No. of Shares	Cumulative Share holding during the year	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
A	DIRECTORS					
1.	Bipin Manek (Chairman and Managing Director) At the begning of the year -01.04.2014 Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc) At the end of the year - 31.03.2015	14110333	28.25	No Change	14110333	28.25
2.	Pravina Manek (Non Executive Director) At the begning of the year -01.04.2014 Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc) At the end of the year - 31.03.2015	17990667	36.02	No Change	17990667	36.02
3.	Vijay K Atre (Non executive Director) At the begning of the year -01.04.2014 Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc) At the end of the year - 31.03.2015	25000	0.05	No Change	25000	0.05

Note:

1. Mr. Mihir Manek, Mr.Chetan Bavishi, Mr. Praful Shah, Mr. Niren Desai and Mr. Rahu Berde does not hold any shares in the Company.
2. There was no Key Managerial Person (Other than Managing Director/Joint Managing Director) within the meaning of Section 203 of the Companies Act, 2013 was in the Company during the financial Year 2014-15

V INDEBTEDNESS

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

Name & Address of the Company	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	4243.66	0	0	4243.66
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	4243.66	0	0	4243.66
Change in Indebtedness during the financial year				
Additions	2154.95	0	0	2154.95
Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	6398.61	0	0	6398.61
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	6398.61	0	0	6398.61

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

Sl. No	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount
		Bipin Manek	Mihir Manek	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	15.00	15.00	30.00
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0.00	0.00	0.00
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	41.65	41.65	83.30
				0
2.	Stock option	0	0	0
3.	Sweat Equity	0	0	0
4.	Commission - as % of Profit	2% of the Profit	2% of the Profit	
5.	Others, please specify			
	Total (A)	56.65	56.65	113.30
	Ceiling as per the Act	104.14	104.14	208.28

B. Remuneration to other directors:

Sl. No	Particulars of Remuneration	Name of the Directors						Total Amount
		Praful Shah	Niren Desai	Chetan Bavishi	Rahul Berde	Vijay Atre	Pravina Manek	
1.	Independent Directors							
	(a) Fee for attending board committee meetings	0.22	0.22	0.22	0.13	N.A.	N.A.	0.77
	(b) Commission	0.00	0.00	0.00	0.00	N.A.	N.A.	0
	(c) Others, please specify	0.00	0.00	0.00	0.00	N.A.	N.A.	0
	Total (1)	0.22	0.22	0.22	0.13	N.A.	N.A.	0.77
2.	Other Non Executive Directors							
	(a) Fee for attending board committee meetings	N.A.	N.A.	N.A.	N.A.	0.00	0.00	0.00
	(b) Commission	N.A.	N.A.	N.A.	N.A.	0.00	0.00	0.00
	(c) Others, please specify	N.A.	N.A.	N.A.	N.A.	3.00	0.00	3.00
	Total (2)	0.00	0.00	0.00	0.00	3.00	0.00	0
	Total (B)=(1+2)	0.22	0.22	0.22	0.13	3.00	0.00	3.77
	Total Managerial Remuneration (A+B)							117.07
	Overall Ceiling as per the Act.							229.11

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No	Particulars of Remuneration	Particulars of Remuneration			
		CEO	CS	CFO	Total
1.	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.				
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961.				
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961				
2.	Stock option				
3.	Sweat Equity				
4.	Commission - as % of Profit				
5.	Others, please specify				
	Total				

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Particulars of Remuneration	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made if any (give details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

Annexure - 4**Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

(Pursuant to provisions of Section 134(3) (M) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014)

A. Energy Conservation:**1. The steps taken/impact on conservation of energy:**

Your Company has always considered energy and natural resource conservation as a focus area and has been consciously making efforts towards improving the energy performance year on year. Energy efficiency improvement initiatives have been implemented across all the Plants and offices by undertaking various energy and resource conservation steps for Sustainable development.

Your Company has taken several sustainable steps voluntarily to contribute towards better environment. Select few steps/impact are listed below:

- a) Conservation of natural resources like oil and fuel,
- b) Use of natural Lightning and natural ventilation,
- c) Use of energy efficient electric equipment,
- d) Educating employees and workers for energy conservation,
- e) Regular maintenance of Machines and equipments,

2. The steps taken by the Company for utilizing Alternate Sources of Energy:

The Company has switched from Furnace Oil to Coal as an alternative Source of Energy.

3. The capital investment on energy conservation equipments:

The Company has focused on investing in modern technology for improving the specific energy consumption. For the year under review, the total capital investment on energy conservation equipment is Rs. NIL.

B. Technology Absorption:**1. The efforts made towards technology absorption:**

Your Company has continued its endeavor to develop and absorb advanced technologies for its product range to meet the requirements of a globally competitive market. Further, the Company is taking efforts to further improve quality of the Products. The Company strives to achieve innovations in its operations.

2. The benefits derived like product improvement, cost reduction, product development or import substitution:

The Company has not absorbed new technology during the year.

3. No technology imported during the preceding three year preceding to the year under report.**C. Foreign Exchange Earnings and Outgo:**

The Company continues taking steps to improve its export earning and increase in global presence. The Company has continued to maintain focus and avail of export opportunities based on economic consideration. The total Foreign Exchange Earning and Outgo in terms of actual inflow and out flow during the year was as follows:

Particulars	Amount in Rs. Lacs	
	Financial year 2014-15	Financial year 2013-14
Foreign Exchange inflow	11,396.00	8694.00
Foreign Exchange outflow	11,216.74	6,975.78

Annexure - 5**Corporate Social Responsibility (CSR)**

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

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

The Company has considered CSR as an integral part of its operation. The Company is doing CSR activities since long even before it was made mandatory. The Company has been a socially responsible corporate and considered expenditure on CSR as investment in Company which build Company's reputation.

The Company's policy on CSR including overview of projects or programs proposed to be undertaken is put up on the website of the Company at the Web link: <http://www.vidhifoodcolour.com>

2. **The Composition of the CSR Committee.**

Mr. Prafulchandra A. Shah (DIN:00417022) - Chairman
Mr. Chetan P. Bavishi (DIN:01978410) - Member
Mr. Nirenbhai D. Desai (DIN:01978382) - Member

3. **Average net profit of the company for last three financial years: Rs. 1349.57 Lakhs**

4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Rs. 26.99 Lakhs**

5. **Details of CSR spent during the financial year.**

(a) Total amount to be spent for the financial year : Rs. 0.15/- (in Lakhs)

(b) Amount unspent, if any; : Rs. 26.84/- (in Lakhs)

(c) **Manner in which the amount spent during the financial year is detailed below.**

1	2	3	4	5	6	7	8	
S. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent : Direct or through implementing agency*	
Total		No expenditure was made						

*Give details of implementing agency.

6. 1. **In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report:**

The Company has not spent any amount towards CSR activities during the financial year as the project on which it should be spent was not identified. However, the Company has earmarked the amount required to be spent on CSR and the same will be utilized during the current financial year.

2. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company**

We hereby confirm that the implementation and monitoring of CSR Policy, is in compliance with CSR Objectives and Policy of the Company.

Bipin Manek
(DIN:00416441)
Chairman and Managing Director

Mr. Prafulchandra A. Shah
(DIN:00417022)
Chairman CSR Committee

Date: August 12, 2015
Place: Mumbai

Annexure - 6**DETAILS OF REMUNERATION**

Details pertaining to remuneration as required under section 197(12) read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The percentage increase in remuneration of each Director during the Financial Year 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

S. No.	Name of Director / KMP and Designation	Remuneration of Director/ KMP for the financial year 2014-15 (Rs. in Lacs)	% Increase in Remuneration in the Financial Year 2014-15	Ratio of remuneration of each Director / to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1.	Mr. Bipin M. Manek (DIN 00416441) Chairman and Managing Director	56,64,657	62.52%	30.62	Profit before tax was increased by 111.22% whereas Remuneration is increased by 62.52%
2.	Mr. Mihir B. Manek (DIN 00650613) Jt. Managing Director	56,64,657	62.52%	30.62	Profit before tax was increased by 111.22% whereas Remuneration is increased by 62.52%
3.	Mr. Vijay K. Atre (DIN 00416853) Non-Executive Director	3,00,000	0.00	1.62	N.A.
4.	Mr. Prafulchandra A. Shah (DIN 00417022) [®] Independent Director	21,500	65.38%	0.12	N.A.
5.	Mr. Chetan P. Bavishi (DIN 01978410) [®] Independent Director	21,500	65.38%	0.12	N.A.
6.	Mr. Niren D. Desai (DIN 01978382) [®] Independent Director	21,500	65.38%	0.12	N.A.
7.	Rahul Berde (DIN: 06981981) [®] Independent Director	12,500	N.A.	0.07	N.A.

[®]The remuneration of Independent Directors covers sitting fees.

*Mrs. Pravina B. Manek (DIN 00416533) do not draw any remuneration from the Company

i. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the Financial Year:

The median remuneration of employees of the Company during the Financial Year was Rs.1,85,027/- and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year is provided in the above table

ii. The percentage increase in the median remuneration of employees in the Financial Year:

In the Financial Year, there was an increase of 39.25% in the median remuneration of employees.

iii. The number of permanent employees on the rolls of Company:

There were 40 (Including KMP) permanent employees on the rolls of the Company as on March 31, 2015.

iv. The explanation on the relationship between average increase in remuneration and company performance:

Relationship between average increase in remuneration and company performance is: The average remuneration increased by 39.25% in 2014-15 whereas the Profit before Tax increased by 111.22% in 2014-15. As per the remuneration policy of your Company, employees are compensated broadly in comparison with the median of the comparator basket, on the basis of performance, potential and criticality for achieving competitive advantage in the business. The compensation structure has been built by regular annual benchmarking over the years with relevant players across the industry in which your Company operates in. Salary increases during the year were in line with your Company's performance as well as per Company's market competitiveness.

v. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:

The total remuneration of Key Managerial Personnel increased by 62.52% from Rs. 69.71 Lakhs in 2013-14 to Rs. 113.30 Lakhs in 2014-15 whereas the Profit before Tax increased by 111.22% to Rs. 19.28 crores in 2014-15 (Rs. 9.12 crores in 2013-14).

vi. Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current Financial Year and previous Financial Year and percentage increase or decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies:

The market capitalization as on March 31, 2015 was Rs. 88.15 crores (Rs. 19.98 crores as on March 31, 2014). The price earnings ratio of the Company was 7.09 as at March 31, 2015 and was 3.33 as at March 31, 2014. The Initial Public offer was made by the Company in the year 1996 and the issue was for 17,50,000 Ordinary Shares of Rs.10 each, at par. The shares of the Company were first listed on the BSE Limited in the year 1996 and subsequently in the year 1996 it was also listed on Ahmedabad Stock Exchange Limited. In the year 2005-06 shares of the Company has been subdivided from Rs.10/- per share to 10 shares of Rs.1/- each. The closing share price of the Company at BSE Limited on March 31, 2015 was Rs. 17.65 per equity share of face value of Rs. 1/- each indicating a Compounded Annual Growth Rate of 16.31%.

vii. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average percentage increase made in the salaries of employees other than the managerial personnel in the last Financial Year i.e. 2014-15 was 31.21% whereas the increase in the managerial remuneration for the Financial Year 2014-15 was 62.52%. Justification: Increase in remuneration of the Chairman & Managing Director and Joint Managing Director is decided based on the individual performance, inflation, prevailing industry trends and benchmarks. The remuneration of Non-Executive Directors consists of commission and Independent Directors are consisting of sitting fees and perquisites, if any. While deciding the remuneration, various factors such as Director's participation in Board and Committee Meetings during the year, other responsibilities undertaken, such as membership or Chairmanship of Committees, etc. were taken into consideration.

viii. The key parameters for any variable component of remuneration availed by the Directors:

The key parameters for the variable component of remuneration availed by the Directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Policy for Remuneration of the Directors, Key Managerial Personnel and other Employees. During the year under Report, there was no variable components of remuneration however, the KMPs are taking commission @2% (fix percentage) of net profit calculated as per Section 198 of the Companies Act, 2013

ix. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:

Not applicable.

x. Affirmation that the remuneration is as per the remuneration policy of the company:

It is hereby affirmed that the remuneration paid is as per the Policy for Remuneration of the Directors, Key Managerial Personnel and other Employees.

Annexure - 7**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 behaviour of corporate enterprises. It refers to a system by which Companies are governed, controlled and managed. The core principles of Corporate Governance practices are fairness, transparency, accountability and responsibility. Effective Corporate Governance emphasizes efficiency, accountability and adaptability to the changing environment. Corporate Governance is a process to manage the business affairs of the Company towards enhancing business prosperity and accountability with the objective of realizing long term shareholder value, while taking into account the interests of the other stakeholders. 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.

