

MANUFACTURERS OF FOOD COLOURS

Vidhi Dyestuffs Manufacturing Limited

20TH Annual
Report
2012 - 2013





Vidhi Dyestuffs Manufacturing Limited
Twentieth Annual Report 2012 - 2013

BOARD OF DIRECTORS

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



NOTICE

To,
The Members
VIDHI DYESTUFFS MANUFACTURING LIMITED

Notice is hereby given that the **Twentieth Annual General Meeting** of the Shareholders of **VIDHI DYESTUFFS MANUFACTURING LIMITED** will be held on Monday, the 30th September 2013 at 3.00 P.M. at the registered office of the Company at E/27, Commerce Centre, 78, Tardeo Road, Mumbai - 400034 to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at the 31st March 2013, the Profit and Loss Account (the Statement of Profit and Loss) and Cash Flow Statement of the Company for the year ended on that date, together with the Reports of Directors' and the Auditors' thereon.
2. To confirm interim dividend paid on equity shares.
3. To appoint a Director in place of Mrs. Pravina B. Manek, who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint a Director in place of Mr. Chetan P. Bavishi, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

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

Place : Mumbai
Date : 14th August 2013

Bipin M. Manek
Chairman & Managing Director

Registered Office:

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

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.
2. Pursuant to Section 154 of the Companies Act, 1956 the Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 23rd September 2013 to Monday, the 30th September 2013 (both days inclusive).
3. Members who wish to claim Interim Dividend declared on 12th November 2012, which have remained unclaimed, are requested to correspond with the Compliance Officer of the Company or with the Registrar and Share Transfer Agent namely, M/s. Sharex Dynamic (India) Private Limited.
4. 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 31st March 2006 to the Investor Education and Protection Fund set up by the Government of India as per 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.



VIDHI DYESTUFFS MANUFACTURING LIMITED

5. The Ministry of Corporate Affairs ('MCA') has taken a 'Green Initiative in the Corporate Governance' by allowing paperless compliances by Companies. The Company shall use the e-mail addresses of the Members obtained from the Depositories/Depository Participants/ available with the Company's Registrar & Share Transfer Agent (RTA) to send all future Members' communications like notices, Annual Reports, etc. through electronic mode. In case the Members have not furnished their e-mail addresses, they are requested to furnish the same to their Depository Participants, in respect of electronic holdings, and to RTA, in case of shares held in physical form.
6. Members are requested to notify immediately of any change of address, e-mail address, bank account details:
 - (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 at the following address in respect of their shareholdings in physical form quoting their folio numbers :

M/s. Sharex Dynamic (India) Private Limited
Unit No. 1, Luthra Ind. Premises, Andheri-Kurla Road,
Safed Pool, Andheri (East), Mumbai - 400 072.
Tel. No.: 2851 5606, 2851 5644 • Fax No.: 2851 2885
7. Members are requested to:
 - (i) send all share transfer lodgments (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.
 - (iv) Furnish bank account details to the RTA/Depository Participant to prevent fraudulent encashment of dividend warrants, whenever issued.
8. 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.
9. The Members are requested to dematerialize their shareholdings with their Depository Participants as the Company's Shares are compulsorily traded under demat mode on the Stock Exchanges.
10. As per the provisions of Section 109A of the Companies Act, 1956 facility for making nominations is available for shareholders in respect of the physical shares held by them. Nomination forms can be obtained from the Company's Registered Office/ from RTA.
11. Members, who are holding Shares in identical order of names in more than one Folio, are requested to apply to the Company/ RTA along with the relevant Share Certificates for consolidation of such Folios in one Folio.
12. 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.
13. Corporate Members are requested to forward a certified true copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
14. Mrs. Pravina B. Manek and Mr. Chetan P. Bavishi, Directors retires by rotation, being eligible, offers themselves for re-appointment. Pursuant to the Clause 49 of the Listing Agreement, relevant details of the Directors seeking re-appointment at the forthcoming Annual General Meeting are annexed hereto.
15. 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.



16. 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.

17. Green Initiative:

The Ministry of Corporate Affairs has taken a 'Green Initiative in the Corporate Governance' by allowing paperless compliances by the Companies. In accordance with the circulars issued by the Ministry of Corporate Affairs, a Company would be deemed to have complied with the provisions of Section 53 and 219 (1) of the Companies Act, 1956, if documents like notices, annual reports, etc. are sent in electronic mode on e-mail addresses to its Members.

Annual Report containing inter alia the Notice convening the Twentieth Annual General Meeting, Audited Accounts of the Company for the financial year ended 31st March 2013 and the Reports of the Board of Directors and Auditors thereon, Report on Corporate Governance, Management Discussion & Analysis, etc. is available on the Company's website at www.vidhifoodcolours.com and made available for inspection at the Registered Office of the Company during the business hours. However, in case a Member wishes to receive a physical copy of the said documents, he/she/it is required to send an e-mail to vidhi@bom4.vsnl.net.in duly quoting his/her/its DP ID & Client ID or the folio number, as the case may be, and the said documents will be dispatched to the Members free of cost.

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

Place : Mumbai
Date : 14th August 2013

Bipin M. Manek
Chairman & Managing Director

Annexure to item no. 3 and 4 of the Notice

Details of Directors seeking re-appointment at the forthcoming Annual General Meeting (pursuant to Clause 49 of the Listing Agreement):

Name of Director	PRAVINA B. MANEK	CHETAN P. BAVISHI
Date of Birth	29 th February 1956	29 th February 1960
Nationality	Indian	Indian
Date of Appointment on the Board	19 th January 1994	6 th January 2003
Qualifications	B. A.	B. Com.
Experience	19 years of rich experience in the Business of food colour.	28 years of rich experience in the business of Iron & Steel Industry
Shareholding in the Company	1,79,90,667 Equity Shares	NIL
List of Directorships held in other Companies	NIL	NIL
Committee Membership	Vidhi Dyestuffs Manufacturing Ltd. (Member of Audit Committee, Remuneration Committee and Chairperson of Share Transfer Cum Shareholders'/Investors' Grievance Committee)	Vidhi Dyestuffs Manufacturing Ltd. (Member of Share Transfer Cum Shareholders'/Investors' Grievance Committee)

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

Place : Mumbai
Date : 14th August 2013

Bipin M. Manek
Chairman & Managing Director



VIDHI DYESTUFFS MANUFACTURING LIMITED

DIRECTORS' REPORT

To,

The Members,

VIDHI DYESTUFFS MANUFACTURING LIMITED

Your Directors are pleased to present 20th Annual Report of the Company together with the Audited Statement of Accounts for the financial year ended 31st March 2013.

Financial Results:

	` in Lacs	
	Current Year 2012-13	Previous year 2011-12
Total Income	12,032.05	11,475.57
Total Expenditure (excluding Depreciation)	11,223.12	10,881.24
Profit for the year before providing for Depreciation	808.93	594.33
Less: Depreciation	172.73	94.43
Profit before Tax	636.21	499.90
Less: Provision for Taxation		
Current Year	168.94	103.70
Earlier year	0.07	-
Deferred Tax	52.42	58.83
	221.43	162.53
Profit After Tax	414.78	337.37
Add : Profit brought forward from Previous year	2,280.16	1,942.81
	2,694.94	2,280.18
APPROPRIATION :		
Interim Dividend	99.89	-
Transfer to General Reserve	32.32	-
Balance Profit Carried to Balance Sheet	2,562.73	2,280.18

Operations:

During the year under review your Company has achieved a turnover of ` 11776.80 Lacs as compared to ` 11251.17 Lacs of previous year registering a growth of 4.67%. The net profit after tax was increased by 22.95% to ` 414.78 Lacs as compared to profit after tax during previous year of ` 337.37 Lacs.

The Company has manufactured 1630.39 M. Tons of Food colours against 1457.50 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.



Dividend:

The Board of Directors decides on interim dividend based on the performance of the Company during the course of the year. The Company's strong cash generation and positive growth momentum led the Board of your Company to distribute profit of the Company and accordingly declared interim dividend to the shareholders @ 20% (Rs 0.20/- per equity shares) for the year 2012-13 aggregating to ` 99.89 Lacs excluding Dividend Distribution Tax of ` 16.20 Lacs.

Having declared interim dividend, your Board has not recommended final dividend for the financial year 2012-13.

Transfer to Reserve:

Pursuant to Rule 2 of the Companies (Transfer of Profits to Reserves) Rules, 1975 and the Companies Act, 1956, your Company has transferred ` 32.32 Lacs to the General Reserve Account out of the amount available for appropriation.

Directors:

In accordance with the requirements of the Companies Act, 1956 and Articles of Association of the Company Mrs. Pravina B. Manek and Mr. Chetan P. Bavishi, retire at the ensuing Annual General Meeting and being eligible, offer themselves, for re-appointment as Directors.

The Board recommend their re-appointment to the Members.

The re-appointment of Mr. Bipin M. Manek as Managing Director of the Company w.e.f. 1st November 2012 for a period of five years has been approved by the Members in the previous Annual General Meeting held on 28th September 2012.

Corporate Governance:

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

Management Discussion and Analysis Report:

Management Discussion and Analysis Report for the financial year under review as stipulated in Clause 49 of the Listing Agreement entered into with the Stock Exchanges is set out in a separate section forming part of the Annual Report.

