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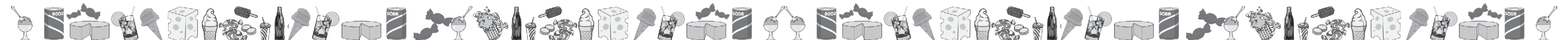


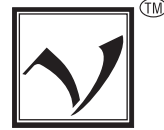
MANUFACTURERS OF FOOD COLOURS

Vidhi Dyestuffs Manufacturing Limited

**21ST Annual
Report
2013 - 2014**

If undelivered, please return to :
VIDHI DYESTUFFS MANUFACTURING LIMITED
E-27, Commerce Centre, 78, Tardeo Road, Mumbai - 400 034.





Vidhi Dyestuffs Manufacturing Limited

(CIN: L24110MH1994PLC076156)

Twenty First Annual Report 2013–2014

BOARD OF DIRECTORS

DIRECTORS	:	Mr. BIPIN M. MANEK (DIN 00416441) <i>Chairman & Managing Director</i>
	:	Mr. MIHIR B. MANEK (DIN 00650613) <i>Jt. Managing Director</i>
	:	Mrs. PRAVINA B. MANEK (DIN 00416533)
	:	Mr. VIJAY K. ATRE (DIN 00416853)
	:	Mr. PRAFULCHANDRA A. SHAH (DIN 00417022)
	:	Mr. CHETAN P. BAVISHI (DIN 01978410)
	:	Mr. NIREN D. DESAI (DIN 01978382)
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. TEL. NO.: 022-61406666 FAX No.: 022-23521980
FACTORY	:	59B & 68, MIDC, DHATAV, ROHA, DISTRAGAD, MAHARASHTRA - 402 16.
REGISTRAR & SHARE TRANSFER AGENT	:	SHAREX DYNAMIC (INDIA) PVT. LTD. 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 Twenty First **Annual General Meeting** of the Shareholders of **VIDHI DYESTUFFS MANUFACTURING LIMITED** will be held on Saturday, the 27th day of September 2014 at 5.00 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:

- To receive, consider and adopt the Audited Balance Sheet as at the March 31, 2014, the Profit and Loss Account (the Statement of Profit and Loss), Cash Flow Statement of the Company for the year ended on that date and notes related thereto together with the Reports of Directors' and the Auditors' thereon.
- To confirm Interim Dividend and Second Interim Dividend paid on equity shares during the financial year 2013-14.
- To appoint a Director in place of Mr. Vijay K. Atre (DIN **00416853**), who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint Auditors and to fix their remuneration and in this regard, to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and all other Rules made under the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. Bhuta Shah & Co., Chartered Accountants (Firm Registration No. 101474W) be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of fourth consecutive Annual General Meeting of the Company (with the meeting wherein such appointment has been made being counted as the first meeting), subject to ratification of their appointment by Members at every AGM, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditor.”

SPECIAL BUSINESS:

- Appointment of Mr. Prafulchandra Shah (DIN **00417022**) as an Independent Director of the Company.

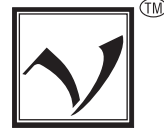
To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and subject to Clause 49 of the Listing Agreement, Mr. Prafulchandra Shah (DIN **00417022**), Independent Non- executive Director of the Company, whose period of office is liable to determination by retirement by rotation at the Annual General Meeting (AGM) under the erstwhile applicable provisions of the Companies Act, 1956 and who is not disqualified to become a Director under the Companies Act, 2013 and who is eligible for appointment as an Independent Director and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a Member proposing name of Mr. Prafulchandra Shah (DIN **00417022**) as a candidate for the office of Independent Director of the Company, be and is hereby appointed as an Independent Director on the Board of the Company to hold office for a term of five consecutive years with effect From September 27, 2014 upto September 26, 2019, not liable to retire by rotation.”

- Appointment of Mr. Chetan P. Bavishi (DIN **01978410**) as an Independent Director of the Company.

To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:





“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and subject to Clause 49 of the Listing Agreement, Mr. Chetan P. Bavishi (DIN 01978410), Independent Non- executive Director of the Company, whose period of office is liable to determination by retirement by rotation at the Annual General Meeting (AGM) under the erstwhile applicable provisions of the Companies Act, 1956 and who is not disqualified to become a Director under the Companies Act, 2013 and who is eligible for appointment as an Independent Director and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a Member proposing name of Mr. Chetan P. Bavishi (DIN 01978410) as a candidate for the office of Independent Director of the Company, be and is hereby appointed as an Independent Director on the Board of the Company to hold office for a term of five consecutive years with effect from September 27, 2014 upto September 26, 2019, not liable to retire by rotation.”

7. Appointment of Mr. Niren D. Desai (DIN 01978382) as an Independent Director of the Company.

To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and subject to Clause 49 of the Listing Agreement, Mr. Niren D. Desai (DIN 01978382), Independent Non- executive Director of the Company, whose period of office is liable to determination by retirement by rotation at the Annual General Meeting (AGM) under the erstwhile applicable provisions of the Companies Act, 1956 and who is not disqualified to become a Director under the Companies Act, 2013 and who is eligible for appointment as an Independent Director and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a Member proposing name of Mr. Niren D. Desai (DIN 01978382) as a candidate for the office of Independent Director of the Company, be and is hereby appointed as an Independent Director on the Board of the Company to hold office for a term of five consecutive years with effect from September 27, 2014 upto September 26, 2019, not liable to retire by rotation.”

8. Ratification of Remuneration payable to the Cost Auditors for the year 2014-15.

To consider, and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Record and Audit) Rules, 2014, notifications, orders, rules, circulars, etc. issued under the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), Rajesh Shah & Associates, Practicing Cost Accountants, appointed as Cost Auditors of the Company by the Board of Directors as recommended by the Audit Committee to conduct the audit of the cost records of the Company for the financial year 2014-15, be paid the remuneration as set out in the Statement pursuant to Section 102 of the Companies Act, 2013 annexed to this Notice.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to delegate all or any of its powers to any of its committee(s) or any Director or officer or person and to do all such acts, deeds, matters and things for giving effect to this resolution.”

9. Modification in terms of payment of Guarantee Commission to Mr. Bipin M. Manek (DIN 00416441):

To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT in partial modification to the resolution passed in the Board Meeting held on May 27, 2010 and approved by the Members in the Annual General Meeting held on September 9, 2010 and Guarantee Commission Agreement between the Company and Mr. Bipin M. Manek (DIN 00416441), approval of the Members be and is hereby given to pay Guarantee Commission @ 0.75% per annum to Mr. Bipin M. Manek (DIN 00416441), the Managing Director of the Company, on the amount of personal guarantee given by him to the Banks or Financial Institutions for securing various loan facilities availed by the Company, as modified from time to time.

RESOLVED FURTHER THAT the Guarantee Commission shall be paid to Mr. Bipin M. Manek (DIN 00416441) on quarterly basis on the amount of loan/facilities sanctioned to the Company by the Bank/Financial Institutions and is/are secured by the personal guarantee of Mr. Bipin M. Manek (DIN 00416441).

RESOLVED FURTHER THAT the Supplementary Guarantee Commission Agreement executed with Mr. Bipin M. Manek (DIN 00416441), Managing Director, including the terms and conditions of the payment of Guarantee Commission as placed before this meeting be and is hereby approved.

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things for giving effect to this resolution.”

10. Approval of payment of Guarantee Commission to Mrs. Pravina B. Manek (DIN 00416533):

To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT the approval of the Company be and is hereby given to pay Guarantee Commission @ 0.75% per annum to Mrs. Pravina B. Manek (DIN 00416533), Director of the Company, on quarterly basis on the amount of loan/facilities sanctioned to the Company by the Bank/Financial Institutions and is/are secured by the personal guarantee of Mrs. Pravina B. Manek (DIN 00416533).

RESOLVED FURTHER THAT the Guarantee Commission Agreement to executed with Mrs. Pravina B. Manek (DIN 00416533), the Director of the Company, including the terms and conditions of the payment of Guarantee Commission as placed before this meeting be and is hereby approved.

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things for giving effect to this resolution.”

11. To give authority to the Board to borrow money in excess of limit specified u/s 180 (1)(c) of the Companies Act, 2013:

To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

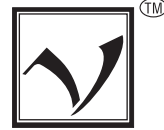
“RESOLVED THAT pursuant to Section 180(1)(c) and any other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the rules made thereunder, consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as “the Board”, which term shall include its Committee(s) constituted / to be constituted for the purpose) to borrow any sum, or sums of monies and / or to receive / avail of financial assistance or to undertake financial obligation in any form, from time to time, from any one or more of the Financial Institutions, Banks, Funds and / or from any one or more other persons, firms, bodies corporate, mutual funds or entities, whether by way of loans, advances, deposits or bills discounting, issue of debentures, bonds, financial arrangement or obligations or otherwise and whether unsecured or secured by mortgage, charge, hypothecation, lien or pledge of the Company's assets and properties whether immovable or movable or stock in-trade (including raw materials, stores, spare parts and components in stock or in transit) or work in progress and all or any of the undertakings of the Company, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company may, at any time, exceed the paid up share capital of the Company and its free reserves, provided that the total amounts so borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) and outstanding at any time shall not exceed Rs. 200 Crores (Rupees Two Hundred Crores Only).

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board and/or its duly constituted Committee be and are hereby authorised to finalise, settle and execute such documents/deeds/writings/papers/ agreements and do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable to give effect to the aforesaid resolution and to settle any doubts, difficulties or questions as may arise in this regard, on behalf of the Company.”

12. To pay remuneration to Mr. Vijay K. Atre (DIN 00416853), Non-Executive Director:

To consider and, if thought fit, to pass, with or without modification(s), the following resolutions as Special Resolution:





“RESOLVED THAT pursuant to provisions of Section 197, 198 and all other applicable provisions of the Companies Act, 2013, if any, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) for the time being in force, and subject to the provisions of the Articles of Association of the Company, the consent of the Members be and is hereby accorded for payment of remuneration of Rs.25,000/- per month but not exceeding 1% of the net profits of the Company for each financial year, as computed in manner laid down in Section 198 of the Companies Act, 2013, to Mr. Vijay K. Atre (DIN 00416853), Non-executive Director of the Company, for a period of five financial years beginning with effect from financial year 2014-15.

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

13. To amend Article No.100 of the Articles of Association of the Company:

To consider, and if thought fit, to pass, with or without modification(s), the following resolutions as **Special Resolution**:

“RESOLVED THAT pursuant to provisions of Section 14 and other applicable provisions of the Companies Act, 2013 and the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Article No.100 of the Articles of Association of the Company be and is hereby altered and substituted by following new Article No.100:

100. Until otherwise determined by the Company in General Meeting, each Director other than the Managing/Whole-time Director shall be entitled to sitting fees as may be decided by the Board from time to time not exceeding a sum prescribed under the Companies Act, 2013 and Rules made thereunder (as may be amended from time to time) for attending each meetings of the Board or Committees thereof.

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

By Order of the Board
For Vidhi Dyestuffs Manufacturing Limited,

Bipin M. Manek
Chairman & Managing Director
(DIN: 00416441)

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

Date: August 14, 2014
Place: Mumbai

Registered Office:
E/27, Commerce Centre,
78, Tardeo Road,
Mumbai – 400034
CIN: L24110MH1994PLC076156



NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DULY COMPLETED, STAMPED AND SIGNED AND SHOULD BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

A PERSON CAN ACT AS A PROXY ON BEHALF OF THE MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER. A PROXY FORM IS SENT HERewith. PROXIES SUBMITTED ON BEHALF OF THE COMPANIES, SOCIETIES ETC., MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTION/AUTHORITY, AS APPLICABLE.

2. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the September 20, 2014 to Saturday, the September 27, 2014 (both days inclusive).

3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business as set out above is annexed hereto.

4. Members who wish to claim Dividends, which have remained unclaimed, are requested to correspond with the Compliance Officer of the Company at the Registered Office of the Company or with the Registrar and Share Transfer Agent namely, M/s. Sharex Dynamic (India) Private Limited. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend account, will, as per the provisions of Section 124 of the Companies Act, 2013 (Section 205A of the erstwhile Companies Act, 1956), be transferred to the Investor Education and Protection Funds.

5. 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 2007 to the Investor Education and Protection Fund set up by the Government of India as per provisions of erstwhile Section 205C of the Companies Act, 1956. No claims shall lie against the Fund or the Company in respect to the amounts which were transferred to the IEPF in accordance with the Companies Act, 1956.

6. The Securities and Exchange Board of India has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are requested to submit their PAN to their Depositories Participant(s). Members holding shares in physical form shall submit their PAN details to Registrar & Share Transfer Agent (RTA).

7. Members are requested to furnish/ update the details of their address, e-mail address, bank account details, relevant information for availing various approved/permissible modes of electronic funds transfer facilities viz. Electronic Clearing Services (ECS), National Electronic Funds Transfer (NEFT), Real Time Gross Settlement (RTGS), etc. to prevent fraudulent encashment of dividend warrants, whenever issued:

(i) to their Depository Participants (DPs) in respect of their shareholdings in electronic (demat) form, and

(ii) to the Company's Registrar & Share Transfer Agents 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

8. Members are requested to:

(i) send all share transfer lodgements (Physical mode) / correspondence to the Registrar and Share Transfer Agent upto 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.