I. 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:**A. Composition of the Board of Directors:**

The Board of Directors of the Company comprises an optimal combination of executive, non-executive and independent Directors so as to preserve and maintain the independence of the Board. During the year, the Board was headed by Executive Chairman Shri Bipin M. Manek (DIN 00416441). Your Company is managed and guided by a professional Board comprising of 8 Directors out of which 6 were Non-executive Directors as on March 31, 2015. Out of 6 Non-executive Directors 4 Directors were Independent Directors. All the members of the Board are persons with considerable experience and expertise in their respective fields.

All Independent Directors meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. None of the Directors on the Board are Independent Directors of more than seven Listed Companies and none of the Whole-time Directors are Independent Directors of any Listed Company.

Composition of the Board of Directors as on March 31, 2015 was in accordance with the requirements of Clause 49(II)(A) of the Listing Agreement. As per Clause 49 (II)(D)(2) of the Listing Agreement, none of the Directors on the Board is member of more than 10 Committees and Chairman of more than 5 Committees across all the Companies in which they are Directors. The same is also evidenced from the below given table.

The Composition and category of the Board of Directors of the Company as on March 31, 2015 is as follows:

Name of the Director(s) and their DIN	Designation	Category	No. of Other Directorship [#]	No. of other Committees [#]	
				Chairman	Member
Executive Director					
Shri Bipin M. Manek (DIN: 00416441)	Chairman & Managing Director	Promoter	NIL	NIL	NIL
Shri Mihir B. Manek (DIN: 00650613)	Joint Managing Director	Promoter	NIL	NIL	NIL
Non -Executive Director					
Smt. Pravina B. Manek (DIN: 00416533)	Non-Executive Director	Promoter	NIL	NIL	NIL
Shri Vijay K. Atre (DIN: 00416853)	Non-Executive Director	Non Independent	NIL	NIL	NIL
Shri Prafulchandra A. Shah (DIN: 00417022)	Director	Independent	NIL	NIL	NIL
Shri Chetan P. Bavishi (DIN: 01978410)	Director	Independent	NIL	NIL	NIL
Shri Niren D. Desai (DIN: 01978382)	Director	Independent	NIL	NIL	NIL
Shri Rahul C. Berde (DIN: 06981981) [@]	Additional Director	Independent	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 8 of the Companies Act, 2013, have been excluded and the Committees other than Audit Committee and Stakeholders' Relationship Committee have been excluded.

®Appointed w.e.f. September 30, 2014.

Shri Bipin M. Manek (DIN: 00416441), Smt. Pravina B. Manek (DIN: 00416533) and Shri Mihir B. Manek (DIN: 00650613), Directors of the Company, are related with each other (*inter-se*) within the meaning of Clause 49 VIII (E) (2) 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.

B. Appointment and Re-appointment of Directors:

In the Annual General Meeting (AGM) held on September 27, 2014 Shri Vijay K. Atre (DIN 00416853) was re-appointed as Director retire by rotation. Further, in the said AGM Shri Prafulchandra Shah (DIN 00417022), Shri Chetan P. Bavishi (DIN 01978410) and Shri Niren D. Desai (DIN 01978382) were appointed as Independent Directors for a period of five years.

The Board of Directors in their meeting held on September 30, 2014, on the recommendation of Nomination and Remuneration Committee, has appointed Shri Rahul Berde (DIN: 06981981), as Additional Independent Director of the Company for a period of 5 years, subject to the approval of the Members. He was proposed to be appointed as Director in the ensuing Annual General Meeting.

Shri Mihir B. Manek (DIN: 00650613) Joint Managing Director of the Company, retires at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment as Director pursuant to provision of Section 152 of the Companies Act, 2013. Further, on the recommendation of Nomination and Remuneration Committee, he was also re-appointed as Joint Managing Director of the Company w.e.f. July 15, 2015 for a further period of 5 years. The said re-appointment is subject to the approval of the Members in the ensuing Annual General Meeting.

Details of Directors to be appointed or re-appointed at the forthcoming Annual General Meeting as required under clause 49 VIII(E)(1) are given in the annexure to the notice calling Annual General Meeting.

C. Shareholding of Non-Executive Directors as on March 31, 2015:

Sr. No.	Name of Director	No. of Shares held	% of Shareholding
1.	Smt. Pravina B. Manek (DIN: 00416533)	1,79,90,667	36.02
2.	Shri Vijay K. Atre (DIN: 00416853)	25,000	0.05
3.	Shri Prafulchandra A. Shah (DIN: 00417022)	--	--
4.	Shri Chetan P. Bavishi (DIN: 01978410)	--	--
5.	Shri Niren D. Desai (DIN: 01978382)	--	--
6.	Shri Rahul C. Berde (DIN: 06981981)	--	--

D. Attendance of Directors at the Board Meetings and Annual General Meetings held during the financial year 2014-15:

The size and composition of the Board is in conformity with the requirements of Corporate Governance norms as stipulated under the Listing Agreements entered by the Company with the Stock Exchanges and as applicable as on March 31, 2015.

The meetings of the Board of Directors are scheduled well in advance and generally held at the Registered Office of the Company. 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 2014-15, Five (5) Meetings of Board of Directors were held on May 21, 2014, August 14, 2014, September 30, 2014, November 14, 2014 and February 12, 2015.

Annual General Meeting for the financial year ended March 31, 2014 was held on Monday, September 27, 2014.

Directors	Number of Board Meetings Attended	Attendances at the last AGM
Shri Bipin M. Manek (DIN: 00416441)	5	Yes
Smt. Pravina B. Manek (DIN: 00416533)	5	Yes
Shri Mihir B. Manek (DIN: 00650613)	5	Yes
Shri Vijay K. Atre (DIN: 00416853)	5	No
Shri Prafulchandra A. Shah (DIN: 00417022)	5	Yes
Shri Chetan P. Bavishi (DIN: 01978410)	5	Yes
Shri Niren D. Desai (DIN: 01978382)	5	Yes
Shri Rahul Berde (DIN: 06981981)*	2	N.A.

*He was appointed as Director w.e.f. September 30, 2014. After his appointment 2 Board Meetings were held.

E. Board Procedure:

Agenda for each Board Meeting and Committee Meeting was sent along with detailed notes on agenda items at least 7 days in advance to all the Directors for facilitating meaningful and focused discussions at the meeting. At the Board meetings, 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.

F. Meeting of Independent Directors:

As required under the Companies Act, 2013 and Listing Agreement, a meeting of Independent Directors of the Company was held on November 14, 2014 without the presence of Executive Directors or management personnel. In the said meeting, inter alia, following agenda were discussed

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting

G. Board Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual evaluation of its own performance and that of its Committees as well as performance of the Directors individually. Feedback was sought by way of a structured questionnaire covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance and the evaluation was carried out based on responses received from the Directors.

A separate exercise was carried out by the Nomination and Remuneration Committee to evaluate the performance of individual Directors. The performance evaluation of the Non-Independent Directors and the Board as a whole was carried out by the Independent Directors. The performance evaluation of the Chairman of the Company was also carried out by the Independent Directors, taking into account the views of the Executive Director and Non-Executive Directors.

The Directors expressed their satisfaction with the evaluation process.

H. Familiarisation Programme for Independent Directors:

The Company believes that the Board be continuously empowered with the knowledge of the latest developments in the Company's

business and the external environment affecting the industry as a whole.

The details of programs for familiarization of the Independent Directors with the Company, their roles, rights, responsibility in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are available on the website of the Company at the Web link: <http://www.vidhifoodcolour.com>

I. Codes 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.

The Codes of Conduct were amended in line with the Listing Agreement, the Companies Act, 2013 and new Insider Trading Regulation.

All the Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct for the year 2014-15. Declaration by the Chairman and Managing Director as per Clause 49(II) (E) (2) of the Listing Agreement regarding adherence to the code of conduct is forming part of the Report on Corporate Governance.

J. CEO/CFO Certification:

As required under Clause 49 (IX) of the Listing Agreement, the Chairman & Managing Director of the Company have certified to the Board regarding the Financial Statements for the year ended March 31, 2015.

3. Audit Committee:

As required under clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013, the Board has constituted Audit Committee. The composition, procedure, rights, authority, obligations and role/function of the Audit Committee are in accordance with the requirements of the Listing Agreement and the Companies Act, 2013. The primary objective of the Audit Committee of the Company is to monitor and effectively supervise the financial reporting process of the Company with a view to ensure accurate, timely and proper disclosures and transparency and integrity of financial reporting and functioning of internal financial controls.

A) Power of the Audit Committee:

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

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of Statutory Auditor/s and fixation of audit fees.
- Approval of payment to Statutory Auditors' for any other 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, the management of uses/ application of funds raised through an issue (Public issue, Right issue, Preferential issue, etc.) the statement of funds utilized for the purpose other than those stated in the offer documents/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in the matter.
- 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.
- To review the functioning of the Whistle Blower mechanism.
- Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- Reviewing periodically the financial results and adequacy of internal audit functions etc.
- Examine accounting policies, taxation matters and disclosure aspects as stipulated under various legislations.
- Investigate any other matters referred to by the Board of Directors.
- Carrying out any other function as is mentioned in terms of reference to the Audit Committee under the Listing Agreement.

The terms of reference of Audit Committee, in accordance with Section 177 of the Companies Act, 2013, includes the following:

- the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- review and monitor the auditor's independence and performance;
- examination of financial statements & Auditors Report thereon;
- to monitor and approve related party transactions including subsequent modifications thereof;
- scrutiny of inter corporate loans and investments;
- valuation of undertakings or assets wherever applicable;
- evaluation of internal financial controls and risk assessments;
- to monitor end use of funds raised through public offer whenever it takes place.

The Audit Committee reviews all the information as prescribed in Clause 49 III (E) of the Listing Agreement.

C) Composition and Meeting:

The Board has constituted an Audit Committee comprising of Shri Niren D. Desai (DIN: **01978382**), Independent Director as Chairman of the Audit Committee. The Audit Committee as on the date 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. Shri Mitesh Manek, Compliance officer of the Company, acted as Secretary of the Committee during the financial year 2014-15. On appointment of Shri Anuj Gandhi (ACS: 39240) as Company Secretary and Compliance Officer of the Company w.e.f. June 1, 2015, he was appointed as Secretary of Audit Committee in place of Shri Mitesh Manek with immediate effect.

All the members of the Audit committee are financially literate and have accounting or related financial management expertise as required under the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The Members of the Audit Committee met Four (4) times during the financial year 2014-15 on May 21, 2014, August 14, 2014, November 14, 2014 and February 12, 2015. The highlights of each of the Audit Committee Meetings are informed to the Board of Directors and discussed in the Board Meeting.

Shri Niren D. Desai (DIN: **01978382**), the Chairman of the Audit Committee was present at the last Annual General Meeting held on September 27, 2014.

The composition of the Audit Committee as well as details of meeting of Audit Committee attended by each Member is given in below table:

Name	Designation	Non-Executive/ Independent	Numbers of Meetings	
			Held	Attended
Shri Niren D. Desai (DIN: 01978382)	Chairman	Non-Executive, Independent	4	4
Shri Prafulchandra A. Shah (DIN: 00417022)	Member	Non-Executive, Independent	4	4
Shri Chetan P. Bavishi (DIN: 01978410)	Member	Non-Executive, Independent	4	4
Smt. Pravina B Manek (DIN: 00416533)	Member	Non-Executive, Promoter	4	4
Shri Mihir B. Manek (DIN: 00650613)	Member	Executive	4	4

4. Nomination and Remuneration Committee:

In compliance with Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board in its meeting held on May 21, 2014 had renamed the existing Remuneration Committee as Nomination and Remuneration Committee. The Nomination and Remuneration Committee is constituted to formulate and recommend to the Board from time to time appointment of Directors and compensation structure for Managing Director/Whole-time Director/KMPs of the Company.

A) Terms of reference:

In compliance with provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board in its meeting held on May 21, 2014 has modified the terms and reference and the same are under:

- to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board of Directors (Board) their appointment and removal and shall carry out evaluation of every director's performance.
- to formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- to formulate the criteria for evaluation of Independent Directors and the Board.
- to devise a policy on Board diversity.
- to determine, review and recommend to the Board, the remuneration of the Company's Managing/ Joint Managing/ Deputy Managing/ Whole time/ Executive Director(s), including all elements of remuneration package.
- to determine, review and recommend to the Board, the remuneration of the Company's top executives/ senior management personnel who are one level below the Managing/ Joint Managing/ Executive Director(s).
- to formulate, implement, supervise and administer the terms and conditions of the Employee Stock Option Scheme, Employee Stock Purchase Scheme, whether present or prospective, pursuant to the applicable statutory/ regulatory guidelines.
- to carry out any other functions as authorized by the Board from time to time or as enforced by statutory/ regulatory authorities.