Auditors:

M/s. Bhuta Shah & Co, Chartered Accountants, Statutory Auditors of the Company, retire at the ensuing Annual General Meeting and being eligible, offer themselves for appointment as Statutory Auditors of the Company. The Company has received a letter from them to that effect that their appointment, if made, would be within the limit prescribed under section 224 (1B) of the Companies Act, 1956.

The Board recommended their appointment as Statutory Auditors of the Company to the Members.

Auditors' Report:

Except comment mentioned in point no. vii of the "Annexure to the Independent Auditors' Report" with reference to not having formal Internal Audit System, no other qualification is contained in the Auditor's Report. The said comment is self explanatory and therefore no further explanation is required to be provided.

The notes to the accounts referred in the Auditor's Report are self - explanatory and, therefore do not call for any further comments.

Cost Auditors:

The Ministry of Corporate Affairs on 3rd June 2011 has issued The Companies (Cost Accounting Records) Rules, 2011 which mandate the Company to maintain Cost Records and obtain Cost Compliance Certificate for the year 2011-12. Accordingly, the Company has appointed M/s. Rajesh B. Shah, Cost Accountant. The Company has received Cost Compliance Certificate for the financial year 2011-12 issued by M/s. Rajesh Shah & Associates and same was filed with MCA Portal.

Further, in compliance of Cost Audit Order No.52/26/CAB/2010 dated 24th January 2012 and based on the recommendations of Audit Committee, the Board of Directors has appointed Mr. Rajesh B. Shah, Cost Accountant, for cost audit of the cost records of the Company for the financial year 2013-14.

Compliance Certificate:

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



VIDHI DYESTUFFS MANUFACTURING LIMITED

Postal Ballot:

There were no Postal Ballot/Extra Ordinary General Meeting conducted/held during the financial year 2012-13.

Fixed Deposit:

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

Buy Back of Shares:

During the financial year under review, the Company has not offered to buy-back any of its outstanding shares.

Particulars of the Employees:

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

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

The information as per Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report to the Board of Directors) Rules, 1988 with respect to conservation of energy, technology absorption & foreign exchange earnings and outgo are given in **Annexure- A** forming part of this report.

Pollution Control:

The Company is environment conscience and the products manufactured by the Company require the consent from Maharashtra Pollution Control Board (MPCB) for manufacturing. The Company's plant situated at Roha has provided full-fledge facilities to control pollution under the Water Act and the Air Act.

Your Company has taken necessary approval and consent from the MPCB. Further, your Company is also member of Common Effluent Treatment Plant (CETP), which is situated at Roha.

Insurance:

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

Directors' Responsibility Statement:

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

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

ACKNOWLEDGEMENTS:

Your Directors wish to place on record their appreciation for the contribution made by employees of the Company at all levels whose hard work solidarity and support through their unstinted co-operation have enabled the Company to achieve sustained operational performance during the year.

Your Directors also wish to record their deep sense of gratitude and appreciation to the Banks, Financial Institution, Central and State Government Authorities for their guidance and continued support. Your Directors are also grateful to the customers, suppliers and business associates of the Company for their continued co-operation. Your Directors are also deeply grateful to the shareholders of the Company for their confidence shown in them.

For Vidhi Dyestuffs Manufacturing Limited

Place: Mumbai

Date : 14th August 2013

Bipin M. Manek

Chairman & Managing Director



ANNEXURE TO THE DIRECTORS REPORT**ANNEXURE - A**

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

1) CONSERVATION OF ENERGY**A) Details of power and fuel consumption:**

		Current Year	Previous year
a. Electricity			
Purchased and consumed	: UNITS	36,04,600	24,89,360
	: TOTALAMOUNT	2,87,17,840	1,73,61,112
	: RATE PER UNIT	7.97	6.97
b. Furnace Oil	: LITRES	1,23,400	76,071
	: TOTALAMOUNT	48,38,269	26,57,958
	: RATE PER LITRE	39.21	34.94
c. Coal	: KILOGRAM	34,37,470	36,60,202
	: TOTALAMOUNT	1,32,95,195	1,95,81,506
	: RATE PER KGS	3.87	5.35

B) Details of consumption per unit of production

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Electricity	: UNITS	2.21	1.71
Energy Charges :- (Furnace Oil / Coal)	: LITRES / KILOGRAM	2.18	2.56

2) TECHNICAL ABSORPTION, ADAPTION & INNOVATION :

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

3) FOREIGN EXCHANGE EARNINGS AND OUTGO :

The Company's total exports sales during the year under review have amounted to ₹ 72.74 Crores (P. Y. ₹ 51.29 Crores).

(₹ In Lacs)

	Current Year	Previous year
FOB VALUE OF EXPORTS	7,191.75	4,951.49
EXPENDITURE IN FOREIGN EXCHANGE	9,790.24	5,694.35

For Vidhi Dyestuffs Manufacturing Limited

Place: Mumbai
Date : 14th August 2013

Bipin M. Manek
Chairman & Managing Director



VIDHI DYESTUFFS MANUFACTURING LIMITED

COMPLIANCE CERTIFICATE

CIN of the Company: L24110MH1994PLC076156

Nominal Capital: ₹ 6,00,00,000/-

To,
The Members,

Vidhi Dyestuffs Manufacturing Limited

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

We have examined the registers, records, books and papers of **Vidhi Dyestuffs Manufacturing Limited ("The Company")** as required to be maintained under the Companies Act, 1956 and the rules made thereunder ("**The Act**"), and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st March 2013**. In our opinion and to the best of our information and according to the examination carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all the registers as stated in **Annexure 'A'** to this Certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been recorded.
2. The Company has filed the forms and returns as stated in **Annexure 'B'** to this Certificate, with the Registrar of Companies and Central Government, within/not within the time prescribed under the Companies Act, 1956 and the rules made thereunder. However, no forms or returns were filed with the Regional Director, Company Law Board or other authorities.
3. The Company, being a Public Limited Company, comments with reference to applicability of the provisions of Section 3 (1) (iii) of the Act are not required.
4. The Board of Directors met Six (6) times respectively on 10th April 2012, 30th May 2012, 14th August 2012, 31st August 2012, 12th November 2012 and 14th February 2013 in respect of which meetings, proper notices were given and the proceedings were signed and recorded in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members from Saturday, 22nd September 2012 to Saturday, 29th September 2012 (both days inclusive) for the purpose of 19th Annual General Meeting held on 28th September 2012 and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31st March 2012 was held on 28th September 2012 after giving notice to the Members of the Company and resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra-ordinary General Meeting was held during the financial year under review.
8. The Company has not advanced any loans to its Directors or persons or firms or Companies referred to under section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
12. The Company has not issued any duplicate share certificate during the financial year.
13. (i) There was no allotment/transfer/transmission of securities during the financial year.
(ii) The Company has deposited the amount of interim dividend in a separate bank account on 16th November 2012 which was within 5 (five) days from the date of declaration of such dividend.
(iii) The Company has posted warrants/made ECS of dividends to all the Members within a period of 30 (Thirty) days from the date of declaration and that all unclaimed/unpaid dividend has been transferred to Unpaid Dividend Account of the Company with Corporation Bank, Mumbai - 400021 on 14th December 2012.
(iv) The Company was not required to transfer any amount to the Investor Education and Protection Fund as there was no unclaimed dividend amount due for refund, application money due for refund, matured deposits, matured debentures and interest accrued thereon which were remained unclaimed or unpaid for more than seven years.
(v) The Company has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of Additional Directors, Alternate Directors and Directors to fill casual vacancy during the financial year.
15. The Company has made re-appointment of Managing Director in compliance with the provisions of the Act. However, there was no appointment of Whole-time Director/Manager during the financial year.
16. The Company has not appointed any sole-selling agent during the financial year.
17. The Company has obtained approval of the Central Government for appointment of Cost Auditor to issue Compliance Certificate. However, it was not required to obtain approval of the Company Law Board, Regional Director and/or such authorities prescribed under the various provisions of the Act during the financial year.

18. The Directors have disclosed their interest in other firms/Companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. Since the Company has not issued any Preference Shares or Debentures, the question of their redemption do not arise.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of Shares.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The amount borrowed by the Company from Financial Institutions/Banks during the financial year ending 31st March 2013 are within the borrowing limits of the Company and that necessary resolutions as per Section 293 (1) (d) of the Act have been passed.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate during the financial year and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notice received by the Company and no fine or penalty or any other punishment was imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. As explained to us, the Company has not constituted a separate Provident Fund as provided under section 418 of the Act.

For **Hemanshu Kapadia & Associates**
Hemanshu Kapadia
C. P. No.: 2285

Place : Mumbai
Date : 14th August 2013

Annexure A

Registers as maintained by the Company

Statutory Registers

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

Other Registers

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

Note:

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

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



Annexure B

Forms and Returns filed by the Company with Registrar of Companies and Central Government during the financial year ending 31st March 2013.