9. 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.
10. Corporate Members intending to send their representatives to attend the Meeting are requested to send to the Company a certified copy of the board resolution authorizing their representatives to attend and vote at the Meeting on their behalf.
11. 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.
12. As per the provisions of Section 72 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014 facility for making nominations is available for shareholders in respect of the physical shares held by them. Form SH 13 for making nomination can be obtained from the Company's Registered Office/ from R&TA.
13. Members, who are holding Shares in identical order of names in more than one Folio, are requested to apply to the Company/ R&TA along with the relevant Share Certificates for consolidation of such Folios in one Folio.
14. 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.
15. Vijay K. Atre (DIN **00416853**), Director retires by rotation at the Annual General Meeting and being eligible, offers himself for re-appointment. Pursuant to the Clause 49 of the Listing Agreement, relevant details of the Directors seeking appointment or re-appointment at the forthcoming Annual General Meeting are annexed hereto. The Directors have furnished the relevant consents, declarations, etc. for their appointment/ reappointment.
16. 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.
17. 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.
18. As per Sections 101, 136 and other applicable provisions of the Act, read with the rules made there under and circulars issued by the Ministry of Corporate Affairs, Companies can now send various reports, documents, communications, including but not limited to annual report to its members through electronic mode at their registered e-mail addresses.

The Company believes in green initiative and is concerned about the environment. Hence, Annual Report including inter alia the Report of the Board of Directors, Auditors' Report, Balance Sheet, Statement of Profit and Loss, Cash Flow Statement, Notice of this AGM, instructions for e-voting, attendance slip, proxy form, etc. is being sent by electronic mode to all Members whose addresses are registered with the Company/R&TA/ depositories unless a Member has requested for a hard copy of the same. For Members who have not registered their e-mail addresses, physical copies of the relevant documents are being sent by the permitted mode.

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

19. Voting through electronic means :
 - A. In Compliance with the provisions of section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 the Company is pleased to provide Members the Facility to Exercise their right to vote at the 21st Annual General Meeting (AGM) by electronic means. The Company has appointed Central Depository Service Limited (CDSL) for facilitating e-voting.
 - B. The Members are requested to refer to the detailed procedure on e-voting as mentioned below to vote through electronic mode.

- i. Log on to the e-voting website www.evotingindia.com during the voting period
- ii. Click on "Shareholders" tab.
- iii. Now, select "Vidhi Dyestuffs Manufacturing Limited" from the drop down menu and click on "SUBMIT"
- iv. Now Enter your User ID
 - a. CDSL: 16 digits beneficiary ID,
 - b. NSDL: 8 Character DP ID followed by 8 Digits Client ID
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login.
- vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vii. If you are a first time user, then follow the steps given below:

- a. Enter your 10 digit alpha-numeric PAN issued by Income Tax Department.

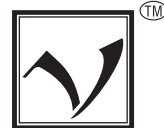
Members who have not registered their PAN with the Company / Depository Participant (DP) are requested to use the default PAN number: ABCDE1234Z in the PAN field.

- b. Enter either the Date of Birth (DOB) in dd/mm/yyyy format OR the Dividend Bank Details, as recorded in your demat account or in the company records for the said demat account or folio, in order to login.

In case either of the details are not recorded with the Company / DP, then please enter the value 01/01/1990 (dd/mm/yyyyformat) in the DOB field or 0123456789 in the Dividend Bank details field. After entering these details appropriately, click on "SUBMIT" tab.

- viii. Members holding shares in physical form will then reach directly to the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that same password will be used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and to take utmost care in keeping your password confidential.
- ix. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice and not for any other company.
- x. Click on the EVSN of VIDHI DYESTUFFS MANUFACTURING LIMITED on which you choose to vote.
- xi. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiii. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xv. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvi. If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.





Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to [https:// www.evotingindia.co.in](https://www.evotingindia.co.in) and register themselves as Corporate.

- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the Account which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, in PDF format in the system for the Scrutinizer to verify the same and email to vidhi.scrutinizer@hkacs.com.
- C. The voting period begins on Sunday, September 21, 2014 at IST 09:00 a.m. and ends on Tuesday September 23, 2014 at IST 05.30 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of August 28, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- D. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an e-mail to helpdesk.evoting@cdslindia.com.
- E. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of August 28, 2014.
- F. Mr. Hemanshu Kapadia, Practising Company Secretary and on failing him, Mr. Vipin Mehta, Practising Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- G. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.

The results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the website of CDSL.

By Order of the Board
For Vidhi Dyestuffs Manufacturing Limited,

Bipin M. Manek
Chairman & Managing Director
(DIN: 00416441)

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

Date: August 14, 2014
Place: Mumbai



EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 5 to 7

Pursuant to the provisions of Clause 49 of the Listing Agreement entered into with Stock Exchanges, the Company had appointed, Mr. Vijay K. Atre (DIN **00416853**), Mr. Prafulchandra A. Shah (DIN **00417022**), Mr. Chetan P. Bavishi (DIN **01978410**) and Mr. Niren D. Desai (DIN **01978382**) were appointed as Independent Non-executive Directors of the Company. Mr. Vijay K. Atre (DIN **00416853**), retires by rotation at this Annual General Meeting (AGM) under the erstwhile applicable provisions of Companies Act, 1956. Further, Mr. Prafulchandra A. Shah (DIN **00417022**), Mr. Chetan P. Bavishi (DIN **01978410**) and Mr. Niren D. Desai (DIN **01978382**) are the Directors whose period of offices are liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. With the enactment of the Companies Act, 2013, it is now incumbent upon the Company to appoint 'Independent Directors' as defined under section 149(6) of the Companies Act, 2013.

In terms of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and all other applicable rules made under the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) (hereinafter referred to as 'the Act'), Mr. Prafulchandra A. Shah (DIN **00417022**), Mr. Chetan P. Bavishi (DIN **01978410**) and Mr. Niren D. Desai (DIN **01978382**), being eligible and offering themselves for appointment, are proposed to be appointed as the Independent Directors (Independent Non-executive Directors) for a term of five consecutive years commencing from September 27, 2014, not liable to retire by rotation. The Company has received three notices in writing from a Member along with the requisite deposits under section 160 of the Act proposing the candidature of Mr. Prafulchandra A. Shah (DIN **00417022**), Mr. Chetan P. Bavishi (DIN **01978410**) and Mr. Niren D. Desai (DIN **01978382**) for the office of Independent Directors of the Company to be appointed as such.

The Company has received following documents from Mr. Prafulchandra A. Shah (DIN **00417022**), Mr. Chetan P. Bavishi (DIN **01978410**) and Mr. Niren D. Desai (DIN **01978382**):

(i) Letters of consent to act as a Director in the prescribed form *DIR-2* pursuant to Section 152 of the Act and Rule 8 of the Companies (Appointment and Qualification of Directors) Rules 2014;

(ii) Letters of intimation in the prescribed form *DIR-8* pursuant to Section 164 of the Act and Rule 14 of Companies (Appointment and Qualification of Directors) Rules, 2014 to the effect that they are not disqualified to become directors under the Act;

(iii) Declarations that they meet the criteria of independence as provided under Section 149 of the Act read with the Clause 49 of the listing agreement as amended and declarations under Section 152 of the Act to the effect that they are not disqualified to become directors under the Act.

The Nomination and Remuneration Committee has recommended the appointment of these Directors as the Independent Directors for a term of five consecutive years commencing from September 27, 2014. In the opinion of the Board of Directors, Mr. Prafulchandra A. Shah (DIN **00417022**), Mr. Chetan P. Bavishi (DIN **01978410**) and Mr. Niren D. Desai (DIN **01978382**) fulfill the conditions specified in the Act, rules made thereunder, read with the Clause 49 of the listing agreement, as amended, for their appointment as the Independent Directors of the Company and that they are independent of the management and they are not disqualified to become Directors under the Act. Documents relevant to the appointment of these Directors as the Independent Directors are available for inspection at the Registered Office of the Company during business hours on any working day of the Company without payment of fee. The Board of Directors is authorized to take all such steps as may be necessary, proper, expedient or desirable to give effect to these appointments, with liberty to the Board of Directors of the Company to alter and vary the terms and conditions of the aforesaid appointment.

Brief resume of the Independent Directors proposed to be appointed, nature of their expertise in specific functional areas, names of the companies in which they hold directorships and the memberships/ chairmanships of Committees of the Board and their shareholding in the Company, as stipulated under Clause 49 of the Listing Agreement entered into with the Stock Exchanges, are set out in the Annexure to the Notice.





The ordinary resolutions at Item nos. 5 to 7 of this Notice seek the approval of the Members for the appointment of Mr. Prafulchandra A. Shah (DIN 00417022), Mr. Chetan P. Bavishi (DIN 01978410) and Mr. Niren D. Desai (DIN 01978382) as the Independent Directors of the Company for a term of five consecutive years commencing from September 27, 2014 pursuant to Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Act and applicable rules made under the Act and Clause 49 of the listing agreement, as amended from time to time. They are not liable to retire by rotation. The Board of Directors considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail services of these Directors as the Independent Directors. Accordingly, the Board of Directors recommends the ordinary resolutions as set out at Item no. 5 to 8 of this Notice in relation to the appointment of Mr. Prafulchandra A. Shah (DIN 00417022), Mr. Chetan P. Bavishi (DIN 01978410) and Mr. Niren D. Desai (DIN 01978382) as the Independent Directors, for the approval by the Members of the Company.

Mr. Prafulchandra A. Shah (DIN 00417022), Mr. Chetan P. Bavishi (DIN 01978410) and Mr. Niren D. Desai (DIN 01978382), respectively, are concerned or interested in the respective Resolutions of the accompanying notice relating to their own appointment. None of the Directors, Key Managerial Personnel of the Company or their relatives, other than the Independent Directors for their respective appointment, are concerned or interested, financially or otherwise, in the resolutions set out at Item No. 5 to 7 of the Notice.

Item No. 8:

The Board of Directors, on recommendation of the Audit Committee and pursuant to Section 148 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 and all other applicable rules made, notifications, orders, rules, circulars, etc. issued under the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), Cost Audit Order No. 52/26/CAB-2010 dated January 24, 2012, and subject to the approval of Central Government, has approved the appointment and remuneration of the Cost Auditors, Rajesh Shah & Associates, Practicing Cost Accountants to conduct the audit of the cost records of the Company for the financial year 2014-15. The aforesaid appointment of Rajesh Shah & Associates, Practicing Cost Accountants, is subject to the relevant notifications, orders, rules, circulars, etc. issued by the Ministry of Corporate Affairs and other regulatory authorities from time to time. The remuneration payable to Rajesh Shah & Associates, Practicing Cost Accountants, shall be such sum not exceeding Rs.1,00,000 (Rupees One Lac only) plus out of pocket expenses and applicable taxes for the aforesaid audit. A Certificate issued by the above firm regarding their independence and eligibility for appointment as Cost Auditors and other relevant documents are open for inspection at the Registered Office of the Company during business hours on any working day of the Company without payment of fee.

In accordance with the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules 2014 and all other applicable rules, the remuneration payable to the Cost Auditors is required to be ratified subsequently by the shareholders. Accordingly, consent of the Members is sought for passing the ordinary resolution as set out at Item No. 8 of the notice for ratification of the remuneration payable to the Cost Auditors for the financial year 2014-15.

None of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the notice.

The Board of Directors recommends the Ordinary Resolution set out at Item No.8 of the notice for approval by the Members.

Item No. 9

The Members in their Annual General Meeting held on September 9, 2014, has approved payment of Guarantee Commission @ 0.75% per annum to Mr. Bipin M. Manek (DIN 00416441), the Managing Director of the Company, 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. Later on it was found that there was some contradiction in the resolution passed for Guarantee Commission and agreement for the same. Therefore, the Board, on recommendation of Nomination and Remuneration Committee (Erstwhile Remuneration Committee) and subject to the approval of the Members, in its meeting held on December 27, 2013 has approved modification in the terms of payment of Guarantee Commission to give more clarity and remove confusion.

Accordingly, the proposed modified terms the Guarantee Commission will be paid @ 0.75% per annum to Mr. Bipin M. Manek (DIN 00416441) on the amount of personal guarantee given by him to the Banks or Financial Institutions for securing various loan facilities availed by the Company, as modified from time to time, and the Guarantee Commission shall paid on quarterly basis on the amount on loan/facilities sanctioned to the Company by the Bank/Financial Institutions and is/are secured by the personal guarantee of Mr. Bipin M. Manek (DIN 00416441).

The Board Resolution was passed for modification in terms of payment of Guarantee Commission to Mr. Bipin M. Manek (DIN 00416441) subject to the approval of the Members, however, under the new Companies Act, 2013 and Rules made thereunder, as modified, approval of the Members is not required for the same. Since, the Board resolution is passed subject to the approval of the Members, for abundant precaution the approval of the Members is sought for the same by passing an Ordinary Resolution.

The Supplementary Agreement for modifying the terms governing the payment of Guarantee Commission to Mr. Bipin M. Manek (DIN 00416441), Managing Director of the Company, is available for inspection of Members at the Registered Office of the Company on all working days during the business hours of the Company.

Your Directors recommend the Resolution at item no.9 of the accompanied notice for the approval of the Members to be passed as an Ordinary Resolution.

Pursuant to Section 102 (1) of the Companies Act, 2013 it is informed that Mr. Bipin M. Manek (DIN 00416441), himself, Mr. Mihir B. Manek (DIN 00650613), Joint Managing Director, being son and Mrs. Pravina B. Manek (DIN 00416533), Director, being wife are concerned or interested in the Resolution at item no.9 of the accompanying notice relating to payment of Guarantee Commission. As on March 31, 2014, Mr. Bipin M. Manek (DIN 00416441) was holding 1,41,10,333 equity shares of the Company constituting 28.25% of total voting power and Mrs. Pravina B. Manek (DIN 00416533) was holding 1,79,90,667 equity shares of the Company constituting 36.02% of total voting power. None of the Directors, key Managerial Personnel of the Company or their relatives, other than those mentioned above, are concerned or interested, financially or otherwise, in the resolutions set out at Item No. 9 of the Notice.