B) Composition and Meeting:

The Board has constituted Nomination and Remuneration Committee comprising of Shri Niren D. Desai (DIN: 01978382) as Chairman of the Committee. The Nomination and Remuneration Committee as on the date comprises of four Directors, out of which, three are Independent Non-Executive Directors and one is Promoter Non-Executive Director.

The Members of the Nomination and Remuneration Committee met thrice during the financial year on May 21, 2014, August 14, 2014 and September 30, 2014. The highlights of Nomination and Remuneration Committee Meetings are informed to the Board of Directors and discussed in the Board Meeting.

Shri Niren D. Desai (DIN: 01978382), the Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting held on September 27, 2014.

The composition of the Nomination and Remuneration Committee as well as details of meeting of Nomination and Remuneration Committee attended by each Member is given in below table:

Name	Designation	Non-Executive/ Independent	Numbers of Meetings	
			Held	Attended
Shri Niren D. Desai (DIN: 01978382)	Chairman	Non-Executive, Independent	3	3
Shri Prafulchandra A. Shah (DIN: 00417022)	Member	Non-Executive, Independent	3	3
Shri Chetan P. Bavishi (DIN: 01978410)	Member	Non-Executive, Independent	3	3
Smt. Pravina B Manek (DIN: 00416533)	Member	Non-Executive, Promoter	3	3

C) Remuneration Policy:

In determining the remuneration of the Directors, Key Managerial Personnel (KMP) and other employees of the Company, a Remuneration Policy has been framed by the Nomination & Remuneration Committee and recommended to the Board. The said policy was approved by the Board and full text of Nomination and Remuneration Policy is given as **Annexure-1** of the Directors' Report attached to the Annual Report.

D) The details of the remuneration paid during the year 2014-2015:

i. Executive Director:

The details of Remuneration paid /payable to the Executives Directors for the financial year 2014-15 are as given below:

Name of Directors	Amount in Rs.			Contract period	Notice period
	Salary	Commission	Total		
Shri Bipin M. Manek (DIN: 00416441) Managing Director	15,00,000	41,64,657	56,64,657	From 01.11.2012 till 31.10.2017	Three Calendar months
Shri Mihir B. Manek (DIN: 00650613) Jt. Managing Director	15,00,000	41,64,657	56,64,657	From 15.07.2010 till 14.07.2015*	Three Calendar months
Total	30,00,000	83,29,314	1,13,29,314		

*Re-appointed for five years w.e.f. July 15, 2015 subject to the approval of the shareholders.

Note: The above figures exclude provisions for contribution to Provident Funds/ Gratuity Fund.

ii. Non-executive Director:

The details of Remuneration paid /payable to the Non-executives Directors for the financial year 2014-15 are as given below:

Name of Directors	Amount in Rs.		
	Sitting fees	Commission	Total
Shri Vijay K. Atre (DIN: 00416853)	--	3,00,000	3,00,000
Shri Prafulchandra A. Shah (DIN: 00417022)	21,500	--	21,500
Shri Chetan P. Bavishi (DIN: 01978410)	21,500	--	21,500
Shri Niren D. Desai (DIN: 01978382)	21,500	--	21,500
Shri Rahul C. Berde (DIN: 06981981) [®]	12,500	--	12,500
Total	77,000	3,00,000	3,77,000

[®]Appointed w.e.f. September 30, 2015.

*Smt. Pravina B. Manek (DIN: 00416533) has not drawn any remuneration from Company.

Details of sitting fees paid to the Non-Executive Directors for the financial year 2014-2015: The Company pays sitting fees to Non-executive Independent Directors for attending the Board Meeting held for approval of quarterly/half yearly/yearly results. Sitting fees for first quarter of financial year 2014-15 was paid @ Rs.4,000/-, for second and third quarter @ Rs.5,000/- and for last quarter was @ Rs.7,500/-. The payment of sitting fees is recommended by the Nomination and Remuneration Committee and approved by the Board. The Non-Executive Independent Directors did not draw any remuneration (other than sitting fees as mentioned above) from the Company during the financial year under review.

Shri Bipin M. Manek (DIN 00416441), Managing Director of the Company, and Smt. Pravina B. Manek (DIN: 004165330), Non-Executive Director of the Company has given personal guarantee for securing repayment of Working Capital Facility and various other

financial assistance availed by the Company from Banks and Financial Institutions. Accordingly, the payment of guarantee commission was paid @ 0.75% per annum calculated on quarterly basis amounting to Rs.45,00,000/- each during the financial year 2014-15.

5. Stakeholders' Relationship 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 Stakeholders' Relationship Committee was constituted. In compliance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board in its meeting held on May 21, 2014, had renamed the Share Transfer cum Shareholders'/ Investors' Grievance Committee as the "Stakeholders' Relationship Committee".

The constitution and terms of reference of the Stakeholders' Relationship Committee is in conformity with the provisions of Clause 49 of the Listing Agreement and provisions of Section 178 of the Companies Act, 2013.

A) Terms of Reference:

The Board of Directors in their Meeting held on May 21, 2014 had modified the terms of reference and the scope of the Committee to align it with the revised Clause 49 of the Listing Agreement and the Companies Act, 2013. The terms of reference of the Committee is as follows:

- Review the existing Investors Redressal System and suggest measures for improvement.
- Consider and resolve the grievances of the securities holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, etc. and follow up for the necessary action taken for redressal thereof.
- Suggest improvements in service level of 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.
- Ensure implementation and compliance of the Company's Code of Conduct for Prohibition of Insider Trading and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time.
- Supervise the process relating to transfer, transmission, transposition, split, consolidation of securities.
- Oversee the performance of the Company's registrar & share transfer agents.
- Carry out any other functions as authorized by the Board of Directors from time to time or as enforced by statutory/ regulatory authorities.

B) Composition and Meeting:

The Board has constituted Stakeholders' Relationship Committee comprising of Smt. Pravina B. Manek (DIN: **00416533**) as Chairperson of the Committee. The Stakeholders' Relationship Committee as on the date consists of three Directors, out of which, two are Independent Non-executive Directors and one is Promoter Non-executive Director.

Shri Mitesh Manek, Compliance officer of the Company, acted as Secretary of the Committee during the financial year 2014-15. On appointment of Shri Anuj Gandhi (ACS: 39240) as Company Secretary and Compliance Officer of the Company w.e.f. June 1, 2015, he was appointed as Secretary of Stakeholders' Relationship Committee in place of Shri Mitesh Manek with immediate effect.

Smt. Pravina B. Manek (DIN: **00416533**), the Chairperson of the Stakeholders' Relationship Committee was present at the last Annual General Meeting held on September 27, 2014.

The Members of the Stakeholders' Relationship Committee met four (4) times during the financial year on May 21, 2014, August 14, 2014, November 14, 2014 and February 12, 2015.

The composition of the Stakeholders' Relationship Committee as well as details of meeting of Nomination and Remuneration Committee attended by each Member is given in below table :

Name	Designation	Non-Executive/ Independent	Numbers of Meetings	
			Held	Attended
Smt. Pravina B. Manek (DIN: 00416533)	Chairperson	Non-Executive, Promoter	4	4
Shri Prafulchandra A. Shah (DIN: 00417022)	Member	Non-Executive, Independent	4	4
Shri Chetan P. Bavishi (DIN: 01978410)	Member	Non-Executive, Independent	4	4

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

C) The details of Complaints received and redressed during the financial Year 2014-15 are as under:

Sr.No	Particulars	Correspondences	
		Received	Redressed / attended
	Complaints		
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	-	-
	Requests from Shareholders		
6	Change of Address	-	-
7	POA/Mandate/Bank Details	-	-
8	Exchange / Redemption	-	-
9	Deletion/Transfer/Transmission	-	-
10	Ind Bond / Affix. For Duplicates	-	-
11	Div / RO for revalidation	-	-
	Filing/Acknowledgement/ Miscellaneous		
	Total	-	-

All Share transfer and correspondence thereon are handled by the Company's RTA viz. M/s. Sharex Dynamic (India) Private Limited having Registered Office at Unit – 1, Luthra Industrial Premises, Andheri Kurla Road, Safed Pool, Andheri (East), Mumbai - 400072.

D) Compliance officer:

As required under the Listing Agreement, Shri Mitesh Manek served as the Compliance officer of the Company for the Financial Year 2014-15. The Board in their meeting held on May 30, 2015 has appointed Shri Anuj Gandhi (ACS: 39240) as Company Secretary of the Company w.e.f. June 1, 2015 and also designated as Compliance Officer of the Company as per Clause 47 of the Listing Agreement. 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 RTA and attending to Grievances of the Shareholders/Investors intimated to the Company directly by SEBI and Stock Exchanges.

6. Corporate Social Responsibility Committees:

Keeping in mind the provisions of Section 135 of the Companies Act, 2013 and Schedule VII of the Act, the Board in their Meeting held on November 14, 2014 has constituted Corporate Social Responsibility (CSR) Committee with powers, inter alia, prepare CSR Policy, recommend amount to be spent towards CSR activities, make donations/contributions to any Charitable and/or CSR projects or programs to be implemented directly or through any trust or agency in pursuance of its CSR Policy for the Company's Corporate Social Responsibility Initiatives.

The CSR Policy for the Company as recommended by CSR Committee and approved by Board is displayed on the Company's website at Web link: <http://www.vidhifoodcolour.com>

The CSR Committee is chaired by Shri Prafulchandra A. Shah (DIN 00417022). The CSR Committee as on the date consists of four Directors, out of which, three are Independent Non-executive Directors and one is Promoter Non-executive Director.

The Committee had met twice in the financial year 2014-15. The Committee meetings were held on November 14, 2014 and February 12, 2015. Both the meetings were attended by all the Members of the Committee.

7. General Body Meeting:

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

Financial Year	Details of Location	Day, Date and Time
2013-2014 21 st AGM	E/27, Commerce Centre, 78, Tardeo Road, Mumbai-400 034	Saturday, September 27, 2014 at 5.00 p.m.
2012-2013 20 th AGM	E/27, Commerce Centre, 78, Tardeo Road, Mumbai-400 034	Monday, September 30, 2013 at 3.00 p.m.
2011-2012 19 th AGM	E/27, Commerce Centre, 78, Tardeo Road, Mumbai-400 034	Friday, September 28, 2012 at 5.30 p.m.

B) Special Resolutions passed during previous three Annual General Meeting:

2013-14

During the year, the members of the Company have approved the following in the Annual General Meeting:

- 1) Authority was given to the Board of Directors to borrow money in excess of limit specified u/s 180(1)(c) of the Companies Act, 2013 for an amount not exceeding Rs.200 Crores,
- 2) Approved payment of remuneration to Shri Vijay K. Atre (DIN 00416853), Non-executive Director of the Company, for a period of five years beginning with effect from financial year 2014-15, and
- 3) Altered the Article no.100 of the Articles of Association of the Company.

2012-13

No Special Resolution was passed.

2011-12

No Special Resolution was passed.

C) Special Resolutions passed through Postal Ballot during the Year:

- (i) During the financial year 2014-15, no Special Resolution was passed through Postal Ballot.
- (ii) Below stated resolutions were passed through postal ballot voting process on July 25, 2015 as Special Resolutions:
 - a) To authorize the Board of Directors of the Company pursuant to Section 180(1)(a) of the Companies Act, 2013 to sell, lease, mortgage or otherwise dispose off the whole or substantially the whole of the undertaking(s), of the Company for an amount not exceeding the overall borrowing limits prescribed u/s 180 (1)(c) from time to time.
 - b) To authorize the Board of Directors of the Company pursuant to Section 186 of the Company Act, 2013, to make investments, extend guarantee, provide security and make inter-corporate loans up to an amount not exceeding Rs. 200 crores.

Summary of voting statistics:

Resolution No.	Ballots Received*	Total Shares	Favour		Against		Invalid	
			Ballots	Votes	Ballots	Votes	Ballots	Votes
1	58	32308448	51	32307718	7	730	0	0
2	58	32308448	53	32307838	5	610	0	0

*Including voting through e-voting facility.

(iii) Person who conducted the postal ballot exercise:

Mr. Hemanshu Kapadia, Practicing Company Secretary (Membership No: F3477), was appointed as Scrutinizer and conducted the Postal Ballot voting process (including e-voting) in a fair and transparent manner.

(iv) Whether any special resolution is proposed to be conducted through postal ballot: No.

(v) Procedure for postal ballot:

Pursuant to the Clause 35A of the listing agreement, Section 110 of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014 and all other applicable rules made under the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof from time to time), the Company had provided to its members the facility to cast their votes **by way of postal ballot process** (including e-voting) on all the resolutions as stated in the **Postal Ballot Notice dated May 30, 2015 ('Postal Ballot Notice')**. The Company had appointed Central Depository System (India) Limited for facilitating e-voting.