Sr. No.	Form No. / Return	Filed under Section	For	Date of filing	Whether filed within prescribed time Yes/ No	If delay in filing whether requisite additional fee paid Yes/ No
1.	Form 23AC XBRL & 23ACA XBRL	220	Annual Account for the Financial year ended 31 st March 2012	14/01/2013	Yes	N.A.
2.	Form A - XBRL	209(1)(d) and 600(3)(b)	Cost Compliance Certificate for the Financial year ended 31 st March 2012.	29/12/2012	No	N.A.
3.	Form 20B	159(1)	Annual Return for the Annual General Meeting held on 28 th September 2012.	27/11/2012	Yes	N.A.
4.	Form 66	383A(1)	Compliance Certificate for the financial year ended on 31 st March 2012.	09/10/2012	Yes	N.A.
5.	Form 25C	269(2) and Schedule XIII	Return of appointment of Managing Director or Whole - time Director or Manager	02/11/2012	Yes	N.A.
6.	Form 23	192	Registration of resolution(s) and Agreement(s)	25/10/2012	Yes	N.A.
7.	Form 23	192	Registration of resolution(s) and agreement(s)	13/09/2012	Yes	N.A.
8.	Form 5 INV	Rule 3 of the Investor Education and Protection Fund IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012	Statement of unclaimed and unpaid amounts	30/07/2012 (Details uploaded on 17/08/2012)	Yes	N.A.
9.	Form 23C	233B (2)	Appointment of Cost Auditor for issuance of Cost Compliance Certificate for the financial year 2012-13	02/07/2012	Yes	N.A.
10.	Form 23C	233B (2)	Appointment of Cost Auditor for issuance of Cost Compliance Certificate for the financial year 2011-12	30/06/2012	Yes	N.A.



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:

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

Composition of the Board of Directors is in accordance with the requirements of Clause 49(I) (A) of the Listing Agreement. As per Clause 49 (I) (C) (ii) 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:

Sr. No.	Name of the Director(s)	Category	No. of Other Directorship [#]	No. of other Committees [#]	
				Chairman	Member
1.	Mr. Bipin M. Manek	Executive-Chairman & Managing Director, Promoter	NIL	NIL	NIL
2.	Mrs. Pravina B. Manek	Non-Executive Director, Promoter	NIL	NIL	NIL
3.	Mr. Mihir B. Manek	Executive - Jt. Managing Director	NIL	NIL	NIL
4.	Mr. Vijay K. Atre	Non-Executive Independent Director	NIL	NIL	NIL
5.	Mr. Prafulchandra A. Shah	Non-Executive Independent Director	NIL	NIL	NIL
6.	Mr. Chetan P. Bavishi	Non-Executive Independent Director	NIL	NIL	NIL
7.	Mr. Niren D. Desai	Non-Executive Independent Director	NIL	NIL	NIL

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

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



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

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

A) Re-appointment of Director:

Mrs. Pravina B. Manek retires at the ensuing Annual General Meeting and being eligible, offers herself, for re-appointment as Director.

Mr. Chetan P. Bavishi retires at the ensuing Annual General Meeting and being eligible, offers himself, for re-appointment as Director.

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

B) Shareholding of Non Executive Directors as on 31st March 2013:

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

C) Attendance Record of the Directors:

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.

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

During the financial year 2012-2013, Six (6) Meetings of Board of Directors were held on 10th April 2012, 30th May 2012, 14th August 2012, 31st August 2012, 12th November 2012 and 14th February 2013.

Annual General Meeting for the financial year ended 31st March 2012 was held on Friday, 28th September 2012.

D) The Attendance of Directors at the Board Meetings and Annual General Meetings held during the financial year 2012-13 were as under:

Directors	Number of Board Meetings Attended	Attendances at the last Annual General Meetings
Mr. Bipin M. Manek	6	Yes
Mrs. Pravina B. Manek	6	Yes
Mr. Mihir B. Manek	6	Yes
Mr. Vijay K. Atre	6	No
Mr. Prafulchandra A. Shah	6	Yes
Mr. Chetan P. Bavishi	6	Yes
Mr. Niren D. Desai	6	Yes

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

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E) Code of Conduct :

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

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

All the Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct for the year 2012-13. Declaration by the Managing Director and Chief Financial Officer under clause 49(1) (D) of the Listing Agreement regarding adherence to the code of conduct is forming part of the Report on Corporate Governance.

3. Audit Committee:

As required under clause 49, the Company has constituted Audit Committee. The composition, procedure and role/function of the Audit Committee are in accordance with the requirements of the Listing Agreement.

A) Power of the Audit Committee:

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

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

B) Role & Function:

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

- Overview the Company's financial reporting process and its financial statements.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of Statutory Auditor/s and fixation of audit fees.
- Approval of payment to Statutory Auditors' for any services rendered by them.
- Reviewing with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions;
 - g. Qualification in the draft audit report.
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing with the management, performance of statutory and internal auditors, adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.



- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment of the depositors, debenture holders, shareholders and creditors.
- Carrying out any other function as is mentioned in terms of reference to the Audit Committee.
- 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.

C) Composition :

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

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

Mr. Mahesh Jani was Compliance Officer of the Company and acted as Secretary of the Audit Committee. He has attained the age of retirement and hence, retired from the Company w.e.f. 31st January 2013. The Board of Directors in their meeting held on 14th February 2013, has appointed Mr. Mitesh Manek as Compliance Officer of the Company with immediate effect. Accordingly, as on 31st March 2013 Mr. Mitesh Manek acted as Compliance Officer of the Company.

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

D) Meetings & Attendance:

The Members of the Audit Committee met Five (5) times during the year on 14th May 2012, 30th May 2012, 14th August 2012, 12th November 2012 and 14th February 2013 the details of which are as follows :

Name	Non-Executive/Independent	Numbers of Meetings	
		Held	Attended
Mr. Vijay K. Atre	Chairman, Non-Executive, Independent	5	5
Mr. Prafulchandra A. Shah	Non-Executive, Independent	5	5
Mr. Niren D. Desai	Non-Executive, Independent	5	5
Mrs. Pravina B. Manek	Non-Executive, Promoter	5	5
Mr. Mihir B. Manek	Executive	5	5

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

4. Remuneration Committee:

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

A) Brief description of terms of reference:

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

B) Composition:



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

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

C) No. of Meetings and Attendance:

The Members of the Remuneration Committee met One (1) time during the year on 14th August 2012, the details of which are as follows:

Name	Non-Executive/Independent	Numbers of Meetings	
		Held	Attended
Mr. Vijay K. Atre	Chairman, Non-Executive, Independent	1	1
Mr. Prafulchandra A. Shah	Non-Executive, Independent	1	1
Mr. Niren D. Desai	Non-Executive, Independent	1	1
Mrs. Pravina B. Manek	Non-Executive, Promoter	1	1

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

D) Remuneration Policy:

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

E) The details of the remuneration paid :

Directors	Remuneration paid during 2012-2013 (Amount in `)		
	Salary	Commission	Total
Mr. Bipin M. Manek	15,00,000	14,20,454	29,20,454
Mr. Mihir B. Manek	15,00,000	14,20,454	29,20,454
Mr. Vijay K. Atre	3,00,000	—	3,00,000
Total	33,00,000	28,40,907	61,40,908

Details of sitting fees paid to the Non-Executive Directors for the financial year 2012-2013:

The Company pays sitting fees @ ` 2,500/- per Board Meeting to Non-executive Directors for attending Meetings of the Board of Directors. The Non-Executive Directors did not draw any remuneration (other than sitting fees) from the Company during the financial year under review.

Mr. Bipin M. Manek, Managing Director of the Company, has given a personal guarantee for securing repayment of Working Capital Facility and various other financial assistance availed by the Company. Accordingly, the payment of guarantee commission was paid @ 0.75% per annum amounting to ` 11,20,000/- during the financial year 2012-2013. (The Guarantee Commission was approved by the Members in their Annual General Meeting held on 9th September 2010).



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

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

A) Terms of Reference:

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

B) Composition:

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

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

C) Meetings & Attendance:

The Members of the Share Transfer cum Shareholders'/Investors' Grievance Committee met four (4) times during the year respectively, on 30th May 2012, 14th August 2012, 12th November 2012 and 14th February 2013.

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

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

D) The details of Complaints received and redressed during the financial Year 2012–2013 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	2	2
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	2	2

The status on various complaints received and replied, is also reported to the Board of Directors in every Board Meeting.

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 17B, Dena Bank Building, 2nd Floor, Horniman Circle Fort, Mumbai – 400001 and their Branch Office at Unit – 1, Luthra Industrial Premises, Andheri Kurla Road, Safed Pool, Andheri (East), Mumbai-400072.



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E) Compliance officer:

As required under the Listing Agreement, Mr. Mahesh Jani was designated as Compliance Officer of the Company. He has attained the age of retirement and hence, retired from the Company w.e.f. 31st January 2013. The Board of Directors in their meeting held on 14th February 2013, has designated Mr. Mitesh Manek as Compliance Officer of the Company with immediate effect. Accordingly, since than Mr. Mitesh Manek is acting as Compliance Officer of the Company. Mr. Mitesh Manek, Compliance Officer, 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. During the year under report, the Company has received two (2) Shareholder's Grievances which were resolved in time.