Item No. 10

The Board in its meeting held on May 21, 2014, on recommendation of Nomination and Remuneration Committee (Erstwhile Remuneration Committee) and subject to the approval of the Members, has approved the payment of Guarantee Commission @ 0.75% per annum to Mrs. Pravina B Manek (DIN 00416533), the Director of the Company, on the amount of personal guarantee given by her to the Banks or Financial Institutions for securing various loan facilities availed by the Company, as modified from time to time, and the Guarantee Commission shall paid on quarterly basis on the amount on loan/facilities sanctioned to the Company by the Bank/Financial Institutions and is/are secured by the personal guarantee of Mrs. Pravina B Manek (DIN 00416533).

The Board Resolution was passed for payment of Guarantee Commission to Mrs. Pravina B. Manek (DIN 00416533) subject to the approval of the Members, however, under the new Companies Act, 2013 and Rules made thereunder, as modified, approval of the Members is not required for the same. Since, the Board resolution is passed subject to the approval of the Members, for abundant precaution the approval of the Members is sought for the same by passing an Ordinary Resolution.

The agreement for payment of Guarantee Commission to Mrs. Pravina B. Manek (DIN 00416533), Director of the Company, is available for inspection of Members at the Registered Office of the Company on all working days during the business hours of the Company. Your Directors recommend the Resolution for your approval to be passed as an Ordinary Resolution.

Your Directors recommend the Resolution at item no. 10 of the accompanied notice for the approval of the Members to be passed as an Ordinary Resolution.

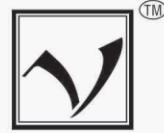
Pursuant to Section 102 (1) of the Companies Act, 2013 it is informed that Mrs. Pravina B. Manek (DIN 00416533), herself, Mr. Mihir B. Manek (DIN 00650613), Joint Managing Director, being son and Mr. Bipin M. Manek (DIN 00416441), Managing Director, being husband are concerned or interested in the Resolution at item no.10 of the accompanying notice relating to payment of Guarantee Commission. As on March 31, 2014, Mrs. Pravina B. Manek (DIN 00416533) was holding 1,79,90,667 equity shares of the Company constituting 36.02% of total voting power and Mr. Bipin M. Manek (DIN 00416441) was holding 1,41,10,333 equity shares of the Company constituting 28.25% of total voting power. None of the Directors, key Managerial Personnel of the Company or their relatives, other than those mentioned above, are concerned or interested, financially or otherwise, in the resolutions set out at Item No. 10 of the Notice.

Item No. 11

The Members of the Company by passing resolution through Postal Ballot, of which results was declared on March 12, 2010, had pursuant to the provisions of Section 293(1)(d) of the erstwhile Companies Act, 1956, passed a Ordinary Resolution authorizing the Board of Directors of the Company to borrow from time to time, a sum of money (apart from temporary loans obtained from bankers in the ordinary course of business) in excess of the aggregate of the paid up capital of the Company and its free reserves subject to maximum outstanding amount at any point of time shall not exceed Rs. 100 crores over and above the paid-up capital and free reserve.

Section 180(1)(c) of the Companies Act, 2013, made effective from September 12, 2013, mandated that the Board of Directors shall not borrow money in excess of the Company's paid up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, except with the consent of the Company accorded by way of a special resolution. Further, MCA has issued clarification vide General Circular no.04/2014 dated March 25, 2014 clarifying that the Ordinary Resolution passed under previous Act is valid for one year from the date on which Section 180 of the Companies Act, 2013 made effective i.e. till September 11, 2014.





It is therefore necessary to obtain approval for the Members by passing special resolution under section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out at item no. 11 of the notice, to enable the Board of Directors to borrow money in excess of the aggregate paid up share capital and free reserves of the Company. Approval of members is sought by way of a special resolution to borrow money not exceeding Rs.200 Crores (Rupees two Hundred Crores Only).

The proposed resolution under item no.11 is to authorize the Board of Directors to borrow the money for Company's business exceeding the limit prescribed under section 180(1)(c) of the Companies Act, 2013. The above resolution/authority is the statutory requirement that shareholder should approve the said powers to the Board which will give flexibility to the Board to run the business and there is no financial interest of the Directors or Key Managerial Person of the Company in the resolution at item no.11. Thus, there is no such disclosure require under section 102 (1) of the Companies Act, 2013.

The Board of Directors accordingly recommends the special resolution as set out at Item No.11 of the accompanying notice for the approval of the Members.

Item No. 12

Mr. Vijay K. Atre (DIN **00416853**) is M Sc. and having more that 36 years experience in the field of food colors manufacturing unit. He is having good technical knowledge of running color manufacturing unit. He is associated with the Company since May 2, 1995 and providing his guidance to the Company. In his guidance and technical knowledge Company has been benefited. It will be beneficial for the growth of the Company to avail his technical services on continuous basis and compensate him for the same.

In view of Sections 197, 198 and any other relevant provisions of the Companies Act, 2013 which came into effect from April 1, 2014, your Board on recommendation of Nomination and Remuneration Committee, has proposed to give him remuneration of Rs.25,000/- per month but not exceeding 1% of the net profits of the Company for each financial year, as computed in manner laid down in Section 198 of the Companies Act, 2013 for a period of five financial years beginning with effect from financial year 2014-15.

Accordingly, approval of the Members is sought by way of a Special Resolution under the applicable provisions of the Companies Act, 2013 for payment of remuneration by way of commission to Mr. Vijay K. Atre (DIN **00416853**), Non Executive Director of the Company, for a period of five financial years beginning with effect from financial year 2014-15 as set out in the Resolution at Item No. 12 of the Notice.

Mr. Vijay K. Atre (DIN **00416853**) is concerned or interested in the resolution set out at Item No. 12 of the accompanying notice relating to payment of remuneration/commission to him to the extent of the remuneration that may be received by him. None of the Directors, Key Managerial Personnel of the Company or their relatives, except Mr. Vijay K. Atre (DIN **00416853**), are concerned or interested, financially or otherwise, in the resolution set out at Item No. 12 of the Notice.

Item No. 13

The Article No.100 of the Articles of Association of the Company is containing provisions related to payment of sitting fees to Directors. The Articles of the Association were drawn at the time of incorporation of the Company i.e. 20 years back as per the industry practices and keeping in mind the provisions applicable at that point of time. Since then the economic and business scenario has been changed. The Companies Act, 2013 has been notified with effect from April 1, 2014.

On the recommendation of Nomination and Remuneration Committee, the Board has proposed to increase the sitting fees payable to each Director other than the Managing/Whole-time Director. As per the provisions of Section 197(5) of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board can pay sitting fees maximum upto Rs.1 Lac for attending meetings of Board or Committees thereof. To enable the Board to pay sitting fees as per industry standard, it was proposed to alter the Article No. 100 of the Articles of Association of the Company. As per provisions of Section 14 of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014, any alteration in Articles of Association requires approval of the Members by way of passing Special Resolution.

Accordingly, approval of the Members is sought by way of a Special Resolution under the applicable provisions of the Companies Act, 2013 to alter Article No.100 of the Articles of Association of the Company related to payment of sitting fees to Directors.

The Non Executive Directors of the Company may be considered interested in this resolution to the extent of the sitting paid/payable to them. Save as aforesaid, none of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 13 of the Notice.

The Board of Directors accordingly recommends the special resolution as set out at Item No.13 of the accompanying notice for the approval of the Members.

By Order of the Board
For Vidhi Dyestuffs Manufacturing Limited,

Bipin M. Manek
Chairman & Managing Director
(DIN: 00416441)

Date: August 14, 2014
Place: Mumbai

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



Annexure to item no. 3 and 5 to 7 of the Notice

Details of Directors seeking re-appointment and appointment as a Director at the forthcoming Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement and Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and:

Name of the Director	Mr. Vijay K. Atre	Mr. Prafulchandra Shah	Mr. Chetan P. Bavishi	Mr. Niren D. Desai
Date of Birth	April 6, 1925	13 th November 1933	29 th February, 1960	12 th December 1956
Nationality	Indian	Indian	Indian	Indian
Date of Appointment on the Board	May 2, 1995	6 th January 2003	6 th January 2003	10 th May 2005
Qualification	M. Sc.	B.E. Mechanical B. E. Electricals	B.Com	B.E. Mechanical
Experience	36 years of rich experience in the field of food colors Manufacturing unit.	55 Years rich experience in the field of industrial Constructions & Project Works.	29 years of rich experience in the business of Iron & Steel Industry.	35 Years rich experience in the field of Industrial Hardware & Machine Tools.
Shareholding in the Company	25,000	Nil	Nil	Nil
List of Directorship held in other Companies	Nil	Nil	Nil	Nil
Committee Membership	Vidhi Dyestuffs Mfg. Ltd.- Chairman of Audit Committee and Nomination & Remuneration Committee and Member of Stakeholders Relationship Committee.	Vidhi Dyestuffs Mfg. Ltd. - Audit Committee and Nomination & Remuneration Committee	Vidhi Dyestuffs Mfgs. Ltd. - Member of Stakeholders Relationship Committee	Vidhi Dyestuffs Mfg. Ltd. - Audit Committee and Nomination & Remuneration Committee

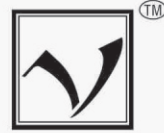
By Order of the Board
For Vidhi Dyestuffs Manufacturing Limited,

Bipin M. Manek
Chairman & Managing Director
(DIN: 00416441)

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

Date: August 14, 2014
Place: Mumbai





DIRECTORS' REPORT

To,
The Members,
VIDHI DYESTUFFS MANUFACTURING LIMITED

Your Directors are pleased to present 21st Annual Report of the Company together with the Audited Statement of Accounts for the financial year ended 31st March 2014.

Financial Results :	Current Year 2013-14 Rupees Lakhs		Previous year 2012-13 Rupees Lakhs	
	Total Income	14,314.53		12,032.05
Total Expenditure (excluding Depreciation)	13,204.60		11,223.12	
Profit for the year before providing for Depreciation	1,109.93		808.93	
Less : Depreciation	197.48		172.73	
Profit before Tax	912.45		636.21	
Less : Provision for Taxation				
Current Year	299.85	168.94	8.83	0.07
Earlier year	8.83	0.07	6.33	52.42
Deferred Tax	6.33	52.42		
	<u>315.01</u>		<u>221.43</u>	
Profit After Tax	597.44		414.78	
Add : Profit brought forward from Previous year	2,562.73		2,280.16	
	<u>3,160.17</u>		<u>2,694.94</u>	
APPROPRIATION :				
Interim Dividend	199.78	99.89	34.28	32.32
Transfer to General Reserve	34.28	32.32	45.89	-
Dividend Distribution Tax	45.89	-		
Balance Profit Carried to Balance Sheet	2,880.22		2,562.73	

Operations:

During the year under review your Company has achieved a turnover of Rs.14078.32 Lacs as compared to Rs. 11776.80 Lacs of previous year registering a growth of 19.54%. The net profit after tax was also increased by 44.04% to Rs. 597.45 Lacs as compared to profit after tax during previous year of Rs.414.77 Lacs.

The Company has manufactured 1905.45 M. Tons of Food colours against 1630.39 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) amounting to Rs. 99.89 Lacs and second interim dividend @ 20% (Rs 0.20/- per equity shares) amounting to Rs. 99.89 Lacs aggregating to Rs.199.78 Lacs during the year 2013-14 excluding Dividend Distribution Tax of Rs.34.27 Lacs.

Having declared interim dividend, your Board has not recommended final dividend for the financial year 2013-14.

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 Rs.45.89 Lacs to the General Reserve Account out of the amount available for appropriation.

Directors:

In accordance with the requirements of the Companies Act, 2013 and Articles of Association of the Company Mr. Vijay K. Atre (DIN: **00416853**), retire at the ensuing Annual General Meeting and being eligible, offer himself, for re-appointment.

In accordance with the erstwhile provisions of the Companies Act, 1956, Mr. Prafulchandra A. Shah (DIN: **00417022**), Mr. Chetan P. Bavishi (DIN: **01978410**) and Mr. Niren D. Desai (DIN: **01978382**), were appointed as the Directors of the Company. They have been on the Board of the Company as the Non-executive Independent Directors pursuant to Clause 49 of the listing agreement. With the enactment of the new Companies Act, 2013, it is now incumbent upon the Company to appoint 'Independent Directors' as defined under section 149(6) of the Companies Act, 2013. Mr. Prafulchandra A. Shah (DIN: **00417022**), Mr. Chetan P. Bavishi (DIN: **01978410**) and Mr. Niren D. Desai (DIN: **01978382**), being eligible and offering themselves for appointment, are proposed to be appointed as the Independent Directors (Non-executive Independent Directors) for a term of five consecutive years commencing from September 27, 2014, not liable to retire by rotation. The Company has received three notices in writing from a Member along with the requisite deposits under section 160 of the Act proposing the candidature of these three Independent Directors and the Board of Directors recommends their appointment. The Company has also received the relevant declarations from Mr. Prafulchandra A. Shah (DIN: **00417022**), Mr. Chetan P. Bavishi (DIN: **01978410**) and Mr. Niren D. Desai (DIN: **01978382**), pursuant to Section 149(7) of the Act, that they meet the criteria of independence as provided under section 149(6) of Companies Act, 2013 and that they are not disqualified to become Directors under the Act; and in the opinion of the Board of Directors, they fulfil the conditions specified in the Act, rules made there under, read with the Clause 49 of the listing agreement as amended, for their appointment as the Independent Directors of the Company and that they are independent of the management.

Brief resume of the Directors proposed to be appointed/ re-appointed, relevant information, nature of their expertise in specific functional areas, names of the companies in which they hold directorships and the memberships/ chairmanships of Committees of the Board and their shareholding in the Company, as stipulated under clause 49 of the Listing Agreement entered into with the Stock Exchanges, have been furnished separately in the Notice convening the 21st Annual General Meeting with the Annexure thereto forming part of this Report.