Date of commencement of voting was June 21, 2015 and same was concluded on July 20, 2015. The results of the postal ballot were declared at 11.00 a.m. on July 25, 2015, at the Registered Office of the Company. Postal Ballot Notice, Postal Ballot Form and results of the Postal Ballot Voting were uploaded on the Company's website. The results of the Postal Ballot is available on link : <http://www.vidhifoodcolour.com>

8. Disclosures:**A) Materially significant related party transactions that may have potential conflict with the interests of company at large:**

There has not been any materially significant related party transaction between the Company and its Director, Promoters, or any party associated with them as per Section 2(76) etc. that may have potential conflict with the interest of the Company at large. However, *transactions with related parties are reported in the Notes to the Accounts for the year.*

B) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years and hence no penalties, strictures have been imposed on the Company by Stock Exchanges or Securities and Exchange Board of India or any other statutory authority.

C) Whistle Blower policy and affirmation that no personnel have been denied access to the Audit committee

The Company, pursuant to Clause 49(II)(F) and Section 177 (9) of the Companies Act, 2013, has laid down Whistle Blower Policy/Vigil Mechanism providing protection to 'Whistle Blowers' from the unfair termination and other unfair or prejudicial employment practices. The Board of Directors hereby affirms and confirms that no personnel have been denied access to the Chairman of the Audit Committee. The details of Whistle Blower Policy/Vigil Mechanism have been furnished in the Board of Directors' Report.

D) Risk Management:

The Company has adopted Risk Management Policy pursuant to the provisions of Section 134 and all other applicable provisions of the Companies Act, 2013 and Clause 49(VI) of the Listing Agreement. The Company has a strong Enterprise Risk Management framework which is administered by the Senior Management. The Audit Committee periodically reviews the risk events that could affect the Company and initiates appropriate mitigation procedures and also reviews the progress made with respect to the mitigation plans and the effectiveness of the same in addressing the relevant risk. The Company has procedures in place to inform the Board Members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that the management controls risk through means of a properly defined framework. The Company's internal control systems are commensurate with the nature and size of its business. These are tested and reported by the Auditors.

E) Details of compliance with mandatory requirements and adoption of the non-mandatory Requirements of this clause

The Company has 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:**A) Quarterly/ Half Yearly/ Yearly Results:**

Half yearly/quarterly results have not been sent to shareholders; instead submitted to the Stock Exchanges where the securities of the Company are listed pursuant to the Listing Agreement requirements and are published in the newspapers. The financial results, as per Clause 41 of the Listing Agreement, are displayed on the Company's website namely www.vidhifoodcolour.com

B) Newspapers wherein results normally published:

The quarterly, half-yearly and annual results of the Company during the financial year 2014-15 are published in the newspapers viz. Business Standard (English) and Mahanayak (Regional language - Marathi).

C) Any Website, where displayed:

The Company's website <http://www.vidhifoodcolour.com/> contains a separate dedicated section "Financials" where information for shareholders is available. The Quarterly/Half yearly/Annual Financial Results and annual reports are posted on the said website.

D) Annual Report:

Annual Reports are sent to each shareholder at their address registered or on their e-mail address registered with the Company/R&TA/Depositories. Corporate Governance Certificate, as required under clause 49 of the Listing Agreement, obtained from Auditors of the Company and Management Discussion & Analysis Report are attached to this report.

E) Whether Website also displays official news releases:

The Company has its official website namely, www.vidhifoodcolour.com which containing basic information about the Company e.g. details of its business, financial information, shareholding pattern, codes, compliance with corporate governance, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances, etc. The Company is regular in submitting all the relevant information with the Stock Exchanges.

F) Presentations made to institutional Investors or to the analysts:

No presentation to any institutional investors or analysts has been made during the financial year ended March 31, 2015.

10. General Shareholders Information:**A) 22nd Annual General Meeting (2014-15):**

Date and Time: Wednesday, September 16, 2015 at 3.30 p.m.

Venue: The Victoria Memorial School for Blind, opp. Tardeo A/c Market, 73, Tardeo Road, Mumbai – 400 034

B) Financial Year: April 1, 2014 to March 31, 2015

C) Date of Book Closure: Saturday, September 5, 2015 to Wednesday, September 16, 2015 (both days inclusive), for taking record of the Members of the Company for the purpose of AGM and determining the names of the Members eligible for dividend on equity shares, if declared at the AGM.

D) Dividend Payment Date:

The Board has declared First Interim Dividend on November 14, 2014. The Dividend was credited or dividend warrant was dispatched between November 29, 2014 and December 10, 2014. Further, Final Dividend, if declared at the ensuing AGM, would be paid/dispatched on/after September 16, 2015 and within thirty days from the date of declaration of dividend.

E) Listing on Stock Exchanges:

The Equity Shares of the Company are listed on BSE Ltd. and Ahmedabad Stock Exchange Limited.

The Company has, on July 3, 2015, had made application to **National Stock Exchange of India Limited (NSE)** for listing of Company's shares on their Stock Exchange. However, till date the Company has not received listing approval from NSE.

The Company has paid listing fees for the financial year 2015-16 to the Stock Exchanges where the securities of the Company are listed.

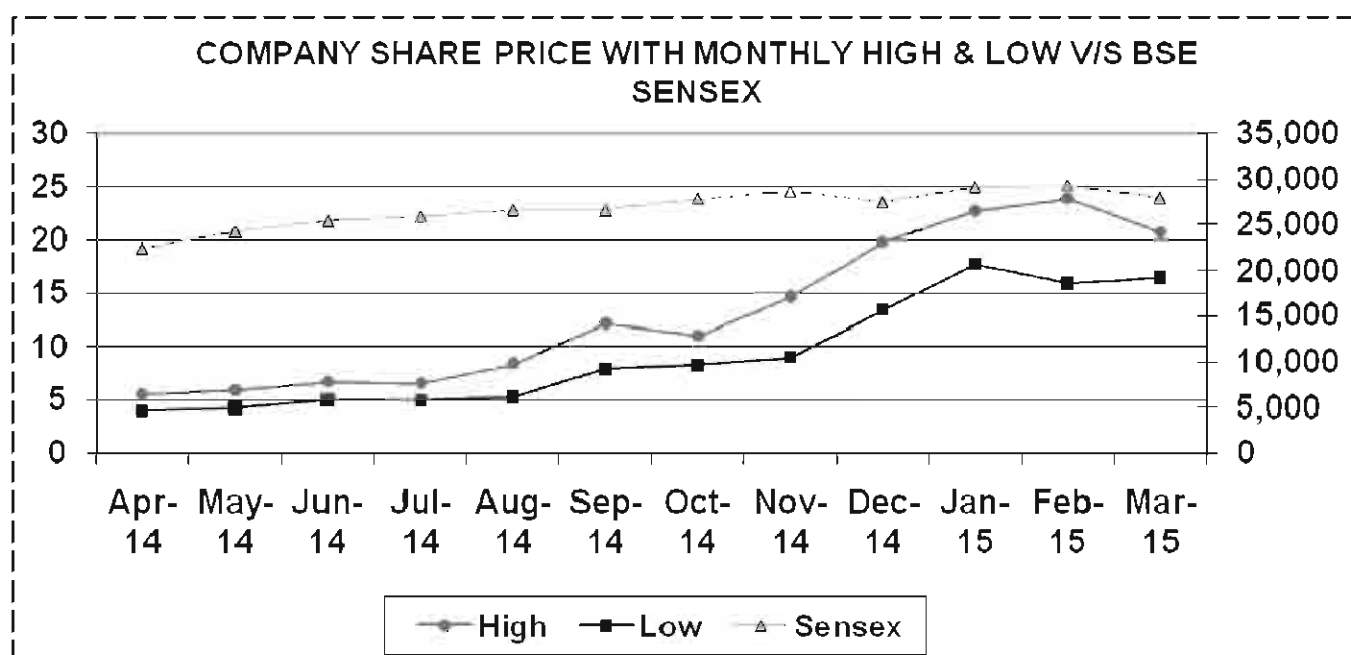
F) Stock Code:

- i. BSE Limited : 531717
- ii. Ahmedabad Stock Exchange Limited : 65175
- iii. ISIN Number for NSDL&CDSL : INE632C01026

G) Market Price Data: High, Low during each month in last financial year*:

Month	No. of Shares	Bombay Stock Exchange (BSE)	
		High (Rs.)	Low (Rs.)
April, 2014	4,30,229	5.58	4.00
May, 2014	4,25,061	5.94	4.30
June, 2014	5,95,740	6.69	5.05
July, 2014	3,96,371	6.55	5.02
August, 2014	12,35,990	8.40	5.32
September, 2014	29,59,967	12.18	7.94
October, 2014	6,63,720	11.00	8.31
November, 2014	37,76,826	14.66	9.02
December, 2014	54,88,546	19.80	13.50
January, 2015	40,14,889	22.70	17.80
February, 2015	30,71,599	23.85	16.00
March, 2015	12,31,163	20.65	16.50

H) Stock Performance comparison with BSE:



*(Source: This information is compiled from the data available on the website of BSE)

I) Registrar and Share Transfer Agents:

Sharex Dynamic (India) Private Limited
 Unit 1, Luthra Industrial Premises
 Andheri Kurla Road, Safed Pool
 Andheri (East), Mumbai- 400072
 Tel.: 022-2851 5606/44, Fax No.: 022-2851 2885

J) 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 and to approve the transfer of shares within the time stipulated in the Listing Agreement and the Companies Act, 2013, the Board has delegated the power of approving transfer, transmission, etc. of the securities of the Company to M/s. Sharex Dynamic (India) Private Limited, Registrar & Share Transfer Agent. The Shareholders send the share certificates alongwith the transfer deeds to the Company directly or to Registrar & Share Transfer Agent for processing and registration

of transfers. Physical transfers are affected well within the time stipulated in the Listing Agreement and the Companies Act, 2013. 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.

K) Distribution of Share: Distribution of shareholding as on March 31, 2015 is as follows:

Category	No. of Shareholders	% of total no. of Shareholders	No. of Shares	% To Total Shares
1-5000	3930	89.12	44,10,571	8.83
5001-10000	219	4.97	17,32,466	3.47
10001-20000	117	2.65	17,92,366	3.59
20001-30000	41	0.93	10,28,495	2.06
30001-40000	27	0.61	9,64,105	1.93
40001-50000	21	0.48	9,69,121	1.94
50001-100000	34	0.77	25,12,028	5.03
Above 100000	21	0.48	3,65,35,848	73.15
Total	4410	100.00	4,99,45,000	100.00

L) Shareholding Pattern: Shareholding Pattern as on March 31, 2015:

Category	No. of Shares Held	%age to Total Capital	No. of Shareholders	%age to total Shareholders
Promoters	3,21,01,000	64.27	2	0.05
Non-Promoters:				
Venture Capital Fund	1,000	0.00	1	0.02
Bodies Corporate	15,32,001	3.07	120	2.72
Public	1,57,52,901	31.54	4209	95.44
NRI'S	4,06,588	0.82	51	1.16
OCB'S	4,700	0.01	1	0.02
Clearing House	1,21,810	0.24	25	0.57
Directors	25,000	0.05	1	0.02
Total	4,99,45,000	100.00	4410	100.00

As on March 31, 2015 and as on the date of this report, none of the Promoters or Promoters' Group of the Company have pledged any shares of the Company.

M) Dematerialization of Shares:

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

The shares of your Company are to be compulsorily traded in the dematerialised form. As on March 31, 2015, 4,92,60,890 Equity Shares comprising of 98.63% of total Subscribed and Fully Paid-up Equity Shares of the Company, have been dematerialised by the Investors and bulk of transfers take place in the demat segment.

N) Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity:

The Company has not issued any ADRs or GDRs, Warrant or any Convertible instruments.

O) Plant Location:

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

P) Investors Correspondence:

Registered Office	Secretarial Department	Registrar & Share Transfer Agents
The Compliance Officer Vidhi Dyestuffs Mfg. Ltd. E/27, Commerce Centre, 78, Tardeo Road, Mumbai – 400034. Tel.: 022-6140 6666 Fax: 022-2352 1980	Vidhi Dyestuffs Mfg. Ltd. E/27, Commerce Centre, 78, Tardeo Road, Mumbai - 400 034.	Sharex Dynamic (India) Private Limited. Unit –1, Luthra Industrial Premises, Andheri Kurla Road, Safed Pool, Andheri (East) Mumbai – 400072. Tel: 022-2851 5606 / 5644 Fax : 022-28512885

II. **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. The Company ensure that all the person being appointed as Independent Director of the Company have the requisite qualifications and experience which would be of use to the Company and which, in the opinion of the Company, would enable them to contribute effectively to the Company in their capacity as Independent Directors.