6. General Body Meeting:

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

Financial Year	Details of Location	Day, Date and Time
2011-2012	E/27, Commerce Centre, 78, Tardeo Road, Mumbai-400 034	Friday, 28 th September 2012 at 5.30 p.m.
2010-2011	E/27, Commerce Centre, 78, Tardeo Road, Mumbai-400 034	Tuesday, 27 th September 2011 at 5.30 p.m.
2009-2010	E/27, Commerce Centre, 78, Tardeo Road, Mumbai-400 034	Thursday, 9 th September 2010 at 5.30 p.m.

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

2011-12

No Special Resolution was passed.

2010-11

No Special Resolution was passed.

2009-10

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

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

During the financial year 2012-13, no Special Resolution was passed through Postal Ballot. Further, no Special Resolution is proposed to be conducted through postal ballot during the year 2013-14.

7. Corporate Social Responsibilities:

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

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

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

8. Other Disclosures:

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



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

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

9. Means of Communication:

Half yearly/quarterly results have not been sent to shareholders; instead shareholders have been intimated through press releases. The Company is also submitting the Quarterly Results and Shareholding Pattern at every quarter end to Stock Exchanges. The Company has also displayed the results, as specified under Clause 41 of the Listing Agreement, on the Company's website namely www.vidhifoodcolours.com.

The quarterly, half-yearly and annual results of the Company's financial performance are published in the newspapers viz. Business Standard (English) and Mahanayak (Regional language - Marathi). The results are informed to the Stock Exchanges before their press release. Annual Reports are sent to each shareholders at their address registered with the Company. 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.

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

No presentation to any institutional investors or analysts has been made during the financial year ended 31st March 2013.

10. General Shareholders Information:

A) 20th Annual General Meeting (2012-2013):

- Date and Time** : Monday, the 30th September 2013 at 3.00 p.m.
- Venue** : E/27, Commerce Centre, 78, Tardeo Road, Mumbai - 400 034.

B) Financial Year : 1st April 2012 to 31st March 2013

C) Date of Book Closure : Monday, the 23rd September 2013 to Monday, the 30th September 2013 (both days inclusive).

D) Financial Calendar : 1st April 2013 to 31st March 2014

Unaudited results for First quarter ended 30 th June 2013	By 14 th August 2013
Unaudited results for Second quarter ended 30 th September 2013	By 14 th November 2013
Unaudited results for Third quarter ended 31 st December 2013	By 14 th February 2014
Audited results for Fourth quarter ended 31 st March 2014	By 30 th May 2014
AND	
Audited Annual results for the financial year ended 31 st March 2014	

E) Dividend Payment Date:

Interim Dividend declared on 12th November 2012: Credit or Dispatch of Dividend warrant between 29th November 2012 and 07th December 2012.

F) Listing on Stock Exchanges:

The Equity Shares of the Company are listed on following Stock Exchanges

- i) BSE Limited : Stock Code No. 531717
- ii) Ahmedabad Stock Exchange Limited : Stock Code No. 65175

The Company has paid listing fees for the financial year 2013-2014 to the Stock Exchanges where the securities are listed.

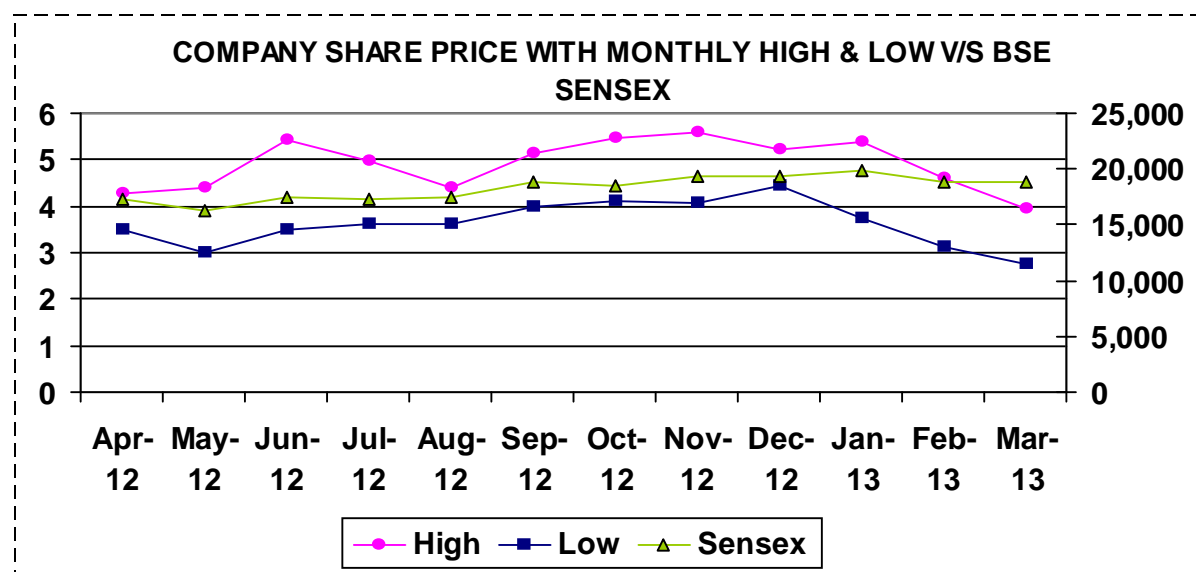


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G) Stock Market Price Data:

Month	No. of Shares	Bombay Stock Exchange (BSE)	
		High (₹)	Low (₹)
April, 2012	1,43,461	4.29	3.50
May, 2012	1,92,414	4.40	3.00
June, 2012	2,65,944	5.42	3.50
July, 2012	85,652	4.99	3.60
August, 2012	4,80,156	4.40	3.60
September, 2012	2,47,254	5.13	4.00
October, 2012	1,80,347	5.47	4.10
November, 2012	1,87,281	5.58	4.05
December, 2012	1,69,108	5.20	4.45
January, 2013	1,15,457	5.40	3.72
February, 2013	1,36,967	4.60	3.12
March, 2013	95,144	3.96	2.75

H) Stock Performance comparison with BSE:



I) Registrar and Share Transfer Agents:

Registered Office:-

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

Branch Office:-

Sharex Dynamic (India) Private Limited
Unit 1, Luthra Industrial Premises
Andheri Kurla Road, Safed Pool,
Andheri (East), Mumbai - 400 072.

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, the Board has delegated the authority to the Compliance Officer/ Share Transfer Cum Shareholders'/Investors' Grievance Committee, to approve the transfer of shares within the time stipulated in the Listing Agreement.



Physical transfers are affected well within the stipulated time as specified in the Listing Agreement. 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 31st March 2013 is as follows:

Category	No. of Shareholders	% of total no. of Shareholders	No. of Shares	% To Total Shares
1-5000	2,085	82.31	3,112,307	6.23
5001-10000	187	7.38	1,556,314	3.12
10001-20000	110	4.34	1,673,120	3.35
20001-30000	46	1.82	1,190,702	2.38
30001-40000	19	0.75	6,68,589	1.34
40001-50000	21	0.83	9,81,180	1.96
50001-100000	34	1.34	2,490,426	4.99
Above 100000	31	1.23	38,272,362	76.63
Total	2,533	100.00	49,945,000	100.00

L) Shareholding Pattern: Shareholding Pattern as on 31st March 2013:

Category	No. of Shares Held	%age to Total Capital	No. of Shareholders	%age to total Shareholders
Promoters	3,21,26,000	64.32	3	0.12
Non-Promoters:				
Mutual Funds & UTI	—	—	—	—
Financial Institutions/Banks	—	—	—	—
FII's	—	—	—	—
Bodies Corporate	13,66,764	2.74	78	3.08
NRI'S, OCB'S & Foreign Companies	3,07,527	0.62	17	0.67
Public	1,60,83,213	32.20	2,429	95.89
Clearing House	61,496	0.12	6	0.24
Total	4,99,45,000	100.00	2,533	100.00

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 31st March 2013, 49,201,890 Equity Shares comprising of 98.51% of Paid-up Capital of the Company, have been dematerialised by the Investors and bulk of transfers take place in the demat segment.

N) Outstanding ADR/GDR/Warrant or any Convertible instruments:

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

O) Company ISIN No.: INE632C01026

P) Plant Location :

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

Q) Investors Correspondence:

Registered Office	Secretarial Department	Registrar & Share Transfer Agents Branch office at: -
The Compliance Officer Vidhi Dyestuffs Mfg. Ltd. E/27, Commerce Centre, 78, Tardeo Road, Mumbai - 400034.	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 - 400 072. Tel: 022 2851 5606 / 5644

R) Risk Management Framework:

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



VIDHI DYESTUFFS MANUFACTURING LIMITED

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. Remuneration Committee:

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

3. Shareholder Rights:

The Company's quarterly and half-yearly results are furnished to the Stock Exchange and are also published in the newspapers and therefore results were not separately sent to the Members.

4. Audit Qualifications:

There are no audit qualifications in the Audit Report for the financial year under review.

5. Other Requirements:

The Company is yet to adopt other non-mandatory requirements like restricting the tenure of the Independent Directors in the aggregate to a period of nine years on the Board of the Company, training of Board Members, mechanism of evaluation of Non-Executive Board Members and Whistle Blower Policy which would be complied with at an appropriate time later. It is always an endeavour of the Board to implement the non mandatory requirement.