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

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

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 2013 -14 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 (ICAI Firm Registration No.101474W), 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 to hold office from the conclusion of ensuing Annual General Meeting until the conclusion of the fourth consecutive Annual General Meeting (with the meeting wherein such appointment has been made being counted as the first meeting). The Company has received a letter from them to that effect that their appointment, if made, would be within the limit prescribed under section 139 of the Companies Act, 2013.

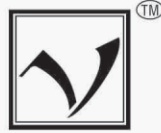
The Board recommended their appointment as Statutory Auditors of the Company to the Members.

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 Board of Directors, on recommendation of the Audit Committee and pursuant to Section 148 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 and all other applicable rules made under the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and in compliance of Cost Audit Order No.52/26/CAB/2010 dated January 24, 2012 has appointed Rajesh Shah & Associates, Practising Cost Accountants, for cost audit of the cost records of the Company for the financial year 2014-15. The aforesaid appointment of Rajesh Shah & Associates is subject to the relevant notifications, orders, rules, circulars, etc. issued by the Ministry of Corporate Affairs and other regulatory authorities from time to time. The remuneration payable to Rajesh Shah & Associates shall be sum not exceeding Rs.1,00, 000/-(Rupees One Lac Only) plus out of pocket expenses and applicable taxes for the aforesaid audit. The remuneration payable to the Cost Auditors is required to be ratified subsequently by the Members. Accordingly, consent of the members has been sought for passing the resolution as set out at Item No. 8 of the Notice convening the 21st AGM for ratification of the remuneration payable to the Cost Auditors for the financial year ending on March 31, 2015.

The Cost Audit Report for the financial year 2012-13 has been filed on September 28, 2013. The Cost Audit Report for the financial year 2013-14 will be filed on/ before the due date (i.e. within 180 days from the close of the financial year).

Compliance Certificate:

The Board of Directors appointed Mr. Vipin Mehta, Company Secretary 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 and Companies Act, 2013 read with rules made there under, as may be applicable. The Compliance Certificate u/s 383A of the Companies Act, 1956, received from Mr. Vipin Mehta is attached herewith.

Postal Ballot:

There were no Postal Ballot/Extra Ordinary General Meeting conducted/held during the financial year 2013-14.

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.

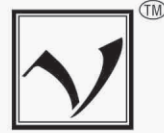
Your Directors also wish to record their deep sense of gratitude and appreciation to the Banks, Financial Institution, Central and State Government Authorities for their guidance and continued support. Your Directors are also grateful to the customers, suppliers and business associates of the Company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

By Order of the Board
For Vidhi Dyestuffs Manufacturing Limited,

Bipin M. Manek
Chairman & Managing Director
(DIN: 00416441)

Date: August 14, 2014
Place: Mumbai
Address: Flat No.12, Somerset House,
Off. Bhulabhai Desai Road, Warden Road, Mumbai, 400026





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	36,29,280	36,04,600
	: TOTALAMOUNT	2,83,44,730	2,87,17,840
	: RATE PER UNIT	7.81	7.97
b. Furnace Oil			
	: LITRES	91,862	1,23,400
	: TOTALAMOUNT	38,71,167	48,38,269
	: RATE PER LITRE	42.10	34.21
c. Coal			
	: KILOGRAM	37,10,935	34,37,95,195
	: TOTALAMOUNT	1,81,57,565	1,32,95,195
	: RATE PER KGS.	4.89	3.87
B) Details of consumption per unit of production			
PER KILO OF DYES			
Electricity	: UNITS	1.90	2.21
Energy Charges	:		
(Furnace Oil / Coal)	: LITRES / KILOGRAM	1.99	2.18

2) TECHNICAL ABSORPTION, ADAPTION & INNOVATION :

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

3) FOREIGN EXCHANGE EARNINGS AND OUTGO :

The Company's total exports sales during the year under review have amounted to Rs.83.23 Crores. (P.Y. Rs. 72.74 Crores.)

	Current Year	Previous year
FOB VALUE OF EXPORTS	7834.48	7191.75
EXPENDITURE IN FOREIGN EXCHANGE	5007.69	9790.24

By Order of the Board
For Vidhi Dyestuffs Manufacturing Limited,

Bipin M. Manek
Chairman & Managing Director
(DIN: 00416441)

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

Date: August 14, 2014
Place: Mumbai

COMPLIANCE CERTIFICATE

CIN of the Company: L24110MH1994PLC076156
Nominal Capital: Rs. 6,00,00,000/-

To
The Members,
Vidhi Dyestuffs Manufacturing Limited
E-27, Commerce Centre,
78, Tardeo Road,
Mumbai - 400 034

I 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/or the Companies Act, 2013, and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **March 31, 2014**. In my opinion and to the best of my information and according to the examination carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

- The Company has kept and maintained all the registers as stated in **Annexure 'A'** to this Certificate, as per the provisions of the Companies Act, 1956 and the rules made thereunder and made entries therein.
- 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 time/with late fees, in case of delay, under the Companies Act, 1956 or the Companies Act, 2013 and the rules made thereunder. However, no forms or returns were filed with the Regional Director, Company Law Board or other authorities.
- The Company, being a Public Limited Company, comments with reference to applicability of the provisions of Section 3 (1) (iii) of the Companies Act, 1956 are not required.
- The Board of Directors met Six (6) times on April 12, 2013, May 30, 2013, August 14, 2013, November 12, 2013, December 27, 2013 and February 12, 2014, respectively, in respect of which meetings, notices were given and the proceedings were signed and recorded in the Minutes Book maintained for the purpose.
- The Company has closed its Register of Members from Monday, September 23, 2013 to Monday, September 30, 2013 (both days inclusive) for the purpose of 20th Annual General Meeting of the Company held on September 30, 2013. The Company has given intimation to the Stock Exchange regarding the Book Closure.
- The Annual General Meeting for the financial year ended on March 31, 2013 was held on September 30, 2013 after giving notice to the Members of the Company and resolutions passed thereat were recorded in Minutes Book maintained for the purpose.
- No Extra-ordinary General Meeting was held during the financial year under review.
- The Company has not advanced any loans to its Directors or persons or firms or Companies referred to under section 295 of the Companies Act, 1956 till September 11, 2013. Further, pursuant to provision of Section 185 of the Companies Act, 2013 which was applicable w.e.f. September 12, 2013, the Company has not advanced any loan to any of its Directors or to any other person in whom the Directors of the Company are interested or has not given any guarantee or provided any security in connection with loan taken by them since September 12, 2013 till March 31, 2014.
- The Company has not entered into any contracts falling within the purview of Section 297 of the Companies Act, 1956.
- The Company has made entries in the register maintained under section 301 of the Companies Act, 1956.
- As there were no instances falling within the purview of Section 314 of the Companies Act, 1956, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
- The Company has not issued any duplicate share certificate during the financial year.
- (i) There was no allotment/transfer/transmission of securities during the financial year.
- (ii) The Company has deposited the amount of interim dividends in a separate bank account on November 14, 2013 for interim dividend declared on November 12, 2013 and on February 14, 2014 for second interim dividend declared on February 12, 2014, 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 respective date of declaration except, delay ranging from two(2) day's to nineteen (19) day's in some instances, and that all unclaimed/unpaid dividend has been transferred to Unpaid Dividend Account of the Company with Corporation Bank, Mumbai - 400021 within seven (7) day from the respective date of declaration of Interim Dividend.
- (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 complied with the requirements of Section 217 of the Companies Act, 1956.
- 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.
- The Company has not appointed any Managing Director/Whole-time Director/Manager during the financial year.
- The Company has not appointed any sole-selling agent during the financial year.
- The Company has obtained approval of the Central Government for appointment of Cost Auditor for Cost Audit for the financial year 2013-14. 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 Companies Act, 1956 or the Companies Act, 2013 during the financial year.

- The Directors have disclosed their interest in other firms/Companies to the Board of Directors pursuant to the provisions of the Companies Act, 1956 and the rules made thereunder.
- The Company has not issued any shares, debentures or other securities during the financial year.
- The Company has not bought back any shares during the financial year.
- Since the Company has not issued any Preference Shares or Debentures, the question of their redemption do not arise.
- 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 during the financial year.
- The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A of the Companies Act, 1956 during the financial year.
- The amount borrowed by the Company from Financial Institutions/Banks till September 11, 2013 are within borrowing limits of the Company and necessary resolution as per Section 293(1)(d) of the Companies Act, 1956 have been passed. Further, the amount borrowed by the Company from Public Financial Institutions, Banks and others since September 12, 2013 till March 31, 2014 attracts provision of Section 180 of the Companies Act, 2013. The borrowing made since September 12, 2013 are within the borrowing limits of the Company. 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.
- 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.
- The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
- The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
- The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
- The Company has not altered its Articles of Association during the financial year. As explained to me, 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 Companies Act, 1956 and/or the Companies Act, 2013.
- The Company has not received any money as security from its employees during the financial year.
- As explained to me, the Company has not constituted a separate Provident Fund as provided under section 418 of the Companies Act, 1956.

Date: August 14, 2014
Place: Mumbai

Vipin Mehta
Practicing Company Secretary
C. P. No.: 9869

Annexure A

Registers as maintained by the Company

Statutory Registers

- Register of Application & Allotment
- Register of Members (maintained by RTA)
- Register of Beneficial Owners (maintained by RTA)
- Register of Charges
- Register of Directors, Managing Director, Manager and Secretary
- Register of Directors' Shareholding
- Register of particulars of Contracts in which Directors are interested
- Books of Minutes of Board & General Meetings
- Books of Accounts
- Registers and Returns
- Register of Share Transfer (maintained by RTA)
- Register of Renewed and Duplicate Certificates under Rule 7 of the Companies (Issue of Share Certificates) Rules, 1960
- Register of Investment

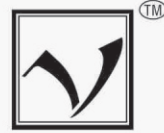
Other Registers

- Register of Directors' Attendance
- Register of Shareholders' Attendance
- Register of Proxies
- 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:

- Register of Debenture holders
- Register of Deposits
- Register of Securities Bought Back
- Foreign Registers of Members or Debenture holders





Annexure B

Forms and Returns filed by the Company with Registrar of Companies and Central Government during the financial year ending March 31, 2014.

Sr. No	Form No./ Return	Filed under Section	For	Date of filing & SRN No.	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 of the Companies Act, 1956	Annual Account for the Financial year ended March 31, 2013	19/10/2013 Q14570873	Yes	N.A.
2.	Form I XBRL	233B(4), 600 (3) (b) of the Companies Act, 1956 and the Companies (Cost Audit Report) Rules, 2011	Cost Audit Report for the Financial year ended March 31, 2013.	28/09/2013 S22631055	Yes	N.A.
3.	Form 20B	159(1) of the Companies Act, 1956	Annual Return for the Annual General Meeting held on September 30, 2013.	21/11/2013 Q24247488	Yes	N.A.
4.	Form 66	383A(1) of the Companies Act, 1956	Compliance Certificate for the financial year ended on March 31, 2013.	03/10/2013 Q12082814	Yes	N.A.
5.	Form 5 INV	Rule 3 of the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012	Statement of unclaimed and unpaid amounts as on Annual General Meeting held on September 30, 2013.	09/12/2013 S28474807 (Details uploaded and confirmed on 14/12/2013)	Yes	N.A.
6.	Form 23C	233B (2) of the Companies Act, 1956	Appointment of Cost Auditor for issuance of Cost Audit Report for the financial year 2013-14	06/06/2013 S21209028	Yes	N.A.
7.	Form 8	135 of the Companies Act, 1956	Modification of Charge	01/02/2014 B95102877	No	Yes

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 were Independent Directors as on March 31, 2014. During the year, the Board was headed by Executive Chairman Mr. Bipin M. Manek (DIN 00416441). All the members of the Board are persons with considerable experience and expertise in their respective fields.

Composition of the Board of Directors as on March 31, 2014 was 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.

The Composition and category of the Board of Directors of the Company as on March 31, 2014 is as follows:

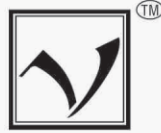
Sr. No.	Name of the Director(s)	Category	No. of Other Directorship#	No. of other Committees Chairman	# Member
1	Shri Bipin M. Manek (DIN: 00416441)	Executive-Chairman & Managing Director, Promoter	NIL	NIL	NIL
2	Smt. Pravina B. Manek (DIN: 00416533)	Non-Executive Director, Promoter	NIL	NIL	NIL
3	Shri Mihir B. Manek (DIN: 00650613)	Executive Jt. Managing Director	NIL	NIL	NIL
4	Shri Vijay K. Atre (DIN: 00416853)	Non-Executive Independent Director	NIL	NIL	NIL
5	Shri Prafulchandra A. Shah (DIN: 00417022)	Non-Executive Independent Director	NIL	NIL	NIL
6	Shri Chetan P. Bavishi (DIN: 001978410)	Non-Executive Independent Director	NIL	NIL	NIL
7	Shri Niren D. Desai (DIN: 001978382)	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 (Now Stakeholder' Relationship Committee) have been excluded.

* From April 1, 2014 Section 149(6) of the Companies Act, 2013 was made effective and as per said Section Mr. Vijay K. Atre (DIN: 00416853) will not be Independent and will be Non Executive Director.

Mr. Bipin M. Manek (DIN: 00416441), Mrs. Pravina B. Manek (DIN: 00416533) and Mr. Mihir B. Manek (DIN: 00650613), 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:

Mr. Vijay K. Atre (DIN: **00416853**) Director of the Company, retires at the ensuing Annual General Meeting and being eligible, offers himself, for re-appointment as Director.