2. **Shareholder Rights:**

The Company's quarterly and half-yearly results are furnished to the Stock Exchange, also published in the newspapers and also displayed on the web site of the company i.e. www.vidhifoodcolour.com and therefore results were not separately sent to the Members.

3. **Audit Qualifications:**

The Company is in the regime of unqualified financial statements. There are no audit qualifications in the Audit Report for the financial year under review. However, comments given in Annexure to the Auditors' Report are self explanatory.

4. **Separate posts of Chairman and CEO**

The Managing Director of the Company is Chairman of the Company. However, in the Company no person is designated as CEO.

For Vidhi Dyestuffs Manufacturing Limited,

Sd/-
Bipin Manek

Chairman & Managing Director

DIN: **00416441**

Address: Flat No.12, Somerset House,
Off. Bhulabhai Desai Road,
Warden Road, Mumbai - 400026

Date: August 12, 2015

Place: Mumbai

Declaration regarding Code of Conduct:**Pursuant to Clause 49 (II) (E) (2) of the Listing Agreement**

I hereby affirm and declare on behalf of the Board 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 and this is to affirm and declare that all the Directors and Senior Management personnel have affirmed their compliance and adherence with the provisions of the Code of Conduct for the financial year ended March 31, 2015:

- 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,

Bipin M. Manek

**Chairman & Managing Director
(DIN: 00416441)**

**Address: Flat No.12, Somerset House,
Off. Bhulabhai Desai Road,
Warden Road, Mumbai - 400026**

Date: August 12, 2015

Place: Mumbai

CERTIFICATE

Certificate No.: BSC\CERT.AUG. 2015\003-A

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 financial year ended March 31, 2015, as stipulated in Clause 49 of the Listing Agreement entered into with the BSE Limited (BSE) and the Ahmedabad Stock Exchange Limited (ASE).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance as stipulated in the said Clause 49. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the abovementioned Listing Agreement.

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

**For Bhuta Shah & Co.
Chartered Accountants
Firm's Registration No. 101474W**

**CA. Jitendra B. Shah
Partner
Membership No. 033010**

Mumbai, August 12, 2015

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Industry Structure and Developments

Colour is an important ingredient of foods that adds to our enjoyment of eating. Colouring is one of the major segments in the food, drug, healthcare or cosmetic industry. No one can imagine a food, drug or cosmetic products without colour. By adding colours to the products this industry provides wide range of desired shades which will significantly attract large number of Customers.

“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. Further, the increasing disposable incomes, changing lifestyles in emerging countries are driving demand for processed foods. 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 colours enhance visual characteristics of a variety of products resulting in value added end products for different market segments.

The natural food colour segment is expected to dominate the market with Europe and APAC emerging as the fastest growing regions within this market. This shift in trend is largely due to the stringent government regulations concerning the safety issues arising from usage of synthetic food colors. As a result of the health concerns regarding synthetic food colors, manufacturers are now focusing on exploring natural alternatives for synthetic colors. Natural food colors are extracted from vegetables, fruit, minerals and animals. They do not contain any added chemicals while synthetic food colours are made from chemicals. The demand for natural food colours is driving the growth of the food colour market globally.

The world economic growth remained modest at 3.4% in Current Year amidst divergent growth trend in advanced and emerging economies. While the developed economies led by the US & UK continued to strengthen the growth in most emerging economies slowed down during the year. The world economic growth in current year is likely to see moderate improvement. The improvement is expected to be driven mainly by the advanced economies rather than by emerging markets and developing economies.

The Indian economic growth improved to 7.3% in Current Year as compared to 6.9% in Previous Year. While the agriculture sector grew at 0.2%, it is manufacturing that leads the growth at 7.1% during Current Year 2014-15.

2. Opportunities and Threats:

a) Opportunities:

Over this time the food market has changed rapidly with a much larger proportion of food being 'processed' before sale and ready prepared to meet the needs of new consumers such as working mothers, single parent families and the increasing number of older people in the western world. The colour production industry aims to meet food, soft drink and pharmaceuticals manufactures needs by providing a full range of colours to suit all applications, within current legislative constraints.

There has been a strong growth in the dyestuff industry during the last decade. Export opportunities created by the closure of several units in countries, like the USA and countries of EU, due to enforcement of strict pollution control norms, have resulted in a spurt of capacity building in India. India accounts for 12% of the global colorant industry, out of which nearly 2/3rd of output is exported. Production of dyes in India and its exports is expected to grow between 11% and 15% by 2020. Per capita consumption of dyestuff in India is ~50 gms compared to the world average of 300 gms demonstrating a largely untapped domestic market. As per forecast the global natural and synthetic food colour market is predicted to grow at a CAGR of 4.5% during the next five years and to reach \$2.5 billion by 2020. The high demand for processed food is driving the growth of this market.

Processed food industry has done exceedingly well even in the recent turbulent times with more and more people worldwide choosing foods, drinks and other consumables off the self than making it themselves. Your company sees a steady increase in demand of its colours in times to come.

b) Threats, Risks and Concerns:

There are several risks and concern to our industry as listed below:

Competition

We are facing stiff competition in the market with other competitors who are not require or are not treating their effluent. The Company

continuously monitors the business environments and has put in place a framework for identification, assessments and management of risks.

Significant currency appreciation

Significant appreciation in the currency could impact growth as competitive advantages vis-a-vis USA, countries of EU and China could reduce thereby slowing the pace of shifting of volumes from China, USA, countries of EU to India. Further, some of the products are priced on IPP which also could be impacted by significant currency appreciation.

Slow down in Global growth

The slowdown in global Growth could impact the performance of the Industry adversely as exports contribute significantly in overall revenues of the Company. Any slowdown in the Global Growth impacting the end user industry growth will have an adverse impact on the overall growth for the Sector.

Tightening pollution control norms in the Country

Company have invested significantly in pollution control equipments; however, any further tightening of the pollution control norms across the country or by the State Pollution Control Board could have a negative impact on account of increase in capital allocation for meeting the tighter environmental guidelines. Further, product specific restrictions may also impact performance of specific industries.

Further in addition to above there are certain more miscellaneous threats and risks associated with the Company such as:

- Increased in price of Furnace Oil
- Increase in input cost
- Increase in power and fuel cost

Regulations

The stringent food standards regulations by FDA and several regulatory bodies are proving to be a constraint for manufactures. This shift in trend to natural food colours is largely due to the stringent government regulations concerning the safety issues arising from usage of synthetic food colours. For instance Blue #1, used in candy, sports drink and cereals, is banned in countries like Norway, Finland and France. As a result of the health concerns regarding synthetic food colours, manufacturers are now focusing on exploring natural alternatives for synthetic colours.

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

3. Segment-wise or product-wise performance:

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.

The Turnover of the Company during the financial year 2014-15 increased by approx 30% as compared to the previous financial year on account of healthy demand for the Company's products worldwide. The profit after tax of the Company was increased by 107.93% 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.

4. Outlook:

Improved execution efficiencies, cost competitiveness, better supply chain management, control over working capital, efficient utilization of resources, smart bidding strategies, quality products and service offering will enable the business to achieve the desired targets in the medium as well as long terms.

In an endeavour to remain supremely competitive, your Company has undertaken the task of modernizing & installing new process equipments to boost quality & quantity. The new production facility at Plot No. 68 is started from June, 2012, adopting the most cost effective manufacturing practices and changing with changing times, will ensure that the Company continues to grow.

As outlined in our review above more focused approach is formulated to meet specific requirements of individual customer in overseas market & we will capitalize on the goodwill created with our existing customers due to tailor made & cost effective products.

The Indian economy is on a path of gradual recovery. The government has undertaken several steps to unplug the bottlenecks and to revive the business confidence.

Further, in view of positive outlook for growth in food industries will drive demand for food colour. The Management is hopeful in bright future of the Company in coming years.

5. Internal Control Systems and their adequacy:

The Company has effective internal control systems commensurate with the size of the Company to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition. The Management periodically review the performance of various departments, functional and locations and also statutory compliances.

Internal control systems are integral part of Company's corporate governance. Some significant features of internal control system are:

- Adoption and implementation of various Codes, Policies, Guidelines, authorities and approval procedures for effective functions of the Company.
- Ensuring complete compliance with laws, regulations, standards and internal procedures and systems of the Company.
- Protecting the Company's assets/resources from any loss.
- Ensuring the integrity of the accounting system; the proper and authorised recording and reporting of all transactions.
- Preparation and monitoring of annual budgets for all operating and service functions.
- Ensuring a reliability of all financial and operational information.
- The Audit committee regularly reviews audit plans, significant audit findings, adequacy of internal controls, compliance with Accounting Standards etc.
- Designing and implementing various Standard Operating Procedure (SOP).

The internal control systems and procedures are designed to assist in the identification and management of risks, the procedure-led verification of all compliance as well as an enhanced control consciousness.

6. Discussion on financial performance with respect to operational performance:

(i) Highlights of Financial performance:

Particulars	(Rs. In lakhs)		
	2014-15	2013-14	Change (%)
Turnover (1)	18,300.21	14,078.32	30.00%
Other income (2)	657.20	236.21	178.23%
Sub-total (1+2)	18957.41	14,314.53	32.43%
Total Expenditure (Excluding interest)	16,370.42	12,868.40	27.21%
Profit before Interest and Tax	2587.00	1,446.14	78.89%
Operating margin	13.65%	10.10%	35.15%
Profit after Tax	1242.29	597.45	107.93%

(ii) Operational performance:

The year witnessed a sharp increase in the total turnover of the Company by 30% as compared to previous year, also other income of the Company has significantly added to the higher profits of the Company. Thus, the overall performance of the Company has increased the Market Value of the Company. The profit after tax of the Company has increased by 107.93% as Compared to the previous year.

7. Material developments in Human Resources / Industrial Relations front, including number of people employed:

In the ever changing business environment where people are key differentiator, Vidhi believes it is essential to have credible, transparent and uniform people management practices. Driven by this belief and to keep ourselves abreast of the changing external scenario, our People Management Practices get continually reviewed and renewed to make them more competitive and employee friendly.

The Company had total work force of 40 as on March 31, 2015. 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. The Management has healthy relationship with its employees and workers. The Management is working on ground level with worker for keeping conflict free environment. There was no conflict with workers in the organization during the current year.

8) Safety and Ecology

Your Company believes in maintaining highest standards of safety. The Company is committed to operating plants with safety features in mind. The factory at Roha continues to achieve considerable success in the prevention of accidents by adhering to strict guidelines.

There was major break down of one of the critical equipment at the Company's factory premises situated at 68, MIDC, Dhatav, Roha, Dist. Raigad, Maharashtra - 402 116, on September 07, 2014, which affected approx 25%-30% of production of food colours. The said equipment had been successfully repaired/ replaced and is in full use. This was the first case of accident in Company since incorporation. The Company has assessed the reasons of the accident and improved the safety process to prevent any such kind of accident in future. In this front the Company has appointed safety consultant, conducted 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 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 maintain schedules has also reduced downtime of critical equipments, which in turn has increased operational efficiency and has reduced costs.

Independent Auditor's Report

To the Members of
Vidhi Dyestuffs Manufacturing Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Vidhi Dyestuffs Manufacturing Limited ("the company")**, which comprise the balance sheet as at 31 March 2015, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2015 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

- (c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. There are neither long-term contracts nor derivative contracts and hence no provision, is required under the applicable law or accounting standards, for material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Bhuta Shah & Co.
Chartered Accountants
Firm's Registration Number: 101474W

Jitendra B. Shah
Partner
Membership Number: 033010

Mumbai, 30 May 2015

Annexure to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2015, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (ii) (a) According to information and explanation provided to us, physical verification of inventory has been conducted at reasonable intervals by the management.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business. The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans to persons covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraph (iii)(b) and (iii)(c) of the Order are not applicable to the Company.
- (iv) There is no formal internal audit system. However, in our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and sale of services. The activities of the Company do not involve purchase of inventory and the sale of goods. We have not observed any major weakness in the internal control system during the course of the audit.
- (v) The Company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the books of account and records maintained by the Company relating to the manufacture of synthetic food colors, Dyes and chemicals, pursuant to the order made by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a

view to determining whether they are accurate or complete, as the examination of the records are to be made by a Cost Auditor.

- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in respect of undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, employees state insurance, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, employees state insurance, cess and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no material dues of provident fund, income tax, wealth tax, service tax, duty of customs, employees state insurance, cess and other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of sales tax and value added tax have not been deposited by the Company on account of disputes:

Name of the Statute	Nature of Dues	Amount	Year to which it relates	Forum where is dispute pending
MVAT Act,2005	CST	8,68,350/-	2005-06	Sales Tax Officer Appeal Division
MVAT Act,2005	CST	92,015/-	2006-07	Sales Tax Officer Appeal Division
MVAT Act,2005	VAT	1,15,387/-	2009-10	Sales Tax Officer Appeal Division
MVAT Act,2005	CST	1,01,165/-	2009-10	Sales Tax Officer Appeal Division

- (b) According to the information and explanations given to us the amounts, which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under has been transferred to such fund within time.
- (viii) The Company does not have any accumulated losses at the end of the financial year and has not incurred any cash losses in the financial year and in the immediately preceding financial year.
- (ix) The Company has not defaulted in repayment of dues to a financial institution or bank or debenture holders during the year.
- (x) In our opinion and according to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) a. The Company has term loans outstanding during the year from Vijaya Bank of Rs. 1,61,46,497/- and from Bajaj Alliance Life Insurance Company Ltd. of Rs. 90,81,595/-.
- b. The term loans are utilized for the purpose for which they were obtained.
- (xii) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For Bhuta Shah & Co.
Chartered Accountants
Firm's Registration Number: 101474W

Jitendra B. Shah
Partner
Membership Number: 033010

Mumbai, 30 May 2015

Balance Sheet as at 31st March, 2015

₹ in Lakhs

Particulars	Note No.	As at 31-03-2015	As at 31-03-2014
Equity and Liabilities			
Shareholders' Funds			
(a) Share capital	2	500.20	500.20
(b) Reserves and surplus	3	4,021.82	3,091.66
		<u>4,522.02</u>	<u>3,591.86</u>
Non-Current Liabilities			
(a) Long-term borrowings	4	198.23	219.31
(b) Deferred tax liabilities (Net)	5	120.56	117.58
		<u>318.79</u>	<u>336.89</u>
Current Liabilities			
(a) Short-term borrowings	6	4,416.32	4,024.35
(b) Trade payables	7	2,861.96	1,707.52
(c) Other current liabilities	8	535.65	295.26
(d) Short-term provisions	9	433.15	71.24
		<u>8,247.08</u>	<u>6,098.37</u>
		<u>13,087.89</u>	<u>10,028.11</u>
Assets			
Non-Current assets			
(a) Fixed assets			
- Tangible assets	10	1,700.36	1,794.29
- Capital Work in Progress		870.30	---
(b) Non-current investments	11	12.56	12.56
(c) Long-term Loans and Advances	12	116.79	93.38
		<u>2,700.01</u>	<u>1,900.23</u>
Current assets			
(a) Inventories	13	3,840.11	2,638.04
(b) Trade receivables	14	4,700.70	4,354.79
(c) Cash and Bank Balance	15	680.90	342.16
(d) Short-term loans and advances	16	1,040.21	672.02
(e) Other current assets	17	125.96	119.86
		<u>10,387.88</u>	<u>8,126.88</u>
		<u>13,087.89</u>	<u>10,027.11</u>
Significant accounting policies	1		
Notes to the financial statements	2-32		

The notes referred to above form an integral part of these financial statements

As per our report of even date
For Bhuta Shah & Co.
Chartered Accountants
Firm Registration No.101474W

Jitendra B. Shah
Partner
Membership No. 033010
Mumbai, 30 May, 2015

For and on behalf of the Board of Directors

Bipin M. Manek
Chairman and
Managing Director
Mumbai, 30 May, 2015

Mihir B. Manek
Joint Managing
Director

Statement of Profit and Loss for the year ended 31st March, 2015

₹ in Lakhs

Particulars	Note No.	2015	2014
Income			
Revenue from operations	18	18,300.21	14,078.31
Other operating income	19	577.07	198.13
Other income	20	80.13	38.08
		<u>18,957.41</u>	<u>14,314.52</u>
Expenditure			
Cost of material consumed	21	7,108.72	5,079.80
Purchases of stock-in-trade	22	8,113.53	5,505.25
Changes in Inventories of finished goods, work in progress and stock-in-trade	23	(1,601.77)	(93.17)
Employee Benefits Expenses	24	285.01	219.25
Finance cost	25	610.78	533.68
Depreciation expenses	10	162.98	197.48
Other expenses	26	2,301.95	1,959.78
		<u>16,981.20</u>	<u>13,402.07</u>
Profit before exceptional and extraordinary items and tax		1,976.21	912.46
Exceptional items		48.90	---
		<u>1,927.31</u>	<u>912.46</u>
Profit before extraordinary items and tax		1,927.31	912.46
Extraordinary items		---	---
		<u>1,927.31</u>	<u>912.46</u>
Profit before tax		1,927.31	912.46
Tax expense			
- Current year		680.00	299.85
- Deferred tax		2.98	6.33
- Earlier year		2.05	8.83
		<u>685.03</u>	<u>315.01</u>
Profit for the period from continuing operations		1,242.29	597.45
Earnings per equity share			
Basic and Diluted		2.49	1.20
Significant accounting policies	1		
Notes to the financial statements	2-32		

The notes referred to above form an integral part of these financial statements

As per our report of even date
For Bhuta Shah & Co.
Chartered Accountants
Firm Registration No.101474W

Jitendra B. Shah
Partner
Membership No. 033010
Mumbai, 30 May, 2015

For and on behalf of the Board of Directors

Bipin M. Manek
Chairman and
Managing Director
Mumbai, 30 May, 2015

Mihir B. Manek
Joint Managing
Director

Cash flow statement for the year ended 31st March 2015

₹ in Lakhs

Particulars	Note No.	2015	2014
Cash flow from operating activities			
Profit before tax		1,927.31	912.46
Adjustments for :			
Bad Debts		20.84	26.96
Depreciation		162.98	197.48
Interest expense		610.78	533.68
Sundry Balances written off (net)		21.97	4.21
(Profit)/Loss on sale of fixed assets		---	11.30
Loss on Asset destroyed		41.44	---
Interest income		(32.39)	(26.01)
Dividend income		(0.15)	(0.25)
		<u>825.48</u>	<u>747.37</u>
Operating profit before working capital changes		2,752.79	1,659.83
Increase in inventories		(1,202.07)	(533.80)
Increase in trade receivables, loans and advances and other current assets		(784.46)	(413.59)
Increase in trade and payables other liabilities		1,452.15	302.01
		<u>(534.39)</u>	<u>(645.38)</u>
Net change in working capital		(534.39)	(645.38)
Cash generated from Operations		2,218.40	1,014.44
Direct taxes paid		(498.84)	(349.47)
		<u>1,719.56</u>	<u>664.97</u>
Net cash provided by operating activities	A	1,719.56	664.97
Cash flow from investing activities			
Purchase of fixed assets		(120.49)	(80.19)
Increase in Capital WIP		(870.30)	---
Proceeds from sale of fixed assets		---	2.31
Dividend received		0.15	0.25
Interest received		32.39	26.01
		<u>(958.24)</u>	<u>(51.62)</u>
Net cash used in investing activities	B	(958.24)	(51.62)
Cash flow from financing activities			
Dividend Paid		(125.37)	(199.78)
Interest paid		(610.78)	(533.68)
Increase / (Decrease) in long term borrowings		(73.60)	(114.95)
Increase / (Decrease) in short term borrowings		391.97	188.87
		<u>(417.79)</u>	<u>(659.54)</u>
Net cash used in financing activities	C	(417.79)	(659.54)
Net increase /(decrease) in cash and cash equivalents (A+B+C)		343.53	(46.19)
Cash and cash equivalents at the beginning of the year		337.39	383.58
		<u>680.92</u>	<u>337.39</u>
Cash and cash equivalents at the end of the year		680.92	337.39

As per our report of even date

As per our report of even date
For Bhuta Shah & Co.
Chartered Accountants
Firm Registration No.101474W

Jitendra B. Shah
Partner
Membership No. 033010
Mumbai, 30 May, 2015

For and on behalf of the Board of Directors

Bipin M. Manek
Chairman and
Managing Director
Mumbai, 30 May, 2015

Mihir B. Manek
Joint Managing
Director

Notes forming part of the financial statements as at 31st March, 2015

Company Overview:

Vidhi Dyestuffs Manufacturing Limited ("the Company") was incorporated on 19th January, 1994 and is engaged in the business of manufacturing and trading in synthetic food colors and trading in chemicals. The registered office of the company is at E/27, Commerce Centre, 78, Tardeo Road, Mumbai – 400034.

1. Significant Accounting Policies:

a. Basis of Preparation of Financial Statements:

The financial statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects the relevant provisions of the Companies Act, 2013 ("the Act"), Accounting Standards notified by the Companies (Accounts) Rules, 2014 and guidelines issued by the Securities and Exchange Board of India (SEBI). The financial statements have been prepared under the historical cost convention on accrual basis. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

b. Use of Estimates:

Preparation of financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Management believes that the estimates made in the preparation of the financial statements are prudent and reasonable. Actual results could differ from those estimates. Any revision of accounting estimates is recognised prospectively in current and future periods.

c. Revenue Recognition:

Revenue from sale of products is recognized on transfer of all significant risk and rewards of ownership 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 time proportion basis.

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

d. Inventories:

Inventories comprise all cost of purchase, cost of conversion and other costs including manufacturing overheads 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-Out 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 statement of profit and loss 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 and amortization. The costs of fixed assets include taxes, duties, freight, borrowing cost 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 (SLM) at the rates and in the manner specified in Schedule II to the Act.

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.

Depreciation on assets acquired / disposed off during the year has been provided on a pro-rata basis from the date of addition or up to the date of disposal as applicable.

f. Foreign Currencies:

Foreign Currency transactions are accounted at the exchange rates prevailing on the date of the transaction. Foreign currency monetary items outstanding at the Balance Sheet date are reported using 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 statement of profit and loss.

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 and quoted /fair value, computed separately in respect of each category of investments.

h. Employee Benefits:

a. Short-Term Employee Benefits: Recognized as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

b. Post-Employment Benefits:

i. Defined Contribution Plans: The Company's approved provident fund scheme is defined contribution plan. The company's contribution paid / payable under the Employees' Provident Fund Scheme 1952 is recognized as expenses in the statement of profit and loss 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 on 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 statement of profit and loss.

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, after considering MAT Credit available.

Provision for wealth tax is made as per the provisions of the Wealth-Tax Act, 1957.

Deferred tax resulting from "timing differences" between taxable and accounting income on account of depreciation is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the Balance Sheet date. Deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future.

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.

Additional duty on import (ADI) paid on import of chemicals is refundable on fulfillment of certain conditions within a period of 1 year from the Bill of Entry. Therefore Additional duty on import so paid is shown as receivable in financial. The duty which is not refundable is charged to profit and loss account.

k. Provision, Contingent Liabilities and Contingent Assets:

Provisions are recognized when the company 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 obligation.