For Vidhi Dyestuffs Manufacturing Limited

Place: Mumbai

Date : 14th August 2013

Bipin M. Manek

Chairman & Managing Director

Declaration regarding Code of Conduct:

Pursuant to Clause 49 ID (ii) of the Listing Agreement

I hereby declare that in compliances with the regulatory requirements and effective implementation of corporate governance practices, the Company has adopted the following codes of governance in accordance with the applicable regulations of Securities and Exchange Board of India 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 31st March 2013:

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

For Vidhi Dyestuffs Manufacturing Limited

Place: Mumbai

Date : 14th August 2013

Bipin M. Manek

Chairman & Managing Director

CERTIFICATE

Certificate No.: BSC\CERT\AUG 2013\001

To the Members of

Vidhi Dyestuffs Manufacturing Limited,

We have examined the compliance of conditions of corporate governance by Vidhi Dyestuffs Manufacturing Limited (the company) for the year ended on 31st March, 2013 as stipulated in clause 49 of the Listing Agreement of the company with the stock exchanges.

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

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

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

For Bhuta Shah & Co.

Chartered Accountants

Firm's Registration No: 101474W

Jitendra B. Shah

Partner

Membership No. 033010

Mumbai, 14th August, 2013



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1) Industry Structure and Developments

Colour is an important property 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. The Company is among the acknowledged worldwide 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.

2) 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. In 2010, India produced ~200,000 tonnes of dyes with exports accounting for 68%. It is expected to grow between 11% and 15% to USD 10-14 billion 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.

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 shelf than making it themselves. Your company sees a steady increase in demand of its colours in times to come.

3) Threats, Risks and Concerns

We are facing stiff competition in the market with other competitors who are not required 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.

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

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

- Increase in price of Furnace Oil is an area of concern
- Increase in input cost
- Increase in power and fuel cost
- Pollution control rules
- Fluctuating currency

4) Performance

The Turnover of the Company during the financial year 2012-2013 increased by approx 4.50% as compared to the last financial year i.e. 2011-2012 on account of healthy demand for the Company's products worldwide. The profit before tax of the Company has increased by 27.27% as compared to previous year.

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

5) Outlook

Improved execution efficiencies, cost competitiveness, better supply chain management, control over working capital, efficient utilization of resources, smart bidding strategies, quality products, service offerings will enable the business to achieve the desired targets in the medium 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 (Second phase), adopting the most cost effective manufacturing practices and changing with changing times, will ensure that the Company continues to grow.



Independent Auditors' Report

To the Members of
Vidhi Dyestuffs Manufacturing Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Vidhi Dyestuffs Manufacturing Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility on Financial Statements

Management is responsible for the preparation of these 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 Accounting Standards referred to in section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 disclosures in the financial statements. The procedures selected depend on the auditor 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2013;
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the 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, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in section 211(3C) of the Act;
 - e. On the basis of written representations received from the directors as on 31 March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, from being appointed as a director in terms of section 274(1)(g) of the Act.



VIDHI DYESTUFFS MANUFACTURING LIMITED

- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Act nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **Bhuta Shah & Co.**
Chartered Accountants
Firm Reg. No.: 101474W

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

Mumbai, 30 May, 2013

Annexure to the Independent Auditors' Report

Annexure referred to in paragraph 3 of our Report on even date on the accounts of **Vidhi Dyestuffs Manufacturing Limited** ended 31st March 2013

- i. a. The Company is maintaining proper records showing full particulars including quantitative details and situations of fixed assets.
- b. The management at reasonable intervals during the period has physically verified the fixed assets. According to the explanation given to us, no material discrepancies have been noticed on verification.
- c. The Company has not disposed off any substantial / major part of its fixed assets during the year.
- ii. a. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b. In our opinion and according to information and explanation given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c. In our opinion and according to information and explanation given to us and on the basis of our verification of inventory records, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification were not material and have been properly dealt with in the books of accounts.
- iii. a. According to the information and explanation given to us, the Company has not granted loans, secured or unsecured to companies, firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956. Accordingly, sub-clauses (b), (c) and (d) are not applicable.
- b. According to the information and explanation given to us, the company has taken loan from a company in which key management personnel have significant influence, covered in register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Nil (Previous Year: ₹ 33 lacs) and outstanding amount at the end of the year is Nil (Previous Year: Nil).
- c. In our opinion and according to information and explanation given to us, the rate of interest and other terms and conditions on which the above loans have been taken are not prima-facie prejudicial to the interest of the company.
- d. In respect of the loans taken by the company, these are repayable on demand and hence the question of overdue amount does not arise.
- iv. In our opinion and according to the information and explanation given to us there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit no major weakness has been observed in the internal controls.
- v. According to the information and explanation provided by the management, there have been no contracts or arrangements during the period that need to be entered into the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of sub – clauses (a) and (b) of the said order are not applicable.
- vi. In our opinion and according to the information and explanation given to us the Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 or any other relevant provisions of the act and the Rules framed there under.
- vii. *There is no formal internal audit system.* However the Company has adequate internal control procedure involving internal checking of its financial record commensurate to the size & nature of business of the company.



- viii. We have broadly reviewed the books of account and records maintained by the Company relating to the manufacture of Dyes chemicals, pursuant to the order made by the Central Government for maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 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.
- ix. a. According to the information and explanation given to us and according to the books and records produced and examined by us, in our opinion, the company is *generally* regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income-tax, Sales-tax, Wealth-tax, Service-tax, Customs Duty, Excise Duty, Cess and any other statutory dues applicable to it with appropriate authorities.
- b. According to the information and explanation given to us, no undisputed amounts payable in respect of Income-tax, Sales-tax Wealth tax, , Service-tax, Custom Duty, Excise Duty and Cess were outstanding at the year end for a period of more than six months from the date they became payable as at 31st March 2013.
- x. The Company has neither accumulated losses as at 31st March 2013 nor has incurred cash losses during the financial year ended on that date and in the immediately preceding financial year.
- xi. Based on the documents and records produced to us and according to the explanation given to us the, company has not defaulted in repayment of dues to a financial institution or banks as at the balance sheet date.
- xii. According to the information and explanation given to us the company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, considering the nature of the business carried down during the year, the provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.
- xiv. The company has, in our opinion maintained proper records and contracts with respect to its investments where timely entries of transactions are made. All investments at the close of the year are generally held in the name of the company.
- xv. According to information and explanations given to us, the company has not given any guarantee for loans taken by others from banks and financial institutions.
- xvi. According to the information and explanation given to us and the records examined, the Company has availed term loans during the year and utilized for the purpose for which they were applied.
- xvii. According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company and after assurances made by the Company for classification of long-term and short-term usages of funds, we are of the opinion that, *prima facie*, as at the close of the year, short-terms funds have not been utilized for long-term investments.
- xviii. During the year, the Company has made allotment of equity shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. In respect of the equity shares allotted, the same are not issued in preference to others with regard to the price and other terms and conditions associated with the allotment.
- xix. The company has not issued any debentures and hence, the clause 4(xix) of the order is not applicable.
- xx. The company has not raised any money by public issue during the year.
- xxi. During the course of our examination of the books of account and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year.

For **Bhuta Shah & Co.**
Chartered Accountants
Firm Reg. No.: 101474W

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

Mumbai, 30 May, 2013



VIDHI DYESTUFFS MANUFACTURING LIMITED

Balance Sheet as at 31st March 2013

in Lakhs

	Note No.	As at 31-03-2013	As at 31-03-2012
Equity and Liabilities			
Shareholders' Funds			
(a) Share capital	2	500.20	500.20
(b) Reserves and surplus	3	2,728.29	2,413.42
		3,228.49	2,913.62
Non-Current Liabilities			
Long-term borrowings	4	273.64	403.19
Deferred tax liabilities (Net)	5	111.25	58.83
		384.89	462.02
Current Liabilities			
(a) Short-term borrowings	6	3,835.49	3,329.38
(b) Trade payables	7	1,476.94	1,269.10
(c) Other current liabilities	8	279.33	273.78
(d) Short-term provisions	9	75.33	15.14
		5,667.09	4,887.40
		9,280.47	8,263.04
Assets			
Non-Current assets			
(a) Fixed assets			
(i) Tangible assets	10	1,925.19	1,308.12
(ii) Capital work-in-progress		-	423.30
(b) Non-current investments	11	12.56	12.56
(c) Long - term loans and advances	12	87.34	144.11
(d) Long - term trade receivables	13	3.22	61.27
		2,028.31	1,949.36
Current assets			
(a) Inventories	14	2,104.24	1,430.61
(b) Trade receivables	15	3,693.76	3,315.77
(c) Cash and Bank Balance	16	383.58	519.49
(d) Short-term loans and advances	17	927.04	958.59
(e) Other current assets	18	143.54	89.22
		7,252.16	6,313.68
		9,280.47	8,263.04