In terms of Sections 149, 150, 152 read with Schedule IV of the Companies Act, 2013, Mr. Prafulchandra A. Shah (DIN **00417022**), Mr. Chetan P. Bavishi (DIN **01978410**) and Mr. Niren D. Desai (DIN **01978382**), are proposed to be appointed as Independent Director of the Company.

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 2014:

Sr. No.	Name of Director	No. of Shares held	% of Shareholding
1.	Smt. Pravina B. Manek (DIN: 00416533)	1,79,90,667	36.02
2.	Shri Vijay K. Atre (DIN: 00416853)	25,000	0.05
3.	Shri Prafulchandra A. Shah (DIN: 00417022)	-	-
4.	Shri Chetan P. Bavishi (DIN: 001978410)	-	-
5.	Shri Niren D. Desai (DIN: 001978382)	-	-

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 and as applicable as on March 31, 2014.

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

During the financial year 2013-2014, Six (6) Meetings of Board of Directors were on April 12, 2013, May 30, 2013, August 14, 2013, November 12, 2013, December 27, 2013 and February 12, 2014.

Annual General Meeting for the financial year ended March 31, 2013 was held on Monday, September 30, 2013.

D) The Attendance of Directors at the Board Meetings and Annual General Meetings held during the financial year 2013-14 were as under

Name of Directors	Number of Board Meetings Attended	Attendances at the last Annual General Meetings
Shri Bipin M. Manek (DIN: 00416441)	6	Yes
Smt. Pravina B. Manek (DIN: 00416533)	6	Yes
Shri Mihir B. Manek (DIN: 00650613)	6	Yes
Shri Vijay K. Atre (DIN: 00416853)	6	No
Shri Prafulchandra A. Shah (DIN: 00417022)	6	Yes
Shri Chetan P. Bavishi (DIN: 001978410)	6	Yes
Shri Niren D. Desai (DIN: 001978382)	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.



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 2013-14. Declaration by the Chairman and Managing Director under clause 49(1) (D) (ii) 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 of the Listing Agreement, the Company has constituted Audit Committee. The composition, procedure, rights, authority, obligations and role/function of the Audit Committee are in accordance with the requirements of the Listing Agreement and Section 177 (2) of the Companies Act, 2013. The primary objective of the Audit Committee of the Company is to monitor and effectively supervise the financial reporting process of the Company with a view to ensure accurate, timely and proper disclosures and transparency and integrity of financial reporting.

A) Power of the Audit Committee:

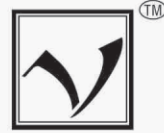
As per Clause 49 II (C) the powers of Audit Committee shall include the following:

- 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 and functions of Audit Committee shall include the following:
- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of Statutory Auditor/s and fixation of audit fees.
- Approval of payment to Statutory Auditors' for any other services rendered by them.
- Reviewing with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions;
 - g. Qualification in the draft audit report.
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing, the management of uses/ application of funds raised through an issue (Public issue, Right issue, Preferential issue, etc.) the statement of funds utilized for the purpose other than those stated in the offer documents/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in the matter.
- Reviewing with the management, performance of statutory and internal auditors, adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment of the depositors, debenture holders, shareholders and creditors.
- To review the functioning of the Whistle Blower mechanism.
- Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- Reviewing periodically the financial results and adequacy of internal audit functions etc.
- Examine accounting policies, taxation matters and disclosure aspects as stipulated under various legislations.
- Investigate any other matters referred to by the Board of Directors.
- Carrying out any other function as is mentioned in terms of reference to the Audit Committee under the Listing Agreement.





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

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

C) Composition:

The Board of Directors in their meeting held on February 12, 2014 had re-constituted Audit Committee w.e.f. April 1, 2014. Mr. Chetan P. Bavishi (DIN **01978410**) was appointed as Member of Audit Committee and Mr. Vijay K. Atre (DIN: **00416853**) ceased as Member of Audit Committee. Mr. Niren D. Desai (DIN: **01978382**) has been appointed as Chairman of the Audit Committee in place of Mr. Vijay K. Atre (DIN: **00416853**). The Audit Committee as on the date consists of Five Directors, out of which, three are Independent and Non-Executive Directors, one is Promoter and Non-Executive Director and one is Executive Director. Mr. Mitesh Manek, Compliance officer of the Company, acted as Secretary of the Committee. The composition of the Audit Committee is as follows:

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

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

D) Meetings & Attendance:

The Members of the Audit Committee met Four (4) times during the financial year 2013-14 on May 30, 2013, August 14, 2013, November 12, 2013 and February 12, 2014 the details of which are as follows:

Name	Non-Executive/Independent	Numbers of Meetings	
		Held	Attended
Mr. Vijay K. Atre (DIN: 00416853)	Chairman, Non-Executive, Independent	4	4
Mr. Prafulchandra A. Shah (DIN: 00417022)	Non-Executive, Independent	4	4
Mr. Niren D. Desai (DIN: 01978382)	Non-Executive, Independent	4	4
Mrs. Pravina B Manek (DIN: 00416533)	Non-Executive, Promoter	4	4
Mr. Mihir B. Manek (DIN: 00650613)	Executive	4	4

* Mr. Vijay K. Atre (DIN: **00416853**) ceased as Member of Audit Committee w.e.f. April 1, 2014.

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

4. Nomination and Remuneration Committee (Formerly known as Remuneration Committee):

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

A) Brief description of terms of reference:

- to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board of Directors (Board) their appointment and removal and shall carry out evaluation of every director's performance.
- to formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- to formulate the criteria for evaluation of Independent Directors and the Board.
- to devise a policy on Board diversity.



- to determine, review and recommend to the Board, the remuneration of the Company's Managing/ Joint Managing/ Deputy Managing/ Whole time/ Executive Director(s), including all elements of remuneration package.
- to determine, review and recommend to the Board, the remuneration of the Company's top executives/ senior management personnel who are one level below the Managing/ Joint Managing/ Executive Director(s).
- to formulate, implement, supervise and administer the terms and conditions of the Employee Stock Option Scheme, Employee Stock Purchase Scheme, whether present or prospective, pursuant to the applicable statutory/ regulatory guidelines.
- to carry out any other functions as authorized by the Board from time to time or as enforced by statutory/ regulatory authorities.

B) Composition:

The Board of Directors in their meeting held on February 12, 2014 had re-constituted Nomination and Remuneration Committee (Formerly known as Remuneration Committee) w.e.f. April 1, 2014. Mr. Chetan P. Bavishi (DIN **01978410**) was appointed as Member of the Committee and Mr. Vijay K. Atre (DIN: **00416853**) ceased as Member of the Committee. Mr. Niren D. Desai (DIN: **01978382**) has been appointed as Chairman of the Committee in place of Mr. Vijay K. Atre (DIN: **00416853**). The Nomination and Remuneration Committee as on the date comprises of four Directors, out of which, three are Independent, Non-Executive Directors and one is Promoter, Non-Executive Director. The composition of the Nomination and Remuneration Committee (Formerly known as Remuneration Committee) is as follows:

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

C. No. of Meetings and Attendance:

The Members of the Nomination and Remuneration Committee (Formerly known as Remuneration Committee) met once during the financial year on December 27, 2013, the details of which are as follows:

Name	Non-Executive/Independent	Numbers of Meetings	
		Held	Attended
Mr. Vijay K. Atre (DIN: 00416853)*	Chairman, Non-Executive, Independent	1	1
Mr. Prafulchandra A. Shah (DIN: 00417022)	Non-Executive, Independent	1	1
Mr. Niren D. Desai (DIN: 01978382)	Non-Executive, Independent	1	1
Mrs. Pravina B Manek (DIN: 00416533)	Non-Executive, Promoter	1	1

*Mr. Vijay K. Atre (DIN: **00416853**) ceased as Member of Nomination and Remuneration Committee w.e.f. April 1, 2014.

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

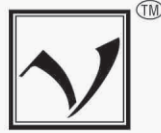
D) Remuneration Policy:

The remuneration of the Managing Director/Whole-time Directors are decided by the Nomination and 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/ the Companies Act, 2013, 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 Nomination and 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 2013-2014 (Amount in Rs.)		
	Salary	Commission	Total
Mr. Bipin M. Manek (DIN: 00416441)	15,00,000	19,85,459	34,85,459
Mr. Mihir B. Manek (DIN: 00650613)	15,00,000	19,85,459	34,85,459
Mr. Vijay K. Atre (DIN: 00416853)	3,00,000	--	3,00,000
Total	33,00,000	39,70,918	72,70,918





Details of sitting fees paid to the Non-Executive Directors for the financial year 2013-2014: The Company pays sitting fees @ Rs.4,000/- (Rs.2,500/- per Board meeting till October, 2013) per Board Meeting to Non-executive Independent Directors for attending Meetings of the Board of Directors. The Non-Executive Directors did not draw any remuneration (other than sitting fees and as mentioned above) from the Company during the financial year under review.

Mr. Bipin M. Manek (DIN **00416441**), 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 Rs.46,79,630/- during the financial year 2013-2014.

5. Stakeholders' Relationship Committee (Formerly known as 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 Stakeholders' Relationship Committee (Formerly known as Share Transfer cum Shareholders'/ Investors' Grievances Committee) was constituted. The constitution and terms of reference of the Stakeholders' Relationship Committee (Formerly known as 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 and provisions of Section 179(5) of the Companies Act, 2013.

A) Terms of Reference:

- Review the existing Investors Redressal System and suggest measures for improvement.
- Consider and resolve the grievances of the securities holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, etc. and follow up for the necessary action taken for redressal thereof.
- Suggest improvements in service level of investor's relations.
- Consider and take on record the Certificate from Practicing Company Secretary under Clause 47 (c) of the Listing Agreement.
- Consider appointment/reappointment of Registrars and Share Transfer Agents and review terms and conditions of their appointments, their remuneration, service charges, fees etc.
- Consider and take on record the Secretarial Audit Certificate issued by Practicing Company Secretary certifying that the aggregate number of equity shares held in depositories and in physical form tally with the total number of shares issued, listed and admitted share capital.
- Ensure implementation and compliance of the Company's Code of Conduct for Prohibition of Insider Trading and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time.
- Supervise the process relating to transfer, transmission, transposition, split, consolidation of securities.
- Oversee the performance of the Company's registrar & share transfer agents.
- Carry out any other functions as authorized by the Board of Directors from time to time or as enforced by statutory/ regulatory authorities.

B) Composition:

The Board of Directors in their meeting held on February 12, 2014 had re-constituted Stakeholders' Relationship Committee (Formerly known as Share Transfer cum Shareholders'/Investors' Grievance Committee) w.e.f. April 1, 2014. Mr. Prafulchandra A. Shah (DIN: **00417022**) was appointed as Member of the Committee and Mr. Vijay K. Atre (DIN: **00416853**) ceased as Member of the Committee. The Stakeholders' Relationship Committee (Formerly known as Share Transfer cum Shareholders'/Investors' Grievance Committee) as on the date consists of three Directors, out of which, two are Independent Non-executive Directors and one is Promoter Non-executive Director. Mr. Mitesh Manek, Compliance officer of the Company, acted as Secretary of the Committee. The composition of the Stakeholders' Relationship Committee (Formerly known as Share Transfer cum Shareholders'/Investors' Grievance Committee) is as follows:

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

C) Meetings & Attendance:

The Members of the Stakeholders' Relationship Committee (Formerly known as Share Transfer cum Shareholders'/Investors' Grievance Committee) met four (4) times during the financial year on May 30, 2013, August 14, 2013, November 12, 2013 and February 12, 2014, the details of which are as follows:



Name	Non-Executive/Independent	Numbers of Meetings	
		Held	Attended
Mrs. Pravina B. Manek (DIN: 00416533)	Non-Executive, Promoter	4	4
Mr. Vijay K. Atre (DIN: 00416853)*	Non-Executive Independent	4	4
Mr. Chetan P. Bavishi (DIN: 01978410)	Non-Executive Independent	4	4

*Mr. Vijay K. Atre (DIN: **00416853**) ceased as Member of Nomination and Remuneration Committee w.e.f. April 1, 2014.

The highlights of each of the Stakeholders' Relationship Committee (Formerly known as 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 2013-2014 are as under

Sr.	Particulars	Correspondences	
		Received	Redressed / attended
Complaints			
1	Non-Receipt of Share Certificates	2	2
2	Non-Receipt of Dividend Warrants	-	-
3	Non-Receipt of Annual Report	-	-
4	SEBI/Stock Exchanges/Forums/Legal	-	-
5	Miscellaneous Complaints	-	-
Requests from Shareholders			
6	Change of Address	-	-
7	POA/Mandate/ Bank Details	-	-
8	Exchange / Redemption	-	-
9	Deletion/Transfer/Transmission	-	-
10	Ind Bond / Affix. For Duplicates	-	-
11	Div / RO for revalidation	-	-
	Filing/Acknowledgement/ Miscellaneous	-	-
Total		2	2

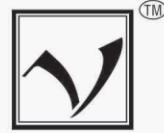
The status on various complaints received and replied, is also reported to the Board of Directors in every Board Meeting.

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.

E) Compliance officer:

As required under the Listing Agreement, Mr. Mitesh Manek was designated as the Compliance officer of the Company and he has been entrusted the task of overseeing the Share transfer, transmission, splitting and consolidation of shares and issue of duplicate share certificates work done by the RTA and attending to Grievances of the Shareholders'/Investors intimated to the Company directly by SEBI and Stock Exchanges. 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
2012-2013	E/ 27, Commerce Centre, 78, Tardeo Road, Mumbai-400 034	Monday, September 30, 2013 at 3.00 p.m.
2011-2012	E/ 27, Commerce Centre, 78, Tardeo Road, Mumbai-400 034	Friday, September 28, 2012 at 5.30 p.m.
2010-2011	E/ 27, Commerce Centre, 78, Tardeo Road, Mumbai-400 034	Tuesday, September 27, 2011 at 5.30 p.m.