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

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

l. Impairment of Assets:

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the statement of profit and loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

Notes forming part of the financial statements as at 31st March, 2015

₹ in Lakhs

Particulars	2015	2014
2. Share Capital		
Authorised Share Capital:		
60,000,000 Equity Shares of ₹ 1/- each	<u>600.00</u>	<u>600.00</u>
Issued:		
50,034,000 Equity Shares of ₹ 1/- each	<u>500.34</u>	<u>500.34</u>
Subscribed and Fully Paid up:		
49,945,000 Equity Shares of ₹ 1/- each	<u>499.45</u>	<u>499.45</u>
Forfeited Shares	<u>0.75</u>	<u>0.75</u>
	<u>500.20</u>	<u>500.20</u>
i. Rights of Equity Shareholders		
The Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.		
In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.		
The Shareholders have all other rights as available to equity shareholders as per the provisions of the Companies Act, 2013, read together with the Memorandum of Association and Articles of Association of the Company, as applicable.		
ii. The reconciliation of the number of shares outstanding is set out below:		
Shares outstanding at the beginning of the year	499.45	499.45
Shares issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	<u>499.45</u>	<u>499.45</u>
iii. Details of shareholders holding more than 5% shares in the company		
Name of Shareholder	No. of Shares	% of Holding
	2015	2014
	No. of Shares	% of Holding
Bipin M. Manek	14,110,333	28.25
Pravina B. Manek	17,990,667	36.02
	14,110,333	28.25
	17,990,667	36.02
3 Reserve and Surplus		
General Reserve	211.45	165.56
Add: Profit and Loss Account	175.73	45.89
Less: Transitional Depreciation	10.02	-
	<u>377.16</u>	<u>211.45</u>
Surplus from Statement of Profit and Loss		
Opening Surplus	2,880.21	2,562.73
Add: Surplus for the year	1,242.29	597.42
Less: Interim Dividend	124.86	199.78
Less: Proposed Final Dividend	124.86	-
Less: Dividend Distribution Tax	51.13	33.95
Less: Interest on Dividend Distribution Tax	0.51	0.32
Less: Transfer to General Reserve	175.73	45.89
Less: Provision for Wealth Tax AY 2015-16	0.76	-
	<u>3,644.66</u>	<u>2,880.21</u>
	<u>4,021.82</u>	<u>3,091.66</u>

Notes forming part of the financial statements as at 31st March, 2015

₹ in Lakhs

Particulars	2015		2014	
	Non - Current	Current	Non - Current	Current
4. Long Term Borrowings				
Secured Loans				
a) Term Loans - from banks				
HDFC Bank-		-	-	39.25
Vijaya Bank	121.46	40.00	141.60	52.00
b) Term Loans - from others				
Bajaj Allianz Life Insurance Company Limited	76.77	14.05	77.71	15.32
	<u>198.23</u>	<u>54.05</u>	<u>219.31</u>	<u>106.57</u>

4.1 Nature of Security

- i. Term Loan from HDFC bank is secured as under:

Primary Security

First charge on Movable and Immovable assets financed under HDFC Bank Term loan with second charge to Vijaya bank (on repayment of term loan of HDFC Bank, the said securities will be shared on Pari Passu basis with Vijaya Bank in respect of working capital loan)

Collateral Security

1. First Pari Passu charge in favour of HDFC Bank with Vijaya Bank by way of mortgage of Property mentioned as per below details:

Property Description	Type of Property	Owned by
a. Factory Land and Building situated at Plot No. 59B, Roha Industrial Area, MIDC Dhatav, Raigad	Industrial Unit	Vidhi Dyestuff Manufacturing Limited
b. E/27 Commerce Centre, 78 Tardeo Road, Near Tardeo Airconditioned Market, Mumbai- 400038	Commercial Office	Jointly owned by : Mrs. Pravina Manek-Director and Alka Modi- Ex Director

2. First charge on movable and immovable assets financed under HDFC Term Loan with second charge to Vijaya Bank (on repayment of term loan of HDFC Bank, the said securities will be shared on Pari Passu basis with Vijaya Bank in respect of working capital loans.)

Property Description	Type of Property	Owned by
Factory Land and Building situated at Plot No. 68, Roha Industrial Area, MIDC Dhatav, Raigad	Industrial Unit	Vidhi Dyestuffs Manufacturing Limited

- ii. Term Loan from Vijaya bank is secured as under:

Primary Security

First charge on plant and machinery to be purchased from the Term Loan disbursed by the said bank

Collateral Security

1. First pari passu charge with HDFC Bank on all fixed assets of the company such as land and building, plant and machinery having value as stated in audited financial statements as at 31st March 2011.
2. First pari passu charge with HDFC bank on office premises as per below mentioned details

Property Description	Type of Property	Owned by
E/27 Commerce Centre, 78 Tardeo Road, Near Tardeo Airconditioned Market, Mumbai- 400038	Commercial Office	Jointly owned by : Mrs. Pravina Manek-Director and Alka Modi- Ex Director

3. Lien on Term Deposits of ₹ 441.11 lacs
4. Second charge on new unit at Plot no. 68, MIDC, Roha financed under term loan availed from HDFC Bank.

- iii. Loan from Bajaj Allianz is secured against Keyman Insurance Policies.

Terms of Repayment

- i. Term loan from Vijaya Bank is to be repaid in 20 equal quarterly instalments reckoned from the date of first drawdown on 28th December 2011.
- ii. Term loan from Bajaj Allianz Life Insurance Company Limited will be repaid through maturity proceeds of Keyman Insurance policies commencing from 22nd December 2013

Notes forming part of the financial statements as at 31st March, 2015

₹ in Lakhs

Particulars	2015	2014
5. Deferred Tax Liabilities (Net)		
Deferred tax is attributable to depreciation		
Opening Balance	117.58	111.25
Add: For the year	2.98	6.33
	<u>120.56</u>	<u>117.58</u>
6. Short Term Borrowings		
A) Secured Loans		
Repayable on demand - from banks		
HDFC Bank	344.35	363.56
Vijaya Bank	3,711.32	3,478.86
	<u>4,055.67</u>	<u>3,842.42</u>
B) Unsecured Loans		
Repayable on demand - from banks		
Standard Chartered Bank	360.65	181.93
	<u>4,416.32</u>	<u>4,024.35</u>
Nature of Security (Refer Note 4.1)		
i. Working capital loan from HDFC bank is secured as under:		
Primary Security		
1. First Pari Passu charge in favour of HDFC Bank with Vijaya Bank by way of hypothecation of stocks and book debts of the company.		
2. First Pari Passu charge in favour of HDFC Bank with Vijaya Bank by way of hypothecation of existing movable and immovable asset including plant and machinery of the company.		
ii. Working capital loan from Vijaya bank is secured as under:		
Primary Security		
1. First Pari Passu charge by way of hypothecation of fully insured raw material, work in progress and finished goods comprising of food colours and other material.		
iii. Loan from Standard Chartered bank is secured by personal assets of a director.		
7. Trade Payables		
- Micro, Small and Medium Enterprises	0.28	0.68
- Others		
Goods	2,619.48	1,429.43
Expenses	201.84	255.39
Stores and Spares	40.36	22.02
	<u>2,861.96</u>	<u>1,707.52</u>

7.1 The details of amount outstanding to parties registered under Micro, Small and Medium Enterprises Development Act, 2006 based on the available information with the company is as under:

Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest due and payable in the succeeding years	-	-

7.2 In the opinion of the directors, trade payables and other current liabilities have the value at which they are stated in the balance sheet. Trade Payables and Advances are subject to confirmation. Periodically, the company evaluates all supplier dues for payment.

Notes forming part of the financial statements as at 31st March, 2015

₹ in Lakhs

Particulars	2015	2014
8. Other Current Liabilities (Refer note : 7.2)		
Current maturities of long - term debts (Refer Note: 4)	54.05	106.57
Advance received from buyers	0.56	110.34
Payable for capital goods	382.29	22.30
Other payables	98.74	51.26
Bank Overdraft	-	4.78
	535.65	295.26
9. Short Term Provisions		
Provision for taxation (net of Advance tax and TDS)	282.72	71.24
Proposed Dividend	124.86	-
Dividend Distribution Tax	25.57	-
	433.15	71.24

10. Fixed Assets

Particulars	Tangible Asset under lease	Tangible Assets not under lease												
		Land	Land	Factory Building	Administrative Building	Furniture & Fixtures	Office Premises	Office Equipments	Plant and Machinery	Electrical Installation	Computers	Telephones	Vehicles	Total
Gross Block														
At 1 April 2014	36.38	3.75	807.59	29.15	10.79	1.58	12.40	2,125.94	-	18.28	4.75	142.88	3,193.49	
Additions	-	-	-	-	-	-	-	120.50	-	-	-	-	120.50	
Deductions / adjustments	-	-	-	-	-	-	-	55.71	14.27	-	-	-	69.98	
At 31st March 2015	36.38	3.75	807.59	29.15	10.79	1.58	12.40	2,190.73	14.27	18.28	4.75	142.88	3,272.55	
Accumulated Depreciation														
At 1 April 2014	4.77	-	152.30	7.45	9.54	0.46	4.83	1,170.75	-	17.14	2.09	29.85	1,399.18	
Charge for the period ended 31st March 2015	0.42	-	27.71	1.56	0.21	0.09	1.26	102.25	8.65	0.91	0.67	19.05	162.98	
Deductions / adjustments	-	-	-	-	-	-	-	3.97	3.97	-	-	-	7.94	
Transferred to GR (Transitional Depreciation)	-	-	-	-	0.34	-	4.98	3.75	-	0.23	0.72	-	10.02	
At 31st March 2015	5.19	-	180.01	9.02	10.09	0.56	11.07	1,272.78	12.82	18.28	3.48	48.90	1,572.19	
Net Block														
At 31st March 2015	31.19	3.75	627.58	20.13	0.70	1.02	1.34	917.94	1.46	-	1.27	93.97	1,700.36	
<i>Previous Year's Figures</i>														
Gross Block														
At 1 April 2013	36.38	3.75	807.59	29.15	10.79	1.58	12.40	2,054.78	-	17.53	4.47	170.42	3,148.84	
Additions	-	-	-	-	-	-	-	71.16	-	0.75	0.28	8.00	80.19	
Deductions / adjustments	-	-	-	-	-	-	-	-	-	-	-	35.54	35.54	
At 31st March 2014	36.38	3.75	807.59	29.15	10.79	1.58	12.40	2,125.94	-	18.28	4.75	142.88	3,193.49	
Accumulated Depreciation														
At 1 April 2013	4.38	-	125.32	6.98	9.30	0.44	4.24	1,015.85	-	16.48	1.87	38.81	1,223.64	
Charge for the period ended 31st March 2014	0.42	-	26.97	0.48	0.25	0.03	0.59	154.90	-	0.65	0.22	12.97	197.48	
Deductions / adjustments	-	-	-	-	-	-	-	-	-	-	-	21.93	21.93	
At 31st March 2014	4.77	-	152.30	7.45	9.54	0.46	4.83	1,170.75	-	17.14	2.09	29.85	1,399.18	
Net Block														
At 31st March 2013	31.61	3.75	655.29	21.70	1.24	1.12	7.57	955.19	-	1.14	2.66	113.03	1,794.31	

Notes forming part of the financial statements as at 31st March, 2015

₹ in Lakhs

Particulars	2015	2014
11. Non-Current Investments		
<i>(At cost - Non trade - long term)</i>		
Investment in quoted equity instruments:		
Face Value of ₹ 10 each		
622 shares (2014:423) Coal India Limited	1.45	1.45
1380 shares (2014: 1380) Birla Machining and Toolings Limited	1.04	1.04
3616 shares (2014: 2411) Diamines and Chemicals Limited	1.85	1.85
10057 shares (2014: 10057) Ontrack Systems Limited	5.81	5.81
889 shares (2014: 593) Power Grid Corporation of India Limited	0.76	0.76
500 shares (500 shares) Roman Tarmat Limited	1.65	1.65
	<u>12.56</u>	<u>12.56</u>
Aggregate Market Value of quoted investments	4.87	5.62
12. Long-term Loans and Advances		
<i>(Unsecured, considered good)</i>		
Capital Advances	28.65	2.12
Deposits	88.14	91.26
	<u>116.79</u>	<u>93.38</u>
13. Inventories		
<i>(As taken, valued and certified by management)</i>		
Raw Materials		
- stock-in-hand	626.20	958.60
- goods in transit	252.69	266.47
Work in Progress	190.90	206.64
Finished Goods	495.54	449.93
Stock-in-trade		
- stock-in-hand	1,090.12	508.74
- goods in transit	1,184.66	247.66
	<u>3,840.11</u>	<u>2,638.04</u>
14. Trade Receivables (Refer note : 14.1)		
-Debt outstanding for a period exceeding six months from the date they are due for payment:		
Unsecured, considered good	191.20	303.21
Unsecured, considered doubtful	-	-
Less: Provision for doubtful debts	-	-
	<u>191.20</u>	<u>303.21</u>
-Others:		
Unsecured, considered good	4,509.50	4,051.58
	<u>4,700.70</u>	<u>4,354.79</u>

14.1 In the opinion of the directors, trade receivables, 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.

Notes forming part of the financial statements as at 31st March, 2015

₹ in Lakhs

Particulars	2015	2014
15. Cash and Bank Balance		
Balance with Scheduled Banks :		
- in current accounts	213.20	36.82
- in margin money accounts	455.63	296.77
- in unpaid dividend account	4.29	3.52
Cash on hand	7.78	5.05
	<u>680.90</u>	<u>342.16</u>
16. Short-term Loans and Advances (Refer note : 14.1)		
<i>Unsecured, considered good</i>		
Advance to suppliers	207.08	68.07
Balance with Revenue Authorities	794.97	548.33
Others	38.16	55.63
	<u>1,040.21</u>	<u>672.03</u>
17. Other Current Assets (Refer note : 12.1)		
Accrued Interest	9.84	5.40
Export Incentives Receivables	111.42	111.71
Refund of Wealth Tax AY 12-13	1.95	-
Income Tax AY 13-14 (Assets)	2.75	2.75
	<u>125.96</u>	<u>119.86</u>
18. Revenue from Operations		
- Revenue from Manufacturing Activities of food colors		
Export Sales	11,327.61	8,674.05
Local Sales	669.52	458.34
	<u>11,997.13</u>	<u>9,132.39</u>
Less: Excise Duty	394.56	395.47
A	<u>11,602.57</u>	<u>8,736.92</u>
- Revenue from Trading Activities of chemicals		
Local Sales	7,363.06	5,841.54
	<u>7,363.06</u>	<u>5,841.54</u>
Less: Excise Duty	665.42	500.15
B	<u>6,697.64</u>	<u>5,341.39</u>
(A+B)	<u>18,300.21</u>	<u>14,078.31</u>
Earnings in Foreign Currency		
F.O.B. Value of Exports	10,849.06	7,834.48
19. Other Operating Revenue		
Export Incentives	205.10	197.39
Net gain on foreign currency transaction and translation	371.70	-
Profit on sale of License	0.27	0.74
	<u>577.07</u>	<u>198.13</u>