Significant accounting policies

1

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, 30th May, 2013

For and on behalf of the Board of Directors

Bipin M. Manek
Chairman and
Managing Director

Mihir B. Manek
Joint Managing
Director

Mumbai, 30th May, 2013



Statement of Profit and Loss for the year ended 31st March 2013

	Note No.	2013	2012
in Lakhs			
Income			
Revenue from operations	19	11,776.80	11,251.17
Other operating income	20	222.39	202.53
Other income	21	32.86	21.87
		12,032.05	11,475.57
Expenditure			
Cost of material consumed	22	5,307.19	3,859.76
Purchases of stock-in-trade	23	4,256.56	5,152.86
Changes in Inventories of finished goods, work in progress and stock-in-trade	24	(572.71)	89.09
Employee Benefits Expenses	25	213.20	185.77
Finance cost	26	455.18	380.41
Depreciation expenses	10	172.73	94.43
Other expenses	27	1,563.69	1,213.35
		11,395.84	10,975.67
Profit before exceptional and extraordinary items and tax		636.21	499.90
Exceptional items		-	-
Profit before extraordinary items and tax		636.21	499.90
Extraordinary items		-	-
Profit before tax		636.21	499.90
Tax expense			
- Current year		168.94	103.70
- Deferred tax		52.42	58.83
- Earlier year		0.07	-
Profit for the period from continuing operations		414.78	337.37
Earnings per equity share			
Basic and Diluted		0.83	0.67
Significant accounting policies	1		

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, 30th May, 2013

For and on behalf of the Board of Directors

Bipin M. Manek
Chairman and
Managing Director
Mumbai, 30th May, 2013

Mihir B. Manek
Joint Managing
Director



VIDHI DYESTUFFS MANUFACTURING LIMITED

Cash flow statement for the year ended 31st March 2013

	Note No.	2013	2012
in Lakhs			
Cash flow from operating activities			
Profit before tax		636.21	499.90
Adjustments for :			
Depreciation		172.73	94.43
Interest expense		455.18	380.41
Sundry Balances written off (net)		37.34	7.11
(Profit)/Loss on sale of fixed assets		15.61	(4.50)
Interest income		(23.19)	(16.65)
Dividend income		(0.12)	(0.19)
		657.55	460.61
Operating profit before working capital changes		1,293.76	960.51
Increase in inventories		(673.63)	(167.52)
Increase in trade receivables, loans and advances and other current assets		(323.28)	(545.10)
Increase in trade and payables other liabilities		183.88	156.89
		(813.03)	(555.73)
Net change in working capital		(813.03)	(555.73)
Cash generated from Operations		480.73	404.78
Direct taxes paid		(108.82)	(257.31)
		371.91	147.47
Net cash provided by operating activities	A	371.91	147.47
Cash flow from investing activities			
Purchase of fixed assets		(389.05)	(26.50)
Capital Work- in- Progress		-	(706.79)
Proceeds from sale of fixed assets		6.93	4.50
Sale of investments		-	1.00
Dividend received		0.12	0.19
Interest received		23.19	16.65
		(358.81)	(710.95)
Net cash used in investing activities	B	(358.81)	(710.95)
Cash flow from financing activities			
Dividend Paid		(99.89)	-
Interest paid		(455.18)	(380.41)
Increase / (Decrease) in long term borrowings		(100.04)	172.48
Increase / (Decrease) in short term borrowings		506.11	1,022.60
		(149.00)	814.67
Net cash used in financing activities	C	(149.00)	814.67
Net increase /(decrease) in cash and cash equivalents(A+B+C)		(135.90)	251.19
Cash and cash equivalents at the beginning of the year		519.49	268.30
		383.59	519.49

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, 30th May, 2013

For and on behalf of the Board of Directors

Bipin M. Manek
Chairman and
Managing Director

Mihir B. Manek
Joint Managing
Director

Mumbai, 30th May, 2013



NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31 MARCH 2013**1. Background**

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

Significant Accounting Policies**a. Basis of preparation of Financial Statements**

The financial statements are prepared and presented under the historical cost convention, on accrual basis of accounting in accordance with the accounting principles generally accepted in India and comply with the accounting standards specified in the Companies (Accounting Standards) Rules 2006, and relevant provisions of Companies Act, 1956 to the extent applicable.

b. Use of Estimates

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

c. Revenue recognition

Revenue from sale of products is recognized on transfer of all significant risk and rewards of ownership 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 XIV to the Companies Act, 1956.

Leasehold land is amortized over the period of lease.

Capital work-in-progress includes the cost of fixed assets that are not ready to use at the balance sheet date.

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.



VIDHI DYESTUFFS MANUFACTURING LIMITED

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.

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 2013

		` in Lakhs	
		2013	2012
2 Share Capital			
Authorised Share Capital:			
60,000,000 Equity Shares of ` 1/- each		600.00	600.00
Issued:			
50,034,000 Equity Shares of ` 1/- each		500.34	500.34
Subscribed and Fully Paid up:			
49,945,000 Equity Shares of ` 1/- each		499.45	499.45
Forfeited Shares		0.75	0.75
		500.20	500.20
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, 1956, 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:			
Particulars		2013	2012
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		499.45	499.45
iii. Details of shareholders holding more than 5% shares in the company			
Name of Shareholder		2013	2012
	No. of Shares	% of Holding	No. of Shares
			% of Holding
Bipin M. Manek	14,110,333	28.25	14,110,333
Pravina B. Manek	17,990,667	36.02	17,990,667
3 Reserve and Surplus			
General Reserve		133.24	133.24
Add: Profit and Loss Account		32.32	-
		165.56	133.24
Surplus from Statement of Profit and Loss			
Opening Surplus		2,280.16	1,942.81
Add: Surplus for the year		414.78	337.37
Less: Interim Dividend		99.89	-
Less: Transferred to General Reserve		32.32	-
		2,562.73	2,280.18
		2,728.29	2,413.42



VIDHI DYESTUFFS MANUFACTURING LIMITED

Notes forming part of the financial statements as at 31st March 2013

₹ in Lakhs

	Non -Current	2013 Current	Non -Current	2012 Current
4 Long Term Borrowings				
Secured Loans				
a) Term Loans - from banks				
HDFC Bank	39.25	97.43	136.67	86.97
Vijaya Bank	158.10	61.77	190.17	50.71
b) Term Loans - from others				
Bajaj Allianz Life Insurance Company Limited	76.29	7.99	76.35	-
	<u>273.64</u>	<u>167.19</u>	<u>403.19</u>	<u>137.68</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 Dyestuff 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 ₹ 77.51 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 HDFC Bank is to be repaid in 48 equal monthly instalments commencing from April 2010.
- ii. 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.
- iii. Term loan from Bajaj Allianz Life Insurance Company Limited will be repaid through maturity proceeds of Keyman Insurance policies commencing from 22nd December 2013.



in Lakhs

	2013	2012
5 Deferred Tax Liabilities (Net)		
Deferred tax is attributable to the following items:		
Difference arising out of depreciation as per books and Income Tax	111.25	58.83
	<u>111.25</u>	<u>58.83</u>

The deferred tax arising from timing difference is accounted using tax rates that have been enacted or substantively enacted. The net difference arising thereon is debited to Statement of Profit and Loss.

6 Short Term Borrowings

A) Secured Loans

Repayable on demand - from banks		
HDFC Bank	257.52	117.79
Vijaya Bank	3,110.48	2,730.54
	<u>3,368.00</u>	<u>2,848.33</u>

B) Unsecured Loans

Repayable on demand - from banks		
Standard Chartered Bank	467.49	481.05
	<u>3,835.49</u>	<u>3,329.38</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	0.73	0.40
- Others		
Goods	1,289.57	1,122.39
Expenses	169.70	119.18
Stores and Spares	16.94	27.13
	<u>1,476.94</u>	<u>1,269.10</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.



VIDHI DYESTUFFS MANUFACTURING LIMITED

in Lakhs

	2013	2012
8 Other Current Liabilities (Refer note : 7.2)		
Current maturities of long - term debts (Refer Note: 4)	167.20	137.69
Advance received from buyers	47.65	28.54
Payable for capital goods	4.39	39.00
Other payables	58.59	68.55
Bank balance (Due to issue of cheques)	1.50	-
	279.33	273.78
9 Short Term Provisions		
Provision for taxation	75.33	15.14
	75.33	15.14