10. 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 or on their registered e-mail address. 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 March 31, 2014.

11. General Shareholders Information:

A) 21st Annual General Meeting (2013-2014):

Date and Time: Saturday, September 27, 2014 at 5.00 p.m.
Venue: E/27, Commerce Centre, 78, Tardeo Road, Mumbai - 400 034 (Registered Office).

B) Financial Year: April 1, 2013 to March 31, 2014

C) Date of Book Closure: Saturday, September 20, 2014 to Saturday, September 27, 2014 (both days inclusive).

D) Tentative Financial Calendar: April 1, 2014 to March 31, 2015

Unaudited results for First quarter ended June 30, 2014	By August 14, 2014
Unaudited results for Second quarter ended September 30, 2014	By November 14, 2014
Unaudited results for Third quarter ended December 31, 2014	By February 14, 2015
Audited results for Fourth quarter ended March 31, 2015	
AND	
Audited Annual results for the financial year ended March 31, 2015	By May 30, 2015

E) Dividend Payment Date:

Interim Dividend declared on November 12, 2013: Credit or Dispatch of Dividend warrant between November 26, 2013 and December 13, 2013.

Second Interim Dividend declared on February 14, 2014: Credit or Dispatch of Dividend warrant between March 3, 2014 and April 2, 2014.

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 2014-2015 to the Stock Exchanges where the securities of the Company are listed.

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

2012-13
No Special Resolution was passed.

2011-12
No Special Resolution was passed.

2010-11
No Special Resolution was passed.

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

During the financial year 2013-14, no Special Resolution was passed through Postal Ballot. Further, no Special Resolution is proposed to be conducted through postal ballot during the year 2014-15.

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. Whistle Blower Policy/Vigil Mechanism:

The Company has laid down Whistle Blower Policy/Vigil Mechanism providing protection to 'Whistle Blowers' from the unfair termination and other unfair or prejudicial employment practices. Personnel of the Company are not denied access to the Audit Committee of the Company in respect of matter involving unethical or improper practice.

9. 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. However, transactions with related parties are reported in the Notes to the Accounts for the year.

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 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".

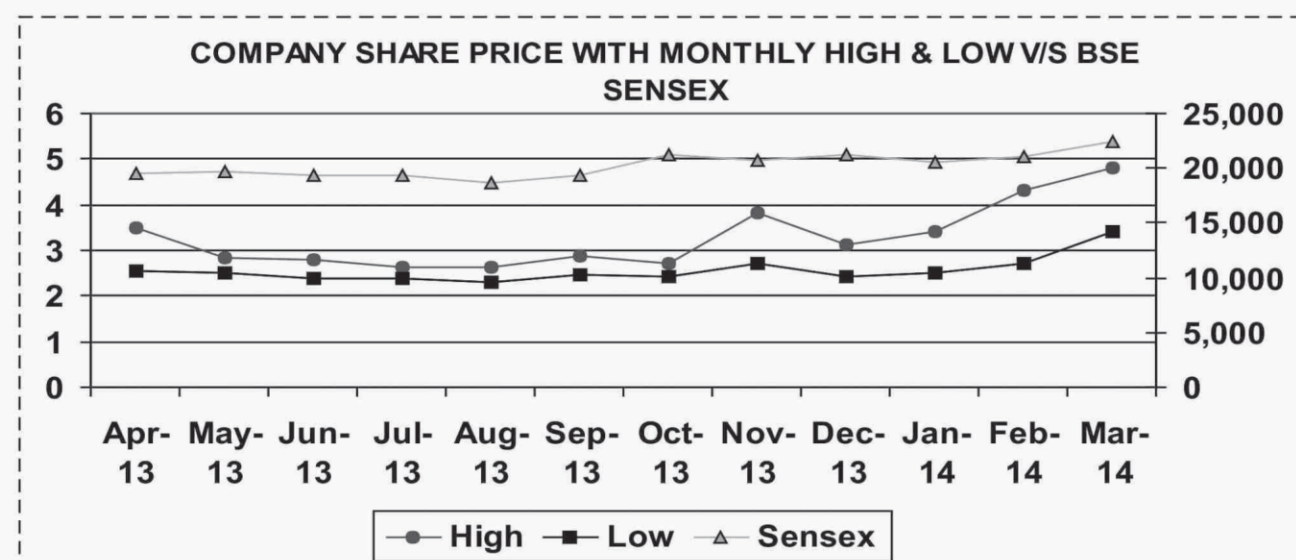




G) Stock Market Price Data:

Month	No. of Shares	Bombay Stock Exchange (BSE)	
		High (Rs.)	Low (Rs.)
April, 2013	39,927	3.49	2.54
May, 2013	14,854	2.85	2.50
June, 2013	18,484	2.78	2.40
July, 2013	1,18,020	2.63	2.40
August, 2013	10,904	2.64	2.32
September, 2013	46,908	2.89	2.47
October, 2013	72,912	2.73	2.41
November, 2013	66,356	3.83	2.73
December, 2013	90,798	3.12	2.43
January, 2014	1,64,726	3.40	2.51
February, 2014	2,86,754	4.30	2.71
March, 2014	2,51,581	4.80	3.43

H) Stock Performance comparison with BSE:



I) Registrar and Share Transfer Agents:

Sharex Dynamic (India) Private Limited
 Unit 1, Luthra Industrial Premises
 Andheri Kurla Road, Safed Pool
 Andheri (East), Mumbai-400072
 Tel.: 022-28515606/44, Fax No.: 022-28512885

J) Share Transfer System:

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

For expediting the process of transfer of shares and to approve the transfer of shares within the time stipulated in the Listing Agreement and the Companies Act, 2013, the Board has delegated the authority to the Compliance Officer/ Stakeholders Relationship Committee (Formerly known as Share Transfer Cum Shareholders'/Investors' Grievance Committee).

The Company has appointed Sharex Dynamic Private Limited as its Registrar & Share Transfer Agent. The Shareholders send the share certificates alongwith the transfer deeds to the Company directly or to Registrar & Share Transfer Agent for processing and registration of transfers. Physical transfers are affected well within the stipulated time as specified in the Listing Agreement and the Companies Act, 2013. All requests for dematerialization of shares are processed and the confirmation is given to the depositories within 21 days. The Company has duly obtained Certificates on half yearly basis from Practicing Company Secretary certifying due compliance with the formalities of share transfer as required under clause 47(c) of the Listing Agreement and submitted the copy of the Certificate to the Stock Exchanges where the securities of the Company are listed.

K) Distribution of Share: Distribution of shareholding as on March 31, 2014 is as follows:

Category	No. of Shareholders	% of total no. of Shareholders	No. of Shares	% To Total Shares
1-5000	2073	82.46	30,72,302	6.15
5001-10000	183	7.28	15,20,424	3.04
10001-20000	105	4.18	16,24,552	3.25
20001-30000	50	1.99	12,81,641	2.57
30001-40000	18	0.72	6,31,765	1.26
40001-50000	22	0.88	10,28,274	2.06
50001-100000	32	1.27	23,57,512	4.72
Above 100000	31	1.23	3,84,28,530	76.94
Total	2514	100.00	4,99,45,000	100.00

L) Shareholding Pattern: Shareholding Pattern as on March 31, 2014:

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	12,70,903	2.55	67	2.67
NRI'S, OCB'S & Foreign companies	3,10,122	0.62	17	0.68
Public	1,62,22,458	32.48	2421	96.29
Clearing House	15,517	0.03	6	0.24
Total	4,99,45,000	100.00	2514	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).

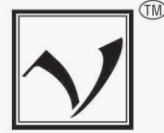
The shares of your Company are to be compulsorily traded in the dematerialised form. As on March 31, 2014, 4,92,04,890 Equity Shares comprising of 98.52% of total Subscribed and Fully Paid-up Equity Shares of the Company, have been dematerialised by the Investors and bulk of transfers take place in the demat segment.

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

R) Risk Management Framework:

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

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. Nomination and Remuneration Committee (Formerly known as 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, also published in the newspapers and also displayed on the web site of the company i.e. www.vidhifoodcolours.com 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. However, comments given in Annexure to the Auditors' Report are self explanatory.

5. Other Requirements:

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

By Order of the Board
For Vidhi Dyestuffs Manufacturing Limited,

Bipin M. Manek
Chairman & Managing Director
(DIN: 00416441)

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

Date: August 14, 2014
Place: Mumbai

Declaration regarding Code of Conduct:

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

I hereby affirm and declare on behalf of the Board that in compliances with the regulatory requirements and effective implementation of corporate governance practices, the Company has adopted the following codes of governance in accordance with the applicable regulations of Securities and Exchange Board of India and this is to affirm and declare that all the Directors and Senior Management personnel have affirmed their compliance and adherence with the provisions of the Code of Conduct for the financial year ended March 31, 2014:

- 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.

By Order of the Board
For Vidhi Dyestuffs Manufacturing Limited,

Bipin M. Manek
Chairman & Managing Director
(DIN: 00416441)

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

Date: August 14, 2014
Place: Mumbai

CERTIFICATE

Certificate No.: BSC\CERT\AUG

2014\004
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, 2014 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, August 18, 2014





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 world-wide leaders in the manufacturing of Food Colours.

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

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 require or are not treating their effluent. The Company continuously monitors the business environments and has put in place a framework for identification, assessments and management of Risks.

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

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

- Increased 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 2013-2014 increased by approx 19.54% as compared to the last financial year i.e. 2013-2014 on account of healthy demand for the Company’s products worldwide. The profit after tax of the Company was increased by 44.04% as compared to previous year.

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

5) Outlook

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.

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

6) Internal Control Systems and their adequacy

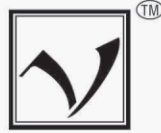
The Company has effective internal control systems commensurate with the size of the Company to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition. The internal audit department conducts audits of the performance of various departments, functional and locations and also statutory compliances based on an Annual Audit Plan. They report their observations / recommendations to the Audit Committee of the Board of Directors, which comprises of 3 Non-executive Independent Directors. The Audit Committee reviews the audit observations and follows up on the implementation of the suggestions and remedial measures and also recommends increased scope of coverage, if necessary.

7) Financial and operational performance

(i) Highlights of Financial performance:

Particulars	(Rs. in Lakhs)		
	2013-14	2012-13	Change (%)
Turnover (1)	14,078.32	11,776.80	+19.54
Other income (2)	236.21	255.25	-7.46
Sub-total (1+2)	14,314.53	12,032.05	+18.97
Total Expenditure (Excluding interest)	12,868.40	10,940.67	+17.62
Profit before Interest and Tax	1,446.14	1,091.38	+32.51
Operating margin	10.10%	9.07%	+11.36
Profit after Tax	597.45	414.77	+44.04





(ii) Operational performance:

The year witnessed a sharp increase in interest rates that resulted in higher cost of Borrowings and other rising cost affecting profitability thereby impacting the internal accruals that could be used to finance investment. However the profit after tax (including deferred tax liability amounting to Rs. 6.33 lacs) of the Company has increased by **44.04%**.

(iii) Cautionary Statement:

Statements in this Report, particularly those which relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied depending on the economic conditions, Government Policies and other incidental factors and developments.

8) Human Resources / Industrial Relations

The Company had total work force of 40 as on March 31, 2014. Relations between employees at various levels and the Management have been cordial.

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

9) Safety and Ecology

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

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

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

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

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

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 2014, 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

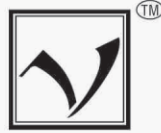
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2014;
- (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.





1. 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 31st March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2014, from being appointed as a director in terms of section 274(1)(g) of the Act.