Notes forming part of the financial statements as at 31st March, 2015

₹ in Lakhs

Particulars	2015	2014
20. Other Income		
Interest received	32.39	26.01
Dividend received	0.15	0.25
Discount received	34.77	11.82
Proceeds on Maturity of Keymen Policy	12.82	-
	<u>80.13</u>	<u>38.08</u>
21. Cost of Material Consumed		
Opening Stock of:		
-Raw materials and Packing material	844.29	622.61
-Stock in Transit	266.47	47.53
Purchase of:		
-Raw materials	5,963.94	5,040.14
-Packing material	218.82	186.04
-Fuel	268.37	121.89
Less: Closing Stock of:		
-Raw Material and Packing Materials	458.37	844.29
-Stock in transit	252.69	266.47
Labour charges	257.89	172.37
	<u>7,108.72</u>	<u>5,079.80</u>
Details of material consumed:		
Chemicals, Dyes and Intermediates	6,373.58	4,769.74
Packing material	216.40	180.63
Fuel	260.85	129.43
	<u>6,850.83</u>	<u>5,079.80</u>
Imported	4,336.21	3,064.99
Indigenous	2,514.62	2,014.81
	<u>6,850.83</u>	<u>5,079.80</u>
Imported (%)	63.29	60.34
	<u>36.71</u>	<u>39.66</u>
	<u>100.00</u>	<u>100.00</u>
Value of Imports on C.I.F. basis		
Raw Materials	<u>3,484.64</u>	<u>2,823.43</u>
22. Purchases of Stock-in-Trade		
Purchase of Chemicals:		
Others	8,113.53	5,505.25
	<u>8,113.53</u>	<u>5,505.25</u>
Value of Imports on C.I.F. basis		
Trading Purchases of Chemicals	<u>7,732.10</u>	<u>4,129.47</u>

Notes forming part of the financial statements as at 31st March, 2015

₹ in Lakhs

Particulars	2015	2014
23. Changes in inventories of finished goods, work in progress and stock-in-trade		
Opening Stock of:		
Finished goods	449.93	621.57
Work-in-progress	320.95	432.87
Trading goods	756.40	379.67
	<u>1,527.28</u>	<u>1,434.11</u>
Less: Closing Stock of:		
Finished goods	495.54	449.93
Work-in-progress	358.73	320.95
Trading goods	2,274.79	756.40
	<u>3,129.05</u>	<u>1,527.28</u>
	<u>(1,601.77)</u>	<u>(93.17)</u>
<p>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 profit. The amount of excise duty payable on finished goods not cleared as at 31st March, 2015 are ` 61,24,863/- (Previous year ` 55,61,121)</p>		
24. Employee Benefits Expenses		
Factory Salaries and Wages	88.56	71.60
Office Salaries and Wages	47.82	44.32
Bonus	10.45	10.34
Remuneration & Commission to Directors	113.31	69.71
Contribution to Provident and Other Funds	5.57	4.56
Staff Welfare Expenses	19.30	18.73
	<u>285.01</u>	<u>219.25</u>
Actuarial assumptions for contribution towards gratuity fund		
Method of valuation	Projected Unit Credit Method	Projected Unit Credit Method
Discount rate	8% p.a	8% p.a
Rate of increase in compensation levels	4%	4%
Withdrawal rate (depending on age factor)	1% to 3%	1% to 3%
25. Finance Cost		
Interest on Long Term Borrowings	50.29	46.44
Interest on Short Term Borrowings	39.95	51.04
Interest on Bill Discounting and PCL	375.01	323.94
Interest on Others	6.35	11.42
Bank Charges	95.01	73.00
Loan Processing Charges	44.17	27.85
	<u>610.78</u>	<u>533.68</u>

Notes forming part of the financial statements as at 31st March, 2015

₹ in Lakhs

Particulars	2015	2014
26. Other expenses		
<i>Manufacturing and Operating Expenses</i>		
Clearing and forwarding	168.44	85.61
Freight and octroi charges	141.26	99.20
Insurance charges	10.34	10.13
Power charges	327.90	315.11
Professional and consultancy fees	7.23	7.74
Repairs and Maintenance	402.84	334.81
Stores and spares consumed	92.19	73.32
Warehousing charges	13.77	10.23
Import Charges	143.50	15.02
Miscellaneous manufacturing and operating expenses	273.51	337.44
A	1,580.99	1,288.61
<i>Administrative Expenses</i>		
Bad Debts	20.84	26.96
Guarantee commission to directors	90.00	46.80
Keyman insurance premium	-	3.09
Net loss on foreign currency transaction and translation	-	67.86
<u>Payment to auditors</u>		
-Statutory Audit	6.50	6.00
-Tax Audit	1.50	1.00
-Certification and Others Charges	2.00	1.75
-Representation Services	3.60	-
Printing and stationery	19.00	11.09
Communication expenses	7.30	6.35
Electricity expenses	3.16	4.07
Rent rates and taxes	4.64	5.48
Professional and consultancy charges	26.35	19.90
Sundry balances written off	21.97	4.21
Technical director's remuneration	3.00	3.00
Loss on Sale of Fixed Assets	-	11.30
Miscellaneous administrative expenses	80.97	67.89
B	290.83	286.75
<i>Selling and Distribution Expenses</i>		
Advertisement	3.02	4.32
Business promotion	9.83	15.15
Clearing and forwarding	32.46	32.19
Commission expenses	31.32	46.42
E. C. G. C. premium	16.54	17.37
Exhibition and trade fair expenses	9.42	8.53
Foreign travelling expenses	3.49	11.86
ISI / FDA marketing fees	39.72	27.87
Freight and Octroi Charges	201.09	150.26
Terminal handling charges	39.00	25.74
Miscellaneous distribution and selling expenses	44.25	44.71
C	430.13	384.42
(A + B + C)	2,301.95	1,959.78

Notes forming part of the financial statements as at 31st March, 2015

₹ in Lakhs

Particulars	2015	2014
26.1 Expenditure in Foreign Currency		
Commission on export sales	2.92	12.38
Traveling Expenses	1.98	11.76
Exhibition and Trade Fair expenses	9.42	8.53
FDA Marking fees	39.72	27.87
	54.04	60.54

27. Related Party Disclosures:

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

Key management personnel, relatives and related partiesKey management personnel

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

Enterprises over which key management personnel have significant influence:

1. Arjun Food Colorants Manufacturing Private Limited

Nature of transactions	2015			2014		
	Key management personnel	Relatives and Related parties of Key Management Personnel	Enterprises over which key management personnel have significant influence	Key management personnel	Relatives and Related parties of Key Management Personnel	Enterprises over which key management personnel have significant influence
Transactions during the year						
<u>Managerial Remuneration</u>						
Bipin Manek	56.65	-	-	34.85	-	-
Mihir Manek	56.65	-	-	34.85	-	-
	114.00	-	-	69.71	-	-
<u>Technical Director Remuneration</u>						
Vijay K Atre	3.00	-	-	3.00	-	-
	3.00	-	-	3.00	-	-
<u>Bank Guarantee Commission</u>						
Praveena Manek	45.00	-	-			
Bipin Manek	45.00	-	-	46.80	-	-
	90.00	-	-	46.80	-	-
<u>Remuneration to Factory Manager</u>						
Ajay V. Pande	4.29	-	-	3.75	-	-
	4.29	-	-	3.75	-	-

Notes forming part of the financial statements as at 31st March, 2015

Nature of transactions	2015			2014		
	Key management personnel	Relatives and Related parties of Key Management Personnel	Enterprises over which key management personnel have significant influence	Key management personnel	Relatives and Related parties of Key Management Personnel	Enterprises over which key management personnel have significant influence
Outstanding Receivables						
Security Deposit						
Pravina B. Manek	-	-	20.00	-	-	20.00
	-	-	20.00	-	-	20.00

Summary of Related Party Transactions

Nature of transactions	2015			2014		
	Key management personnel	Relatives and Related parties of Key Management Personnel	Enterprises over which key management personnel have significant influence	Key management personnel	Relatives and Related parties of Key Management Personnel	Enterprises over which key management personnel have significant influence
Transactions during the year						
Managerial Remuneration	114.00	-	-	69.71	-	-
Technical Director Remuneration	3.00	-	-	3.00	-	-
Bank Guarantee Commission	90.00	-	-	46.80	-	-
Remuneration to Factory Manager	4.29	-	-	3.75	-	-
Outstanding Receivables						
Security Deposit	-	-	20.00	-	-	20.00

₹ in Lakhs

Particulars	2015	2014
28. Contingent Liabilities		
Nature of Dues		
Export of excisable goods without payment of duty under Form UT-1	-	-
Custom duty payable in respect of export obligation		
- plant and machinery	-	-
29. Pending Capital Commitments	Nil	Nil
30. 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.		
31. The company has imported Mono Sodium Glutamate from China. Import duty at higher rate was charged on such import. Company paid differential duty of ₹ 10,00,000/- under protest and has filed appeal before the Commissioner of Customs(Appeals), Jawaharlal Nehru Custom House. The appeal is been decided in favour of company.		
32. Previous period's figures have been regrouped/ reclassified, wherever necessary to make them comparable.		

As per our report of even date
For Bhuta Shah & Co.
Chartered Accountants
Firm Registration No.101474W

Jitendra B. Shah
Partner
Membership No. 033010
Mumbai, 30 May, 2015

For and on behalf of the Board of Directors

Bipin M. Manek
Chairman and
Managing Director
Mumbai, 30 May, 2015

Mihir B. Manek
Joint Managing
Director

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

VIDHI DYESTUFFS MANUFACTURING LIMITED

CIN: L24110MH1994PLC076156

Registered office: E/27, Commerce Centre, 78, Tardeo Road, Mumbai – 400 034.

22nd Annual General Meeting- September 16, 2015

Name of the Member(s):

Registered Address:

Email:

Folio no. / Client ID:

DP ID:

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name:..... Email Id:
Address:
.....

Signature:....., or failing him/her

2. Name:..... Email Id:
Address:
.....

Signature:....., or failing him/her

3. Name:..... Email Id:
Address:
.....

Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22nd Annual General Meeting of the Company to be held on the Wednesday, 16th day of September 2015 at 3.30 p.m. at The Victoria Memorial School for Blind, opp. Tardeo A/c Market, 73, Tardeo Road, Mumbai – 400 034 and at any adjournment thereof in respect of such resolutions as are indicated below:

Res. No.	Resolution	For	Against
Ordinary Business			
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2015 including the Audited Balance Sheet as at March 31, 2015 and the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors and Auditors thereon		
2.	Declaration of final dividend on Equity Shares for the financial year 2014-15		
3.	Re-appoint a Director in place of Mr. Mihir B. Manek (DIN 00650613), who retires by rotation and being eligible offers himself for re-appointment.		
4.	Ratification of appointment of M/s. Bhuta Shah & Co., Chartered Accountants, as Statutory Auditors of the Company until the conclusion of the 24 th Annual General Meeting of the Company and approve their remuneration.		
Special Business			
5.	Appoint Mr. Rahul Berde (DIN 06981981) as an Independent Director for a period of five years.		
6.	Appoint Mr. Anil Kumar Dhar (DIN 01524239) as an Independent Director for a period of five years.		
7.	Re-appoint Mr. Mihir B. Manek (DIN 00650613) as Joint Managing Director for a period of five years.		

Signed this _____ day of _____ 2015

Signature of shareholder

Affix
revenue
stamp

Signature of Proxy holder(s) Signature of Proxy holder(s) Signature of Proxy holder(s)

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

COLOURS You Can Trust For Your Food



VIDHI
DYESTUFFS MFG. LTD.



COLOURS You Can Trust For Your Food



Vidhi Dyestuffs Mfg. Ltd.

Office : E/27/28/28, Commerce Centre, 78, Tardeo Road, Mumbai - 400034, India

Tel : + 91 22 6140 8888 (100 Lines) Fax : + 91 22 2352 1980

Factory : 59/B & 68, M.I.D.C., Dhatav, Roha Dist : Raigad, Maharashtra - 402116, India

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VIDHI & VIDHI-VAS
0992065685 Email : vidhi_aambar@yehoo.co.in