10 Fixed Assets

Particulars	Tangible Asset under lease	Tangible Assets not under lease											Total	Previous Year
		Land	Land	Factory Building	Administrative Building	Furniture & Fixtures	Office Premises	Office Equipments	Plant and Machinery	Computers	Tele phones	Vehicles		
Rate of Depreciation (%)	-	-	3.34	1.63	6.33	1.63	4.75	10.34	16.21	4.75	9.5	-	-	
Gross Block														
At 1st April 2012	36.38	-	657.01	29.15	10.29	1.58	11.18	1,498.29	17.19	3.56	103.44	2,368.07	1,265.63	
Additions	-	3.75	150.58	-	0.50	-	1.22	556.50	0.34	0.90	98.56	812.35	1,110.74	
Deductions / adjustments	-	-	-	-	-	-	-	-	-	-	31.58	31.58	8.30	
At 31st March 2013	36.38	3.75	807.59	29.15	10.79	1.58	12.40	2,054.79	17.53	4.46	170.42	3,148.84	2,368.07	
Accumulated Depreciation														
At 1 April 2012	3.94	-	100.07	6.51	9.07	0.41	3.68	882.14	15.83	1.66	36.64	1,059.95	973.63	
Charge for the year	0.42	-	25.25	0.48	0.23	0.03	0.57	133.71	0.65	0.20	11.20	172.73	94.43	
Deductions / adjustments	-	-	-	-	-	-	-	-	-	-	9.03	9.03	8.11	
At 31st March 2013	4.36	-	125.32	6.99	9.30	0.44	4.25	1,015.85	16.48	1.86	38.81	1,223.65	1,059.95	
Net Block														
At 31st March 2013	32.02	3.75	682.27	22.16	1.49	1.14	8.15	1,038.94	1.05	2.60	131.61	1,925.19	1,308.12	
<i>Previous Year's Figures</i>														
Gross Block														
At 1st April 2011	36.38	-	222.82	29.15	9.93	1.58	10.16	846.21	16.20	2.60	90.60	1,265.63	1,223.58	
Additions	-	-	434.19	-	0.36	-	1.02	660.19	0.99	1.15	12.84	1,110.74	47.15	
Deductions / adjustments	-	-	-	-	-	-	-	8.11	-	0.19	-	8.30	5.10	
At 31st March 2012	36.38	-	657.01	29.15	10.29	1.58	11.18	1,498.29	17.19	3.56	103.44	2,368.07	1,265.63	
Accumulated Depreciation														
At 1st April 2011	3.52	-	84.51	6.03	8.48	0.38	3.16	823.47	15.01	1.51	27.56	973.63	882.48	
Charge for the year	0.42	-	15.56	0.48	0.59	0.03	0.52	66.78	0.82	0.15	9.08	94.43	91.79	
Deductions / adjustments	-	-	-	-	-	-	-	8.11	-	-	-	8.11	0.63	
At 31st March 2012	3.94	-	100.07	6.51	9.07	0.41	3.68	882.14	15.83	1.66	36.64	1,059.95	973.64	
Net Block														
At 31st March 2012	32.44	-	556.94	22.64	1.22	1.17	7.50	616.15	1.36	1.90	66.80	1,308.12	291.99	

- Motor Car reflected in the Balance Sheet is owned and belongs to the Company.
- Depreciation for the year has been calculated at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956. Plant and machinery falling in the category of continuous process plants has been identified on the basis of technical opinion obtained by the company

3) Value of Imports on C.I.F. basis	2013	2012
Plant and Machinery	-	31.61
Depreciation as per Register		



₹ in Lakhs

10 Fixed Assets (Contd.)

3) Value of Imports on C.I.F. basis (Contd.,)

Type of asset

	Total			Total
	Old Plant	Phase - I	Phase - II	
Land	41,832	-	-	0.42
Factory Building	744,362	1,450,180	330,148	25.25
Administrative Building	47,514	-	-	0.48
Furniture & Fixtures	20,258	2,265	-	0.23
Office Premises	2,576	-	-	0.03
Office Equipments	53,122	-	3,928	0.57
Plant and Machinery	2,732,689	6,826,326	3,811,797	133.71
Computers	64,148	-	710	0.65
Telephone	20,435	-	-	0.20
Vehicles	1,120,328	-	-	11.20
Total Depreciation	4,847,264	8,278,771	4,146,584	17,272,618

11 Non-Current Investments

Investment in quoted equity instruments:

Face Value of ₹ 10 each

622 shares (2011:423) Coal India Limited	1.45	1.45
1380 shares (2011: 1380) Birla Machining and Toolings Limited	1.04	1.04
3616 shares (2011: 2411) Diamines and Chemicals Limited	1.85	1.85
10057 shares (2011: 10057) Ontrack Systems Limited	5.81	5.81
889 shares (2011: 593) Power Grid Corporation of India Limited	0.76	0.76
500 shares (500 shares) Roman Tarnat Limited	1.65	1.65
	12.56	12.56
Aggregate Market Value of quoted investments	5.33	6.76

12 Long-term Loans and Advances

(Unsecured, considered good)

Capital Advances	3.25	62.00
Deposits	84.09	82.11
	87.34	144.11

12.1 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.

13 Long Term Trade Receivables (Refer note : 12.1)

- Debt outstanding for a period exceeding six months from the date they are due for payment:

Unsecured, considered doubtful	3.22	3.22
- Others	-	58.05
Unsecured, considered doubtful	3.22	61.27



VIDHI DYESTUFFS MANUFACTURING LIMITED

	in Lakhs	
	2013	2012
14 Inventories		
<i>(As taken, valued and certified by management)</i>		
Raw Materials		
- stock-in-hand	622.61	447.09
- goods in transit	47.53	122.12
	-	-
Work in Progress	432.87	431.43
Finished Goods	621.57	311.98
Stock-in-trade		
- stock-in-hand	314.17	117.99
- goods in transit	65.49	-
	<u>2,104.24</u>	<u>1,430.61</u>
15 Trade Receivables (Refer note : 12.1)		
- Debt outstanding for a period exceeding six months from the date they are due for payment:		
Unsecured, considered good	200.60	152.15
Unsecured, considered doubtful	0.74	0.74
Less: Provision for doubtful debts	0.74	0.74
	<u>200.60</u>	<u>152.15</u>
- Others:		
Unsecured, considered good	3,493.16	3,163.62
	<u>3,693.76</u>	<u>3,315.77</u>
16 Cash and Bank Balance		
Balance with Scheduled Banks :		
- in current accounts	94.09	237.56
- in margin money accounts	283.79	261.77
- in unpaid dividend account	1.04	-
Cheques on hand	-	4.67
Cash on hand	4.66	15.49
	<u>383.58</u>	<u>519.49</u>
17 Short-term Loans and Advances (Refer note : 12.1)		
<i>Unsecured, considered good</i>		
Advance to suppliers	160.64	144.96
Balance with Revenue Authorities	714.50	767.45
Others	51.90	46.18
	<u>927.04</u>	<u>958.59</u>
18 Other Current Assets (Refer note : 12.1)		
Accrued Interest	17.61	0.45
Export Incentives Receivables	125.93	88.77
	<u>143.54</u>	<u>89.22</u>



		in Lakhs	
		2013	2012
19 Revenue from Operations			
- Revenue from Manufacturing Activities of food colors			
Export Sales		7,741.41	5,440.77
Local Sales		304.07	451.99
		8,045.48	5,892.76
Less: Excise Duty		498.51	352.82
	A	7,546.97	5,539.94
- Revenue from Trading Activities of chemicals			
Local Sales		4,644.21	6,159.48
		4,644.21	6,159.48
Less: Excise Duty		414.38	448.25
	B	4,229.83	5,711.23
	(A + B)	11,776.80	11,251.17
Earnings in Foreign Currency			
F.O.B. Value of Exports		7,191.75	4,951.49
20 Other Operating Revenue			
Export Incentives		211.72	199.08
Net gain on foreign currency transaction and translation		10.32	-
Profit on sale of License		0.35	-
Commission on High Seas Sales		-	3.45
		222.39	202.53
21 Other Income			
Interest received		23.19	16.65
Dividend received		0.12	0.19
Discount received		9.55	0.53
Net gain on sale of fixed assets		-	4.50
		32.86	21.87
22 Cost of Material Consumed			
Opening Stock of :			
- Raw materials and Packing material		447.09	277.51
- Stock in Transit		122.12	35.09
Purchase of:			
- Raw materials		4,999.98	3,544.44
- Packing material		168.90	145.44
- Fuel			104.45
249.16			
Labour charges		134.79	177.33
Less: Closing Stock of :			
- Raw Material and Packing Materials		622.61	447.09
- Stock in transit		47.53	122.12
		5,307.19	3,859.76
Details of material consumed:			
Chemicals, Dyes and Intermediates		5,052.23	3,469.35
Packing material		154.63	142.27
Fuel		100.33	248.14
		5,307.19	3,859.76



VIDHI DYESTUFFS MANUFACTURING LIMITED

	` in Lakhs	
	2013	2012
22 Cost of Material Consumed (Contd.)		
Imported and Indigenous material consumed		
Imported	1,690.68	1,207.05
Indigenous	3,616.51	2,652.71
	5,307.19	3,859.76
Imported (%)	31.86	31.27
Indigenous (%)	68.14	68.73
	100.00	100.00
Value of Imports on C.I.F. basis		
Raw Materials	1,762.59	1,302.31
23 Purchases of Stock-in-Trade		
<i>Purchase of Chemicals:</i>		
Others	4,256.56	5,152.86
	4,256.56	5,152.86
Value of Imports on C.I.F. basis		
Trading Purchases of Chemicals	4,227.29	4,305.19
24 Changes in inventories of finished goods, work in progress and stock-in-trade		
Opening Stock of :		
Finished goods	311.98	230.24
Work-in-progress	431.43	302.74
Trading goods	117.99	417.51
	861.40	950.49
Less: Closing Stock of :		
Finished goods	621.57	311.98
Work-in-progress	432.87	431.43
Trading goods	379.67	117.99
	1,434.11	861.40
	(572.71)	89.09

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, 2013 are ` 76,82,581 (Previous year ` 38,56,083)