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

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

Mumbai, 21st May, 2014

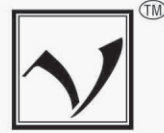


Annexure to the Independent Auditors' Report

Annexure referred to in paragraph 3 of our Report on even date on the accounts of **Vidhi Dyestuffs Manufacturing Limited** ended 31st March 2014

- i. a. The Company is maintaining proper records showing full particulars including quantitative details and situations of fixed assets
b. The management at reasonable intervals during the period has physically verified the fixed assets. According to the explanation given to us, no material discrepancies have been noticed on verification.
c. The Company has not disposed off any substantial / major part of its fixed assets during the year.
- ii. a. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
b. In our opinion and according to information and explanation given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
c. In our opinion and according to information and explanation given to us and on the basis of our verification of inventory records, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification were not material and have been properly dealt with in the books of accounts.
- iii. a. According to the information and explanation given to us, the Company has not granted loans, secured or unsecured to companies, firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956. Accordingly, sub-clauses (b), (c) and (d) are not applicable.
e. According to the information and explanation given to us, the company has not 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. Accordingly, sub-clauses (f) and (g) are not applicable.
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.
- i. 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 2014.
- ii. The Company has neither accumulated losses as at 31st March 2014 nor has incurred cash losses during the financial year ended on that date and in the immediately preceding financial year.
- iii. 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.
- iv. 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.
- v. 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.
- vi. 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.
- vii. 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.
- viii. According to the information and explanation given to us and the records examined, the Company has utilized term loans for the purpose for which they were applied.
- ix. 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.
- x. During the year, the Company has not made allotment of equity shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- i. The company has not issued any debentures and hence, the clause 4(xix) of the order is not applicable.
- ii. The company has not raised any money by public issue during the year.
- iii. 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, 21st May, 2014



BALANCE SHEET AS AT 31ST MARCH 2014

	Note No.	As at 31-03-2014 Rs. In lakhs	As at 31-03-2013 Rs. In lakhs
EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share capital	2	500.20	500.20
(b) Reserves and surplus	3	3,091.66	2,728.29
		<u>3,591.86</u>	<u>3,228.49</u>
Non-Current Liabilities			
(a) Long-term borrowings	4	219.31	273.64
(b) Deferred tax liabilities (Net)	5	117.58	111.25
		<u>336.89</u>	<u>384.89</u>
Current Liabilities			
(a) Short-term borrowings	6	4,024.35	3,835.49
(b) Trade payables	7	1,707.52	1,476.94
(c) Other current liabilities	8	295.26	279.33
(d) Short-term provisions	9	71.24	75.33
		<u>6,098.36</u>	<u>5,667.09</u>
		<u>10,027.11</u>	<u>9,280.47</u>
ASSETS			
Non-Current assets			
(a) Fixed assets			
- Tangible assets	10	1,794.29	1925.19
(b) Non-current investments	11	12.56	12.56
(c) Long - term loans and advances	12	93.38	87.34
(d) Long - term trade receivables	13	--	3.22
		<u>1,900.23</u>	<u>2,028.31</u>
Current assets			
(a) Inventories	14	2,638.04	2,104.24
(b) Trade receivables	15	4,354.79	3,693.76
(c) Cash and Bank Balance	16	342.16	383.58
(d) Short-term loans and advances	17	669.92	927.04
(e) Other current assets	18	121.97	143.54
		<u>8,126.88</u>	<u>7,252.16</u>
		<u>10,027.11</u>	<u>9,280.47</u>

Significant accounting policies

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

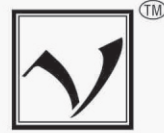
As per our report of even date
M/s. Bhuta Shah & Co.
Chartered Accountants
Firm Registration No.101474W
Jitendra B. Shah
Partner
Membership No. 033010
Date: 21st May 2014

For and on behalf of the Board of Directors

Bipin M. Manek
Chairman and
Managing Director
Date: 21st May 2014

Mihir B. Manek
Joint Managing
Director





VIDHI DYESTUFFS MANUFACTURING LIMITED.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014

	Note No.	Current year Rs. In lakhs	Previous year Rs. In lakhs
INCOME			
Revenue form operations	19	14,078.31	11,776.80
Other operating income	20	198.13	222.39
Other income	21	38.08	32.86
		<u>14,314.52</u>	<u>12,032.05</u>
EXPENDITURE			
Cost of material consumed	22	5,079.80	5,307.19
Purchases of stock-in-trade	23	5,505.25	4,256.56
Changes in Inventories of finished goods, work in progress and stock-in-trade	24	(93.17)	(572.71)
Employee benefit expenses	25	243.31	213.20
Finance cost	26	533.68	455.18
Depreciation expenses	10	197.48	172.73
Other expenses	27	1,935.74	1,563.69
	TOTAL	<u>13,402.09</u>	<u>11,395.84</u>
PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX			
		912.43	636.21
Exceptional items		-	-
PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX			
		912.43	636.21
Extraordinary items		-	-
PROFIT BEFORE TAX			
		912.43	636.21
Tax expense			
- Current year		299.85	168.94
- Deferred tax		6.33	52.42
- Earlier Year		8.83	0.07
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS			
	TOTAL	<u>597.42</u>	<u>414.78</u>
EARNINGS PER EQUITY SHARE			
Basic and Diluted		1.19	0.83

Significant accounting policies
The notes referred to above form an integral part of these financial statements.

1

As per our report of even date
M/s. Bhuta Shah & Co.
Chartered Accountants
Firm Registration No.101474W
Jitendra B. Shah
Partner
Membership No. 033010
Date: 21st May 2014

For and on behalf of the Board of Directors

Bipin M. Manek
Chairman and
Managing Director
Date: 21st May 2014

Mihir B. Manek
Joint Managing
Director



21st ANNUAL REPORT 2013-2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	31-03-2014 Rs. In lakhs	31-03-2013 Rs. In lakhs
Cash flow from operating activities		
Profit before tax	912.43	636.21
Adjustments for :		
Bad Debts	26.96	-
Depreciation	197.48	172.73
Interest expense	533.68	455.18
Sundry Balances written off (net)	4.21	37.34
(Profit)/ Loss on sale of fixed assets	11.30	15.61
Interest income	(26.00)	(23.19)
Dividend income	(0.25)	(0.12)
	<u>747.38</u>	<u>657.55</u>
Operating profit before working capital changes		
	1,659.81	1,293.76
Increase in inventories	(533.80)	(673.63)
Increase in trade receivables, loans and advances and other current assets	(413.58)	323.28
	<u>302.02</u>	<u>183.88</u>
Increase in trade and payables other liabilities	(645.36)	813.03
Net change in working capital		
	1,014.45	480.73
Cash generated from Operations		
Direct taxes paid	(340.64)	(108.82)
Net cash provided by operating activities		
	<u>673.81</u>	<u>371.91</u>
Cash flow from investing activities		
Purchase of fixed assets	(68.89)	(389.05)
Proceeds from sale of fixed assets	2.31	6.93
Dividend received	0.25	0.12
Interest received	25.50	23.19
Net cash used in investing activities		
	<u>(40.83)</u>	<u>(358.81)</u>
Cash flow from financing activities		
Dividend Paid	(199.78)	(99.89)
Interest paid	(533.68)	(455.18)
Increase / (Decrease) in long term borrowings	(114.96)	(100.04)
Increase / (Decrease) in short term borrowings	188.86	506.11
Net cash used in financing activities		
	<u>(659.56)</u>	<u>(149.00)</u>
Net increase/(decrease) in cash and cash equivalents (A+B+C)		
	(26.57)	(135.90)
Cash and cash equivalents at the beginning of the year		
	<u>383.58</u>	<u>519.49</u>
Cash and cash equivalents at the end of the year		
	<u>357.01</u>	<u>383.59</u>

Significant accounting policies
The notes referred to above form an integral part of these financial statements.

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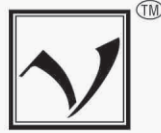
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Jitendra B. Shah
Partner
Membership No. 033010
Date: 21st May 2014

For and on behalf of the Board of Directors

Bipin M. Manek
Chairman and
Managing Director
Date: 21st May 2014

Mihir B. Manek
Joint Managing
Director





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.

a. 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.

b. 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.

c. 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.

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.
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.

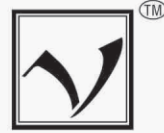
b. Post-employment benefits:

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.





31-03-2014	31-03-2013
Rs. In lakhs	Rs. In lakhs

i. Earnings per share

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

j. Taxation

Direct Taxes

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

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

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

Indirect Taxes

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

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

k. Provision, Contingent Liabilities and Contingent Assets

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

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

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

Contingent Liabilities are not recognized but are disclosed in the notes.

Contingent Assets are neither recognized nor disclosed in the financial statements.

l. Impairment of Assets

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

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	2014	2013
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	2014		2013	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Bipin M. Manek	14,110,333	28.25	14,110,333	28.25
Pravina B. Manek	17,990,667	36.02	17,990,667	36.02

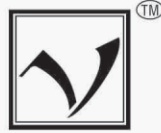
3 Reserve and Surplus

General Reserve	165.56	133.24
Add: Profit and Loss Account	45.89	32.32
	211.45	165.56

Surplus from Statement of Profit and Loss

Opening Surplus	2,562.73	2,280.16
Add: Surplus for the year	597.42	414.78
Less: Interim Dividend	199.78	99.89
Less: Dividend Distribution Tax	33.95	-
Less: Interest on Dividend Distribution Tax	0.32	-
Less: Transferred to General Reserve	45.89	32.32
	2,880.21	2,562.73
	3,091.66	2,728.29





VIDHI DYESTUFFS MANUFACTURING LIMITED.

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Rs. In lakhs

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Rs. In lakhs

	Non -Current	Current	Non -Current	Current
4 Long Term Borrowings				
<i>Secured Loans</i>				
a) <i>Term Loans - from banks</i>				
HDFC Bank	-	39.25	39.25	97.43
Vijaya Bank	141.60	52.00	158.10	61.77
b) <i>Term Loans - from others</i>				
Bajaj Allianz Life Insurance Company Limited	77.71	15.32	76.29	7.99
	219.31	106.57	273.64	167.19

4 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.



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Terms of Repayment

- Term loan from HDFC Bank is to be repaid in 48 equal monthly instalments commencing from April 2013.
- 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.
- Term loan from Bajaj Allianz Life Insurance Company Limited will be repaid through maturity proceeds of Keyman Insurance policies commencing from 22nd December 2013

5 Deferred Tax Liabilities (Net)

Deferred tax is attributable to depreciation

Opening Balance	111.25	58.83
Add: For the year	6.33	52.42
	117.58	111.25

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	363.56	257.52
Vijaya Bank	3,478.86	3,110.48
Standard Chartered Bank	181.93	467.49
	4,024.35	3,835.49

Nature of Security (Refer Note 4.1)

i. Working capital loan from HDFC bank is secured as under:

Primary Security

- First Pari Passu charge in favour of HDFC Bank with Vijaya Bank by way of hypothecation of stocks and book debts of the company.
- 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

- 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

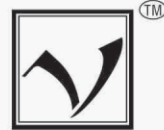
0.68

0.73

- Others

Goods	1,429.43	1,289.57
Expenses	255.39	169.70
Stores and Spares	22.02	16.94
	1,707.52	1,476.94





VIDHI DYESTUFFS MANUFACTURING LIMITED.

31-03-2014
Rs. In lakhs

31-03-2013
Rs. In lakhs

7 Trade Payables		
- Micro, Small and Medium Enterprises	0.68	0.73
- Others		
Goods	1,429.43	1,289.57
Expenses	255.39	169.70
Stores and Spares	22.02	16.94
	<u>1,707.52</u>	<u>1,476.94</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.		
8 Other Current Liabilities (Refer note : 7.2)		
Current maturities of long - term debts (Refer Note: 4)	106.57	167.20
Advance received from buyers	110.34	47.65
Payable for capital goods	22.30	4.39
Other payables	51.26	58.59
Bank balance (Due to issue of cheques)	-	1.50
Bank Overdraft	4.78	-
	<u>295.26</u>	<u>279.33</u>
9 Short Term Provisions		
Provision for taxation (net of Advance tax and TDS)	71.24	75.33
	<u>71.24</u>	<u>75.33</u>

10 Fixed Assets

Particulars	Tangible Asset under lease	Tangible Assets not under lease											Previous Year
		Land	Land	Factory Building	Administrative Building	Furniture and Fixtures	Office Premises	Office Equipments	Plant and Machinery	Computers	Telephones	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 1 April 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
Additions	-	-	-	-	-	-	-	71.16	0.75	0.28	8.00	80.19	812.38
Deductions / adjustments	-	-	-	-	-	-	-	-	-	-	35.54	35.54	31.58
At 31st March 2014	36.38	3.75	807.59	29.15	10.79	1.58	12.40	2,125.95	18.28	4.74	142.88	3,193.49	3,148.84
Accumulated Depreciation At 1 April 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
Charge for the period ended 31st March 2014	0.42	-	26.97	0.48	0.25	0.03	0.59	154.90	0.65	0.22	12.97	197.48	172.73
Deductions / adjustments	-	-	-	-	-	-	-	-	-	-	21.93	21.93	9.03
At 31st March 2014	4.78	-	152.29	7.47	9.55	0.47	4.84	1,170.75	17.13	2.08	29.85	1,399.20	1,223.65
Net Block At 31st March 2014	31.60	3.75	655.30	21.68	1.24	1.11	7.56	955.20	1.15	2.66	113.03	1,794.29	1,925.19
<i>Previous Year's Figures</i>													
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

1) Motor Car reflected in the Balance Sheet is owned and belongs to the Company.

2) 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 process plants has been identified on the basis of technical opinion obtained by the company

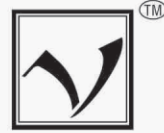


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11 Non-Current Investments		
<i>(At cost - Non trade - long term)</i>		
<i>Investment in quoted equity instruments:</i>		
<i>Face Value of ₹ 10 each</i>		
622 shares (2011:423) Coal India Limited	1.45	1.45
1380 shares (2011: 1380) Birla Machining and 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 Tarmat Limited	1.65	1.65
	<u>12.56</u>	<u>12.56</u>
Aggregate Market Value of quoted investments	5.62	5.33
12 Long-term Loans and Advances		
<i>(Unsecured, considered good)</i>		
Capital Advances	2.12	3.25
Deposits	91.26	84.09
	<u>93.38</u>	<u>87.34</u>
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)		
<i>-Debt outstanding for a period exceeding six months from the date they are due for payment:</i>		
Unsecured, considered doubtful	-	3.22
	<u>-</u>	<u>3.22</u>
14 Inventories		
<i>(As taken, valued and certified by management)</i>		
Raw Materials		
- stock-in-hand	958.60	622.61
- goods in transit	266.47	47.53
Work in Progress	206.64	432.87
Finished Goods	449.93	621.57
Stock-in-trade		
- stock-in-hand	508.74	314.17
- goods in transit	247.66	65.49
	<u>2,638.04</u>	<u>2,104.24</u>



VIDHI DYESTUFFS MANUFACTURING LIMITED.

31-03-2014
Rs. In lakhs

31-03-2013
Rs. In lakhs

15 Trade Receivables (Refer note : 121)

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

Unsecured, considered good	303.21	200.60
Unsecured, considered doubtful	-	0.74
Less: Provision for doubtful debts	-	0.74
	303.21	200.60

- Others:

Unsecured, considered good	4,051.58	3,493.16
	4,354.79	3,693.76

16 Cash and Bank Balance

Balance with Scheduled Banks :

- in current accounts	36.82	94.09
- in margin money accounts	296.77	283.79
- in unpaid dividend account	3.52	1.04
Cash on hand	5.05	4.66
	342.16	383.58

17 Short-term Loans and Advances (Refer note : 121)

Unsecured, considered good

Advance to suppliers	68.07	160.64
Balance with Revenue Authorities	546.22	714.50
Others	55.63	51.90
	669.92	927.04

18 Other Current Assets (Refer note: 121)

Accrued Interest	5.40	17.61
Export Incentives Receivables	113.82	125.93
Income Tax AY13-14 (Assets)	2.75	-
	121.97	143.54



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Rs. In lakhs

31-03-2013
Rs. In lakhs

19 Revenue from Operations

- Revenue from Manufacturing Activities of food colors

Export Sales	8,674.05	7,741.41
Local Sales	458.34	304.07
	9,132.39	8,045.48
Less: Excise Duty	395.47	498.51
A	8,736.92	7,546.97

- Revenue from Trading Activities of chemicals

Local Sales	5,841.54	4,644.21
	5,841.54	4,644.21
Less: Excise Duty	500.15	414.38
B	5,341.39	4,229.83

(A + B)

	14,078.31	11,776.80
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Earnings in Foreign Currency

F.O.B. Value of Exports	7,834.48	7,191.75
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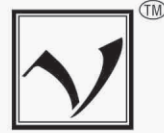
20 Other Operating Revenue

Export Incentives	197.39	211.72
Net gain on foreign currency transaction and translation	-	10.32
Profit on sale of License	0.74	0.35
	198.13	222.39

21 Other Income

Interest received	26.01	23.19
Dividend received	0.25	0.12
Discount received	11.82	9.55
	38.08	32.86





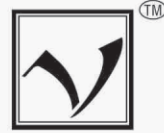
	31-03-2014 Rs. In lakhs	31-03-2013 Rs. In lakhs
22 Cost of Material Consumed		
<i>Opening Stock of:</i>		
-Raw materials and Packing material	622.61	447.09
-Stock in Transit	47.53	122.12
<i>Purchase of:</i>		
-Raw materials	5,040.14	4,999.98
-Packing material	186.04	168.90
-Fuel	121.89	104.45
<i>Less: Closing Stock of:</i>		
-Raw Material and Packing Materials	844.29	622.61
-Stock in transit	266.47	47.53
Labour charges	172.37	134.79
	<u>5,079.80</u>	<u>5,307.19</u>
Details of material consumed:		
Chemicals, Dyes and Intermediates	4,769.74	5,052.23
Packing material	180.63	154.63
Fuel	129.43	100.33
	<u>5,079.80</u>	<u>5,307.19</u>
Imported and Indigenous material consumed		
Imported	3,064.99	1,690.68
Indigenous	2,014.81	3,616.51
	<u>5,079.80</u>	<u>5,307.19</u>
Imported (%)	60.34	31.86
Indigenous (%)	39.66	68.14
	<u>100.00</u>	<u>100.00</u>
Value of Imports on C.I.F. basis		
Raw Materials	2,823.43	1,762.59

	31-03-2014 Rs. In lakhs	31-03-2013 Rs. In lakhs
23 Purchases of Stock-in-Trade		
<i>Purchase of Chemicals:</i>		
Others	5,505.25	4,256.56
	<u>5,505.25</u>	<u>4,256.56</u>
Value of Imports on C.I.F. basis		
Trading Purchases of Chemicals	4,129.47	4,227.29
	<u>4,129.47</u>	<u>4,227.29</u>
24 Changes in inventories of finished goods, work in progress and stock-in-trade		
<i>Opening Stock of:</i>		
Finished goods	621.57	311.98
Work-in-progress	432.87	431.43
Trading goods	379.67	117.99
	<u>1,434.11</u>	<u>861.40</u>
<i>Less: Closing Stock of:</i>		
Finished goods	449.93	621.57
Work-in-progress	320.95	432.87
Trading goods	756.40	379.67
	<u>1,527.28</u>	<u>1,434.11</u>
	<u>(93.17)</u>	<u>(572.71)</u>

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, 2014 are ₹ 55,61,121/- (Previous year ₹ 76,82,581)

25 Employee Benefits Expenses		
Factory Salaries and Wages	71.60	73.58
Security Charges	9.82	8.58
Contractual Charges	14.23	13.40
Office Salaries and Wages	44.32	39.19
Bonus	10.34	1.10
Remuneration to Directors	30.00	30.00
Commission to Directors	39.71	28.41
Contribution to Provident and Other Funds	4.56	4.86
Staff Welfare Expenses	18.73	14.08
	<u>243.31</u>	<u>213.20</u>





31-03-2014
Rs. In lakhs

31-03-2013
Rs. In lakhs

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	432.83	397.40
Bank and Processing charges	73.00	51.62
Loan processing charges	27.85	6.16
	533.68	455.18

27 Other expenses

Manufacturing and Operating Expenses

Clearing and forwarding	85.61	87.04
Freight and octroi charges	99.20	94.77
Insurance charges	10.13	4.95
Power charges	315.11	311.90
Professional and consultancy fees	7.74	37.42
Repairs and Maintenance	334.81	137.48
Stores and spares consumed	73.32	71.24
Warehousing charges	10.23	6.39
Miscellaneous manufacturing and operating expenses	317.95	242.53
	A 1,254.10	993.72

Administrative Expenses

Bad Debts	26.96	-
Guarantee commission to directors	46.80	11.20
Keyman insurance premium	3.09	5.38
Licence procurement expenses	3.58	9.89
Net loss on foreign currency transaction and translation	67.86	-
Payment to auditors		
-statutory audit	6.00	5.00
-tax audit	1.00	1.00
-certification and others	1.75	1.61
Printing and stationery	10.88	10.08
Communication expenses	6.35	5.53
Electricity expenses	4.07	4.36
Rent rates and taxes	5.48	4.66
Professional and consultancy charges	19.90	19.80
Donation	2.78	1.44
Sundry balances written off	4.21	37.34
Technical director's remuneration	3.00	3.00
Loss on Sale of Fixed Assets	11.30	15.61
Miscellaneous administrative expenses	72.21	52.68
	B 297.22	188.58



31-03-2014
Rs. In lakhs

31-03-2013
Rs. In lakhs

Selling and Distribution Expenses

Advertisement	4.32	3.77
Business promotion	15.15	9.83
Clearing and forwarding	32.19	38.94
Commission expenses	46.42	45.42
E. C. G. C. premium	17.37	24.76
Exhibition and trade fair expenses	8.53	20.40
Foreign travelling expenses	11.86	4.66
ISI / FDA marketing fees	27.87	21.37
Freight and Octroi Charges	150.26	130.38
Terminal handling charges	25.74	41.77
Miscellaneous distribution and selling expenses	44.71	40.09
	C 384.42	381.39

(A + B + C) 1,935.74 1,563.69

27.1 Expenditure in Foreign Currency

Commission on export sales	12.38	18.87
Traveling Expenses	0.83	1.40
Exhibition and Trade Fair expenses	8.53	19.47
FDA Marking fees	27.87	21.37
Consultancy Fees	-	34.76
Advertisement Expenses	0.47	2.05
	50.08	97.92

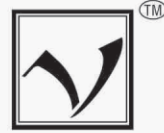
28) Related Party Disclosures:

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



31-03-2014
Rs. In lakhs

31-03-2013
Rs. In lakhs

29 Contingent Liabilities

Nature of Dues	2014	2013
Export of excisable goods without payment of duty under Form UT-1	-	78.53
Custom duty payable in respect of export obligation - plant and machinery	-	-

30 Pending Capital Commitments

Nil Nil

2 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

3 The Company's Branch Office at Ahmedabad has started its operation during the year. Books of Accounts of Branch is maintained at Head Office. The transaction of Ahmedabad Branch is incorporated in the Books of Head Office.

4 The company has imported Mono Sodium Glutamate from China. Import duty at higher rate was charged on such import. Company paid differential duty of Rs. 10,00,000/- under protest and has filed appeal before the Commissioner of Customs(Appeals), Jawaharlal Nehru Custom House. The appeal is been decided in favour of company.

5 The assessing officer has levied penalty of Rs. 6,72,776/- for assessment year 2011-12 on various disallowances made in scrutiny assessment for the year 2011-12. The company has filed appeal before the Commissioner of Income Tax (Appeals)- 13 ,Mumbai.

6 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

For and on behalf of the Board of Directors

Jitendra B. Shah
Partner
Membership No. 033010

Bipin M. Manek
Chairman and
Managing Director

Mihir B. Manek
Joint Managing
Director

Mumbai, 21st May, 2014

Mumbai, 21st May, 2014

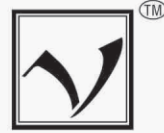


Enterprises over which key management personnel have significant influence:

- Arjun Food Colorants Manufacturing Private Limited
- Trident Colours & Chemicals (Proprietor:- Ameer Manek)

Nature of transactions	2014			2013		
	Key management personnel	Relatives and Related parties of Key Management Personnel	Enterprises over which key management personnel have significant influence	Key management personnel	Relatives and Related parties of Key Management Personnel	Enterprises over which key management personnel have significant influence
Transactions during the year						
<u>Managerial Remuneration</u>						
Bipin Manek	34.85	-	-	29.20	-	-
Mihir Manek	34.85	-	-	29.20	-	-
	69.70	-	-	58.40	-	-
<u>Technical Director Remuneration</u>						
Vijay K Atre	3.00	-	-	3.00	-	-
	3.00	-	-	3.00	-	-
Bank Guarantee Commission						
Bipin Manek	46.80	-	-	11.20	-	-
	46.80	-	-	11.20	-	-
<u>Remuneration to Factory Manager</u>						
Ajay V. Pande	3.75	-	-	3.66	-	-
	3.75	-	-	3.66	-	-
<u>Trade payable paid</u>						
Trident Colours & Chemicals (Proprietor:- Ameer Manek)	-	-	-	-	-	4.50
	-	-	-	-	-	4.50





NOTE

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Form No. MGT-11
Proxy form

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

VIDHI DYESTUFFS MANUFACTURING LIMITED
CIN: L24110MH1994PLC076156

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

21st Annual General Meeting- September 27, 2014

Name of the Member(s):
Registered Address:
Email:
Folio no. / Client ID:
DP ID:

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

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

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

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

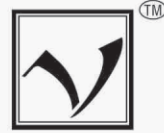
Signature:....., or failing him/her

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

Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 21st Annual General Meeting of the Company to be held on the 27th day of September 2014 at 5.00 p.m. at E/27, Commerce Centre, 78, Tardeo Road, Mumbai - 400034 and at any adjournment thereof in respect of such resolutions as are indicated below:





Res. No.	Resolution
Ordinary Business	
1.	Adoption of Balance Sheet, Statement of Profit and Loss, Cash Flow Statement, Report of Directors' and the Auditor for the financial year ended March 31, 2014.
2.	Confirm Interim Dividend and Second Interim Dividend paid on equity shares during the financial year 2013-14
3.	Appoint a Director in place of Mr. Vijay K. Atre (DIN 00416853), who retires by rotation and being eligible offers himself for re-appointment.
4.	Appoint M/s. Bhuta Shah & Co. Chartered Accountants, as Statutory Auditors of the Company.
Special Business	
5.	Appoint Mr. Prafulchandra Shah (DIN 00417022) as an Independent Director for a period of five years.
6.	Appoint Mr. Chetan P. Bavishi (DIN 01978410) as an Independent Director for a period of five years.
7.	Appoint Mr. Niren D. Desai (DIN 01978382) as an Independent Director for a period of five years.
8.	Ratification of remuneration payable to Rajesh Shah & Associates, Cost Auditors of the Company for the financial year 2014-2015.
9.	Approve the payment of Guarantee Commission to Mr. Bipin M. Manek (DIN 00416441), the Managing Director of the Company.
10.	Approve the payment of Guarantee Commission to Mrs. Pravina B. Manek (DIN 00416533), the Director of the Company.
11.	To give authority to the Board to borrow money in excess of limit specified u/s 180 (1)(c) of the Companies Act, 2013.
12.	To pay remuneration to Mr. Vijay K. Atre (DIN 00416853), Non-Executive Director.
13.	To amend Article No.100 of the Articles of Association of the Company.

Signed this _____ day of _____ 2014

Signature of shareholder

Affix revenue stamp

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

Note:

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

VIDHI DYESTUFFS MANUFACTURING LIMITED

CIN: L24110MH1994PLC076156

Registered office: E/27 Commerce Center 78, Tardeo Road, Mumbai-400034

21st Annual General Meeting- 27th September, 2014

ATTENDANCE SLIP

Please fill attendance slip and hand it over at the entrance of the meeting hall

Name of the member(s).....

Registered address.....

E-mail ID:

Folio No:.....

DP ID #:.....

Client ID#:.....

I hereby record my presence at the 21st Annual General Meeting of the Company to be held on the 27th day of September 2014 at 5.00 p.m. at the Registered Office of the Company at E/27, Commerce Centre, 78, Tardeo Road, Mumbai - 400034.

Signature of shareholder/ proxy holder(s)

Applicable for investors holding shares in electronic form.



FORM A

(Pursuant to Clause 31 of the Listing Agreement)

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

Sr. No.	Name of the Company	Vidhi Dyestuffs Manufacturing Limited
1.	Annual financial statements for the year ended	March 31, 2014
2.	Type of Audit observation	Un-qualified/ Matter of Emphasis
3.	Frequency of observation	Not Applicable
4.	<p>To be signed by-</p> <p>Mr. Bipin M. Manek (CEO/Managing Director)</p> <p>Mr. _____, CFO</p> <p>Mr. Jitendra B. Shah (Partner, Bhuta Shah & Co., Auditors of the Company)</p> <p>Mr. Niren D. Desai (Audit Committee Chairman)</p>	