25 Employee Benefits Expenses		
Factory Salaries and Wages	73.58	63.54
Security Charges	8.58	7.65
Contractual Charges	13.40	12.43
Office Salaries and Wages	39.19	35.49
Bonus	1.10	2.93
Remuneration to Directors	30.00	30.00
Commission to Directors	28.41	21.89
Contribution to Provident and Other Funds	4.86	4.00
Staff Welfare Expenses	14.08	7.84
	213.20	185.77



		in Lakhs	
		2013	2012
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%
26 Finance Cost			
Interest expenses		397.40	302.37
Bank and Processing charges		51.62	55.73
Loan processing charges		6.16	22.31
		455.18	380.41
27 Other expenses			
<i>Manufacturing and Operating Expenses</i>			
Clearing and forwarding		87.04	85.69
Freight and octroi charges		94.77	106.48
Insurance charges		4.95	12.61
Power charges		311.90	191.94
Professional and consultancy fees		37.42	25.90
Repairs and Maintenance		137.48	63.06
Stores and spares consumed		71.24	67.17
Warehousing charges		6.39	15.55
Miscellaneous manufacturing and operating expenses		242.53	130.46
A		993.72	698.86
<i>Administrative Expenses</i>			
Guarantee commission to directors		11.20	11.20
Keyman insurance premium		5.38	5.27
Licence procurement expenses		9.89	6.87
Net loss on foreign currency transaction and translation		-	65.06
Payment to auditors			
- statutory audit		5.00	5.00
- tax audit		1.00	1.00
- certification and others		1.61	2.50
Printing and stationery		10.08	10.88
Communication expenses		5.53	6.76
Electricity expenses		4.36	2.32
Rent rates and taxes		4.66	4.14
Professional and consultancy charges		19.80	20.51
Donation		1.44	1.15
Sundry balances written off		37.34	7.11
Technical director's remuneration		3.00	3.00
Loss on Sale of Fixed Assets		15.61	-
Miscellaneous administrative expenses		52.68	51.69
B		188.58	204.46



VIDHI DYESTUFFS MANUFACTURING LIMITED

	in Lakhs	
	2013	2012
27 Other expenses (Contd.)		
Selling and Distribution Expenses		
Advertisement	3.77	2.06
Business promotion	9.83	26.57
Clearing and forwarding	38.94	29.25
Commission expenses	45.42	32.86
E. C. G. C. premium	24.76	16.28
Exhibition and trade fair expenses	20.40	15.98
Foreign travelling expenses	4.66	5.31
ISI / FDA marketing fees	21.37	26.31
Freight and Octroi Charges	130.38	99.15
Terminal handling charges	41.77	26.10
Miscellaneous distribution and selling expenses	40.09	30.16
C	381.39	310.03
(A + B + C)	1,563.69	1,213.35
27.1 Expenditure in Foreign Currency		
Commission on export sales	18.87	7.18
Traveling Expenses	1.40	3.01
Exhibition and Trade Fair expenses	19.47	15.98
FDA Marking fees	21.37	26.31
Consultancy Fees	34.76	37.46
Advertisement Expenses	2.05	-
	97.92	89.94

28 Related Party Disclosures:

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

Key management personnel, relatives and related parties

Key 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
2. Trident Colours & Chemicals (Proprietor:- Ameer Manek)

Nature of transactions	2013			2012		
	Key management personnel	Relatives & Related parties of Key Management Personnel	Enterprises over which key management personnel have significant influence	Key management personnel	Relatives & Related parties of Key Management Personnel	Enterprises over which key management personnel have significant influence
Managerial Remuneration						
Bipin Manek	29.20	-	-	25.95	-	-
Mihir Manek	29.20	-	-	25.95	-	-
	58.40	-	-	51.90	-	-
Technical Director Remuneration						
Vijay K Atre	3.00	-	-	3.00	-	-
	3.00	-	-	3.00	-	-
Bank Guarantee Commission						
Bipin Manek	11.20	-	-	11.20	-	-
	11.20	-	-	11.20	-	-
Remuneration to Factory Manager						
Ajay V. Pande	3.66	-	-	3.15	-	-
	3.66	-	-	3.15	-	-
Trade payable paid						
Trident Colours & Chemicals (Proprietor:- Ameer Manek)	-	-	4.50	-	-	-
	-	-	4.50	-	-	-
Loan taken during the year						
Arjun Food Colorants Manufacturing Pvt. Ltd.	-	-	-	-	-	33.00
	-	-	-	-	-	33.00
Loan repaid during the year						
Arjun Food Colorants Manufacturing Pvt. Ltd.	-	-	-	-	-	33.42
	-	-	-	-	-	33.42

Nature of transactions	2013			2012		
	Key management personnel	Relatives & Related parties of Key Management Personnel	Enterprises over which key management personnel have significant influence	Key management personnel	Relatives & Related parties of Key Management Personnel	Enterprises over which key management personnel have significant influence
Outstanding Payables						
Trade payables						
Trident Colours & Chemicals (Proprietor:- Ameer Manek)	-	-	-	-	-	4.50
	-	-	-	-	-	4.50
Outstanding Receivables						
Security Deposit						
Pravina B. Manek	-	-	20.00	-	-	20.00
	-	-	20.00	-	-	20.00



VIDHI DYESTUFFS MANUFACTURING LIMITED

Summary of Related Party Transactions

Nature of Transactions	2013			2012		
	Key management personnel	Relatives & Related parties of Key Management Personnel	Enterprises over which key management personnel have significant influence	Key management personnel	Relatives & Related parties of Key Management Personnel	Enterprises over which key management personnel have significant influence
Transactions during the year						
Managerial Remuneration	58.40	-	-	51.90	-	-
Technical Director Remuneration	3.00	-	-	3.00	-	-
Bank Guarantee Commission	11.20	-	-	11.20	-	-
Remuneration to Factory Manager	3.66	-	-	3.15	-	-
Loan taken during the year	-	-	-	-	-	33.00
Loan repaid during the year	-	-	-	-	-	33.42
Outstanding Payables						
Trade payables	-	-	-	-	-	4.50
Outstanding Receivables						
Security Deposit	-	-	20.00	-	-	20.00

in Lakhs

2013 **2012**

29 Contingent Liabilities

Nature of Dues

Export of excisable goods without payment of duty under Form UT-1	78.53	59.11
Custom duty payable in respect of export obligation		
- plant and machinery	-	6.91

30 Pending Capital Commitments

Nil Nil

31 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

32 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.

33. 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, 30th May, 2013

For and on behalf of the Board of Directors

Bipin M. Manek

Chairman and

Managing Director

Mumbai, 30th May, 2013

Mihir B. Manek

Joint Managing

Director





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

ATTENDANCE SLIP

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

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

I hereby record my presence at the **20th Annual General Meeting** of the Company held on Monday, 30th September 2013 at 3.00 P.M. at the registered office of the Company at E/27, Commerce Centre, 78, Tardeo Road, Mumbai - 400034

*Please Indicate whether Member or Proxy

Applicable for investors holding shares in electronic form.

1. Please bring the duly filled in Attendance Slip and had it over at the entrance duly signed.
2. Members/Proxy holders are requested to bring their copies of the Annual Report with them to the Annual General Meeting.

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

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

FORM OF PROXY

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

as my/our proxy to attend and vote for me/us on/my behalf at the **20th Annual General Meeting** of the Company to be held on Monday, the 30th September 2013 at 3.00 P.M. at E/27, Commerce Centre, 78, Tardeo R _____ o _____ a _____ d _____, Mumbai - 400034 and at any adjournment thereof.

Signed this _____ day of _____ 2013

Membership Folio No./Client IDNO : _____

No. of Shares held _____

Re. 1/-
 Revenue
 Stamp

Notes

1. The form duly completed must be deposited at the registered office of the Company not less than 48 hours before the commencement of the aforesaid Annual General Meeting.
2. A Proxy need not be a member of the Company.

Tear Here



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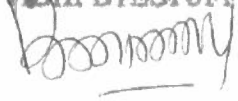

VIDHI DYESTUFFS MANUFACTURING LIMITED
E-27, Commerce Centre, 78, Tardeo Road, Mumbai - 400 034.

VIDHI DYESTUFFS MFG. LTD.

REGD. OFF.: E/27, COMMERCE CENTRE, 78, TARDEO ROAD, TARDEO, MUMBAI-34, INDIA.
Tel. : (91-22) 6140 6666 [100 Lines] 2351 4349/2352 2864/6347 • Fax : 2352 1980

FACTORY : PLOT NO. 59 - B & 68, MIDC, DHATAV, ROHA, DIST. RAIGAD, MAHARASHTRA
Tel. : (02194) 26 38 73

Form A

1.	Name of the Company	Vidhi Dyestuffs Manufacturing Limited
2.	Annual Financial Statements for the year ended	31 st March, 2013
3.	Type of Audit Observation	Un-qualified
4.	Frequency of Observation	No Observation
5.	To be signed by- <ul style="list-style-type: none">• Managing Director – Bipin M. Manek• CFO – No CFO• Auditor of the Company – Bhuta Shah & Co.• Audit Committee Chairman – Mr. Vijay K. Atre	For VIDHI DYESTUFFS MFG. LTD.  Director  JITENDRA B. SHAH Chartered Accountant MUMBAI No. 003010 